

UNITED STATES OF AMERICA.  
DEPARTMENT OF STATE

DOCUMENTS RELATING TO VOLTA  
DAM PROJECT

8745792  
Vol. 2



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1/1  
JAN 21 1954

8745792



DEPARTMENT OF STATE INSTRUCTION

2591

UNCLASSIFIED

51

NO.: A-31 January 29, 1954

SUBJECT: Visit to United States of Head of Volta River Preparatory Commission.

TO: The American Consulate General ACCRA

845 K 12614/1-954

Reference is made to the Consulate General's despatch No. 130 of January 9, 1954, on the above subject, and to the Department's instruction No. A-29 of January 21, 1954.

The Department has been in informal communication with the office of the Washington Representative of TVA, and has been informed that it would be agreeable for Commander Jackson to communicate directly with Mr. Gordon R. Clapp, Chairman of the Board of Directors, Tennessee Valley Authority, Knoxville, Tennessee. Meanwhile, the Washington Representative is notifying Mr. Clapp concerning Commander Jackson's forthcoming visit to the United States and of his desire to visit Knoxville on April 13, 1954, to discuss with officials of TVA problems in connection with the Volta River Project.

SMITH, ACTING

845K.2014/1-954

DO/R
Anal. <i>2</i>
Rev.
Dist. <i>JJ</i>

15-026  
JAN 29 1954 P.M.

UNCLASSIFIED

CJC

52

In reply refer to  
AF

February 1 1954

845 R 4614/1-954

Dear Miss Owen:

In accordance with the suggestion made in a telephone conversation with your office on January 28, 1954, there is enclosed a copy of despatch No. 130 of January 9 from the American Consulate General at Accra, Gold Coast, concerning the forthcoming visit to the United States of Commander R. C. A. Jackson, Head of the Volta River Preparatory Commission.

The Department of State is informing the Consulate General that it would be agreeable for Commander Jackson to communicate directly with Mr. Gordon Clapp and that you plan to write the latter of the former's desire to visit Knoxville on April 13, 1954.

Sincerely yours,

Nicholas Feld  
Officer-in-Charge  
West, Central and East African Affairs

Enclosure:

Copy of despatch No. 130.

Miss Marguerite Owen,  
Washington Representative,  
Tennessee Valley Authority,  
Woodward Building,  
1426 H Street, N. W.,  
Washington, D. C.

NEA:AF:JJDurnan:deh 1/29/54

70  
28  
SIS - CR  
FEB 1 1954 A.M.



Desp. No. 130  
From Accra

UNCLASSIFIED  
(Classification)

Page \_\_\_\_\_ of \_\_\_\_\_  
Encl. No. \_\_\_\_\_  
Desp. No. \_\_\_\_\_  
From \_\_\_\_\_

as far as practicable.

**ACTION REQUESTED:** Information is requested as to what action the Department will take regarding Commander Jackson's request.

*William E. Cole*  
William E. Cole  
American Consul

Department: Please send copies to London and Montreal.

*[Handwritten mark]*

UNCLASSIFIED



DEPARTMENT OF STATE INSTRUCTIONS

UNCLASSIFIED  
(Security Classification)

54  
1 1  
FOR DC USE ONLY

NO: A-39, March 1, 1954

SUBJECT: Visit to United States of Head of Volta River Preparatory Commission.

TO: American Consulate General ACCRA

845K-2614/2-854

Reference is made to the Consulate General's despatches nos. 130 and 148 of January 9 and February 8, 1954, respectively, and to the Department's instructions nos. A-29 and A-31 of January 21 and January 29, 1954 respectively, on the above subject.

The Department of the Interior and the United States Public Health Service have arranged tentatively for Commander Jackson, while in Washington, to meet with the interested officials of those agencies on the following dates:

April 7	Afternoon	Department of the Interior
April 8	Morning	"
April 8	Afternoon	U.S. Public Health Service
April 9	Morning	"
April 9	Afternoon	"

The Department would appreciate being informed as soon as possible as to whether the above arrangements are agreeable to Commander Jackson.

The Department of the Interior is endeavoring to arrange meetings for Commander Jackson with officials of the Bureau of Reclamation at Denver on April 27, 1954, and with officials of the Bonneville Power Authority at Portland during the week of May 3, 1954, including a visit to the Grand Coulee Dam. In the latter connection, it would greatly facilitate matters if information could be obtained from Commander Jackson as to the precise dates he will visit Portland.

The Department, also, would like several of its officers interested in Gold Coast affairs to meet with Commander Jackson for about one hour while he is in Washington. If this is agreeable to Commander Jackson, the Department would appreciate being informed as to the date and hour which would best suit his convenience.

SMITH (ACTING)

UNCLASSIFIED

(Security Classification)

DCR  
General  
845K-2614/2-854

CSA

DRAFTED BY:  
NEA:AF:JJDurnan:lcm

2-26-54

SIS-CR

APPROVED BY:  
Leo G. Cyr

CLEARANCES:

MAR 1 1954 A.M.

AIR POUCH  
PRIORITY

UNCLASSIFIED  
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

55

2458.2614/2-854

FROM : American Consulate General, Accra 148  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. February 8, 1954  
DATE

REF : Department's A-29 of January 21, 1954 2/15/54

4 For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
	NEA-4	JCIR-2 REP-2 OLI-6 E-4 UNA-4
	2-13	CIA-7 HEW-5

SUBJECT: Visit to United States of Head of Volta River Preparatory Commission

Concerning the final paragraph of the above reference, Commander Jackson has stated that the health problems which he wishes to discuss with officials of the United States Public Health Service are in general those covered in a report prepared by Dr. Berner of Florida University who was in the Gold Coast some time ago to study implications of the Volta Project from the health viewpoint. Commander Jackson forwarded a copy of Dr. Berner's report to Dr. H. van Zile Hyde, Chief, Division of International Health, of the USPHS under cover of a letter of June 4, 1953.

With regard to housing problems, Commander Jackson said that he wished to obtain, if practicable, some general views from USPHS about housing in hot countries.

*William E. Cole*  
William E. Cole  
American Consul

845K.2614/2-854

William E. Cole/ram  
REPORTER

UNCLASSIFIED

ACTION COPY - DEPARTMENT OF STATE

APR 21 1954

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AIR POUCH  
PRIORITY

UNCLASSIFIED  
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

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8458.2614/2-854  
27

FROM : American Consulate General, Accra

148  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 8, 1954  
DATE

REF : Department's A-29 of January 21, 1954

415154

FILED  
HFD  
WLC

4 For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
	NEA-4	DC/R-2 REP-2 OLI-6 E-4 UNA-4
	2-13	CIA-7 HEW-5

SUBJECT: Visit to United States of Head of Volta River Preparatory Commission

Concerning the final paragraph of the above reference, Commander Jackson has stated that the health problems which he wishes to discuss with officials of the United States Public Health Service are in general those covered in a report prepared by Dr. Berner of Florida University who was in the Gold Coast some time ago to study implications of the Volta Project from the health viewpoint. Commander Jackson forwarded a copy of Dr. Berner's report to Dr. H. van Zile Hyde, Chief, Division of International Health, of the USPHS under cover of a letter of June 4, 1953.

With regard to housing problems, Commander Jackson said that he wished to obtain, if practicable, some general views from USPHS about housing in hot countries.

*William E. Cole*  
William E. Cole  
American Consul

8458.2614/2-854

William E. Cole/ram  
REPORTER

UNCLASSIFIED

ACTION COPY - DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken

APR 21 1954

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FOREIGN SERVICE DESPATCH

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8451K 2614  
2-3454  
JIT

FROM : American Consulate General, Accra 158 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. February 24, 1954 3/4/54

REF : Department's A-31, January 29, 1954. new file in #11

2 For Dept. Use Only	ACTION	DEPT.
	NEA-4	IN
3-2	REC'D	OTHER
		Com-10 N-5 FOR-10 CIA-5

SUBJECT: Visit to United States of Head of Volta River Preparatory Commission.

With reference to previous correspondence there is quoted below the text of a letter of February 17, 1954, from Commander Jackson.

My dear Consul General,

"I send you with this two copies of a letter which I have addressed to Mr. Gordon Clapp of the Tennessee Valley Authority.

"In the note which I left with you on the 29th December, 1953, I mentioned my hope that I could call on the Bonneville Power Authority at Portland during the week commencing Monday, 3rd May, and that I would give more exact dates for visiting Portland a little later on.

"It is now definite that I shall be in Portland from Monday, 3rd May, until Friday, 7th May, and you might wish to inform Washington about this.

Yours sincerely,

/s/ R.G.A. Jackson"

There is likewise enclosed for the Department's information a copy of a letter of the same date addressed by Jackson to Mr. Gordon Clapp, Chairman of the TVA.

*William E. Cole*  
William E. Cole  
American Consul

Enclosure:

Letter of Feb. 17, 1954  
to Mr. Gordon Clapp.

William E. Cole/ram  
REPORTER

Must Be Returned To

845K • 2614/2-2454

APR 21 1954

FILED

LWC

17th February, 1954.

Dear Mr. Clapp,

I am writing to you about the Volta River Project in the Gold Coast. For ease of reference I attach to this letter a copy of the White Paper about the scheme which was published by the British Government in November, 1952.

About a year ago I was appointed as Special Commissioner to report to the British and Gold Coast Governments, and to the aluminium companies, about the feasibility of this scheme.

Towards the end of last year Dr. Arthur Morgan stayed with us for some weeks, and I believe that he has written to you about the project.

I shall be visiting the United States in April of this year, and I should very much like to come and have a talk with you about the project, and obtain the benefit of your experience and advice.

The State Department has agreed that I should now write to you direct about the possibility of paying a visit to you in Knoxville. On my present plans I could visit Knoxville between Tuesday, 13th, and Thursday, 15th April, 1954. I can appreciate to some extent the pressure of work with which you have to deal, and I can readily understand the dates which I suggest may not be convenient to you. In that case, I wonder whether it would be possible for me to have a talk with some of the members of your staff?

The matters which I would like to discuss are not so much of a technical nature, but rather of a general character. In particular, I should like to talk about the type of organization and administration which might be most suitable for this project. We have a considerable number of individual problems, and there are one or two of these which I should also like to mention to you.

I wonder whether you could let me know, in due course, whether it would be convenient for me to come on the dates which I have suggested, or whether you would wish me to come at a different time.

With kindest regards,

Yours sincerely,

/s/

R. G. A. Jackson

Mr. Gordon Clapp,  
Chairman, Board of Directors,  
Tennessee Valley Authority,  
U.S.A.

PRIORITY

(Security Classification)

## FOREIGN SERVICE DESPATCH

FROM : American Consulate General, Accra 170

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 10, 1954

REF : Department's A-39 dated March 1, 1954

1 For Dept. Use Only	ACTION	DEPT.
	REC'D	INFO
3/13	105	HEW-5

1254 E-V

3/15/54

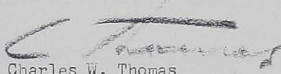
SUBJECT: Visit to United States of Head of Volta River Preparatory Commission

The airgram under reference asked this office for a confirmation of a tentative schedule of appointments set up for Commander Jackson during his coming visit to the United States.

Commander Jackson approves in general of the appointments set up for him with the Department of Interior and the U. S. Public Health Service on April 7, 8, and 9. He states, however, that he is writing to the U. S. Public Health Service, with whom he has been in direct communication, to ask that he be limited to two meetings with that organization, one on the afternoon of April 8 and the other on the morning of April 9. He will then be free after 2:30 p.m. on April 9 to meet with interested officers of the Department, as suggested in the final paragraph of the above reference.

Commander Jackson confirmed that he would be in Denver on April 27 to confer with officials of the Bureau of Reclamation. He also stated that he will arrive in Portland on the evening of May 3 and could confer with Bonneville officials from May 4 to May 7.

For the Department's information, Jackson says that he will be residing in Washington with Senator Lehman at the Sheridan Park Hotel and that he will contact Mr. Utter of AF on his arrival.

  
Charles W. Thomas  
American Vice Consul

Placed in substance to  
Mr. Mason NSPID and  
Mr. Dussell interview

APR 21 1954  
FILED

845K.2614/3-1054

Charles Wm. Thomas/rav

REPORTER

UNCLASSIFIED

ACTION COPY - DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of

LWC

FOREIGN SERVICE DESPATCH

845K 2614/3-16  
58  
March 16, 1954  
Phone to  
Washington  
3-22-54  
3/2/54

FROM : AMCONGEN, Accra, Gold Coast 175  
TO : THE DEPARTMENT OF STATE, WASHINGTON.  
REF : Accra's Telegram No. 75 dated March 13, 1954

ACTION For Dept. Use Only	RECD	DEPT.	
		I N	OTHER
NEA-4	3-19	DEAR-2	REP-2
		UNCL-4	OLI-6
		HEW-5	FOA-10
		HFA-1	CIA-5

SUBJECT: Visit to United States of Head of Volta River Preparatory Commission.

The telegram under reference listed four main categories of problems concerning tropical housing that Commander Jackson wishes to discuss with U.S. experts during his coming visit to Washington.

Jackson has subsequently mentioned five other points of less urgent importance that he also hopes to discuss at the proposed conference on housing. They are:

- 1) A list of organisations in the United States dealing with building research.
- 2) Information about surface finishes for mud walls.
- 3) Comparative studies of the man-hours expended in putting up different types of buildings.
- 4) Any studies of daylighting or natural lighting for buildings in tropical climates.
- 5) Selected social studies of indigenous rural communities.

Commander Jackson also reports that Dr. George Macdonald of the Ross Institute of Tropical Medicine, London will accompany him to the United States as a special consultant on health problems.

*Charles Wm. Thomas*  
Charles Wm. Thomas  
American Vice Consul

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APR 21 1954

Charles Wm. Thomas/fot  
REPORTER

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ACTION COPY — DEPARTMENT OF STATE

845K. 2614/3-1654 LWC

59

May 14, 1954

In reply refer to  
AF

Dear Madan Secretary:

Reference is made to the series of conferences on April 8-9, 1954, between officials of the United States Public Health Service and Commander R. G. A. Jackson, Chairman of the Gold Coast Volta River Preparatory Commission.

See 845K.2614  
15-450

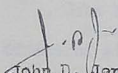
The Officer-in-Charge of the American Consulate General at Accra, Gold Coast, has informed the Department of State that he has received a letter from the Gold Coast Minister of Defense and External Affairs under date of April 30, 1954, reading as follows:

"I have been requested by the Prime Minister to convey to you an expression of this Government's sincere appreciation and gratitude for the assistance which Commander Jackson, Chairman of the Volta River Preparatory Commission, and Professor Macdonald have described as having been so generously extended to them by the American Authorities during their recent discussions in Washington."

I should like to take this opportunity to express the appreciation of the Department of State for the time and effort devoted by the United States Public Health Service in the furtherance of Commander Jackson's mission to the United States. The Department of State believes that the assistance rendered Commander Jackson will add greatly to the continuance of this country's friendly relations with the Gold Coast.

Sincerely yours,

For the Secretary of State:

  
John D. Gernegan  
Acting Assistant Secretary

The Honorable

Oveta Culp Hobby,

Secretary of Health, Education, and Welfare.

NEA:AF:JUDurran:lcm

5-13-54

845K.2614/5-454

C3/M

MAY 12 1954 P.M.

61

October 19 1954

In reply refer to  
AF

845-R-2614/10-259  
XPR 945-R-7294

Dear Mr. Hiatt:

Reference is made to previous correspondence concerning the visit to the United States of Mr. H. O. Walker, Chief Meteorologist of the Gold Coast.

There is quoted below the text of a despatch received from the American Consulate General at Accra, Gold Coast, under date of October 7, 1954, transmitting an expression of appreciation for the facilities extended to Mr. Walker:

"The officer in charge has been requested by Commander Jackson of the Volta River Project Preparatory Commission to express appreciation to the Department of State for facilities which were extended to Mr. H. O. Walker, Chief Meteorologist of the Gold Coast, during his stay in the United States. He also expressed thanks to the United States Weather Bureau, Bureau of Reclamation and the United States Geological Survey for the facilities placed at Mr. Walker's disposal and for their very valuable help and advice. The Consulate General has given assurances that the Department of State and other agencies will be informed of his appreciation."

I should like to take this opportunity also to express my own thanks for your very fine cooperation in this matter.

Sincerely yours,

John E. Utter  
Director  
Office of African Affairs

Mr. William E. Hiatt,  
Chief,  
Hydrologic Services Division,  
United States Weather Bureau,  
Washington 25, D. C.

NEA:AF:J.J.urnan:deh 10/19/54

S/S-CR  
OCT 19 1954 A.M.

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845K-2614/10-754

CS/H

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845-R-2614/10-259

60

M a y 1 4 1954

In reply refer to  
AF

Dear Mr. Secretary:

Reference is made to the series of conferences on April 7-8, 1954, between officials of the Department of the Interior and Commander R. G. A. Jackson, Chairman of the Gold Coast Volta River Preparatory Commission.

*See 840K.2614/5-454*

The Officer-in-Charge of the American Consulate General at Accra, Gold Coast, has informed the Department of State that he has received a letter from the Gold Coast Minister of Defense and External Affairs under date of April 30, 1954, reading as follows:

"I have been requested by the Prime Minister to convey to you an expression of this Government's sincere appreciation and gratitude for the assistance which Commander Jackson, Chairman of the Volta River Preparatory Commission, and Professor Macdonald have described as having been so generously extended to them by the American Authorities during their recent discussions in Washington."

845K.2614/5-454  
CS/M

I should like to take this opportunity to express the appreciation of the Department of State for the time and effort devoted by the Department of the Interior in the furtherance of Commander Jackson's mission to the United States. The Department of State believes that the assistance rendered Commander Jackson will add greatly to the continuance of this country's friendly relations with the Gold Coast.

Sincerely yours,

For the Secretary of State:

John D. Jernegan  
Acting Assistant Secretary

MAY 12 1954 P.M.

The Honorable

Douglas McKay,

*mm wak*  
Secretary of the Interior.  
NEA:AF:JJDurnan:lem. 5-13-54

41

FOREIGN SERVICE DESPATCH

845K.2614/5-454  
(62) ~~ATT~~

FROM : AMCONGEN, Accra, Gold Coast 193  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. May 4, 1954

REF : - - -  
- hulus drafted to the DATE  
- Secretary of Interim and  
HEW 5-13-54 NEA/AF:USD

58 For Dept. Use Only	ACTION	DEPT.
	REC'D	IN OTHER
	NEA-4	OCR/R-2 OLI-6 E-4 IES-4 VO-1 REP-2
	5-7	COM-8 IN-5 FCA-10 CIA-5 ARMY-3

MESSAGE CENTER  
NEA Files  
Confidential  
1954 MAY 10  
5/10

SUBJECT: Visit to the United States of the Head of the Volta River Project Preparatory Commission.

There is transmitted for the Department's information a copy of a letter written by the Minister of Defence and External Affairs expressing the Gold Coast Government's appreciation for the assistance given to the Chairman of the Volta River Project Preparatory Commission during his recent discussions with American officials in Washington.

*Handwritten:* near W 6 IES  
com Ins FCA da VO army

*Handwritten Signature:* Thomas

Charles Wm. Thomas  
American Vice Consul.

Enclosure:  
As stated.

Charles Wm. Thomas/aks.  
REPORTER

UNCLASSIFIED

ACTION COPY -- DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

845K.2614/5-454

LWC

UNCLASSIFIED

(Classification)

No. B.5

MINISTRY OF DEFENCE AND  
EXTERNAL AFFAIRS  
P.O. BOX 1115  
ACCRA.

