Liberia

Proposed International Committee of Control in Liberia and Continued Nonrecognition of the Barclay Administration

882.01 Foreign Control/182a: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

Washington, January 8, 1932—6 p. m.

5. For Reber. Unless you perceive some specific objection for so doing, I suggest in accordance with arrangement by telephone just before you sailed that you ascertain whether or not the Secretariat has made any move to inform Firestones and/or the Finance Corporation that a meeting will shortly be held to discuss the report wherein their interests are specifically mentioned. You should be careful not to give the impression that this Government wishes to request that such notification be made, as I would wish to avoid the possibility of stirring up technical considerations or objections which might later be used as arguments to obscure the main issue of the meeting. There is, of course, no objection from the point of view of this Government to such notification by the Secretariat, which would be very welcome to the American interests mentioned.

The following is for your own information only:

Under date of January 7, the Department addressed a letter to the Finance Corporation the pertinent part of which is as follows:

"Inasmuch as the report of the experts makes numerous references to your interests in Liberia and your possible participation in such reform measures as may be recommended by the Committee, I believe you would wish to be informed of the forthcoming meeting, since it may become advisable to have your views promptly available to the Committee through a representative if they should request them."

It is understood that Hines, representing Firestones, and Howe, representing the Finance Corporation, will probably sail on the Olympic January 12. As soon as the Department is informed as to

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2 i.e., Report of the Experts designated by the Committee of the Council of the League of Nations appointed to study the Problem raised by the Liberian Government's Request for Assistance; for text, see League of Nations, Official Journal, July 1932, p. 1359 (document C./Liberia/4(1)).
the major features of a possible revision of the loan contract, which the Finance Corporation would be willing in the event of request by Liberia or the Committee, to consider, you will be informed by telegraph for your own confidential information.

Stimson

882.01 Foreign Control/184 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, January 11, 1932—1 p. m.
[Received January 11—1 p. m.]


Gilbert

882.01 Foreign Control/185a : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

Washington, January 13, 1932—6 p. m.

9. For Reber. Department’s telegram No. 5, January 8, 6 p. m., last paragraph. The Finance Corporation has submitted a confidential statement of conditions in which it might be willing to advance further funds to Liberia, incorporated for convenience in the form of a Supplementary Agreement between the Finance Corporation and the Liberian Government. The draft provides for the administration of Liberia during a period of rehabilitation through the establishment of a Commissioner Generalship, and the plan of administration in general follows the recommendation contained in the Report of the Experts, except that various provisions have been considerably tightened. In view of experience with adviserships in the past, the Department is in entire sympathy with this attitude and feels moreover, that unless complete executive and administrative control is granted for a period of probably 10 years, no genuine reforms or rehabilitation could be achieved.

The essential features are as follows, certain comments on the part of the Department by which you should be guided being given hereafter.

I. Introduction. An administration by foreign officials under the direction of an American citizen as Commissioner General, who would exercise all the authority of the Financial Adviser under the

1926 Agreement, plus the additional authority provided by the Supplementary Agreement. His authority would extend over the foreign officials and subordinate employees of the several branches of administration, and that authority would be exclusive of any exercise of authority by any official of the Liberian Government.

II. The Commissioner General would be designated by the President of the United States to the President of Liberia and immediately appointed to office by the latter. The President of the United States alone would cause the removal of the Commissioner General and only upon complaint by the President of Liberia, or the Finance Corporation of America for sufficient cause shown. (Commented upon hereafter).

III. The Commissioner General would appoint the foreign administrators subordinate to him, and they would be removable only by the Commissioner General.

IV. The officials of the Commissioner Generalship would exercise exclusive control over fiscal matters and the budget both as to collection and distribution of all funds; over county, hinterland and tribal administration; over the judiciary including controlling voice in court procedure and provisional suspension of jury systems; over public health, quarantine and sanitation; and over the Frontier Force acting as constabulary and not as military, the executive officer of which would be responsible to the Commissioner General alone.

V. The Commissioner General would be empowered to delegate any or all of his authority to subordinate administrators. Provision is made for an Acting Commissioner General with full authority during absence or incapacity of Commissioner General.

VI. Financial provisions. These relate to the suspension of paragraph 5 Article X of the Loan Agreement and cover the extension of $1,000,000 face value of bonds during 5 years, taken up at 90. A provision is included that none of the funds obtained as above be applied to the payment of arrears of salary due Liberian Government officials and/or employees, or other accumulated unpaid accounts of floating debts.

VII. The Government of Liberia would agree that during the life of the Supplementary Agreement and of the Agreement of 1926 it would not enter into any treaty or agreement or grant any concessions which would impair the rights of the Finance Corporation or the Fiscal Agent under the 1926 or Supplementary Agreements, or which would prevent or hinder the fulfillment by the Government of Liberia of its obligations thereunder.

VIII. The determination of the Commissioner General would be final as to any question of interpretation of the meaning of the Sup-
plemenary Agreement or the Loan Agreement of 1926 which might arise between the Government of Liberia and himself.

IX. Any disputes between the Government of Liberia and the other parties to the Supplementary Agreement or the Loan Agreement of 1926 to be submitted to the Secretary of State of the United States of America who would appoint a referee to render a decision. (Commented upon hereafter)

X. The expiration of the Supplementary Agreement would coincide with the expiration of the Loan Agreement of 1926, provided that at the end of a pre-determined period, say 10 years, the Commissioner Generalship could be reviewed upon application by either Liberia or the Finance Corporation, and upon such review might with the consent of the bondholders be modified or dispensed with by direction of such agency as should be designated for the purpose by the Secretary of State. Provided that if in the foregoing circumstances the administrative organization of the Commissioner Generalship should be dispensed with, the administrative provisions of the Loan Agreement of 1926 would continue in full force.

While the Department has not expressed approval or disapproval of the proposal as a whole, the following confidential memorandum was given to Mr. Howe after consultation with the President of January 11 last, the former being informed that the text would be transmitted to you:

“Insomuch as the Liberian question is at present being handled by the League of Nations, the President would be unwilling to accept responsibility in the matter except upon request by the League of Nations.

However, the Liberian question is essentially a matter of international concern and consequently, while should the League so request the President might name a Commissioner General to exercise supervisory functions during a period of Liberian rehabilitation, he believes that jurisdiction during this time should be exercised by the League through an international committee on which the United States would be represented, and that the American member of this committee might refer any final major actions to this Government.”

This refers particularly to paragraphs 2, 9 and 10 of the foregoing.

STIMSON
Memorandum by the Chief of the Division of Western European Affairs (Boal)

[WASHINGTON,] January 14, 1932.

Mr. Osborne, of the British Embassy, called and presented the attached note regarding Liberia.\(^4\) I told him that Mr. Reber would be present at the meeting of the Committee and he said that that answered the question and not to bother to write an answer.

Mr. Osborne said that he wanted to tell me orally and informally that he understood from London that the British members of the Committee (I suppose he meant Cecil) felt that the Liberian matter was one which primarily concerned the United States rather than the League; that the American member of the Committee was really the one who should be the most interested in the matter and that they rather felt that it was up to the United States to deal with the situation rather than the League. Mr. Osborne confessed ignorance of the Liberian matter and said it was a matter with which he did not wish to become acquainted.

I said that among the many things that could be said in reply to his information on the feeling in London, I would say only one at this time, namely that Liberia was a member of the League of Nations and it certainly seems up to the other members, in accordance with their general theory of international relationship, to extend a friendly and memberly hand to Liberia. I said that the situation in Liberia was exceedingly bad and that I felt that nothing short of competent white assistance equipped with adequate authority in Liberia for some time to come would straighten it out; that it really seemed that it was up to the League to help Liberia to achieve progress in that direction.

Mr. Osborne said he quite understood that the United States was not prepared to extend the Monroe Doctrine to Africa, to which I replied that he was quite right. He said he was just talking informally and did not intend to report to his Government on anything but the answer made to his note, namely that Mr. Reber would be present.

Pierre de L. Boal

\(^4\) Not printed.
The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 18, 1932—10 a. m. 
[Received January 18—7:40 a. m.]

16. From Reber. Department’s 9, January 13, 6 p. m., and 10, January 14th. Should Grimes arrive in Geneva in time for the meeting it is now thought its character may be changed and a fuller discussion take place.

In connection with the Firestone draft there are certain points regarding which I should appreciate further instructions for my confidential information and guidance. It is my understanding that the Department does not desire me to take the initiative in Firestone views, among them, suggesting the nomination by the President of American citizen as Commissioner General. Should, however, this factor be considered as an essential point and by Firestone a condition precedent to the advance of further funds, even if such nomination should be made at the request of the League, its presentation may lead to complications in securing the acceptance of the plan and ultimately result in the United States again assuming responsibilities in Liberia. It seems desired here that the responsibility for the administration of any plan of reform be placed in the hands of an international body on which the United States could be represented. Although possibly not as effective a method of control, this would appear preferable in view of the Department’s desire to maintain the international aspect of the problem. It might be possible to arrange that this group nominate an American citizen acceptable to the United States if such procedure is deemed advisable. With regard to the nationality of the foreign administrators, reference is made to the discussion of this matter contained in the Consulate’s despatch No. 197, December 23. The Department’s views would be appreciated in this connection specifically with regard to the advisability of appointing “neutrals”.

[Reber.]

GILBERT

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5 Latter not printed.
6 Not printed.
The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 18, 1932—1 p. m.  
[Received January 18—12:50 p. m.]

19. From Reber. Consulate’s 11, January 14, 9 a.m.† I have today received a letter from Renthe-Fink which reads in part as follows:

“In order to make headway it would be desirable to have an official statement to the effect that the American Finance Corporation is in principle prepared to consider a readjustment of the terms of the loan agreement and in particular the conditions for the release of the second portion of the loan—provided of course that all necessary guarantees for the security of the loan are given.

As a result of his conversation with you Mr. Sugimura has consulted the president of the Committee and is instructed by him to request you to be good enough to ascertain unofficially in time for the meeting the attitude of the Finance Corporation as, under the terms of the loan agreement, no financial program can be undertaken without the consent and participation of the Finance Corporation.

You will I am sure agree that it is important, in view of the fact that the experts’ report has not yet been discussed, that the statement should be made in the Committee without any reference to the experts’ report. The president sees no objection, however, if the full contents of the experts’ report were communicated confidentially by the State Department to the Finance Corporation.”

In discussing this matter I have made it clear that in transmitting this request I am doing so as a member of the Committee acting under instructions from the president. Should the Department prefer I can reply that in our opinion this information should be obtained by the Committee direct from the Finance Corporation.

It was stated that if the Finance Corporation’s reply should prove favorable a representative will be invited to discuss the terms of revision with the Committee probably at the April meeting. [Reber.]

GILBERT

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 20, 1932—1 p. m.

17. For Reber. Your telegram No. 16, January 18, 10 a.m. Your assumption that the Department does not desire you to take the initiative regarding the Finance Corporation draft transmitted in

† Not printed.
Department's telegram No. 9 is correct. The draft was sent for your information only, and because Firestone interests were specifically mentioned in the report of the experts to the International Committee.

The Department has expressed no opinion regarding it, other than to point out that certain features which would immediately involve the United States in Africa would be unacceptable to this Government, in order that the Finance Corporation, in the event of request by the International Committee for a statement of the bases on which it would consent to advance further funds, should make no proposal which this Government could not support in its capacity as member of the International Committee. The Department assumes that the Finance Corporation will modify these points (specifically paragraphs 2, 9 and 10 of the Department's summary) after the extent and scope of the Committee's work at this meeting is more clearly determined, but if there appears to be any doubt on the subject in the minds of Hines or Howe, you are authorized to inform them that your Government would oppose the inclusion of any provisions, either by them or by the International Committee, which would lead to exclusive responsibilities by this country in Liberia.

The following for you only: The first paragraph of the confidential memorandum given Howe (quoted at the end of the Department's telegram No. 9) represents the farthest which the Department would wish to have to go, rather than what the Department would consider the most desirable solution.

In view of our unwillingness to assume exclusive responsibility ourselves and the impossibility of our granting a priori approval to a scheme for its assumption by any other single power, the most desirable solution from the point of view of this Government would be the setting up of some form of international administrative control in Liberia during a period of rehabilitation, American participation in which to be on the basis of our representation on an international committee whose instrument would be an organization in Liberia approximating the proposed Commissioner Generalship. (See second paragraph of memorandum to Howe)

The Department would therefore be prepared to approve the general plan of the Finance Corporation draft (if as or when brought up before the International Committee at its request) in so far as this plan relates to the powers and functions of the Commissioner Generalship. I feel, moreover, that without complete control no useful purpose would be served; that there would be no profit in further discussions of "adviserships" which have been amply tried in the past. The Department feels strongly that an American should
head such an organization, and it does not believe that the nationality of his subordinates is so important as their being appointed by and responsible to the head of the organization, since in order to function efficiently most decisions would have to be made on the spot and should be binding upon his staff and/or Liberian officials.

Your telegram No. 19, January 18, 1 p.m. Please express appreciation to Von Renthe-Fink for his communication, and suggest that, inasmuch as this would appear to be a matter for decision between the International Committee and the Finance Corporation, it be taken up direct with the latter. You may add that you have been informed that the Finance Corporation will have a representative shortly in Geneva. You should also state that in accordance with the request of the President of the International Committee, the Department is forwarding to the Finance Corporation for its confidential information a copy of the report of the experts.

STIMSON

882.01 Foreign Control/194: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 22, 1932—7 p.m.

22. For Reber. Mr. Mitchell has telegraphed the Department the full text of the “detailed observations” with which Barclay has submitted the report of the experts to the Liberian legislature. Open debate began on January 18 and the Minister believes that Barclay’s observations will probably be adopted. Since it is assumed that they will also form the basis of the instructions to Grimes and Sottile, a summary is transmitted to you herewith for your information:

1. The appeal of Liberia to the League was based upon a desire for development of the country along specified lines, that is native administration, finance and economics, and sanitation, and he alleges that the experts went beyond the terms of reference.

2. Barclay makes many references to the claim that no basis exists in Liberian constitution or laws for a program such as the experts outlined.

3. Barclay alleges that an acceptance of the recommendations would be inconsistent with the sovereignty and independence of the Republic.

In connection with further advisers, Barclay suggests that four foreigners be employed (or at the most six), three of whom would

*Telegram No. 10, January 19, 9 a.m., not printed.
be Provincial Commissioners (Europeans specified) to assist in native administration, subordinate to and responsible to the Liberian Secretary of the Interior, and a fourth as sanitation and health expert; these to be in addition to the present Financial Advisership staff.

In conclusion Barclay states that anything proposed at Geneva “must be subject to the approval of the Liberian legislature”.

The Department’s views on these matters have already been communicated to you. Mr. Mitchell is being requested to keep the Department informed as to local developments.

Stimson

882.01 Foreign Control/191: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 25, 1932—3 p. m.

23. For Reber. Department’s telegrams No. 9 January 18, 6 p. m. and No. 17, January 20, 1 p. m. In discussing the situation with the Messrs. Firestone on January 22, an agreement was reached as to the advisability of leaving for later determination the disputed points in the draft already submitted to you (specifically paragraphs 2, 9 and 10 as enumerated in telegram No. 9), in order that you, in informal discussion with the members of the International Committee and Hines and Howe, in response to request by the Committee for expression of opinion, might support identical general principles as to the most effective plan for Liberian rehabilitation. Thus the matters covered in the three paragraphs cited above, all of which come under the heading of technical procedure, could be held completely in abeyance pending decision of the basic question of a general plan within the framework of the report of the experts.

The Department does not desire you to advocate the remainder of the draft as such (in the sense that it might be identified as the American plan or the Finance Corporation plan), but merely to support the general principles appearing therein as items, explicit or implied, drawn from the recommendations of the experts, whose report will of course have to form the basis for such action as the International Committee may take, presumably through a recommendation to the Council.

Stimson

* Supra.
The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, January 25, 1932—9 p. m.
[Received January 25—8:35 p. m.]

31. From Reber. Renthe-Fink on Saturday called on Howe and Hines in order to ascertain the attitude of the Finance Corporation with regard to the advance of further funds. The following statement received from Howe contains the substance of his reply:

"The Finance Corporation is not unwilling to discuss a modification of the 1926 loan agreement but could lend only if most thorough administrative safeguards are assured and if the situation does not change in Liberia in such a manner as to alter the basis of discussion possible at the present time.

"It has been tentatively arranged that this expression of their attitude as regards further financing will be explained to the committee by the experts who have consulted with them."[7]

From informal conversations with Howe and Hines it appears that they are not at this time prepared to modify their draft proposal but are willing to make every effort to avoid discussion of the control factor for the moment. I understand that Howe has explained their position in confidence to Brunot and has expressed the hope that it will not be necessary at present for him to express his opinion with regard to the establishment of an international committee of control in view of his instructions from his principals. [Reber.]

Gilbert

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, January 26, 1932—6 p. m.
[Received January 27—12:37 a. m.]

37. [From Reber.] With little further discussion it was decided at the meeting today that the preliminary reading of the report of the experts, League of Nations, Official Journal, July 1932, p. 1359.
then explained that he understood the Finance Corporation would not be unwilling to discuss a modification of the loan agreement and to examine the possibility of advancing further funds under adequate guarantee.

During the reading of the report Liberia contended that the experts did not study the situation in close touch with its Government and were influenced by the discontented element. Brunot denied this unequivocally. In discussing the danger existing, owing to the opposition between the Americo-Liberians and the natives, Grimes minimized this and stated that there was little unrest or trouble.

Brunot emphatically claimed that a very serious danger to Liberia existed and charged that the Liberian Government was oppressing and maltreating its indigenous population. In fact he asserted he had evidence to show that reproach [reprisals?] had been committed upon natives who had given testimony not only to the International Commission of Inquiry but to his own Committee of Experts. He then presented evidence to support his charges.

Grimes denied that his Government had taken any measures of reprisals whatsoever and expressed the hope that any information which would lead the Committee to entertain contrary views would be submitted.

At this point the meeting was adjourned to meet tomorrow morning.

I learn, however, that the British Government has submitted for circulation tomorrow to the Committee a summary of information received by His Majesty's Government regarding the unrest in 1931 in the Kru country of Liberia which concludes with the following statement:

"Really satisfactory investigation is hardly practicable, but it would seem impossible to acquit the Government authorities on the spot of both ruthlessness and incompetence".

I consider that it might be of considerable advantage at this point if I be permitted to present to the Committee a communication from my Government a similar summary which would include reports received from Monrovia and charges made against the Government by representatives of the native tribes. Unless some such communication is presented at the earliest possible opportunity it may give the appearance that the American Government as a member of the Committee accepts the denials made by Grimes and

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Sottle. I propose at tomorrow’s meeting merely to explain that reports from Monrovia indicate considerable [unrest?] among the native tribes who are awaiting with impatience the results of this Committee’s investigations and proposals. This statement may be elaborated somewhat but will not include any reference to reprisals or ruthless activities of the Liberian Government until further instructions are received. [Reber.]

GILBERT

882.01 Foreign Control/202: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 27, 1932—4 p. m.

27. For Reber. Your telegram No. 37, January 26, delayed in transmission. In connection with the inquiry contained in the last paragraph, you are authorized to make the suggested statement on behalf of this Government, summarizing the recent reports from Mr. Mitchell as to reprisals and brutality of the Frontier Force, petitions from the natives, et cetera.

STIMSON

882.00/917: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 28, 1932—1 p. m.

31. For Reber. Following telegram just received from Mr. Mitchell which you may use in your discretion:

"12, January 27, 2 p. m. Additional evidences of continued depredations on Kru coast resulting in loss of life, burning of towns, et cetera, constantly reach the Legation. Recent advices of chiefs refute evidence to be given at Geneva regarding their satisfaction with the present government. British Chargé d’Affaires also making representation to his government that all statements should be verified as to accuracy. Continued strife means great loss to Kru tribe if reports are correct."

STIMSON

882.01 Foreign Control/207: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, February 1, 1932—6 p. m. [Received February 1—2:40 p. m.]

66. From Reber. The drafting of the Committee’s report[12] was concluded at today’s meeting and submitted to the rapporteur.

It is considered as a second progress report and is unsatisfactory in that it voices no definite opinion regarding the nature of the reforms to be adopted or acceptance of the experts' report but merely gives utterance to certain of the experts' comments such as the advisability of designating a central administration head for the organization “to be chosen by the League”. It implies no request to Liberia to accept the report but merely notes the advisability of making rapid progress and the promise of Liberia to submit its own plan at the next meeting.

Upon Madariaga’s insistence an amendment was inserted to the effect that certain of the members recognize the existence of a powerful financial organization as constituting one of the difficulties of the problem and recommends that some effort be made to recognize the interests of Liberia with the development of the plantation reducing to a minimum compatible with Liberia’s best interests the over-head of any present or future loan, slowing up the speed of the reforms if necessary for this purpose. To this statement was added a phrase that other members of the Committee did not now desire to express opinion on this but reserved it for the next meeting.

At the private request of the Secretariat and the President I permitted the insertion of a clause stating that the American member “was glad to continue his collaboration in the work of the Committee and expressed the hope that a practical scheme of reform may speedily be devised by the Committee”.

No reference is contained in the report to the alleged oppressive methods of the Liberian Government. I have ascertained confidentially that this was left out in order to gain agreement by all members to the draft of the report but public mention may be made of it at the Council sessions. I have been asked privately by members of the League Secretariat whether I desire that publicity be given to the memorandum of recent events on the Kru Coast which I submitted to the Committee. If no change incident thereto is made of this matter in public session of the Council it might be considered advisable that I allow a certain amount of publicity to be given to that through the Secretariat.

The Committee has adjourned its session to meet again at the call of the president prior to the next session of the Council. [Reber.]

GILBERT
882.01 Foreign Control/207: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, February 3, 1932—noon.

36. For Reber. Penultimate paragraph your telegram 66, February 1, 6 p. m. There is no objection to permitting in your discretion that publicity be given to your memorandum, provided the same procedure is followed with respect to any others on this subject which may have been submitted by other members. Under Geneva date line the New York Times yesterday reported your submission of the memorandum together with an apparently accurate summary. Please send full text by mail.

When do you anticipate the rapporteur will report to the Council? Stimson

882.01 Foreign Control/214: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, February 6, 1932—11 p. m.
[Received February 6—9:52 p. m.]

75. From Reber: The report of the Liberian Committee was presented to the Council this afternoon. Grimes, in thanking the Committee for its efforts in Liberia's behalf, called attention to the fact that any assistance acceptable to Liberia must not envisage changes in its Constitution.

