# LIBERIA

## REJECTION BY LIBERIA OF LEAGUE OF NATIONS PLAN OF ASSISTANCE; PLAN OF THE LIBERIAN GOVERNMENT FOR ACCOMPLISHING NEEDED REFORMS [1]

882.01 Foreign Control/788

*A Joint Resolution by the Senate and House of Representatives of Liberia Authorizing the President of Liberia To Complete Negotiations in Connection With the League's Plan of Assistance to Liberia, Approved January 12, 1934* [2]

Whereas the Government of Liberia did appeal to the League of Nations to render assistance to Liberia on the lines of education, finance, economics and native administration; and

Whereas the League of Nations in a form of protocol adopted by the majority on October 13, 1933 [3] has submitted a Plan of Assistance for the consideration of the Liberian Government in compliance with her request for assistance; Therefore

*It is resolved by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:*

Section 1. That the President of Liberia be hereby authorized to accept on behalf of the Government of the Republic of Liberia in principle the basis outlined in the said proposed Plan of Assistance laid down in the protocol with the following reservations:

1. The bases of the scheme shall, by the League of Nations, be declared to be the political integrity and economic independence of the Republic of Liberia.
2. That the Chief Adviser shall not be appointed from any State to whose Nationals the Liberian Government has financial obligations, or is under economic commitments, nor from any State having territory contiguous to Liberia.
3. That to avoid any infringement of the sovereignty of Liberia, and the full responsibility of its Government, the power and rights of the Chief Adviser shall be carefully defined so as to restrict him to the precise objects to which they apply—namely: To give the Central Government the benefit of his advice and to supervise the execution of the Plan of Assistance.
4. That the Deputy Provincial Commissioners shall be Liberians.

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[1] For previous correspondence, see *Foreign Relations*, 1933, vol. II, pp. 878 ff.

[2] Copy transmitted to the Department by the Chargé in Liberia in his despatch No. 91, January 18; received February 17.

[3] *Foreign Relations*, 1933, vol. II, p. 945.

5. That no power be granted to any adviser appointed under the Plan which will be in derogation of the powers and authority of the President, Legislature, or Courts constitutionally established.

6. That no question affecting the interest of the State shall be subject to the decision of any outside or alien authority unless the Liberian Government shall voluntarily decide so to submit such question.

7. That no body of troops or *gendarmerie* shall be placed under the command of foreigners; nor shall any force of police or messengers be armed for any purpose except upon the authority of the President of Liberia.

8. That no official shall be engaged in the service of Liberia even if supervised or administered by the Foreign Experts except upon the prior approval or [*of?*], and appointed [*appointment?*] by, the President of Liberia, and, where required by the Constitution, confirmation by the Senate of Liberia.

9. That the foreign experts shall be attached to the Departments concerned; and work in association with the Head of said Department who shall follow the advice of said experts under such sanctions as the Legislature may approve.

10. That the cost of the execution of said Plan shall involve neither temporary nor permanent increase in the capital indebtedness of the Republic either to the Finance Corporation of America or otherwise, and the cost of said Plan shall be within the actual financial capacity of the Government of Liberia.

11. That a moratorium on interest and sinking fund on the 1926 7% Gold Loan shall be maintained until such period when, in the opinion of the Chief Adviser in collaboration with the Government of Liberia, the interest, sinking fund, or both, may be met out of current revenues without increasing the capital indebtedness of Liberia and without recourse of [*to?*] the issuance of bonds.

12. The Government will not concede any limitations upon its power to grant concessions to foreigners; although the Government will undertake to submit to the Chief Adviser and Financial Adviser any proposals for concessions that may be made and give due consideration to any advice they may offer thereon.

Section 2. The Legislature of Liberia does not approve of the provisions of the proposed supplementary agreement between the Government of the Republic of Liberia and the Finance Corporation of America as attached to the League of Nations protocol as an annex thereto; but inasmuch as section 2 of Article 24 page 11, of the said protocol makes the operation of the Plan of Assistance contingent upon a conclusion between the Government of Liberia and the Finance Corporation of America of adequate arrangements for financing said Plan of Assistance, the President of Liberia is hereby authorized and directed to send a mission of two competent Liberian citizens to America with the least possible delay to treat with the Finance Corporation of America on the spot with a view to adjusting the differences existing between the Government of Liberia and said Corpora-

tion and arriving at an arrangement by which the Plan of Assistance might become operative.

Section 3. That the Secretary of the Treasury, R. L., be and he is hereby authorized to expend out of the public revenues a sum not exceeding $8,000.00 for the purpose of defraying the expenses (travelling) of said special mission to America, upon warrant of the President of Liberia from any funds of the Government not otherwise appropriated or assigned.

This Joint Resolution shall be published in handbills and take effect immediately.

Any law to the contrary notwithstanding.

Approved January 12, 1934.

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882.01 Foreign Control/763 : Telegram

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

GENEVA, January 15, 1934—5 p. m.
[Received January 15—2:10 p. m.]

8. League Secretariat has today received through Sottile [4] a declaration from the Liberian Government accepting Plan of Assistance subject to certain reservations texts of which are being forwarded by mail due to arrive in Geneva after the close of Council session. Although it is not yet known what the tenor of these reservations will be text of Sottile's covering communication indicates that constitutional objections will figure largely. He further stated that financial measures were unsatisfactory and that Barclay [4a] had been authorized by the Legislature to negotiate another agreement directly with the Finance Corporation.

While the first reaction here appears to be that no reservations can be accepted by the Council and that to wait for their arrival would serve no useful purpose since the plan was presented for Liberia's acceptance as a whole no decision as to action by the present Council or as to future procedure will be taken until after consultation with Cecil [5] and other members of the former Liberian Committee.

Should therefore Department have any further information concerning these reservations or suggestions as to procedure which might be informally presented please instruct. Reber [6] concurs.

GILBERT

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[4] Antoine Sottile, permanent Liberian delegate to the League of Nations.
[4a] Edwin Barclay, President of Liberia.
[5] Viscount Cecil of Chelwood.
[6] Samuel Reber, American representative, League of Nations Committee on Liberia.

882.01 Foreign Control/766 : Telegram

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

GENEVA, January 17, 1934—8 p. m.
[Received January 17—4:50 p. m.]

14. From Reber. Consulate's 8, January 15, 5 p. m. I was invited this afternoon upon a strictly informal basis to meet with representatives of the governments formerly members of the Liberian Committee excluding Sottile for the purpose of discussing the terms of the *rapporteur's* declaration to be made at next Friday's session of the Council.

Members of this group considered that to reexamine Liberian reservations is of no practical value and will only serve to give the impression that the Council is willing to temporize with Liberia. A certain difficulty was felt, however, would be experienced by the Council in rejecting reservations which it had not seen but it was decided to meet this point by suggesting that should the terms of these reservations when received or other actions by Liberia so change the situation the Council might reconsider its decision at the May session.

In addition to the foregoing the *rapporteur's* declaration will state that the Council can only conclude that the Government of Liberia has refused the Plan of Assistance which adequately safeguards its independence and sovereignty and that under these circumstances the Council can only note this negative decision of Liberia which implies the cessation of the Council's activities in this respect. In view of the representation at this informal meeting it is anticipated that the *rapporteur's* declaration will be approved by the Council in substantially the above terms.

Should more complete information in the possession of the Department be of such a nature as to render in the Department's opinion the proposed action undesirable please instruct me as soon as possible or if the Department has information which would assist the *rapporteur* in replying to public questioning it would be greatly appreciated. [Reber.]

GILBERT

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882.01 Foreign Control/771 : Telegram

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

GENEVA, January 19, 1934—7 p. m.
[Received January 19—3:55 p. m.]

15. From Reber. In public session this afternoon Council adopted the Liberian *rapport*[7] in substantially the terms outlined in Consulate's telegram 14, January 17, 8 p. m.

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[7] For text, see League of Nations, *Official Journal*, 1934, pt. 1, p. 153 (document C.72.1934.VII).

Sottile claimed, however, that the reply of his Government did not constitute a refusal. Simon [8] expressed the hope that the Liberian representative would remind his Government of the unanimous decision of the Council that the report must be accepted as a whole. [Reber.]

GILBERT

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882.01 Foreign Control/800 : Telegram

*The Chargé in Liberia (MacVeagh) to the Secretary of State*

MONROVIA, April 15, 1934—10 a. m.
[Received 2:40 p. m.]

14. Mr. Simpson [9] called at the Legation and referring to the joint resolution of January 12 section 2 whereby the President was directed to send a commission to the United States to discuss a further revision of the financial plan with the financial [*Finance?*] Corporation, said that Consul General Lyon had been unable to come to any satisfactory arrangement with the Finance Corporation relative to the reception of this commission and asked me to inquire whether the Department would lend its good offices in assisting the Liberian Government to open negotiations with the corporation. Mr. Simpson stated that the commission would proceed to the United States as soon as the Finance Corporation agreed to open negotiations or would be equally pleased to receive a representative in Monrovia.

Since the concessions granted by the Corporation last June [10] are conditional upon the acceptance of the Plan of Assistance it would not seem advisable to open further negotiations at this time but to await the League meeting next month.

MACVEAGH

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882.01 Foreign Control/800 : Telegram

*The Secretary of State to the Chargé in Liberia (MacVeagh)*

WASHINGTON, April 17, 1934—6 p. m.

3. Your telegram No. 14, April 15, 10 a. m. The contract between the Liberian Government and the Finance Corporation is a private matter and we feel that any negotiations concerning changes therein can be made only at the desire of the parties concerned. We have repeatedly stated that we believe the League Plan which embodies certain changes in the Loan Contract is the best solution of Liberia's

[8] Sir John Simon, British Secretary of State for Foreign Affairs.
[9] C. L. Simpson, Liberian Secretary of State.
[10] See League of Nations document C.421.M.214.1933.VII.

difficulties and it would be inconsistent at the present time to interest ourselves on Liberia's behalf in such negotiations.

HULL

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882.01 Foreign Control/802a : Telegram

*The Secretary of State to the Chargé in Liberia (MacVeagh)*

WASHINGTON, April 20, 1934—5 p. m.

4. The American Government is greatly distressed at reports which have reached it that Liberia intends to persist in her attitude of placing unacceptable reservations to her acceptance of the League Plan of Assistance. In the next day or two, the precise time to be determined by you, please see Simpson and express to him our anxiety in this matter and reiterate our earnest hope that Liberia will reconsider at once and accept the Plan without reservation.

HULL

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882.01 Foreign Control/803 : Telegram

*The Chargé in Liberia (MacVeagh) to the Secretary of State*

MONROVIA, April 23, 1934—5 p. m.
[Received 8:45 p. m.]

20. Department's telegram No. 4, April 20, 5 p. m. Saw Simpson this morning and at his request confirmed conversation in writing. He offered no comments.

In lengthy conversation with Simpson on April 14 I strongly urged acceptance of Plan on grounds that it were far better to accept a certain temporary limitation of the executive power than to jeopardize the future independence of the country and that, whereas the Plan constituted a guarantee of independence, its rejection would leave Liberia isolated and it should not expect a sympathetic hearing in the United States. I understand he called a Cabinet meeting the following day at which it was decided to maintain reservations and reject the Plan.

MACVEAGH

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882.01 Foreign Control/814d : Telegram

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

WASHINGTON, May 9, 1934—4 p. m.

148. For Reber. I hope very much that if circumstances develop where the League has to announce that Liberia has rejected the Plan and that it must accordingly disinterest itself in this phase of Liberian rehabilitation, it will none the less leave an escape clause

to the effect that should Liberia within a reasonable period of time petition the League to place the Plan in operation in its present form without changes, that the League will agree to do so. Without a saving clause of this sort it would be necessary to repeat too much negotiation and preliminary study in case events should induce Liberia to alter her attitude toward the League Plan. This seems to be especially desirable since our reports from Monrovia indicate that there is a growing movement in favor of accepting the Plan, although the time is so short until the forthcoming meeting of the Council that the movement in Liberia may not crystallize sufficiently for action prior to the meeting but might well result in acceptance later on.

