LIBERIA

SIGNATURE AT WASHINGTON OF THE LOAN PLAN FOR THE REORGANIZATION OF LIBERIAN FINANCES

882.51/1227 : Telegram

The Minister in Liberia (Johnson) to the Acting Secretary of State

MONROVIA, January 8, 1921—8 a.m.

[Received January 9—4:51 a.m.]

1. Referring to Legation's 80, October 27, 11 a.m., 86, November 17, 11 [9] a.m. Note dated January 5th, 1921, from Liberian Secretary of State [states] that the Legislature of Liberia having granted the President authority to proceed to the United States with plenary powers to reach a definite agreement with the Government of the United States, [the mission] has been [reconstructed]. President King will replace Secretary of State Edwin Barclay but [with] Associate Justice F. E. R. Johnson and Honorable John L. Morris as other two members, and Gabriel L. Dennis has been added to the mission as its secretary.

Mission will sail from Monrovia on or about January 21st. Cable report being prepared relative to some extraordinary developments here in connection with American loan plan and decision of President to head mission to the United States. This report will be cabled at earliest possible moment.

JOHNSON

882.51/1808

Memorandum by the Third Assistant Secretary of State (Bliss)

[WASHINGTON,] April 1, 1921.

President King of Liberia, at his own request, called this morning at 11:30 and I talked with him at some length. I pointed out that the recent investigation instituted by the Senate regarding loans to European countries, which included the proposed loan to Liberia,

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1 For previous correspondence concerning loan plan, see Foreign Relations, 1920, vol. III, pp. 49 ff.
2 Ibid., p. 100.
3 Ibid., p. 105.
4 The mission left Monrovia for the United States Jan. 28 (file no. 882.51/1232).
and which investigation was initiated after the Liberian Commission had left Monrovia, had greatly complicated the question which brought President King to the United States; that the Treasury Department did not feel at this time justified in consummating the loan, even should a loan agreement plan be reached with the Commission. I further said that the State Department was actively engaged in the matter in an endeavor to reach a means of finding a method whereby it would be justified in beginning discussion with the Liberian Commission, but that it might be necessary to await the opening of Congress for submitting the question for the consideration of the Legislature. I also pointed out the disinterested desire of the American Government, as the nearest friend of Liberia, to be of every assistance to that country, because of our friendship for Liberia since its foundation and the desire to see the colored people succeed in the experiment which they had undertaken nearly a century ago. I expressed my personal regret that it had not been possible to enter immediately upon the arrival of the Commission into a discussion of the loan agreement and assured him that I was very much in hopes that the matter could be speedily adjusted as soon as the situation permitted of an exchange of views. President King said that he understood the situation and that while he too regretted it he was not unmindful of the difficulties which were presented, but that he was very much in hopes that it would be possible for the Commission and representatives of this Government to begin preliminary conversations with a view, if possible, of reaching a tentative agreement to be consummated without delay upon the loan being made available. He also asked to know whether the American Government would give its approval to Liberia making a loan with private banking and commercial interests in case the Government did not make the loan. To the first point I told him that it was a matter which would have to be given further consideration, and that his suggestion would have my earnest consideration, and that with regard to the second point it seemed unnecessary to cross that bridge until it had been reached, but that of course a private loan would depend for approval by the American Government on the persons who offered to advance Liberia any money.

He left with me a memorandum on various questions of detail concerning Liberia.

I talked with him regarding the climate of Liberia and had him describe to me at length the visit to Monrovia during the war of the German submarine; and assured him on parting that I wished him to consider that he could come to me at any time to discuss matters informally and unofficially which interested him and Liberia.
President King to the Third Assistant Secretary of State (Bliss)

WASHINGTON, May 27, 1921.

My Dear Mr. Secretary: Your visit to us early after our arrival in this City and the observations which you were kind enough to make touching the probable delay there would be in the matter of your Government considering and determining the question of the Loan Credit, were highly appreciated. I was not unaware of the delicate situation involved in the act of transition of Administrations. It was never felt, however, that the utmost period of waiting would exceed one month.

Agreeably to your Department's pointed suggestion through your Legation at Monrovia that I should head the Liberian Mission, and impelled, too, by an intense desire to see the plans of my Administration for economic and industrial improvements put into operation at the earliest possible moment, I have come to the United States hoping to thereby accelerate the labours of the Mission from all angles. My stay in this Country, however, is now becoming alarmingly protracted and the duties of my Government at home urgently require my presence. In these circumstances, I feel obliged (although with no feelings of impatience) to earnestly request your good office in bringing to an early decision the subject matter of my mission.

Meanwhile, I avail myself of this occasion to reiterate my feelings of profound appreciation for the keen interest, which I have reason to believe, your Government will continue to manifest in the security and welfare of Liberia.

I am [etc.]

C. D. B. King

Memorandum by the Secretary of State of a Conversation with the British Ambassador (Geddes), June 29, 1921

Liberian Loan. The British Ambassador inquired as to the present status of the Liberian Loan negotiations. The Secretary gave him the information stating that the Department was convinced that the loan should be made; that the President had approved the recommendation and that the matter was before Congress so that the authority which was needed could be given. The Ambassador said that he understood that the French had been approached for a loan and the British interests had also been approached; that he was

informed that the French were agreeable to the idea; that the British were unwilling that the French should make the loan alone and that if the French went ahead the British would make representations in order to secure participation; that the British were entirely satisfied to have this Government proceed, but that British interests (private interests) were contemplating advancing the money and did not understand why they should not have the financial opportunity that was offered.

The Ambassador wanted to know if the Secretary would give him an assurance that the loan would be made by this Government. The Secretary said that he expected that the loan would be made but that he could not give an absolute assurance as it was the opinion of the Department that in view of the lapse of time and the changed conditions, an authorization by Congress was needed.

The Ambassador asked if he could inform his Government that this Government would regret the taking up of negotiations abroad while the matter was pending here. The Secretary replied that he could do so; that this Government would regret any negotiations of the Liberian Government for a loan as long as it was under consideration by this Government.

The Secretary of State to the Minister in Liberia (Johnson)

No. 121  WASHINGTON, August 10, 1921.

Sir: Reports have reached the Department that rumors are being circulated in Liberia to the effect that the delay in taking action in the matter of the proposed Government Loan to Liberia has been due to the fact that the personnel of the Liberian Delegation sent to the United States is displeasing to this Government.

These rumors have no foundation in fact, and you may take such action as the situation may seem to you to warrant to contradict them.

For your information, it may be said that the restrictions placed on the extension of further credits, under the Defense and Security Act of 1917, were deemed, on the inauguration of the present Administration, to have made it impossible to consummate the Loan with the original credit made available in 1920. Consequently, the question of securing the required funds from Congress has had to be taken up anew. There is enclosed herewith a copy of the communication addressed by the Secretary of State to the President, under
date of July 29, 1921, reviewing briefly the course of the negotiations in the case, explaining their present status, and recommending the extension of the loan of five million dollars sought by the Liberian Government. The President has, in turn, communicated the Secretary's recommendation with his approval, to Congress. The information contained in the communication to Congress has been made public through the medium of the press in the United States.

You are authorized to make the contents of the enclosed letter known in Liberia either publicly or privately, as you may deem best.

I am [etc.]

For the Secretary of State:
HENRY P. FLETCHER

[Enclosure]

The Secretary of State to President Harding *

WASHINGTON, July 29, 1921.

THE PRESIDENT: I beg to submit the following considerations with respect to the proposed loan to the Republic of Liberia.