Lord Cecil offered two observations:

1. The importance of effecting a practical plan of aid offered on the Council's terms; and,

2. The existence of alleged measures of retaliation. He mentioned Brunot's charges and the supporting statements of the British, French and American members of the Committee. He spoke of this as a problem to be considered by the Council.

Grimes again denied their existence categorically and stated the local political situation made it difficult for foreigners to obtain a true picture of the situation. He said time alone would show that he was correct.

Madariaga, in bringing up his contention that the League should consider the difficult problem presented by the existence of the powerful capitalist organization in a weak state, criticized the

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22 For Council discussions, see League of Nations, Official Journal, March 1932, pp. 525-528.
“Christy report”\textsuperscript{14} as being too prejudiced and laying too much stress upon the existence of slavery.

The Panaman representative said he hoped that Liberia would be permitted to show how far it could go to help itself and that if any aid were to be advanced it should be limited to the abolition of slavery and forced labor and not now to general improvements.

Sottile took that occasion to insist repeatedly that slavery and forced labor had been abolished and no longer existed in Liberia.

The Committee’s report was then adopted. [Reber.]

GILBERT


\textsuperscript{18} i.e., the February–March, 1931, meetings of the International Committee on Liberia. See \textit{Foreign Relations}, 1931, vol. ii, pp. 675 ff.

\textsuperscript{18} Lighart, Brunot, and Mackenzie.
Prior to the opening meeting on January twenty-fifth, the Secretariat of the League had indicated the general belief that the opposition of the Liberian Government, even to a discussion of the experts' report, would block any real progress at this session. It was proposed that the report be read and discussed and that the Committee would then adjourn to await the Liberian Government's alternate plan which was promised by the next session. The Committee would therefore not be called upon to evolve any definite scheme of assistance until that time. During these informal discussions with the Under-Secretary-General and Mr. von Renthe-Fink, in charge of this question at the League, it was learned that the Secretariat hoped, with the support of the British and French members, to create some arrangement for the control of the foreign specialist assistants similar to the scheme established for the reconstruction loan to Austria, which set up an international committee of control composed of the powers guaranteeing the League loan and whose powers were set forth in a protocol adhered to by these states and Austria. It was anticipated that through the advance of further funds, Liberia's consent to such an arrangement might be gained.

In order to secure these funds, it was of course evident that the consent of the Finance Corporation of America would have to be secured. In fact, it was considered that this company would be the only source of the additional money required. Therefore, an indication of its attitude was judged to be an important factor without which no further progress could be made. This was given in an informal conversation between Mr. von Renthe-Fink and Mr. Walter Bruce Howe, representative of the Corporation, as described in the Consulate's telegram No. 31, January 25, 9 p.m. It was later presented to the Committee by a member of the financial section of the League and Mr. Ligthart, who had been impowered to request this information in the name of the Committee. A reference thereto appears in the report to the Council.

The representatives of the Finance Corporation and of the Firestone Plantation Company likewise explained their position to the experts. Although they stated in confidence that they preferred the nomination by the President of the United States of the principal foreign specialist, they expressed the hope that this point need not be raised at the present time as there appeared to be many other more basic questions to be arranged first, including gaining the consent of the Liberian Government to any plan derived from the
report. A further description of the Corporation's attitude is contained in the attached letter from Mr. Howe to which no formal reply was deemed necessary, as it was explained to him that the Committee's work had not progressed sufficiently to present the danger he feared.

The discussions which took place during the meetings have already been summarized in the Consulate's recent telegrams and a complete review of them appears in the provisional minutes, which are being forwarded to the Department under a separate cover.

It will be seen from these that the majority of the members had no real understanding of the situation and were interested principally in the juridical problems arising out of the nature of assistance which the League could grant to a member state. Many felt and expressed the opinion privately that if Liberia did not wish to accept the League's plan when concluded, there would be no method of compelling it to do so. The Spanish representative, as previously explained, was primarily concerned with the theoretical problem presented by the existence of the strong Firestone interests within a weak and feeble state. This he considered the root of the problem and for that reason was opposed to anything which might further the financial dominance of a single private organization. Señor de Madariaga's opinions, however, it is believed, are not so much based on a knowledge of conditions in Liberia or any other state, as derived from new Spanish theories of government and his well-known opposition to what he has at other times called "capitalist imperialism."

Other members of the Committee, including possibly the rapporteur, appear to believe that the present loan agreement constitutes too heavy a burden upon Liberia's resources and that it should be modified before further advances are made. They appear not to have studied the elements of security required before funds can be lent under the unstable conditions there existing, although this point was at one time explained by the financial expert. Liberia's expressed opposition to the present loan and attack upon it evidently impressed one or two members, such as the Spanish and Panaman representatives, but it is felt gained little support from either Great Britain or France. The others did not appear greatly interested in any phase of the discussions.

The principal concern expressed to me both by Lord Cecil and M. de Saint Quentin is to gain Liberia's acceptance to a practical plan. The former feels very strongly that no scheme should be devised by

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18 Not printed.
the Committee which is not essentially capable of fulfillment. He believes no responsibility should be accepted by the Committee or the League for any plan which in itself does not contain the germ of success. Adequate powers in the hands of the principal foreign official who would be responsible to the League are deemed essential by him. This opinion is shared by the French representative and officials of the Secretariat. In summarizing his observations on the report, Lord Cecil in the Committee brought out these factors; and when Liberia's objections to any plan which might change its Constitution were stated at the Council, he explained that the Committee was devising its own project of assistance to be granted Liberia and for that reason would have to retain full liberty in preparing it. Whether it was acceptable to Liberia was another question.

In reply to questioning by the Chairman, the unanimous view of the experts was expressed to the effect that the plan which they had outlined did not go far enough in that it contained no provision for any general control by the League of Nations. This provision had not been inserted in their report, since it was considered that their terms of reference did not envisage any proposals affecting the central government.

The Liberian representative's objections to the report, criticisms of the experts and general opposition to their work, have made clear that Liberia does not propose to accept any practical scheme which may be based on the present report. Grimes constantly referred to the scheme which his own Government was preparing and asked that Liberia be allowed to help itself in its own way as much as possible. . . . No one has as yet, however, suggested a method of enforcing the Committee's project upon Liberia, especially when it means the advance of further funds. No recommendation to accept the experts' report was contained in the Committee's report to the Council nor is it believed that Liberia will feel any compulsion to do so. The only danger it runs in its own eyes will be the refusal of the League to grant any aid, and this will not be a great deterrent, it is feared, to continued abuses and oppression of the natives. The advantage of securing further funds to re-establish its economic and financial position will not in all probability be judged a sufficient inducement for it to accept stricter international supervision. This will not take place except through united action on the part of the most interested powers.

The administrative expert, M. Brunot, described the opposition existing between the natives and the present Liberian administration and emphasized the disturbed condition in the country. He charged the Liberian Government with adopting measures of reprisal against
natives who had testified not only before the International Commission of Inquiry, but before his own group of experts. This statement, without further elaboration, was set before the Council by the President of the Committee, who added that it had been supported by statements from the British, American and French members of the Committee. Copies of the memorandum which was circulated in connection with my statement before the Committee is herewith enclosed.

In the above connection, M. Brunot pointed out that the League had assumed a certain responsibility in taking the interest in Liberia it had already displayed and that if it did not accomplish effective reforms, then it would have inculcated a spirit of revolt among the natives, whose hopes had been aroused.

There are also enclosed copies of the second preliminary report of the Committee. It will be noted that a reference is contained therein to the services of the Financial Committee which are to be lent for the purpose of assisting in the financial negotiations. Mr. Loveday of the Committee has informed me he proposes to draft a scheme which will be shown to me during the course of the next few weeks.

I shall keep the Department informed of further developments.

Respectfully yours,

SAMUEL REBER, JR.

[Enclosure]

Memorandum by the American Representative on the International Committee on Liberia (Reber)

GENEVA, [January 30, 1932.]

During recent months the American Government has received reports of continued unrest and disturbances along the Kru Coast of Liberia, which would lead to the conclusion that methods employed to effect an adjustment of differences arising between the native tribes and the Government have been those of force and brutality on the part of frontier force soldiers. These soldiers it appears were under the command of a Special Commissioner to the Kru Coast, Colonel T. Elwood Davis, who had been despatched to patrol the area, investigate and report the sources of grievance and to re-establish Government authority. It is understood that the instructions addressed to him included orders to discourage and put down every act showing lack of discipline, including brutality, looting, or raiding on the part of either soldiers or officers and that for every breach of these orders he was to be held strictly accountable.

Yet it is said that during November, after a delegation of chiefs from the Kru Coast had returned from Monrovia where they were alleged to have presented protests against the action of the patrol, soldiers occupied Nana Kru, flogged and arrested persons who refused to carry loads for them. Five persons including women are reported to have died there as a result of this treatment.

In towns belonging to the Petey tribe it appears that soldiers expropriated property of the townspeople who were driven from their homes and forced to carry loads for the soldiers to Nana Kru where some were jailed. Similar reports are received from Tiempoh which was burnt together with eight other towns in the district.

Although it is stated a special appeal was sent to Monrovia from Sasstown to ask that Colonel Davis be recalled on account of his actions along the coast, this is reported to have been refused by the authorities in Monrovia who were alleged to have replied on November 4 that the Government could not accept such conditions and that the people of Sasstown must submit immediately to the Commissioner's direction. He arrived in Sasstown on November 5 and was received by the Paramount Chief. A meeting was set for November 9 to discuss recent disturbances and the chiefs called upon to surrender guns and ammunition. The Paramount Chief denied the existence of these weapons. It was therefore alleged that fighting broke out on the following night and the towns of Sasstown, Niffoo and other smaller villages were destroyed.

In other cases the Commissioner is reported to have armed certain tribes known to be hostile one to another without regard to the consequences of such an act. This is reported to have led to several cases of bloodshed and inter-tribal clashes. One of the alleged reasons for plundering on the part of the soldiers of the force has been delayed payment of salaries and inability to subsist without forced levies upon the tribespeople.

Other villages are reported to have been pillaged, their inhabitants killed or driven into the bush by soldiers in the detachment commanded by Col. Davis. In addition to these depredations it is stated that others have been committed by the local officials of Maryland County, who have permitted soldiers to plunder villages, demanding food and carriers, arresting and flogging persons who refused to carry out their orders.

It has been claimed that even officials in Monrovia have admitted that Liberian frontier force soldiers are engaged in ruthless and unwarranted attacks upon the natives. Although it appears difficult, owing to the difficulties of communication between various parts of the Liberian coast, to determine the exact spread of these measures
of repression or the total number of lives lost, there would seem to exist no doubt that a serious situation exists in this region which if it should spread to other parts of the country might lead to serious consequences and diminish the administrative control of the central Government.

It has been determined that in spite of the charges raised against Col. Davis and presented to the central Government he left Monrovia to return to the Kru Coast on December 23rd. On this trip he was again accompanied by Major Grant and is reported to have carried a further supply of ammunition.

Additional reports received as late as this month give further evidence of continued depredations on the Kru Coast resulting in loss of life and in the burning of towns. A prolongation of this strife along the coast means great loss to the native peoples.

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882.00/921

The British Embassy to the Department of State

AIDE-MÉMOIRE

The United States Government will no doubt have received information, through their representatives in Liberia and on the Liberian Committee of the League of Nations, regarding the conduct of Liberian officials in the Kru country. On the 18th instant His Majesty’s Government in the United Kingdom instructed His Majesty’s Representative at Monrovia, after allowing a delay not exceeding a fortnight in order that his United States and French colleagues might be enabled to receive similar instructions, to make, if necessary alone, the following communication to the President of Liberia:

“His Majesty’s Government in the United Kingdom are satisfied that the proceedings of the Liberian Frontier Force under Colonel Davis in the Kru country last autumn were tyrannical and high-handed in an inexcusable degree.

“According to information which His Majesty’s Government cannot disregard, although they equally cannot as yet regard it as confirmed, these proceedings are being repeated at the present time and are exposing the Kru population to personal violence and outrage and destruction of property.

“The Liberian Representative denied before the Council of the League on February 6th that these events in any way represented reprisals upon people who had given evidence before the League Commissions. His Majesty’s Government must, however, irrespective of the motives underlying the measures which have been taken...

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against the Kru, ask for an explicit assurance that such proceedings will be discontinued immediately pending the conclusion of an arrangement between the League, the United States and Liberia for the future administration of the country”.

Mr. Graham was further instructed at the same time as follows:

“Notwithstanding that your United States colleague and you are not in official relations with the Liberian Government, it would be preferable that all three representatives should seek a joint interview with the President for the purpose of making the communication. In the event of this being refused, the communication should be made by joint or individual notes at the discretion of yourself and your colleagues. As soon as the message has been delivered you should despatch a reliable agent to the Kru country to report on conditions there and on the effect produced by your representations.”

His Majesty’s Government earnestly hope that the United States Government will instruct their representative at Monrovia to associate himself with Mr. Graham in the above-mentioned action. A similar request has been addressed to the French Government.

WASHINGTON, 19 February, 1932.

822.00/321

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, March 2, 1932.

EXCELLENCY: I have the honor to acknowledge the receipt of the aide-mémoire of the British Embassy, dated February 19, 1932, in which the suggestion was made, with reference to recent reports of renewed oppression of the Kru peoples by the Liberian Frontier Force, that joint representations in protest against these alleged atrocities be made by the British, French and American representatives in Monrovia.

The attitude of the American Government with respect to social conditions in Liberia and the imperative need of reforms is I believe well-known to Your Excellency. It will be recalled that in the latter part of 1930, after the receipt of the unanimous report of the International Commission of Inquiry, two communications were made to the Liberian Government by the American diplomatic representative in Monrovia,22 and that these communications were shortly thereafter transmitted to the Secretary General of the League of Nations for the information of the Governments parties to the International

Slavery Convention of 1926. Moreover, in the conviction that the deplorable social conditions in Liberia ought rightly to be matters of international concern, the American Government accepted the invitation to participate in the work of an International Committee on Liberia established by the Council of the League in January 1931, and a few weeks ago the American representative at the meeting of this Committee then in session was instructed to call to the attention of that body reports of abuses by the Liberian Frontier Force similar to those on the basis of which the British Government now proposes direct representations at Monrovia.

The American Government, which shares the belief of the British Government that the recent activities of the Liberian Frontier Force have been brutally and inexcusably oppressive, is giving careful consideration to the suggestion of the British Government in the foregoing connection and is in entire sympathy with the end in view. In order, however, that the efforts to protect the natives of Liberia and subsequently to bring about a rehabilitation of the administration of the country may not be diffused because of any possible misapprehension as to the direction in which they could best be expressed, I should appreciate your confirming my understanding that the proposed joint action would be taken in line with, and as a means of strengthening the work of the International Committee, to which the American representative would, with his British and French colleagues, anticipate reporting these representations and their result. In this connection it is suggested that the British Government may wish to consider the inclusion in the proposed action of the representative of Germany, in order that there may be unanimous action on the part of all Powers represented in Monrovia which are also members of the International Committee. The American Government believes that in the circumstances it would be desirable if possible for the German representative to participate.

A telegram has been sent to the American Minister at Monrovia asking him to inform his British and French colleagues that the American Government would instruct him in this matter as soon as possible, and requesting him to state that he would appreciate their delaying action on their instructions pending the arrival of his own from Washington.

Accept [etc.]

For the Secretary of State:

FRANCIS WHITE

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*Foreign Relations, 1928, vol. 1, p. 419.

*No. 18, February 28, 2 p.m.; not printed.
The Secretary of State to the Minister in Liberia (Mitchell)

WASHINGTON, March 4, 1932—5 p. m.

21. Your telegram No. 23, March 1, 4 p. m. You are instructed to make the following communication to Edwin Barclay first consulting with your British and French colleagues and ascertaining that their communications are to approximately the same effect:

"The American Government is satisfied that the proceedings of the Liberian Frontier Force under Colonel Davis in the Kru country last autumn were tyrannical and high-handed in an inexcusable degree.

According to information which the American Government cannot disregard, although it equally cannot as yet regard it as confirmed, these proceedings have very recently been repeated and are exposing the Kru population to personal violence and outrage and destruction of property.

The Liberian representative denied before the Council of the League of Nations on February 6 that these events in any way represented reprisals upon people who had given evidence before recent official investigators under international auspices.

The American Government must, however, irrespective of the motives underlying the measures which have been taken against the Kru, ask for an explicit assurance that such proceedings will be discontinued immediately."

The Department leaves it to you and your British and French colleagues to determine the manner in which your respective communications should be made. It is felt that a joint interview, with each representative reading his communication, would probably be the most effective, copies in the form of aide-mémoire to be delivered at the same time as a matter of record. If this course is pursued, you are authorized to add orally that your Government makes the foregoing statement, notwithstanding the fact that it has not recognized the Liberian régime, and without bearing upon that matter.

Should an interview be denied, the communication may be made by joint or separate notes, at the discretion of yourself and your colleagues.

The Department suggested that the British Government obtain the cooperation of the German Government, through its representative at Monrovia. The British Government stated that while having no objection in principle to German participation, they were unwilling to incur the further delay. The Department is informing the British Government today that it hopes the British Government may

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26 Not printed.
nevertheless take up the matter with the German Government to the end that the German representative may if possible be instructed to make a similar communication subsequently.\textsuperscript{26}

Report fully by telegraph.

\textit{Stimson}

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\textbf{882.00/928: Telegram}

\textit{The Minister in Liberia (Mitchell) to the Secretary of State}

\textbf{MONROVIA, March 7, 1932—2 p. m.}

[Received 7:26 p. m.]

29. Your telegram No. 21, March 5, 2 p. m. [March 4, 5 p. m.]

In company with my British and French colleagues we called upon Mr. Barclay at the mansion 10:30 a.m. today. Barclay started conversation by saying that a rather anomalous situation confronted him, i.e., receiving official messages from unaccredited representatives was a little out of line; nevertheless, we might proceed. The \textit{aide-mémoire} were then read. The British and French messages varied only in the addition of the following:

"Pending the conclusion of an arrangement between the League, the United States and Liberia for the future administration of the country."

I also added the oral portion of the telegram as directed.

Barclay stated that he would take the matter under consideration and make reply as soon as possible.

\textit{Mitchell}

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\textbf{882.00/930: Telegram}

\textit{The Minister in Liberia (Mitchell) to the Secretary of State}

\textbf{MONROVIA, March 9, 1932—11 a.m.}

[Received 10:26 p. m.]

30. My telegram No. 29. The following memorandum was read and then presented in person to me by Assistant Secretary of State J. Edmund Jones:

"In the \textit{aide-mémoire} which Mr. Mitchell claims to have been directed by the Government of the United States of America to hand Mr. Barclay, certain allegations with respect to the activities of the

\textsuperscript{26}In note No. 96, March 14, the British Embassy informed the Department that the British Government had been advised by the German Government that, if outrages were found to exist, the German Government would associate itself with the representations already made by Great Britain, France, and the United States (882.00/938).
Liberian Frontier Force under Colonel Davis last autumn in the Kru country are set out as satisfying that government that these activities were tyrannical and high-handed in an inexcusable degree. The Government of the United States of America would appear to have received further unconfirmed information that these alleged proceedings are being repeated at the present time and are exposing the Kru population to personal violence and outrages and destruction of property. The Government of the United States of America, therefore, irrespective of motives underlying the measures which have been taken against the Krus, demand explicit assurances that such activities will cease, pending the conclusion of certain arrangements between the United States, the League and Liberia for the future administration of the country.

As no action justifying the unconfirmed information which is claimed to have satisfied the Government of the United States of America has in the past or is now being taken against the Krus by the Liberian Frontier Force under Colonel Davis the question of an explicit assurance that such action should cease does not arise.

Explicit assurance is, however, hereby given that no action will be taken against the Kru tribes concerned so long as they refrain from attacking neighboring peaceful tribes and threatening foreign interests established under the protection of the Liberian Government.

Executive Mansion, Monrovia, March 8, 1932."

The foregoing not right.

Paragraph 1 as contained in Barclay’s memorandum is a repetition of fact as included in the British and French notes but no reference—either written or oral—was made by the American Minister in this connection.

The replies to my British and French colleagues are identical.

MITCHELL

832.00/837: Telegram

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

MONROVIA, March 11, 1932—11 p. m.

[Received March 12—11 p. m.]

34. By direction of His Majesty’s Government the British Chargé d’Affaires is sending Vice Consul Rydings to the Kru country to make certain observations and report on conditions. He will proceed via the Wolframa on or about the 14th instant. The British Chargé d’Affaires has been instructed to approach me with an invitation to my Government to share the expenses of Rydings’ tour, estimated as probably 150 pounds. He would be glad to have the reaction of my
Government to the proposition and its cooperation in connection therewith.  

MITCHELL

882.00/341: Telegram

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

MONROVIA, March 21, 1932—4 p.m.
[Received 9:27 p.m.]

39. In an endeavor to adjust the Kru Coast situation Barclay is sending a commission composed of Winthrop Travell, one of the American loan officials, with Reverend F. A. K. Russel, a Grebo, and J. F. Coleman, editor of the Weekly Mirror, to investigate and report on the alleged outrages. If conditions do not warrant the presence of soldiers, the Government promises to withdraw them immediately.

MITCHELL

882.00/350: Telegram

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

MONROVIA, April 20, 1932—10 a.m.
[Received 4:49 p.m.]

49. Referring to the Legation’s telegram 39, March 21, 4 p.m., Travell arrived Monrovia April 19th from Kru Coast, reported to Barclay who requested written report by April 23rd. Travell and his commission spent 6 days of conference with Government side; 5 days in interior conference with native War Council followed by 2-day conference with friendly natives on Government side at Sassstown. Saw all chiefs, both friendly and belligerent, as well as Liberian army officers. Estimated number of natives living in bush 12 to 15 thousand. Great shortage of food owing to loss of crops and cessation of farm work. Estimated number of warriors 2,500. Ruling chief Juah Nimley.

Nimley, strongly supported by his people, refuses to return to the coast towns unless the soldiers are withdrawn. It is thought such a move would imperil the lives of the friendly tribes, particularly the Niffu, Sobo and New Sassstown peoples, who are regarded as traitors by rebellious tribes.

\(^{27}\) In telegram No. 33, April 25, 1 p.m., the Acting Secretary of State authorized the Minister to draw a draft, not to exceed $300, in favor of the British Chargé to cover the American share of the investigation expenses (882.00/351).
The war began November 10th. Colonel Davis used every precaution to avoid conflict. His leniency gave natives idea that the Government was weak. Natives had been misled by the spreading of propaganda that the coming of International Commission meant end of Liberian Government authority. Davis found natives so hostile and defiant of Government that conflict was practically unavoidable. Representations of atrocities on Kru Coast have been greatly exaggerated in reports by the press. Colonel Davis believes that these exaggerations have been stirred up by propagandists living in Monrovia.