30 April, 1954.

Sir,

I have been requested by the Prime Minister to convey to you an expression of this Government's sincere appreciation and gratitude for the assistance which Commander Jackson, Chairman of the Volta River Preparatory Commission, and Professor Macdonald have described as having been so generously extended to them by the American Authorities during their recent discussions in Washington.

I have the honour to be,  
Sir,  
Your obedient Servant,

(Sgd) Norton Jones  
Minister.

The American Vice-Consul,  
American Consulate-General,  
A c c r a.

UNCLASSIFIED

DEPARTMENT OF  
HEALTH, EDUCATION, AND WELFARE  
WASHINGTON

(63)

ACTION  
is assigned to

~~WFA~~

6/9/54 - ~~11~~

JUN - 7 1954

Reaction request  
file 918

Dear Mr. Secretary:

854R.2614/5-454  
NEA:MF

This is to acknowledge the Acting Assistant Secretary's letter of May 14, 1954, advising me of the expression of appreciation from the Government of the Gold Coast for the assistance given Commander Robert G. A. Jackson, Chairman of the Volta River Preparatory Commission, and his advisor, Professor George Macdonald, during their recent discussions in Washington.

I assure you that the Department was happy to be able to discuss with these gentlemen the health, housing, and developmental problems in underdeveloped areas and to receive from them a current insight into the political, social, and cultural factors which influence the solution of these problems.

Sincerely yours,

*Carl A. Boylston*  
Secretary

The Honorable  
Secretary of State  
Washington 25, D. C.

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1954 JUN 8

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845K.2614/6-754

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Copy sent to Mr. ...

BY HAND

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Ref: 1425/-/54

X 7271  
(Switzerland)



William Hiatt  
W. O. Walker  
Internat.

64

BRITISH EMBASSY  
WASHINGTON

June 8, 1954.

Reply drafted  
7/6/54  
NEA:AT: JJD:amr

HEA

See 845K.2614/2-2450

Dear Mr. Feld,

When Commander Jackson of the Volta River Project Preparatory Commission was here in April he discussed with Hiatt of the Department of the Interior the possibility of H. O. Walker, Chief Meteorologist of the Gold Coast, coming over at the beginning of August for discussions with the Weather Bureau. The Colonial Office have now asked us to approach you so that we can complete the arrangements. If it is convenient to the Weather Bureau Walker would like to start his visit to the United States during the first week in August. He would like to visit the research station at Lake Mead as he is most anxious to obtain the maximum information on how the problems of evaporation have been met here. It is with a view to obtaining data which will assist the Volta River Project Preparatory Commission in dealing with its probable evaporation difficulties that Walker is being sent over to the United States.

02/1/54

AUG 2 1954

RECEIVED

845K.2614/6-854

I shall be grateful if you will let all concerned know about Walker's visit. If the time is suitable perhaps Hiatt would be kind enough to make the necessary arrangements for Walker's stay.

I am enclosing a duplicate copy of this letter in case you wish to send it on to Hiatt.

230209

Yours sincerely,

P. H. Balmer  
P. H. Balmer,  
for Colonial Attache.

Mr. Nicholas Feld,  
African Division,  
Department of State.

Form with fields: Date, Recd, Sent, and a handwritten number 41.

CST

July 6 1954

In reply refer to  
AF

845K.2614/6-854

Dear Mr. Balmer:

Reference is made to your letter of June 8, 1954, concerning the proposed visit of Mr. H. O. Walker of the Gold Coast to the United States for discussions with the United States Weather Bureau.

The matter was referred to Mr. William E. Hiatt, Chief, Hydrologic Services Division of the Weather Bureau, and the pertinent portions of a letter received from him under date of July 2, 1954, are quoted below:

"Commander Jackson of the Gold Coast Volta River Preparatory Commission discussed with us the proposed visit of Mr. H. O. Walker, Chief Meteorologist of the Gold Coast, to the United States for discussions on the evaporation problem. Commander Jackson was assured that we would be most happy to have Mr. Walker visit the Weather Bureau and to make available to him any information which we might have that would be of value.

"The proposed date of the visit to begin the first week in August is satisfactory to us, although we believe that if Mr. Walker wishes to visit Lake Mead he should probably also include a stop at Denver in his itinerary. Under these circumstances, we would suggest that he allow a minimum of 10 days, and perhaps preferably two weeks, for his visit.

"We have had tentative discussions with the Bureau of Reclamation about Mr. Walker's desire to visit Lake Mead, and can assure you that arrangements will be made for such a visit.

"We

Mr. P. H. Balmer,  
British Embassy,  
2100 Massachusetts Avenue, N. W.,  
Washington, D. C.

845K.2614/6-854

CST

44

"We believe the apportionment of Mr. Walker's time might be most effective if he followed a schedule somewhat as follows:

- 3 or 4 days in the Washington office of the Weather Bureau
- 1 day travel time to Denver
- 1 day in Denver
- 2 days at Lake Mead
- 1 day travel time returning to Washington

"Additional time over that listed above could be spent effectively in the Washington office of the Weather Bureau if Mr. Walker has with him some of the necessary observational data from the Gold Coast area.

"We will look forward to seeing Mr. Walker and the opportunity to discuss this mutually important problem."

Sincerely yours,

Nicholas Feld  
Officer in Charge  
West, Central and East African Affairs

*mm*  
NEA:AF:JJDurnan:deh 7/6/54

S/S - CR

JUL 6 1954 P.M.

June 22 1954

In reply refer to  
AF

*845-K.2614/6-854*

CONFIDENTIAL

Dear Mr. Hiatt:

The Department of State is in receipt of a letter from the Colonial Attaché of the British Embassy, stating that when Commander Jackson of the Gold Coast Volta River Preparatory Commission was in Washington in April last he discussed with you the possibility of a visit by Mr. H. C. Walker, Chief Meteorologist of the Gold Coast, to the United States for discussions with the weather Bureau.

The Colonial Attaché states that if it is convenient for the weather Bureau, Mr. Walker would like to start his visit to the United States during the first week in August. Mr. Walker would like to visit the research station at Lake Mead as he is most anxious to obtain the maximum information on how the problems of evaporation have been met in this country. It is with a view to obtaining data which will assist the Volta River Preparatory Commission in dealing with its probable evaporation difficulties that Mr. Walker is being sent to the United States.

If the time is suitable, the Colonial Attaché suggests that perhaps you would be kind enough to make the necessary arrangements for Mr. Walker's stay.

I should be glad to pass on your comments to the Colonial Attaché.

Sincerely yours,

Nicholas Feld  
Officer-in-Charge  
West, Central and West African Affairs

Mr. William L. Hiatt,  
Chief, Hydrologic Services Division,  
United States Weather Bureau,  
Washington 25, D.C.

NEA:AF:JSD:man:lcm

6-21-54

845K.2614/6-854

CJC

Ans 41  
4/11

JUN 21 1954 P.M.

UNITED STATES DEPARTMENT OF COMMERCE  
WEATHER BUREAU  
WASHINGTON

July 2, 1954

*Reply drafted*  
*7/6/54*  
*NER:AF:JJ*  
**65**

PLEASE ADDRESS  
TO THE  
CHIEF OF BUREAU  
AND REFER TO  
0-6

Mr. Nicholas Feld  
Officer-in-Charge  
West, Central and East African Affairs  
Department of State  
Washington 25, D. C.

Subject: Proposed visit of Mr. H. O. Walker of the Gold Coast to the United States for discussions with the Weather Bureau.

Reference: Your letter dated June 22, 1954, File AF.

Dear Mr. Feld:

Commander Jackson of the Gold Coast Volta River Preparatory Commission discussed with us the proposed visit of Mr. H. O. Walker, Chief Meteorologist of the Gold Coast, to the United States for discussions on the evaporation problem. Commander Jackson was assured that we would be most happy to have Mr. Walker visit the Weather Bureau and to make available to him any information which we might have that would be of value.

The proposed date of the visit to begin the first week in August is satisfactory to us, although we believe that if Mr. Walker wishes to visit Lake Mead he should probably also include a stop at Denver in his itinerary. Under these circumstances, we would suggest that he allow a minimum of 10 days, and perhaps preferably two weeks, for his visit.

We have had tentative discussions with the Bureau of Reclamation about Mr. Walker's desire to visit Lake Mead, and can assure you that arrangements will be made for such a visit.

We believe the apportionment of Mr. Walker's time might be most effective if he followed a schedule somewhat as follows:

- 3 or 4 days in the Washington office of the Weather Bureau
- 1 day travel time to Denver
- 1 day in Denver
- 2 days at Lake Mead
- 1 day travel time returning to Washington

Additional time over that listed above could be spent effectively in the Washington office of the Weather Bureau if Mr. Walker has with him some of the necessary observational data from the Gold Coast area.

We will look forward to seeing Mr. Walker and the opportunity to discuss this mutually important problem. //

Sincerely yours,

*W. E. Hiatt*  
William E. Hiatt, Chief  
Hydrologic Services Division

845K.2614/7-254

CST

FILED

AUG 6 1954

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Rev. \_\_\_\_\_

*file*

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In reply refer to  
AF

July 6 1954

*845K.2614/7-254*

Dear Mr. Hiatt:

I wish to acknowledge the receipt of your letter of July 2, 1954, and to inform you that the information contained therein has been transmitted to the Office of the Colonial Attaché at the British Embassy.

Sincerely yours,

Nicholas Feld  
Officer in Charge  
West, Central and East African Affairs

*lw*

845K.2614/7-254

Mr. William E. Hiatt,  
Chief,  
Hydrologic Services Division,  
United States Weather Bureau,  
Washington 25, D. C.

*mg*  
NEA:AF:JJDurnan:deh 7/6/54

S/S - CR  
JUL 6 1954 P.M.

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Rev.	
Oct.	

845K.2614/7-254  
CST



UNCLASSIFIED

(Security Classification)

1755

FOR DC USE ONLY

66 1755

NO.: A-2, July 19, 1954

SUBJECT: Letter of Appreciation from Commander R.G.A. Jackson to Charles William Thomas, American Vice Consul, Accra Gold Coast.

TO: American Consulate General, ACCRA, GOLD COAST

845 K. 2614 / 7-754

Reference is made to the Consulate General's despatch no. 3 of July 7, 1954, transmitting a letter written by Commander R.G.A. Jackson of the Volta River Project Preparatory Commission expressing his appreciation for the cooperation he received from various persons and agencies during the course of his recent visit to the United States.

Copies of Commander Jackson's letter have been transmitted to the Department of Health, Education, and Welfare, the Department of the Interior and to the Tennessee Valley Authority. In so far as the Department is concerned, you may assure Commander Jackson that it was a pleasure to be of assistance to him, and that the officials interested in Gold Coast affairs were deeply appreciative for his devoting the time from an otherwise heavy schedule to discuss the Volta River Project with them.

DULLES

10/8 B 45K. 2614/7-754  
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(Security Classification)

DRAFTED BY:  
NEA:AF:JJDurant:lcm

7-15-54

APPROVED BY:

*John E. Utter*  
John E. Utter

CLEARANCES:

S/S-CR  
JUL 19 1954 RE

845 N. 2614/7-754  
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PRIORITY

(Security Classification)

FOREIGN SERVICE DESPATCH

8745 B. 2614 / 7-754

67

FROM : AMCONGEN, Accra, Gold Coast 3  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.  
DATE July 7, 1954

REF : -

Letter drafted to Secs. HEW  
Interior & to Wash. Rep. TVA 7/15/54  
NEA/AR JSD

4 For Dept. Use Only	ACTION	DEPT.					
	NEA-4	IN	OC/R-2	REP-2	OL-6	E-4	S/S-PR-1
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SUBJECT: Transmitting a Letter Written by the Head of the Volta River Project Preparatory Commission.

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Stamp: R-120

There is transmitted a letter written by Commander R.G.A. Jackson of the Volta River Project Preparatory Commission expressing his appreciation for the cooperation he received from various persons and agencies in the United States during his recent visit there.

Signature of Charles Wm. Thomas  
Charles Wm. Thomas  
American Vice Consul

Enclosure: *all*  
As stated.

RECEIVED DEPARTMENT OF STATE  
1954 JUL 9 PM 4 13  
DC/R RECORDS BRANCH

Charles Wm. Thomas/aks.  
REPORTER

UNCLASSIFIED

ACTION COPY - DEPARTMENT OF STATE

345K. 2614/7-754

LWC

Volta River Project Preparatory Commission

P. O. Box 2305, Accra  
Gold Coast

SPECIAL COMMISSIONER

6th July, 1954.

Dear Mr. Thomas,

Now that I have returned to the Gold Coast from my recent visit to the United States, I should like to take this opportunity of expressing my deep appreciation for the many facilities which were put at my disposal by the Government of the United States.

In particular, I should like to thank the State Department for the arrangements which they made for me to talk with various Departments and to have discussions with the Tennessee Valley Authority and those concerned with the development of the Columbia River.

In particular, I wish to record the exceptional assistance which we have received from the United States Public Health Service in considering the problems of health and sanitation associated with the Volta River Project. I know that Dr. Nkrumah has already written to Mrs. O.C. Hobby about this, and I also wish to add my own appreciation.

The officials concerned with the Tennessee Valley Authority could not have been more helpful to me, and subsequently they have provided most useful information to us.

Similarly both at Portland with the Bonneville Power Administration, and at Ephrata with the staff of the Columbia Basin Irrigation Project, I received unstinted help and assistance.

Nor would it be fitting to omit from this expression of appreciation reference to the endless hospitality and kindness which was extended both to my wife and myself throughout our visit.

If the /

Desp. No. \_\_\_\_\_  
From: \_\_\_\_\_

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(Classification)

Encl. No. 1  
Desp. No. 3  
from ACCRA, Gold Coast.

If the Department of State sees fit, I should be very grateful if my appreciation could be extended to those Departments and Authorities whom I have mentioned.

Yours sincerely,

(Sgd) R.G.A. Jackson

Mr. C. Thomas,  
Acting Consul-General for America,  
Accra, Gold Coast.

UNCLASSIFIED



July 19 1954

In reply refer to  
AF

C/R  
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Files

Document Must Be Returned To

64-D-20147-1-1954

*See letter of 5/4/54 to IN  
8454.26115.007*

Dear Madan Secretary: *nc*

Reference is made to my letter of May 14, and to your reply of June 7, 1954, concerning the expression of appreciation received from the Government of the Gold Coast for the assistance given to Commander Robert G. A. Jackson of the Volta River Project Preparatory Commission on his recent visit to the United States.

There is enclosed a copy of a letter addressed to the Officer in Charge of the American Consulate General at Accra by Commander Jackson expressing his own appreciation for the assistance which he received from the United States Public Health Service and other government agencies.

Sincerely yours,

For the Secretary of State:

John D. Jernegan  
Deputy Assistant Secretary

Enclosure:

41

Copy of a letter from  
Commander G. A. Jackson.

The Honorable

Oveta Culp Hobby,

Secretary of Health, Education, and Welfare.

NEA:AF:JJDurnan:lcm

7-15-54

S/S-CR

JUL 19 1954

CSM J

July 19 1954

In reply refer to  
AF

Original  
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Dear Mr. Hiatt:

Reference is made to Mr. Feld's letter of July 6, 1954, stating that the information contained in your letter of July 2, 1954, concerning the proposed visit to the United States of Mr. H. O. Walker of the Gold Coast, had been transmitted to the British Embassy.

The British Embassy now informs us that your suggested apportionment of his time has been cabled to Mr. Walker and that it has been advised Mr. Walker will arrive in Washington on August 7, 1954, at 14:48 hours.

The British Embassy suggests that arrangements be made for Mr. Walker to see you on Monday morning, August 9, to discuss his program. I would appreciate your informing me whether this suggested date is convenient, and if so, the precise time and place Mr. Walker should call on you.

Sincerely yours,

✓

John E. Utter  
Director  
Office of African Affairs

Mr. William E. Hiatt,  
Chief,

Hydrologic Services Division,  
United States Weather Bureau,  
Washington 25, D. C.

NEA:AF:JJ Durnan:lcm

7-16-54

S/S-CR

JUL 16 1954

CSNU

845N. 2014/7-1454

41

JJ

69

July 19 1954

In reply refer to  
AF

Files

845-2, 2614/5-45

Dear Mr. Secretary:

Reference is made to my letter of May 14, 1954, concerning the expression of appreciation received from the Government of the Gold Coast for the assistance given to Commander Robert G. A. Jackson of the Volta River Project Preparatory Commission on his recent visit to the United States.

There is enclosed a copy of a letter addressed to the Officer in Charge of the American Consulate General at Accra by Commander Jackson expressing his own appreciation for the assistance which he received from various government agencies.

Sincerely yours,

For the Secretary of State:

*enc*

John D. Jernegan  
Deputy Assistant Secretary

845K.2614/711954

CS/A

Enclosure:

Copy of a letter from  
Commander G. A. Jackson.

The Honorable

Douglas McKay,  
Secretary of the Interior.

NEA:AF:JJDurnan:lcm

7-15-54

6/28/54  
JUL 19 1954  
U.S. DEPARTMENT OF THE INTERIOR

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70

July 19 1954

In reply refer to  
AF

845/R 2614

Dear Miss Owen:

There is enclosed a copy of a letter addressed to the Officer in Charge of the American Consulate General at Accra, Gold Coast, by Commander Robert G. A. Jackson, Special Commissioner of the Volta River Project Preparatory Commission, expressing his appreciation for the assistance which he received from officials in the Tennessee Valley Authority during the course of his recent visit to the United States.

It would be appreciated if you would have Commander Jackson's message conveyed to the appropriate officials of the Tennessee Valley Authority.

Sincerely yours,

John E. Utter  
Director  
Office of African Affairs

845K.2614/7-1954

Enclosure:

Copy of a letter from  
Commander G. A. Jackson.

BCAR
Rev
Cat

Miss Marguerite Owen,  
Washington Representative,  
Tennessee Valley Authority,  
Woodward Building,  
1426 H Street, N. W.,  
Washington, D. C.

S/S-CR  
JUL 19 1954

NEA:AF:JJDurnan:lcm

7-15-54

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845K.2614/7-1954

FOREIGN SERVICE DESPATCH

:845 E. 2614 / 9-205  
71  
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9/27

FROM : AMCONGEN, Accra, Gold Coast 36

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 20, 1954

REF : - - -

DATE  
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26 For Dept. Use Only	ACTION	DEPT.
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	9-24	HEP-2 OK-2 OH-6 EUR-5 E-4 IO-4 HEW-5 Com-8 FOA-10 IN-5 HAFA-1

SUBJECT: Visit by Representatives of Aluminium Limited.

This Document Must Be Returned to  
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845K.2614/9-2054

The Preparatory Commission for the Volta River Project announced that discussions would be held in October with representatives of Aluminium Limited to consider the planning of the township which would need to be built for an alumina factory and smelter, if a decision were eventually taken to proceed with the Volta River Project.

It is anticipated that Aluminium Limited will send a Mission of five or six technical experts to the Gold Coast, and that they will be led by one of the senior Directors of Aluminium Laboratories, a subsidiary of Aluminium Limited.

