

TUNISIA: War Damage

000715

DEC - 6 1943

My dear Mr. Secretary:

At the request of Secretary Morgenthau, I am asking you to transmit the attached cable from him to Mr. Hoffman, the chief Treasury representative in North Africa.

There are attached for your information a cable of November 2 (2048) from Mr. Stettinius and Mr. Morgenthau dealing with this matter and a reply of November 20 (2035) from our Consul General in Algiers, Mr. Wiley. The action taken on November 2 was reported by the State Department to the President who had requested in June of this year that he be kept informed of developments in this matter.

Knowing of your sympathetic interest in these matters, you may wish to cable your representative in Algiers and request further information.

Very truly yours

(Signed) Randolph Paul

Acting Secretary of the Treasury.

Attachments.

The Honorable

The Secretary of State.

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CABLE FROM SECRETARY MORGENTHAU TO HOFFMAN, ALGIERS

From Secretary Morgenthau to Hoffman. In a telegram from Stettinius and Morgenthau to Murphy and you of November 2, No. 2048, we presented the position of this Government with respect to the fines and levies imposed on the Jewish Community in Tunisia and war damage in general. We requested that this position be presented to the appropriate French authorities unless Murphy or you perceived some objection. We further stated that it should be made clear to the French authorities at this time that it is clearly recognized by us that the decisions are for the French to make and that our views should be merely presented to them for their consideration.

In a cable from Wiley of November 20, No. 2035, it was indicated that the prompt presentation of this Government's position on this matter to the French authorities for their consideration and decision was deemed inadvisable in view of local political considerations.

Despite the strong interest which the Treasury has shown in this matter as evidenced in our cables, I have not received any information from you concerning developments since the dispatch of cable 2048. In your BOC 1718 of November 21 you refer to our 2048 but merely indicate that the French have been asked to set aside for the present final decision with respect to Jewish Community fines and levies, and request our views as to whether the French should be asked to alter their policy on the general question of war damages in view of our cable. Snider, who left Algiers on November 26, had no information on this matter.

You are hereby requested to furnish to me directly a full detailed report concerning all developments in this matter since the dispatch of our 2048. You should cover the following points:

- (1) Did you discuss cable 2048 with Murphy or Wiley and make clear our concern regarding this matter.

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(2) Explain fully if known to you the reasons that it was decided that local conditions would not even permit the presentation (repeat presentation) of this Government's view to the French authorities and whether you were in agreement with such decision and reasons. In this connection it was our understanding that the French authorities had requested and were awaiting our recommendation and advice on this question and we had stressed the urgency of the matter in our cable.

(3) Why no response to cable 2048 of November 2 was made before November 20.

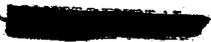
A prompt reply is requested.

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JEDuB ois:ecr - 12/6/43

WFA *2/2/44* *Weg* *1/2/44*

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General - Algiers
TO: Secretary of State - Washington
DATED: November 20, 1943
NUMBER: 2035


Reference is made herewith to paragraphs five and six of the telegram dated November 2, 1943, no. 2048.

The presentation of the program contained in your reference cable to the French at once seems inadvisable in view of local political considerations. Meanwhile have your London any further word on position of the British. No instructions have been received by the British here and we have heard nothing from the Embassy at London.

The foregoing message has been repeated to London for the information of our Embassy there.

/s/ WILEY

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State Dept. Letter, 1-11-72
By R. H. Parks Date SEP 12 1977

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PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Consul, Algiers (Algeria)
DATED: November 2, 1943, Midnight
NUMBER: 2048

[REDACTED]

STETTINIUS, AND MORGENTHAU SEND THE FOLLOWING FOR
THE ATTENTION OF MURPHY AND HOFFMAN.

We refer herewith to BOC Airgram 129 dated October 11,
and your telegrams of September 20 and September 1, 1943,
Nos. 1621 and 1513 respectively.

Detailed consideration has been given to the issue
raised in the airgram and telegrams referred to above and we
have decided upon the following position:

1. The United Nations Declaration is not sufficiently
relevant to warrant its use as the basis for the position of
this Government on the issue of discrimination. The discrimina-
tion issue is faced on its merits and the conclusion in no way
depends upon the Declaration.

2. With respect to fines and levies imposed on the
Jewish Community in Tunis, three possible courses of action are
being examined by the Commissariat of Finance for recommendation
to the Comite, as we understand it.

(a) The Jewish Community would be given loans
and the funds would be distributed by the Jewish Community to
individual members and the debt to the banks would be formally
acknowledged by the Community, but they would pledge no security.
These loans would be of indefinite maturity and guaranteed by
Tunisian Treasury and all charges, including interest, would be
paid out of the Tunisian Treasury. Amount of the loans would
be sufficient to repay bank loans made previously and to reimburse
fully the members of the Community who mortgaged or sold property

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and advanced funds to meet levies and fines. Only after the facts concerning fines and levies in other areas of colonial and metropolitan France have been ascertained would the ultimate decision be made on the question of whether loans are to be considered as the final obligation of the government or to be repaid by the Community, and if so under what conditions and terms.

(b) The second course of action would be to have the French authorities assume the responsibility in the first instance, i.e., to make the funds available in the form of a gift by the authorities, rather than by a loan which would allow the authorities to leave the ultimate decision to be determined at a later date.

(c) The third course of action is to take action as provided in (a) or (b) above and also to make funds available up to a fixed amount to all persons in Tunis for repair of property destroyed or damaged as a result of warfare.

3. The proposal as set forth in (b) and (c) with responsibility being assumed in the first instance by French authorities, subject to the following modification which is an additional point, is favored by this Government. Any other person or group of persons who were subjected to similar treatment or injury of a discriminatory nature should be entitled to relief also upon submitting proof of such discriminatory injury or treatment. For example, similar discrimination would seem to be proved if the Nazis seized or requisitioned property from a person or group of persons solely for the reason of race or political views of such a person or group of persons.

4. The following are the reasons for the position taken by this Government:

(a) Total relief will be lacking unless funds are now made available as gifts since the recipients will not have the same freedom in respect to use of such funds in absence of knowledge that repayment will not be expected, nor payment of any interest or carrying charge.

(b) Restitution for the Jews is essential from the standpoint of psychological warfare to show to the world that the guarantees of the United Nations in the Atlantic Charter against racial discrimination means what they say, and that the Allies are fighting the methods of Hitler as well as Hitler himself.

The modification embodying an additional point is to provide a means for not disturbing the delicate Arab-Jewish relationship.

The strength of the argument contained in 2(a), as reported by you, is recognized by us, but we have concluded that the considerations set forth in 4(a) and (b) outweigh this argument.

5. We request that unless you perceive some objection, the position of this Government be presented to the appropriate French authorities. It should be made clear to the authorities at this time that it is clearly recognized by us that the decisions are for the French to make and merely present our views to them for their consideration.

6. You are informed that we are repeating this to London with the request that the British be strongly urged to take a similar position and to do so without delay because of the urgency of the matter.

The Embassy in London has been informed to keep you informed directly in the matter.

STETTINIUS

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