Casualties Government side 5 soldiers killed, 39 wounded, 1 officer slightly wounded. Casualties to friendly natives 32 men, 13 women, 7 children killed. Casualties to rebellious tribes 81 men, 49 women and 29 children killed. Government found 86 bodies of enemy. Statistics of wounded rebels not available. Approximately one-third of rebel casualties were women and children killed by stray shots and burned in villages. Number of villages burned 44–22[21] large, 23 small; all villages Sasstown tribes as well as Boro, Wisapo, and Dio tribes burned except 12 small towns and 1 large town in Boro interior.

Colonel Davis maintains that burning of the villages was military necessity in order to bring Nimley and his people under subjugation in accordance with orders of November 21st confirmed by Barclay December 23rd after ultimatum from Davis to Nimley that all guns, spears and cutlasses [be] surrendered. Colonel Davis went as special commissioner with civil authority to settle the many outstanding disputes between tribes. He made no demands for taxes. No evidence to show that retaliation was intended on account of evidence given to International Commission although some of the native leaders may have feared this. Number of soldiers originally on patrol 200, later increased to 300 after hostilities commenced. Sixty thousand round[s] of ammunition used, much of which misfired. Full report of Commission by mail.28 Copy to Reber by airmail.

MITCHELL

*In his despatch No. 177, April 23 (882.00/962), the Minister transmitted to the Department copies of two reports of the Commission: (1) the majority report, prepared by the two Liberian members, Messrs. Coleman and Russell, and (2) the minority report, drafted by the Chairman, Mr. Travell.*
The Minister in Liberia (Mitchell) to the Acting Secretary of State

Monrovia, April 30, 1932—2 p.m.

[Received May 1—1:48 a.m.]

54. Referring to Department’s telegram No. 30, April 20, 5 p.m.,²⁹ British Vice Consul’s report on Kru situation is treated under the following headings:

(a) Organization and characteristics of Kru tribes.
(b) Conditions and events on the Kru Coast preceding the arrival of Colonel Davis.
(c) Colonel Davis expedition and events leading up to the outbreak of hostilities.
(d) Military operations.
(e) Outrages, excesses and oppressive acts.
(f) Destruction of property and loss of life.
(g) Present situation on the Kru Coast.
(h) Summary and general observations.

The salient points are as follows:

(1) Historical background of Kru people.
(2) Recital of cause and effect of the International Commission’s visit on the Coast and the subsequent propaganda stirred up by Americo-Liberians and natives to the effect that the whites were coming to take over the country.
(3) Designation of Colonel Davis as Civil Commissioner by the President to patrol the Coast, investigate and settle the disturbance.
(4) Describes at length the skirmishes at Sasstown, the retirement of the natives to the bush and burning of towns and villages.
(5) Gives in detail outrages, excesses and oppressive acts of the Liberian frontier force.
(6) Describes area laid waste by Liberian soldiers and gives statistics as to the loss of life which are approximately same as those given in Liberian report.
(7) Describes preparation and his effort to interview Chief Nimley and the stern resistance on the part of the natives to surrender.

In his summary he describes causes of unsettled conditions prior to visit of International Commission. He criticises the present and past administrative authorities of the country and cites with deep concern that the Americo-Liberian does not possess requisite moral qualities, intelligence or training necessary to govern the primitive tribes at present under their charge. Cognizance is also taken of the fact that some of the natives were [apparent omission] in their acclaim for British rule.

²⁹ Not printed.

644211—47—51
Full copy follows by regular mail steamer May 4th to Reber and Department.  

MITCHELL

882.01 Foreign Control/238: Telegram

The Consul at Geneva (Gilbert) to the Acting Secretary of State

Geneva, May 2, 1932—1 p. m.

[Received 1:15 p. m.]

166. From Reber. A memorandum of the Government of Liberia on the report of the experts has just been circulated to the Committee and contains the program for reform promised by Grimes at the last meeting.

Before presenting this program a brief historical survey of events leading up to the experts' mission has been inserted for the purpose of justifying Liberia's position and of criticising the report which it is claimed fails to set out the evidence upon which its conclusions were reached, goes beyond the terms of reference and appears an effort to change the whole organization of the Government rather than to aid in putting into effect reforms. Since the suggestions of the report, if adopted, would in the opinion of the Liberian Government adversely affect its independence, it feels itself unable to accept without modification the plan of the experts.

As regards the first section of the report "present position" the memorandum charges many inaccuracies exist.

With reference to the "program of assistance" the memorandum contains five subdivisions as follows:

1. The memorandum considers that the experts' report appears to defer the improvement of the educational system which should form the basis for all reforms and improvement.

2. Interior administration. The Liberian Government differs with the experts as to the subordinate division of the administrative provinces. After listing the steps by which slavery and enforced labor have been "effectively" abolished the policy of the Liberian Government is explained as one which never proposed the withdrawal of the native populations from under the direct administration of Liberian citizens of whom there are a sufficient number to create competent administrators for that territory. The Government, however, proposes to employ a limited number of foreign assistants whose role would be that of advisers whose appointments would be made by the Liberian Government and whose duties and responsibilities and pay would likewise be fixed by Liberia. The appointment of three of these men recommended by the League and appointed by the

*The British Vice Consul's report was transmitted to the Department by the Minister in his dispatch No. 186, May 3 (not printed).
President as provincial commissioners is proposed. They would be responsible to the chief executive through the Secretary of the Interior to whom their reports would be sent and copies furnished the League. The Government guarantees for a period not exceeding 5 years spontaneously to give these officials every facility and power necessary to carry on the work assigned them.

(3) Financial assistance. It is admitted that one of the most pressing needs of the country is that of obtaining more money but it is claimed that the second installment of the loan if advanced would create an even heavier burden and would render the financial problem more acute. Three remedies are proposed for the improvement of the economic situation which deal with the general improvement of economic conditions and negotiations with the Finance Corporation for such modification of their agreements as will result in an amelioration of their terms and for readjustments thereof. This section is rather vague in its definite recommendations.

(4) Health and sanitation. This section of the memorandum refers to the reorganization of the health and sanitation service under Dr. Fuscek and to the new tax imposed to provide funds for this purpose.

(5) Judiciary. The judicial system of government is considered purely a domestic problem without the terms of reference of the experts whose recommendations in this connection would violate the Liberian constitution.

In conclusion the memorandum reviews the recommendations of the Christy commission and states all have either been put into effect or provision made for them except those which manifestly did not apply.

The foreign fiscal officers of the present loan agreement will remain in the service of the Republic unless arrangements for reducing their number can be made directly between the contracting parties for the moral support of the League and in addition one director of health and sanitation, three provincial commissioners, all nominees of the League, are provided for by the present memorandum.

The full text of the memorandum is being mailed today.

GILBERT

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882.01 Foreign Control/239a : Telegram

The Acting Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, May 4, 1932—6 p. m.

72. For Reber. The Department notes from the minutes of the meetings of the International Committee last January and February

*Dr. R. G. Fuscek, who, as director of Public Health, took over sanitation work in Liberia following the departure of Dr. Howells in July of 1931.
that considerable criticism was made of Firestone rights and activities by certain members. Should this occur again I believe that you should immediately seek the opportunity to state on behalf of and under instructions from your Government that:

(1) The United States seeks no special advantage or position in Liberia and desires only the welfare and development of the Liberian people, and the proper protection of American nationals and their investments;

(2) While it is not customary for the American Government to identify itself with private organizations other than to insist on full protection for their legitimate activities, a repetition before the International Committee of the irrelevant and mischievous criticism expressed last January has impelled us to state our belief that the Firestone enterprise was honestly conceived and has been prosecuted, under very great difficulties, with admirable restraint and goodwill. The troubles between the Financial Adviser-ship and the local administration have been caused by the constant attempt of the latter to break down and vitiate the contract, whereas reasonable cooperation with the competent loan officials would in our opinion have gone a long way toward solving Liberian fiscal problems. We therefore regard efforts to place the blame for present conditions on the alleged “onerous terms” of the loan contract as maneuvers to sidetrack the main issues. We regard such efforts as particularly inappropriate in view of the offer made by the Finance Corporation to the Committee last January sympathetically to consider such proposal as the Committee might wish to make to the Corporation, involving a modification of the contract, provided “thorough administrative safeguards are assured”.

Please discuss this phase of the matter with Gilbert, informing the Department by telegraph should you have any comments.

CASTLE

882.01 Foreign Control/242: Telegram

The Consul at Geneva (Gilbert) to the Acting Secretary of State

GENEVA, May 5, 1932—9 p. m.
[Received May 5—7: 55 p. m.]

172. From Reber. Upon Grimes’ request today we had a long conversation relating to the next meeting of the Committee. At first this discussion, in the presence of Renthe-Fink, turned on the method of handling the problems as they arose in the Committee. (See my
telegram 171, May 5). Grimes was most conciliatory in his attitude but made no definite commitments.

After Renthe-Fink's departure Grimes brought up the subject of financial negotiations and said the Liberian Government wished to negotiate with the Finance Corporation without involving the Committee in this matter and asked for my views as well as those of the American Government in this respect. As this appeared to me an effort, similar to Barclay's suggestion made last summer of a trip to the United States and in line with other recent developments, to deal direct with the United States rather than through the Committee I told him it was my personal belief that since the whole question of financial, administrative and social reforms had been referred to this Committee preliminary discussion should take place here in Geneva. The Committee, I thought, would feel entitled at least to express its opinion regarding the future negotiations to be undertaken and it would be a mistake in the interests of a solution satisfactory to all parties if any attempt were made to initiate individual and private discussions without some accord on the general reform program being reached. I therefore expressed the belief that the best opportunity of a permanent and lasting settlement lay in the continuance of discussions here, the close cooperation of all parties with the work of the Committee and the acceptance of the Committee's final decision.

As far as the views of my Government were concerned I told him that I would endeavor to ascertain them in this respect and inform him later.

Grimes also explained that Dennis, Secretary of the Treasury, had been instructed to discuss modification of the loan contract with the Financial Corporation while on his trip to the United States. I should greatly appreciate any information regarding the progress of these negotiations as I feel it essential to the success of the Committee that we do not work at cross purposes particularly during this next session.

The understanding of the Committee is that any modification of the Firestone contract or the loan agreement is at present dependent upon Liberia's acceptance of the experts' report as a basis for discussion. Should a separate agreement be reached between the two parties before this report can be accepted it might therefore tend to an abandonment of the task already under way here and tend to throw the responsibility for a solution of the Liberian question upon the United States and American interests. [Reber.]

GILBERT
76. [For Reber.] Your telegram 172, May 5, 9 p.m. You may use the personal statement of opinion made to Grimes as representing the view of your Government.

We have no information as to the arrival of Dennis although we understand that he is coming to this country for a church conference. You will be informed of any developments. We are likewise informing the Firestones of our views as to the desirability of having the International Committee reach an agreement with Liberia as to the main outlines of a program of rehabilitation prior to direct discussion between Liberia and the Finance Corporation as to possible modification of the terms of the loan contract.

We shall instruct you as to our attitude toward the Liberian reply to the report of the experts upon receipt of your recommendations in response to the Department’s telegram 73, May 5, noon.  

CASTLE

175. From Reber. Department’s 73, May 5, 4 p.m. [noon]. The present tendency of the Committee appears to be a desire to conciliate insofar as possible the views set forth both by the Committee of Experts and in the Liberian memorandum. It is recognized that any concessions to the Liberian point of view should not however be of such a nature as to prevent any scheme of reform from becoming effective. As explained in my summary of this morning’s committee meeting there seems to be a desire to reduce where possible the number of foreign specialists called for in the experts’ report. In my opinion this will help to secure Liberia’s acceptance and should not prove an obstacle to our acceptance of a compromise scheme provided that adequate powers are granted the foreigners appointed.

There are in my opinion two notable omissions in the Liberian memorandum. One relates to the appointment of a single coordi-
nating official who as Cecil suggested this morning might not necessarily have executive powers but on the other hand would not be a subordinate official of the Liberian Government. In this connection it will be important I believe in the committee to insist upon the powers of all foreign officials being defined prior to their appointment. The other point to which the memorandum fails to give adequate consideration relates to reforms in the judiciary which, while it might be considered to exceed the strict terms of reference, seems to be an important one.

As far as the individual points raised in the memorandum are concerned there should be no difficulty in reconciling the educational program proposed by both parties. The number of three foreign provisional [provincial?] commissioners seems to be inadequate although it might be possible to reduce in number the eight proposed by Brunot. In addition to the appointment of these officials it would seem logical that one be considered the principal foreign administrative specialist who should not be thoroughly subordinate to the Secretary of the Interior. The question of financial assistance depends very largely upon the negotiations in the committee between the committee and the Finance Corporation and Liberia’s acceptance of a workable plan of reform.

The program of the experts relating to point 4, health and sanitation, might be reduced during the present financial crisis but more than one foreign sanitary official should be provided and his powers carefully defined.

I feel that this memorandum provides a field for negotiation here which may lead to acceptance of the report by Liberia. I am however strongly of the opinion that too great concessions should not be made to gain this adherence. It might be possible, as suggested to me by Lord Cecil this morning, to devise a scheme whereby a temporary moratorium on loan charges will be granted Liberia on condition that it would immediately cease if the conditions of the agreement were not thoroughly complied with. In this way some funds could be diverted from the loan charges for a certain specified period to cover the expenses of reform but would later be repaid in full.

Do the Firestone interests still consider their draft proposal as establishing a condition precedent to any modification of their agreement? [Reber.]

GILBERT
The Consul at Geneva (Gilbert) to the Acting Secretary of State

Geneva, May 7, 1932—11 a. m.  
[Received May 7—9:10 a. m.]

177. From Reber. At the close of a private meeting of the Liberian experts last night a draft proposal to reduce to a minimum the program of assistance was shown to me. This will be presented to the President and the rapporteur but not to the Committee until some time next week to give time for further private discussions concerning it.

It proposes three administrators and three assistants, three medical officers, one legal adviser, the three financial officers as provided in the report and a reduction of expenditures for surveys, public health, roads, et cetera, a total of $184,000. In addition there is also provision for a principal adviser attached to the central government and a secretary. The total cost of the new program would be $200,000 a saving of $198,000.

The experts consider that if the Finance Corporation would accept a moratorium renewable from year to year this moratorium would not permit the application of the $279,000 of loan contract charges to the cost of maintaining this program. In order to start such a plan it is thought possible that the remainder of the first installment of the loan might be applied to the expenditures of the first year or if necessary held in reserve. The experts’ plan is based on the supposition that the average annual revenues will be approximately $650,000. Should revenues exceed that sum the excess could be applied to paying off the loan charges.

Although not provided in the experts’ draft report, it is understood that any failure of the Liberian Government to maintain this program or failure on its part to give its full cooperation would cause an immediate suspension of the moratorium and a removal of the foreign advisers.

It would be greatly appreciated if the views of the Department as well as of the Finance Corporation in this respect could be transmitted to me as soon as possible for it is hoped to present the final report of the committee to the Council during the course of next week. While this compromise plan is not thoroughly satisfactory it would appear, in view of present financial difficulties everywhere, it might afford a possible solution. The presence of the central adviser who will report regularly to the Liberian Committee may help to serve as a psychological check upon further abuses.
While the number of financial officers is placed at three rather than the five provided under the present loan agreement this was done in order not to increase the program provided in the experts’ report but the experts appear willing to increase this number if it is considered essential by the Finance Corporation. I personally expressed to them the view that three would not be sufficient and they thought there would be no great difficulties involved in this connection. [Reber.]

GILBERT

882.01 Foreign Control/243 : Telegram

The Acting Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, May 8, 1932—1 p. m.

77. [For Reber.] Your telegram No. 175 seems to cover the situation both as to the Liberian memorandum and to the problem in general. However, we specifically desire to emphasize the absolute necessity, if we are to vote in favor of any compromise plan developed, of having the question of authority immediately and properly defined. With the experiences of the past 20 years with “adviserships” we could not support any proposal which did not give adequate authority. We feel that arguments about “sovereignty” and “the constitution” should not be permitted to obscure either this basic necessity or the present intolerable chaos prevailing in Liberian administration. Furthermore you may point out that the purpose of Liberian rehabilitation to be achieved via a period of assistance is fundamentally to provide for the benefit of the Liberian people precisely that independence about which the Liberian representatives profess to show such solicitude.

Carrying these premises to the outline described in your telegram No. 177, we believe that it would be most unfortunate for the International Committee to be faced with another detailed “plan” without first having settled the vital principle of authority. If Liberia is going to refuse to delegate adequate powers it would be much better in our view for this to be ascertained in the beginning, without wasting time negotiating details, even if Liberia’s refusal deadlocks proceedings and causes the Committee to report no progress to the Council. A recognition of no progress now would be preferable to adoption by the Committee of an unworkable program whose shortcomings would be discovered 6 months or a year later when initial apparent acquiescence might have changed in Monrovia to opposition comparable to that which has faced the present Financial Ad-
visership during the past 2 years. Nor would we be impressed with a proposal to base the functioning of any program upon a "promise of cooperation" with suspension of the operation of the plan and/or the proposed moratorium, in the event that cooperation should not be forthcoming.

The foregoing represents the requirement which would have to be met to secure the support of the Department. Although it has not been possible to date directly to discuss the matter with the Firestones, Howe is of the opinion that they would require similar clarification of the principle of authority before agreeing to consider details. Should the principle be settled, he believes they would not insist upon the details of draft plan outlined to you last January but on the contrary would be sympathetic to any proposal conceived in a spirit of "the realities of the situation."

Aside from the question of authority, the Department is gratified to observe the effort to reduce the personnel and more especially the cost of a program, since $400,000 a year would clearly represent an impossible initial burden for a country whose present revenues (due in considerable measure to chaos and administrative ineptitude to be sure) are only approximately half a million dollars. We would therefore like to see considered a further large reduction from the $200,000 a year program discussed in your telegram No. 177, on the theory that a start could be made (and much progress could be achieved provided Liberia cooperated) with a much more modest organization. Given the present Financial Advisership plus one thoroughly competent general administrator with adequate authority, we believe that improvement would be rapid and that the organization could gradually be enlarged on a self-supporting basis. A further advantage of this proposal would be that it might entail almost no modification of the loan contract,—probably none if the League would itself defray the expenses of the first year.

CASTLE

882.01 Foreign Control/243: Telegram

The Acting Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, May 8, 1932—9 p. m.

78. For Reber. The substance of Department's telegram No. 77, May 8, 1 p. m., has been communicated to Harvey Firestone, Junior. He stated that our opinion as to the requirements precedent to serious discussion by them of any proposal involving either a modification

* See telegram No. 9, January 13, 6 p. m., to the Consul at Geneva, p. 687.
of the loan contract or further advances represented in his view a "conservative estimate".

CASTLE

882.01 Foreign Control/249 : Telegram

The Consul at Geneva (Gilbert) to the Acting Secretary of State

GENEVA, May 10, 1932—5 p.m.
[Received May 10—12:50 p.m.]

184. From Reber. I have been shown a copy of Ryding’s report concerning his trip on the Kru Coast which bears out the allegations of cruel and oppressive treatment of the natives. The Department has doubtless received a summary of this report from Mr. Mitchell.²⁵

In discussing how this report should be brought before the Committee today with the British we reached the conclusion that it might be well for the four Governments interested, namely, United States, Great Britain, France and Germany to submit a joint memorandum to the Committee summarizing the more important findings of this report. This would center more attention upon the situation than if the report which is a long opinion were to be circulated in toto. Should the Department agree to this method we will summarize the report here and present it jointly.

Should the French and Germans, whose representatives are not today in town, be adverse to this procedure it might be well for the British and ourselves to submit similar but not identical memoranda inasmuch as Ryding’s trip may be said to have been made at the instigation of the three Governments interested. I do not foresee any difficulty in gaining the French or German acceptance of this proposal but as time is short merely suggest this is a possible alternative procedure.

It is hoped to have this memorandum ready for presentation by Thursday if the Department concurs in this action. [Reber.]

GILBERT

882.01 Foreign Control/249 : Telegram

The Acting Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, May 11, 1932—noon.

81. For Reber. Your telegram 184, May 10, 5 p.m. You are authorized to use any method which seems the most desirable in cooperating with the British, French and possibly the German repre-

²⁵ See telegram No. 54, April 30, 2 p.m., from the Minister in Liberia, p. 715.
sentatives in bringing the Rydings report before the Committee. If a joint statement is submitted, I believe it should clearly state that the findings are entirely the work of a British official and should describe the origin of his investigations.

The Firestones recently received a radio from Hines to the effect that he had been told that the Rydings report contained certain unfriendly references to Firestone interests in Liberia. Mr. Mitchell's telegraphic summary to us on April 30 makes no reference whatever to any mention of the Firestones, and we accordingly told them that we thought Hines had been misinformed. I mention this matter to you merely in order that you may definitely ascertain that nothing of this sort is contained in the report prior to your participation in any joint submission which could not fail to indicate a general agreement on our part with the text.

CASTLE

882.01 Foreign Control/255: Telegram

The Consul at Geneva (Gilbert) to the Acting Secretary of State

GENEVA, May 14, 1932—6 p.m.
[Received May 14—5:45 p.m.]

190. From Reber. My telegram 189, May 14, 5 p.m. The statement I made in the Committee this morning was along the following lines:

[Here follows the substance of the first two paragraphs of Department's telegram No. 77, May 8, 1 p.m., printed on page 723.]

GILBERT

882.01 Foreign Control/259

Memorandum by Mr. Ellis O. Briggs of the Division of Western European Affairs

[WASHINGTON,] May 17, 1932.

Mr. Reber telephoned at 3:30 Washington time to report, with reference to the Department's telegraphic instructions No. 83, May 14, 3 p.m., and No. 85, May 16, 8 p.m., that in spite of his constant objections the International Committee in today's session had adopted for submission to the Council on May 19 a program which represented in his opinion a thoroughly unworkable and impractical plan. He stated that he had discussed the matter with Mr. Hugh

* Not printed.
* Neither printed.
Wilson and Mr. Marriner and that they agreed that it would be necessary for us to submit a formal reservation, inasmuch as we cannot agree with the Committee's plan.

I told Reber that I believed the Department would agree as to the necessity for an American reservation and asked whether he had formulated any draft. Mr. Reber then dictated the following text:

[Mr. Reber's text is substantially the same as the American reservation included in the report adopted by the Committee on Liberia May 20. For text of the reservation, see telegram No. 200, May 21, noon, from the Consul at Geneva, printed on page 731.]