Arrangements have been made for Dr. Otto Koenigsberger to work with the Preparatory Commission during the month of October, and he will be available to participate in these discussions with Aluminium Limited. Dr. Koenigsberger has just completed a study for the Nuffield Foundation of the London School of Tropical Medicine. He played a leading part in the development of the city of Jamshedpur in India, which provides accommodation for the staff and workers of the Tata steel industry. When he has completed his work with the Preparatory Commission, Dr. Koenigsberger will become one of the members of the United Nations Technical Mission on housing, which is due to start work in the Gold Coast at the beginning of November.

Arrangements have also been made for representatives of the consulting engineers to the Volta River Preparatory Commission to participate in these discussions. The Government and the Preparatory Commission have emphasised that the discussions must be regarded as provisional and only for the purposes of planning. Policy decisions can only be taken by

the

RVF/aks.  
REPORTER

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ACTION COPY - DEPARTMENT OF STATE

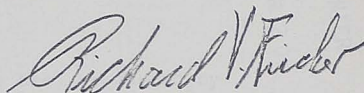
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Page 7 of  
Desp. No. 36  
From: ACCRA, Gold Coast

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(Classification)

the Government and the aluminium companies at the time of the main negotiations, which would decide whether the entire Volta scheme was to be undertaken or not.



Richard V. Fischer  
American Vice Consul

UNCLASSIFIED

AIR POUCH  
PRIORITY

UNCLASSIFIED

(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

77  
845 R. 2614/10-754  
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FILES

FROM : AMCONGEN, Accra, Gold Coast

43  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 7, 1954

REF : -

file

DATE  
Helen Chapin G.  
Mr. Harri...  
10-14-54 NEA:AF 110  
10/14

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SUBJECT: Expression of Appreciation for Facilities Extended to Mr. H.O. Walker, Chief Meteorologist of the Gold Coast.

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MESSAGE CENTER  
NEA CENTER

The officer in charge has been requested by Commander Jackson of the Volta River Project Preparatory Commission to express appreciation to the Department of State for facilities which were extended to Mr. H.O. Walker, Chief Meteorologist of the Gold Coast, during his stay in the United States. He also expressed thanks to the United States Weather Bureau, Bureau of Reclamation and the United States Geological Survey for the facilities placed at Mr. Walker's disposal and for their very valuable help and advice. The Consulate General has given assurances that the Department of State and other agencies will be informed of his appreciation.

845K.2614/10-754

Richard V. Fischer  
Richard V. Fischer  
American Vice Consul



OCT 20 1954  
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DEPARTMENT OF STATE

1954 OCT 12 PM 1 59

DC/R  
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RVF/aks.  
REPORTER

UNCLASSIFIED

ACTION COPY -- DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

LWC

DECLASSIFIED

NOV 7 1957

THIS DOCUMENT MUST BE RETURNED TO THE NM/R CENTRAL FILES

7555  
m/r

MEMORANDUM FOR ERIG. GEN. A. J. GOODPASTER  
THE WHITE HOUSE

Subject: Letter from Prime Minister Nkrumah of Ghana.

There is enclosed a suggested reply to Prime Minister Kwame Nkrumah's letter to the President of October 17, 1957 regarding the Volta River Project.

845k.2614

FISHER HOWE

Fisher Howe  
Director  
Executive Secretariat

Enclosures:

1. Suggested reply.
2. Letter from Prime Minister Nkrumah, October 17, 1957

DATE	28
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S/S-RO  
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A copy of signed original

P.H.  
Ltr from  
D.O. &  
to P.M. of Ghana  
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AF:AFS:DDumont:rmcp 10/31/57  
Retyped in S/S-RO 11/5/57

NMA/AF - Mr. Palmer

OSK. 2014/10-1757

OS/A

2014/10-1757

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MEMORANDUM FOR BRIG. GEN. A. J. GOODPASTER  
THE WHITE HOUSE

Subject: Suggested Reply From the President to Letter  
From Ghanaian Prime Minister Kwame Nkrumah  
Regarding Volta River Project.

There is enclosed a proposed reply the President might  
wish to send to Prime Minister Nkrumah in answer to the  
latter's letter of October 17, 1957 regarding the Volta  
River Project.

Fisher Howe  
Director  
Executive Secretariat

Enclosures:

1. Suggested reply.
2. Letter dated October 17, 1957  
from Ghanaian Prime Minister  
Kwame Nkrumah.

NEA/AF - Mr. Palmer

AF:AFS:DDumont:rmcp 10/31/57

DECLASSIFIED

SUGGESTED REPLY

White House  
approved and sent  
signed letter on 11/8

Dear Prime Minister:

Thank you very much for your letter of October <sup>seventeenth</sup> 1957  
regarding the Volta River Project and enclosing the  
Report of the Preparatory Commission.

As a result of the Vice President's trip to Ghana  
earlier this year and my subsequent talks with him and  
with Mr. Gbedemah, I feel that I have acquired a certain  
familiarity with your vital new nation. I am sure you  
know that your country has our best wishes for success  
in its efforts to solve its problems and to realize its  
aspirations for a peaceful, stable and prosperous future.

Sincerely,

signed 11/8  
Dwight Eisenhower

The Honorable  
Dr. Kwame Nkrumah,  
Prime Minister of Ghana,  
Accra.

AF:AFS:DDumont:rmcp 11/1/57  
Retyped in S/S-RO 11/7/57

NEA/AF - Mr. Palmer

SUGGESTED REPLY

Dear Prime Minister:

Thank you very much for your letter of October 17 regarding the Volta River Project and enclosing the Report of the Preparatory Commission.

As a result of the Vice President's trip to Ghana earlier this year and my subsequent talks with him and with Mr. Gbedemah, I feel that I have gained a good familiarity of your vital new nation. I am sure that you know that your country has our every good wish for success in its efforts to solve its problems and to realize its aspirations for a peaceful, stable and prosperous future.

Sincerely,

The Honorable  
Dr. Kwame Nkrumah,  
Prime Minister of Ghana,  
Accra.

AF:AFS:DDumont:rmcp 11/1/57  
Retyped in S/S-RO 11/4/57

NEA/AF - Mr. Palmer

SUGGESTED REPLY

Dear Prime Minister:

Thank you very much for your letter of October 17 regarding the Volta River Project and also for being so kind as to send me the Report of the Preparatory Commission.

As a result of the Vice President's trip to Ghana earlier this year and my subsequent talks with him and with Mr. Gbedemah, I feel that I have gained a good familiarity of your vital new nation. I am sure that you know that your country has our every good wish for success in its efforts to solve its problems and to realize its aspirations for a peaceful, stable and prosperous future.

Sincerely yours,

The Honorable

Dr. Kwame Nkrumah,

Prime Minister of Ghana,

Accra.

AF:AFS:DDumont:rmcp 11/1/57

NEA/AP-107 Palmer

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MOST BE MAINTAINED  
TO THE RM/R  
CENTRAL FILES

74

NOV 5 - 1957

MEMORANDUM FOR MISS ROSE MARY WOODS  
OFFICE OF THE VICE PRESIDENT

345 le. 2614

Subject: Suggested Reply from the Vice President to  
Letter from Ghanaian Prime Minister Kwame  
Nkrumah regarding Volta River Project.

There is enclosed a proposed reply the Vice President  
might wish to send to Prime Minister Nkrumah in answer to  
the latter's letter of October 17, 1957, regarding the  
Volta River Project.

William B. Macomber, Jr.  
Assistant Secretary

845K.2614/11-557

Enclosures:

- 1. Suggested reply.
- 2. From Prime Minister Kwame, Nkrumah,  
October 17, 1957.

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CR

November 5 1957

LWS

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(See attached blue for initials)

NEA/AF- Mr. Palmer

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NOV 5 1957 A.M.

11-55

7555

MEMORANDUM FOR ROSE MARY WOODS  
EXECUTIVE SECRETARY TO THE VICE PRESIDENT

Subject: Suggested Reply From the Vice President to  
Letter From Ghanaian Prime Minister Kwame  
Nkrumah Regarding Volta River Project.

There is enclosed a proposed reply the Vice President  
might wish to send to Prime Minister Nkrumah in answer to the  
latter's letter of October 17, 1957 regarding the Volta River  
Project.

Fisher Howe  
Director  
Executive Secretariat

Enclosures:

1. Suggested reply.
2. Letter dated October 17, 1957  
from Ghanaian Prime Minister  
Kwame Nkrumah.

NOV 1 1957

NEA/AF-M Palmer

AF:AFS:DDumont:rmcp 10/31/57

DEPARTMENT OF STATE

Handwritten initials and marks

Handwritten signature

PERMISSION TO REPRODUCE THIS DOCUMENT IS GRANTED BY THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

SUGGESTED REPLY

Dear Mr. Prime Minister:

I want to thank you for your interesting letter of October 17 regarding the Volta River Project, as well as the accompanying volume devoted to the Report of the Preparatory Commission.

I cherish the memory of my visit to Ghana on the occasion of Ghanaian independence and I hope that we may meet again in the not too distant future.

Sincerely yours,

The Honorable

Dr. Kwame Nkrumah,  
Prime Minister of Ghana,  
Accra.

AF:AFS:DDumont:rmcp 11/1/57

NEA/AF-Mr. Palmer

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OFFICE OF STATE

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RECORDS  
DIVISION  
WASHINGTON

SECRET 5/18/59



EMBASSY OF GHANA  
2139 R STREET, N.W.  
WASHINGTON, D. C.

Handed to  
Acting Secretary Dillon  
May 11, 1959

175

ACTION  
is assigned to  
AF

*Reading*

The Ambassador of Ghana presents his compliments to the Secretary of State and has the honour to refer to the letter of the Prime Minister of Ghana, Dr. Kwame Nkrumah, of March 14, 1959, addressed to the American Ambassador in Ghana, His Excellency Wilson C. Flake, concerning the Reassessment Report on the Volta River Project.

WVA

45K.2614/5-1159

A memorandum on the question of financing the construction of the dam and power installation at Kosombo is hereby submitted.

The Ambassador of Ghana avails himself of this opportunity to renew to the Secretary of State the assurances of his highest consideration.

US/K

file - 5/13/59  
text of note sent to Africa  
by telegram  
EORJ.

This Document must be Returned  
to the RMR Central Files

Washington, D.C.  
11th May, 1959.

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MAY 11 1959

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SECRET



3-

their aspirations and expectations. The Government of Ghana further believes that in the task of promoting and strengthening peace, prosperity and stability based upon international justice, its interests are identical with those of the Government of the United States of America.

This identity of interests is illustrated by the fact that shortly after the visit of the Prime Minister of Ghana, Dr. Kwame Nkrumah, to the United States in July, 1958, the Government of Ghana, in cooperation with the Government of the United States of America, entered into a contract with the Henry J. Kaiser Company for a reassessment of the 1955 reports on the Volta River Project. This study by the Kaiser engineers was completed and presented to the Government of Ghana on February 27, 1959.

On March 14, 1959, the Prime Minister of Ghana, Dr. Nkrumah, addressed to the Ambassador of the United States of America to Ghana, His Excellency Wilson C. Flake, a letter together with a copy of the Reassessment Report prepared by the Henry J. Kaiser Company; in this letter the Prime Minister of Ghana stressed the desire of his Government to seek the assistance of the Government of the United States in its effort to interest industries which would be large consumers of power generated from the Volta River and also in working out a plan for the financing of the construction of the dam and power installation at Kosombo.

On the first request, the Government of Ghana notes with gratitude the steps already taken by the Government of the United States through its Department of Commerce in publishing in the Foreign Commerce Weekly of April 20th, 1959, a summary of the Reassessment Report, which drew to the

/attention of.....

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attention of American businessmen the potential for industrial development in the Volta River Valley.

On the second request, concerning the working-out of a plan for the financing of the construction of the dam and power installation at Kosombo, the Government of Ghana wishes to put forward the following points for the consideration of the Government of the United States:

- (1) The Kaiser report shows the economic feasibility of an aluminium industry in Ghana. The report also shows that electric power can be generated at a comparatively low cost and that construction costs will be lower than those set forth in the 1955 report.
- (2) As a result of the publication of the Kaiser Reassessment Report, several of the major aluminium companies are manifesting great interest in the possibility of forming a consortium of aluminium companies to finance a smelter and related works in Ghana, which would utilise a substantial portion of the power to be generated by the Volta River Project.
- (3) It has, however, been the impression of the Government of Ghana during all the talks it has undertaken with these companies, that one of the most important things which they desire to know before they can make any specific proposals to it is that they require a fairly firm expression from the Government of Ghana as to what the rate of cost of the electric power to potential industrial consumers will be.
- (4) The Government of Ghana wishes to emphasise that it is in no position at the moment to give even an

/approximate rate.....

approximate rate of cost for this power unless it is also in the position to know what the approximate interest and loan amortisation costs of the project will be.

- (5) Recalling therefore, the hope expressed by the Prime Minister of Ghana, Dr. Kwame Nkrumah, in his joint statement with the President of the United States, Mr. Dwight D. Eisenhower, to the effect that the Government of the United States would find it possible to assist the Government of Ghana with its development programmes, and recalling also the sympathetic interest which the President of the United States showed in the development programmes of Ghana, the Government of Ghana would now wish to know the general basis upon which it may expect to be able to secure United States financial aid for the Volta River Project.

The Government of Ghana will be most grateful to ascertain:

- (A) How much of the total financing of the construction of the dam and the power installation at Kosombo will be by loans and at what rate of interest and the amortisation rate and maturity of the loans.
- (B) How much will be by a direct grant.

The Government of Ghana at the moment is financing the construction of certain preliminary works at the Kosombo site and it is most anxious that there be no undue delay between the completion of these preliminary works

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and the start of the Kosombo dam construction. For this reason the Government of Ghana plans to proceed as soon as possible with Step One of the Volta Hydro-Electric Project as recommended by the Kaiser report, namely, the construction of the dam at Kosombo and the generation of power from it. This will involve the expenditure of approximately \$180,000,000 with an installed power generating capacity of 768,000 kw. The sources of financing for the estimated expenditure as at present envisaged are:

FOREIGN	--	\$127,000,000
GHANA	--	<u>53,000,000</u>
		\$180,000,000

It is realised that in order to arrive at an approximation of the financing conditions and resulting debt charges certain basic assumptions will have to be made. However, it is essential that a premise of the financing be now made in order that the Government of Ghana may, in turn, make power costs representations to the aluminium companies in order that they may then be more definite and specific in indicating their willingness to commit themselves for substantial blocks of power.

The Government of Ghana would be most grateful if the Government of the United States would advise it as soon as possible of the assistance which the Government of the United States may wish to give it in working out and implementing a plan for the financing of the construction of the dam and power installation at Kosombo.

May 11, 1959

NEA

76

April 22 1957

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FILE

Dear Mr. Knapp:

I want to thank you for your letter of April 5, 1957, and tell you how much I appreciate your courtesy and thoughtfulness in sending me a copy of Mr. Black's letter of March 15, 1957 to Dr. Nkrumah on the Volta River Project.

Sincerely yours,

William H. Rountree  
Assistant Secretary

Mr. J. Burke Knapp,  
Vice President,  
International Bank for  
Reconstruction and Development,  
Washington 25, D.C.

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DEPARTMENT OF STATE

*Memorandum of Conversation*

DATE: May 10, 1957

SUBJECT: Conversation of Mr. G. van B. Slagle with Deputy Assistant Secretary Joseph Palmer 2nd

PARTICIPANTS: Mr. G. van B. Slagle - Foreign Construction Associates  
Mr. Joseph Palmer 2nd - NEA  
George D. LaMont - AFS

COPIES TO: NEA - Mr. Palmer - 2  
AFS - 4  
OLI - 2

American Embassy, Accra

Miss Rose Mary Woods of the Vice President's office telephoned yesterday afternoon and asked Mr. Palmer if he would see Mr. G. van B. Slagle who had been trying to see the Vice President for several days. Mr. Palmer agreed and Mr. Slagle later that afternoon called at the Department, representing his business as urgent. He exhibited an agreement he and Mr. Leith obtained from Prime Minister Nkrumah of Ghana in which they were given three months to obtain backing to undertake the Volta River Project. Mr. Slagle said they had also agreed to help finance the Tema Housing Project. He is in urgent need, he said, of some kind of concrete backing from the United States Government to get these projects on the way. For the Volta River Project he hoped to obtain an Export-Import Bank loan of from \$100-200 million, and the balance he was confident of being able to obtain from private interests, such as automobile companies, the Sun Life Insurance Company of Canada, aluminum companies and Petrofina (Belgian oil company). He realized that the Tema Housing Project is not one for which one could obtain a private bank loan and so he hoped that the United States Government would put up about \$30 million as a loan on this project. He recognized that the Export-Import Bank would probably not assist in a project of this kind and therefore wished to explore the possibility of International Cooperation Assistance. He knew that a United States Government loan would not be easy to obtain in the short time at his disposal, hence his reason for desiring the assistance of the Vice President to cut the red tape.

Mr. Palmer

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Mr. Palmer told him that we were naturally interested in helping Ghana in every way possible and in supporting responsible American enterprises which are in a position to assist in Ghana's development. He said that when Mr. Leith called upon him, he had agreed to submit evidence of his group's financial backing but that we had seen nothing as yet. He suggested to Mr. Slagle that he write a letter giving the details of his problem. He said that he knew of no source for a Government loan of this kind except through the International Cooperation Administration. He emphasized the limitations on those funds and said he was under the impression they are practically exhausted this year particularly in the light of the Richards Mission requirements. He said that we would be glad to arrange for Mr. Slagle to discuss his problem with ICA.

Mr. Slagle said that in addition to himself and Mr. Leith, the "Associates" in Foreign Construction Associates consist of Mr. Fraser who was in the Kaiser-Fraser automobile venture, and some people from Houston, Texas. Mr. Slagle said that he himself used to be with Electric Bond and Share Company until two years ago when he set up his present business of obtaining construction contracts abroad.

He said it was particularly important that he and his associates succeed in this venture, as otherwise the Soviets would undertake the project for Ghana.

In reply to a question, he said that the Tema Housing Project is not legally tied in with the Volta Project, and that if he is unable to obtain the desired backing for the Tema Project, it did not follow that he would automatically lose the Volta River Project.

He said that the Utah Construction Company, a well-known organization, would build the Tema Housing Project. He did not indicate that there would be competitive bidding on that project.

At one point in the conversation, Mr. Slagle mentioned that he had made a contribution to the Convention Peoples Party. He said they alleged they needed some funds to carry a certain area which they might otherwise lose. He said he was unable to contribute the amount asked in the absence of any definite contract for construction work but gave them half of what they asked.

Mr. Slagle did not give the appearance of being either a financier or a wealthy man. He seemed tense and wrapped up in this project to the exclusion of all else.

Mr. Slagle said that his address while in New York is at the Commodore Hotel. He did not mention the office in New Jersey where he has a telephone answering service. The address given on his card for Foreign Construction Associates is 309 Bay Street, Nassau, British West Indies. According to Commerce, they also have offices in Panama and Houston.



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### Memorandum of Conversation

DATE: September 25, 1957

**SUBJECT:** Courtesy call by Ghana Minister of Finance, K. A. Gbedemah - Ghana's economic development and assistance plans hinge on decisions regarding Volta project.