An informal conversation between the Embassy at London and the Foreign Office has left us with the impression that the British plan to take no action before the May meeting, after which they may approach us with the view to ascertaining what responsibilities we are prepared to undertake with respect to Liberia. In our view the most effective way of seeking a solution to this problem is through international cooperation. If the League as a body disinterests itself, I feel that we should continue to seek, in association with the other governments most interested, to induce Liberia to take advantage of the above mentioned escape clause and apply for the League Plan without reservation.

Should Liberia accept the League Plan, we feel certain that the Kru situation [11] would quickly be adjusted. Meantime, however, if the problem is pursued in Geneva, and your advice is sought as to further procedure, you may intimate that we would be willing to give consideration, depending on the gravity of reports of ill-treatment, to joining with the British and French in sending, at the request of the League, joint commissioners to investigate the situation with a view to seeing whether the charges made against the Liberian Government are authenticated and whether life and liberty are being adequately preserved.

HULL

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882.01 Foreign Control/814b : Telegram

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

WASHINGTON, May 10, 1934—7 p. m.

150. For Reber. We have received word from Monrovia that Barclay is circulating a statement to the effect that the Council may grant an extension of time to the Liberian Government to give consideration to the League Plan. This statement is apparently being used to mitigate the agitation in favor of immediate acceptance. In these circum-

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[11] Chronic disorders among the Kru tribes of the South, which the Liberian Government had long failed to pacify.

stances, we think it desirable for you to suggest to the Secretariat the advisability of Avenol's [12] immediately sending a public telegram to Monrovia reminding the Liberian Government that the Council expects a definite answer for consideration at its next week's meeting, when the League will take official cognisance of the Liberian problem.

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882.01 Foreign Control/814a : Telegram

*The Secretary of State to the Chargé in Liberia (MacVeagh)*

WASHINGTON, May 10, 1934—7 p. m.

9. This afternoon I sent for Lyon, Liberian Consul General at Baltimore, and handed him a statement reading as follows:

"Liberia stands at the crossroads and faces the most serious crisis in her history. The League Plan of Assistance must be accepted by next week or this opportunity of cooperative assistance will be lost. I understand that doubt has recently been expressed in Monrovia respecting the attitude of the American Government. We reiterate that in our opinion the League Plan is fair and workable and that it amply safeguards Liberian sovereignty. We fear that a failure to accept the Plan by Liberia would lead to ultimate social disintegration, and it is our belief that if Liberia is to retain her place as an independent nation she must immediately have assistance in solving her problems. We believe that the League Plan offers this assistance.

"We have been told that one of the reasons which has impelled the Liberian Government to withhold its acceptance of the League Plan has been a belief that the American Government would under all circumstances protect Liberia from the consequences of ill-advised policy. This is not the case. On the other hand, should Liberia accept the League Plan, the American Government can be counted on to continue its traditional interest in Liberia and to use its best endeavors to make the Plan a success and fully to safeguard Liberian sovereignty."

I explained to Lyon that I regarded this statement as a friendly communication between Governments and, to avoid embarrassment to the Liberian Government, I did not propose to release it to the press unless and until I considered it necessary. I asked that Lyon cable this statement immediately to his Government. You may make such discreet use of it as you see fit.

HULL

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882.01 Foreign Control/816 : Telegram

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

GENEVA, May 13, 1934—11 a. m.
[Received May 13—9:35 a. m.]

246. From Reber. Department's telegram No. 150, May 10, 7 p. m. A draft telegram along the lines suggested in the Department's tele-

[12] Joseph Avenol, Secretary General of the League of Nations.

gram had been drafted to be sent yesterday to Monrovia when an urgent communication was received from Sottile requesting that the Liberian matter be dealt with as late as possible during the present Council in order to enable him to receive new instructions from his Government. Avenol decided in the circumstances that he would reply to Sottile in a public communication rather than send a telegram to Monrovia prior to the Council's decision.

In consequence a communiqué was issued last night informing Sottile that his request for postponement of the discussion until Saturday would have to be submitted to the Council. The last paragraph of the communiqué reads as follows:

"It will be remembered that on January 19th last [14] the Council, in adopting the conclusions of the report submitted by the Polish representative, declared that should the Plan not be accepted in its entirety and without reservation by its May session, the question should be considered as finally settled."

I have discussed the question of the escape clause mentioned in the Department's telegram 148, May 9, 4 p. m. with officials of the Secretariat who are agreeable to insert a provision of this nature in the report to the Council. Final decision is being reserved until informal consultations can be had with the representatives of the powers particularly interested when they arrive in Geneva. [Reber.]

WILSON

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882.01 Foreign Control/817

*The British Ambassador (Lindsay) to the Under Secretary of State (Phillips)*

WASHINGTON, May 14, 1934.

MY DEAR MR. UNDER SECRETARY: In connection with the present position of Liberia vis-à-vis the League of Nations, Sir John Simon asks me to let you know that, at the forthcoming meeting of the Council, the representative of His Majesty's Government will be instructed to take the following line:

After outlining the Liberian Government's responsibility for the present scandalous state of their administration, he will make the following two points:—

(*a*) that the League will be entitled to consider the expulsion of Liberia under Article 16, paragraph 4, of the Covenant.[15] (It would not be possible to propose her expulsion forthwith, since this would

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[14] See telegram No. 15, January 19, 7 p. m., from the Consul at Geneva, p. 791.

[15] *Treaties, Conventions, etc., Between the United States of America and Other Powers*, 1910–1923 (Washington, Government Printing Office, 1923), vol. III, p. 3336.

require notice, and Liberia would be entitled to be heard: nor is it considered altogether likely that every member of the Council would favour expulsion.)

(*b*) that His Majesty's Government do not propose leaving this matter in abeyance; but intend to address the United States Government on the subject.

Believe me [etc.] R. C. LINDSAY

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882.01 Foreign Control/821 : Telegram

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

GENEVA, May 18, 1934—4 p. m.
[Received May 18—2:55 p. m.]

81. From Reber. Council this morning adopted a resolution in the following terms closing this phase of the Liberian assistance:

"The Council notes that the Plan of Assistance requested by the Liberian Government on January 23, 1931, drawn up by the commission of the Council and submitted by the Council to the Liberian Government has been rejected by the latter and decides in consequence to withdraw the offer of that Plan of Assistance to the Liberian Government."

In a severe arraignment of Liberian policies of "oppression and misgovernment" Eden [16] reviewed the whole history of the Liberian request for assistance before the League supporting the resolution that the Council must withdraw the offer of assistance. He stressed the sinister significance of the Kru Coast situation explaining that it caused the British Government grave misgivings as the latter could not be satisfied with Liberian denials. The whole history of the past 3 years shows that the strictures upon Liberia contained in the report of the Experts Committee applied today as they did in 1931. It was the view of His Majesty's Government, he explained, that Liberia had so grossly failed to observe its obligations under article 23 of the League Covenant that "the League would be quite entitled to consider her expulsion under paragraph 4, article 16". Realizing, however, that the expulsion of Liberia would not be the ultimate solution the British Government is not prepared to leave the matter in abeyance and proposes to approach the United States Government on the subject "in a desire to cooperate with the United States in an attempt to find a remedy" for the present tragic state of affairs.

Bogaerde [17] attempted once more to gain reconsideration of the Liberian reservation and in answer to Eden stated that his Govern-

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[16] Anthony Eden, British representative on the Council of the League of Nations.

[17] O. de Bogaerde, Liberian Minister in France.

ment would take all necessary action to avoid any possibility of exclusion from the League and promised to submit a full report on the Kru Coast incidents supporting its previous denial.

Following the unanimous adoption of the resolution by the Council Bogaerde stated that the Liberian Government regretted the decision but proposed to secure specialist's advice in its administration otherwise than under the Plan of Assistance. The President explained that the Council would note the intention of Liberia as expressed by its representative adding that Liberia as a member of the League will always be able to submit any new proposal which will receive careful consideration.

There was no other discussion of the British proposal and little discussion of the resolution itself save that it was supported by both the French and Italian representatives.

Full text of the proceedings follows by mail. [Reber.]

GILBERT

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882.01 Foreign Control/841

*The British Ambassador (Lindsay) to the Secretary of State*

No. 200 WASHINGTON, June 12, 1934.

SIR: I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to inform you that His Majesty's Government in the United Kingdom have given earnest consideration to the situation which has arisen in Liberia owing to the refusal of the Liberian Government to accept the Plan of Assistance drawn up by the Special Committee appointed by the Council of the League of Nations. It is clear that, since the Liberian Government have maintained their obstructive attitude, no effective action is possible by the League of Nations to improve administration in Liberia and to ameliorate the treatment of the native tribes. His Majesty's Government have, it is unnecessary to state, always desired to act in concert with the Government of the United States of America in the Liberian question; and they are anxious therefore now to ascertain the views of the United States Government, and to explain their own, in the very unfortunate situation that has arisen.

2. You will doubtless recall that it was in consequence of charges of slave trading in Liberia made by certain American travellers that the present question first arose. In June, 1929, the United States Representative at Monrovia addressed a strong protest to the Liberian Government [18] which drew attention to the "development of a system

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[18] See telegram No. 5, June 5, 1929, to the Minister in Liberia, *Foreign Relations*, 1929, vol. III, p. 274.

hardly distinguishable from organized slave-trade . . .[19] in the enforcement of which the Liberian Frontier Force and the services and influence of certain high government officials are constantly and systematically used." Mr. Francis' note also indicated that the Governments of the world might have to consider "some effective affirmative action . . .[19] to terminate the situation" and drew attention to the "historic special interest of the United States in the welfare and progress of Liberia". The Liberian Government repudiated the charges and asked the League to investigate the position. Accordingly the Christie Commission was appointed, consisting of a United States citizen and a Liberian with a British Chairman.[20] The Commission reported that the charges were fully borne out by the facts and recommended in broad outline the reforms necessary to prevent the recurrence of the evils indicated. Thereupon the Liberian Government declared that their financial position was such that they could not carry out reforms of that character without the assistance of the League. The Council of the League then, with the approval and encouragement of the United States Government, appointed a Committee to consider what financial assistance could be given to Liberia and upon what terms. At a very early stage of the enquiry it became clear that there was no hope of any financial assistance to Liberia unless the American Firestone interests, already engaged in a large scheme of Liberian development under which extensive control of Liberian finance had been at one time granted to them, were prepared to collaborate. The Committee were further convinced that it would be improper and useless for the League to make itself in any degree responsible for assisting Liberia unless the administration of the country were put on a footing which afforded a guarantee of decent administration especially of the native tribes. Accordingly the Brunot Commission was appointed[21] to advise the Committee in detail as to the administrative and financial changes in Liberia that were necessary in order to carry out the objects in view. Throughout it was insisted by the Committee that no assistance to Liberia could be recommended unless she agreed to and carried out the reforms regarded as essential to secure decent administration. If she rejected these reforms she could have no assistance. What steps would then be necessary to enforce compliance with the obligation that rests on all members of the League to "secure just treatment of the native inhabitants of the territories under their control" was left over for later consideration. The Committee, on which a representative of

[19] Omission indicated in the original.
[20] See proclamation by President King of Liberia, *Foreign Relations*, 1930, vol. III, p. 345.
[21] League of Nations document C.469.M.238.1932.VII.

the United States Government sat, drew up a plan of assistance largely based on the recommendations of the Brunot Commission. Its main feature was the proposal to appoint a white Chief Adviser with certain assistants to supervise the essential administrative reforms. At the instance of the Firestone Company supported by the representative of the United States Government, the authority of the Chief Adviser was emphasised, it being rightly thought that unless he was put in a position to insist on the execution of the reforms there was little hope that anything effective would be done. On the basis of this Plan the Firestone interests expressed their willingness to give considerable financial assistance to Liberia.