He said that he was very anxious if possible to receive instructions from the Department regarding the above draft in time for use on May 18 in a final effort to block the submission of the program which we oppose. I told him that we would accordingly try to transmit instructions to him during the course of the evening Washington time.

(Such an instruction was sent: Department's 87, May 17, 9 p. m.)

E[llis] O. B[riggs]

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882.01 Foreign Control/264: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, May 19, 1932—9 p. m.

[Received 9:05 p. m.]

198. From Reber. After the presentation of my memorandum and reservation described in my 196, May 18, 7 p. m., and upon the request of Italian and Spanish members of the Committee who wished to present reservations of a juridical character, the President decided to reconvene the Committee this afternoon for a final examination and approval of the report.

It was accepted after considerable discussion as to the wording of the text. It reviews the work of the Committee through its three sessions and recommends the general principles of the plan to be adopted along the lines of the Cecil proposal (see my 191, May 18, 10 a. m. [11 a. m.]) with certain changes and the amendment that in the event of difficulty in the application of the plan of assistance provision is made for the possibility of recourse to the Council. It concludes its main section with the statement that the Committee can only lend its support to work which will be efficient

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41Not printed.
42Not printed; for text of the reservation included in the report of the Committee, see telegram No. 200, May 21, noon, from the Consul at Geneva, p. 731.
and is of the opinion that the general limitations which it has indicated are a minimum below which it would appear impossible to go. At the same time it adds that the Committee cannot recommend with any hope of success the opening of negotiations with the American groups concerned if the latter are not given legitimate guarantees under the plan.

Following this section are reservations: the Liberian which states that the plan must be submitted for the approval of the Government in Monrovia; the Italian and Spanish relating to procedure in the Council and the necessity for obtaining the approval of Liberia; and the American.

In the first draft the Committee had recommended simultaneous presentation of the plan to the Firestone groups and Liberia but after my urgent representations in private conversations and in view of our general reservation it was agreed to suppress this version of the text and to substitute a statement to the effect that the Government of Liberia is requested to make known at the earliest possible opportunity its decision as to the plan of assistance. If it accepts the principles of the plan the Committee considers it would be desirable that negotiations be started between the representatives of the interested parties supplied with full powers. The Committee will meet as soon as the Liberian reply can be received, in any case not later than the month of August. In view of this change and upon the urgent request of the rapporteur I withdrew from the written section of the reservation the phrase relating to our unwillingness to accept the proposal of simultaneous transmission although making it clear in the discussion that this was our attitude.

It was not felt that our suggestion relating to the appointment of a subcommittee was acceptable by the full Committee except in the form above set forth since the Liberian representative was insistent upon the necessity of receiving the prior approval of his Government before continuing. Therefore, I made no change in the memorandum as circulated but merely referred to it and made mention in the discussions of our urgent desire that some machinery for continued negotiations be set up.

The conclusion of the report sets out in brief the situation on the Kru Coast and suggests that the Council authorize the immediate despatch, as an emergency measure, of an individual to act as conciliatory agent and for the restoration of peaceful conditions. It was determined that the choice of this individual should be left to negotiations between the President of the Committee and the Liberian representative.
The German representative at the end of our discussions mentioned a meeting reported to have taken place in Monrovia between the representatives of the British, French, German and American Governments relating to the serious health situation and the lack of funds for continuance of necessary sanitary work. He said a decision had been reached in this meeting to urge the American Government to use its good offices to procure further funds. I replied that I had not been informed of the results of this meeting but felt that this situation only emphasized our desire that the Committee continue to work with the least delay possible for I felt that as soon as an acceptable plan was adopted funds could be secured. It was determined to make some mention of this health situation in the transmitting statement for our report to be made tomorrow at the Council by the rapporteur.

The Committee adjourned today to meet again upon the call of the President when the Liberian reply has been received.

A full text of this report and of the rapporteur's statement will be mailed before the close of this week. [Reber.]

GILBERT

882.01 Foreign Control/285 : Telegram
The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, May 20, 1932—2 p. m.
[Received May 20—11:15 a. m.]

199. From Reber. The Council this morning accepted with almost no discussion the report of the Liberian Commission and approved the suggestion to send a special representative to try to handle the Kru situation. The question of funds available for this purpose was raised and it was stated that the Liberian Government should meet the expenses of this special agent. While it was recognized that they might have difficulty in finding a sufficient amount at the moment, any advances made, possibly by the League, would eventually have to be repaid by Liberia.

The rapporteur's statement mentioned the health situation in the following terms:

"The sanitary work begun by Dr. Howells has been hindered owing to lack of funds and in view of the fears raised by the present situation the German, British and French representatives at Monrovia have

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expressed their desire that the attention of the Government of the United States should be called to the existing state of things with a view to the release by the American Finance Corporation of loan funds for the health work begun at Monrovia.

I think I am faithfully interpreting the wishes of the members of the Council in emphasizing the interest attaching to the sanitary work undertaken by Liberia and in expressing the hope that means will be found to carry forward this very important work."

With regard to the suggestion made in the Department's telegram 89, May 19, 5 p. m., inasmuch as I explained the Department's views contained in its earlier telegram to Lord Cecil yesterday I felt that it might be well at the present time not to raise the question of the subsequent appointment of the Commissioner General particularly in view of the fact that the Committee and the Council have now decided that the present appointment to be made is purely one of an emergency nature and solely for the purpose of seeking a peaceful solution of the Kru situation.

Cecil explained to me that the British Government thought it preferable to withdraw its suggestion regarding the appointment of an official from one of the neighboring colonies and will leave the choice of a man to the Secretary General of the League. He said there was no possibility that a Frenchman will be chosen but that in his capacity as a League official Dr. Mackenzie, the health expert, might be entrusted with this mission. He has had considerable experience with tropic countries and while primarily not an administrator it is thought that his known connection with the League will give him adequate prestige among the natives and that he will be satisfactory to all parties. I will be informed of the definite choice made. I have opposed no objections up to the present time but should this appointment be judged unsatisfactory I shall immediately present any objections the Department may wish to have me make.

Upon the request of the Secretariat I have said they may give what publicity they believe advisable to the American memorandum and the Rydings report, provided the consent of the British and French is gained for the latter. [Reber.]

GILBERT

*Not printed.*
The Consul at Geneva (Gilbert) to the Secretary of State

[Received May 21—8:50 a. m.]

200. From Reber. Department’s telegram No. 90, May 20, 3 p. m.48

The full text of our reservation as included in the report of the Committee reads as follows:

“The American representative stated that his Government believes that the delegation of adequate authority by Liberia to a single official of an international agency would be the most genuinely practical solution of the problem. This would leave the details of a programme of complete rehabilitation to be put into effect step by step and on a self-supporting basis and would take advantage of all existing machinery with a minimum of lost time and a maximum of results at the smallest initial cost to Liberia. The American Government would, however, be prepared to study a proposal involving more initial changes in Liberian organization and consequently much greater initial expense provided it were clearly understood that there would be the requisite delegation of authority by Liberia as an indispensable preliminary to any adjustment of the present financial situation. In the light of the above the American Government would not be willing to recommend to the Finance Corporation, which is the interested party, any financial negotiations until a satisfactory administrative plan had been agreed to by Liberia. The foregoing constitutes a full reservation of the position of American Government on the points mentioned. It is based upon many years of experience in endeavoring to induce the governing elements in Liberia to improve the condition of the country through ‘advisers’ and upon the conviction that no plan can succeed until it is founded upon principles which will insure its practicability.”

The text of the Committee’s report has been circulated to the members of the Council and has been made available for the press here. In order to give our reservation greater emphasis I believe, however, it might be well to give its full text publicity in the United States.49 [Reber.]

Gilbert

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48 Not printed.
49 The text of the reservation was released to the press in the United States May 21. See Department of State, Press Releases, May 21, 1932, p. 515.

644211*—47—52
882.01 Foreign Control/276 : Telegram

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

MONROVIA, May 26, 1932—11 p. m.
[Received May 27—4:30 p.m.]

59. The Legation transmits at the urgent request of Liberia a declaration of its firm intentions regarding proposals made at Geneva on May 20.

"26 May 1932.
1. The Liberian Government will not accept proposal of League personnel. Desires United States Government nominate for appointment three American citizens, white or black, to serve as provincial commissioners. Commissioners to be responsible, through Interior Department, but will have right of direct contact with the President when necessary and requisite.

2. The Government does not intend to modify in any degree the terms of Firestone planting agreement. Will, however, ask United States Government to support certain modifications of loan agreement which experience proves to be necessary.

3. The Government will not accept any further investigation of Kru Coast conditions which are purely internal affair.

4. If United States Government will be good enough to support Liberian attitude as outlined above, Liberian Government will be able to reply in a definitive sense to suggestions of the League when Mr. Grimes' official report reaches us; and future policy will be based upon close cooperation with the United States Government and legitimate American interests established in Liberia. Edwin Barclay."

MITCHELL

882.00 Foreign Control/276 : Telegram

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

WASHINGTON, May 27, 1932—5 p. m.

36. Your telegram 59, May 26, 11 p.m. We do not consider it necessary to make any reply for the present to this latest approach. Upon the receipt by Barclay from Grimes of the League proposal together with the American reservation and memorandum (referred to in the Department's telegram 35, May 23, 6 p.m.) it is assumed that the position of this Government will be made clear to him.

For your confidential information I may state that Gabriel Dennis, Secretary of the Treasury in the Barclay administration, was received informally by Mr. Boal today. In response to his inquiry as to the

**Ibid., 1926, vol. ii, p. 574.
***Not printed.
attitude of the American Government, he was informed that we anticipated continuing cooperation with the League and that we felt that no solution was possible unless Liberia delegated sufficient authority to render effective a plan of reorganization. No specific reference was made either to the report by the Committee to the Council or to the American reservation or memorandum.

No reference was made to the contents of your telegram 59 or to Barclay’s communication quoted in your telegram 53, April 29, 9 p.m. 53

STIMSON

882.01 Foreign Control/288: Telegram

_The Acting Secretary of State to the Consul at Geneva (Gilbert)_

WASHINGTON, May 28, 1932—2 p.m.

96. For Reber. Your telegrams 201 and 203. 54 We have given careful thought to the suggestion advanced by the League for us to ascertain from the Finance Corporation its attitude in the event that Liberia should approach it about repaying a possible League advance to subsidize sending an investigator to the Kru Coast. We have come to the conclusion that we will not ask for an expression of opinion from the Finance Corporation. Instead, we authorize you to make a statement in reply along the following lines:

The American Government feels that should the League desire to make an advance to Liberia for the specific purpose of sending a representative to the Kru Coast, the question of repayment might better be left in abeyance until such time as it would be possible to consider it in connection with general financial matters.

For your own confidential information: It appears from informal discussion with Howe that in the event we requested such an expression of opinion, the Finance Corporation would probably feel constrained to reply to the effect that

“Liberia is entirely at liberty to assume the obligation of reimbursing the League if and when funds are available, without in any way infringing the terms of the Loan Agreement of 1928. There is no provision in the loan agreement which would prevent Liberia from including in its regular budget such an item to be paid out of unassigned revenues at any time after Liberia had paid defaulted obligations under the Loan Agreement, and if revenues originally assigned under Loan Agreement are sufficient to take care of current service of the loan.”

53 Telegram No. 53 not printed.
54 Neither printed.
In our opinion, since the assigned revenues at present are manifestly insufficient to cover the loan charges, this sort of reply would merely beg the question and might inject into discussion the question of priority of the loan. We would much prefer to have this matter kept off the books until Liberia accepts or rejects the League administrative proposal. In any case it appears probable from Barclay’s communication reported to you in our telegram No. 95 that Liberia will refuse the League’s suggestion for the despatch of a “special representative.”

CASTLE

882.51/2154

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

No. 58

WASHINGTON, June 11, 1932.

Sir: I enclose herewith for your information a copy of a letter from the Finance Corporation of America addressed to the Liberian Secretary of the Treasury and the Financial Adviser on June 3, 1932, with reference to the attitude of the Finance Corporation toward the default by Liberia of amounts due under the loan agreement. A copy of this communication was received by the Department from the Finance Corporation.

Very truly yours,

For the Secretary of State:

W. R. CASTLE, JR.

[Enclosure]

The President of the Finance Corporation of America (Wm. P. Belden) to the Liberian Secretary of the Treasury (Dennis) and the Financial Adviser (McCaskey)

[NEW YORK CITY,] June 3, 1932.

Dear Sirs: We have the honor to invite your attention to certain matters relevant to the Loan Agreement of September 1, 1926 occasioned by defaulted interest and sinking fund payments.

This situation has assumed further seriousness by the failure of the Liberian Government to effect a budget for 1932 in balance with the estimated revenues for such period and we are advised that there has been no plan promulgated for liquidating these items in default, or for assuring the payment of all current obligations for 1932.

On January 1, 1932 there was due interest in the amount of $76,720.00 and a sinking fund payment in the amount of $31,542.00. The funds which the Government of the Republic of Liberia had de-

*Not printed.*
posited with the National City Bank of New York, Fiscal Agents, under Article V of the Loan Agreement and which were paid upon these obligations were only $15,059.04, all of which were applied against interest leaving a deficit of $61,660.96 on account of interest and the entire sinking fund payment of $31,542.00, or a total of $93,202.96 in default as of January 1, 1932.

We now understand that the total current liabilities of the Republic of Liberia known and estimated as of March 31, 1932 are approximately $400,000.00.

We are informed of Treasury Department’s circular of September 22, 1931 providing that all revenues accruing from Hut and Real Estate taxes from the first day of October 1931 will be earmarked for application towards the payment of interest, sinking fund and other services of the Loan, which the assigned revenues are at present inadequate to meet, these being in addition to the Customs and Headmonies heretofore assigned.

Notwithstanding the above additional assigned revenues we are advised by the National City Bank of New York, Fiscal Agents, that since January 1, 1932 and up to and including May 2, 1932, no remittances have been made for the interest and sinking fund for the first six months of 1932, all of which are due for deposit with the Fiscal Agents on or prior to May 1, 1932.

The economic crisis in Liberian Fiscal affairs was pointed out to the Liberian Government by the Finance Corporation of America in our letter of December 16, 1930 through National City Bank of New York, Fiscal Agents, but irrespective of this, the advice of the Financial Adviser in the reduction of the Government budget was not accepted and expenditures were continued during 1931 using as a basis the last previously approved annual budget. As a result the expenditure of the Liberian Government in 1931 totalled $702,194.12, while its revenues from all sources for 1931 totalled only $482,028.73.

This same situation again prevails for the calendar year 1932. We are in receipt of copies of letters of January 22, 1932 and February 16, 1932 from the Financial Adviser to the Honorable Secretary of the Treasury, together with other correspondence pertaining thereto, in which the insufficiency, omissions and irregularities of the proposed 1932 budget were pointed out by the Financial Adviser, and his approval, therefore, necessarily withheld. We understand that subsequently on March 18th a budget was approved by the Liberian Government for the ten months March to December 1932 totaling $674,948.30, which for the same reasons stated the Financial Adviser was unable to approve, and the budget for 1930 again had to be used for the purpose of checking expenditures for the year 1932.
In view of such critical financial situation Finance Corporation is naturally greatly concerned as to the security of the outstanding bonds under the Loan Agreement.

We have the honor to request your advice as to the benefits that have thus far accrued to the prior obligations under the Loan Agreement by allocation of Hut taxes and Real Estate taxes since October 1, 1931, in addition to the previously assigned revenues of Customs duties and head-monies, and your advice as to the further steps that are being taken in order to balance the current budget for 1932.

Under the present circumstances we deem it necessary to protest the failure of the Liberian Government to provide for the prompt carrying out of all its obligations under the Loan Agreement, and must hereby respectfully request that the Government allocate from its other revenues, not now specifically assigned, such further sums as shall be sufficient to make up the deficiencies cited above, in accordance with Article VII of the Loan Agreement. We respectfully request the Liberian Government to directly advise us on these points and what it proposes to do to relieve these conditions of default and what further steps it will take to insure for the Government that state of its finances as will permit it to continue to maintain its obligations under the Loan Agreement.

We have [etc.]  

FINANCE CORPORATION OF AMERICA  
[WM. P. BELDEN,] President

882.01 Foreign Control/283 : Telegram

The Minister in Liberia (Mitchell) to the Secretary of State  
MONROVIA, June 14, 1932—5 p.m.  
[Received June 15—7:27 a.m.]

61. The Liberian Government has been informed today by confirmatory notification from the British Chargé d’Affaires at Monrovia, though the League is communicating arrangements direct to the Government of Liberia, that Dr. Mackenzie acting as League Special Commissioner to assist in the pacification of the Kru country will arrive in Monrovia on H.M.S. Rochester about June 28th subject to obtaining satisfactory written assurances from the Liberian Government that,

(1) Liberian frontier force will be under his control.
(2) Arrests of natives will be subject to his consent and,
(3) There will be no reprisals.

He will be domiciled on board H.M.S. during his stay on Kru Coast. An escort of three police, an interpreter, and a cook are
being furnished by the Governor of the Gold Coast and will meet Mackenzie in Freetown. The League expects Liberia to defray the expenses of this mission when money is available.

To this, I am reliably informed, the Liberian Government will make a vigorous protest to the League and considers it an aggressive act by Great Britain upon her sovereignty and autonomy.

MITCHELL

882.01 Foreign Control/288

Memorandum by the Chief of the Division of Western European Affairs (Boal)

[WASHINGTON,] June 16, 1932.

The British Ambassador called to ask about Liberia. He said he had received notice from his Government suggesting that he endeavor to persuade us to ask the Liberians and the Finance Corporation to cooperate in obtaining acceptance of the League Committee's plan in Liberia. I told him that this was out of the question as far as we were concerned; that we considered both parts of the League plan to be bad, the first part was impracticable and the second was unjust. I said that we had not even transmitted the financial part of the plan to the Finance Corporation.

I pointed out that we had made certain reservations to the League Committee's report and that particularly we had stated that unless some adequate solution was reached by autumn we would feel free to obtain our liberty of action.

We then discussed adviserships a little in theory. The Ambassador seemed to agree fully that to institute another series of adviserships of limited scope involving constant bickering with the Liberian authorities and a constant lack of authority in the hands of the advisership would be folly. I told him the League Committee's plan was too expensive for a country like Liberia which was unorganized and had few revenues. I told him that we had felt right along that the sensible thing was to entrust administrative power to an individual and let him pick his own assistants. The Ambassador said that he felt that the League Committee was probably trying to make jobs for a number of their nationals. He said that in Sierra Leone and elsewhere the administrative control through one man who had pretty broad authority in organizing his own force was a practice and a successful one. He felt that the League Committee was not so constituted as ever to be able to work out a plan which would be feasible in our sense of the word; that
any plan they made would be subject to all kinds of checks and reviews from the League as well as from the Liberian Government. I said that we might have to face the fact of a failure to get a plan which is workable on the part of the League Committee, especially as the Liberians themselves had been unwilling to agree even to that. In that case when the time came I said we might have to have a talk among those principally interested to see what could be done. He agreed, and we discussed the possibility that the British, the French and ourselves would in that event have to discuss matters with a view to preserving Liberian sovereignty by providing Liberia with an administration that would run the place properly more or less regardless of any initial consent by the Liberians.

When he left I had the very distinct impression that he himself felt very favorably toward the idea of an administration under one man’s leadership with a very flexible scope of work.

Pierre de L. Boal

882.01 Foreign Control/28a: Telegram

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

WASHINGTON, June 18, 1932—9 p. m.

39. Since the American Government considers the Liberian situation essentially an international problem and since we are now cooperating with the League in endeavoring to bring about a solution, it would naturally be altogether out of the question for us to enter upon or discuss any direct negotiations with Liberia (such as suggested by Barclay and reported in your telegrams No. 53, April 29, 9 p. m.,56 and No. 59, May 26, 11 p. m.) To do so would expose our action to misinterpretation and might serve to undermine the efforts, in which we ourselves are participating, to achieve a just and lasting solution through international means.

Moreover, we believe that the Amerioco-Liberian administration has brought the present difficulties upon itself by its own ineptitude, by its own indifference to its responsibility to the country as such and to the native peoples therein whom it has abused and exploited, and by its refusal to take advantage of the counsel of the American advisers.

We have been led inescapably to the conclusion that no improvement can be anticipated unless a plan of assistance is predicated upon

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56 Not printed.
the delegation by Liberia over a period of years of ample and ade-
quate authority both administrative and executive to enable an in-
ternational Commissioner Generalship (or whatever it may be called) 
to function without interference. No arguments about "sovereignty" 
or "independence" can obscure this basic requisite; moreover, as we 
have already pointed out in our memorandum submitted to the 
International Committee, we are striving for the adoption of a 
practical program which would secure for the Liberian people, both 
Américo-Liberian and native, precisely that sovereignty and inde-
pendence about which there has been so much irrelevant discussion.

Bearing the foregoing in mind, we believe that perhaps it might 
be possible for you to contribute something toward indicating an 
exit for Liberia from the present situation, should you desire to do 
so, entirely upon your own responsibility, through seeking a frank, 
informal and unofficial conversation with Barclay upon somewhat 
the following lines:

1. You could say to him that a state of national emergency exists. 
The Liberian administration should recognize this emergency and 
to meet it the legislature should immediately empower Barclay to 
request the League of Nations to appoint one properly qualified 
foreigner as "Commissioner General", to whom, for a definite term 
of years and under appropriate guarantees from the League, Liberia 
would delegate authority and control, administrative and executive, 
for him to effect the reorganization and rehabilitation of the country, 
taking as a basis the administrative recommendations of the experts 
and putting them into effect progressively on a self-supporting 
schedule, as conditions improved.

2. If Barclay should wish to make this proposal to the League 
contingent upon the appointment by the League of an American 
citizen as "Commissioner General" you might desire to add that you 
would, upon your own responsibility, undertake urgently to recom-
mend to your Government that it support such an arrangement and 
that, when this arrangement entered into operation, your Government 
use its good offices with the Finance Corporation to obtain certain 
adjustments regarding the loan contract.

3. You might say that you believe that the alternative will be a 
deadlock between Liberia and the League, leading to independent 
action toward Liberia by one or another of the powers whose interests 
in Africa cannot fail to be affected by the continual disorders, social 
disintegration and health menace provided by Liberia in its present 
condition. In view of the indifference shown by Liberia toward 
American efforts to be of assistance in recent years and widely pub-
lished reports of intolerable conditions there, you believe that such 
independent action, if taken, might not be opposed by American 
public opinion. In the circumstances therefore, and assuming that 
Liberia would desire to have American participation on the single

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*See telegram No. 190, May 14, 6 p. m., from the Consul at Geneva, p. 728.*
basis which you think might be acceptable to your Government (namely, participation jointly with other powers, under the auspices of the League) you are having this personal talk with Barclay in an effort to indicate a solution which you sincerely believe would be to the best interests of the Liberian people.