An examination of the course of the negotiations produces the conviction that commitments have been made by this Government which impose a moral obligation to make the loan. The negotiations were had, and proceeded to the point of an announced commitment, at a time when the broad authority conferred in connection with the prosecution of the war was adequate to the consummation of the plan, and the fact that this authority may not be deemed longer to exist, while making it impossible to proceed without Congressional sanction, does not, in my judgment, change the fact that assurances were given which should be made good.

The history of the negotiations, as they appear from the information at my command, may be stated as follows:

Liberia being at war with the enemies of the United States, a loan credit of five million dollars was extended by the Secretary of the Treasury on September 9, 1918, under the authority of the Act of April 24, 1917, "To Authorize an issue of bonds to meet expenditures for the national security and defense, and for the purpose of assisting in the prosecution of the war, to extend credits to foreign govern-

*Filed separately under file no. 882,51/1299b.
1See note of Sept. 9, 1918, from the Assistant Secretary of the Treasury, Foreign Relations, 1918, p. 537.
ments, and for other purposes." On September 12, 1918, the Government of Liberia was notified of the opening of this credit and negotiations were initiated covering the terms, service and general purposes of the loan. The Loan Plan drawn up was intended to safeguard the money so advanced by American administration of expenditures and collection of revenues, and also to provide for repayments of all moneys due other foreign creditors, which would mean their withdrawal from participation in the financial and other public affairs of Liberia. The governments interested were advised of the opening of this credit. The Loan Plan for various reasons was not submitted to the Liberian Government until June 15, 1920, and the Liberian Legislature requested certain modifications. It was clearly understood, both by the Liberian Government and by the Government of the United States, at that time, that there was no question of a withdrawal of the offer of the money already promised, the time when the credit should be made available merely depending on a satisfactory agreement as to details of administration.

Relying on the assurance that the United States was ready to enter into a definite agreement, the President of Liberia came to Washington sometime ago with other Plenipotentiaries to conclude the negotiations. In anticipation of this journey and at the request of this Government, the Liberian Government gave to him and his associates full and necessary authority to conclude the Loan Plan, and, since that time, it is understood they have been prepared to sign an agreement providing for the necessary administrative measures adequately to secure the loan.

It should also be pointed out, in appreciating the moral obligation of this Government, that the Republic of Liberia, which had her origin largely through the efforts of American citizens, and at various times has sought the aid and counsel of this Government, decided, upon the entrance of the United States into the war, to make common cause with this country and the Allies against Germany. It was largely in consequence of this participation that the economic situation of Liberia was imperiled and that her Government was compelled to make appeal for financial aid. It was in these circumstances that Liberia was assured that the United States, her traditional friend, who had been generous in assistance to the other Nations fighting against Germany, would come to her relief.

In view of these circumstances and of the obligation to which they give rise, to which we cannot fail to be sensitive, I need not dwell upon the fact that the extension of this loan is highly important from the standpoint of the proper protection and promotion of

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* See telegram of Sept. 12, 1918, to the Chargé in Liberia, Foreign Relations, 1918, p. 587.
American commercial interests on the West coast of Africa. The advantages which will accrue to our people are not to be ignored, although in the presence of the considerations already mentioned, they need not be detailed or stressed.

In conclusion, permit me to observe that, apart from any question of our obligation or of any benefits accruing to ourselves, our people have always been especially interested in the welfare of Liberia because of the close relation which its prosperity may be deemed to have to all that pertains to the advancement of the negro race. The Republic of Liberia has been fostered through American interest, and at this critical time in her history we have opportunity to give a practical expression of our continued solicitude and by coming to her aid in this severe exigency to promote permanent relations of the closest friendship.

Respectfully, 

CHARLES E. HUGHES

882.51/1322

The British Ambassador (Geddes) to the Secretary of State

No. 699 
WASHINGTON, September 16, 1921.

MY DEAR MR. SECRETARY: It will be within your recollection that I spoke to you towards the end of June on the subject of the Liberian loan. On that occasion you were good enough to tell me that a bill to authorise this loan was shortly to be introduced into Congress with the full support of the Administration.

I should be very grateful if you could now let me know how the matter stands and what is the prospect of the loan being sanctioned in the near future.

Believe me [etc.] 

A. C. GEDDES

882.51/1322

The Secretary of State to the British Ambassador (Geddes)

WASHINGTON, September 29, 1921.

MY DEAR MR. AMBASSADOR: I beg to acknowledge receipt of your letter of September 16, 1921, making inquiry as to the present situation respecting the Liberian Loan and the prospect of the Loan being sanctioned in the near future.

In reply I am glad to say that since our conversation, towards the end of June, the Administration has taken steps to bring about a conclusion of this matter as promptly as possible.

On July 29th the President formally requested the Congress to consider, in connection with the observations of the Secretary of
State relative to the entire situation, the question of granting a loan to the Republic of Liberia. I take pleasure in enclosing herewith printed copies of the communications in which the question of the proposed Loan to Liberia was referred to the Congress by the President.

I beg to say in conclusion that the Administration continues to give its full support to the loan proposal and hopes that congressional action in keeping with the suggestions of the President may be taken as soon as other pressing questions now pending are out of the way.

I am [etc.]  

CHARLES E. HUGHES

882.51/1332

The Assistant Secretary of State (Dearing) to President King

WASHINGTON, October 27, 1921.

MY DEAR MR. PRESIDENT: I have received your letter of October 27, 1921, in which you inform me that the Loan Plan, as redrafted, has your approval and that you are now prepared for the formal signing thereof.

It is therefore respectfully requested that the members of the Liberian Plenary Commission come to the Department of State tomorrow, Friday, October 28, 1921, at four-thirty p.m. in order that they, in conjunction with the Secretary of State, may sign the Loan Plan and the supplementary Depositary Agreement.

I remain [etc.]  

FRED MORRIS DEARING

Treaty Series No. 195A

Agreement of October 28, 1921, for the Reorganization and Rehabilitation of Liberian Finances

WHEREAS the Government of Liberia has undertaken a reorganization and rehabilitation of its finances, and

WHEREAS the President of the United States of America has recommended to the Congress of the United States the enactment of a Joint Resolution whereby the Secretary of the Treasury is authorized on behalf of the United States to establish a credit of $5,000,000.00 with the Treasury of the United States for the Government of Liberia, subject to the approval of the President of the United States and in conformity with an appropriate arrangement made under his direction, to enable the Government of the United States

*Not printed.
to assist the Government of Liberia in such reorganization and rehabilitation:

The two Governments, subject to the passage and approval of the aforesaid Joint Resolution of Congress, have agreed upon an arrangement for that purpose in the following terms:

**Article I**

The Government of Liberia shall request the Secretary of the Treasury of the United States to make to the Government of Liberia against the credit of $5,000,000.00 above mentioned, the following advances for the purposes hereinafter set forth against the duly executed obligations of the Government of Liberia as provided in the present Plan, and shall also request the President of the United States to designate the members of a Financial Commission of Liberia, hereinafter referred to as the Financial Commission, to be appointed and to serve as hereinafter provided. The head of the Financial Commission shall be known as the Financial Commissioner of Liberia, hereinafter referred to as the Financial Commissioner. The words "United States Loan" wherever used herein shall mean all advances, collectively, which the Secretary of the Treasury of the United States may make to the Government of Liberia under the aforesaid Joint Resolution of the Congress of the United States, or pursuant to the present Plan. Wherever the term "United States gold" is used in the present Plan, such term shall be understood as meaning gold coin of the United States of America of or equal to the standard of weight and fineness existing at the date of the present Plan.