3. During the course of the enquiry in the autumn of 1931 trouble arose in the south of Liberia in which certain of the Kru tribes were concerned. On the excuse of the alleged nonpayment of taxes, what can only be described as a punitive expedition was despatched from Monrovia to the Kru coast. The reports which reached His Majesty's Government of the doings of this expedition were such that they not only addressed strong representations to the Liberian Government, but, with the concurrence of the United States, French and German Governments, despatched one of His Majesty's Consular Officers to the Kru coast in order to obtain an independent report. The effect of this report was to indicate that the Liberian forces had been guilty of grave excesses which resulted, not merely in the wanton destruction of villages coupled with the driving of the tribal population into the bush, but in the slaughter of nearly 150 human beings—men, women and children. There had also been considerable fighting between the various tribes which threatened to extend over the Grebo country still further to the south. At the instance of the Committee a League Commissioner[22] visited the district.

4. His visit, which was facilitated by the resources of His Majesty's Government, resulted, in the autumn of 1932, in the conclusion of a series of truces between the Liberian Government and the tribes on the one hand, and between the tribes themselves on the other, an arrangement which was accompanied by the collection of arms from the tribes and their deposit in Monrovia. These truces expired in the course of last year, and their expiry has been followed not only by the recurrence of inter-tribal feuds, which must be expected so long as fair and humane administration is withheld, but more recently by the despatch of another Government force from Monrovia, which,

[22] Dr. M. D. Mackenzie, who arrived in Monrovia on June 26, 1932, and remained in Liberia for over two months. See League of Nations document C.662.M.319.1932.VII.

according to reports which His Majesty's Government feel compelled to credit, is conducting itself in a manner not dissimilar from that adopted in 1932. Meanwhile the arms of the tribes have not been returned to them. The especial urgency of the situation lies in these facts.

5. To sum up. Greatly to the regret of His Majesty's Government the League's attempt to assist Liberia has not been successful. Liberia rejected on the financial side the not ungenerous terms obtained for her by the League from her chief foreign creditor, the Finance Corporation of America. Indeed, she has, I understand, repudiated most of her obligations to that body. On the administrative side she made reservations which, if accepted, would render it impossible for the white officials, who were to be appointed under the League Plan, to secure any serious administrative reform. In these circumstances the League Council have felt impelled to withdraw the plan of assistance offered to Liberia and His Majesty's Government feel that the whole situation must be reconsidered. They feel that it would be a dereliction of duty to civilisation if the misgovernment of the native tribes by Liberia were to be allowed to continue, resulting, as it would infallibly result, in the encouragement of such evils as slave trading and the slaughter and maltreatment of the two million natives by the corrupt and inefficient oligarchy of Monrovia. At the same time His Majesty's Government cannot believe that the pressure of public opinion or even the threat of exclusion of Liberia from the League, if that should be practicable, will be adequate to create any real and lasting improvement in Liberia. They are aware of the deep interest which the United States Government have always taken in the fortunes of this State, which indeed owes its foundation to American enterprise and philanthropy. On the material side, Liberia is rendered dependent upon the United States Government by the extent to which her financial machinery is already in American hands and organised in conformity with a contract entered into between the Liberian Government and an American corporation. His Majesty's Government cannot therefore doubt that the United States Government have been as much perturbed as have they themselves by the course of recent events, and they would be grateful for an indication of the policy which the United States Government would in the circumstances recommend. For their own part His Majesty's Government are ready to cooperate to the utmost of their power in any well-considered measures which the United States Government may consider appropriate to the occasion.

I have [etc.] R. C. LINDSAY

790532—51——57

882.01 Foreign Control/860a

*The Secretary of State to Mr. Harry McBride, Special Assistant to the Secretary of State*

WASHINGTON, July 12, 1934.

MY DEAR MR. MCBRIDE: The deplorable conditions in Liberia which have been aggravated by the refusal of the present Liberian Administration to accept without stultifying reservations the Plan of Assistance prepared by the League of Nations at Liberia's own request, have made it necessary for this Government to reconsider the policy it should pursue toward that Republic.

I am therefore asking you to make a brief visit to Liberia and endeavor to ascertain:

(*a*) whether the Liberian Administration wishes the United States to disinterest itself in Liberia;

(*b*) whether the Liberian Administration desires (1) American help, or (2) a form of Franco-British-American help, and if either, to what degree and subject to what conditions and undertakings on its part;

(*c*) in any event, whether you are able to obtain definite information on either of these points, I should appreciate your making an analysis of the situation in Liberia, both domestic and international, with a view to presenting recommendations upon your return as to what course of action you feel this Government should properly pursue.

In asking you to proceed and return via France and England, I am glad to authorize you in your discretion to consult either coming or going with the competent British or French officials.

Very sincerely yours, CORDELL HULL

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882.01 Foreign Control/865a: Telegram

*The Secretary of State to the Chargé in Liberia (MacVeagh)*

WASHINGTON, July 20, 1934—7 p. m.

15. Since the withdrawal by the League of its offer of assistance to Liberia, the United States Government has been under pressure from various religious and philanthropic organizations here as well as from the other interested governments to take the initiative in attempting to find a satisfactory solution for the present difficulties in Liberia, particularly those affecting sanitation, education and the administration of the native tribes. For reasons with which you are familiar this Government is reluctant to assume exclusive responsibility in Liberia. At the same time it is difficult because of the great interest taken in the problem by the negro population of the United States

and the special relationship which this Government has always held to Liberia for the United States to disinterest itself completely in Liberian welfare. However, before determining on the course of action we are prepared to take in all the circumstances, it seems wise to make a thorough survey of the entire situation on the spot. As it is desirable that this survey should not only give a clear picture of the present conditions with regard to native welfare and administration but a comparison of these conditions with those existing in the past, I am sending for this purpose Harry A. McBride, my assistant, who served in Liberia in 1919 and 1920, when he enjoyed to an unusual degree the confidence of the Liberian officials.

McBride will arrive at Monrovia for [*from?*] Freetown approximately Aug. 27th and will remain in Liberia for about one week depending upon steamship sailings. Please endeavor discreetly to ascertain whether Barclay will be in Monrovia at this time and if so tell him informally of McBride's impending arrival without stating the purpose of his visit. If Barclay will not for any reason be there, please telegraph at once. You will be kept promptly informed of further plans.

HULL

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882.01 Foreign Control/841

*The Secretary of State to the British Chargé (Osborne)*

WASHINGTON, July 21, 1934.

SIR: The receipt is acknowledged of the Ambassador's note No. 200 of June 12, 1934, setting forth the views of the British Government regarding the present deplorable situation in Liberia which has been aggravated by the refusal of that Government to accept without stultifying reservations the Plan of Assistance prepared by the League of Nations. The attitude of the Liberian Government in thus refusing to accept the aid proffered at its own request has been a source of great disappointment. I share to the fullest degree the concern of the British Government at the shocking conditions of repression and maladministration of the large native population, which the present Liberian Administration has shown no signs of being willing to correct, and agree that the persistence of the Liberian authorities in this course can only lead to consequences which must cause greater suffering to the native population as well as further deterioration of social conditions and ultimate bankruptcy.

As to ways and means of improving the situation, I have not been able to satisfy myself that any course suggested since the rejection of the League Plan would produce lasting reforms to the ultimate

benefit of the entire Liberian population. In the circumstances, I am asking my Special Assistant, Mr. Harry A. McBride, to visit Liberia this summer and report to me fully not only as to the situation he finds there as a result of the rejection of the League Plan, but also as to the real desire of Liberians of all classes for disinterested assistance. Mr. McBride was Acting Financial Adviser and General Receiver of Customs in Liberia in 1919–1920 where he won to a marked degree the esteem of Liberian officials and succeeded in establishing many reforms and in balancing the budget. Upon his return, I shall take pleasure in informing you of any conclusions I have been able to reach and suggestions I may be able to offer.

Accept [etc.] CORDELL HULL

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882.01 Foreign Control/874

*The Belgian Ambassador (May) to the Secretary of State*

No. 3025 WASHINGTON, July 30, 1934.

SIR: I have the honour to inform Your Excellency that His Majesty's Minister for Foreign Affairs, recognizing the special interest of the American Government in the Affairs of the Republic of Liberia, desires me to submit to you the circumstances outlined below and to request the benefit of your views on the subject.

Baron de Bogaerde, the representative of Liberia, at Paris, states that, although his Government has rejected the plan of reorganisation proposed by the League of Nations, it intends to undertake a program of its own without the supervision of any Foreign Power, and, for this purpose desires to obtain the services of foreign technicians to aid in matters pertaining to finance, hygiene and administrative policy.

In these circumstances, Baron de Bogaerde has approached Mr. Moëller, former Vice-Governor General of the Belgian Congo and has invited him to accept a mission, for a few months only, at the expense of the Liberian Government, to study conditions on the spot and to report on the possibilities of a plan of extensive reorganisation of the affairs of the Republic.

Mr. Moëller has not given any decision in the matter, and, in view of your Government's interest in the Liberian situation, has requested that your opinion be obtained as to the advisability of accepting the proposition of the Liberian Government.

His Majesty's Minister for Foreign Affairs would also be specially interested to know whether the American Government, whose paramount interest in the question is recognised, has already formulated any plan of action in regard to the Liberian situation, and if so, he

would appreciate such information as you may be kind enough to give for his guidance.

Your Excellency's comment and advice on the foregoing subjects will be most highly appreciated.

I avail myself [etc.] For the Belgian Ambassador and by order
*The Attaché of the Embassy*
G. WALRAVENS

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882.01 Foreign Control/874

*The Secretary of State to the Belgian Chargé (Walravens)*

WASHINGTON, August 4, 1934.

SIR: I have received your note No. 3025 of July 30, 1934, regarding an invitation extended by Baron de Bogaerde, Liberian representative in Paris, to Mr. Moëller, former Vice Governor General of the Belgian Congo, to proceed to Liberia at the expense of the Liberian Government to report on the possibilities of a plan of extensive reorganization of the affairs of the Republic. You also state that your Government would be especially interested to know whether the American Government has formulated any plan of action in regard to the Liberian situation.

I am very grateful to you for the information contained in your note. The refusal of the Liberian Government to accept without stultifying reservations the plan of assistance prepared at its request by the League of Nations is a matter of grave concern and disappointment to my Government. However, I have not been able to satisfy myself that any course suggested since the rejection of the League plan for the amelioration of the shocking conditions which have been shown to exist in Liberia would produce lasting reforms to the ultimate benefit of the entire Liberian population. In the circumstances, I have asked my Special Assistant, Mr. Harry A. McBride, to visit Liberia this summer and report to me fully not only as to the situation he finds there as a result of the rejection of the League plan but also as to the real desire of Liberians of all classes for disinterested assistance. Mr. McBride, who is now en route, was Acting Financial Adviser and General Receiver of Customs in Liberia in 1919–1920, where he won to a marked degree the esteem of Liberian officials and succeeded in establishing many reforms and in balancing the budget. The American Government does not contemplate any further action in regard to this matter until after Mr. McBride's return in October and the presentation of his report.

Accept [etc.] CORDELL HULL

882.01 Foreign Control/915

*Report by Mr. Harry A. McBride, Special Assistant to the Secretary of State, Upon Conditions in Liberia*

[Extract]

WASHINGTON, October 3, 1934.

[The report opens with a brief review of events in Liberia from January to May 1934, here omitted.]

After the rejection of the League Plan, affairs were in a chaotic state, neither the Government nor its opponents knowing quite what the next step would be. Undoubtedly, a strong hand at the head of the Government was necessary and Barclay has certainly shown great strength in holding the Government together and in planning for the future of his country during this period. Notwithstanding the feeling against white supervision, President Barclay and his followers have also fully recognized the pressing need of certain reforms, somewhat along the lines recommended by the League of Nations, though not embracing all of its suggestions. They, however, claim with vehemence that the Liberian Government is entirely capable itself of instituting at least what seem to them to be the most urgent and necessary of these reforms.