4. Finally, should Barclay be empowered by the Legislature to solicit a League Commissioner Generalship to be administered by an American citizen with completely adequate powers and authority, you are of the opinion that the decision should be taken at once, or you fear that it will be too late.

No memorandum or other record should be left by you. If your Secretary has any knowledge of this message, you should warn him that he must say nothing about it to anyone.

We may be wrong as to our analysis of the Liberian apprehension created by the knowledge of the impending arrival of Mackenzie. If your estimate of the situation indicates that a conversation with Barclay as outlined above would be unproductive, you should of course do nothing until you have explained your views to the Department by telegraph.

STIMSON

Memorandum by Mr. Ellis O. Briggs of the Division of Western European Affairs

[WASHINGTON,] June 18, 1932.

Colonel George W. Lewis, Adviser to the Liberian Frontier Force under the terms of the Loan Agreement of 1926, called at the Department on June 16 to state that he had resigned, effective July 15, 1932.

He said that his work in Liberia had been very discouraging for the reason that he had been unable to exercise any real authority and that as a result little or no improvement in the Frontier Force had been brought about during his time in Liberia. A large part of his time was spent in preparing a manual of regulations, which the Liberian Government has not printed.

Mr. Boal asked him whether, in the event that some new arrangement for an American adviser should be made, sufficient authority would accrue to such adviser if he himself actually received the money direct and himself paid it out to officers and enlisted men. Colonel Lewis said that that would certainly be desirable but that he felt that unless the adviser actually commanded the Frontier Force, it would be very difficult to do an effective job. He cited many instances drawn from his own experience to develop this idea and urgently recom-
mended that if and when a new arrangement should be made, the adviser be given absolute command and in addition receive and disburse all Frontier Force money.

E[LLIS] O. B[RIGGS]

882.124/36

Memorandum by Mr. Ellis O. Briggs of the Division of Western European Affairs

[WASHINGTON,] June 21, 1932.

LIBERIA—GERMAN INTEREST IN HEALTH SITUATION

Doctor Leitner, Counselor of the German Embassy, called this afternoon with an instruction from his Foreign Office for the Embassy to endeavor to enlist the support of the Department of State toward using its good offices with the Finance Corporation to the end that the latter might consent to advancing certain funds for the specific purpose of carrying on sanitary work in Liberia. The Foreign Office enclosed a copy of a despatch on the subject from the German Consul at Monrovia, describing joint discussions with his British, American and French colleagues.

In carrying out his instructions, Doctor Leitner said that while he himself was not particularly familiar with the Liberian situation, he knew in a general way of the work of the International Committee of the League and he felt that the German Government was very much concerned over the health menace provided by Liberia at the present time.

In reply, I outlined in considerable detail the history of sanitation since the outbreak in 1929, which resulted in the death of our Minister at Monrovia. I described the unfortunate experiences of Doctor Smith and pointed out that, while I was not speaking for the Finance Corporation, nevertheless I had the distinct impression that they had never been unsympathetic to the importance of sanitation or to requests for funds. On the contrary, the Finance Corporation had expressed a willingness to cooperate, contingent only upon the supplying by Liberia of adequate authority, without which it felt that no sanitary campaign could be effective. I added that, as far as the Department was concerned, we also believed that the crux of the matter was authority. Unless and until Liberia is willing to

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*The outbreak of yellow fever. For correspondence on the general subject of American interest in Liberian sanitation, see Foreign Relations, 1929, vol. iii, pp. 316 ff.
* William T. Francis; he died of yellow fever July 15, 1929.
provide this authority, we feel that it would largely be a waste of money for anyone to advance funds for this purpose.

Doctor Leitner took copious and methodical notes and said that he would report the substance of my remarks to his Government.

I subsequently called up Mr. Howe and told him about the conversation. Mr. Howe said that he had written several letters regarding sanitation to the Firestones since the end of the International Committee meetings on May 20th. He has not yet received a reply. Mr. Howe stated that he felt that it would be very desirable for the Firestones to be in a position to make a prompt decision as to whether or not they cared to advance further funds, and if so, in what circumstances, for the reason that he agrees that further manoeuvres on the part of other governments may shortly be made.

E[LLIS] O. B[RIGGS]

882.20/378 : Telegram

The Secretary of State (Stimson) to the Minister in Liberia
(Mitchell)

WASHINGTON, June 21, 1932—1 p. m.

40. The Department is in receipt of a letter from Colonel Lewis informing it that he has “tendered to the President of Liberia his resignation as military adviser of the Liberian Frontier Force”, effective July 15, 1932.

You may inform McCaskey informally. As you are aware, in view of our not having recognized the present administration, we would not be in a position to designate a successor.

Stimson

882.01 Foreign Control/289 : Telegram

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

MONROVIA, June 24, 1932—11 p. m.
[Received June 25—4:25 p. m.]

66. Department's telegram 39, June 18, 9 p. m. In an informal confidential talk with Barclay confirmed June 23rd he stated that he fully appreciates the situation but finds himself unable to take definite action without prior authorization by the Legislature. To this end he is summoning extraordinary session of the Legislature early in July to whom he will submit the plan. His suggestion to the Legislature will take the form of acceptance in principle of the League plan, provided the chief adviser shall be an American citizen
recommended by the President of the United States, nominated by
the League and accepted by the President of Liberia, who will be
attached to central government as a minister without portfolio and
whose powers will be as extensive as provided in the League plan
except to judicial functions which cannot be granted to executive
officials.

The term of his services will be definite as provided in the
League's plan.

Barclay feels that if his proposal of an American as chief adviser
is acceptable to the League that this official should be promptly
appointed and proceed to Monrovia at once, examine the situation
on the spot and elaborate a practical plan of procedure. His idea
is that the chief adviser could progressively carry out a plan within
the limits of the League proposal; that is to say, that the personnel
shall be employed only in such numbers as and when requisite until
the required number has been reached.

He considers, however, he would have to be assured in advance
that the Finance Corporation and the Firestone Plantations Com-
pany would accept the principles of the League proposal with such
modifications as may be arranged between the companies and the
Liberian Government. The Liberian Government would be unwilling
to take the initiative in proposing amendments to contracts to
which they are legally and morally bound unless they are assured
the companies themselves are in harmony with the plan.

MITCHELL

882.01 Foreign Control/300

Memorandum by the Under Secretary of State (Castle)

WASHINGTON, June 28, 1932.

I told the British Ambassador that I wanted to talk with him
about a telegram we had received from Monrovia. I said that the
Minister had had a conversation with Mr. Barclay and I then out-
lined to him with proper expurgations the contents of telegram No.
66 of June 24th from Monrovia. The Ambassador was very much
interested with this suggestion on the part of Mr. Barclay. He
said that he could not imagine his Government opposing the appoint-
ment of an American as adviser. He agreed with me that, on the
whole, Barclay's attitude was more favorable than might have been
expected. I told him that, if this proposal came through and was
agreeable to the League, we were inclined to try to put it into effect,
on condition that the adviser should be given clear and unmistakable
powers; I pointed out to him that our original objection to the
League plan had been that the principal adviser had not been given sufficient authority, that it was altogether too expensive and that we felt the details could be better worked out in Liberia by an adviser who had authority to act; I said that since this suggestion of Mr. Barclay might lead to giving sufficient authority to the adviser and seemed to meet our other objections, it would be favorably considered by this Government, on condition that it appealed to the League. The Ambassador said he was sure that his Government would be in favor of it and that it seemed to him more sensible than anything so far suggested; he said he was quite sure that the League would not be opposed to having an American in charge since it was a case where nobody wanted to attempt to get any advantage over anybody else.

W. R. CASTLE, JR.

882.01 Foreign Control/295: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, June 30, 1932—3 p. m.
[Received June 30—1:05 p. m.]

213. From Reber. I have just been informed that the Liberian Government has accepted Dr. Mackenzie's mission as special agent to the Kru Coast with the understanding that he will be accompanied by an official of the Liberian Government designated for that purpose. In submitting this reply the Liberian Government expressed regret that it was considered necessary to send Dr. Mackenzie on a British warship. [Reber.]

GILBERT

882.01 Foreign Control/299: Telegram

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

WASHINGTON, July 19, 1932—5 p. m.

46. Your 66, June 24, 11 p. m. Careful consideration has been given to the substance of your telegram. As you are aware this Government deems it imperative that, in the interest of Liberia itself, ample and adequate authority both administrative and executive be delegated by Liberia to the international "Commissioner Generalship" to enable it to function effectively.

Barclay's plan as reported by you in your telegram under reference is not clear on this vital point. Without such a delegation of powers any plan of rehabilitation would in our opinion be destined to failure. Unless Barclay's plan fully conforms to this principle it will not meet with our approval.
Liberia

If it is the wish of the Liberian Government and people that Liberia's acceptance of the League report, with the delegation of ample and adequate authority, be contingent upon the appointment of an American citizen to the post of "Commissioner General" this Government will not interpose any objection to it.

You should inform Barclay of the foregoing orally.

You may acquaint Hines with the action taken.

Stimson

882.01 Foreign Control/325a: Telegram

The Acting Secretary of State to the Minister in Belgium (Gibson)

Washington, August 3, 1932—4 p.m.

35. For Reber. The following summary of developments at Monrovia during the past month is transmitted for your information:

Barclay called a special meeting of the Legislature on July 18th for the purpose of considering the "League plan". It was apparently his intention that the Legislature should enact a law to make it possible to put the plan into effect, but with certain modifications in the direction of less authority. Barclay nevertheless approached Mitchell with the request that the Department undertake to define "ample and adequate authority" with reference to the proposed chief adviser. The Department declined to do this, stating to the Minister that our memorandum and reservation submitted last May together with numerous messages to him on that subject should leave no grounds for doubt.

We have heard nothing from the Minister on the subject since July 22, although we understand that the Legislature is still in session.

The following is the text of a telegram sent Mitchell August 2nd.

"Dennis was received informally at his request today in the Western European Division. He stated that he had been instructed by Barclay to request an interpretation of the phrase 'ample and adequate authority', in connection with the powers of a principle foreign official. He was given the following orally:

(1) The Department will not undertake a definition but would be willing, if so requested by Liberia, to examine any proposed legislative draft with a view to expressing an opinion as to whether it met the requirements.

(2) The importance of the delegation of complete authority exclusive of Liberian officials, over a term of years and under guarantees from the League, was stressed as forcefully as possible. Copies of our reservation and memorandum of last May to the League Committee were given to Dennis."
The foregoing is for your information, since Dennis will doubtless report to Barclay by telegraph.

Have there been any developments since your 74, July 22, 11 a. m.? 617

The Minister sails on home leave on August 9. Shantz, Foreign Service Officer Class V, who has been on duty in the Western European Division during recent months has been designated Second Secretary at Monrovia and will act as Chargé d’Affaires ad interim upon his arrival about September 4. He sails from New York Steamship Manhattan August 10 and the Department is endeavoring to arrange to have you instructed to proceed to England to confer with him for a few days prior to his departure from Liverpool.

CASTLE

882.01 Foreign Control/325 : Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

LONDON, August 4, 1932—1 p. m.
[Received August 4—8:35 a. m.]

234. From Reber. I have today received two letters from the League Secretariat, one asking my agreement to September 19 as the date for the next meeting of the Liberian Committee.

The other states that Lord Cecil considers it is of the utmost importance that not only the Liberians should be present but also representatives of the Finance Corporation and the Firestone Plantations Company with full powers to discuss all questions arising out of the Committee’s scheme.

I plan to be in England for the next 10 days should the Department desire to communicate with me. [Reber.]

ATHERTON

882.01 Foreign Control/325 : Telegram

The Secretary of State to the Chargé in Great Britain (Atherton)

WASHINGTON, August 10, 1932—2 p. m.

215. For Reber. Your telegram 234, August 4, 1 p. m. Please acknowledge the first letter stating that you have been instructed by your Government to say that you will again represent the United States at the meeting of the International Committee on Liberia opening September 19. Please inform Ambassador Gibson and Gilbert by mail.

617 Not printed.
You may use your discretion as to whether it would be desirable to acknowledge the second letter. The Department understands that at present the Firestones do not intend to have a representative at the next meeting. This is based upon their desire to have the essentials of a “plan” and the question of “authority” definitely accepted by Liberia as a prerequisite to negotiations by either the Finance Corporation or the Plantations Company with Liberia. As you know the Department is in entire sympathy with this point of view, so that on the whole we believe it would be better either to make no acknowledgment of the second letter or to limit your reply to a brief statement of receipt.

Your transportation expenses and a per diem of $6.00 which includes all tips are approved from Brussels to Geneva, while there, and return. Accounts chargeable to transportation of Foreign Service officers. You are authorized to proceed to Geneva a few days in advance of the meeting, should that be necessary.

STIMSON

882.01 Foreign Control/334: Telegram

The Chargé in Liberia (Hunt) to the Secretary of State

MONROVIA, August 19, 1932—5 p. m.

[Received August 20—12:18 a. m.]

85. Department’s telegram No. 60, August 16, 7 p. m.¹ The second extraordinary session of the legislature was characterized by a wide divergence of opinion between the House and Senate on the League plan of assistance. A joint resolution was passed authorizing the President to adopt annex 3 of the plan of assistance² as a basis upon which the League of Nations will render assistance to the Republic of Liberia, copies of which are being sent to the Department and Reber. Outstanding points of the resolution summarized are as follows:

“Section 2. That in the event the alterations suggested by the League of Nations in the agreement between the Government and the Finance Corporation and the Firestone Company are agreed upon, the $247,000 balance due on the first block of the loan shall be deposited with a reliable banking concern designated jointly by the Officier du Liaison, the Financial Adviser and the Government of Liberia as the official depository as initial fund for the operation of the scheme of assistance.”

¹ Not printed.
² For text of annex 3, see League of Nations, Official Journal, July 1932, p. 1419 (C./Liberia/17 (1)).

644211*—47—53
It is recommended that provisional [provincial?] commissioners and other staffs provided for should be Liberians, whose salaries and allowances should not exceed $30,000. The President is not authorized to organize a gendarmerie, as provided in article No. 3, however each of the commissioners shall have 45 messengers. The official appointed by the League is accepted for a period of 5 years; he will be minister without folio privileged to attend Cabinet meetings, his salary fixed at $10,000 and $2,000 allowance for secretary. The President with the financial committee of League empowered to commence negotiations with Firestone and Finance Corporation respecting modifications in their contracts as suggested in the League plan.

Grimes sails tomorrow for Switzerland.

HUNT

882.01 Foreign Control/342

The Under Secretary of State (Castle) to the British Chargé (Osborne)

WASHINGTON, August 27, 1932.

DEAR OSBORNE: I am enclosing some papers, which are self-explanatory, about our attitude toward the Liberian Joint Resolution regarding the League “Plan of Assistance.” I am sending you this because I feel it only fair that your Government should know how we feel in the matter prior to the next meeting on Liberia to be held in Geneva.

I have handed the same memorandum to the Italian Ambassador and to the French and German Chargés d’Affaires.64

Sincerely yours,

W. R. CASTLE, JR.

[Enclosure]

The Department of State to the British Embassy

MEMORANDUM

In a memorandum submitted to the International Committee on Liberia at the close of its third session last May the American Government stated its belief that the purpose of a plan of Liberian rehabilitation to be achieved through a period of assistance, under appropriate international guarantees, would be finally to provide for the benefit of the Liberian people precisely that sovereignty and

64 Copies of the memorandum were also transmitted to Edwin Barclay and to the Secretary General of the League of Nations. Later the text was released for publication in American newspapers. (882.01 Foreign Control/344a, 344b.)
independence which had so frequently been discussed by the Committee in connection with the apparent reluctance of Liberia to delegate ample and adequate authority, without which no plan of assistance could succeed.

The American Government added that the United States sought no special advantage or position in Liberia, but only the welfare and development of the Liberian people and the proper protection of American nationals and investments, and that it was convinced that the deplorable conditions prevailing in that country, together with the inability or unwillingness of the present administration to remedy them, were rightly matters of international concern, to be solved through sustained international cooperation. The United States has not abandoned this policy.

With respect to the "plan of assistance" *, however, adopted by the Council of the League on May 20, 1932, and subsequently transmitted to Liberia, the American Government submitted a formal reservation reading in part as follows:

[Here follow extracts from the reservation printed in full in telegram No. 200, May 21, noon, from the Consul at Geneva, page 731.]

The full text of the American reservation is attached.

The American Government understands that a joint resolution with respect to the plan of the International Committee was passed by the Liberian legislature in special session on August 18, 1932. From the text of the resolution, a copy of which is appended, it appears that this instrument would still further and very materially weaken the plan, which was unacceptable to the American Government in its original form because of its basic weakness regarding the question of the delegation of authority.

In the event that this resolution should be presented by Liberia at the next meeting of the International Committee, scheduled to begin on September 19, next, the American Government would manifestly be unable either to approve the plan, and the restrictive resolution based thereon, or to consent to transmit them to the Finance Corporation of America and the Firestone Plantations Company as the bases for a relinquishment or diminution of their present rights in Liberia.

WASHINGTON, August 25, 1932.

* League Document C./Liberia/17 (1), "Annex Three." [Footnote in the original.]

** Not printed; see telegram No. 85, August 19, 5 p. m., from the Chargé in Liberia, p. 747.
The British Chargé (Osborne) to the Under Secretary of State (Castle)

WASHINGTON, 30 August, 1932.

MY DEAR CASTLE: Many thanks for your letter of August 27th and the accompanying exposition of the attitude of the United States Government towards the Liberian Joint Resolution on the League Plan of Assistance. I am both telegraphing the substance, and forwarding the full text, to London.

Meanwhile I have been instructed to inform your Government that His Majesty’s Government understand that the League Secretariat are writing direct to the Firestone Company, inviting them to appoint a representative to be present at Geneva during the forthcoming session of the Liberia Committee of the Council, which is to meet not later than September 22nd, and of the Council itself. I am to add that His Majesty’s Government attach great importance to the presence at Geneva of such a representative since, unless the negotiators on behalf both of the Liberian Government and of the Finance Corporation have full powers to conclude a final and binding settlement, they foresee serious risk that the forthcoming meeting may only result in a further postponement of a solution of the problem. They hope, therefore, that the United States Government will be prepared to use their influence to persuade the Firestone Company, not only to take advantage of the League’s invitation, but to allow their representative the widest possible powers.

Yours sincerely, D. G. Osborne

Mr. Ellis O. Briggs of the Division of Western European Affairs to the British Chargé (Osborne)

WASHINGTON, August 31, 1932.

DEAR OSBORNE: I have your letter of August 30, acknowledging the receipt of our Memorandum on the Liberian situation.

With respect to the communication from your Government urging the acceptance by the Finance Corporation of America of an invitation from the League to be present in Geneva at the time of the next meeting of the Committee on Liberia, I believe that you will find this point covered by implication in the final paragraph of our Memorandum.

While we share your Government’s earnest hope that a solution of the problem may not again be postponed, we are of the opinion
that in this case the responsibility should not be allowed to appear
to rest upon the American company, which has already expressed
its willingness to cooperate, but should rest squarely upon the present
administration in Liberia, which has thus far declined to grant the
authority necessary to the successful execution of any "plan of
assistance". We believe that this question of authority is the crux
of the matter, and that it would be futile to continue discussions of
the details of a "plan" in Geneva, or for the company to send a
representative to Geneva to discuss them, unless and until, as a
preliminary measure, adequate authority had been delegated by
Liberia, under appropriate international guarantees.

I should be pleased to talk over this latter phase of the matter
with you in greater detail at an early date, particularly with ref-
ence to any steps which might be taken jointly by the Governments
principally interested with a view to inducing the Liberian admin-
istration satisfactorily to settle the question of the delegation of
authority.

Sincerely yours,

E[llis] O. B[riggs]

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882.01 Foreign Control/346

The President of the Finance Corporation of America
(Wm. P. Belden) to the Secretary of State

CLEVELAND, OHIO, 2 September, 1932.

[Received September 6.]

SIR: We are herewith transmitting for the information of the
Department of State copy of an invitation received from The Secre-
tary General of the League of Nations, dated August 24th, 1932, to-
gether with our reply, dated September 2nd, 1932.

Yours very truly,

FINANCE CORPORATION OF AMERICA
WM. P. BELDEN, President

[Enclosure 1]

The Secretary General of the League of Nations (Drummond) to the
Finance Corporation of America

GENEVA, August 24, 1932.

Council Committee on Liberia meeting September 19th, Geneva,
discuss definitive arrangements regarding scheme of assistance
Liberia. As your Corporation is aware, recommendations made last
May by Committee include certain suggestions affecting Loan Con-
tract with Liberian Government.
President Council Committee requests me to inform you that Committee would appreciate opportunity of consulting your corporation and securing general agreement in the interest of all parties and accordingly to invite you to send representative.

[ERIC DRUMMOND]

Secretary General, League of Nations

[Enclosure 2]

The Finance Corporation of America to the Secretary General of the League of Nations (Drummond)

NEW YORK, September 2, 1932.

Appreciate courtesy your invitation to have representative present at next Liberian meeting. However, since American Government has not endorsed a plan for assistance to Liberia, we do not believe that any practical results could be accomplished by our sending a representative to Geneva until a satisfactory foundation for useful negotiation has been laid.

FINANCE CORPORATION OF AMERICA

882.01 Foreign Control/345

The Firestone Plantations Company to the Secretary of State

AKRON, OHIO, September 2, 1932. [Received September 3.]

SIR: We are herewith transmitting for the information of the Department of State copy of an invitation received from The Secretary General of the League of Nations, dated August 24th, 1932.67 No reply has been made to this message.

Yours very truly,

B. M. ROBINSON, Secretary

882.01 Foreign Control/367 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 20, 1932—3 p. m. [Received September 20—1:45 p. m.]

250. From Reber. While willing to insert as strong provisions as possible to secure adequate authority for principal adviser Cecil attaches equal importance to the choice of the individual. He explained

67 Not printed; it was similar to the one sent to the Finance Corporation of America, p. 751.
that without a suitable appointee no machinery however well devised will be adequate.