The advances which shall be requested by the Government of Liberia, shall be as follows:

1. $30,000, or such less amount as shall be sufficient to enable the Government of Liberia to repay the advances heretofore made to it by the Secretary of the Treasury of the United States under the Act of September 24, 1917, known as "Second Liberty Bond Act", as amended and supplemented, and the interest thereon.

2. The amounts, as certified by the Financial Commission, as of March 31 and September 30 of each of the five fiscal years of the Government of Liberia, ending on or before September 30, 1928, by which all revenues and receipts of the Government of Liberia for the half fiscal year ending on each of said dates, other than advances from the United States Treasury, and any surplus funds held by or for the Government of Liberia, shall be less than the aggregate amount for such half fiscal year of

(a) the costs and expenses of such collection, application and administration by the Financial Commission of the revenues and receipts collected by the Financial Commission.
(b) the current administrative expenses of the Government of Liberia, in accordance with the budget and appropriation Acts of the Government of Liberia, prepared and enacted as hereinafter provided in the present Plan;

For the purpose of ascertaining the amount of any such advance to be made by the Treasury of the United States, the total expenditures by the Government of Liberia for any fiscal year, stated in paragraphs (a) and (b) above, shall not, in any event, be reckoned at a sum greater than $560,000.00.

Should there be, after the expiration of said five fiscal years ending September 30, 1926, need to guarantee the expenditures stated in paragraphs (a) and (b), a new arrangement for that purpose shall be made between the Government of Liberia and the Government of the United States.

3. $233,000, or such less amount as shall be sufficient to enable the Government of Liberia to pay its Internal Funded Debt, and the interest due thereon.

4. $350,000, or such less amount as shall be sufficient to enable the Government of Liberia to pay its Internal Floating Debt.

5. $1,650,000, or such less amount as may be necessary for the purpose of enabling the Government of Liberia to purchase or redeem all of its bonds now issued and outstanding, representing the 5% Sinking Fund Gold Loan, due July 1, 1952, under the Agreement for Refunding Loan dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan and Company, Kuhn, Loeb and Company, The National City Bank of New York, and First National Bank of New York, acting for themselves and for Robert Fleming and Company, Banque de Paris et des Pays Bas, M. M. Warburg and Company, and Hope and Company, and for others, of the second part, including such payments of interest, costs of notices and other payments or deposits, as well as payments which may be due from the Government of Liberia under the Fiscal Agency Agreement dated March 7, 1912, between the Republic of Liberia, of the first part, and The National City Bank of New York, of the second part, as shall be necessary to terminate all obligations of the Government of Liberia under all of said Bonds or under the Agreement for Refunding Loan or the Fiscal Agency Agreement above mentioned, as shall entitle the Government of Liberia in accordance with the terms of said Agreement to the cancellation and destruction of all said bonds held by the Fiscal Agents in the sinking fund mentioned in said agreements. Advances for this purpose shall be made at such times and in such amounts as shall be determined by the Secretary of State of the United States. It is understood that the
Secretary of State of the United States may determine the best method for acquiring part or all of the aforesaid Bonds but in no event shall more than par and accrued interest be paid therefor.

6. Such amounts as may be necessary to enable the Government of Liberia to make improvements in transportation and communication facilities, sanitation, and other public works, in accordance with plans which shall have received the approval of the Financial Commission.

A statement of all proposed public works to be undertaken during any fiscal year of the Government of Liberia, including the amounts to be expended thereon, shall, after consulting the Secretary of the Treasury of Liberia, be prepared by the Financial Commission, and submitted to the Secretary of the Treasury of Liberia to be included in the annual Budget, hereinafter mentioned. Any item or items of said statement of proposed public works to which objection may be made by the Government of Liberia shall be referred to the Secretary of State of the United States, together with such comments thereon as the Government of Liberia and the Financial Commission may desire to make, and the opinion of the Secretary of State of the United States on the item or items at issue shall be invited. Such opinion, when given, shall be binding alike on the Government of Liberia and the Financial Commission.

Advances under clauses 2, 3 and 4 of this Article shall be made at such times, in such amounts and for such purposes as shall be agreed upon between the Government of Liberia and the Secretary of State of the United States. Requests for advances under clauses 3 and 4 shall be made in certificates issued by the Secretary of the Treasury of Liberia, stating the amounts of the advances desired, the names of the creditors to be paid, the amounts to be paid them, that such indebtedness is a valid debt of the Government of Liberia, the circumstances of the creation of such debt and that the amounts proposed to be paid by the Government of Liberia in discharge thereof are the lowest amounts for which the Government of Liberia can justly settle the debt. Advances under clause 6 of this Article shall be made at such times, in such amounts and for such purposes as shall be specified by the Financial Commission. Requests for advances under clause 6 shall be made in certificates issued by the Secretary of the Treasury of Liberia, countersigned by the Financial Commissioner, stating the amounts of the advances desired, the goods or services for which the advances are required, and that such goods or services have been delivered or rendered, or shall have been delivered or rendered, by the dates respectively on which advances are so requested to be made, or that payment in respect thereof in the amounts requested will be due on such dates
under a contract therefor made with the approval of the Financial Commission.

7. An advance of an emergency nature of $348,000, or such less amount as may be required in order to enable the Government of Liberia to begin the immediate execution of the present Plan; such advance to be deposited with the Fiscal Agent at the disposal of the Financial Commissioner who shall withdraw not more than $80,000 thereof for the traveling expenses of the members of the Financial Commission, and for their salaries while in transit; not more than $8,000 thereof for stationery and office supplies of the Financial Commission, and not more than $260,000 thereof to permit the immediate undertaking of public works, and the purchase and shipment to Liberia of the necessary equipment therefor. This advance shall be made and accounts for expenditures thereunder shall be rendered in keeping with the general provisions of the present Plan and, as soon as it is possible to do so, the advance shall be incorporated with the regular transactions under the proper provisions as set forth in clauses 2 and 6 of Article I of the present Plan. Requests for advances under this clause shall be made in certificates issued by the Secretary of the Treasury of Liberia, countersigned by the Financial Commissioner, stating the amounts of the advances desired and the purpose for which the advances are required.

**Article II**

Advances shall be made pursuant to the present Plan against delivery of obligations in a form approved by the Secretary of the Treasury of the United States in a corresponding amount and bearing interest at the rate of five per cent per annum. Such obligations shall be executed by a person duly authorized by the Government of Liberia to execute them in its name and on its behalf. The form and execution of such obligations shall be satisfactory to the Secretary of State of the United States and the Secretary of the Treasury of the United States. At any time the Government of Liberia shall at the request of the Secretary of the Treasury of the United States exchange for any of its obligations of said Government held by the United States Treasury, whether acquired in accordance with the provisions of the present Plan or otherwise, an equal aggregate face amount of other obligations duly executed in the name of the Government of Liberia in such form and denominations as shall be agreed upon by the Government of Liberia and the Secretary of the Treasury of the United States.

Advances made under the present Plan shall be paid in the United States to such Fiscal Agent as shall be designated by the Secretary of State of the United States and appointed by the Government of
Liberia. Said Fiscal Agent shall be authorized by the Government of Liberia to receive such advances on its behalf and in its name and to dispose thereof.