On August 11 the Liberian Secretary of State Simpson and Representative Russell were sent to Geneva ostensibly to endeavor to assure the League that Liberia could and would reform itself. Apparently up until the middle of August 1934, President Barclay had, however, not yet developed any coordinated plan of action in this respect. But, on August 28th, he had set down on paper and subscribed to his "Plan of the Liberian Government" which shows what is to be attempted. His two letters in explanation of the plan together with other enclosures are appended hereto as an annex to this report.

The Plan in itself is good, and if it were faithfully carried out many of the important reforms which the League experts considered immediately necessary, would in effect, be accomplished.

It provides for the employment of various foreign specialists to aid the Government, the most important being an administrative officer of high rank (offered to a former Vice Governor of Belgian Congo who was unable to accept. Liberia is now seeking an American for this position) who would not only have charge, under the President, of hinterland administration but would also supervise and correlate the work of the other specialists. In so far as hinterland and native tribal administration is concerned, he would be assisted by a second foreign administrative officer.

It provides for the return of fiscal control to the American fiscal officers under certain conditions that might be acceptable to the Financial Adviser providing the Liberian Government would cooperate faithfully with him in making his control effective and in following his suggestions as far as possible in budgetary matters and in reduction of government expenses. It reiterates that Liberia has no intention of repudiating its foreign loan. It contains a provision to secure an American officer to reorganize the Liberian Frontier Force. The Plan proposes the funding of the internal debt but in view of the present financial stress, postpones this action until a later date.

It provides for an intensification over three years in the development in public works, especially the construction of motor roads to open up the hinterland so that its products may be brought down to the coast in greater quantities for export, and so that administrative inspection and tax collection in the hinterland may be facilitated. This is obviously a revenue producing improvement of great importance and the first main highway to the border of the French Colonies which will be some 230 miles long, has already reached a point 61 miles inland from Monrovia. In addition, it is estimated that sections of the road now completed far in the interior total some fifty to sixty miles and that within two years the first main highway from Monrovia to the French border will be finished.

The Plan calls for continued improvement in the administrative and judicial machinery of the government, for instruction to the farming community in better methods of agriculture and for a mineralogical survey which is already under way and which has proven the existence of deposits of gold, diamonds and other minerals. A certain amount of encouragement is being given to other local enterprises such as rice cultivation, soap making, and the manufacture of distilled spirits, sugar and aerated soft drinks.

It recognizes Liberia's responsibility in regard to health. A Bureau of Public Health and Sanitation with broad powers has been created and a hospital established. It is planned, in cooperation with the various foreign Mission establishments to spread this work gradually over the whole country. This task will be in charge of two specialists (a Pole and a Hungarian) who are already working in Monrovia.

The section on education calls for an American specialist to supervise this work and to improve the present facilities. A teachers' training school, to be staffed by trained instructors from America, is now being organized so that the standard of teaching in the country may be raised.

The employment of an economic or trade specialist (a Pole) is provided for and he has already assumed his duties in Liberia. He will

endeavor to improve Liberian export products through better standards of grading to find new markets for these products and to propose trade agreements with other countries in order to foster Liberian exports. Such an agreement is said to already have been reached with Poland.

The Plan definitely sets forth that the government fully realizes the economic value to the country of the large Firestone rubber plantations and that the government will give every reasonable support and encouragement to the operation of this company.

*Comment upon the Plan*

The essential weaknesses of the Liberian Plan are three-fold:

(I) The success and effectiveness of the Plan depend solely upon the sincerity and good faith of the Liberian Government in carrying forward this attempt at rehabilitation during the next three years, and past history and experience in this respect give rise to serious doubts upon this point. The League experts felt strongly that some definite authority and control must be given to the various foreign advisers and assistants, notwithstanding the fact that in certain instances this authority might be considered as temporary relinquishment of certain sovereign rights on the part of Liberia. This question of infringement of sovereignty was the principal reason for Liberia's refusal of the League Plan and the Liberian Government now reiterates in its three year program that it is still unwilling to concede any authority or control in derogation of the powers and authority of the President, Legislature or Courts.

The Plan contains the definite statement, however, that "in employing these specialists, the Government is undertaking to follow literally their suggestions in every respect, except where those suggestions are constitutionally impossible to be carried out, or where they are really objectionable for any fundamental reason, in which instance an honest and fair discussion and ironing out of the points of view will be made before it will be rejected". The rights to be exercised by the specialists will be set out in their contracts with the Liberian Government and any questions arising as to those rights will be settled by special arbitrators, one each to be appointed by the parties and the third to be agreed upon by the two thus appointed. It is further provided that the specialists are to be secured in countries not having any territorial contiguity to Liberia. The Liberian Government is at present thoroughly aroused as to the necessity for instituting in effective manner at least some of the reforms provided for in the Plan and for that reason it is to be expected that fairly ample authority will be granted by the President at least to those specialists who are working upon the reforms concerning which the Government itself is most interested.

(II) The Plan calls for the employment of several foreign specialists but Liberia is to use its own judgment as to whom these men shall be, what past experience they shall have had, and the manner in which they shall be recruited. Much depends upon the strength of character, ability, experience, loyalty and disinterestedness of the foreign specialists as to whether the program is to be effective, and the probability of Liberia's being able to choose men of the requisite qualifications and fitness without aid or advice of some more experienced nation or group of nations, is doubtful.

(III) The national financial structure upon which the successful development of the plan is dependent offers certain drawbacks. Liberian figures show that revenues during the first six months of 1934 amounted to $233,309, as compared with $217,077 for 1933, an increase of $16,232. As well over one-half of the annual revenue is collected in the second semester, these figures, if they are accurate, show that something over $500,000 is now being collected annually. Customs revenue shows a decline due to considerable extent to the increasing importation of Japanese merchandise. As the tariff is on an ad valorem basis the cheaper Japanese goods, especially footwear and cotton goods, cause a loss of customs revenue. On the other hand the collection of internal revenue (hut tax) has been intensified and shows an increase. There are charges of mal-practice on the part of Liberian tax collectors in collecting these taxes, and some of them are undoubtedly well-founded, yet it must be taken into consideration that native tribes in most parts of Africa have constantly resisted the payment of any form of taxation, and that, if fairly collected, the Liberian hut tax of one dollar per year is not unjust or exorbitant as compared with similar taxes in the neighboring colonies.

The budgetary requirements for 1935 as shown on pages 17 and 18 of the Annex to this report, call for an expenditure of $568,040, and there are reasons for believing that revenues may possibly equal this figure. Furthermore, it is estimated that a surplus from the present year amounting to at least $70,000 will be carried over into next year's available funds.

It would seem that the prospect for economic improvement in Liberia is good. The Firestone Rubber Plantations are now beginning tapping operations, thus giving more or less permanent employment to some 4,000 additional native laborers earning from fifteen to twenty-five cents per day. So far as the government is concerned this will facilitate the collection of hut taxes in the central district, it will increase the government revenue derived from the one percent export duty on rubber and, as a large part of the native earnings go toward purchases of imported merchandise, it will cause

an increase in customs revenue. If these rubber operations are fostered and aided by the government there will undoubtedly be a considerable and steady increase in revenues during the next two or three years.

The second promising factor is the motor road construction now going forward. As these roads penetrate gradually inland, trade in native products is stimulated and already the production of native rice, which ten or fifteen years ago was used almost exclusively for local consumption in the hinterland, has grown to such extent that it is now used in the civilized towns on the coast and even exported to neighboring colonies. The government loses the revenue it formerly derived from large importations of foreign rice but it gains of course in revenue from other imported merchandise purchased by the rice growers with their new source of wealth. Motor transport will facilitate the shipment of palm products from the interior and, in time, will bring down to the coast for shipment from Liberian ports quantities of kola nuts from the rich Liberian kola forests—an article for which there is a steady and lucrative demand in the French colonies to the north. These motor roads and the opening up of the hinterland should also result ultimately in better and more effective hinterland administration and a wider spread in hut tax collections in districts now rather isolated and inaccessible.

The third important prospect is that there appears to be a probability of mineral exploitation, especially in gold and diamonds, which even though developed on a small scale would add certain sums to the government revenue. This development is now in the hands of a Dutch company, to which a concession has been granted.

Thus, judging from figures supplied by the Liberian Treasury Department it would appear that the present financial situation is not entirely desperate insofar as current needs are concerned, and also that the future prospect, if the finances are properly administered, is not at all bad.

The budgetary provision for running expenses of the government is $500,000. This item includes however, sums for road construction, additional men for the frontier force and for the payment of certain administrative claims. It also includes items for the purchase of a revenue launch, radio apparatus, postal claims, and road building machinery. If a sufficient percentage of this $500,000 is carefully expended on revenue producing public works the figure would appear to be within reason. If, however, the greater part of this $500,000 is to be expended for increases in governmental personnel and salaries the financial structure will undoubtedly break down.

The essential weakness of Liberian finances at the present moment is the fact that no provision has been nor can now be made for the

payment of its external and internal indebtedness. In view of the fact that prospects for the future are good it is thought that Liberia might gradually be able to put its financial house in order if it would be willing to give some sort of guarantee that, for the next six or eight years all sums collected by the government over and above $570,000 should be applied toward interest and amortization of its foreign loan and the consolidation of and gradual payments on its internal indebtedness.

It is essential that some readjustment should be made in the Loan Agreement with the Finance Corporation of America. Because of changed economic conditions throughout the world and because of the effects of the Liberian moratorium act, it seems necessary and expedient that negotiations between the Liberian Government and the Finance Corporation of America should take place at an early date with a view to placing Liberian finances again upon a business-like and definite feasible basis. Some sort of compromise along the lines of the offer of the Finance Corporation to the League Committee for the scaling down of loan charges, and a change in the depositary arrangement should be practicable. Inasmuch as it is probable under present conditions that Liberia would not ask for any further important advances from the loan, a certain degree of liberality and understanding with reference to the budgetary provisions (within the $570,000), which must be approved by the Financial Adviser, might be granted by the Finance Corporation. With reference to the depositary, it would seem that the contention of the Liberian Government that government funds should not be placed entirely in the hands of the loaning entity is well taken. They claim that the United States Trading Company Banking Department has been operating as a depositary under no guarantee to the government and with physical assets in Liberia of little value, whereas the present temporary depositary under the Moratorium Act (West and Company) has large assets in Liberia and has outside banking connections quite as satisfactory as those offered by the United States Trading Company.

The action of the Liberian Government in bringing into effect the Moratorium Act and thus entirely overriding the Loan Agreement is from every legalistic standpoint deplorable and inexcusable. The Liberian contention is that only the gravest national necessity with which the country had ever been faced, forced this action, and that unless this course had been pursued, the entire machinery of national government would have broken down. It is quite true that when the moratorium action was taken, the financial stress was practically unbearable.

The fact that this Moratorium Act still exists may make the initiation of any new negotiations for a revision of the Loan Agreement

somewhat difficult. Liberia is willing to return to the Loan Agreement and is even anxious that fiscal affairs again be taken over by the American fiscal officers under that agreement. They would ask that only four provisions of the present Moratorium Act be incorporated in the new Loan Agreement: (1) reduction of fiscal officers from five to three; (2) reduction of salaries of the fiscal officers; (3) a change in the priorities of payments so that actual governmental expenses should be first; and (4) a change in the depositary arrangement.

In any new negotiations, they would, of course, also ask a reduction in interest charges on the loan.

The Government is today functioning in a fairly creditable and serious manner; the reforms called for by the Liberian plan would undoubtedly bring about considerable improvement in conditions in the country and there is every reason to believe that the worst period of the financial crisis has passed. This combination of facts would seem to warrant the Finance Corporation of America in extending its cooperation toward some revision in its Loan Agreement so that the Liberian Government may revoke the Moratorium Act and revert to the fiscal system contemplated in the Agreement. This becomes more evident when it is considered that the alternative appears to be a continuance of the present extremely unsatisfactory state of affairs in so far as the Finance Corporation is concerned.