**PARTICIPANTS:** Mr. K. A. Gbedemah, Ghana Minister of Finance  
Mr. Hamish Miller-Craig, Permanent Secretary, Ghana Ministry of Finance  
Mr. Richard Akwei, Second Secretary, Ghana Embassy  
AF - Mr. Joseph Palmer  
AFS - Mr. C. Vaughan Ferguson, Jr.  
AFS - Mr. Donald Dumont

**COPIES TO:**

- ED - 2 / Embassy, Accra - 1
- OLI - 2 / AF - Mr. Palmer - 1 cc
- DRN - 2 / NEA - Mr. Berry - 1 cc
- AFS - 4 / NEA - Mrs. Perry - 1 cc
- Amembassy, London - 1 / AFS - D. E. Longanecker - 1

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In the exchange of amenities, Mr. Palmer asked the Minister for his opinion on relations between Ghana and the U. S. during these six months that have elapsed since Ghana became independent. Mr. Gbedemah said that he thought they were very good and praised the job that Ambassador Flake was doing as representative of the U.S. in Ghana. He hoped that Ghana-U.S. relations would become more intimate. He did not say how this might be done but immediately observed that since America was known to be a very generous country, U.S. assistance for Ghana would be forthcoming. He said, however, that his Government wanted to take its time in presenting any program request to the U.S. for assistance and that to ask at this time for 2 or 3 million dollars would not be the right way to approach this problem. In response to a question he said categorically that the Volta River project is a matter of momentous economic import to his country. Until the question of how the Volta scheme was to be handled, there was no point in devoting great attention to technical assistance matters.

Mr. Gbedemah went on to say that his Government considered that having to rely on cocoa for 60-70 percent of its national income represented an unhealthy economic condition for the nation and this was why the plans for implementing the Volta project meant so much to Ghana. The Volta would be of immense value to Ghana because it would permit diversification of the country's economy; this seemed to the Minister of as much importance as the actual production of aluminum. Parenthetically he added that the alternative of simply producing alumina instead of aluminum was of no interest to Ghana because alumina would bring very little money to the country and moreover would not provide for the creation of a dam that would give power to new industries and irrigate vast tracts of land for crop diversification. The Minister said that he planned on seeing more people and

organizations

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organizations in his search for means of accomplishing the Volta project. He was going to see Governor Stevenson in Washington on Thursday, September 26 in order to find out what the Reynolds interests might be able to offer and on Friday he was going to leave for Canada to talk with the Canadian Aluminum representatives. He said that it was only proper to talk to ALCAN before any decision was made because ALCAN had an option on the bauxite deposits and the Minister wanted to know what ALCAN would do now in the way of a new commitment. Not until he knew ALCAN's present views on the project would the Minister know whether he would come back to this country and talk with other people.

In addition to his call on Mr. Henry Kearns, Assistant Secretary of Commerce, and the Secretary of the Treasury, on Wednesday, September 25 the Minister noted that he would be seeing ICA people and Export-Import people on Thursday, September 26, the same day he planned on seeing Governor Stevenson.

Mr. Palmer assured the Minister of our continued interest in Ghana and in developing close relations with it. He emphasized that the Department was most anxious to make the Minister's trip to the U.S. a pleasant one and to help him in every way possible.

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FOREIGN SERVICE DESPATCH

(Security Classification)

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FROM : Amembassy, Accra, Ghana

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DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 24, 1958  
DATE

REF :

17 For Dept. Use Only	ACTION	DEPT.
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	AF-5	IN Rmk.2 Rep-2 IKC-8 ICA-10 EY W-1
	3-4	Com-10 Army-5 Cia-12 IN-7 XMB4 Air-3 US-7-10

SUBJECT: Editorial on U. S. Role in Volta River Project

2614

The first editorial comment to appear in Ghana on the Nkrumah-Eisenhower correspondence (announced February 20) concerning the Volta River project was published in the February 22 issue of the Ashanti Pioneer (Opposition). The full text of that editorial is enclosed.

The principal point made by the editorial is that the United States could perform a useful role by extending aid (presumably on a grant basis) to Ghana to cover the difference between the prevailing interest rate for long-term public and private capital and a rate of 3-1/2 percent which the paper assumes would make the project economic. The editorial also emphasizes the continued importance of a firmly anti-Communist posture by the Nkrumah government.

FOR THE AMBASSADOR:

*John Q. Blodgett*  
John Q. Blodgett  
Second Secretary of Embassy

Enclosure: *[Signature]*  
Copy of Editorial

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JQBlodgett:td  
REPORTER

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HBS

No Traffic In Optimism

With the offer of United States good offices by President Eisenhower and its acceptance by Prime Minister Nkrumah things have begun to look up in regard to the Volta River Project. But the offer, at this stage, is no signal for a wanton traffic in optimism.

More forces than President Eisenhower have been trained on the scheme. Indeed he is the latest one, and it will be the beginning of safety not to anticipate that he has come in, dangling the magician's wand.

Prime Minister Nkrumah has not disguised the fact that it was he who first made a personal approach to President Eisenhower. The offer of good offices, therefore, represents United States confidence in Ghana that imposes on Ghana certain inescapable duties.

In his statement to Parliament last Thursday, Mr. Nkrumah made it plain that there had been deadlock in the negotiations with the principal party, the Aluminium Limited, of Canada, and that he intends to have a general review of the position with them in the first place.

President Eisenhower's role has been stated to be "examining possible ways under which the scheme might be started." This means, of course, that should the deadlock with Aluminum Limited continue it will fall to the President to help in securing alternative avenues.

Obvious Alternative

The only obvious alternative then would be the world money market, both East and West. Ghana, however, has made it clear that she has no intention to look to the East. This brings us back to the West and to President Eisenhower.

Prime Minister Nkrumah mentioned two major factors that currently stand in the way: first, the recession in sterling and dollar areas which has tended to make the original participants hesitant; second, the terribly high Bank rate in the United Kingdom.

The British credit squeeze is a matter of national life and death aimed at curbing inflation and strengthening the pound sterling. On this, it would be unthinkable to expect the United Kingdom Government to compromise at this stage. The Bank rate remains as high as seven percent. This young Ghana cannot afford.

The Bank rate is a little lower in the dollar area, but still it is around six percent which also Ghana cannot afford. Moreover, there is the essential balance between the sterling and dollar areas which Ghana must respect.

Profoundly Herculean!

What Ghana could afford should be much lower--anything up to, say, three or three and a half percent. Could President Eisenhower persuade the Western money markets to come down to within Ghana's pocket?

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Page 2 of 2

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Disp. No. 285

From Accra, Ghana

That, verily, would be most unprecedented, profoundly herculean! What, obviously, the President could do would be to provide a cushion covering the margin between Ghana's capability and the current rate of interest in the form of aid.

This way presents far-reaching political problems. It will devolve on the President then to assure that the Volta Project will not fall to the Communists.

That, again, brings out one vital aspect of the whole business: a substantial portion of the making of the success of President Eisenhower's good offices lies in this country--in the ability of the Nkrumah Ghana government to demonstrate to the world that its determination to eschew Communism has been turned to the last screw and cannot easily be unwound.

On this score, one hopes that President Eisenhower's good offices will give no cause for pessimism either.

For the Ambassador

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DEPARTMENT OF STATE

Memorandum of Conversation

90

DATE: March 13, 1958

SUBJECT: Volta River Project

PARTICIPANTS: Mr. Clifford Shields, Vice President, Farrell Lines  
Mr. C. Vaughan Ferguson, Jr., Director Office  
of Middle and Southern African Affairs

COPIES TO: AF - Mr. Palmer (cc)  
AF/EX - Miss Montague (cc)  
IRC 2  
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~~Ambassy - 4074~~

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MAR 18 1958

1-1428

Mr. Shields informed me that Mr. Dana Bartholomew, Vice President of Aluminium, Ltd., of Canada, had told him that ALCAN would not be a dog-in-the-manger on Volta and would cede their concessions on Ghanaian bauxite if any other private interest were seriously interested in proceeding with the project.

Mr. Shields also said that Messrs. Slagle and Leith were back in the picture and in addition to their interest in Volta were now promoting a timber project in Ghana in association with a lumber company in Arlington, Virginia.

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: May 5, 1958

SUBJECT: Interest of Kaiser Aluminum Company in Volta Project

PARTICIPANTS: Mr. Richard Ward, Assistant to the Vice President, Kaiser Aluminum Company, Washington, D. C.

Mr. C. Vaughan Ferguson, AFS  
Mr. W. R. Duggan, AFS  
Mr. E. L. Padberg, AFS

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AF/EX - Miss Montague

ICA - Mr. Buller  
Mr. Flesher  
Miss Painter  
American Embassy, ACCRA

MAY 12 1958

1-1498

Mr. ward called at the Department at his request for the purpose of reaffirming Kaiser Aluminum Company's interest in the Volta River Project.

Mr. Ward related that, following a recent inquiry by Mr. Carroll Flesher of ICA, he had upon authorization of Mr. Edgar Kaiser, President of Kaiser Aluminum, reaffirmed to Mr. Flesher Kaiser's previously expressed interest in establishing a smelter in Ghana providing bauxite and low cost power are available.

In discussing various aspects of the project, Mr. Ward mentioned Kaiser is neither willing to participate in financing the construction of the dam, nor to conduct at its own expense a survey which is needed to determine what the cost of power would be to the smelters. This, he said, does not preclude any interest Kaiser's other companies have in obtaining any of the engineering or construction contracts that might be awarded.

Mr. Ward made the suggestion that ICA might be willing to finance the power survey mentioned above.

In response to the Department's inquiry, Mr. Ward said Kaiser has given no consideration to entering into a consortium with other aluminum companies.

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## Memorandum of Conversation

DATE: May 6, 1958

SUBJECT: Status of ICA's Efforts to Determine the Interest of American Aluminum Companies in the Volta River Project.

PARTICIPANTS: Mr. Joseph Palmer 2nd, Deputy Assistant Secretary, AF ICA-Mr. Van Dyke  
 Mr. C. Vaughan Ferguson, Director, AFS Mr. Moffat  
 Mr. W. R. Duggan, AFS Mr. Flesher  
 Mr. David Longanecker, AFS Mr. Buller  
 Mr. R. W. Ross, AFS Miss Painter  
 DLF-Mr. Carey

## COPIES TO:

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American Embassy, ACCRA

American Embassy, LONDON

MAY 20 1958

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Mr. Palmer opened the meeting by stating that it appeared to be desirable to recapitulate at this time the status of ICA's efforts to ascertain the interest of American private capital in participating in the Volta River Project in Ghana.

Mr. Flesher, who has been spearheading this activity in ICA, reported that Aluminum of Canada is not interested in the project at this time but will be glad to make appropriate arrangements with respect to its bauxite concessions in Ghana with any other company or companies interested in participating. Reynolds Metal and Kaiser Aluminum are definitely interested if assured of cheap power, but only the former is willing to invest a substantial amount in the project. The Kaiser Company, however, comprising both engineering and aluminum industry operations, is interested in participating in the entire project, not only in the aluminum operation but also in the engineering and construction of the whole project. Mr. Flesher feels that it would be desirable for an American firm, such as Kaiser, to undertake supervision of the engineering and construction of the entire project. He felt that power could be produced for 3.5 mills per kWh.

Mr. Flesher said that Professor Lewis, economic adviser in the Ghana Government, informed him last week that the Government does not propose to put any money into the dam and power facilities, but is thinking of confining its financing to the other public segments of the project; i.e., the roads, railways, housing, and the port of Tema. The Government is proposing to spend E39 million (\$109.2) on these whether or not the Volta Project is undertaken. Mr. Flesher felt that the prospects for financing Volta have improved in view of the interest of the two American

aluminum

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aluminum companies. Its chances would be further advanced if the Ghanaian Government can be persuaded to abandon what may be termed as the "frill" facilities, i.e., the permanent housing, roads, etc., and confine the project to the essential productive elements. If the Ghanaian Government would provide \$80 million for the dam, power plant and transmission facilities, it would provide a substantial basis for interesting other sources in financing the remaining \$80 million required for this part of the project. Another \$221 million would be needed for the railways, housing, port, and similar facilities for which the Government, however, is proposing to provide \$109 million in any event. The aluminum smelter and mining operations are estimated to require an investment of \$256 million. These component costs add up to a total of \$637 million.

As Professor Lewis requested, Mr. Flesher is going to consult the Allen Company in New York concerning its interest. This is a company with which Mr. Slagle now claims to be associated.

Mr. Moffat said that during his recent stay in Ghana he asked Commander Jackson how much the Ghanaian Government would put into the project, and Commander Jackson mentioned a considerably larger figure than the E39 million mentioned by Professor Lewis last week. Mr. Moffat wondered whether Aluminium Limited (Canada) might reconsider its position of disinterest now that several American companies appeared to be willing to participate. Mr. Flesher responded with the view that Aluminium might reconsider to the extent of a very minor participation.

Mr. Palmer stated he would like to develop a concise summation of the situation and views on where this Government should go from here. Mr. Flesher expressed the view that if the two American companies are willing to commit themselves to the project, it should be discussed again with the Ghanaian Government and an attempt made to persuade the latter to rephrase it, eliminating the so-called "frills" and concentrating on getting the dam and power facilities financed and underway. It might be fruitful to try to obtain some financing, even though in token amount, from the British Government. The Ghanaian Government may be able to get the project underway by putting up a sizeable enough portion of the financing required for the power facilities to influence the IBRD to make a loan covering the balance. This done, the Ghanaian Government should be able to interest one or more private aluminum companies in active participation in financing and operating the mining and smelter facilities.

Mr. Palmer mentioned that Prime Minister Nkrumah in his letter to President Eisenhower mentioned that some \$225 million of Government funds and approximately \$160 million of private capital would be required for the first stage of the project and an additional \$15 million and \$100 million, respectively, for the final stage. These figures totaled \$500 million compared with the \$637 million mentioned by Mr. Flesher and the around \$900 million estimate in the Preparatory Commission's report when raised by the recommended 40-50 percent

for the

for the cost increase expected before the project could be completed.

Mr. Flesher commented to the effect that if the Ghanaian Government put up \$80 - \$100 million, the IBRD should be willing to loan the balance of \$60 - \$80 million if the Government could assure aluminum industry participation.

Mr. Palmer asked what our next step should be, and it was agreed that the Ghanaian Government should be informed of the status of ICA's "catalytic" effort.



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AFS: E. L. PADBERG, JR.

DEPARTMENT OF STATE

(39)

MEMORANDUM OF CONVERSATION

YR 033,45j 11  
811.05145j (83)

DATE: May 27, 1958

SUBJECT: Volta River Project - U. S. Position to be Taken in the Secretary's Talks with Prime Minister Nkrumah.

PARTICIPANTS: Department of State  
 Mr. C. Vaughan Ferguson, Jr. & AFS  
 Mr. George D. Lamont, AFS  
 Mr. George Dolgin, AF  
 Mr. William R. Duggan, AFS  
 Mr. Thomas Favell, ED  
 Mr. David Longanecker, AFS  
 Mr. Eugene L. Padberg, Jr., AFS

ICA  
 Mr. Carl Fleisher, DD/S  
 Mr. Abbot Low Moffat,  
 Mission Director, Ghana  
 Mr. Hyde G. Buller, CAFR  
 Miss Mary Painter,  
 Ghana Desk Officer

Department of Commerce  
 Mr. John H. Styer, BDSA  
 Mr. Delbert C. Gordon, FC  
 Mr. James F. Laverty, FC

COPIES TO: ALL PARTICIPANTS  
 S - Mr. Julius C. Holmes  
 AF - 2 (cc)  
 W - Mr. Whitehouse  
 E - Mr. Robinson

JUN 6 - 1958  
 IRC - 2  
 AFS - 6 (lcc) (Mr. Longanecker)  
 American Embassy, ACCRA  
 American Embassy, LONDON

The meeting was called by Mr. Duggan for the purpose of discussing and clarifying the United States position to be taken by the Secretary in his talks with Prime Minister Nkrumah.

Mr. Duggan opened the meeting by stating that the position of the United States on the Volta Project must be established by July 4 as the position paper must be in the Secretary's office about two weeks prior to Nkrumah's arrival in Washington on July 23.

Mr. Duggan reviewed the history of the Project; its present estimated cost of around \$900 million, based on the 1956 published report plus a 45% increase for further inflation (In this connection Mr. Fleisher subsequently pointed out that as indicated in the Commission's report only about half or \$450 million is believed essential for the basic production of aluminum and most of the remainder is for other possible investments and for the general benefit of the country regardless of the decision on the Volta Project. Therefore, he believed, much of the latter might be more easily financed by Ghana after the basic productive facilities commence operation.); Nkrumah's letter of November 12, 1957, to President Eisenhower asking for U.S. help in raising capital for the Project or "help in getting the Project off the ground"; the President's letter of reply and the oral statement which Ambassador Flake and Mr. Moffat had been authorized to make at the time of the letter's presentation to

the effect

the effect that the United States was willing to serve as a "catalyst" for the Project and ICA would be the "catalytic agent"; and the fact that the Project has become extremely important politically to the Prime Minister and his Government.

Mr. Duggan, for purposes of arousing discussion, proposed two possible positions for the group's consideration:

1. That we indicate: (a) our readiness to assist Ghana with a specific sum from U.S. Government sources, and (b) our willingness to continue our efforts to interest possible American aluminum industry participants in the Project.

2. That we seek to disengage ourselves from the role of "catalyst" in this Project by indicating to the Prime Minister our lack of success in obtaining clear-cut interest on the part of American investors and at the same time stress again Ghana's primary responsibility for development of the realization of the scheme.

Mr. Flesher then summarized the steps taken by ICA to interest American capital and the current status of these efforts:

1. Kaiser and Reynolds, he said, are the only two American companies that have expressed any interest in the Project, and of the two Kaiser is the more interested. Kaiser's interest is in mining the bauxite and in erecting a smelter. It is not interested in participating in financing the costs of the dam and power facilities, and it would prefer to purchase its power requirements. In addition, he stated, Kaiser Engineering would be interested in obtaining the entire engineering and construction contract for the Project.

2. Mr. Flesher said he was convinced that the only way to get the Project started was to break it up and to get the dam and power facilities underway first. This, he said, would be possible if Ghana would agree to invest a substantial sum, \$75 million or more, in the construction of the dam, power plant and transmission facilities. This would provide a substantial basis for interesting other sources in financing the remaining amount required for this part of the Project. In this connection, Mr. Flesher said he discussed the financing of the dam and hydro-electric component of the Project with the IBRD and Eximbank. IBRD's reply was that it could not tell him anything until something specific was presented. Mr. Brand of the Eximbank, however, was much more positive, in that the Directors after discussing the matter had indicated that, although they could give no definite opinion, they would be willing to look at anything presented. Both banks, he said, are always willing to look at self-liquidating projects, such as the hydro-electric component of the Volta Project.

3. Mr. Flesher stated that on May 26 he had seen Sir Robert Jackson, Chairman of the Ghana Development Commission, and that Sir Robert had agreed that if the Volta Project is to get started, it would be necessary for Ghana to contribute a sizeable amount of its development funds towards the construction of the dam and power facilities. Sir Robert, he said, had indicated that he was prepared to press this position with the Prime Minister. Subsequent to the meeting, a detailed

summary

summary of the major conclusions reached in this discussion with Sir Robert Jackson was prepared by ICA and is attached as Appendix A.

4. In this connection, Mr. Moffat mentioned that when he had had occasion to discuss the Volta Project with Sir Robert during the 4-day African seminar last week at the Greenbrier Hotel, Sir Robert had indicated he thought Ghana could invest \$75 to \$80 million in the dam and power facilities. Sir Robert, he said, told him that both he and Gbedemah have stressed and will continue to point out to Nkrumah that nothing is going to happen on the Volta Project for some time in view of the recession in the United States and the consequent contraction of new investments by United States companies. He added, it has been impossible to convince Nkrumah of this, as he doesn't understand the word "recession" when Ghana's cocoa prices are rising. Nevertheless, Sir Robert stated it was his belief that if the United States can assure Nkrumah we are actively exploring the Volta Project and will continue to do so, this is all the commitment Nkrumah will want from us during his visit. In summation, according to Mr. Moffat, Sir Robert indicated that he is attempting "to keep the lid on" Ghana's expectations re Volta.