All advances so paid to the Fiscal Agent shall be used for the purposes for which such advances shall be made under the present Plan and the Fiscal Agent shall be directed to remit to the Depositary hereinafter mentioned, in Liberia, except as hereinafter provided, all funds advanced in accordance with requests made under clauses 2, 3, 4 and 6 of Article I of the present Plan, in so far as the advances so requested shall be necessary for use in Liberia. To the extent that advances so requested are required for use in the United States, the Fiscal Agent shall be directed to apply such advances to payments in the United States for which payments they shall have been requested. If to any certificate above mentioned requesting an advance, shall be added the certificate of the Financial Commissioner, that he has in his hands in an amount specified in such certificate, funds, which under the terms of the present Plan, he is bound to remit to the Secretary of the Treasury of the United States, and request is made by the Financial Commissioner that the Secretary of the Treasury of the United States credit the corresponding amount in dollars as interest or principal upon obligations of the Government of Liberia, acquired and held by the United States under the provisions of the present Plan, as the case may be, the Secretary of the Treasury of the United States shall credit the amount in accordance with such request and charge such amount as an advance to the Government of Liberia under the provisions of the present Plan. Upon receipt by the Financial Commissioner of advice from the Secretary of the Treasury of the United States that such sum has been credited in accordance with his request, the corresponding amount shall be deposited with the Depositary to be applied as an advance from the Secretary of the Treasury of the United States, made in accordance with the certificate of the Secretary of the Treasury of Liberia. The Government of Liberia shall, on the first day of each quarter, pay to the Secretary of the Treasury of the United States an amount equal to the interest accrued and unpaid up to the end of the preceding quarter on advances made to the Government of Liberia by the Secretary of the Treasury of the United States pursuant to the present Plan, to be applied as hereinafter set forth. The Government of Liberia shall at the same time also pay to the Secretary of the Treasury of the United States on account of the principal of such advances one-half of the remainder of all revenues and receipts of the Government of Liberia, after the payments as they arise, of all costs and expenses of the collection, application and administration of said revenues and receipts includ-
ing (1) the salaries of the Financial Commissioner and his American Assistants; (2) the salaries of the employees of the revenue service, both customs and internal; (3) costs and expenses of maintaining a Frontier Force; and (4) any other necessary expenses connected with the collection, application and administration of the Assigned Revenues and Receipts, hereinafter mentioned, and after the setting aside of such sums as may be necessary to enable the Government of Liberia to pay as they become due the current administrative expenses of the Government—but not in any one year to exceed the sum provided for current administrative expenses of the Government as included in the budget and appropriation Acts of the Government of Liberia, prepared and enacted as provided in the present Plan—and the payment of interest on advances made by the Secretary of the Treasury of the United States, as above mentioned.

The obligations representing advances made by the Government of the United States to the Government of Liberia shall be payable in United States gold and shall be exempt, both as to principal and interest, from all taxes already established by or within the Republic of Liberia or that may in future be established by or within the Republic of Liberia by any authority.

**ARTICLE III**

The advances made by the Government of the United States to the Government of Liberia shall constitute a direct liability and obligation of Liberia, which pledges its good faith and credit for the punctual payment of the principal and interest of such advances, and undertakes to incorporate in its annual budget of expenditures each year an amount which shall be sufficient to meet in full, for such year, all amounts required for, or incident to the service of such advances.

The term, "service of the United States Loan", wherever used herein, shall be deemed to include the payment of all amounts which under the obligations at any time representing the United States Loan or under the present Plan the Government of Liberia undertakes or may undertake, or is, or may be required to pay in connection with the United States Loan, and whether for interest payments or on account of principal—hereinafter called "Redemption Payments"—or expenses.

For the purposes of the present Plan, the expenses incident to the service of the United States Loan shall include the remuneration and expenses of the Depositary and of the Fiscal Agent and the cost of remittances from the United States to Liberia, and from Liberia to the United States, as the case may be, of funds for any of the purposes of the present Plan, including the cost of shipping coin and currency to Liberia from the United States.
LIBERIA

ARTICLE IV

The principal and interest of the United States Loan and the Redemption Payments and all other amounts required for, or incident to, the service of the United States Loan shall be and are hereby secured as a charge, on all customs revenues payable to the Government of Liberia on and after the day on which the aforesaid Joint Resolution of the Congress of the United States is approved, whether such customs revenues arise from duties imposed on imports or exports; on all revenues receivable on and after said date from the rubber tax, headmonies and postal revenues; and on all other revenues and receipts of the Government of Liberia from whatever source arising on and after said date, and all sums which are now or which may hereafter become due and payable to the Government of Liberia arising out of claims which now exist or shall hereafter arise against individuals, associations, corporations, or Governments, or otherwise, and on any property of aliens who were enemies of the Republic of Liberia during the recent war, or the proceeds of the sale of such property, which property or proceeds may be lawfully retained by the Government of Liberia—hereinafter called collectively the "Assigned Revenues and Receipts". The Government of Liberia grants, assigns and transfers the Assigned Revenues and Receipts and all thereof as security for the United States Loan.

ARTICLE V

The Government of Liberia further engages:

1. That, for the purpose of securing the United States Loan, the control during the life of the United States Loan of the collection, application and administration of all the Assigned Revenues and Receipts in accordance with the present Plan shall be vested in the Financial Commission, the administration of which shall be under the direction and control of the Financial Commissioner or during his absence of the next ranking member of the Financial Commission. The Financial Commission shall be composed of a Financial Commissioner at a salary of $15,000.00 per annum, a Deputy Financial Commissioner at $10,000.00 per annum, an Auditor at $6,000.00 per annum, three Administrative Assistants of Class I at $6,000.00 per annum to be assigned respectively as Controller General of Customs, Commissioner General of the Interior and Director General of Sanitation; ten Administrative Assistants of Class II at $4,000.00 per annum, to be assigned respectively as follows: three Controllers of Customs, three District Commissioners, two Technical Advisers (roads and ports), an Accountant, and an Agricultural Adviser; and two Administrative Assistants of Class III at $3,000.00 per annum, to be assigned respectively
as follows: one Postal Revenue Officer and one Clerk Assistant. All members of the Financial Commission shall be designated by the President of the United States, to serve during his pleasure, and shall be appointed by the President of Liberia. The Administrative Assistants shall be under the direction and supervision of the Financial Commission which shall be organized and function according to methods of procedure to be approved by the Secretary of State of the United States.

The Financial Commissioner, the Deputy Financial Commissioner, and such other members of the Financial Commission as may be charged with the collection, application or administration of monies under the provisions of the present Plan shall give adequate bond. All premiums on bonds executed by the aforesaid officials shall be considered a part of the expenses of the Financial Commission.

The Deputy Financial Commissioner or such other member of the Financial Commission as the Secretary of State of the United States may designate shall act as Legal Counsellor. Should any action be filed in the courts of Liberia which may in any way affect the resources of Liberia or the collection, application and administration of the Assigned Revenues and Receipts, the Attorney-General, the Financial Commissioner, and the Legal Counsellor shall immediately confer for the purpose of determining the course which shall be followed with reference to the aforesaid action. The members of the Financial Commission shall be granted by the Government of Liberia such immunity, in so far as they may be subjected to arrest or to civil or criminal process of the Liberian courts, as shall leave them unimpeded and unembarrassed in the discharge of their official duties, except in instances wherein the President of Liberia and the Financial Commissioner agree that this immunity shall be waived.

