

June 2, 1944

: Mr. Lynch
: Mr. Luxford

The attached draft of a bill prepared by the Department of State is intended to grant to public international organizations certain privileges, exemptions and immunities. Specifically it would entitle such organizations to be treated as if they were foreign governments; it would entitle representatives of foreign governments to such organizations to be treated in the same manner as accredited diplomatic officials; and it would entitle their foreign employees in the United States to be treated in the same manner as employees of foreign governments in the United States.

The need for such legislation will become increasingly great as negotiations progress for the establishment of international organizations relating to various aspects of post-war international cooperation. Some of the problems involved have already arisen in connection with UNRRA and consideration has been given to similar difficulties which may be encountered by the International Monetary Fund and the Bank for Reconstruction and Development, their directors, officials and employees.

While it would be desirable from an administrative point of view to have general legislation granting privileges and immunities such as those proposed by the Department of State, it would appear to be unwise to introduce this type of bill at the present time. Congressional interest in the establishment of such organizations has been steadily increasing and many Senators and Congressmen have expressed anxiety over the possibility that the United States might participate in them without consulting the legislative body. If this bill is introduced these legislators will want to know what organizations are expected to be covered by its provisions and they may feel that granting exemptions and immunities in advance of the creation of such organizations indicates an intention to participate in some or all of them without specific Congressional sanction. Suspicions might be aroused notwithstanding statements by Administration spokesmen that all such agreements will be presented to the Congress for approval before the United States is bound by them.

Since UNRRA's problems demand immediate action, legislation is necessary but it would probably be the safer course to limit the application of the proposed bill to that organization. Its provisions could then be used as a model for similar exemptions and immunities to be granted to other international organizations, when and as they are created, by including the identical language in legislation authorizing participation by the United States.

The following comments relate to the wording of the various sections of the proposed bill:

1. If the bill remains a general one, Section 1 should not grant unlimited privileges but should be restricted by specific provisions which

may appear in agreements creating international organizations. This might be accomplished by adding at the end of Section 1 "Provided that such privileges, exemptions and immunities shall be accorded to public international organizations only to the extent that the agreements between governments pursuant to which they are created do not contain contrary provisions".

2. The second sentence of Section 3(a) relating to service of process on "officials" should be made applicable to "employees".

3. Section 5 which grants privileges, exemptions and immunities even though reciprocity is lacking should apply to Section 2 as well as Sections 1 and 3.

4. Exemptions from taxation should be so designed that officials and employees of such organizations will not be subjected to double taxation.

(Initialed) A. F. L.