He told me that the British Government was prepared to advocate the choice of a neutral for this position. Appreciating the objections to the selection of a British, French or Dutch national the choice of any one of whom he will oppose he feels that his Government cannot support the appointment of an American citizen. He advanced this thesis voluntarily and explained that he felt that such an increase in American participation, inasmuch as the American fiscal officers will remain, would be incompatible with the functions of the International Committee which, rather than the American Government, would be responsible for the execution of its scheme. He added that should the American Government be disposed to accept full responsibility for the execution of any scheme his Government would consider that the best solution and he personally would be willing to recommend to the Council of the League that Liberia be left to American administration. He wished to assure me that Great Britain was not desirous of seeking any special position nor was it opposing in any manner the American interests in Liberia but he felt that if the question of Liberian councilors were to be maintained a subject of international concern, so dominant an American supervision would be unacceptable to the Committee. With this understanding he was pleased to support any position we chose to adopt at the Committee meetings.

The German representative has assured me of the support of his Government to secure adequate authority for the Chief Adviser. He expressed the hope, however, that the United States will support a neutral for the position.

Other members notably Spain, Panama and Poland have also manifested the same desire if an extension of authority is to be granted the Chief Adviser. [Reber.]

GILBERT

882.01 Foreign Control/367 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, September 21, 1932—4 p. m.

132. For Reber. Your 250, September 20, 3 p. m., was received after the dispatch of our No. 130.68

Your message makes it appear that the Committee is endeavoring to exact our approval of a "neutral" Chief Adviser as the price of support for our position with reference to the necessity of the delega-

68 No. 130 not printed.
tion of authority. We query, as stated last night, whether the question of the nationality of the principal official should properly come up at this time. If the Committee insists upon bringing it up, and if you are unable to reserve our position thereon, you will have to state that your Government, the interests of whose nationals represent by far the most important investment in Liberia, would energetically support the appointment of an American citizen.

Stimson

882.01 Foreign Control/367: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

Washington, September 21, 1932—6 p.m.

138. For Reber. Our telegram No. 132 September 21, 4 p.m. We are disturbed by Cecil’s insistence on a point which we feel may well result in breaking up the meeting of the Committee,—a possibility which he cannot fail to have foreseen. Moreover he is perfectly well aware that the American Government is not “disposed to accept full responsibility” but believes that the problem deserves “sustained international cooperation.”

We should like to receive your interpretation of his activities, together with confidential comment as to whether you would favor direct immediate discussion in London or Washington, initiated by us, for the purpose of pointing out to the British:

(1) That we consider the injection by Cecil of the nationality question at this time, prior to the receipt by the Committee from Liberia of any sort of satisfactory “delegation of authority” is quite likely to jeopardize the prospects of any accomplishment. (We might add that, in view of the predominant American investment in Liberia, we do not believe that the insistence of the interested company that an American citizen head the proposed organization is unreasonable, or that our support is in any way incompatible with our announced position in favor of continued international cooperation);

(2) That Cecil’s thesis (as understood from your 250) that the only alternative methods of handling the problems are on the basis of “all League” or of “all American” participation, impresses us as unsound. It seems obvious that our policy throughout vis-à-vis the Liberian situation has been in the expectation of full and cordial participation with League agencies. Our insistence upon the preliminary delegation of authority by Liberia is and has been founded on the desire to avoid difficulties which our experience indicates would inevitably ensue unless the “plan” were thoroughly practicable.

Stimson
The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, September 22, 1932—8 p. m.

[Received 11 p. m.]

262. From Reber. Department’s 132, September 21, 4 p. m.; and 133, September 21, 6 p. m.

Although I am endeavoring to postpone any discussion of the nationality of the Chief Adviser there is an overwhelming sentiment already existing in the Committee that the person selected should be a neutral, which would exclude a national of any state having African possessions or specific interests in Liberian products. This attitude receives additional support from the general understanding that neither British, French, nor Dutch nationals would be acceptable.

I am informed on excellent authority that should a vote be taken at the present time the United States would remain alone in its support of an American candidate. A number of members consider that inasmuch as the United States has made the question a matter for international cooperation the League cannot accept direct supervision of an international plan by a country having specific interests in Liberia. It has been directly contrary to League procedure in other cases to appoint at the head of similar administrative commissions citizens of countries directly concerned.

In this connection Cecil told me he must stress the fact that the Council of the League will not agree to the appointment of a citizen of any single country having predominant interests in Liberia.

Members of the Committee have been led to believe, presumably from Liberian sources, that American policy in this matter centers upon the appointment of an American citizen as Chief Adviser to draw up a plan which would principally concern and benefit Firestone interests. I have reason to think that recent activities in Monrovia have induced Barclay to inform other members of the Committee that the United States has been endeavoring to persuade Liberia to advocate the appointment of an American citizen and that even should Liberia suggest this nomination other members of the Committee would reject it.

I do not believe Cecil is particularly animated in this connection by pro-British interests. He seems primarily anxious to keep the question upon an international basis, and the mere fact that an American citizen is not Chief Adviser does not in his opinion preclude American participation in sharing with the League the responsibility for the success of the plan. He feels that American financial interests can be adequately protected through the Financial Adviser.
He stated to me this morning that he feared it might not be possible to prevent the question of nationality from being discussed in connection with the determination of the neutrality of the Chief Adviser. With reference to the Department’s inquiry as to the possibility of discussing this matter directly with the British Government, I can only say that Cecil has told me that he has been given a free hand by his Government to effect a settlement of this matter along general international lines and I fear that a change in British policy in this respect might be difficult to obtain.

Although I have made it clear the United States at the present time desires to reserve the question of nationality, this point has been raised in several discussions I have had with other members of the Committee and the sentiment against an American citizen as Chief Adviser is one which cannot be disregarded. Insistence upon this point will in my opinion result in a break-up of the meeting without solution. Inasmuch as some report must be made by the Committee to the Council, I have received intimations that in such an event a recommendation might be made that in view of American position the solution of the Liberian problem should be assumed by the United States. [Reber.]

GILBERT

882.01 Foreign Control/369 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, September 22, 1932—10 p. m.
[Received 10:20 p. m.]

1. Cecil came to see me today to say that matters in the Liberian Commission had reached such a crucial point that he thought I ought to be apprised of the situation.

He explained he was in sympathy with the American position that adequate authority should be delegated to the Chief Adviser but he felt that the Committee could only permit this to be inserted in the framework of its own plan. In the first place it would not be prepared to give an unlimited mandate to a single individual to prepare a scheme of administrative reform and second it felt its own plan had been evolved during months of work and discussion and with assistance of as competent experts as could be obtained and presented at least the framework of the best solution possible.

He also told me of similar adverse sentiment on the part of the Committee to the appointment of an American as principal adviser. This was incompatible with League practice which would be to
select for such an administrative position a national of a country having no important interests in the territory affected. To place an American at the head of the plan of reform would be to give him the power of arbiter between an American concern and the Liberian Government and would amount to practical administration of the country being centered in American hands. It has been made clear to him that the sentiment in the Committee was strongly adverse to this position of the United States and he added not only that it would be impossible to gain acceptance of our views but that he himself would be obliged to oppose the appointment of an American. He added that if the American Government would assume entire responsibility he himself and he thought the other members of the Commission would be happy to confide the mandate to America but that a League commission could not create a situation in which the fate of a member state was in effect confided to a private company.

From other sources I learn that there is a certain feeling of exasperation among members of the Commission at our attitude and I fear that we are facing a situation where we must make a definite choice. Having caused this matter to be taken up by the League we must now choose between working with a League commission in customary League procedure or having this entire matter dropped by the League and put back to our responsibility.

Since dictating the foregoing Simon has spoken to me regarding this matter. He desired me to convey a personal message to the Secretary of State to the effect that I could assure the Secretary of State that he had personally investigated the matter in his own Foreign Office and had assured himself that there was no British interest involved in this matter. He added that he thought that the Liberian question offered an admirable opportunity for the United States and Great Britain to stand shoulder to shoulder in an unselfish and humanitarian effort. He would welcome the appointment of the national of any country which had not direct interests involved and who had certain administrative experience and was not contemplating urging the appointment of any British subject.

Reber has seen this telegram.

Wilson
The Secretary of State to the Acting Chairman of the American Delegation at the General Disarmament Conference (Gibson)

WASHINGTON, September 25, 1932—3 p. m.

3. For Wilson. Please see Sir John Simon and Lord Cecil and read them the following personal message for me:

"Since receiving the messages you sent me through Mr. Wilson, I have given personal study to the situation which you presented. I have always felt that the deplorable condition in Liberia could best be corrected by international cooperation, and I am fully aware of the useful preparatory work which has been accomplished to date under the auspices of the Liberian Committee.

However, I am frankly disturbed at the possibility that even before the vital question of delegation of adequate authority has been disposed of, the controversial question of the nationality of the chief advisor should be interjected. I feel quite strongly that this point should not be brought up till later. If, however, the point must be raised, Reber will not insist on behalf of this government in favor of the appointment of a chief advisor of any given nationality.

But I think we must look one step further. If I am rightly informed, once this government has endorsed the plan and forwarded it to the Firestone interests it will still require the modification of the latter's contract to become effective. The Firestones, whose assent and sacrifice is thus necessary to the consummation of the plan, feel very strongly from their viewpoint the necessity of having an American chief advisor. While officially we shall not urge this course, I confess to considerable sympathy with it as possibly the best solution in a region which although situated in another continent has many ties of tradition with America. But I certainly shall not be willing to urge a contrary decision upon the Firestones in a matter directly concerning their contractual rights legitimately acquired. I have followed with some care the record of Mr. Firestone's enterprises in Liberia. They embody the only major center of civilisation in an undisciplined region which tends without outside pressure to revert to chaos. If in direct negotiations with the Firestone interests, the League can persuade them to modify their insistence on the question of nationality which they at present forecast, the problem ceases to be acute. If, on the other hand, the League should ask me to suggest an American for the post, I should give my personal attention to selecting a man of such integrity that there could be no suspicion of his backing any form of political or commercial imperialism. I put it to you in all fairness whether, if the situation were reversed, you would not find great difficulty in putting pressure on a British corporation that was the only real influence for civilisation in an ill-governed tropical community, to modify its contracts and advance yet further money in support of a plan until they were fully satisfied that their interests would be adequately protected. I am so exercised at the way matters are developing that I am sending you this personal message as I should be reluctant to see our collaboration weakened.
I feel that by tackling the second step before the satisfactory disposal of the all-important first step, namely the delegation of adequate authority, an attempt is being made to drive a wedge between us which will profit none, least of all the Liberians."

Please show this telegram to Reber.

**STIMSON**

882.01 Foreign Control/400

_The American Representative on the International Committee on Liberia (Reber) to the Secretary of State_

_GENEVA, 29 September, 1932._

[Received October 10.]

_Sir:_ Supplementing the Consulate’s recent telegrams concerning the September session of the International Committee on Liberia, I have the honor to submit herewith more detailed observations with regard to the Committee’s work and its programs for the future.

The Minutes and documents of these meetings will be transmitted to the Department as soon as a full set can be received.\(^9\) I am, however, enclosing three copies of the document setting forth the general principles of the Plan of Assistance,\(^9\) which were accepted by Liberia on September 27, 1932 and adopted by the Committee on that date.

Acting upon the Department’s telegraphic instructions, I arrived in Geneva several days prior to the date of the meeting set for September 19th in order that I might have an opportunity to discuss with various members of the Committee and the League Secretariat the Liberian reservations to the program of reform outlined at the May session and to ascertain their views concerning the Department’s memorandum of August 25th. It was understood during these preliminary discussions that the Liberian reservations were unacceptable to the majority and in particular to the President, Lord Cecil, who, as has previously been telegraphed, was prepared to support satisfactory provisions insuring the grant of adequate authority to the Chief Adviser.

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\(^9\) For revised text of the “General Principles of the Plan of Assistance” and the accompanying “Observations Regarding Certain Clauses of the Plan,” see League of Nations, _Official Journal_, December 1932, pp. 2053 and 2055. The “General Principles” are also printed in Department of State, _Press Releases_, October 15, 1932, p. 240.
It was in connection, however, with the appointment of this official that the question of his nationality was raised by Lord Cecil in the preliminary discussions. His views in this connection were outlined to the Department in telegram No. 250, September 20, 8 p.m. This position was supported by other members of the Committee, who were not adverse to granting an extension of this official’s powers but felt that he should be a neutral, that is to say, a national of a State having no specific interests in Liberia or in the development of any of its products. During the course of these private discussions it became manifest that any suggestion for the appointment of an American would be unacceptable if proposed. In view of this sentiment it was considered most important that no reference to this question be permitted in the Committee during the course of its deliberations, and with the support of the President and the rapporteur it was possible to avoid such a discussion on the ground that until the man’s functions had been determined it would be unwise to consider his selection.

In spite of this decision to delay consideration of the nationality of the Chief Adviser, the British representative, Lord Cecil, felt this matter was of extreme importance and that an effort should be made to harmonize the views of the American and British governments on this subject, for he thought it necessary that the two governments should agree concerning this individual before any proposals could be submitted to the Committee. In this connection references are made to the exchange of telegrams regarding the intervention of Sir John Simon and Lord Cecil. Lord Cecil’s letter to Mr. Wilson in reply to the message transmitted in pursuance to the Department’s No. 3 ¹¹ is enclosed at the Minister’s request.

When the Committee met on September 19th it recommended that any changes in its program (Annex III. Document C469.M.238, 1932 VII) should be presented in the shape of amendments to this text. In spite of the American proposal that the whole question of Liberian reforms could be more adequately and successfully solved through the appointment of a single individual, who would thus be in a position to prepare a satisfactory plan according to the principles already developed in the Committee, to insure the effective application of reforms, and through collaboration with the Liberian Government to reduce the preliminary expenses involved in setting up the necessary machinery, all the other members, except the Liberian who was opposed in general to any American suggestion, felt that any such departure from their program would endanger

¹¹ Supra.
the application of the principles provided in other sections of the plan. It was felt that the appointment of the three provincial commissioners and their deputies, which was considered to be of vital importance, would be jeopardized by the suggestion.

Since the Committee realized, however, that the American Government had certain objections to the annex, it was prepared to consider these if changes could be wrought within its framework; otherwise it was feared that the whole work of the Committee up to the present time would be abandoned. Very serious opposition to this grant of power to a single individual was raised.

In order to counteract this and an impression which, probably originating from Liberian sources, seemed to be gaining ground in the Committee to the effect that the American desire to augment the powers of the Chief Adviser was largely inspired by the hope of appointing an American to reorganize the country along lines principally beneficial to the Firestone interests, it was considered wise to solicit the Department’s permission to press its objections in the form of amendments to Annex III insomuch as they seemed principally concerned with the lack of power granted the Chief Adviser and certain aspects of the financial changes suggested. To meet these views, references to the Financial Adviser in Chapter 3 were tentatively placed to one side pending the results of the discussions with the American financial interests. Likewise Section 2 of the Annex III relating to the suggested changes in the loan and plantations contracts was omitted upon the understanding that it contained only suggestions to be taken into account during the course of the direct financial negotiations between the Liberian Government and representatives of the American groups.

In spite of the many amendments to the draft of the Plan of Assistance, (C. Liberia/27) presented by the Liberian representatives, the details of which will be seen from the Committee documents, few of these were accepted by the Committee, which determined primarily under Chapter 1 to retain the text as originally drafted. Although the original proposal of the experts had envisaged the exclusion of Monrovia from the administrative control of the foreign commissioners, this point was apparently overlooked by the Liberian delegation when it withdrew its proposal to exclude the counties from the application of the Plan of Assistance. It is now definitely understood by the Committee (reference thereto is to be inserted in the final report) that the whole territory of the Republic is to be included within the three provinces, no exception being specified.

As regards the Liberian proposal to admit only Liberians as deputy commissioners, the final decision on this point was reserved
for the Chief Adviser. Other changes in the first two chapters do not seem to require comment, save as regards the proposed *gendarme*, placed under the orders of the provincial commissioner. The Committee was willing to change the name of this corps to that of messengers in accordance with existing practice in other territories of West Africa. Their functions and numbers will be arranged by the Chief Adviser.

The final drafting of Chapter 3 of the document in question is postponed.

With reference to Chapter 4, it will be seen that the appointment of the Chief Adviser by the Council of the League of Nations with the acceptance of the Liberian President is envisaged. Chapter 6, however, contains a general provision that all powers exercisable by the Council may be exercised by a standing committee appointed by it, except as regards determination of the duration of the scheme, a function which cannot be delegated by the Council to any other body. This arrangement will permit the United States to have a voice in the selection of the official or to exercise its veto should the individual chosen not be satisfactory, since the unanimity rule will be exercised in this case. Inasmuch as the appointment will have to be accepted by Liberia before coming into force, the Committee did not deem it possible to apply the provisions of paragraph 5 of Article 2 in this case. I was assured by the President during the meetings that the Committee would have first to agree upon this official, and that the Council would not wish to select anyone whose appointment was not acceptable to one of the States particularly interested.

The clauses in paragraph 3 of Article 1, relating to the documents and official reports to be supplied the Chief Adviser, were retained in the draft for two reasons. The first of these, which was made apparent in the Committee, was that Liberia wished to restrict this function and to make these reports available only in cases where a dispute had arisen between him and the Government. As explained to me, the second of these reasons which seems of importance, relates to the power thereby granted him of investigating judicial processes and court proceedings. This would seem an important provision, as otherwise no mention is made in this plan to reforms of the judiciary, except under the general clauses to the effect that the Chief Adviser in drawing up progressive details of the Plan of Assistance should take into account the discussions that have taken place in the Committee.

In addition to supervising the execution of the scheme of assistance, the Chief Adviser is empowered to prepare the progressive details of
the Plan of Assistance. This will permit him the certain necessary elasticity in applying the program of rehabilitation. Paragraph 3 of the first Article of this chapter contains an agreement on the part of the Liberian Government not only to comply with the recommendations of the Chief Adviser but to grant him sufficient and ample authority for the effective execution of the Plan of Assistance. The sole reservation to this agreement to act in accordance with his advice is contained in paragraph 2 of Article 2, which permits the Council to suspend the execution of the Chief Adviser's recommendations. This decision can be reached only, at the Council's or Committee's discretion, in cases involving violation of the existing constitution and does not permit Liberia to do other than comply with the recommendations made by the Chief Adviser, unless the unanimous decision of the Council,—Liberia's vote not counting—should so permit.

While it is recognized that the full text is not perfectly satisfactory, it would seem that the main principles which the Department has considered of importance are embodied therein. The Chief Adviser has adequate authority to supervise the execution of the plan. His recommendations must be carried out, except when the Council may decide to suspend them in the case of violation of the constitution; and no final decisions have been taken upon a recommendation made concerning the financial sections or the clauses relating to changes in existing contracts, since these are left open for direct negotiations with the interested financial groups—the Finance Corporation of America and the Firestone Plantation Corporation.

It was therefore determined upon the receipt of the Department's telegram No. 140, September 26,\(^2\) which stated that the revised draft with certain modifications later inserted appeared acceptable, to concur in the Committee's adoption of this report upon its acceptance by the Liberian representative.

The Committee has expressed the desire that negotiations should be immediately begun between the American groups and the Liberian representatives in order that a final report may be drawn up for the Council as soon as possible. During these negotiations the services of the financial section of the League will be made available to the interested parties. I do not, however, anticipate that it will be necessary for me to take part in these negotiations unless otherwise instructed, but shall be available should the Department consider that the participation of the American representative is necessary.

Respectfully yours,

SAMUEL REBER, JR.

\(^2\) Not printed.

644211—47—54
[Enclosure]

The President of the International Committee on Liberia (Cecil) to the American Minister in Switzerland (Wilson)


My Dear Wilson: I was extremely grateful to you for showing me the message from Mr. Stimson yesterday. I appreciate very much his courtesy in the matter, and reciprocate to the full his anxiety that nothing should be done in the Liberian affair which can possibly cause any difference of view between our two Governments.

I am glad to say that this afternoon we have finally settled, with the approval of Mr. Reber, all the administrative provision[s] of the plan of assistance which the League Committee proposes. It is now for the Firestone interests to tell us whether on that plan they are prepared to make such financial arrangements as will enable the Liberian Government to put the plan into operation. As you know, the plan provides for a Chief Adviser, to whom is now given ample power, on paper, to carry the plan into execution. It does not touch any of the financial arrangements now in existence except so far as may be agreed upon by the Firestone interests. Under these financial arrangements the nominee of the Firestone interests has complete control, as I understand it, of all receipts and expenditure by the Liberian Government in a sufficient degree to secure the debt due from Liberia to them. The Committee were advised that, for whatever reason, the result of this financial arrangement had been not favourable to the Liberian financial position, mainly no doubt through the folly of the Liberian Government, apparently not checked, or not sufficiently checked, by the Financial Adviser appointed by the Firestone people. It is to be one of the duties of the Chief Adviser in any question that may be raised as to expenditure affecting the plan of assistance, to arbitrate between the Financial Adviser and the Liberian Government, but the Chief Adviser will have no power, as I understand it, to insist on any payments by Liberia without the consent of the Financial Adviser.

It is obvious that if this machinery is to work satisfactorily to Liberian opinion, the Chief Adviser must be not only independent but clearly and obviously independent of any bias in favour of the Financial Adviser. He must be and must seem to be, absolutely impartial as between Liberia and the Firestone people.

That is one of the reasons why it seems to me rather difficult to agree that the Chief Adviser should be of American nationality. A more important reason, however, is that if the Chief Adviser were American, the complete administration of Liberia in every respect
would be placed in American hands, since the Financial Adviser is American also. That might be for the best from the point of view of Liberian Administration; I can see many advantages in it; but I think it would be impossible for the League to agree to hand over the administration of one of its members entirely to individuals of one nationality, unless there were serious international guarantees for their good administration. What I mean is that if the proposal were that the American Government should undertake the responsibility for the administration of Liberia through a Chief Adviser and a Financial Adviser appointed with the concurrence of the League of Nations, that would be a proposal which from the League point of view would have much to recommend it. They would cease to have any serious responsibility except such as they have in a mandated country, and they would have the conviction that the guarantees resulting from American official administration would be fully present.

I myself should be glad to support such a solution, though I am afraid it would meet with very vehement opposition from the present Liberian Government. But unless the American Government is prepared to take the responsibility in the matter, I do feel that it is almost impossible for the League to agree to hand over Liberia to two private American individuals, one of whom would be the nominee of a commercial company, and I am pretty certain that it would be almost impossible to persuade the present League Committee, or any other League Committee, to agree to such a solution. I think they would certainly agree that the Chief Adviser should be chosen from some nation which could not be suspected of any rivalry of the United States or any unfairness to American interests. They would be quite ready to exclude, for instance, British, French and Dutch nationals. They would accept a Scandinavian or practically any other Western nationality that was approved by the American Government, but I do not see how they could be expected to go further than that, and if the Firestone people insist on an American Chief Adviser, I am afraid that the whole negotiation will break down, unless some other source can be found from which the relatively small sum necessary for starting the reforms can be obtained.