The Auditor, for the purposes of designation, appointment and payment of salary and allowances and removal shall be considered as a member of the Financial Commission, but his functions and authority shall be derived from the Act of the Legislature of Liberia approved August 2, 1917, and such other pertinent legislation as now exists or may hereafter be enacted.

All Liberian officials who may be appointed by the Government of Liberia to serve in connection with the collection, application and administration of the Assigned Revenues and Receipts shall serve under the Financial Commission. Any such official may be suspended for cause, without pay, by the Financial Commissioner, who may also temporarily fill vacancies thus created, until such vacancies are filled by regular appointment. The Government of Liberia shall consult
with the Financial Commissioner before appointing officials to serve under the Financial Commission.

The Secretary of the Treasury of Liberia and the Financial Commission shall co-operate to bring order and system into the finances of the Government of Liberia. The Financial Commission shall prescribe for the Republic of Liberia and for any sub-division thereof or general or local governmental authority therein, such methods, rules and regulations for the collection, application and administration of the Assigned Revenues and Receipts as it may deem necessary and the Government of Liberia shall fix penalties not inconsistent with the constitution and laws of Liberia for the violation of such rules and regulations as the Financial Commission may prescribe. Only the Financial Commissioner as such is authorized to communicate directly with any official or branch of the Government of Liberia, but by agreement between the Government of Liberia and the Financial Commissioner any other member of the Financial Commission may be authorized to correspond directly with any official of the Government of Liberia with whom he may have business.

2. That to assure the collection of the Assigned Revenues and Receipts and the enforcement of the laws, rules and regulations pertaining thereto, the Government of Liberia, upon the request of the Financial Commission, shall make by law appropriate provisions for placing and maintaining at the disposal of the Financial Commission an adequate revenue guard and patrol service, both on land and sea, and the expenses of such revenue guard and patrol service shall be paid by the Financial Commission out of the Assigned Revenues and Receipts. The duties of the revenue guard and patrol service may, with the approval of the Financial Commission, be performed by the Frontier Force, hereinafter mentioned, so long as the Financial Commission may deem such services adequate to assure the proper collection and protection of the Assigned Revenues and Receipts.

3. That for the further security of the Assigned Revenues and Receipts, the Government of Liberia shall maintain a Frontier Force sufficient for the maintenance of internal peace within the territories of Liberia. All salaries, wages and other expenses of the Frontier Force shall be paid on behalf of the Government of Liberia by the Financial Commission out of the Assigned Revenues and Receipts, and shall be deemed a part of the expenses of the Financial Commission. The strength of the Frontier Force shall be fixed by agreement between the Government of Liberia and the Financial Commission and it shall not be increased or reduced in members without the assent of the Financial Commission. Four officials of military experience to be designated by the President of the United States,
and to serve during his pleasure, shall be appointed as the four senior officers of the Frontier Force which shall be as follows: one major at a salary of $4,200.00 per annum, and three captains at $3,500.00 each per annum. Such officers shall serve in the Frontier Force during the life of the United States Loan. The Secretary of State of the United States may, if deemed advisable by the Financial Commission, suggest a definite scheme for reorganization of the Frontier Force, to be prepared by the War Department of the United States.

4. That the Assigned Revenues and Receipts shall, during the life of the United States Loan, be payable only in gold, or its equivalent, and the rates and amounts thereof shall not be decreased without the approval of the Financial Commission, but may be increased so as to meet the expenses of the Financial Commission, the service of the United States Loan and the expenses of the administration of the Government of Liberia. The Secretary of the Treasury of Liberia shall from time to time hereafter, in accordance with such recommendations as the Financial Commissioner may make after consulting with him, prepare and submit to the Legislature for enactment into law a draft of a Bill revising the customs duties and other revenues and receipts of the Government of Liberia for the purpose of increasing the revenues and distributing more equitably the incidence thereof. No customs house shall be established or discontinued, or opened or closed without consultation with and the agreement of the Financial Commission. The Financial Commission shall make to the Secretary of the Treasury of Liberia and to the Secretary of State of the United States quarterly and annual reports of the financial administration and of the collection and application of the Assigned Revenues and Receipts. Such reports shall contain the accounts of the Financial Commission in detail, and these accounts of the Financial Commission shall be subject quarterly to examination and audit by the Auditor, hereinafter provided, on behalf of the Government of Liberia. All accounts of the Financial Commission shall be subject to examination and verification by the Government of Liberia at all reasonable times.

5. That the Government of Liberia shall not during the life of the United States Loan enact any legislation which may prejudicially affect the finances, revenues, or resources of Liberia and the Government of Liberia shall consult the Financial Commission with regard to all proposed legislation, before its enactment, which may in any way affect such finances, revenues or resources. If, after the consultation herein provided, the Government of Liberia enacts legislation which the Financial Commission has stated in writing to the Government of Liberia would, in the opinion of the Financial Commission, prejudicially affect the finances, revenues
or resources of Liberia, an explanation of such action, by the Government of Liberia, and also a report thereon by the Financial Commission, shall be furnished to the Secretary of State of the United States for his information and consideration.

The proceedings of the Legislature of Liberia shall be printed daily by the Government of Liberia, and copies of such printed proceedings shall be furnished to the Financial Commission.

6. That the Government of Liberia shall by annually enacting a Budget make appropriations for the costs and expenses of collecting the Assigned Revenues and Receipts, including all expenses of the Financial Commission, the service of the United States Loan, the administrative expenses of the Government of Liberia, and all other amounts which under the present Plan or otherwise, the Government of Liberia is by existing laws or outstanding contracts or engagements required or obligated to pay. Before the opening of each regular session of the Legislature of Liberia, the Secretary of the Treasury of Liberia shall prepare an itemized Budget for the year which shall contain statements in detail of the probable revenues and receipts of the Government of Liberia for the ensuing fiscal year from all sources, and of all proposed expenditures chargeable in any manner against such revenues and receipts. The proposed Budget when so prepared and approved by the Financial Commission shall be submitted to the Legislature of Liberia by the Secretary of the Treasury of Liberia for enactment. Since the present Plan provides that the Secretary of the Treasury of the United States shall meet the deficit of the current expenses of the Government of Liberia during a period of five years, the Financial Commission shall not without the consent of the Secretary of State of the United States approve any proposed Budget or appropriation act in which the current expenses of the Government of Liberia, including the expenses of the Financial Commission and of the collection, application and administration of the Assigned Revenues and Receipts, shall exceed in the aggregate the sum of $560,000.00 per annum. Within ten days after the enactment of the Budget, the Secretary of the Treasury of Liberia shall deliver to the Financial Commission a copy thereof as enacted and a statement of all appropriations, regular and special, which shall have been made. All accounts of the Government of Liberia shall be subject to examination and verification by the Financial Commissioner at all reasonable times.

7. That all Revenues and Receipts of the Government of Liberia, except as hereinafter provided, shall be deposited in a bank designated as the Depositary. All deposits made with said Depositary and all payments made therefrom shall be in accordance with an agreement supplementary to the present Plan, to be known as the Depositary Agreement.
However, if it shall at any time be deemed advisable by the Secretary of State of the United States, the Government of Liberia shall establish a national bank to be known as the Bank of Liberia, and to be incorporated with funds supplied from the United States Loan, which shall then be the Government Depository for all government funds and revenues, as prescribed by the Financial Commission. This bank, if established, shall have a charter drawn up by the Federal Reserve Board of the United States and approved by the Government of Liberia and shall be administered during the life of the United States Loan by the Financial Commission.

