

AUG 30 1945

Mr. Gaston

Mr. O'Connell

Since May, 1944, we have been corresponding and conferring with the State Department concerning a bill whose object is to grant privileges, exemptions and immunities to public international organizations. At our request the introduction of this legislation was postponed in order that it should not interfere with the consideration by Congress of the Bretton Woods Agreements Act. At that time the State Department was being pressed by UNRRA to grant it privileges and immunities and a separate bill covering that organization alone was introduced. The UNRRA bill was not enacted, however, and the State Department is still being pressed for legislation in that connection as well as with respect to more recently created international organizations.

In January of this year a draft of a new general bill was transmitted to the Department informally and was considered by all of the Treasury people interested, including the Bureau of Customs. A meeting was held in February with representatives of the State Department at which the text was revised and agreed upon. The Bureau of Customs was represented at that meeting.

On July 2, Acting Secretary Grew wrote a letter to the Secretary outlining the need for the legislation and enclosing a draft approved by the Department of State. His letter concludes with the following paragraph: "In view of the long delays and the increasing urgency of presenting the bill to Congress as soon as possible, I hope that you may be in a position to indicate at an early date your approval of the proposed bill."

On August 13, Commissioner Johnson sent a memorandum to the Legislative Section suggesting three changes in the draft received with Acting Secretary Grew's letter of July 2:

(1) The section which describes the persons who are entitled to the privileges of the act, when certified by the Secretary of State, makes no reference to the families, suites and servants of representatives to or employees of public international organizations. Commissioner Johnson has suggested that this language be clarified.

(2) The section dealing with the customs duties provides that under regulations issued by the Commissioner with the approval of the Secretary, the baggage and effects of certain persons shall be "admitted free of customs duty and free of internal revenue tax." Commissioner Johnson has suggested that there be added at the end of this section the words "imposed upon or by reason of importation."

(3) Commissioner Johnson has also suggested that the section dealing with exemptions from customs duties be limited by restricting its operation to baggage and effects "when imported in connection with the arrival of the owner", although he construes it as already being so limited.

While there would be some merit to his suggestions if the bill were now in the drafting stage, it seems to me that they are not of sufficient importance to reopen the discussions with the State Department. State has been extremely patient with the Treasury in connection with this matter, and in view of the fact that we reached general agreement with them as to the text, which agreement has been faithfully followed by them, I should prefer to see the bill introduced in its present form.

(Initialed) J. J. O'G., Jr.

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