

No. 5596

**UNITED STATES OF AMERICA
and
LIBERIA**

**Exchange of notes constituting an agreement relating to the
guaranty of private investments. Monrovia, 6 and
12 September 1960**

Official text: English.

Registered by the United States of America on 1 March 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
LIBÉRIA**

**Échange de notes constituant un accord relatif à la garantie
des investissements privés. Monrovia, 6 et 12 septembre
1960**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} mars 1961.

No. 5596. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND LIBERIA RELATING TO THE GUARANTY OF PRIVATE INVESTMENTS. MONROVIA, 6 AND 12 SEPTEMBER 1960

I

The American Chargé d'Affaires ad interim to the Liberian Secretary of State

No. 3

Monrovia, September 6, 1960

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of the United States of America and the Republic of Liberia will, upon the request of either of them, consult respecting projects in Liberia proposed by citizens of the United States of America with respect to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.

2. The Government of the United States of America agrees that it will issue no guaranty with respect to any project unless it is approved by the Government of the Republic of Liberia.

3. With respect to such guaranties extending to projects which are approved by the Government of the Republic of Liberia in accordance with the provisions of the aforementioned Section 413 (b) (4), the Government of the Republic of Liberia agrees :

- (a) That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of the Republic of Liberia will recognize the transfer to the Government of the United States of America of any currency, credits, assets, or investment on account of which such payment is made, and the subrogation of the Government of the United States of America to any right, title, claim or cause of action existing in connection therewith;
- (b) That local currency amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that

¹ Came into force on 12 September 1960 by the exchange of the said notes.

such local currency amounts shall be freely available to the Government of the United States of America for administrative expenses;

- (c) That any claim against the Government of the Republic of Liberia to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government;
- (d) That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in the Republic of Liberia, the Government of the Republic of Liberia agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of the Republic of Liberia treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of the Republic of Liberia may make or pay for losses incurred by reason of war; if the Government of the United States of America makes payment in U.S. dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of the Republic of Liberia will recognize the transfer to the Government of the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of the Republic of Liberia;
- (e) The aforementioned subparagraph (c) with respect to the arbitration of claims shall not be applicable to the type of guaranties against losses by reason of war provided for in subparagraph (d).

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Republic of Liberia, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my distinguished consideration.

L. MILNER DUNN
Chargé d'Affaires ad interim

His Excellency J. Rudolph Grimes
Secretary of State
Monrovia

II

The Liberian Secretary of State to the American Chargé d'Affaires ad interim

DEPARTMENT OF STATE
MONROVIA, LIBERIA

9431/DF

September 12, 1960

Mr. Chargé d'Affaires :

I have the honour to acknowledge receipt of your Note No. 3 of September 6, 1960, in connection with the guaranties authorized by Section 413 (b) (4) of the United States of America Mutual Security Act of 1954, as amended, which reads word for word as follows :

[*See note I*]

The Liberian Government accepts the undertakings in this Note and understands that upon receipt of this Note, your Note and this Note will constitute the agreement between the Liberian Government and the United States Government.

Please accept, Mr. Chargé d'Affaires, the assurance of my high consideration and esteem.

J. Rudolph GRIMES
Secretary of State

Mr. L. Milner Dunn
Chargé d'Affaires a.i.
American Embassy
Mamba Point