8. That the Financial Commission, and all members thereof, are hereby granted all power and authority necessary for the performance of their duties hereunder. The Government of Liberia shall forthwith enact all legislation necessary to confirm said power and authority in the Financial Commission and shall give them all needful aid and support and full protection.

It is expressly understood, however, that all power and authority temporarily delegated under this agreement to the Financial Commission or any member thereof, is granted solely for the purpose of facilitating the financial and economic rehabilitation of Liberia, and upon the discharge by the Government of Liberia of the obligations herein assumed, all said power and authority so delegated shall automatically revert unimpaired to the Government of Liberia.

**ARTICLE VI**

The Assigned Revenues and Receipts shall be applied by the Financial Commission as follows:

1. To the payment as they arise of all costs and expenses of collection, application and administration of the Assigned Revenues and Receipts, including the salaries of the members of the Financial Commission and the salaries of the employees of the revenue service, both customs and internal, the cost and expenses of maintaining the Frontier Force and any other expenses whatsoever connected with the Financial Commission and all amounts incident to the service of the United States Loan except as to payments on account of principal and interest for which provision is hereinafter made.

2. Thereafter to the payment on the first day of each quarter for account of the Government of Liberia to the Depository of such sums as may be necessary to enable Liberia to pay as they become due the current administrative expenses of the Government of Liberia, but not in any year more than the sum set forth as the estimate of current administrative expenses of the Government of Liberia in the budget and appropriation acts prepared and adopted as hereinbefore provided.
3. Thereafter to the payment on the first day of each quarter to the Secretary of the Treasury of the United States of an amount equal to the interest accrued and unpaid up to the end of the preceding quarter on advances made by the Government of the United States to the Government of Liberia pursuant to the present Plan.

4. From the sum remaining, after the payments provided in clauses 1, 2 and 3 of this Article, have been made, one-half shall be paid on the first day of each quarter to the Secretary of the Treasury of the United States on account of the principal of advances made by the Government of the United States to the Government of Liberia pursuant to the present Plan.

5. The other half of said remainder shall be applied so far as may be necessary to the payment of any other amounts which the Financial Commission may, by further agreement between the Government of the United States and the Government of Liberia, be required to pay.

6. The sums that may remain after the payments provided in clause 5 of this Article have been made shall be applied as follows:

One-half shall be credited by the Depositary to an account hereinafter referred to as the Surplus Account, and one-half, to an account hereinafter referred to as the Improvements Account. Except as herein otherwise provided, the Surplus Account shall be subject to the sole order of the Government of Liberia. Monies in the Improvements Account shall be applied in so far as possible only for the improvement of Public Education in Liberia and for Public Works. Monies shall be paid from the Improvements Account only with the consent of the Financial Commission. Whenever, and for so long a period as the Assigned Revenues and Receipts shall be insufficient to meet the payments required to be made by clauses 1, 2, 3, 4 and 5 of this Article, the Depositary shall cease paying out the monies from either the Surplus Account or the Improvements Account and such funds may be applied by the Financial Commission to meet the payments provided in clauses 1, 2, 3, 4 and 5 of this Article.

**Article VII**

None of the provisions of the present Plan shall be deemed or construed to create any trust or obligation in favor of any holder of any of the outstanding obligations of indebtedness of Liberia or in favor of any owner of any coupons or claim for interest on, or in respect of, any thereof, or in favor of any holder of any claims against Liberia. Any and all claims against the Government of Liberia which may not be discharged under the provisions of clauses 3, 4 and 5 of Article I of the present Plan shall be submitted to a Claims Commission composed of the Secretary of the Treasury of
Liberia, the Auditor and the Financial Commissioner. This Claims Commission shall have power to determine the validity of any and all such claims and its decision shall be final.

**Article VIII**

In construing the present Plan, the life of the United States Loan shall be deemed to be the period from the date hereof until all the advances made by the Government of the United States to the Government of Liberia, pursuant to the present Plan, shall have been fully repaid with interest, and all other undertakings on the part of the Government of Liberia in the obligations representing said advances and in the present Plan contained shall have been satisfied.

**Article IX**

1. Until the Government of Liberia has repaid the whole amount of the advances and other expenses incident to the service of the United States Loan, no floating debt shall be created and no loan for any purpose shall be made except with the written approval of the Financial Commission.

2. No concession or franchise or amendment of any existing concession or franchise shall be granted by the Legislature of Liberia or by any other branch of the Government of Liberia until after it shall have been favorably reported upon by the Financial Commission. Any application for concession or franchise or amendment of any existing concession or franchise not favorably reported upon by the Financial Commission, but which the Government of Liberia may nevertheless deem it necessary to grant in order to promote the best interests of Liberia, shall be referred to the Secretary of State of the United States by the Government of Liberia and the Financial Commission, with a request that such application be examined and his opinion thereon be given. Such opinion, when given, shall be binding alike upon the Government of Liberia and the Financial Commission.

3. In case of malfeasance in office, neglect of duty, or inefficiency on the part of any American official or employee of the Financial Commission, or the Frontier Force, the Government of Liberia reserves the right to request his dismissal of the Secretary of State of the United States. Any such request shall be referred to the Secretary of State of the United States in order that an investigation may be made with a view, if the facts warrant, to the dismissal of the official or employee indicated. With the exception of the Financial Commissioner, and such other member of the Financial Commission as may be acting as Financial Commissioner, any American official or employee of the Financial Commission or the Frontier Force may
be temporarily suspended, for cause, by the Government of Liberia with the concurrence of the Financial Commissioner or the officer acting in his stead. Provision for the suspension for cause of any member of the Financial Commission by the Financial Commissioner shall be incorporated in the aforesaid methods of procedure of the Financial Commission to be approved by the Secretary of State of the United States. The Government of Liberia pledges itself to inflict prompt and adequate punishment upon any Liberian civil or military official who may be guilty of misconduct or malfeasance in office and upon all others who may be guilty of misconduct.

4. The Government of Liberia shall request the advice of the Secretary of State of the United States before appointing any purchasing agents or agent of the Government of Liberia either abroad or in Liberia.

ARTICLE X

The Government of Liberia hereby consents that the terms of the Agreement for Refunding Loan of 1912 and of the Fiscal Agency Agreement of 1912 shall be deemed modified in accordance with the terms of the present Plan.

ARTICLE XI

The Government of Liberia shall enact all such legislation as may be required for the complete authorization and legalization of the present Plan and of all action called for by the present Plan on the part of the Government of Liberia or necessary or convenient to carry it into operation.

ARTICLE XII

The present Plan shall come into force and effect the day on which the aforesaid Joint Resolution of the Congress of the United States whereby the Secretary of the Treasury is authorized on behalf of the United States to establish a credit of $5,000,000.00 with the Treasury of the United States for the Government of Liberia, is approved by the President of the United States.

Done at Washington this the twenty-eighth day of October 1921.

CHARLES E. HUGHES
Secretary of State of the United States

C. D. B. KING
President of the Republic of Liberia

Plenary Commissioner of Liberia

F. E. R. JOHNSON
Plenary Commissioner of Liberia

JOHN L. MORRIS
Plenary Commissioner of Liberia
THE DEPOSITORY AGREEMENT

In Clause 7 of Article V of the Financial Plan for the reorganization and rehabilitation of the finances of the Government of Liberia, it is provided as follows:

That all revenues and receipts of the Government of Liberia except as hereinafter provided shall be deposited in a bank designated as the Depository. All deposits made with said Depository and all payments made therefrom shall be in accordance with an agreement supplementary to the present Plan, to be known as the Depository Agreement.

