

SEP 18 1945

Taxes

My dear Mr. Secretary:

Further reference is made to Acting Secretary Cren's letter of July 2, 1945, requesting the approval of this Department of a draft of a proposed bill, "To extend certain privileges, exemptions and immunities to international organizations and to the officers and employees thereof, and for other purposes".

The bill includes provisions for granting to international organizations and their officials and employees exemptions from internal revenue taxes and customs duties substantially similar to those granted under existing law to foreign governments and their employees serving in this country. Subject to certain changes of a clarifying or perfecting nature set forth below, the proposed draft of bill has the approval of this Department. These changes are as follows:

1. Change to 1946 the year in the date, January 1, 1945, appearing in subsections (c) and (d) of section 4 and in subsections (a) and (b) of section 5, relating to the exemption from Social Security taxes of service performed in the employ of an international organization.

2. Make the deletions and additions, shown by bracketing and underlining, respectively, in sections 8 and 8(a) as follows:

SECTION 3. Pursuant to regulations prescribed by the Commissioner of Customs with the approval of the Secretary of the Treasury, the baggage and effects of alien officers and employees of international organizations, or of aliens designated by foreign governments to serve as their representatives in or to such organizations, or of the families, suites, and servants of such officers, employees or representatives shall be admitted, when imported in connection with the arrival of the owner, free of customs [duty] duties and free of internal revenue [tax] taxes imposed upon or by reason of importation.

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SECTION 8. (a) No person shall be entitled to the benefits of this Act unless he [shall have been duly notified by the government of which he is a representative, or by the international organization concerned, to the Secretary of State and accepted as such by him, or has been designated by the Secretary of State, prior to formal notice and acceptance, as a prospective representative, officer or employee] (1) shall have been duly notified to and accepted by the Secretary of State as a representative, officer, or employee, or (2) shall have been designated by the Secretary of State, prior to formal notification and acceptance, as a prospective representative, officer or employee, or (3) is a member of the family or suite, or servant, of one of the foregoing accepted or designated representatives, officers, or employees.

The foregoing suggested changes are understood to be acceptable to representatives of your Department with whom the matter has been discussed.

Very truly yours,

151 Herbert E. Haston

acting Secretary of the Treasury

The Honorable

The Secretary of State