In the discussion that followed and in light of Sir Robert's statements as reported by Mr. Flesher and Mr. Moffat, it was the consensus of opinion that, in view of Kaiser's expressed interest in the Project and recognition of the fact that Kaiser could not make a decision to participate in the Project until the date in the 1956 study are brought up to date to determine the Project's feasibility, and present cost, the United States' position might be:

1. That we do not disengage the United States from its role of "catalyst" at this time.
2. That we inform Nkrumah of the results of ICA's efforts to date to interest American firms in the Project.
3. That Nkrumah be informed of the ICA's point of view of the need for breaking up the Project if it is to get started and the need for Ghana to invest a sizeable amount in the financing of the dam and power installation before Kaiser or any other company would be willing to make a definite commitment.
4. That if Ghana should agree to 3 above, an up-dating of the data in the 1956 Volta Commission's report is necessary to determine whether the production of aluminum in Ghana is still economically feasible.
5. That financing of the new survey to up-date the data will be Ghana's responsibility to arrange since Kaiser appears unwilling to do so.
6. That, as an expression of our continuing interest in Ghana and the Volta River Project, the United States Government offer through ICA to share the costs of the survey with Ghana.

(Regarding the cost of this survey it was the best estimate of those present that it should run between \$100 and \$200 thousand. ICA indicated its share of the costs of the survey could be made available from Fiscal Year 1959 funds.

With reference to the above, Mr. Favell stated that he felt that United States funds should not be used for a survey which Kaiser, if it is really interested, should pay for itself. Further, that since Kaiser is the only United States company involved at this stage, the United States would be laying itself open to criticism. Mr. Fleisher responded by stating that if the report were partially paid for by ICA the report would be published and become a public document which would be available to any interested firm. Further, that there could be no assurance that other firms would not want to make their own surveys rather than base their decisions on a survey made by Kaiser. In this connection, Mr. Fleisher pointed out that a survey in the United States, because of known cost factors, costs much less than a similar survey abroad; that Members of the Board of a U.S. firm in giving consideration to a foreign venture become cautious because of the unknown cost factors and tend to reject a survey on which they are to commit their company to spending large sums unless they have personal confidence in the firm responsible for the survey. Mr. Fleisher stated that he felt, and ICA's General Counsel agreed with him, that there would be nothing illegal in the United States charging whatever it might decide to pay towards the survey to pre-development of the Volta Project in view of our assumed role as "catalyst". Mr. Ferguson remarked that in any event a decision regarding ICA's sharing the costs of the survey could not be made at this meeting since it must be reviewed elsewhere in the Department.

7. That Nkrumah be informed that appropriate agencies of the United States Government would be prepared to consider the granting of a loan to help finance the cost of the dam and power installation when Ghana is in a position to show the United States that it has most of the funds in hand necessary for financing the dam and power component of the Project and definite commitments from one or more qualified aluminum companies covering the necessary private sector investments.

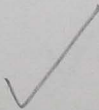
The meeting was concluded with Mr. Fleisher stating that he would continue to keep in touch with Kaiser for the purpose of determining the basis on which it would be willing to negotiate with the Ghanaians for the purchase of power. Once this indication is received, he stated, the onus will be on the Ghanaians to determine:

1. Whether they are willing to put up sufficient funds for the construction of the dam and power facilities, so that other sources such as the UK, the IBRD, Eximbank and DLF might agree to assist in this financing.
2. A price formula under which it would sell power to aluminum producers.

Attachment: *att n*

Appendix A, Summary of  
Conclusions of ICA Meeting  
with Sir Robert Jackson on  
Volta River Project.

*ELP*



APPENDIX ASummary of Conclusions of ICA Meeting with Sir Robert Jackson on Volta River Project  
May 26, 1958

Flesher and Jackson appeared to be agreed on the following:

1. Kaiser should first indicate whether, in principle, it would be willing after studying the dam and power situation to agree to pay a rate for power, if the studies indicate this would be economical, that would finance construction costs (including interest on capital investment at a realistic rate) maintenance and operating charges, depreciation over 40 years, and - for political reasons - yield a tiny margin of profit; provided it could control both design and construction of the dam and power facilities so as to ensure lowest possible capital cost (hence lowest power rate.)

2. If Kaiser accepts this principle above, then the ball is tossed to Ghana Government to:


a) agree that the mining of bauxite and its conversion to aluminum should be privately owned and operated by a foreign concern (perhaps with some private Ghanaian participation.

b) to arrange the financing of the dam and power facilities.

3. In connection with Point 2b, Flesher thought Ghana might have to invest nearly half the capital in order to attract the remaining capital needed (pointing out, however, that this would be a good investment under the principle agreed upon earning a fixed return which would make revenues available for other activities or make easily possible the financing of the ancillary projects.) Sir Robert agreed on the need for substantial Ghanaian investment. He thought perhaps 1/3 (or about £25 million) should be loaned to the Volta Authority each by Ghana, UK, and the IBRD.

4. If the principles set forth in 1 and 2 are agreed, then, in order to determine the actual facts on which to make a final decision, the Commission's study should be up-dated by engineers whose judgment would be accepted by Kaiser (and possibly also by Reynolds). Kaiser is unwilling to incur the costs of such study at this time.

5. It was mutually agreed by Flesher and Jackson that the financing of the ancillary projects (which the up-dating might modify from those proposed in the original plan) would follow easily and naturally if the major projects were in fact undertaken. It was suggested by Flesher and Moffat that DLF might well be a source for the financing of some of these ancillary projects.



PRIORITY

(Security Classification)

FOREIGN SERVICE DESPATCH

845J. 2614/7-358

FROM : Embassy, ACCRA

016

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 3, 1958

DATE

REF : CERP, Section B, Item VI A and Department's CA-9636, May 5, 1958 <sup>com</sup>

20 For Dept. Use Only	ACTION	DEPT.					
	COM-10	REP-1	IRC-8	ICA-10	AF-3	E-3	
	REC'D	IN F O	OTHER				
	7/9	Army-5	CIA-10	IN-7	XMB-4	Air-1	

SUBJECT: Electric Utilities - Ghana as of 30 June 1957

The following information is supplied in answer to the questionnaire enclosed with the Department's CA-9636 under reference.

1. Generating Capacity - Kilowatts

Diesel electric plants are used for the generation of electricity in all power stations of the Ghana Government Electrical Department. The distribution voltage to consumers of 400/230, 3 phase, 4 wire, 50 cycles is standard in all areas of supply with the exception of Tafo, which is to be changed shortly. The primary voltages in use at present are 11,000, 6,600 and 3,300 volts. The 6,600 volts are used in the Sekondi/Takoradi area. Ghana has a 29,907.5 kilowatt installed plant capacity.

Sixteen towns have electricity, and the Government plans to add more during its Second Development Plan starting July 1, 1959. The projects completed during FY 1957 under the First Development Plan are described below.

Accra - Two new generating sets comprising Mirrlees engines directly coupled to brush 1,660 KW alternators were commissioned during the year, bringing the total capacity of the plant to 9,720 KW.

The Ghana University College at Legon, which has installed 3,824 KW of plant, was acquired by the Electrical Department and connected into the Accra system by means of 11 KV overhead lines. This station is now used to supply the College and the outskirts of Accra.

Eight new substations were built and commissioned during the year, housing a total capacity of 1,960 KVA of transformers. Ten existing substations were increased in capacity by 1065 KVA through the installation of larger transformers. The important transmission and distribution works completed included 11 KV overhead lines from Cantonments to Giffard Camp and an 11 KV underground feeder, including a section of overhead line, from Korle Bu to Mamprobi. This network was also extended from Kokomlemle to Nima Police Station and the 3.3 KV network reinforced by an underground inter-connector between the Y.M.C.A. substation and James Town. The total installed capacity for Accra/Legon is 13544 KW with a maximum load of 9240 KW.

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LWS

Cape Coast - This town's generating plant is almost loaded to its capacity of 711 KW and work is progressing to accommodate a new 200 KW set. The maximum used here is 627 KW.

Tarkwa - Work has begun to install a 200 KW generating set which will increase its installed plant capacity from 570 KW to 770 KW. The maximum used here was 250 KW.

Dunkwa - This town has a generating capacity of 320 KW which is its peak load. This plant is adequate and no work was necessary in this area. The maximum used was 140 KW.

Bolgatanga - The peak load at this station rose from 56 KW to 67.5 KW. No development works are in progress. The maximum used here was 60 KW.

Ho - The power station and the major portion of the distribution system was completed during the year. Two 95 KW sets were installed and are ready for commissioning.

Aburi - The power station here has an installed plant capacity of 35 KW. The maximum used was 25 KW.

Pong-Tamale - This power station has an installed capacity of 80 KW. The maximum used was 25 KW.

Akim-Odu - The station here has an installed capacity of 320 KW. Development works in this area were almost entirely taken up with the extension of the supply from Akim Swedru to Awisa. A mile of 3.3 KV cable was laid and jointed and the transformer connection etc., was completed. The maximum load was 250 KW.

Swedru - No significant new works were carried out this year but reconstruction of the original distribution system in Winneba made good progress.

The rate of growth in this station was 13.5% and it is likely to exceed the installed capacity of 575 KW in the coming year. The maximum load in FY 1957 was 325 KW.

Asamankese - Work on this new station was well advanced during the year and the distribution system has been started.

Keta - Since this station was commissioned in 1955 a 500% increase in demand has been realized. This increase is attributed to the larger loads added during the year which represent a high proportion of the total output. Additional plants will be necessary to meet the anticipated load in the coming year. This station has an installed capacity of 102 KW. The maximum load in 1957 was 95 KW.

Village Electrification Schemes - In order to compile data on which to consider prospects for rural electrification, two experimental schemes were authorized. In Adisio, a simple distribution system was constructed and two high speed 12½ KW self-contained generating sets were installed and completed on October 1, 1956.

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(Classification)

Dep. No. 016

From: Embassy, Accra

Kumasi - The maximum demand in Kumasi increased by some 600 KW during the year and preparations were made for the installation of two additional sets which will increase the station capacity by 2,500 KW. Work progressed to improve the distribution in the commercial section, which was originally supplied direct from the power station, and a new substation at the Telephone Exchange was commissioned. Reinforcement of the Suame network improved the voltage in Ashanti New Town and the Morom areas. Total installed plant in this area is 4516 KW with a maximum load in 1957 of 2900 KW.

Sekondi/Takoradi - The installed capacity of 7,200 KW generating plant is in excess of the present demand due to the Harbor loads being less than anticipated. The maximum load is 3,710 KW. This excess capacity is, however, being rapidly taken up by the increase in light industrial loads and consumption is currently growing at the rate of approximately 12% per annum.

The 6.6 KV system has been improved in Takoradi and Sekondi but the work in Sekondi is not complete:

Takoradi - A new substation was provided in the main Shell Depot with a 300 KVA transformer. The J&P kiosk substation on Nzima road was replaced by a block building on an adjacent site and the transformer capacity increased from 100 KVA to 200 KVA. Switchgear to permit Dixcove Road Substation to be brought into the ring main system was installed in this substation after extensive cabling. A ring main unit was installed in the Dixcove Road Substation to complete the ring and another was installed at the Circle Substation to permit the extension of the H.T. system to the Whin River Area. A new substation was erected and commissioned at Whin River to improve the voltage in that area. To provide current to the Pioneer Tobacco Company factory, the H.T. system was extended from the Amanful Substation to the factory where a substation was built and one 300 KVA transformer commissioned. Another 300 KVA transformer is to be installed when received. The voltage in Takoradi remains low in a few areas but this will be improved after the installation of automatic voltage regulators at the main substation on the three main feeders from the power station at Sekondi.

Sekondi - A new substation was built on Boundary Road to replace the 6th Street J&P Kiosk Substation. All the cabling was laid and the switchgear installed. The 200 KVA transformer is installed and commissioning of this substation will take place soon.

Koforidua - This town had an installed capacity of 485 KW and installations have been completed to raise it to 905 KW by the addition of two 210 KW sets. The maximum load here was 350 KW.

Tamale - A new power station comprising three 113 KW generating sets was commissioned. New substations were also built and equipped in the town and considerable extensions made to the L.T. Mains. An additional 167 consumers were connected and the peak load increased to 260 KW. This area has an installed plant capacity of 509 KW and the maximum used was 324 KW.

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A similar scheme was started in Mampong Akwapim in December, 1956.

### 3. Net Electric Power Generation

The net electric power generation for the year under review was 262,902,841 KWH of which 75,889,841 KWH was generated by the Government Electricity Department and 187,013,000 KWH by private enterprise (principally the mining industries).

### 4. Energy Sales (Government)

	<u>Units KWH</u>	<u>%</u>
a. Residential	38 x 10 <sup>6</sup>	50
b. Commercial	6.8 x 10 <sup>6</sup>	9
c. Industry	19 x 10 <sup>6</sup>	25
d. Other - Flat rate prepayment, street lighting, miscellaneous	12.1 x 10 <sup>6</sup>	16
Total	75.9 x 10 <sup>6</sup> KWH	100%

Statistics on line mileage (Item 2) are not available since most of the electricity generated is used in the vicinity of the generating plants and statistics are not kept on existing lines.

For the Ambassador:



John Q. Blodgett  
Second Secretary of Embassy

APPROVED:



Peter Rutter  
Counselor of Embassy

cc: USOM

WILLIAMS & ASSOCIATES  
ECONOMIC CONSULTANTS  
P. O. BOX 14781 CERRITOS STATION  
LOS ANGELES 18, CALIFORNIA  
Tel. RE 2-8111

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AF

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*Longman*  
*EP*

PLAN OF NEGOTIATION FOR THE VOLTA RIVER PROJECT

I. We would like to contract with the government of Ghana to serve as Economic Consultant for the Volta River Project.  
August 6, 1958  
copy drafted 8-14-58  
El Padberg, Jr.  
for C. V. Ferguson  
signature.

The Honorable John Foster Dulles  
Secretary of State  
Washington, D. C.

Dear Sir: ~~It is proposed to have governmental participation to the extent necessary to produce certain returns.~~  
We desire to negotiate means of financing The Volta River Project by private capital with the government of Ghana.

The underwriting of the Volta River Project offers an opportunity for our nation to pointedly reveal to Africa, Asia and the Under-developed areas of the world the merit of a free enterprise economy. Because of some special circumstances, the development of this project in Ghana can commit this nation to free enterprise and can facilitate a friendly solution to the problems of the Middle East.

On an enclosed sheet we are outlining briefly the conditions under which we would like to negotiate with the government of Ghana.

If the State Department can find it convenient to take measures to facilitate completion of this agreement with Ghana to finance this project, we are certain that an avenue to committing the entire continent of Africa to free enterprise will be opened.

Thank you very kindly.

Yours very truly,  
*Albert R. Williams*  
Albert R. Williams

AUG 22 1958

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WILLIAMS & ASSOCIATES  
ECONOMIC CONSULTANTS  
P. O. BOX 14781 CIMARRON STATION  
LOS ANGELES 18, CALIFORNIA

PLAN OF NEGOTIATION FOR THE VOLTA RIVER PROJECT

- I. We would like to contract with the government of Ghana to serve as Economic Consultant for financing the Volta River Project.
- II. We propose to recommend a plan whereby the Project will be self liquidating.
- III. We propose to have governmental participation to the extent necessary to produce optimum returns.
- IV. We propose to have the Project underwritten by private capital.

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August 18, 1958

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Dear Mr. Williams:

Reference is made to your letter of August 6, 1958, in which you indicate your company's interest in being employed as a consultant by the Government of Ghana to negotiate the financing of the Volta River Project.

Inasmuch as the responsibility of obtaining private financing for the Volta River Project is with the Government of Ghana, it is suggested that any proposition your firm might wish to submit be forwarded directly to the Embassy of Ghana, 2139 R Street, N.W., Washington, D. C.

Sincerely yours,

For the Secretary of State:

C. Vaughan Ferguson, Jr.  
Director  
Office of Middle and Southern  
African Affairs

Mr. Albert R. Williams,  
Williams and Associates,  
Economic Consultants,  
P. O. Box 14781 Cimarron Station,  
Los Angeles 18, California.

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Cat. _____

Information copy to:  
ICA - Mr. Carl Flesher

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SENT TO: Amembassy, ACCRA 90  
RPT INFO: Amembassy, LONDON 2099

Origin  
Info

Dept issued following press release 1200 EDT August 25:

"The Department of State today noted the signing of an agreement between the Government of Ghana and the Henry J. Kaiser Company of Oakland, California, to bring up to date the engineering reports on the Volta River Project which were prepared in 1955. In the joint statement issued on July 26, 1958, by President Eisenhower and Prime Minister Nkrumah of Ghana the two governments agreed to share the cost of this study.

It is anticipated that a technical team from the Kaiser Company will arrive in Ghana within the next two weeks. In addition Mr. Edgar Kaiser, President of the Company, will visit Ghana toward the end of September.

The Henry J. Kaiser Company has participated, among others, in the construction of the Boulder, Bonneville, and Grand Coulee Dams." (FYI -- Ghana Ambassador Chapman, Henry J. Kaiser Company Vice President Chad F. Calhoun signed survey agreement at Ghana Embassy at

Dist. Desired (Offices Only)

Handwritten notes and stamps in the left margin, including a box with 'R/R' and '3'.

Drafted by:

AF/P:RP [Signature] dd1 8/25/58

Telegraphic transmission and classification approved by:

Rupert Proime [Signature]

Clearances:

AF/S - W. Duggan P - J. Parker E - G. Kenney  
S/S-CR W.R.D. per RP J. Parker per RP W.K. per RP

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AUG 25 1958 P.M.

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at noon August 25.)

Herter  
(acting)  
R.P.

HERTER

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INTERNATIONAL COOPERATION ADMINISTRATION

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5:33 p.m.

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IRC NO.: TOICA 66, August 20, 4 p.m.  
DCL

DISTRIBUTION ACTION  
INFO.  
OTHER AGENCY

JOINT USOM-EMBASSY MESSAGE.

No reply to TOICA 63 received.

Following Cabinet committee meeting August 19 GOG cabled today Ghana Embassy Washington following:

1. Kaiser letter/contract accepted subject to including in survey other possible major consumers of power from Volta in addition to aluminum production. This proviso includes power generated at Bul.
2. Agreed to accept any modifications appendix B agreed to between ICA/W and Kaiser.
3. To avoid delay GOG proposes to settle with Kaiser several detailed comments on letter and appendixes at later date.
4. Embassy instructed to inform ICA/W that Ghana agrees to (a) whatever financial procedure for payment most acceptable to ICA/W; (b) copy Kaiser report to be given ICA.
5. Following is text of press statement to be released day letter/contract accepted:

"In the joint statement issued by President Eisenhower and Prime Minister Nkrumah on 25th July 1958, it was noted that the two Governments agreed that it would be desirable to bring up to date the engineering reports on the Volta River project which were prepared in 1955 and to share the cost of this

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-2- TOICA 66, August 20, 4 p.m., from Accra

this undertaking.