All factions in the country are thoroughly alive to the need of certain reforms and improvements. If the Liberian plan is given a fair trial this active interest itself will assure a certain degree of success. President Barclay and his Government fully realize the great opportunity now offered to them in carrying out the provisions of the plan and will in all probability aid and assist in effective manner.

The plan is a compromise which will appeal to the various factions in Liberia. Its probable effect would be, to some extent at least, to unite the opposing factions within the country and, because of the present desire on the part of Liberia (a desire partly forced by necessity) actually to cause a considerable amount of creditable development.

Liberia should be a prosperous country. Its natural resources and native population are good—better in fact than in many West African districts. The potentialities in rubber, other agricultural products and minerals are well above average.

That the country is backward is quite true, but it has been obliged to fight its battles with few weapons, little administrative experience and, on many occasions, with a pitifully restricted pocketbook.

Neighboring regions have had the backing of strong mother countries, expert administrators, effective military forces and large sums for the opening up of the productive areas through railroads, motor

roads, harbor facilities and with adequate police, medical and sanitary forces. This intensive exploitation is reflected in budgets several times larger than Liberia's for areas of similar size and resources.

All recent reports on the country have stressed its backwardness as compared with these neighboring countries but have failed to compare Liberia today with Liberia twelve to fifteen years ago. When this comparison is made it becomes evident that Liberia has also developed and that the rate of development is now being somewhat accelerated. Fifteen years ago Monrovia's population was some three thousand inhabitants. Today it has at least ten thousand.

Then there was one street suitable for motor traffic and only two motor cars. Today nearly all the streets have been leveled and cleared for motor traffic and there are dozens of cars and trucks in operation. It has electric lights, at least one or two good schools, a creditable water front, an excellent new customs house and a main trading street lined with well-stocked stores. There are now about 100 miles of motor roads out of Monrovia as compared with two or three miles in 1919. There are two good lighthouses on the coast. Even during this period of depression, revenues of the country amount to some $500,000 at the present time as compared with half that amount during some of the war years. In 1919, there was one small and practically abandoned rubber plantation in Liberia—today there are over 60,000 acres of flourishing rubber trees offering the country its greatest economic resource.

Less favorable factors are the contentions that the great increase in Monrovia's population is to some extent caused by families moving to the capital from other towns along the coast and that those towns have deteriorated; also that the Americo-Liberian stock is fast dying out and that the new generations will be less capable of carrying on the government.

It is certainly true that the Americo-Liberian or "civilized" portion of the population is rapidly mixing with the native stock. There is also an increasing number of hinterland natives who are becoming well educated, some having degrees from American and European universities and it is largely upon these people that the responsibility for carrying on the government will rest in the future.

As to relations between the government and the hinterland tribes, there is still a great deal of controversy. The tribes claim gross malpractice in the collection of hut and other taxes and some of their complaints are undoubtedly justified. On the other hand, the government asserts that whenever malpractice or oppression on the part of tax collectors or district commissioners is discovered, these officials are immediately dismissed. President Barclay says that more care is being used than ever before in fomenting good relations with hinterland

tribes and that headway is being made even with the Kru tribe, although considerable numbers thereof are still alienated. It has recently been more difficult because of the depression for the natives to pay their taxes and they have undoubtedly suffered hardship thereby, but with good prospects for improved conditions in the future, this hardship upon the native tribes should gradually be lessened. The opening up of the interior with motor roads should eventually benefit these tribes and decrease the friction and malpractice in administration.

No report upon conditions in Liberia should omit reference to the recent serious difficulties on the Kru Coast between the Liberian Government and the Kru tribes. No worthwhile comment, however, may be made without personal investigation and there was no time for this purpose. A complete document from President Barclay, giving the Liberian side of this controversy, was obtained, however, and appears as an annex hereto.[23]

*Suggestion as to Policy to be Followed*

In view of the personal interest of the Liberian President, higher officials and many of its citizens, in the success of the Liberian Plan, and the fact that the Plan itself provides for many of the reforms and developments contemplated in the League Plan, it would seem that if given a fair trial there is reason to believe that considerable improvement in conditions in Liberia would result. As its benefits become evident, additions thereto along the lines of the League's suggestions could be made. If our Government decides to favor a trial of this Plan, it might make certain suggestions to Liberia with a view to strengthening still further the Plan's provisions, which suggestions would probably be accepted if it were intimated that recognition of the present Liberian Government by the United States would follow.

It would first probably be necessary to outline the provisions of the Plan to the British, French and German Governments and to inform them that as the Plan appears to be as much as can be obtained in the way of reforms in Liberia at the present time, it is our feeling that it would be useless to make further efforts to induce the Liberian Government to acquiesce in a plan containing the full power and authority for foreign supervision provided by the League Plan and embodying all of its provisions; and we, therefore, feel that the best course is to offer no objection to Liberia's placing the plan in operation. As every assurance has been given by President Barclay that the Plan will be faithfully carried out, it is felt that our Government, because of its traditional and historical interest in Liberia, should be willing to co-

[23] Annex not printed.

operate if requested to do so, and during this trial period to recognize President Barclay's Government.

If our Government does not favor a trial of the Liberian Plan, there would appear to be only two alternatives—One, to countenance a continuation of the present state of affairs, which is most unsatisfactory, which offers little hope of definite improvement in the future and which certainly leaves Liberia's foreign creditor (the Firestone interests) in a most unsatisfactory situation with no guarantee of any sort that payments upon the loan will ever be resumed; Two, to confront Liberia with a show of armed force either by the United States alone or by some international combination as a lever to procure the acceptance of the provisions of the League Plan in its entirety. This alternative seems to be out of the question because of the present policy of the American Government in its foreign relations.

HARRY A. MCBRIDE

WASHINGTON, October 3, 1934.

[Enclosure 1]

*The President of Liberia (Barclay) to Mr. Harry A. McBride, Special Assistant to the Secretary of State*

MONROVIA, August 28, 1934.

MEMORANDUM

No one, considering the experiences and the circumstances by which in a political sense they have been surrounded, should be surprised at the intense nationalistic spirit of the Liberians. This spirit reflects itself in the Government, but does not hinder them from realising the benefit which they might secure from foreign cooperation, nor make them indifferent to the trend of international thought and opinion. What they have fought for and what they will continue to strive for, is the retention of their national rights and character free from even the most benevolent political domination. The non-political cooperation of foreign specialists in the administrative services is desired and is being secured. This policy will be carried out and maintained until the benefits to be secured therefrom have been realized and consolidated.

The reports which have become current as to the alleged maladministration of the Liberian Government, particularly as regards the native population, are derived from sources which are not disinterested. The existence of democratic Liberia in the midst of the colonies of more or less benevolent autocracies in West Africa is not a very pleasant thought to the colonizing powers. This fact, without further speculation, would be apparent to anyone who regards the political

situation in West Africa objectively. These reports and rumours, however, ignore the facts in Liberia and therefore present no true picture of actualities.

Up to the present, so far as the native administration is concerned, a complete reorganization is based upon the provisions of the Administrative Regulations issued in 1931 which came into force July 1 of that year.

Prior to these Regulations, the tribes had no voice in the selection of their Chiefs; they had no responsible municipal organization and were subject to the authority of such men as the Government, without their consent or over their objections, appointed over them, upon the more or less interested recommendation of persons having the confidence of the President.

The first reform consisted in restoring to the tribes the right to select their Paramount Chiefs in accord with traditional customs; to establish tribal councils which, in association with the Paramount Chief, controlled the internal political economy of the tribe; to constitute the District Commissoner as the indirect supervisor of the administration and not as was previously the case: the direct instrument of administration. Tax collections were entrusted to the Paramount Chief who alone was responsible to the Government Revenue Agency. The Paramount Chief was made responsible for taxes based upon an assessment of the number of huts in his chiefdom. Intro-tribal roads were to be built and maintained by the tribal authority in accordance with traditional custom, whilst the main public highways were to be constructed and maintained at Government expense. In matters of justice, the clan chiefs and paramount chiefs were invested with plenary powers, except in the case of capital offenses, subject to certain provisions for appeal to the District Commissioner and the Interior Department.

The general administration, including supervision of the activities of Paramount Chiefs, matters affecting the public, health and sanitation, control of markets and supervision of such public schools as might be established, are entrusted to the District Commissioner exclusively, subject to the direction of the Provincial Commissioner who supervises the group of Districts within his province. No Provincial Commissioners have up to the present been appointed, but it is the intention of Government to employ as soon as possible two foreign specialists who will supervise the work of the District Commissioners.

The putting into effect of this Plan was undertaken by the Secretary of the Interior who made an extensive tour through the native districts for the purpose. After two years of operation, the President toured various sections of the Country with a view to observing the effect of the new regulations on the character of the administra-

tion and the reaction of the population to the new conditions. The President found that the Regulations worked. That the population was generally satisfied and loyal. That the authority of the Chief was respected, and that the people have developed a feeling of confidence in the Central Government. Naturally, complaints of individual injustice and grievance have been made and will, of course, continue to be made. This is inevitable. The criterion by which the Administration should be judged is not the individual complainant, but the general level of well-being which the community enjoys. The Government is not proceeding upon any idealistic theories which have not been and cannot be realised anywhere. Its objective is to deal with internal realities with which it is confronted in such a manner that every reasonable cause of grievance may be removed.

Having reorganized the Administrative Machinery, the next step is to maintain it at a high level of operation and to stimulate the population, inherently suspicious of innovations, to more intense economic activities and to provide agencies for its well-being.

To this end the following limited objectives will be attempted within the next three years:—

1. In relation to its financial obligations.

(*a*) *External Debt*

The period of depression which reduced Government income, in consequence of its effect on the prosperity of the population, affected very adversely Government revenues. The result of this is that Government expenditures had to be severely reduced with a view to a balanced budget. Even with such reductions it has for the last four years been found impossible to meet Government obligations on the loan service. The prior consideration to Government was the maintenance of an efficient administrative organization. But revenues realized during this period have been barely sufficient for this purpose, and would not have been available if the charges upon the loan were met on their due date. After careful consideration, it was found necessary to recognize the emergency which this state of the finances created and to declare a Moratorium on the loan payments. This Moratorium is emphatically an emergency measure and will necessarily be revoked as soon as the Liberian Government shall have sufficient funds to meet at the same time cost of Government and payments on the loan. The minimum sum which the Liberian Government has need of for all administrative purposes, including the pay of such Specialists as may be employed in the Service as hereunder mentioned, will be found in the Budget Statement to be furnished by the Secretary of the Treasury. The accumulated deficit on the loan, plus accrued interest at the present rate, is $448,853. The Govern-

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ment, therefore, cannot resume payment on the loan until its income shall have equalled or exceeded the total of these two sums. No effort will be spared on the part of the Government to increase production and secure markets and stimulate the movement of trade with a view to reaching this desirable objective. But until revenues have attained the point just mentioned, it is clearly impossible for the Government to rescind the Moratorium Act.

Nevertheless, the Liberian Government desire it to be definitely and emphatically understood that the suspension of payments on the loan in no wise should be interpreted as a repudiation on their part of their obligation under the Contract. They accept and will continue to accept their obligation under the loan Contract. And that during the course of the Moratorium it is their intention to retain in their service three of the officials provided for under the Contract who will be authorized and expected to discharge their duties as therein provided subject, of course, to the conditions of the Moratorium Act. These officers are, the Financial Adviser, a Supervisor of Revenues and an Auditor. In addition to these, the Government has already made arrangements for an American Officer to reorganize and train the Liberian Frontier Force.