I have ventured to put the matter rather fully and I hope clearly to you, but of course you must understand that I am writing without having had the opportunity of submitting my observations to the British Government, and, though I have no reason to suppose that they would differ from them, yet it must be understood that I am not in any way committing them.

Yours very sincerely,

CECIL
882.01 Foreign Control/381: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 29, 1932—5 p. m. [Received September 29—12:50 p. m.]

274. From Reber. My 271, September 28, noon. I have been asked to inform the chairman how soon the Firestone interests are prepared to negotiate the financial clauses of the plan of assistance, the administrative sections having been accepted by the Liberian representatives. Harvey Firestone, Jr. is in Paris without word from Akron regarding decision there. Please instruct. [Reber.]

GILBERT

882.01 Foreign Control/381: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, September 30, 1932—6 p. m.

144. For Reber. After informing Mr. Firestone, Senior, of your telegram No. 274, Howe stated that Mr. Firestone said that the Finance Corporation had no intention of considering “negotiating” unless and until the new annex 3 had been (1) fully accepted by Liberia, and (2) transmitted officially to the Finance Corporation by the Department. Mr. Firestone added that he would inform his son to this effect.

What will be the approximate date of arrival of the text by mail?

STIMSON

882.01 Foreign Control/392

Memorandum by the Chief of the Division of Western European Affairs (Moffat) of a Conversation With the British Chargé (Osborne)

WASHINGTON, October 3, 1932.

Mr. Osborne stated that he had received an instruction from the Foreign Office asking him to urge the American Government to persuade the Firestones to start private negotiations with the League officials just as soon as was humanly possible as they were anxious to close up the whole matter during this session of the Council.

I told Mr. Osborne the story in brief of the negotiations at Geneva. I said that we had always maintained the position that before transmitting the League plan to the Firestone interests, we must be

*Not printed.*
assured (1) that adequate authority was delegated to the principal advisers, and (2) that the Liberian Government had agreed to this delegation of authority. As far as point 1 was concerned we were now satisfied; point 2, however, remained in some doubt. Reber, our Delegate, had written a letter to Lord Cecil asking him if the acceptance of the report by the Liberian Delegate constituted a binding obligation on the Liberian Government. No answer had as yet been received and until we were satisfied on that point, we did not feel that we could transmit the document to the Firestones.

Pierrepont Moffat

882.01 Foreign Control/388: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, October 4, 1932—5 p.m.
[Received October 4—2 p.m.]

282. From Reber. My telegram No. 276, October 2 [1], p. m. The President of the Liberian Committee informs me that the Liberian representatives have “accepted the plan on behalf of their Government subject to a successful outcome of negotiations with the American group interested.”

Inasmuch as a modification of the Finance Corporation’s contract will be required to make effective this scheme and provide the funds for its execution this last clause was considered essential.

With this understanding the Government of Liberia has accepted the plan of assistance as adopted by the Committee.

In his telegram of reply the President likewise has asked me to inform him as soon as possible when the Finance Corporation representatives could be expected to commence the negotiations.
[Reber.]

Gilbert

882.01 Foreign Control/396: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, October 7, 1932—1 p.m.
[Received October 7—10:55 a.m.]

288. From Reber. The Secretariat informs me that it will be necessary to reconvene the Liberian Committee early next week,

*Not printed.*

probably October 12th, in order that another interim report may be presented to the Council before the latter adjourns.

A certain display of resentment by the Committee and possibly the Council over the delay in commencing the financial negotiations may be difficult to avoid unless before that time some definite date may be fixed for these negotiations or unless further reasons for the continued absence of the Finance Corporation representative from Geneva can be advanced.

Early instructions would be appreciated as to the attitude I should adopt at this meeting.

Firestone, Junior, now in Spain, appears to be under the impression that the selection of an American as Chief Adviser is the next step before he commences the direct negotiations. [Reber.]

GILBERT

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, October 7, 1932—5 p.m.

150. For Reber. Your 281, October 2 [3], 3 p.m. [2 p.m.] 66 and 288, October 7, 1 p.m. The revised text was sent to the Finance Corporation on October 5, under cover of a letter 77 containing the following paragraph:

"In the opinion of the Department these general principles are susceptible of use as a basis for the further development of the Liberian problem through direct negotiations between the Finance Corporation and Liberia. In making the text available to you the Department accordingly endorses in this sense the general principles contained therein."

The company was also informed of the urgent desire of the Committee to learn whether or when a Finance Corporation representative would be available for direct negotiations, and we offered to transmit through you the company's reply.

You may inform the Committee and/or the Secretariat, dating your letter October 8 but arranging that it arrive only on Monday morning, October 10.

Is the text being held confidential? The Department is in receipt of numerous requests for copies, information as to progress, etc., from philanthropic and racial groups. On the whole, we should prefer to have the initial publicity from Geneva, not earlier than

66 Not printed.

77 For text of the letter of October 5 and its enclosures, see Department of State, Press Releases, October 15, 1932, pp. 239-244.
Monday, following which we would expect to release the text here, together with our transmitting letter to the Finance Corporation.

We can see no justification for resentment by the Committee or the Council over the delay in commencing the financial negotiations. The text was only transmitted by us to the Firestones on October 5, the earliest date on which we were satisfied that the delegation of authority was adequate and that the acceptance of the plan by the Liberian representative constituted a binding obligation.

You may, in your discretion and if necessary, point out the foregoing to the Committee.

STIMSON

882.01 Foreign Control/390

The President of the Finance Corporation of America (Wm. P. Belden) to the Secretary of State

CLEVELAND, OHIO, October 8, 1932.
[Received October 10.]

Sir: Receipt is acknowledged of a letter dated October 5, 1932 with the enclosure of copies of the revised text of the “General Principles of the Plan of Assistance to Liberia” adopted by the International Committee of the League of Nations September 27, 1932 and copy of a communication from Viscount Cecil to the American Representative. The Department suggests that this revised text may be susceptible of use as a basis for negotiations between Finance Corporation and Liberia and offers to transmit our reply.

The text of the “General Principles” grants authority to the Chief Adviser to advise and coordinate and to supervise the execution of the Scheme of Assistance, but it does not grant him authority to administer it, nor does it give him any authority over the Provincial Commissioners and their Deputies. Thus he would have responsibility without authority.

The “General Principles” provide that the Chief Adviser shall be appointed by, responsible to and removable by the Council of the League and that the other officials called for by the Plan shall be designated and replaced by the Council, and that any question which may arise from start to finish may be referred for decision by the Council.

The lack of machinery in the League of Nations to administer the affairs of Liberia and a plan of assistance has been recognized by Viscount Cecil, who stated to the House of Lords March 16, 1932—“I should be altogether opposed to any attempt on the part

*Department of State, Press Releases, October 15, 1932, pp. 239-244.
of the League of Nations to administer this country themselves. They have no machinery for doing it and they would only make an awful mess of it." 79

The Plan does not allow the United States of America any part in these matters or in the settlement of any question which may arise from the operation of the Plan, and there is no provision as to the nationality of the Chief Adviser.

The Plan does not take into account the colonization of Liberia by Americans more than a century ago and the long tradition which connects America with the Liberian Republic founded in 1847, and the sacrifices by philanthropic Americans who have assisted the Liberian people through their missionary societies and large sums of money spent each year for the religious instruction and education of the natives of Liberia. The importance of the rubber plantation development and the sums of money used in developing better social and living conditions for the natives and increasing Liberia's commercial opportunities have been overlooked.

American institutions of learning, Harvard and Yale Universities among others, have financed and directed scientific expeditions to Liberia and have published their reports, covering the fields of tropical medicine and sanitation, forestry, plant and agricultural resources, etc.

Firestone Plantations Company has spent many million dollars in the development of their rubber plantations in Liberia and Finance Corporation of America has advanced over two million dollars, of which more than half was devoted to refunding pre-existing Liberian foreign loans and substantially [sic] of the remainder of the payment of Liberian internal debts.

In view of these circumstances it would appear that the exclusion of the American Government from participation in the rehabilitation of Liberia would not be in the interests of Liberia and would be inconsistent with such reasonable assurances as the Finance Corporation may expect.

If the Plan of the League of Nations should be changed to include participation by the American Government in the Plan of Assistance to Liberia, the designation by the President of the United States, and appointment of, an American citizen as Chief Adviser and the assurance to the Chief Adviser of ample and adequate administrative power by Legislative act from the Liberian Government, we would be willing to enter into direct negotiations with the duly authorized representatives of Liberia concerning financial assistance for Liberia.

Very respectfully,

WM. P. BELDEN

79 Great Britain, Parliamentary Debates (House of Lords), vol. 88, p. 834.
The Acting Secretary of State to the Chairman of the Firestone Tire & Rubber Company (Harvey S. Firestone)

WASHINGTON, October 10, 1932.

My Dear Mr. Firestone: I have received Mr. Belden’s letter of October 8, 1932, declining on behalf of the Finance Corporation of America to enter into direct negotiations on the basis of the “General Principles of the Plan of Assistance to Liberia”, which was endorsed by this Government and transmitted to the Finance Corporation by my letter of October 5. I also refer to your conversation with the Secretary of State at Woodley on September 24, last, and to his letter to you of October 4, in which he carefully outlined the position of the American Government with respect to the Liberian problem. You will recall that in this communication he stated very clearly that the solution of the problem was an international obligation and that, although it would be altogether opposed to American policy and objectives for the United States to undertake exclusive responsibilities in Africa, we were nevertheless willing to assume our fair share of an international responsibility, providing there was an assurance by Liberia in advance that Liberian officials would themselves cooperate.

This Government has no intention whatever of independent action toward Liberia. It is convinced that while the American people have a keen interest in that country to which they are bound by certain historic ties of association and sympathy, and have been sincerely disturbed and disappointed at the frequent reports of disorders and social injustices there, they would not countenance any assumption by the United States of direct accountability for a country on the African continent, even at the request of the inhabitants themselves.

In furtherance of our policy of international cooperation with respect to Liberia, we have participated in four meetings held under the auspices of the League of Nations. During this period we have declined to enter into formal relations with the Liberian administration and we have focused our efforts upon obtaining through the International Committee of the League the acceptance by Liberia of principles embodying a sufficient delegation of authority, under international guarantees, so that the rehabilitation of the country could really be effected when a program based upon these principles was put into effect.

* Memorandum of conversation not printed.
* Not printed.
We believe that the foundations for such a program are contained in the “General Principles” adopted by the International Committee on September 27, 1932. This document is not the product of hasty decision, but of carefully considered negotiations between the responsible officials of a number of Governments. We have discussed the various points involved through the medium of our own Representative on the International Committee and, in many instances, directly with the central authorities of the participating Governments through their diplomatic representatives in Washington.

When, therefore, the American Government accepted the “General Principles”, it did so because we felt that, having been agreed to by Liberia, these principles would provide a framework within which there would be ample latitude for direct negotiations and within which your legitimate interests could be protected. In essence the “General Principles” constitute a Liberian declaration to promote an international effort to rehabilitate the country and sincerely to cooperate therein. The details were omitted in response to the direct request of this Government because we believed that it would be preferable and more practicable for them to be elaborated in consultation with your interests, inasmuch as these interests, through the investment in Liberia by the Finance Corporation, were directly concerned.

While this Government would not be an interested party in such direct negotiations and would in fact decline to be brought into any discussions which involved the modification of your own contractual rights, the American Government has been interested in bringing about a situation where we considered that direct negotiations might be entered into by your interests with a reasonable expectation of working out a solution beneficial to all. If our views are too optimistic and such a position has not been brought about, your negotiations themselves would show it.

Mr. Belden’s communication, however, constitutes a refusal to accept as a basis for negotiation the “General Principles” which were endorsed to the Finance Corporation by this Government after a year and a half of patient effort. The decision, I appreciate, rests with you. But I feel I should make it clear that such a decision, declining even to explore through direct negotiations the possibilities of the plan, entails a responsibility to public opinion both in this country and abroad which the American Government is not prepared to assume on your behalf.

Should Mr. Belden’s letter represent, contrary to our hopes, your final view of the matter, the Department will as indicated telegraphically inform the American Representative on the Committee,
which has already been apprised of the American endorsement of the
"General Principles" and of their transmission to you, of your an-
swer, namely that the Firestone interests decline to negotiate. Al-
though it would of course be in order, should you desire to do so, for
you to transmit Mr. Belden's letter upon your own responsibility
directly to Viscount Cecil, the President of the International Com-
mmittee, this Government could not be put in the position of appearing to
endorse the contents of your letter by transmitting its text.

Sincerely yours,

WILLIAM R. CASTLE, JR.

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882.01 Foreign Control/402: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, October 11, 1932—4 p.m.

157. For Reber. Department's 150, October 7, 5 p.m. and your
291, October 8, 6 p.m. The following telegram has just been re-
ceived from the Finance Corporation of America:

"Referring to your letter of October 5 with enclosures of general
principles and communication from Viscount Cecil to the American
representative.

"The general principles are receiving our careful study and
although we are not satisfied that the general principles are as yet
in form to afford a solution, we are willing to send a representative
to Geneva to explore in negotiation the possibility of agreement on a
plan mutually acceptable and that will be of practical benefit to
Liberia and her people."

The Department is informed that the corporation will not have
completed its studies or be in a position to send an instructed repre-
sentative to commence negotiations before MidNovember. You may
so inform the Committee.

STIMSON

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882.01 Foreign Control/404: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 12, 1932—3 p.m.

[Received October 12—11:15 a.m.]

297. From Reber. Department's 150, October 7, 5 p.m.; and 157,
October 11, 4 p.m. At its meeting today the Liberian Committee

a" Latter not printed.

bDepartment of State, Press Releases, October 15, 1932, p. 239.
considered its report containing the administrative sections of the 
plan of assistance to be submitted to the Council tomorrow.\textsuperscript{84}

Although I had informed the Committee of the contents of the 
Department's letter to the Finance Corporation and of the latter's 
reply considerable discussion arose over the necessity for such delay 
and regret was expressed by the President and other members over 
any further postponement of the final solution of Liberian problem. 
Expression was given to hope that it would be possible to conclude 
these negotiations in time to submit the final plan to the special 
session of the Council beginning November 14th.

The report will mention the delay and include the declaration I 
made this morning based on the telegrams under reference.

The League Secretariat informs me that it will make public this 
evening the text of the administrative sections of the plan as con-
tained in document C Liberia 27 forwarded as an enclosure to my 
despatch of September 29 but not the observations to be included in 
the report which are likewise contained in the document under 
reference. [Reber.]

GILBERT

882.01 Foreign Control/404 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, October 13, 1932—6 p. m.

160. For Reber. Your telegram 297, October 12, 3 p. m. We re-
leased last night the revised text of the "General Principles" (with-
out the "observations" appearing on pages 8 and 9 of League docu-
ment C/Liberia/27) and the communications exchanged between the 
Department and the Finance Corporation on October 5 and 11, in 
order that publication might be simultaneous here and in Geneva.

While we can appreciate the desire of the Committee to have the 
negotiations begin at once and while we sympathize with the view of 
the Committee that it would be desirable to commence such negotia-
tions as soon as possible, we do not believe that it would be reasonable 
for the Committee to show irritation over the "delay", or at all useful 
to incorporate in the report to the Council any observation which 
might render the negotiations themselves more difficult. When it is 
remembered that it took over a year and a half to reach an agreement 
upon the general principles I do not see how the Firestones can or 
should be blamed for desiring to give the matter the most thorough 
preliminary study. I am so convinced that negotiations will be much

\textsuperscript{84} For text of report, see League of Nations, Official Journal, December 1932, 
more difficult in the event that the Committee or Council has taken any action which might be construed by the company as censure that you are authorized in your discretion to give currency to these views in Geneva. The very earliest date on which a representative of the company could sail would apparently be about November 1.

STIMSON

882.01 Foreign Control/408 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 14, 1932—9 a. m.
[Received October 14—7:10 a.m.]

298. From Reber. At its session yesterday afternoon the Council adopted the Liberian Committee’s reports relating the plan of assistance and approving the work of Dr. Mackenzie. With regard to the latter warm expressions of congratulations were approved by the Council.

Cecil expressed his regret over any further argument in concluding the final settlement of the Liberian problem. In a long speech Grimes stated his Government would loyally abide by the commitments agreed upon and expected that in the choice of specialists, care would be taken to select persons free from racial prejudice. In referring to the “enormous charges” of the loan agreement and the unfortunate results of the delay in the financial negotiations, he maintained that persons representing themselves as interested in the companies concerned had recommended that Liberia reject the League’s plan and adopt a new scheme which was exhibited in Monrovia. This was coupled he said with a threat that unless the latter were adopted no money would be forthcoming.

Zaleski the rapporteur pointed out the American representative had explained that his Government had forwarded the text at the earliest possible moment to the Finance Corporation and that he would transmit to his Government the Committee’s wish that negotiations be begun as soon as possible.

The Council agreed to consider the Liberian question again at its special session in November. [Reber.]

GILBERT

The President of the Finance Corporation of America (Wm. P. Belden) to the Under Secretary of State (Castle)

CLEVELAND, OHIO, October 26, 1932.

Sir: We acknowledge receipt of your letter of October 20th regarding the Council of the League adopting the report of the Committee as to the “General Principles” of the Plan of Assistance to Liberia and we note that Mr. Reber was advised of the desire of the Committee that direct negotiations between our company and representatives of Liberia begin as soon as possible.

Before undertaking such negotiations we deem it necessary to send a representative to Liberia to obtain adequate information of conditions on the ground in order that we may be fully and accurately advised before entering upon these negotiations.

It is our purpose to send such representative to Liberia at an early date and to complete our investigations as expeditiously as possible and thereupon designate our representative for the purpose of these negotiations.

Very truly yours,

FINANCE CORPORATION OF AMERICA

Wm. P. Belden, President

Memorandum by the Chief of the Division of Western European Affairs (Moffat)

[WASHINGTON,] November 10, 1932.

The British Ambassador came to talk about the Liberian situation. He said that as he understood it, the Liberian Committee in Geneva had adopted a plan which had been accepted by the Liberians and approved by us, but was still dependent upon certain financial details which must be worked out directly with the Firestone interests. I told him that this was substantially correct and that the Firestones, although not entirely satisfied with the plan, were nevertheless prepared to explore the possibilities it offered for a rewriting of their contracts. He replied that it was quite evident that the Firestones were “shy”.

His Government had directed him to find out when the Firestone representatives would be ready to negotiate. I said that this was a point of considerable difficulty, that they had at first hoped to negoti-
ate some time in November, but that more recently they felt that be-
fore they could envisage financial changes in their contractual rights, 
they would have to send some people to study the situation in Liberia, 
which might delay it further. I added that we had not yet forwarded 
this information on to Geneva, but would probably have to do so in 
the course of the next day or two, if there were no change, as the 
Council wished to make an interim report of progress on or about 
November 14th.

Sir Ronald Lindsay gave the impression that he hoped we would 
put pressure on the Firestones to hurry their negotiations. I answered 
that we felt we could hardly do this as, with the amount of money 
that they had legitimately put into their project, the matter of 
whether or not they were satisfied that the plan would protect them 
in advancing more money and rewriting the contracts they now had, 
was a matter which they alone could decide. I told him that the 
Secretary had looked into the whole question himself last September 
and had sent a personal message to Cecil pointing out the complete 
financial independence of the company, which would make it impos-
sible for us to bring pressure on them.

PIERREPONT MOFFAT

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882.01 Foreign Control/422: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 11, 1932—4 p. m.
[Received November 11—2:15 p. m.]

321. From Reber. Department’s 172, November 10, 6 [6] p. m. 88
Prior to informing the members of the Liberian Committee on the 
contents of the Finance Corporation’s letter I venture to submit the 
following considerations as to its possible repercussions here.

As the Department is aware it was the expressed unanimous desire 
of the Committee that the financial negotiations should begin as soon 
as possible and after having received the Department’s telegram No. 
187, October 11, 4 p. m., I explained that the Finance Corporation’s 
representative expected to be present in Geneva during the month of November. It has been possible in a measure to check the spread 
of propaganda adverse to the American interests by pointing out 
that the delay specified was relatively short and that the subject had 
been placed on the agenda of the extraordinary session of the Coun-
cil to be held in November. In the same manner it was possible to 
prevent the insertion in the report of expressed censure over this 
delay.

88 Not printed; see footnote 87, p. 776.
With the understanding that a representative of the Finance Corporation would probably be in Geneva in mid-November, the Liberian representative has remained in Europe.

Furthermore, the Committee remembers that in January the representatives of the Finance Corporation and the Firestone Company had stated that they would be prepared upon certain conditions to examine proposals carefully and in a sympathetic spirit. I therefore believe that an expressed evidence of their willingness to enter promptly into negotiations here, which need not commit them to definite acceptance of the plan, will go far towards dispelling a general impression that the American groups are not prepared to accept any form of international supervision as a basis for amending their contracts and are endeavoring to block successful application of the only international scheme of assistance which it has been possible to evolve. This impression has been gaining ground and will be difficult if not impossible to contradict in other ways.

In view of the delay now proposed it will be impossible for the Council to take any action on the report prior to its May session. During this period it cannot now be forecast what decisions may be reached by this body, since it may feel, after having understood that the negotiations would begin in November, that the delay is too great to make it possible to await the results of the investigation on the spot. In addition to raising charges of bad faith on the part of the company this may result in a recommendation to abandon the idea upon the grounds that it was impossible to obtain financial assistance from the Firestones in time to be of any value or to seek financial aid elsewhere. It will also be recalled that the truces established by Dr. Mackenzie, whose mission was in part inspired by American insistence upon the urgency of improving the conditions existing on the Kru Coast and elsewhere in Liberia, will have expired by that time and that there will have been manifested in Liberia no definite proof of progress.

I am obliged to bring these considerations to the attention of the Department although I fully realize that the latter is undoubtedly aware of the danger inherent in this latest proposal of the American companies.

Unless I am instructed to the contrary I shall, however, inform the members of the Committee of this decision early next week without comment as to the American Government's views in this regard. [Reber.]

GILBERT

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59 See telegram No. 31, January 25, 9 p. m., from the Consul at Geneva, p. 696.
The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, November 13, 1932—9 p.m.

175. For Reber. The substance of your telegram No. 321 November 11 4 pm was communicated to the Finance Corporation, which has submitted the following statement supplementing its letter quoted in our No. 172 November 10, 5 pm.  