An agreement was signed today between the Government of Ghana and the Henry J. Kaiser Company, the company which will carry out this work. It is anticipated that a technical team from the Kaiser Company will arrive in Ghana at an early date. In addition, Mr. Edgar Kaiser, president of the company, will visit Ghana towards the end of September.

The Henry J. Kaiser Company has had a great deal of experience in all forms of construction work, particularly in the building of dams and hydroelectric schemes."

MOFFAT

RSP:SR/11

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PRIORITY

(Security Classification)

FOREIGN SERVICE DESPATCH

8458, 2614/9-305

FROM : Amembassy, ACCRA  
TO : THE DEPARTMENT OF STATE, WASHINGTON.

197  
DESP. NO.

September 30, 1958

88

REF : AF

9 For Dept. Use Only	ACTION REC'D	DEPT. N F OTHER
	10-6-58	RMIR-2 REP-1 E-7 IRC-8 ICA-10 COM-10 TR-3 FRB-2 IN-7 CIA-10

SUBJECT: Visit to Ghana of Edgar F. Kaiser and Chad Calhoun of Kaiser Industries Corporation in Connection with Current Volta River Survey

Edgar F. KAISER and Chad F. CALHOUN, President and Vice President respectively of the Kaiser Industries Corporation, visited Ghana September 22-26 to participate in high level discussions concerning the proposed Volta River hydroelectric power-aluminum project, with particular reference to the survey now being conducted into certain aspects of the project by seven engineers from the Kaiser Industries Corporation. The program followed by Messrs. Kaiser and Calhoun, which was coordinated by the Ghana Development Commission, is enclosed. It should be noted for the record that Minister of Trade BOTSIO was in the hospital with malaria during the visit, and he was replaced by Minister of Information BAAKO as host for the dinner on September 24.

The visit was highly successful from many points of view. Mr. Kaiser benefitted from an opportunity to resume with top Ghana officials the discussions which had been initiated under rather hectic conditions during the Prime Minister's official visit to the United States in July. He was able to get a first hand look, either from the air or on the ground, at the terrain where the various parts of the project are expected to be constructed. He was even able to devote a few hours to clearing up a problem affecting the enfranchisement of the local distributor of the Willys Overland Corporation, a Kaiser subsidiary.

The Ghana Government, for its part, received a clearer impression of the interest of the Kaiser group in the project as a whole. First hand arrangements were made for an expansion in the terms of reference of the engineering survey. (Details were reported telegraphically by USOM/Ghana.) Advantage was taken of Mr. Kaiser's declared interest in other industrial investment in Ghana to discuss in general terms the possibility of a cement plant. Mr. Kaiser's intelligence, tact, depth of knowledge, energy, incisiveness and optimism concerning the future world market for aluminum all made a deep impression on the Ghana officials with whom he came in contact.

The seven Ghana engineers engaged in the survey are expected to complete their work in Ghana about the middle of October.

Correction made by JWB/K

✓

MAR file 10-13-58

JQBlodgett:jk  
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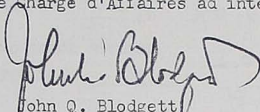
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Page \_\_\_\_\_ of \_\_\_\_\_  
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From Amembassy, Accra

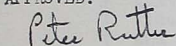
Press coverage of the Kaiser visit and the survey has thus far been factual and based upon Ghana Government releases. No editorial comment of substance has yet appeared.

For the Chargé d'Affaires ad interim:

  
John Q. Blodgett  
Second Secretary of Embassy

cc: Amcongen, IAGOS

APPROVED:



Peter Rutter

Chargé d'Affaires ad interim

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Accra Potential Requests for External Financing of Economic Development Projects, 1959 to 1964.

PAGE 1 OF 10 DATE SENT November 23 1959 DATE REC'D 11/28

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IO W REP. W/MSC RMR

JOINT USOM/EMBASSY MESSAGE

1. USOM/Ghana submits the following with the caveat that until decisions are reached regarding Volta River Developments it is quite impossible to give any detailed estimates of projects likely to require external financing within the next five years; and the various figures given below in the alternative to the Volta River Project are at best current thinking rather than a firm projection.

2. USOM/Ghana also desires to call attention to the fact that the projections taken from the Second Development Plan were given us completely IN CONFIDENCE as were the lists and figures furnished by the Industrial Development Corporation. Utmost care should be taken not only not to quote any figures, but also not to indicate that ICA/W has had access to these estimates.

115W

3. The over-riding factor involving external borrowing in Ghana is the decision to be made concerning the development of the Volta River. If as a result of the Kaiser report on the Volta River scheme, the Government of Ghana determines to proceed with the construction of the main Volta River dam, it will, the USOM anticipates, have to put up about \$75,000,000 of its own funds for the construction of the dam and power plant and borrow at least \$75,000,000 (although it is hoped that the Kaiser estimates may reduce these figures somewhat.)

4. The USOM hazards the opinion that this \$75,000,000 could be borrowed about as follows:

OTHER AGENCY

RMR Anal 29

AUTHORIZING OFFICER Abbot Low Moffat, Director

DRAFTED BY Abbot Low Moffat:la

OFFICE Director

PHONE NO. DATE 11/18/59

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Embassy - John Q. Blodgett

✓

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845J.2614/11-2358

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IBRD	25,000,000
UK	20,000,000
West Germany	10,000,000
Canada	10,000,000
DLF	10,000,000

5. However, the USOM does not believe the Government will attempt to build the major Volta River dam unless it can see a market for at least a substantial part of the electricity produced therefrom, and for this purpose an aluminum smelter would seem essential. While this would be financed almost entirely from external funds construction of an aluminum smelter would, however, require certain railroad construction and improvement by the Government. With the guaranteed haulage involved, these loans would be 'bankable'. It is thought that the amount of further borrowing required by the Government would be in the order of magnitude of perhaps \$25,000,000. The loans might be secured from:

IBRD	15,000,000
DLF	10,000,000

6. Meanwhile, to raise the necessary private capital for the mines and smelter operations, a consortium might raise \$60,000,000 from various sources and secure a credit from:

Ex-Im Bank of \$ 60,000,000

7. The USOM would not dare predict what pattern of borrowing for other essential projects would be developed if the Volta River project is adopted. There is no question but that if the Government of Ghana decides to proceed with that project, it will have to cut back drastically on its contemplated Second Development Plan, discussed below in paragraphs 12 through 21. Unfortunately, there is a tendency on the part of some ministers in the Government increasingly to believe that it can finance all the development it wants in the next five years regardless of cost.

8. Politically, the Government feels itself committed to the Volta River as a source of electricity. Accordingly, it is checking carefully into 'Little Volta River Projects' which, if the aluminum smelter scheme proves to be unrealistic at this time, can be adopted and still produce electricity from the Volta River. The major 'Little' Volta scheme is a dam and power plant at Bui; a second scheme is the construction of a plant at the Kpong rapids. The latter cannot, however, be built without the former (or the major dam). The Kaiser studies will produce figures bearing on these 'little' schemes and the uses of electricity to be derived therefrom.

9. It is almost certain in the opinion of this USOM that if the major

Volta River Project has to be postponed into the future, Ghana will try to implement at least the Bui scheme. The Halcrow estimate for this scheme, including a transmission line to Kumasi, was about \$55,000,000. Aside from cement, the strictly foreign components of this scheme run to about \$16,000,000. If all cement has to be imported perhaps another \$16,000,000 would have to be added making a total of at least \$32,000,000 in foreign costs. The USOM believes that Ghana could absorb this without too much difficulty by cutting back on projects in the Second Development Loan Plan and borrowing say \$15,000,000 in addition to other contemplated borrowings as this would constitute, it is hoped, a 'bankable' project. Presumably, Ghana would approach the IBRD or, if the IBRD were not interested, the DLF because of the expressed American interest in the Volta River development.

10. There seems to be little possibility that the Kpong Rapids development will be undertaken during the next five years. Its value depends on the upstream control of the river's flow. Moreover, the 45,000 kw steam plant at Tema will come into operation during this period and it would not seem essential to tie up substantial funds for further power development in this area in the face of other needs.

11. One of the major industrial developments which should be sought in Ghana within the next five years is the exploitation of its domestic limestone resources for the manufacture of cement. There is too little limestone in Ghana of a quality that would produce Portland cement to justify exploitation; but recently, large deposits of limestone (estimated: 200 million tons) have been reported near Buipe in the northern region. This limestone will produce natural cement, and it is understood if mixed with Portland cement or with clinker (which is shortly to be imported for local processing near Takoradi) a very superior cement. The Geological Survey is now conducting tests of this limestone, which is located near the Black Volta and which could be transported by barge to Bui or to the main dam site. It is too early to state what capital would be required to develop this cement, but it is, in the opinion of the USOM, one of the major musts in Ghana. If it is developed, it will have an appreciable bearing on the foreign components of any Volta River developments and other programs of Public Works. Mr. Kaiser, when here, stated that Permanente would invest in a cement plant in Ghana, regardless of the Volta River scheme, if suitable deposits were located. He expressed no opinion on the Buipe deposits.

12. Unrelated, as it presently stands, to any Volta River development is



the Second Development Plan which is in the course of preparation. As of the present date, the Second Development Plan contemplates a total expenditure over five years, beginning July 1, 1959, of about \$390,000,000. This includes a carryover from the Consolidation Development Plan of 1957 - 1959 of \$42,000,000. However, the total figure in the Plan must not be taken as final; the estimates are being revised, generally upwards, all the time. \$33 million was added to the plan within the past fortnight.

13. Whether Ghana can carry out so extensive a development plan is a moot point. It has been Commander Jackson's view that Ghana could not sustain much above \$47,500,000 a year. Professor Lewis on the other hand, believes that Ghana could absorb the entire capital outlay proposed by a greater use of foreign contractors; the principal cause of slow down in the past two or three years having been, he believes, the bottleneck in the Public Works Department which tried to do too much of the work itself.

14. USOM/Ghana is inclined to believe that the actual expenditure average will be a little nearer Commander Jackson's figure than Professor Lewis'. We would hazard the guess that about \$60,000,000 might prove to be the annual absorptive capacity of the economy averaged over the five year period. This might appear to be inconsistent with the views expressed in the Master Program Book, but in the Master Program Book investment by Government was differentiated from investment by the Industrial Development Corporation and the Agricultural Development Corporation. The Second Development Plan includes nearly \$35,000,000 of capital for these two corporations. The USOM furthermore accepts Professor Lewis' argument that some at least of the reduction in Government capital expenditure can be reversed by greater reliance on foreign contractors.

15. As to how much Ghana can afford to borrow, Professor Lewis puts it: Ghana can spend during the next five years about \$200,000,000 of its own money; anything above that must come from external borrowing. He has, however, also stated that in order to establish its credit worthiness and at the same time conserve its cash resources, Ghana hopes to borrow about one-third its projected capital expenditures.

16. Professor Lewis hopes that during the next five years the Government of Ghana can borrow about \$140,000,000, maybe a little less, maybe somewhat more. On the other hand, if the average capital expenditure runs to only \$60,000,000 a year, a total external public borrowing of nearer \$100,000,000 would seem to be more realistic.

17. A description or list of individual projects in the Second Development Plan has not been made available to us; only certain totals. The

more significant of these would appear to be (000 omitted):

<b>A. Communications:</b>		<b>\$ 80,900</b>
Roads	\$ 28,600	
Aviation (improvement and lengthening of airport for jets)	11,800	
Airline	800	
Railways	8,400	
Ships	800	
Tema Harbor (including 4 new berths \$16,800)	23,800	
Post, Telephone and Telegraph	5,600	
Miscellaneous	1,100	
<b>B. Electricity; including rural development:</b>		<b>19,600</b>
<b>C. Agricultural Development:</b>		<b>28,600</b>
Agriculture, including drainage, dams, etc.	14,000	
Agricultural credit	800	
Animal Health and Husbandry	2,800	
Forestry	1,800	
Fisheries	500	
Cooperatives	200	
Agricultural Development Corporation	8,400	
<b>D. National Research Council:</b>		<b>1,700</b>
<b>E. Forestry:</b>		<b>33,700</b>
"Industrial Development Corporation, Hotels, etc."	28,000	
Other	5,700	
<b>F. Public Works:</b>		<b>38,100</b>
Grants to local Governments for roads, buildings, etc.	10,900	
Local development through Community Development	7,000	
Other	20,200	

G. Education:		37,800
Secondary Schools	18,800	
Technical Schools	3,400	
University College	5,000	
Kumasi College of Technology	5,000	
Library Road	600	
General education	3,900	
Miscellaneous	1,100	
H. Housing:		12,900
I. Health and Sanitation:		53,200
Public Health (mainly health centers)	14,800	
Hospital construction	8,400	
Rural water supply	12,600	
Urban water supply	9,000	
Accra sewerage	8,400	
J. Broadcasting (mainly external)		4,800
K. Other		35,000
Defense	14,600	
Police	11,200	
Prisons	2,200	
Diplomatic, Miscellaneous and a few sub-items	7,000	
L. Consolidation Plan, 1958-59, carry over:		42,000
Corrections for plus and minus:		900
		<hr/>
		\$ 389,200

18. Comments on Paragraph 17:

A. Communications: Most of these projects will probably be laid before IBRD as constituting the types of project which IBRD is inclined to favor. The foreign component is expected to be about half. Undoubtedly, some of the items will not qualify as projects and the IBRD might prefer to omit some projects. It would seem, however, as though the IBRD might furnish about \$30,000,000, and that DLF might furnish about \$5,000,000.

B. Electricity: Included in this figure is \$ 5,300,000 to complete the 45,000 kw Tema Steam Plant (\$3,400,000 is included in the Consolidation Development Plan, K below). There is a possibility that this will be constructed by an American contractor in which event perhaps \$2,000,000 of the projects listed under this paragraph will be financed by the Ex-Im Bank. Most of the projects would be suitable for IBRD financing and perhaps \$5,000,000 would be available from that source. The DLF, we think, might make \$3,000,000 available.

C. Agricultural Development: A few projects suitable for external loans from IBRD or DLF may be included in this heading, but principally the expenditures are for expanding agricultural stations and for incentive schemes.

D. National Research Council: Whether regional funds would be available for this undertaking is not known. We have not projected any external financing for this project.

E. Industry: Lacking details as to the projects covered by the major heading, it is not possible to project needed external loans, although it is quite possible that some of the proposed projects will be 'bankable'. The same comment applies to the projects listed as 'Other'. These include geological survey work, aid to African business, tourism and the like. What is intended by "Aid to African Business" is not known. The IDC already has a small loan section for that purpose.

F. Public Works: Except for grants to local Governments - in large parts for roads - and Community Development Projects, most of the projects covered by 'Other' are for the construction of public buildings. These will involve large imports of cement and some steel, unless, as indicated in Paragraph 11, a local cement industry is developed. We do not anticipate any external borrowing specifically for any of these projects.

G. Education: Improved educational opportunity and expanded educational facilities in Ghana are fundamental to the economic development of the country. Because of the shortage of secondary schools, Ghana is failing to turn out the personnel required to fill the middle brackets of government, industry and commerce - the very foundation on which economic progress must rest. Incidentally, many of these positions have now to be filled with individuals hired from abroad. Government and business have to pay not only higher salaries but also transport fares to and from Europe and long home leave costs. As Professor Lewis pointed out to Mr. Smith during the latter's recent visit, if Ghana could train its own people, the savings in expatriate hirings alone would constitute a substantial direct cash return on the investment in education. Ghana is hoping and the USOM would fully support the proposal that DLF assist

in the financing of its school and college program. We believe loans for this purpose would total not less than \$10,000,000.

H. Housing: Nearly half of this sum is intended to promote private enterprise in the housing field: aided self-help housing; an extension of the present roof-loan scheme (which by lending for a good roof - aluminum sheets - has resulted in the building or rebuilding of many good houses) both rural and urban; and site improvement for private development schemes.

I. Health and Sanitation: It has been reported to the Embassy that an American firm may secure a contract for providing rural water supplies, and incidental electric power running to nearly \$3,500,000. If this is true it may well be that a credit from the Ex-Im Bank will be involved, perhaps to the extent of \$2,500,000. The Accra sewerage scheme and the urban and other rural water supply schemes all lend themselves to similar financing, although it is probable that some of the contracts will go to the U.K. and the Continent. Certainly it would seem that at least \$3,900,000 of additional Ex-Im Bank credits might be made in this sector; and we also believe that at least \$7,000,000 of DLF loans would be suitable.

J. Broadcasting: Ghana has determined to engage in external broadcasting, the total cost of which is estimated at roughly \$3,000,000. About \$600,000 will have been financed in the Consolidation Plan (L below); \$2,400,000 is included in the Second Development Plan in this section. It is thought that Ex-Im Bank credits amounting to perhaps \$1,300,000 will be sought against the latter amount.

K. Other: These would not seem to be projects suitable for specific financing from abroad.

L. Consolidation Plan: As indicated above, partial financing of several projects are included under this heading, including Tema Steam Plant and External Broadcasting. It would seem probable that for the relative amounts under this heading, Ex-Im loans sought on these projects might amount to \$2,000,000 and \$300,000 respectively.

19. Professor Lewis believes that Ghana may also at some time during the five year period of the Second Development Plan approach London with a view to raising a loan on the street. He estimated that the maximum that could be raised in this manner might be \$10,000,000 or \$28,000,000. Even if this may prove optimistic, credit from continental sources might well be a possibility, and the total claimed has therefore been accepted as reasonable.

20. Suppliers credits will of course also be available in substantial amounts, but these cannot be taken into consideration.

21. To recapitulate: We have suggested that possible sources and amounts of external public borrowing by Ghana during the next five years for the Second Development Plan might be as follows:

IBRD	\$ 35,000,000
Ex-Im Bank	12,000,000
DLF	25,000,000
London Street or other sources	<u>28,000,000</u>
	\$ 100,000,000

22. In the private sector, it is even less possible to make accurate predictions. We are not attempting to include projects for which external financing has already been assured or the new industries in which IDC has a part and for which all capital, including presumably necessary external financing, has, according to IDC, been arranged.

23. The following list of projects has been furnished in complete confidence by the Industrial Development Corporation as industries for which it hopes capital from whatever source can be raised within the next five years:

Estimate of total capital required

Paper products: toilet rolls	250,000	
Envelopes, stationary	85,000	
Bags, etc.	70,000	
Oil expression and refining	640,000	
Plastics	975,000	
Clothing Industries	700,000	
Cotton printing	1,400,000	
Wax block printing of textiles	1,960,000	(of which IDC will participate 25%)
Aluminum utensils	85,000	
Tire remoulding	280,000	
Perfume, cosmetics	110,000	
Coconut-fibre products	420,000	
Metal trunks )		
Fibre-board cases )	220,000	(of which IDC will participate 75%)
Asbestos cement products	500,000	

Electrical Assembly and Repairs workshop	420,000
Wood screws, Nuts & Bolts, etc. (Takoradi)	165,000
Nail factory (Takoradi)	420,000
Confectionery	700,000
Ice manufacture, 10 plants	420,000

24. At least some of the foregoing items are projects which would, the USOM believes, be sound industrial enterprises. Assuming that the Government's Industrial Promotion Board is successful in its projected endeavors to attract external private capital a number of these will doubtless be carried into effect. Of the 20 projected new industries that IDC hopes to get started calling for a total capital of about \$9,750,000, it would not be unreasonable to assume that half to three-quarters would in fact be undertaken within the next five years, and that private external financing would be sought on an equity basis to the extent of, say, \$7,000,000. To the extent that private equity capital is not forthcoming, the IDC will presumably invest its own funds.