(*b*) *Internal Debt*

Payment on the internal debt had also to be postponed. It has been proposed by Government that this debt be funded by the issuance of 3% Bonds which will be amortized annually by drawings from the Redemption Fund to be created. The internal creditors of the Government have all accepted this arrangement and the matter was being put into effect when the Finance Corporation of America suggested that it would be unfair to pay interest on the internal debt and suspend interest payments on their claim which they thought should have prior consideration. The Government did not ignore the force of this argument and therefore has not yet carried out the refunding of its internal debt. Nevertheless, it is essential that this course, or a similar one, should be pursued for the security of the internal creditors and the maintenance of internal credit of the Government.

PUBLIC IMPROVEMENT

One of the essentials for the development of Liberia is means of communication—Roads, Bridges, Telegraph or Wireless Telegraph or Wireless. A Three-Year Program has been instituted which is intended to link up the Capital with outlying sections of the Country. Two main roads are in process of construction: one leading from Monrovia South-East to the Cavalla River, traversing the Central and Eastern Provinces, and one leading from Monrovia North-easterly, traversing the Central and Western Provinces. These are the main

national highways. From these will be constructed Provincial highways branching from the national highways towards the coastal ports and the interior boundaries. By this means motorized transportation of the productions of the country, and means of quick transportation through the different sections for inspection purposes, will be secured. This work, of course, will be carried out at a faster pace than now when a larger fund for the purpose is available. It is evident that larger and larger sums will be available in proportion as the work progresses. The cost of this construction being an element in the plan of Government to increase its income at an early date, must necessarily be deducted from any available sum that this Government may become in possession of before payment on the loan is resumed. Meanwhile, as wider areas are tapped by road construction, trade developed and productions stimulated, Government revenues necessarily will increase and the possibility of receiving a sum over and above the ordinary administrative necessity would be realized.

Since 1931, the internal reorganization of the Government has been carried out. The whole administrative machinery has been reorganized and reformed; incompetent Judges have been retired; the Jury System bettered. There is more effective supervision and the Government is always in touch with the various parts of the Country. It cannot be said that every cause of complaint has been removed, but independent and unprejudiced observers can attest the considerable advance which has been made in this direction.

Meanwhile, for the instruction of the population in improved methods of production and the introduction of more products of economic value, the Government is employing and will continue to employ as funds are available, trained Agriculturists who will establish model plantations whence seeds and plant distribution will be made, and advice given to farmers as to the best methods of developing and exploiting the land. In addition to this, the Government will have no objection to leasing to a limited number of foreign farmers lands not exceeding 100 acres for each individual, provided such individual can guarantee Government that he has capital sufficient to develop to fullest extent the land held under lease. The motive which prompted this suggestion is that the farms thus established will not only furnish possible help to the labouring class of the Country, but will also be patent examples of the best methods of farm administration and culture, and will induce local farmers to pursue their farming activities along the same advanced lines.

A Mineralogical Survey has established the existence in Liberia of minerals and other deposits of economic value. With the advice of Specialists which the Government has already secured, the exploitation of this source of income will be engaged upon terms not incon-

sistent with the interest of the Republic. Meanwhile, encouragement is being given to such enterprises of local origin as may be initiated.

### Social Service

The Government realises its obligations especially in regard to health, and so has created the Bureau of Public Health and Sanitation, and established a Hospital. The Bureau of Health has been granted very large powers and will be placed under competent supervision pending the availability of a body of Liberians capable of taking over the administration of the work. It is desired that Clinics be established in all the principal towns and various districts of each Province, where a medical officer and a competent body of assistants will look after the health of the Country. Encouragement will be given, and has always been given, to the establishment by the various Church Missions of Hospitals attached to their plants.

(*b*) *Education*

A Teachers Training College is now in process of organization, which is to be staffed by specially trained teachers from America, negotiation for employment of whom is now in process. This will raise the standard of teaching and so reflect itself in the work of public education.

The Government is also employing a group of Specialists to be attached to different Departments for the purpose of recommending to Government the best methods of obtaining the objective sought in the program of reform and progress. At present there has already been employed an Economic Specialist attached to the Treasury Department, and a Specialist in Public Health who is attached to the Bureau of Public Health and Sanitation. Arrangement is being made in America for a Specialist in Education to be attached to the Department of Public Instruction, as well as arrangement for a Specialist in Administration, who will supervise the native administration. He will examine the administrative machinery and make recommendations to Government for the just co-ordination of its different Branches and point out such defects as might appear to him to exist and the remedies he thinks advisable.

In employing these Specialists, the Government is undertaking to follow literally their suggestions in every respect, except where these suggestions are Constitutionally impossible to be carried out, or where they are really objectionable for any fundamental reason, in which instance an honest and fair discussion and ironing out of the points of view will be made before it will be rejected. These Specialists, however, will be secured in countries not having any territorial contiguity to Liberia.

In regard to the rights to be exercised by these Specialists, these will be set out in their Contracts with Government. Any questions arising as to these rights will be settled by special Arbitrators, one each to be appointed by the Parties and the third to be agreed upon by the two thus appointed. The salaries to be paid to these Specialists shall not exceed $5,000.00 each, except in the case of the Specialist in Administration whose salary has already been fixed in a larger sum.

As regards Trade and Commerce, it is necessary to point out that the economic situation created in the world has practically closed most of the markets formerly enjoyed by Liberian products. The Government has endeavoured to get in touch with countries open to receive produce without imposing any exorbitant burden such as the preferential tariff imposed by the British Government upon extra-imperial products. With this in view, we have already concluded a trade agreement with Poland which we hope will open up the countries of Central Europe to our products for, unless we have opportunity of securing good prices in the markets, there can hardly be any hope for an amelioration of the condition of the Country, since there will be no means by which to carry on.

(Initialed "E. B.")

[Enclosure 2]

*The Liberian Secretary of the Treasury (Dennis) to Mr. Harry A. McBride, Special Assistant to the Secretary of State*

MONROVIA, August 28, 1934.

MINIMUM BUDGETARY PROVISIONS

| | |
|---|---|
| 1. Running expenses of Government..... | $500, 000. 00 |
| 2. Salaries & Expenses of Loan Officials as per Moratorium Act. (4)..... | 26, 800. 00 |
| 3. Salaries & Expenses of Foreign Specialists. (6).... | 41, 240. 00 |
| | $568, 040. 00 |

N. B.

1. To the $460,000.00 of the 1934 Budget extra provision has been made for increase in operation of the Monrovia-Kakata-Saniquelli Road construction, 100 additional Soldiers & Officers of the Liberian Frontier Force, British Postal Administration claims, etc., etc. In addition to some of the increased expenditures of this year, provision will have to be made in the 1935 Budget for one Revenue Launch, Radio Apparatus, British Postal Claims, Road Building Machinery, as well as increases in personnel for Foreign Specialists, New Customs Ports of Entry, etc., etc., $500,000.00 is a minimum provision.

| | |
|---|---|
| 2. Fiscal Officers: | |
| Financial Adviser—salary | $9,000.00 |
| " " —rent | 900.00 |
| Supervisor of Revenues—salary | 5,000.00 |
| Auditor—salary | 4,800.00 |
| Travel Expenses—for Two | 1,600.00 |
| Rent | 600.00 |
| Medical retainer, minimum medicines | 400.00 |
| Military Adviser—salary | 3,600.00 |
| Rent | 300.00 |
| Travel | 600.00 |
| | $26,800.00 |
| 3. Foreign Specialists: | |
| Administration—salary | $12,000.00 |
| House | 240.00 |
| Economic—salary | 4,200.00 |
| Medical—salary | 4,200.00 |
| Two Interior Administrators | 9,600.00 |
| Educational—salary | 4,800.00 |
| House rent—Educ. & Int. | 600.00 |
| Travel expenses—local | 2,000.00 |
| Travel expenses—Foreign | 3,600.00 |
| | $41,240.00 |

| | 1. Loan Charges: | 2. Internal Indebtedness: | |
|---|---|---|---|
| 1. Balance Interest due 1932 | $60,892.00 | | |
| " " " 1933 | 153,440.00 | | |
| Interest to June 30, 1934 | 76,720.00 | | |
| | | $291,142.00 | |
| Amortisation 1932 | 63,084.00 | | |
| 1933 | 63,084.00 | | |
| 1934 June 30th | 31,542.00 | | |
| | | $157,710.00 | $448,852.00 |
| 2. Bills Payable 1929-30 | 79,628.27 | | |
| " " 1931 | 139,438.99 | | |
| " " 1932 | 349,173.58 | | |
| " " 1933 | 4,712.35 | | |
| " " 1934 June 30 | 16,834.11 | | |
| Unaudited Vouchers 1932 approximate | 74,942.44 | | |
| | | 664,729.74 | 664,729.74 |
| | | | $1,113,581.74 |
| Total indebtedness as of June 30, 1934 | | | $1,113,581.74 |

Estimated Revenues for 1935—approximate $500,000.00

N. B. In 1933 there was a cash balance of $144,623.26 as of December 30, 1933 and later used in the 1934 budget.

There is every indication of there being another cash balance for the year 1934, amounting to at best $70,000.00.

REVENUE RECEIPTS FROM THE MONTHS OF JANUARY TO JUNE FOR THE YEARS 1933 AND 1934

| *Operating Revenues* | *1933* | *1934* |
|---|---|---|
| Customs Revenue | $120,425.77 | $108,061.50 |
| Port & Harbour Dues | 4,200.00 | 3,686.00 |
| Emergency Relief Fund | 23,686.51 | 22,489.23 |
| Dry Goods Tax | 7,874.29 | 10,061.47 |
| Highway Fund | 1,303.28 | 1,197.10 |
| Internal Revenue | 36,643.55 | 55,296.68 |
| Postal Revenue | 1,289.02 | 1,715.60 |
| Commonwealth District | 12,750.09 | 9,779.24 |
| Township | 2,092.19 | 3,093.96 |
| Special Public Health & Sanitation | 1,655.65 | 2,078.11 |
| Street & Light Tax | ..... | 345.00 |
| | $211,920.35 | $217,803.89 |
| *Non Revenue* | | |
| Customs Provisional Deposit | $1,316.00 | $5,033.07 |
| Property Sale Account | 155.50 | 201.06 |
| Radio Reserve | 1,547.42 | 1,062.43 |
| Miscellaneous Refunds | 651.74 | 86.99 |
| Miscellaneous Revenue & Receipts | ..... | 221.96 |
| | $3,670.66 | $6,605.51 |
| Revenues Unclassified | 1,485.86 | 8,900.06 |
| | $5,156.52 | $15,505.57 |

| *Summary* | *1933* | *1934* |
|---|---|---|
| Operating Revenue | $211,920.35 | $217,803.89 |
| Non Revenue | 5,156.52 | 15,505.57 |
| | $217,076.87 | $233,309.46 |
| Increase in Total Revenues 1934 | 16,232.59 | ..... |
| | $233,309.46 | $233,309.46 |

Bureau of Audits, Aug. 16, 1934

Sgd. Jos. W. S. Barbour,
*Inspector of Audits*

N. B. 1933 Budget estimate—$485,000.00
1934 Budget estimate— 491,450.00

Over half of revenues are collected in Sept., Oct., Nov. and Dec. of each year.

G[ABRIEL] L. D[ENNIS]

[Enclosure 3]

*The President of Liberia (Barclay) to Mr. Harry A. McBride, Special Assistant to the Secretary of State*

1090/373/'34 MONROVIA, September 3, 1934.

MY DEAR MR. MCBRIDE: Pursuant to our conversation of yesterday, I should like to place on record a statement of what steps the Liberian Government intends taking upon matters covered in that interview.

I. In the Memorandum [24] which I had the pleasure of submitting to you enclosing my three-year Program, you will have noted that provision was therein made for a Specialist in Administration. Although it was there stated that he would supervise the Native Administration, it is intended that he will, under the President, coordinate and correlate the work of the Specialists employed by the Government during that period. Whilst it is the Government's intention to employ Specialists, the number of these must be limited because of financial considerations, so that it does not appear possible or desirable for us to increase the number already decided upon when the purposes for which the Specialist in Administration was engaged would be met by extending his duties as above indicated.