The Governments of Liberia and of the United States, accordingly, have agreed upon the following provisions:

1. The Government of Liberia shall designate as the Depository, under the Financial Plan, such bank in the City of Monrovia in Liberia as shall be agreeable to the Secretary of State of the United States of America and such designation shall be terminated by the Government of Liberia upon the request of the Secretary of State of the United States of America. Any arrangement which the Government of Liberia may make with the Depository shall embody the provisions of this agreement and such Depository shall undertake to comply with such provisions and with the pertinent provisions of the Financial Plan. The arrangement shall also provide for its termination upon request of the Secretary of State of the United States. In case the Depository shall cease to act as such by reason of such termination of its designation or otherwise, a new Depository shall be designated in the same manner as above provided. Monies paid to the Depository for the account of the Government of Liberia, as provided in the Financial Plan, shall be held by the Depository and paid out as follows:

2. Monies paid to the Depository under Clause 3 of Article I of the Financial Plan, whether remitted by the Treasurer of the United States of America, or deposited by the Financial Commission, as provided in the Plan, shall be held in a separate account and shall be paid out by the Depository only upon check signed by the Secretary of the Treasury of Liberia, or his nominee, and countersigned by the Financial Commissioner, and showing on its face the account against which drawn. As funds from this Account shall be applied to the payment of the principal and accrued interest of the Internal Funded Debt of Liberia the obligations representing this debt, whether bonds or coupons or both, must be surrendered to the Depository for cancellation when payment thereof has been made. All such obligations so surrendered to the Depository shall be received by the Depository as Trustee for the Government of Liberia.
and forthwith shall be turned over to the Secretary of the Treasury of Liberia, and by him destroyed.

3. Monies paid to the Depositary under Clause 4 of Article I of the Financial Plan, whether remitted by the Treasurer of the United States, or deposited by the Financial Commission, as provided in the Financial Plan, shall be held in a separate account and shall be paid out, except as otherwise provided herein, by the Depositary only upon check signed by the Secretary of the Treasury of Liberia, or his nominee, and countersigned by the Financial Commissioner, and showing on its face the account against which drawn. Such check shall be issued only upon presentation of a general release in favor of the Government of Liberia, duly executed by the creditor in whose favor the check is drawn. The Depositary shall not pay any such check unless drawn in favor of the person mentioned in the certificate provided for in Article I of the Financial Plan, and in the amount shown by such certificate to be payable to such person. A true copy of such certificate shall be furnished the Depositary. Amounts necessary for payments of arrears of the former Receivership Administration and of the Frontier Force, as certified by the Financial Commissioner to the Depositary, shall be paid to the Financial Commissioner upon his sole order for disbursement.

4. Monies paid to the Depositary under Clause 6 of Article I of the Financial Plan, whether remitted by the Treasurer of the United States, or deposited by the Financial Commission, as provided in the Financial Plan, shall be held in a separate account, and shall be paid out by the Depositary only upon check signed by the Secretary of the Treasury of Liberia, or his nominee, and countersigned by the Financial Commissioner, and showing on its face the account against which drawn.

5. Monies paid to the Depositary under Clause 2 of Article I of the Financial Plan, shall be held in a separate account; and, to the extent necessary, as certified to the Depositary by the Financial Commission, to pay the costs and expenses of the collection, application and administration of the Assigned Revenues and Receipts as defined in Clause 1 of Article VI, shall be paid to the Financial Commissioner upon his sole order for disbursement. The remainder of monies so deposited under Clause 2 of Article 1 shall be paid out as provided in the next following paragraph.

6. Monies paid to the Depositary under Clause 2 of Article VI of the Financial Plan, together with the remainder of funds last mentioned in the last preceding paragraph, shall, in such amounts not greater than those provided by the Budget as the Secretary of the Treasury of Liberia, with the approval of the Financial Com-
mission, may direct, be held, respectively, in separate accounts which
the Depositary is hereby directed to open each year for each item
of current administrative expenses set forth in the Budget. Such
monies shall be paid out by the Depositary only upon check signed
by the Secretary of the Treasury of Liberia, or his nominee, and
showing on its face the account against which drawn. The De-
positary shall not pay out for any purpose, other than that set forth
in the Budget, any funds held by it under this paragraph, nor
for any purpose so set forth in excess of the amount authorized in
the Budget for such purpose, nor shall it without the approval in
writing of the Financial Commissioner transfer funds from any
account opened under a budgetary heading or item to any other
account.

7. Monies paid out under Clause 6 of Article VI of the Financial
Plan in so far as they are credited to the Improvements Account
shall be paid out by the Depositary only upon check signed by the
Secretary of the Treasury of Liberia, or his nominee, and counter-
signed by the Financial Commissioner, and showing on its face the
Account against which drawn. The Depositary, except upon the sole
order of the Financial Commissioner, shall cease payments out of
both Accounts referred to in Clause 6 of the aforesaid Article VI,
when the Financial Commissioner shall state in writing to the De-
positary that he is of the opinion that the revenues and receipts
shall be insufficient to meet the payments required to be made under
Clauses 1, 2, 3, 4 and 5 of the aforesaid Article VI; and when the
Financial Commissioner shall state in writing to the Depositary that
the Assigned Revenues and Receipts are again sufficient to meet the
payments required to be made under the aforesaid Clauses, the funds
in the Surplus Account and in the Improvements Account shall
again be paid out by the Depositary as first provided in this
paragraph.

8. In all cases where for any reason of emergency or necessity the
Secretary of the Treasury of Liberia, from available funds held by
the Depositary, may desire to make a payment different in purpose
or amount than that provided in the Budget, or may desire to make
a payment not provided in the Budget, said payment shall be made
only upon check signed by the Secretary of the Treasury of Liberia,
or his nominee, and countersigned by the Financial Commissioner
showing on its face the account against which drawn.

9. At the end of each Fiscal year all unexpended balances of the
Budget or appropriations, or of the remittances or deposits of
whatever character mentioned in this agreement shall be returned
by the Depositary to the Financial Commission to be applied by it
for the fiscal year so closed as Assigned Revenues and Receipts in
the manner and in the order provided in the Financial Plan.
10. The Government of Liberia shall make no expenditures, except by check or order upon the Depositary, against the accounts set out in Article VI of the Financial Plan and for the purposes and in the manner so provided and shall not incur any liability or obligation to make expenditures otherwise. All salaries and arrears of salary and expenses incident to the collection, application and administration of the Assigned Revenues and Receipts, and maintenance of the Frontier Force shall in accordance with the provisions of the Financial Plan be disbursed by the Financial Commission.

11. The Financial Commissioner, or such person as he may designate, and the Auditor shall have the right at any time and from time to time to examine and audit the books and accounts of the Depositary in connection with its acts as Depositary. Monthly or quarterly statements of such accounts shall be rendered by the Depositary to the Financial Commission. A copy of said monthly or quarterly statements shall be furnished by the Depositary to the Secretary of the Treasury of Liberia.

12. Agencies or branches of the Depositary shall be opened or established at such places in the interior or on the coast of Liberia as the Financial Commission may decide are necessary for the protection of the Assigned Revenues and Receipts and for their convenient application and administration.

13. This agreement shall come into force and effect the day on which the aforesaid Financial Plan for the reorganization and rehabilitation of the finances of Liberia, to which it is supplementary, becomes effective.