25. In addition to the industries listed by IDC, another field for private external capital (it is not possible for us at this stage to try to differentiate between loan and equity capital) can confidently be expected in agriculture, notably in the setting up of rubber estates, banana plantations and plantations for the production of vegetable oils. In each major plantation there would probably be processing plants of greater or less magnitude. The Agricultural Development Corporation will insist on 25% participation. Private foreign capital might run to \$3,000,000 to \$4,000,000 during the next five years on these plantations; but these figures are frankly guesswork.

26. Tuna fishing should also prove an attractive source of investment in Ghana within the next five years and perhaps \$1,000,000 invested in cold storage and processing plants. Other food processing should also prove of importance during this period. There is good scope for a modern meat packing plant at the source of supply in the north before the cattle walk off too much fat. Tied with this and with local food processing plants, would be a further extension of the country's cold storage system, including refrigerated transportation. Again, as guesswork only, another \$1,000,000 might come from external sources for these developments.

27. The Embassy has assisted the USOM in preparing the foregoing estimates.

MOFFAT

Memorandum of Conversation

DATE: February 11, 1959

90

SUBJECT: Volta River Project

PARTICIPANTS: Mr. Chad Calhoun, Vice President, Kaiser Industries, Inc.  
Mr. J. C. Satterthwaite, Assistant Secretary, AF  
Mr. George Dolgin, Politico-Economic Adviser, AF  
Mr. George D. LaMont, Acting Director, AFS

FEB 18 1959

2

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~~W~~  
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~~Amconsil - Abidjan~~

24

Mr. Calhoun called to give information regarding the Kaiser up-dating survey of the Volta River Hydroelectric Project in Ghana. He said that a copy of their report will be given to Prime Minister Nkrumah on February 23 and that shortly thereafter copies will be made available to other interested organizations including the Department of State.

In making their study of this project, Mr. Calhoun said that they divided it into three parts as follows:

1. Hydroelectric project including transmission lines;
2. Aluminum smelters and the plants of other electricity users;
3. Necessary roads, railroads, housing, and so forth.

Mr. Calhoun said that they expected items (1) and (3) to be financed separately from item (2). The latter would be financed exclusively by the electricity and other users, while (1) and (3) would be financed for the most part, if not entirely, by the government.

They found the project to be exceedingly favorable and they estimate that it could produce electricity at a cost of 2.1 mills. They found a better dam

site

None

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site than that of the original proposal. It is slightly downstream, will permit a higher dam, will mean less cost, and will permit a larger electricity potential. They estimate the cost of the electric project, including transmission lines, at \$70 million or less than \$200 million.

They found that there are two bauxite concessions in Ghana, one held by ALCAN and the other by British Aluminum, Ltd., which is now controlled by Reynolds Metals. Both ALCAN and British Aluminum made full information available to a Kaiser survey party with respect to their deposits.

Kaiser believes it could establish an aluminum plant producing 200,000 tons of aluminum a year, using about 70 to 75 per cent of the Volta potential. They are recommending that not all of the Volta power resources be reserved for aluminum production and that a substantial proportion be held for other industries.

In addition to the Volta project, they found that it will be possible to build a low-cost dam at Boui on the Black Volta in central Ghana near the Ivory Coast. This project would probably require the accord of the Ivory Coast, as the lake backed up by the dam would go into the Ivory Coast. Regardless of the prospects for the Boui dam, they will recommend that transmission network from the Volta project include Accra, Kibi and Kumasi.

As the next step, Mr. Calhoun believes that Ghana will ask Kaiser to consult ALCAN and British Aluminum about forming a joint venture or consortium for the establishment of aluminum production facilities. This group might include other possible users of electricity such as Italian, French and German companies.

Mr. Calhoun said they estimate the construction time of the dam at the site they have selected at five years, but if Kaiser does both the engineering and construction, they might be able to carry it out in four years. However, in any case, there will be an additional year which will be required for filling the lake in back of the dam. He was told that this lake, which would cover 3700 square miles, would be the largest such lake in the world.

The only question in the mind of Kaiser regarding the suitability of this project, and this is a point on which bankers would require conviction, is the possible demand for aluminum five or six years hence. He mentioned that Kaiser is interested in a modest plant in India, but all of the output by that plant would be consumed in India. All of the production from Ghana, on the other hand, would come on to the world market. While the world demand for aluminum has been consistently rising, it is impossible to predict with precision what the demand will be at the time this proposed project is completed.

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 18, 1959

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SUBJECT: Ghana Government to Implement Recommendations of US Water Expert to Improve Future Accra Water Supply.

The Ghana Minister of Works and Housing, Mr. E.K. BENSAH, announced to the National Assembly on March 17, 1959 that the Government will implement the recommendation of Mr. William VOORDUIN, a water expert who recently visited Ghana at the expense of the Rockefeller Brothers Fund, to build a dam on the Kuia River, a tributary of the Densu River from which Accra's water supply is derived. He said that a team of Italian engineers has been invited to conduct a survey of the proposed project within the next four months. The proposed dam-site is near the confluence of the Kuia and Densu in the vicinity of Pakro between Neawam and Mangoase.

The Embassy has learned from a source in the Ministry that the survey will be conducted by ITALCONSULT, Rome, a well-known firm of consulting engineers and that all survey costs, other than minor local expenses, would be borne by the Rockefeller Brothers Fund. When the survey is completed, the project will presumably be put up for international tender. The Ministry anticipates that the project will cost in the neighborhood of £G 2 million [1]. The Government has theoretically programmed £G 10 million for nationwide urban water supply development under the Second Development Plan which goes into effect on July 1, 1959, but only £G 3,250,000 of that amount is listed for immediate implementation and is thus reasonably certain to be expended during the five-year period of the Plan. As far as Accra is concerned, the Government hopes to increase the maximum supply from the present 6 million gallons daily to 20 million.

Mr. Voorduin's trip to Ghana was an outgrowth of the recent visit of David Rockefeller during the peak of the recent water shortage in Accra. (see Embassy's D-493) Although the Government has long been planning a revamping of the Accra water supply system, the recent crisis undoubtedly will accelerate action and Mr. Voorduin's recommendations have clearly been of great value in determining the nature of the solution to be adopted. The whole episode has done much to bring good-will to the Rockefeller Brothers Fund, and indirectly to the US, and should facilitate the future activities of the Fund's investment promotion services in West Africa.

For the Ambassador:

John Q. Blodgett

Second Secretary of Embassy

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1959  
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JQBlodgett:mf

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 2, 1959  
DATE

REF : Embassy's D-123, August 28, 1958 and D-336, November 25, 1958

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SUBJECT: Tema Power Project to be Modified Downwards

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The Embassy has been informed by a senior official in the Ghana Ministry of Works and Housing that the proposed 45,000 kw. steam power plant (see Embassy's D-123 under reference) to serve the needs of the new port and industrial town of Tema (15 miles east of Accra) is being reexamined in the light of indications that abundant and less expensive power will be available to Tema in due course from the proposed hydroelectric development of the Volta River. The informant expressed the view that there is little likelihood of the project being abandoned altogether, because the Government does not wish to delay the much-desired development of Tema as an industrial center until Volta Power becomes available at least five years hence. The Tema power project may, however, be pared down to something like 35,000 kw.

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The Ministry is still committed to give the Embassy advance notice before the tender is announced (Embassy's D-336 under reference), but there may now be several month's delay before the specifications can be fully revised.

For the Ambassador:

*John Q. Blodgett*  
John Q. Blodgett  
Second Secretary of Embassy

JOBlo dgett: jk  
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APR 21 1959

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(39)

Memorandum of Conversation

93

DATE: April 6, 1959

SUBJECT: Volta River Project

PARTICIPANTS: Mr. Chad F. Calhoun, Washington Representative, Kaiser Industries Corporation, Oakland, California  
Mr. G. Richard Ward, Kaiser Industries Corporation, Oakland, California

Mr. J. C. Satterthwaite, Assistant Secretary, AF  
Mr. George Dolgin, Politico-Economic Adviser, AF  
Mr. C. Vaughan Ferguson, Jr., Director, AFS  
Mr. Eugene L. Padberg, Jr., AFS

APR 10 1959

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ICA - Mr. Carl Flesher, DD/S  
Mr. Donald McPhail, O/AFE  
Mr. Samuel Levine, C/AFE  
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E - 2  
AFS - 4 (lcc)

Mr. Calhoun accompanied by Mr. Ward called on Mr. Satterthwaite to deliver one copy of the "Proposal for Initial Design and Construction Volta River Hydroelectric Project" prepared by Kaiser Engineers and Constructors, Incorporated, which he will present personally to Sir Robert Jackson of the Government of Ghana, at Accra on April 13, 1959. Mr. Calhoun did not have additional copies of this report but said further copies could be obtained if requested.

Mr. Calhoun, Mr. Cerdas, a member of the Ghana team which prepared Kaiser's Reassessment Report, and another representative of Kaiser, are scheduled to depart for Accra on April 9, 1959.

Mr. Calhoun referred to Mr. Edgar Kaiser's telegram of April 3, 1959, to Sir Robert Jackson, a copy of which had been sent to Mr. Satterthwaite and Mr. Flesher (see attachment), to which he said Sir Robert had replied it would not be necessary for Mr. Kaiser to attend the meeting which he scheduled for April 13.

With reference to Kaiser's proposal, Mr. Calhoun said the scope of the preliminary work, briefly stated, covers foundation exploration, determination of site conditions, determination of the basic design of the dam and power plant, construction of access roads, and initial construction of housing facilities at the

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no

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APR 9 1959

site and construction mobilization planning. Total cost of this work between now and October 1, 1959, he said is estimated at Ghana pounds 546,000, plus \$675,000, (this includes Kaiser's fixed fee of \$160,000) or a total of approximately \$2.2 million. These estimates Mr. Calhoun mentioned were included in Mr. Kaiser's telegram to Sir Robert.

To a question how Ghana would finance this preliminary work, Mr. Calhoun replied it was his belief that Ghana would finance this phase of the project itself.

To Mr. Calhoun's question whether the United States Government had been approached by Ghana to assist it in working out a plan for the financing of the construction of the dam and power installation at Kosombo, Mr. Calhoun was informed that, other than receiving a copy of the letter of March 14 which Nkrumah delivered to Ambassador Fleke, no one from the Ghana Embassy, as far as was known, had approached anyone in the Department in this regard.

Mr. Calhoun mentioned that although Kaiser had no progress to report to Sir Robert regarding the discussions his company has held with British Aluminum (in reality Reynold's) and Aluminium Ltd., or studies being made by Kaiser's engineers since submission of the Reassessment Report, he was prepared to discuss these matters with Sir Robert.

Attachment:

Copy of telegram sent Sir Robert Jackson  
from Edgar Kaiser on April 3, 1959

UNCLASSIFIED

ATTACHMENT

FOLLOWING IS COPY OF WIRE SENT APRIL 3 TO:

"SIR ROBERT JACKSON  
GOVERNMENT HOUSE  
ACCRA, GHANA, AFRICA

REFERENCE MEMORANDUM OF FOURTEEN MARCH SUBPARAGRAPH SMALL LETTER A IN PARENS OF PARAGRAPH FOUR STOP WE HAVE COMPLETED OUR PROPOSAL FOR THE PRELIMINARY WORK ON VOLTA RIVER PROJECT STOP IN BRIEF THE SCOPE OF THE WORK COVERS FOUNDATION EXPLORATION COMMA DETERMINATION OF SITE CONDITIONS COMMA DETERMINATION OF BASIC DESIGN OF DAM AND POWER PLANT COMMA CONSTRUCTION OF ACCESS ROADS COMMA INITIATE CONSTRUCTION OF HOUSING FACILITIES AT SITE AND CONSTRUCTION MOBILIZATION PLANNING STOP TOTAL COST OF THIS WORK TO OCTOBER 1, 1959 IS ESTIMATED AT GHANA POUNDS FIVE HUNDRED FORTY-SIX THOUSAND PLUS U S DOLLARS SIX HUNDRED SEVENTY-FIVE THOUSAND STOP WE ARE PREPARED HAND CARRY THIS PROPOSAL TO GHANA FOR PRESENTATION IF DESIRED AND WILL BE PREPARED TO ANSWER ANY QUESTIONS GHANA GOVERNMENT MAY HAVE WITH RESPECT TO THE PROPOSAL STOP EYE WILL ENDEAVOR ARRANGE MY SCHEDULE TO BE PRESENT IF IN YOUR JUDGMENT IT IS NECESSARY STOP OTHERWISE WE WILL SEND GEORGE GERDES WHO WAS A MEMBER OF GHANA TEAM AND PROBABLY TWO ADDITIONAL REPRESENTATIVES WHO WILL BE PREPARED DISCUSS DETAILS STOP HAVE NO PROGRESS TO REPORT AS YET ON DISCUSSIONS WITH ALUMINUM COMPANIES AND GOVERNMENT AS WE NEED ADDITIONAL TIME FOR THIS SUBJECT STOP WILL AWAIT YOUR ADVICE REGARDING PRESENTATION OF ENGINEERS PROPOSAL STOP REGARDS.

EDGAR KAISER

4-2-59 535 PM"

UNCLASSIFIED

845j.2614/4-2059

(39)

(99)

Memorandum of Conversation

DATE: April 20, 1959

The Department of State  
to the Radio Central Files

SUBJECT: Volta River Project

MAY 2 1959

PARTICIPANTS: Mr. Chad Calhoun, Washington Representative, Henry J. Kaiser Company, Oakland, California.

Mr. G. Richard Ward, Henry J. Kaiser Company, Oakland, California  
Mr. Carl Flesher, ICA  
Mr. Samuel Levine, ICA

COPIES TO:

Mr. J. C. Satterthwaite, Assistant Secretary, AF  
Mr. George Dolgin, Politico-Economic Adviser, AF  
Mr. C. Vaughan Ferguson, Jr., Director, AFS  
Mr. Eugene L. Padberg, Jr., AFS

COPIES TO:

AF - 2 (2cc)  
AFS - 5  
AF/PRO - Mr. Reeves - 1  
AF - Mr. Dolgin - 1  
IEC - 8  
Commerce - Mr. Delbert Gordon  
American Embassy, Accra  
W - Mr. Dillon  
ED - Mr. Kenney - 1  
ICA - Mr. Donald MacPhail  
Mr. Carl Flesher  
Mr. Samuel Levine  
E - 2  
S/S - 2

(29)

ICA

845j.2614/4-2059

Mr. Calhoun called on Mr. Satterthwaite to report on his recent trip to Accra for the purpose of signing a contract for the Kaiser Company with the Government of Ghana to do the preliminary work on the Volta River Project.

Mr. Calhoun stated that the proposal submitted by Kaiser Engineers and Constructors, Inc., to the Government of Ghana for the initial design and construction of the Volta River hydroelectric project was accepted by the Government of Ghana except for certain minor changes with regard to wording; that there are no basic changes in the proposal except that the scope of work was increased to include a six mile stretch of road which the Ministry of Public Works had already designed. Mr. Calhoun promised to forward the amended proposal to the Department. Mr. Calhoun mentioned that although a definitive contract is being drawn up by Ghana's attorneys, the present agreement is sufficient for Kaiser to proceed immediately, and Kaiser's engineers in Oakland, California, started work today on the design. Although Kaiser has no one in Ghana at the present time, Mr. Calhoun said Kaiser expects to have its people in Ghana by May. In this connection discussions have already been held with regard to

MAY 11 1959

Kaiser's acquiring office space and housing from the Tema Port authorities.

Mr. Calhoun mentioned the Kaiser Company sent copies of the Reassessment Report to all North American aluminum companies; that Mr. Lawrence Harvey of the Harvey Aluminum Company, Torrence, California, had sent a letter to Mr. Edgar Kaiser confirming a telephone conversation indicating their willingness to participate in any company that might be formed to manufacture aluminum in Ghana. Mr. Calhoun said the Harvey Aluminum Company is a small company which imports its alumina from Japan and produces about 60,000 tons of aluminum annually.

Mr. Calhoun referred to the discussions and exchange of correspondence which the Government of Ghana has had with Mr. Theodore Y. Caralli relative to a possible offer of supplier's credit by a group of Italian, French, German and Swiss banks and manufacturers. Mr. Calhoun was informed that ICA had submitted a report on Caralli's visit (TOICA A-535 of April 7, 1959) and that contrary to the statement made by Sir Robert Jackson in his letter to Caralli, a copy of which was enclosed to the airmail, the United States Government had not assumed the initiative in working out a plan for financing the Volta River Project. When asked what effect Mr. Caralli's offer might have on Kaiser, Mr. Calhoun replied it offered some competition and would have to be considered. He made no further comment thereto.

Mr. Calhoun mentioned that during his discussions with Sir Robert and Nkrumah he informed them of Mr. Kaiser's reaction to Mr. Davis' proposal (see Department's Memorandum of Conversation dated March 19, 1959) as stated to him by Mr. Kaiser on April 9 or 10 prior to his leaving New York for Accra. Mr. Calhoun said Mr. Kaiser feels that Ghana's agreeing to supply power to Davis at two mills would in effect have Ghana subsidizing the sale of power. An agreement such as this, Mr. Calhoun said he pointed out, would not help Ghana in getting bankers interested in making a loan for the dam and power installation. Nkrumah, Mr. Calhoun said, seemed very gratified to receive this information.

When asked whether Nkrumah had an idea of the many difficulties involved in getting the Volta Project underway, Mr. Calhoun replied he was sure that he had; furthermore, he said, Nkrumah is now convinced that Ghana will have to put at least \$25 million into the dam and power component. With regard to any progress being made in the formation of a consortium of aluminum companies, Mr. Calhoun stated, it is evident that Nkrumah is relying on Kaiser to do this. Mr. Calhoun referred to Nkrumah's telegram of April 14 to Mr. Edgar Kaiser (see attachment 1) stating he drafted this for Nkrumah after Nkrumah had asked him how this was to be done. Mr. Calhoun also mentioned that upon his arrival in Rome from Accra he received a cable requesting him to submit a draft reply for Mr. Kaiser to Nkrumah's cable. A copy of Mr. Kaiser's reply of April 16 (attachment 2) was furnished by Mr. Calhoun.

Regarding the reference in Mr. Kaiser's telegram to Obedemah, Botsio and Jackson visiting the United States, Mr. Calhoun stated this subject came up during their discussions as to what the Government of Ghana might do to get the Project underway and it was decided these officials would come to the United

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States around the middle or latter part of May for the purpose of seeing the heads of various lending institutions and agencies, aluminum companies, and United States agencies.

Attachments:

1. Telegram from Prime Minister Nkrumah to Edgar Kaiser. (copy of)
2. Copy of Edgar Kaiser's reply to the Prime Minister.

OFFICIAL USE ONLY

COPY

"CABLE TO

EDGAR KAISER  
OAKLAND  
CALIFORNIA.

I HAVE JUST SIGNED THE ENGINEERING AND CONSTRUCTION AGREEMENT FOR THE PRELIMINARY WORKS STOP THE NEXT IMPERATIVE STEP IS TO MAKE PROGRESS WITH THE CONSORTIUM OF ALUMINUM COMPANIES STOP I KNOW THAT I CAN RELY ON YOUR PERSONAL INITIATIVE DRIVE AND ABILITY FOR ALL POSSIBLE ASSISTANCE IN BRINGING AN EFFECTIVE CONSORTIUM INTO BEING AT THE EARLIEST POSSIBLE TIME STOP PLEASE LET ME KNOW IF THERE IS ANY ACTION WHICH I CAN TAKE TO HELP FROM THIS END STOP KINDEST REGARDS SIGNED  
KWAME NKRUMAH PRIME MINISTER OF GHANA."