II. In respect of the Fiscal Officers, I wish to emphasize what possibly is not understood generally: That the Liberian Government has never objected to, or prevented these officials from performing their duties under the Loan Contract, subject to the Moratorium Act, but that these Loan Officials, when the Act was passed, refused to function, and their refusal necessitated the Government taking steps to see that the Services which they supervised were not disorganized. If it is understood that the three Officials provided for under the Moratorium Act will agree to perform their duties in accordance therewith until such time as the financial position has become normal, there will be and is no objection on the part of Government to permit them to discharge their duties under the terms of the Loan Agreement, subject to the provisions of the Moratorium Act, in regard to

(*a*) Temporary reduction in number of these Fiscal Officers to three;
(*b*) Reduction of their salaries; and
(*c*) Re-arrangement of priorities in such a manner as will ensure the cost of the civil administration, and the cost incident to ordinary Government expenses and supplies accounts, and the cost of the Specialists shall be met before any other charges.

With these limitations, the three Fiscal Officers have full authority to resume the discharge of their duties under the Loan Agreement.

The Government wish to insist, however, that the persons employed in the Fiscal Service must not only be competent to perform the duties

[24] Enclosure 1, p. 815.

of the offices to which they may be appointed, but also personally agreeable and acceptable to Government. The disposition to ignore Government's objections to certain men and to force their services upon the Republic for no other reason than because the Finance Corporation of America feel themselves to have the power to do so, will make for continuous friction. This the Government emphatically desires to avoid.

III. With regard to the question of the Depositary being returned to the United States Trading Company Banking Department, I feel myself compelled to say that the past experience of the Government with this Institution, the character of this Bank as a mere appanage of the Firestone operations in Liberia, a lack of guarantee for the faithful and fair discharge of the duties which may devolve upon it as such Depositary, and the lack of any security for Government funds deposited therein, lead the Government to insist that its revenues should not be deposited in the United States Trading Company Banking Department. The Government, however, is prepared to nominate another Depositary for approval of the Fiscal Agent as provided in the Loan Agreement.

IV. In respect of the Firestone Plantations Company, I wish here to reiterate what I have already had the pleasure of saying to Mr. Mitchell when he was in charge of the Legation here in the year 1932, that the Government will give every reasonable support and encouragement to the operations of this Company, realising, as they do, its economic value to the Country. I am, however, constrained to add that if relations between the Company and the Government are to be harmonious, it would appear desirable that the Firestone Plantations Company be represented here by a man who is so temperamentally constituted that he will not look for occasion for irritation, but will be capable of adjusting questions, which must necessarily arise from time to time, on the basis of fair discussion and arrangement.

I hope that this assurance will meet the conditions envisaged in our conversation yesterday.

Yours faithfully, EDWIN BARCLAY

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882.01 Foreign Control/841

*The Secretary of State to the British Ambassador (Lindsay)* [25]

[WASHINGTON,] October 17, 1934.

EXCELLENCY: I have the honor to refer to Your Excellency's note No. 200 of June 12th, 1934, setting forth the views of the British Government, regarding the present situation in Liberia following the

[25] Handed to the British Ambassador by the Under Secretary of State, October 22.

Liberian Government's refusal to accept the Plan of Assistance drawn up by the Special Committee of the League of Nations and inquiring what action the United States Government proposed to take in the circumstances. In my reply of July 21, 1934, to the note above referred to, I informed Your Excellency that I had not then been able to satisfy myself that any course of action suggested since the rejection of the League Plan would satisfactorily correct the very serious conditions existing in Liberia and that accordingly I proposed to send my Assistant, Mr. Harry A. McBride, to Monrovia to report to me fully not only as to the situation there as the result of the rejection of the League Plan, but also as to the real desire of the Liberians of all classes for disinterested assistance. Mr. McBride has now returned and presented his report, a copy of which I attach for your confidential information.[26]

After consideration of this report, my Government has decided that in all the circumstances it is best not to interpose any objections to the desire of President Barclay to obtain foreign advisers to assist the Liberian administration in correcting the deplorable conditions now existing. It will be noted that the proposals of President Barclay are designed to remedy those conditions which the League Committee found most objectionable and follow in general the lines of many of the provisions of the League Plan. The successful operation of such a plan will naturally depend on the good faith of the Liberian administration, since it does not include provisions empowering the foreign advisers to enforce their recommendations. However, my Government feels that President Barclay and the officials of his administration are apparently thoroughly aroused as to the necessity and sincere in their desire to correct present evils. Moreover, this same view is held by a large number of the leading Liberian citizens. This Government is, therefore, prepared to cooperate with President Barclay in whatever way may be possible to carry out his proposals, and will endeavor to persuade him as opportunity offers to improve them along the general lines laid down in the League Plan. As soon after the proposals of President Barclay have been put into operation as it appears that the Liberian officials and the Liberian people are faithfully endeavoring to carry out its provisions, the United States Government will be prepared to consider favorably the recognition of the administration of President Barclay.

It is my hope that the British Government will find it agreeable to pursue a similar course of action and that by this cooperation it will be possible to assist the Liberian people to achieve their own rehabilitation.

Accept [etc.] CORDELL HULL

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[26] *Supra.*

882.01 Foreign Control/918a : Telegram

*The Acting Secretary of State to the Chargé in Liberia (MacVeagh)*

WASHINGTON, November 9, 1934—1 p. m.

27. If possible please arrange for the delivery of this message to Hibbard [27] on board ship before he lands at Monrovia:

Our note of October 17th to the British Government was delivered to the British Ambassador. It states that this government has decided it is best not to interpose any objections to the desire of President Barclay to obtain foreign advisers to assist in correcting present conditions, and that this government is prepared to cooperate in whatever way may be possible to carry out his proposals. Furthermore, as soon as it appears that Liberia is faithfully endeavoring to carry out provisions of the plan, the United States Government will be prepared to consider favorably the question of recognition, and that it is our hope that the British Government will find it agreeable to pursue a similar course of action and thus enable the Liberian people to achieve their own rehabilitation.

Oral inquiries by the French, German, and Italian Embassies have been answered in like vein but without reference to recognition.

In conversations with Firestone it appears that he is ready and anxious to cooperate and to consent to the necessary changes in the Loan Agreement so as to bring it in line with the Barclay Three Year Plan.

We shall send you full instructions during week of November 19th, giving Department's comment upon the Barclay Plan, including two or three suggestions for clarifying and strengthening it and setting forth this government's attitude with reference thereto. In your first courtesy meeting with President Barclay you may tell him that within a few days you will receive a communication from your government, with reference to his Three Year Plan and the relations between our two countries. Strictly for your own information, this communication will not be sent to you for delivery until after the departure of Hines.[28] The Department repeats that under no circumstances is this information to be divulged, especially that relative to Hines.

PHILLIPS

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882.01 Foreign Control/922a : Telegram

*The Secretary of State to the Chargé in Liberia (Hibbard)*

WASHINGTON, November 19, 1934—6 p. m.

Please deliver on Wednesday the following confidential and personal message from McBride to President Barclay:

[27] Fred P. Hibbard, appointed Consul and First Secretary of Legation at Monrovia, August 31, 1934.

[28] W. D. Hines, representative of Firestone interests in Liberia.

Careful consideration is now being given by the Department of State to my Report in which was embodied your Three Year Plan, and I have every hope that the Department will be prepared to cooperate. I am sending this personal message simply in continuation of the conversations we had in Monrovia in order to complete our understanding here on points which could not be fully discussed at that time because the necessary data and figures were not then available. The points in question are covered in your plan in a general way but it would be helpful to me and would undoubtedly expedite matters at this end if more definite assurances on the following items could be received from you.

(1) That the plan substantially in the form in which it was given to me be enacted into law or made the subject of an executive order so as to give it some sort of definite legal status.

(2) That the Liberian budget be limited during the Three Year Plan to $450,000, including therein all government expenses, costs of fiscal officers and specialists provided under the plan, as well as providing an adequate amount to continue road construction in the interior, and that revenue above $450,000 shall be applied to interest on the external loan. Any excess above these two figures to be divided into three parts—one for retirement of external bonds; one for retirement internal indebtedness (but not for interest thereon); and one for further appropriation or use by the Liberian Government—this latter amount to be used for education, further road construction, and other purposes. This suggestion, which I believe is in line with your intentions, is put forward because I find that the Department of State feels that the ultimate success of the Plan depends so largely upon a fiscal system which provides specifically for the sums necessary for carrying out the Plan.

(3) That the Liberian Government will do what it can to aid and assist American religious, educational and philanthropic enterprises operating in Liberia.

(4) That with regard to the plantations agreement, the Liberian Government will, in keeping with the general provision in your plan, assist in whatever way may be possible, as it is felt that this offers the greatest source for future economic prosperity which Liberia possesses; that Liberia will refrain from interference with the business activities of the Firestone plantations, will continue its previous understanding as to customs regulations applying thereto, as well as the past arrangements under which the plantations' radio station has been operating, inasmuch as these factors seem more or less essential to the effective operation of this enterprise which is so important from a Liberian revenue-producing point of view.

(5) That, because of the desirability of increasing Liberian revenues as rapidly as possible, Liberian officials will not interfere with the normal supply of laborers for the rubber plantations and that assistance will be given in the establishment of the necessary permanent villages within the limits of the plantations.

(6) In so far as the loan Agreement is concerned, I find that the Department of State is strongly of the opinion, just as you are, that the clearing up of the financial situation is an essential requisite of the success of the Plan. We are led to believe that the Firestone interests will be willing to reduce the interest rate on the loan to five per cent, and that they will be willing to accept essentially the pro-

visions of your Plan in so far as the financial matters are concerned, agreeing to the necessary changes in the Loan Agreement. They would, however, expect that the various acts of Legislature, such as the Moratorium Act and other measures infringing upon the Loan Agreement, then be rescinded, and we understand that is also your intention. In this connection, I have seen a copy of a proposed supplementary agreement to the Loan Agreement embodying the above provisions, and personally and unofficially I believe it contains the changes you desire and conforms with the provisions of your Plan. The Finance Corporation is cabling this supplementary agreement to you immediately for your consideration and, if you approve, for that of the Legislature.

(7) For your personal and confidential information, it is my understanding that the Firestone interests would be willing to appoint a new representative in Liberia, that they would immediately rehabilitate the hospital on the plantations and provide a medical officer therefor, that they would undertake the early construction of large warehouses, model villages and further planting, and would in every way show their willingness to cooperate and assist you in your Three Year Plan with the resulting increases in Liberian revenues. They will assist in extending radio telephone communication from Monrovia to Cape Palmas and to interior if you so desire, thus furnishing Liberia with most modern and rapid means of communication. Since it appears that Mr. Firestone is willing to cooperate so fully toward the success of your Plan, he will probably feel hurt if the depositary remains with West and Company and is not returned to the United States Trading Company, as this will appear to him as a lack of confidence and cooperative spirit on the part of the Liberian Government. It would be splendid if in this complete new alignment you could concede this point.

I find a distinct disposition on the part of the Department of State and of the Firestones to cooperate in a generous manner, provided you can prevent bargaining over small and non-essential details.

I shall eagerly await your reaction to these suggestions and hope that it will be favorable because I should be most happy if a solution of our difficulties could be brought about without further delay. I am personally confident that as soon as these points are cleared up the Department will be in a position to consider the whole program in a most friendly and cooperative manner.

I shall be glad to give you names of one or two men who might be considered for employment as specialists as soon as possible.

I feel that you have a marvelous opportunity to make a great name throughout the world as a constructive leader and wish you every success.

HULL

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882.01 Foreign Control/925 : Telegram

*The Chargé in Liberia (Hibbard) to the Secretary of State*

[Extract]

MONROVIA, November 21, 1934—12 noon.

[Received 10:40 p. m.]