Done at Washington this twenty-eighth day of October, 1921.

CHARLES E. HUGHES
Secretary of State of the United States

C. D. B. KING
President of the Republic of Liberia

F. E. R. JOHNSON
Plenary Commissioner of Liberia

JOHN L. MORRIS
Plenary Commissioner of Liberia

The Assistant Secretary of State (Dearing) to President King

WASHINGTON, November 8, 1921.

MY DEAR MR. PRESIDENT: In view of the execution of the financial agreement on October 28, 1921, in terms of a proposed new credit of $5,000,000 subject to appropriate action of Congress, I have the
honor to inform you, in keeping with previous verbal expressions of the Department of State, that the balance of the credit established in favor of Liberia with the United States Treasury September 12, 1918, but not deemed available, has therefore been withdrawn.

I am [etc.]

F. M. DEARING

The Assistant Secretary of State (Dearing) to President King

WASHINGTON, November 9, 1921.

My Dear Mr. President: The copy of the pro forma Budget transmitted as an enclosure of the letter dated November 4, 1921, addressed to me at your direction by Mr. Dennis, Secretary of the Commission, has been received.

The understanding that the current administrative expenses of the Liberian Government shall not in any year during the operation of the loan exceed $270,000 per annum is hereby confirmed.

Before enactment this Budget and those to be prepared annually hereafter, in keeping with the provisions of the loan plan, will have to receive within the limit of the aforesaid $270,000 agreed upon, the formal approval of the Financial Commissioner as to its items. Any Budget so approved is not subject to change. However, the Department is of the opinion that the Budget of the first year would, in all probability, be approved by the Financial Commissioner since it has the sanction of the Department.

I am [etc.]

F. M. DEARING

Memorandum of an Interview between the Assistant Secretary of State (Dearing) and President King, November 8, 1921

[WASHINGTON,] November 9, 1921.

Mr. Dearing received the four members of the Liberian Plenary Mission at four thirty . . .

President King had several questions he desired to take up with Mr. Dearing and they were discussed in the following order:

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11 Credit established by Treasury Department on Sept. 9, 1918; Liberia notified by State Department on Sept. 12, 1918; see Foreign Relations, 1918, p. 537.
12 Not printed.
1. President King left letters
   
   (a) Concerning the further advances by the Bank of British West Africa at Monrovia in order to carry on the Government for another three months. It seems that the Bank has already consented to this arrangement and that funds will therefore be available for carrying on the Government for another three months. If the loan is granted within this time, all well and good, but if not the Mission requested that the Department of State should use its good offices in order to obtain from the Bank at Monrovia further advances to pay the governmental expenditures until such time as the loan becomes available.

   (b) He also left a letter with Mr. Dearing upon the question of the Franco-Liberian boundary, with the request that this matter be taken up through diplomatic channels with the French Government at an early date.

   (c) His third letter was formally confirming the desire of the Liberian Government to appoint a Liberian Minister to the United States. This letter suggested John L. Morris for this post and asked whether or not the nomination of Mr. Morris would be agreeable to the American Government when the loan becomes available.

2. The Mission requested that Mr. Dearing should give prompt consideration, if possible, to the appointment of Mr. Frank as the Purchasing Agent of the Liberian Government in the United States.

   Mr. Dearing informed the Liberian Mission, however, that although he had received Mr. Frank and had found him to be a gentleman who would probably fill this post in a fairly satisfactory manner, yet at the same time he felt that it was too early to give a definite decision upon this point at the present time, the appointment of such an Agent being a matter which should await for final decision upon the granting of the five million dollar credit, it being apparently unnecessary to appoint a Purchasing Agent until the services of such an Agent were required.

3. President King then brought up the question of what would be done in case Congress refused to grant the credit, stating that that, in all probability, would be the first question the Mission would be required to answer when they arrive at Monrovia. President King suggested that if Congress refused to grant the loan it would be quite satisfactory to the Liberian Government if the Department of State would use its good offices with prominent and trustworthy American bankers to induce them to furnish the money. Mr. Dearing told the Mission that this Government was very much interested in Liberian affairs and would at all times do everything that it properly could to assist the Liberian Government to a successful conclusion of its difficulties, and that he thought it would be very natural that the Department would assist in any proper way toward obtaining the money necessary for the financial rehabilitation of Liberia in case Congress refused to grant the credit as requested. The Mission made a very strong point that if, in the last contingency, it should be necessary to obtain money from bankers rather than

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13 Not printed.
from the American Government, that this money be obtained under such terms that it would be possible to carry out in full the terms of the loan agreement already concluded between the Secretary of State and the Liberian Mission. They understood, of course, that if the money is obtained from bankers, in all probability it would be necessary to pay a higher rate of interest than if the loan was made by the Government of the United States, but that they were very anxious that all the other terms of the agreement should be adopted providing the money was furnished by American bankers.

4. The President then brought up a matter in which he said that he felt it was advisable that he speak quite frankly. It was the designation at the present time of Mr. Bundy as Deputy Financial Commissioner. He said that although Mr. Bundy was acceptable in every way to the Liberian Mission yet, on the other hand, there were members of the Liberian Government and other people in Liberia who at the present moment might not be disposed in a favorable way toward the appointment of Mr. Bundy on the Commission. President King therefore suggested that his designation be postponed until the Mission could return to Liberia and pave the way to the favorable acceptance of his designation. Mr. Dearing's reply was to the effect that he would take this suggestion under consideration.

The Mission then bade farewell to Mr. Dearing, who replied in fitting terms stating that he hoped within a very short time through the efforts of the Commission in the United States a new era of prosperity would be inaugurated in Liberia.

882.51/1345b: Telegram

The Secretary of State to the Minister in Liberia (Johnson)

WASHINGTON, November 14, 1921—1 p.m.

28. President King and other members of the Plenary Commission are returning to Liberia sailing November 15th from Boston on U.S.S. Denver in command of Captain Kautz. The cruiser has been detailed for this purpose by United States Government and should be about 16 days en route. You may make this public.

Hughes

882.51/1365

The Secretary of State to the Minister in Liberia (Johnson)

WASHINGTON, December 15, 1921.

Sir: Before the Liberian Plenary Commission left Washington, President King was informed that in view of the execution of the financial agreement on October 28, 1921, in terms of a proposed new

35 Richard C. Bundy, former Secretary of Legation and Vice Consul at Monrovia; on detail in the Department of State in connection with the Liberian loan negotiations.
credit of $5,000,000, subject to appropriate action of Congress, the balance of the credit established in favor of Liberia with the United States Treasury September 12, 1918, had been withdrawn.\textsuperscript{16}

In a letter dated December 8, 1921,\textsuperscript{17} from the Treasury Department the request was made that the Department of State transmit to the Government of Liberia the enclosed canceled obligation of that Government of $2,500,000, held by the Treasury, dated December 8, 1919, against which no advances have been made, and obtain therefor a proper receipt, as the balance of the credit established September 12, 1918, in favor of the Government of Liberia with the Treasury was withdrawn on November 4, 1921.

You will, therefore, deliver in person this canceled obligation of the Liberian Government to the Secretary of State of Liberia and have him date and sign the enclosed receipt which you will promptly return to the Department.

I am [etc.] \hspace{1cm} For the Secretary of State:

\hspace{5cm} F. M. Dearing

\hspace{5cm} Assistant Secretary

\textsuperscript{16} See note of Nov. 8 to President King, p. 389.

\textsuperscript{17} Not printed.