"With further reference to our letter of October 26, 1932 we wish to advise that Mr. Lyle, Vice President of Finance Corporation of America, is proceeding to Liberia within a few days and will arrive there on December 11, 1932.

Finance Corporation of America has in no way changed its position as expressed last January and is now, as it was then, prepared to carefully examine in a sympathetic spirit any proposal designed for the betterment of the people of Liberia.

It is therefore with this in mind that Mr. Lyle is proceeding at once to Liberia to obtain at first hand an intelligent and comprehensive knowledge of the current situation in Liberia which is an indispensable requisite to a satisfactory discussion of the financial aspects of any program of assistance to Liberia.

Furthermore, the necessity of such a course is emphasized by the submission to Finance Corporation of America on October 18, 1932 of a proposal signed by J F Dunbar, Acting Secretary of the Treasury of Liberia, and approved by Edwin Barclay, President of Liberia, in which the Liberian Government outlines a plan for stabilizing the financial structure of the Republic of Liberia, which includes suggestions for the modification of the Loan Agreement of 1926.

The views of the Liberian Government as contained in this proposal are of such a nature that it would be impossible for Finance Corporation of America to adequately express an opinion with regard to them without a thorough knowledge and understanding of the existing conditions in Liberia through personal observation.

It is natural to conclude that any representative of the Liberian Government at Geneva could do no more than to reiterate the suggestions of the Liberian Government for financial readjustments as submitted to Finance Corporation of America on October 18, 1932, and it therefore appears to Finance Corporation of America that the discussions between a representative of Liberia and a representative of Finance Corporation of America at Geneva at this time could in no way be expected to result in conclusive action and that the course which Finance Corporation of America has determined upon will serve to hasten rather than to delay the ultimate results hoped to be obtained."

You may send to the League and/or the Committee the text quoted in our telegram No. 172, together with the foregoing text, or make
them available in any manner you see fit, making however no comment thereon and of course no reference to your telegram No. 321.

STIMSON

822.01 Foreign Control/427: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 17, 1932—5 p.m.
[Received November 17—2:05 p.m.]

325. From Reber. In pursuance of the Department’s telegrams 172, November 2 [10] 5 p. m. [2] and 175, November 13, 9 p. m., I have informed the Secretariat of the League of the contents of the Finance Corporation’s letters. This information will be circulated to the members of the Committee as an explanatory note from the Secretariat rather than as a communication from the American Government.

After presenting this information to the League I saw Sugimura last night and making no comment upon the substance of the letters asked him what procedure he considered would now be adopted with respect to the Committee meeting scheduled to be held for the purpose of making a report during the forthcoming session of the Council. He explained that in his opinion it might not be necessary to reconvene the meeting at this time if assurances could be received that,

1) Any financial negotiations whether undertaken in Liberia or in Geneva would not run counter to the principles embodied in the plan as accepted by the committee.
2) That Mr. Lyle’s trip to Monrovia would in reality hasten the financial negotiations rather than create an unnecessary delay and that negotiations would be undertaken as early as possible.
3) That if these negotiations should be carried on in Monrovia and no agreement result directly between the Finance Corporation and the Liberian Government the former would be willing to continue them in Geneva as a second step with the aid of the financial section of the League.

I agreed to telegraph his statements and to request that replies thereto be received as soon as possible.

As no information is available here regarding the nature of the new Liberian proposals of October 18, Sugimura feels that it would be premature for the members of the Committee to express any opinion regarding this new procedure. [Reber.]

GILBERT

*Not printed.
The Consul at Geneva (Gilbert) to the Secretary of State

Geneva, November 18, 1932—1 p. m.
[Received November 18—8:50 a. m.]

326. From Reber. My telegram No. 325, November 17, 5 p. m.
In response to a telegraphic inquiry by Grimes concerning the nature of the "new" Liberian proposals of October 18, his Government stated that it has no intention of settling the financial provisions of the plan of assistance except under the "aegis of the League of Nations".

It has authorized McCaskey, who is returning on leave to the United States to discuss certain adjustments relating to the budget of 1933 but his instructions did not include discussion of arrangements to be made with the Finance Corporation affecting the plan of assistance, these it contemplated should be made by means of direct negotiations at Geneva, which it still hopes may be begun as soon as possible. [Reber.]

GILBERT

The Secretary of State to the Consul at Geneva (Gilbert)

Washington, November 22, 1932—8 p. m.

181. For Reber. Your telegram No. 325 November 17th, 5 p. m.
The following letter dated November 21st has just been received from Finance Corporation of America:

"In reference to your letter of November 19, 1932 we desire to inform you that Mr. L. T. Lyle, Vice-President of Finance Corporation of America left the United States for Liberia Saturday November 19th and will arrive in Liberia on December 11th.

It is our definite opinion that his trip to Liberia will in reality hasten rather than delay any part which Finance Corporation of America may be called upon to play in any program of assistance for Liberia, and that Mr. Lyle's report on the financial, economic and other conditions in Liberia is a necessary prerequisite to any decision on the part of Finance Corporation of America as to whether the General Principles embodied in the plan as accepted by the Committee will lend themselves in all respects to any financial negotiations which may be undertaken. Moreover, Finance Corporation of America could not possibly now predict its further course without the benefit of Mr. Lyle's report, and without reference to the attitude of the other interested parties at the time, should there be negotiations carried on in Monrovia and should these negotiations result in failure.

* Not printed.

644211*—47—56
With assurances of our continuing sympathetic attitude toward all matters pertaining to the effective rehabilitation and progress of Liberia, we remain."

The foregoing is in response to a letter from the Department summarizing your telegrams 325 and 326, in which we quoted in full Sugimura's three points. You may give the above text to the appropriate official of the League.

Stimson

882.01 Foreign Control/432
The Secretary of State to the American Representative on the International Committee on Liberia, at Geneva (Reber)

WASHINGTON, November 23, 1932.

Sir: With reference to the Department's telegram No. 181, November 22, 8 p. m., I enclose for your records copies of the Department's letter of November 19 to the Finance Corporation of America, and of the company's reply, dated November 21.

For your confidential information I may state that considerable difficulty was encountered in obtaining any reply whatever in time to transmit to you by November 23, the day on which you had informed the Department that the Rapporteur would make an interim report to the Council.

The company has recently shown a marked reluctance in all matters pertaining to their cooperation with the International Committee in connection with the "General Principles" adopted by the Committee and subsequently endorsed to the company by the Department as a basis for direct negotiations.

Very truly yours,

For the Secretary of State:
W. R. Castle, Jr.

882.01 Foreign Control/433
The Secretary of State to the American Representative on the International Committee on Liberia, at Geneva (Reber)

WASHINGTON, November 23, 1932.

Sir: With reference to the Department's recent telegram concerning the decision of the Finance Corporation of America to send Mr. L. T. Lyle to Liberia, I am enclosing for your information a copy of

*1Latter not printed.
*2See supra.
the communication from Liberia to the Finance Corporation and the
Fiscal Agent, delivered by the Acting Financial Adviser on October
18, last. Although this communication is undated, it is understood
from Mr. McCaskey that it was written in Monrovia just prior to his
departure on September 24, 1932.

I do not believe that it would be desirable to furnish a copy of this
letter to League officials in Geneva, since it should be obtainable by
them from the Liberian representative.

Very truly yours,

For the Secretary of State:

W. R. CASTLE, JR.

[Enclosure]

The Liberian Acting Secretary of the Treasury (Dunbar) to the
Finance Corporation of America

[MONROVIA, undated.]

GENTLEMEN: Reports of this Government to the Fiscal Agent during
the past two years indicate a large continuing falling-off in the
revenues of the Republic. This has necessitated a heavy decrease in
operating expenses and particularly so in the Budget proposed for
the Fiscal Year 1933. In this proposed Budget only absolutely neces-
sary operating expenses are included, and drastic reductions have
been made in salaries and number of employees, nevertheless, without
assistance, it is impossible to enact a balanced budget and for this
reason the Government appeals to the Finance Corporation of Amer-
ica and the Fiscal Agent for necessary assistance in financing and
stabilizing the Government of the Republic.

The consent of the Finance Corporation of America and the
National City Bank of New York, who together with the Govern-
ment of the Republic of Liberia, comprise the parties to the Loan
Agreement of 1926, is earnestly solicited for the following modifica-
tions of certain of the terms of the Loan Agreement:

1. The rate of interest to be reduced from 7% to 4%.
2. A moratorium on sinking fund, or amortization, be granted for
a period of five years.
3. The elimination of two American officers for the Liberian
Frontier Force.
4. The elimination of the American Assistant Auditor.
5. Equalizing the salary of the Supervisor of Customs with that of
the Auditor and the Supervisor of Internal Revenue.
6. A reduction of 25% on the salaries of the Fiscal Officers.
8. The elimination from the Budget of provision for payment of
outstanding bills and commitments, and agreement to the plan of the
Government for the issue of approximately $500,000.00 Internal 3%
Bonds payable within twenty (20) years from date of issue of them, this in order to fund the current floating indebtedness of the Government.

Should the modifications of certain of the terms of the Loan Agreement, mentioned above, be accepted by the other parties to the Loan Agreement, the Government will be able by rigid economy to balance the proposed Budget for 1933, meet its current obligations, and relieve the extreme distress caused by declining receipts. A copy of the pro-forma Budget which will be presented to the National Legislature at the ensuing session for enactment is attached hereto,* and an examination thereof will show clearly the strict economy in expenditure to which the Government of Liberia proposes to adhere.

Both the Finance Corporation of America and the National City Bank of New York are familiar with the heavy financial burden with which the Liberian Government is faced, and it is earnestly hoped that, as parties to the Loan Agreement of 1926, they will render this assistance which the Government of Liberia so sincerely seeks.

I have [etc.]  

J. F. DUNBAR

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882.01 Foreign Control/431: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 24, 1932—11 a. m.  
[Received November 24—9:55 a. m.]

335. From Reber. At the close of the Council's session last night the progress report of the Liberian Committee was presented." In summary it expresses the regret for the further delay caused by the trip of the Finance Corporation representative but hopes that the establishment of direct contact by Mr. Lyle's visit will facilitate later agreement. It also points out that the Committee had approved the Liberian Government's desire that principal financial negotiations should take place in Geneva with the assistance of the financial organization of the League.

In a short speech Grimes explained that his Government was not responsible for this further delay, pointed out the serious condition of Liberian finances but accepted the delay on condition that no final commitments except in Geneva could be made by his Government regarding the general aspects of the plan of assistance.

*No copy found in Department files.
A very brief discussion followed during the course of which at Madariaga's suggestion, an amendment expressing further regret in respect to the delays which have occurred and stressing the urgency of the situation was inserted.

GILBERT

882.01 Foreign Control/442

*The Under Secretary General of the League of Nations (Sugimura) to the American Representative on the International Committee on Liberia (Reber) [98]*

*Geneva, December 5, 1932.*

*Sir:* As you are aware, no meeting of the Liberian Council Committee was held, as anticipated, during the November session of the Council. This decision was reached in view of the information received from the Finance Corporation of America to the effect that the Company considered it necessary to send a representative to Monrovia to obtain information on the spot before entering into a discussion of the financial aspects of any programme of assistance to Liberia.

The members of the Council Committee are naturally most anxious that this enquiry be terminated as quickly as possible and that the representative of the Finance Corporation of America be designated to carry on the financial negotiations which it is hoped will take place in Geneva. The Liberian delegate, before leaving Geneva, expressed the wish that these negotiations should be held here, as soon as possible and, in any case, not later than next spring. It would, therefore, be most helpful if you would keep the members of the Council Committee informed of all developments in this connection and of the intentions of the Finance Corporation.

The next meeting of the Committee will of course depend upon these developments. The President of the Council Committee would consider it particularly desirable if he were in a position during the January meeting of the Council to give some indication as to the future course of the Committee’s work, and for this purpose any information you may be able to supply by that time would be much appreciated.

I have [etc.]

Y. SUGIMURA

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[98] Copy transmitted to the Department by the American representative as an enclosure to his despatch of December 7; received December 22.
882.01 Foreign Control/438 : Telegram

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

MONROVIA, December 16, 1932—4 p. m.
[Received 9:55 p. m.]

109. Lyle received by Barclay yesterday. Cooperation of government offices was assured Mr. Lyle in any endeavor to bring about an amelioration of economic conditions. In reply to inquiry whether Barclay had any program or suggestions to submit which would aid Mr. Lyle in his survey he stated that he had none but he and his Cabinet would get together and consider the making up of a program before Mr. Lyle started his work.

In the meantime a bill has just been passed by both Houses of the legislature reducing the personnel and salaries of the fiscal officers, suspension of interest on the loan for 2 years, and also a moratorium on loan payments (see League plan). This is [apparent omission] of the administration and it is believed for political effect Barclay may veto same or allow it to become law without his signature.

This act would appear to be in contravention to the loan agreement.

MITCHELL

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882.01 Foreign Control/438 : Telegram

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

WASHINGTON, December 19, 1932—6 p. m.

76. We have received from the Finance Corporation of America the full text of the bill or Joint Resolution referred to in your telegram No. 109, December 16, 4 p. m.

You are instructed to obtain an immediate interview with Barclay and to inform him orally, making it clear that you are speaking with the full authority of your Government, that the American Government cannot admit the right of Liberia to repudiate by unilateral action its contractual obligations, a measure which could not be taken by any civilized government.

The action of the Legislature was taken on almost the same day on which, in response to a Liberian request for financial assistance, a representative of Finance Corporation of America reached Monrovia with a view to discussing this assistance, as well as its relationship to the program of the International Committee of the League of Nations. If this bill should become effective it would be construed by the American Government not only as an attempt to repudiate a

* See footnote 70, p. 759.
legitimate contract, but also to nullify Liberia’s engagements made in Geneva.

Finance Corporation states that if this measure is enacted it will have no other course than to withdraw its representative from Monrovia at once. With this view the American Government entirely concurs. You should make it plain to Barclay that in these circumstances we should inform the League that Liberia’s action would effectively block any further participation by this Government in international efforts to rehabilitate the country. Moreover, the American Government would be prepared to make representations against the extension of financial assistance to Liberia from whatever source, unless and until the prior rights of Finance Corporation of America had either been met in full or the contract had been modified on a basis of mutual consent.

CASTLE

882.01 Foreign Control/440: Telegram

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

MONROVIA, December 21, 1932—4 p. m.  
[Received December 22—2:07 a. m.]

110. Called on Barclay at 2:30. After reciting to him the contents of the Department’s 76, December 19, 6 p. m., Barclay and Grimes, who was also present, stated that they could not act on a verbal representation but would be glad to give it consideration if such information were submitted in the form of an aide-mémoire.

MITCHELL

882.01 Foreign Control/440: Telegram

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

WASHINGTON, December 22, 1932—3 p. m.

77. Your telegram No. 110, December 21, 4 p. m. We assume that you made the position of this Government abundantly clear by your oral representations on the basis of the Department’s No. 76, December 19, 6 p. m. Do not deliver any written communication except under specific instructions.

Please report by telegraph the status of the legislative bill. We understand that in the absence of a veto it would have become “law” 5 days after passage.

STIMSON
882.01 Foreign Control/441: Telegram  

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

WASHINGTON, December 23, 1932—noon.

78. Your telegrams 112 and 113.¹ I have no objection to your explaining orally to your British, German and French colleagues (or any of them) the attitude of this Government regarding attempts by Liberia to repudiate or modify the Loan Agreement by unilateral action. We feel that it would be better for them to receive an accurate and authoritative statement from you than to obtain the information, possibly distorted, from other sources.

You are therefore authorized in your discretion to make oral statements to your colleagues that “under instructions from your Government you called on Barclay on December 21 to make representations against unilateral action by Liberia concerning its contractual obligations”. You may then read (but should not leave copies of) the last two paragraphs of the Department’s telegram 76, December 19, 6 p.m. You should make clear that your Government’s opposition is to any unilateral action.

Stimson

882.01 Foreign Control/440: Telegram  

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

WASHINGTON, December 23, 1932—3 p.m.

79. Your telegram 110, December 21, 4 p.m. You are authorized in your discretion to deliver the following letter to Barclay:

“My dear Mr. Barclay: Referring to my call on December 21 last I should like to assure you that the American Government would view with very deep concern any action by Liberia leading to repudiation or unilateral modification of Liberia’s contractual engagements with an American company.

My Government is informed that action on the part of the Liberian legislature to that end was promoted on almost the same day on which, in response to a request by Liberia for financial assistance, a representative of the Finance Corporation reached Monrovia with a view to discussing this assistance, as well as its relationship to the program of the International Committee of the League of Nations. If this should become effective it would be construed by the American Government not only as an effort by Liberia to repudiate a legitimate contract, legitimately acquired, but also to nullify the engagements made by Liberia in Geneva.

In these circumstances the American Government would feel that Liberia was blocking further American participation in international

¹ Neither printed.
efforts to assist your country. Moreover, the American Government would be prepared to make representations against the extension of financial aid to Liberia from whatever source, unless and until the prior rights of American citizens had either been met in full, or the existing contract had been modified on a basis of mutual consent.

Sincerely yours,

(Signed) Charles E. Mitchell
(No Title) [1]

Report by telegraph action taken and its result.

STIMSON

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882.01 Foreign Control/444 : Telegram

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

MONROVIA, December 24, 1932—4 p. m.
[Received 10:11 p. m.]


MITCHELL

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882.01 Foreign Control/449 : Telegram

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

MONROVIA, December 24, 1932—5 p. m.
[Received 9:33 p. m.]

116. Liberian House of Representatives submitted law to Acting Financial Adviser to which he as Adviser replied December 20th. This joint resolution authorized Barclay to suspend payment of interest on loan, et cetera. The Financial Adviser replied legally and courteously that such an act would be unconstitutional and in contravention to loan agreement. House then passed resolution that communication of Adviser be referred to Executive Government for investigation with strict instructions that if Adviser fails to justify his position taken in the communication he be immediately relieved of his official position.

Every effort is being made by the Liberian Government to discredit all officials connected with the Finance Corporation. The injustice and indignity now being imposed by the Liberian Government are
not only disgraceful but strike directly at the rights which American citizens should enjoy when working in foreign countries.

Mitchell

882.01 Foreign Control/445a: Telegram

The Acting Secretary of State to the Chargé in Great Britain (Atherton)

[Extract]

WASHINGTON, December 29, 1932—6 p. m.

302. For Reber.

It is clearly apparent that the present Liberian maneuvers result from misinterpretation of statements reported by Grimes and Dennis to have been made to them in Geneva by various European members of the International Committee and possibly by the Secretariat; these have evidently convinced Barclay that he can repudiate Liberia’s engagements with the Finance Corporation and subsequently obtain support in Geneva.

The British Ambassador called at my request this morning and I discussed the situation with him at length. I told him that while we put little credence in whatever Barclay thinks his agents were informed while in Europe, we feel sure that the British Government, particularly in present circumstances, would be the last to condone unilateral action against a valid contract, and would moreover sincerely deplore seeing Liberia take such action on the basis of a misconception of the British position. I accordingly urged that the British representative in Monrovia be instructed to inform Barclay without delay that his Government entirely disapproved of the Liberian effort to repudiate its obligations. I requested Sir Ronald to inform me regarding the decision of his Government.

Please arrange to see Cecil at the earliest possible opportunity, explaining the situation to him orally along the foregoing lines. You may give him a copy of Mitchell’s letter to Barclay, and also a copy of the “law” received from Firestone. The following points should in our judgment be especially emphasized:

1. Liberia’s intemperate attitude will, if persisted in, destroy any chance whatever of useful cooperation between the Finance Corporation and the International Committee. In this we should be prepared to support the company to the utmost. (See last paragraph of Mitchell’s letter to Barclay).

Sir Ronald Lindsay.

*See telegram No. 79, December 23, 3 p. m., to the Minister in Liberia, p. 788.*
2. Section 4 of the Liberian "law", taken in connection with the assurance given Cecil last October by Grimes that he had plenary powers, certainly requires explanation. Cecil will doubtless recall also that it was on the basis of his written assurance to you that Liberia had in fact accepted the plan, that the American Government consented to endorse it to Finance Corporation as a basis for negotiations.

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882.01 Foreign Control/447 : Telegram

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

MONROVIA, December 30, 1932—7 p. m.  
[Received 10:11 p. m.]

118. Department's telegram No. 79, December 23, 3 p. m., first paragraph my telegram No. 115, December 24, 4 p. m. Note from Executive Mansion tonight signed by Cyril Johnson one of Barclay's secretaries reads in part:

"No one can reasonably expect Mr. Barclay, in his private character, to reply to a note involving such important principles of governmental policy."

The note goes on in substance to say:

1. Government has no intention of repudiating or modifying unilaterally any contractual engagements.


3. Lyle did not come for the purpose of discussing such assistance and its relationship to League program but only for investigation. That there is no disposition on the part of the Liberian Government to nullify any engagements with League, on the contrary Liberian delegation informed League that their Government would only undertake to give information to Lyle without making commitments leaving all negotiations to be conducted in Geneva.

4. Present condition of Liberian people necessitates Government pursuing policy of which joint resolution in question is an expression.

MITCHELL
882.01 Foreign Control/446: Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

London, December 31, 1932—11 a.m.
[Received December 31—9 a.m.]

349. Department's 302, December 29, 6 p.m. Following from Reber:

I saw Lord Cecil last night and explained to him the Department's views regarding the new Liberian "law", leaving with him copies of it and of the letter presented by Mr. Mitchell.

While expressing strong disapproval of the recent Liberian action he felt that it must be motivated by a feeling that Liberia could obtain money from sources other than the Finance Corporation. He said that he had never given any encouragement to this thought and he was at a loss to know where other funds might be obtained. He was also sure that no such encouragement had been given in Great Britain.

He felt that he was not in a position to be of much assistance at the present time but should the Committee be reconvened he would not lend support to a unilateral infringement of the loan contract.

Unless instructed to the contrary I propose to return to Geneva on Monday January 2nd and should the Department so desire I can make similar representations to the League Secretariat.

Atherton

882.01 Foreign Control/446: Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

Washington, January 3, 1933—4 p.m.

1. For Reber. Your telegram 349, December 31, 11 a.m. from London. You may use your discretion as to whether or not it would be useful to discuss the situation with League and/or Committee officials, or furnish them with copies of the "law" and Mitchell's letter to Barclay.

On December 30 Mitchell reported the receipt of a "note from Executive Mansion signed by Johnson one of Barclay's secretaries" which was offensive in tone and endeavored to take issue with the statements contained in Mitchell's letter. Mitchell has been instructed to have the clerk of the Legation return the communication and to inform the sender that the "American Minister declines to accept a communication of this nature."

Stimson