54. President Barclay received me very cordially this morning. He read the message contained in the Department's telegram of November

19, 6 p. m., and told me that while he would have to consider it more carefully from his hurried reading he was in complete agreement with all points except that covering the depositary. He felt, however, that a compromise on this satisfactory to both parties could be reached and said that he would communicate with me shortly regarding the whole message. He assured me of his desire to cooperate fully with the Department and of his hope to gain the confidence and sympathy of the United States Government.

. . . . . .

HIBBARD

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882.01 Foreign Control/930 : Telegram

*The Chargé in Liberia (Hibbard) to the Secretary of State*

MONROVIA, December 13, 1934—2 p. m.
[Received December 14—12:23 a. m.]

58. For McBride: The following resolution was passed in Executive Session by the Senate on December 8 and the House of Representatives on December 10:

"Whereas the Government of Liberia is determined to continue the internal reforms, reorganization and development of Liberia, initiated since [apparent omission]; and whereas the successful prosecution of any internal reforms, reorganization and development of the Republic depend in a large measure on certain fiscal provisions, therefore, it is resolved by the Senate and House of Representatives of the Republic of Liberia in legislature assembled:

Section 1. That the three year plan for internal reforms, reorganization and development of Liberia, elaborated by the Executive Government, dated August 28th, 1934, is hereby approved, and the President is hereby empowered to execute said plan by all legitimate means.

Section 2. That the President of the Republic of Liberia is hereby empowered to complete negotiations with the Finance Corporation of America, for the purpose of modifying certain provisions of the 7 per cent gold loan agreement of 1926 in such terms as will not inhibit the complete and practical realization of the three year plan mentioned in Section 1, hereof.

Section 3. This Act shall take effect immediately and be published in handbill."

I have not telegraphed this before as I have expected to receive some notification from the President but the subject has not been mentioned by any member of the Government. The bill apparently was not discussed in either House but is [*was?*] merely read to the members as it stands and passed unanimously. I consider it unsatisfactory as it is not specific and is but a repetition of powers already granted the President in the Act of December 15, 1930,[29] authorizing the reorgani-

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[29] See telegram No. 175, December 13, 1930, from the Chargé in Liberia, *Foreign Relations*, 1930, vol. III, p. 386.

zation of the hinterland and providing for the employment of foreign administrative officials and the second section of the Act of January 12, 1934,[30] authorizing negotiations for the modification of the loan agreement. From present indications it seems probable that the President will not follow out this Act any more actively than those passed before. This is confirmed by the fact that the two Polish experts have now completed their reports which repeat several obvious recommendations previously made by others and there has been no effort to follow them or even announce the recommendations to the people.

The Whig Party convention was held yesterday in what is even an irregular manner here, no members opposed to Barclay were allowed to attend; the credentials were examined and no roll call taken; the present incumbents were renominated unanimously; the platform also passed unanimously consists of two proposed constitutional amendments providing for an 8-year presidential term and a civil service act which is obviously designed to perpetuate the present administration in power. Both are unpopular but with the gag rule and ballot irregularities which are common here both will be passed. The opposition group now called the left wing Whig Party will convene next week. . . . undoubtedly will be their candidate. Faulkner's party will convene in February. He has little chance and will probably compromise with the . . . faction.

Barclay in his speech of acceptance made no mention of his plan but asked for reelection on the ground that he had preserved the sovereignty of the country, kept white domination out, and would continue to do so.

If he has any sincerity regarding the plan I feel he has not made it evident. What his attitude toward the negotiations with Firestone will be, remain to be seen but I anticipate from the attitude now prevalent in the administration that there will be many difficulties.

HIBBARD

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882.01 Foreign Control/931 : Telegram

*The Chargé in Liberia (Hibbard) to the Secretary of State*

MONROVIA, December 14, 1934—10 a. m.
[Received 11:27 p. m.]

59. For McBride: Subsequent to sending my telegram No. 58, December 13, 3 p. m., I received yesterday the following message from President Barclay with the request that it be transmitted to you:

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[30] *Ante*, p. 788.

"1. That the three year plan has been submitted by me to the Legislature and has been approved by them and its execution authorized. Copy of this Act will be forwarded you within a few days.

"2. That the President has recommended to the Legislature, and they have agreed that the annual budget of the Government shall be limited to $450,000; and while one Legislature cannot control the action of succeeding Legislatures in this regard, still the Executive Government has accepted as a definite policy the limitation of all government expenditures, including cost of fiscal officers, specialists, and development, to an amount not exceeding $450,000 for the next 3 years. All excess revenue over and above this sum will be applied to interest on the external loan, and any excess over and above these two sums will be available for expenditure by the Government for amortization of the external loan and for other purposes.

"3. While Government is and always will be interested in the success of the operations of American missionary, educational and philanthropic institutions in Liberia, it is still impossible for them to give any specific undertaking to accord financial aid to these institutions in consequence of the budget limitations specified above. They will, however, maintain the traditional attitude of goodwill towards these institutions.

"4. The Liberian Government is very much surprised to learn that it has been charged with interference with the business activities of the Firestone Plantations Company. On the contrary, in Liberia, Government has been charged with being antagonistic to the Firestone Plantations Company precisely because they have not interfered nor in any way concerned themselves with the business activities of the company where they did not directly touch Government interest. This attitude of noninterference will be maintained so long as it is consistent with the protection of the Liberian laborers employed by the company and the security of the Government interests in the result of the plantations' operation. In addition to this, Government will continue to observe such understandings as to customs regulations applying to the Plantations Company as are based upon the actual terms of the contract, but cannot undertake to agree to accept any unilateral interpretation thereof which do not conform to or are not reasonably implied in those terms.

"5. When the Firestone Plantations Company was granted the right to establish radio stations, this right was intended to be limited to the purposes of inter-plantations communication and, possibly, although not so expressed, to transmarine communication on the company's business. It was never understood that this would be used by Firestone for Plantation's commercial purposes. But so long [as] the special radio agreement between Government and the company is in force, Government will observe its terms strictly. They cannot, however, undertake not to insist upon a revision of those terms if that special contract expires and is sought to be renewed.

"6. The present Government has never interfered or prevented Firestone, directly or indirectly, from securing the laborers required for the operation of their plantation nor does it intend to adopt any such a policy of prohibition directly or indirectly. Evidence of this fact is that when Firestone agents in the early part of this year requested special permits for the purpose of securing laborers they were

advised that such permits were not necessary but that their agents were at liberty to secure such laborers wherever they possibly could. Government will, however, not coerce laborers to work for Firestone by any sort of pressure. Laborers will be at liberty to take or not to take employment with Firestone.

"7. I have received a copy of the supplemented loan agreement proposed by Finance Corporation and I am awaiting the arrival of their agent who I am advised has already sailed for a discussion of the proposals. If an agreement mutually satisfactory and acceptable results from this discussion Government will then undertake to vacate all laws and regulations issued in pursuance of the Moratorium Act as well as the Moratorium Act itself.

"8. I realize the importance of definite understanding being arrived at between Government and the Firestone Plantations Company and I am prepared to go as far in meeting the views of Mr. Firestone provided he on his part will meet in the same spirit the views of Government. I will not enter into the discussion in the spirit of bargaining over small things but will have to insist that Mr. Firestone recognize certain practical necessities of Government. It is my hope that he will meet me in such a spirit as will produce an understanding which is practical and just to both parties."

I am not commenting on these points as the Department has information covering all of them. The tone of this message does not seem to me as friendly and cooperative as that in your note and I see as yet no reason for changing the views I have previously expressed.

HIBBARD

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882.01 Foreign Control/932 : Telegram

*The Chargé in Liberia (Hibbard) to the Secretary of State*

MONROVIA, December 18, 1934—9 a. m.
[Received December 19—2:28 a. m.]

60. For McBride. My telegram No. 58, December 13, 2 p. m.; and 59, December 14, 10 a. m. I received from Barclay yesterday afternoon a certified copy of the Act entitled "An Act approving the three year plan for internal development of the Republic, elaborated by the Executive Government, dated August 28th, 1934, and authorizing the President of Liberia to conclude negotiations with the Finance Corporation of America for the purpose of making modifications to certain provisions of the seven per cent gold loan agreement of 1926".

The text is the same as that previously sent you. As far as I am able to learn the plan which he refers to as that of August 28th, 1934, which must be the memorandum he gave to you, has not been read to the Legislature as a whole although certain members of the Government close to Barclay have undoubtedly seen it. He has allowed to leak out to the opposition your message to him which I delivered November 21 (King quoted this to me almost verbatim) and many

copies of the supplementary agreement to the loan contract are in circulation. As I have nothing with which to compare them I cannot say definitively but they appear to be authentic. It is obvious that he is doing this to rob the opposition of strength as their campaign cry is cooperation with the United States to the exclusion of all others and a settlement of the difficulties with Firestone. Although it is possible that Barclay is following his usual tactics in keeping his plan as vague as possible in order to give himself loopholes in the expectation I believe he may have misunderstood your suggestion to him regarding a specific form for the plan (it seems to me from his reply to you that he misunderstood paragraph 3 of your suggestions as obviously no financial aid was intended for missionaries at present). I propose therefore unless you have objections to call on Barclay again in an effort to straighten this out. With the authority granted him in the Act just passed he can easily issue a specific plan by Executive Order and with this plus a satisfactory agreement with Firestone he can silence the opposition more effectively. I believe if this is explained to him he may agree to a specific plan more readily. I hope that Firestone will not delay his arrival any longer than possible as I think the time for securing a satisfactory agreement is opportune before the internal opposition collapses as it may possibly do without funds and by application of the sedition law. Have you any other suggestions?

HIBBARD

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882.01 Foreign Control/932 : Telegram

*The Secretary of State to the Chargé in Liberia (Hibbard)*

WASHINGTON, December 21, 1934—7 p. m.

31. Your 58, December 13, 2 p. m., 59, December 14, 10 a. m., and 60, December 18, 9 a. m. From McBride. In general, it is my feeling that Barclay's reply to most of my suggestions is as satisfactory and reassuring as we now desire to insist upon. We wish Liberia to produce and develop its own plan of reform, our role being more along the line of friendly guidance. As you feel that there may be some important misunderstanding on Barclay's part concerning some of the points in question, I believe that the time has come when it would be advisable if you can to call on Barclay and talk to him about them. Our reaction here is as follows, and if you so desire you may use this in your conversation:

Your 58, section 1. If Legislature has approved plan of August 28 (which is the plan Barclay gave to me) and authorized the President to execute it, I should think that this would possibly be sufficient for our record.

Section 2 seems satisfactory.

Your 59, paragraph 2. This seems to meet my suggestion and to be all that we could hope for.

Paragraph 3 is satisfactory.

Paragraph 4. In my message no "charges" were meant to be implied but if Liberia desires the United States to take a friendly interest in its affairs we must expect on their part a sincere and broad effort toward harmony to be made.

Paragraph 5. In line with the above, if we are to harmonize our differences, it would be difficult for us to reconcile a refusal of Liberia to renew a contract or to aid in developing this direct American-Liberian radio connection which is so useful in carrying on our relations.

Paragraphs 6, 7 and 8 seem satisfactory to us.

Will you also deliver the following personal message to President Barclay from me:

"I have received and given careful consideration to your message of December 13 and am delighted to note that on many items we see the problem from the same point of view. With an approach marked by the same good spirit to be shown henceforth by yourself, by the State Department, and I confidently believe by the Firestone interests, it looks as though we were gradually approaching the final and satisfactory solution of the differences of opinion which have been evident during the past few years. The Secretary of State is also distinctly encouraged at the prospects of success.

During my inquiries here, I have thus far only found one man,—Maxwell Saben, who has had successful experience in Haiti where his attitude was constructive, and at the same time most cooperative with the Haitian Government,—who would seem to have outstanding qualifications for the post of Chief Administrative Specialist. If you desire, I shall be glad to make inquiries as to whether and when he would be available, or I can continue my inquiries."

Firestone, Jr., has been really ill in Gibraltar and is proceeding as soon as he can travel; as far as we know he should reach Monrovia about mid-January. [McBride.]

HULL