COPY

April 16, 1959

CABLE FROM EDGAR F. KAISER TO PRIME MINISTER NKRUMAH

"RE CABLE STOP APPRECIATE CONFIDENCE STOP CALHOUN ADVISES BY CABLE OF  
BEBEDMAH, BOTSIO AND JACKSON TO U.S. RE DISCUSSIONS OUR GOVERNMENT STOP  
I AM SURE THIS WILL BE HELPFUL STOP I AM BOOKING FORWARD TO DETAILED DISCUSSION  
WITH CALHOUN ON HIS RETURN AFTER WHICH I WILL BE IN A BETTER POSITION TO ADVISE  
YOU OF OUR PROGRAM STOP ALL BEST WISHES.

EDGAR F. KAISER"

## FOREIGN SERVICE DESPATCH

845J. 2614/4-2359

95

FROM : Amembassy, ACCRA

660

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 23, 1959

DATE

REF :

16 For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
4/28	Com-10	REP-1 IRC-8 ICA-11 AF-5 E-3 PER-2 Army-5 CIA-10 IN-7 XMB-4 LAB-5 air-3
SUBJECT: Water Rates Increased in Ghana.		LAB-5 AG-8

The Ghana Ministry of Works and Housing announced on April 17 that effective July 1, 1959, water rates in the municipal and suburban areas will be increased substantially to make the water supply section of the Department of Public Works more nearly self-supporting.

Present municipal rates for domestic consumption are 2½% per annum of the rateable value of the premises plus 2 shillings 1/ sixpence per thousand gallons delivered. The new rates for domestic consumers will be 5% per annum of the rateable value, plus a flat "internal supply" rate of 10 shillings per month. Household holders in the municipalities will no longer be charged for gallonage consumed.

Commercial consumers will continue to pay a flat 4 shillings per 1,000 gallons and do not pay a percentage of rateable value. It is understood that the commercial rate has been unchanged for several years.

Domestic consumers in suburban areas outside the municipal limits of Accra, Cape Coast and Sekondi-Takoradi will pay a flat 2 shillings 6 pence for 1,000 gallons. This is the rate which was established last July for the whole country outside the municipalities and suburbs. Thus there are now three different rates 5% of rateable value plus 10 shillings a month for municipal householders, 2/6 per 1,000 gallon for all other domestic consumers and 4 shillings for all commercial consumers.

In the press release announcing the new rates, it was pointed out that the increase would not enable the water utility to cover all its costs, including new construction, interest and depreciation, but that it should cover actual running and maintenance costs. The Second Development Plan contemplates the expenditure of £G4.5 million over the next five years for rural and £G3.2 million for urban water supplies. The new water rates will not finance this investment, but should at least keep the new facilities from adding to the Government's recurrent cost burden.

For the Ambassador:

John Q. Blodgett

Second Secretary of Embassy

1/ One shilling equals about 14 cents.

JQBlodgett:mf

REPORTER

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845J 2614/4-2359

LWS

AM 10001  
PRIORITY

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(Security Classification)

FOREIGN SERVICE DESPATCH

845J.2614/5-12-59  
96

FROM : AmEmbassy, Accra

701  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 12, 1959  
DATE

REF : --

2614

For Dept. Use Only	ACTION REC'D	DEPT. INFO OTHER
67	UM-12 5/15	Pop-1 IRC-8 ICA-10 AF-3 E-3 AR-10-5 C.D-10 IN-7 XMB-4 FPC-1 A-103

SUBJECT: Volta River Project: Government of Ghana Statement

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CENTRAL FILE

845J.2614/5-1259

To correct certain inaccuracies which have appeared in the overseas press, the Government of Ghana put out a press release (No. 399/59) dated May 9, 1959, reading as follows:

A recent Press Statement to the effect that the Minister of Finance, Mr. K. A. GBEDEMAH, and the Minister of Economic Affairs, Mr. Kojo BOTSIO, will shortly visit Washington to discuss the financing of the Volta River Project is incorrect. So far as is known here, no request has been made to either Minister to go to Washington in the immediate future.

A further Statement, published at the same time, that the Government has entered into an agreement with the Kaiser Company to execute the Volta River Project and that the first phase of this Project will include the construction of an aluminium smelter is misleading. The Government has not entered into any agreement to execute the Volta River Project but has entered into a contract with Kaiser Engineers and Constructors Inc. to carry out foundation exploration, determination of site conditions, determination of the basic design of the Volta dam and power plant, the construction of access roads, the construction of some housing at the dam site to house staff for these works, and the mobilisation planning for the Project. The details of this work were published in a Press Release issued on the 15th April, 1959.

There have been several newspaper and magazine stories recently which evoked the press release. A notable one is the article that appeared in the May 2 issue of Business Week, published in the United States.

Wilson C. Flake  
Ambassador

JUN - 3 1959  
FILED

WCFlake/avb  
REPORTER

UNCLASSIFIED

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LWS



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97

FOR DC USE ONLY

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NO.: A - 126, May 15, 1959

SUBJECT: Volta River Project

TO: American Embassy, ACCRA

FROM: COMMERCE

As the Embassy is aware by this time, an announcement concerning the availability of the reassessment report on the Volta River project for the Government of Ghana was prepared for Foreign Commerce Weekly of April 20. A copy of this publication has been forwarded for the Embassy's transmittal to the Prime Minister. In addition the announcement also appeared in Investment Opportunities Abroad of the same date and to coincide with the GOG announcement, a press release was also issued by the Bureau of Foreign Commerce relative to the report. A copy of the press release and the Investment Bulletin is attached for the Embassy's information.

Inasmuch as the total number of copies of the complete report was extremely limited, the Investment Development Division reproduced for distribution and initial use Chapter I, "Summary and Conclusions" and Chapter XIII, "New Industries". In releasing the Summary the Division has indicated that U. S. firms and financial institutions wishing to review the total report may do so. In adopting this procedure it was felt that the majority of inquirers could be adequately serviced with the Summary thereby reserving the report for the limited number of companies which might be both technically and financially capable of participating in some phase of the total project.

Since the announcement on April 20 there is attached a list of firms and/or individuals who have requested copies of the report and/or survey. Where available the name of the American company is given. The Embassy will note, however, that in a number of instances only the names of individuals have been made known to us. With respect to the latter, these individuals are attorneys who may ordinarily represent a number of U. S. companies.

In addition to the firms listed, Time Magazine Inc., Business International and the local Embassies of Sweden, and the Netherlands, have also been serviced. While we have received no official communication from Time, conversations with the local correspondent indicate that that Publication is preparing a feature article on the Volta

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DRAFTED BY: James F. Lavery:mk 5/7/59  
Frank S. Wilson, Director  
CLEARANCES: Investment Development Div., OAP  
Mr. Carl Flesher, ICA, in substance

APPROVED BY: AFS - C. Vaughan Ferguson, Jr.

AF:AFS - Mr. Ferguson  
SIS-CIC  
DAFS

MAY 15 1959

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project for release in the nearfuture.

As indicated in the exchange of correspondence between the Embassy and the Department of State, it is impossible at this early date to determine the extent of serious interest within the American business community. We believe, however, that the initial interest shown is indicative of the seriousness ~~and~~ which American firms attach to the project.

The Department of Commerce, as a whole, is actively engaged in the promotion of this project. In addition to the foregoing, the Investment Division has made available to all Field Offices of the Department copies of the Survey for use within their immediate areas. ~~and~~ The Industry Divisions of Business and Defense Services Administration are also by direct correspondence with individual firms bringing the project to the attention of some 250 American companies.

The extent to which this promotion program is being undertaken by the Department of Commerce may at the discretion of the Embassy be brought to the attention of appropriate Government of Ghana officials. The Division will submit as appropriate additional progress reports from time to time.

DILLON, ACTING

*act 5*  
Attachments: List of Firms and/or individuals who have requested copies of Report and/or Survey.  
Copy of Summary of Volta River Project.  
Copy of Investment Opportunities Abroad, Bulletin No. 145.  
Copy of Press Release.

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~~OFFICIAL USE ONLY~~  
(Security Classification)

List of Firms and/or Individuals who have requested copies  
of the Report and/or Survey.

E. T. Morris  
Raymond International, Inc.  
140 Cedar Street  
New York 6, N. Y.

V. G. Leadley, President  
John Holt & Co. Inc.  
10 Bridge Street  
New York 4, N. Y.

Mr. Bill Michael, Attorney  
360 Third Avenue  
New York 16, N. Y.

Mr. Eugene Stewart, Attorney  
1001 Connecticut Avenue, N.W.  
Washington 6, D. C.

Mr. Jan H. Reimers  
Metallurgical Engineer  
Room 507, 77 York St.  
Toronto, Ontario, Canada

Mr. Ronald F. Sullivan, Attorney  
One Eleven St.  
San Francisco, Calif.

Mr. Horace S. Hunt, Jr., President  
Fargo Engineering Co.  
Jackson, Michigan

Mr. G. A. Vicinelli  
Banca Nazionale Del Lavoro  
One Wall St.  
New York 5, N. Y.

Mr. Oscar Cox, Attorney  
and Mr. William Evans  
Suite 309, 1625 Eye St., N.W.  
Washington 5, D. C.

Machinery Institute  
1200 18th St., N. W.  
Washington 6, D. C.  
Phelps Dodge Copper Products International Aluminum Limited Sales, Inc.  
300 Park Ave.  
New York, N. Y.

C.F. A.O.  
25, Broadway, New York, N.Y.

Mr. John L. Ingoldsbey  
201 World Center Bldg.  
Washington 6, D. C.

Mr. Thomas Griffin, Research Asst.  
Ivan Bloch & Associates  
c/o Wise & Potamkin  
Perpetual Bldg.  
Washington 4, D. C.

Mr. Thomas E. Covel, Vice President  
Aluminum Ltd. Sales, Inc.  
630 Fifth Ave.  
New York 20, N. Y.

Mr. C. M. Famer  
International General Electric Co.  
Wyatt Bldg.  
Washington 5, D. C.

Mr. J. J. Scheu-Cocoa, Purchasing Dept.  
The Nestle Co.  
201 E. 44th St.  
New York 17, N. Y.

Mr. F. E. Whalen  
c/o F. A. O.  
25 Broadway  
New York 4, N. Y.

Lazard Freres & Co.  
Attention: Library  
44 Wall St.  
New York 5, N. Y.

Mr. William F. Geble  
Westinghouse Electric International Co.  
1625 K St., N. W.  
Washington, D. C.

Union Carbide & Carbon Corp.  
30 East 42nd St.  
New York, N. Y.  
639 Fifth Ave., New York, N.Y.

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8:45 p.m. 2614/5-2159

98

DATE: May 21, 1959

Memorandum of Conversation

SUBJECT: Volta River Project

PARTICIPANTS: Mr. D. A. Chapman, Ambassador of Ghana ✓  
Mr. R. M. Akwei, Second Secretary, Embassy of Ghana  
Mr. C. Vaughan Ferguson, Jr. Director, AFS  
Mr. George Dolgin, Political-Economic Adviser, AF  
Mr. Carl Flesher, ICA  
Mr. Samuel Levine, ICA  
Mr. George R. Kenney, ED  
Mr. Frank Wilson, Commerce  
Mr. Eugene L. Padberg, Jr., AFS

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AFS - 5 (lcc) ICA-DLF  
AF/PRO - Mr. Reeves - 1 Commerce - Mr. Wilson  
S/S - 2 (lcc) Treasury  
AF - Mr. Dolgin EUR  
E BNA  
ED - Mr. Kenney E - 1 (for Exim Bank)  
ICA - Mr. Flesher American Embassy, ACCRA  
Mr. Levine American Embassy, LONDON  
G - 1 (lcc) American Embassy, OTTAWA

MAY 20 1959

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Today's meeting was requested by Ambassador Chapman who had indicated he wished to ascertain what developments had occurred within the United States Government since his talks on May 11, 1959, with the Acting Secretary. Ambassador Chapman is scheduled to depart Washington for Accra on June 4 for three months' home leave.

Ambassador Chapman opened today's discussion by stating Prime Minister Nkrumah was relying heavily on his conversations in July of 1958 with the President and the Government of Ghana, since its civil servants are limited in number, hoped it could rely on the good services of the United States in getting the Volta Project underway.

Mr. Ferguson introduced to Ambassador Chapman the individuals attending today's meeting and indicated their positions within State, Commerce, and ICA. Mr. Ferguson said the Volta River Project is the old problem of the chicken and the egg; however, on the basis of Ambassador Chapman's discussions with the Acting Secretary it was quite possible that "the chicken and the egg may come simultaneously." At

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2614/5-2159

RECEIVED  
MAY 21 1959

Mr. Ferguson's request Messrs. Flesher and Wilson outlined recent activities of ICA and the Department of Commerce with regard to the Volta River Project.

Mr. Flesher referred to a letter dated May 18, 1959, which Mr. Edgar F. Kaiser sent to Prime Minister Nkrumah, a copy of which was forwarded to Ambassador Chapman (Attachment I). Mr. Flesher said he knew the aluminum companies are discussing the Volta River Project but he had nothing to report today with regard to any progress these companies have achieved.

Mr. Wilson reported the Department of Commerce had compiled a list of the firms which had expressed their interest to Commerce in the Project as a result of the publicity Commerce had given the Reassessment Report. This list which is only partial Mr. Wilson said included a number of blind inquiries which had been made through attorneys who do not care to reveal the identity of their principals at this time. Among the firms which have expressed interest in studying more fully the information available on the Volta River Project Mr. Wilson stated are: Aluminum Limited Sales, Incorporated; International General Electric Company; Lazard Freres and Company; Westinghouse International Electric Company; Banco Nazionale delavoro; two European embassies; Machinery Institute; Brown and Root, Huston, Texas; Socony-Mobil Oil of New York; Kaiser Industries; Aluminum Company Company of America, Reynolds; Anaconda Copper; and Olin Mathieson. Mr. Wilson mentioned that while these were some of the larger firms interested in studying the Volta River Project, no inference should be drawn therefrom that they are ready to commit themselves. Mr. Wilson then related that the number of firms responding to Commerce's bulletin on the Volta River Project which had appeared in its publication Investment Opportunities Abroad, has been five times as great as the usual response Commerce generally receives. In this connection he said one should not infer from this reaction that the companies are favorably inclined. Such an inference he said would be premature and the only conclusion that can be drawn at this time is that these companies are giving careful high level consideration to the Volta River Project.

Mr. Ferguson mentioned that among the companies mentioned by Mr. Wilson he believed there are some firms who are interested only in selling the products they manufacture.

Mr. Wilson replied at the present time it is difficult to sort out what the interest of these firms might be. Some interest on the public utility side he said has been evidenced by inquiries received from Huston and Dallas, Texas, but it is not known what these interests are at present. Mr. Wilson then related that the Volta River Project and the activities of the Department of Commerce with regard thereto are being closely followed by the Assistant Secretary of Commerce for International Affairs.

To Mr. Ferguson's inquiry whether Ambassador Chapman had talked to officials of the IBRD, Ambassador Chapman replied he had seen Mr. Blowers of the Exim Bank on May 20; that Mr. Blowers requested additional copies of the Reassessment Report and told him it would be at least a month before the Bank would be in a position to discuss the Project with him. Ambassador Chapman added that he expected to see Mr. Knap of the IBRD on May 21.

To Mr. Akwei's inquiry of Mr. Wilson as to the identity of the two European embassies which had inquired of the Department of Commerce regarding the Volta Project, Mr. Wilson said the embassies were the Embassy of the Netherlands, and the Embassy of Sweden. Mr. Ferguson commented that in recent months the Netherlands and Sweden had been showing an increasing interest in Africa.

Mr. Ferguson said the Department of State would be talking shortly to the IBRD. Upon Ambassador Chapman's return to Ghana for holidays, Mr. Ferguson said he hoped the Ambassador would assure Prime Minister Nkrumah that the United States Government will see that the flame under the Volta River Project does not go out. The Acting Secretary, Mr. Ferguson said, as a follow-up to his talk with Ambassador Chapman, is seeing representatives of the Kaiser Company on May 27. The Volta Project, Mr. Ferguson added, is of such magnitude however that the "chicken and the egg" question cannot be solved overnight.

The Office of Middle and Southern African Affairs Mr. Ferguson indicated would continue to be the Embassy of Ghana's contact with regard to developments within the United States Government.

Mr. Wilson expressed the hope that he would be able to present shortly to Ambassador Chapman copies of the publicity which had been given the Volta Project as a result of Commerce's efforts. A great deal of secondary publicity was generated he said as a result of Commerce's efforts but Commerce has not been able to run this down.

Ambassador Chapman inquired if the United States Government had contemplated setting up a steering committee on the Volta Project in which the Ghana Embassy could participate. Mr. Ferguson replied we had not thought about it but would give it some consideration and give him an answer. Mr. Ferguson added it might be a good idea to have periodic meetings with the Ghana Embassy even if a steering committee was not set up.

Ambassador Chapman then asked whether it would be possible for the United States Government to arrange a program indicating what steps should be taken over the coming months. Mr. Ferguson replied it would be difficult to set up a step by step program inasmuch as private companies are involved and the United States Government can not tell the companies what they must do. The aluminum companies he said have been "playing it close to their chests", nevertheless the United States Government intends to make periodic inquiries of them.

Ambassador Chapman closed today's meeting by stating that the Ghana Embassy will talk to the Exim Bank next month and mentioning the fact that Kaiser should finish its preliminary work at the dam site by November. Ambassador Chapman reiterated that his Government appreciated the United States Government's assistance on the Volta Project and that the Prime Minister was relying heavily on the talks he had had with President Eisenhower.

Attachment:

Copy of letter to Prime Minister Nkrumah  
from Mr. Edgar F. Kaiser, dated May 18, 1959.

ATTACHMENT IC  
O  
P  
Y

May 18, 1959

My dear Mr. Prime Minister:

This short note to advise you that talks in connection with the aluminum project are making progress. At this relatively early stage in such discussions, we are not yet in a position to be specific or definite, but I just wanted you to know that we have taken your assignment seriously and recognize its importance.

We appreciate the confidence you have extended our organization, and again I want to thank you for the courtesies shown Mr. Calhoun when he was recently in Ghana.

Best regards,

Sincerely,

/s/ Edgar F. Kaiser

The Honorable  
Kwame Nkrumah  
The Prime Minister of Ghana  
Accra, Ghana

Memorandum of Conversation

745 f. 5. MSP

DATE: May 28, 1959

SUBJECT: Volta River Project

PARTICIPANTS: Mr. J. Burke Knapp, Vice President, International Bank for Reconstruction and Development.  
Mr. S. R. Cope, Director of Operations, Europe, Africa and Australia, International Bank for Reconstruction and Development.  
Mr. Howard Parsons, International Bank for Reconstruction and Development.

Mr. J. C. Satterthwaite, Assistant Secretary, AF  
Mr. George Dolgin, Politico-Economic Advisor, AF  
Mr. C. Vaughan Ferguson, Jr., Director, AFS  
Mr. Eugene L. Padberg, Jr., AFS

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AF - Mr. Dolgin - 1  
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Mr. Knapp, at his request, called on Mr. Satterthwaite to discuss the Volta River Project.

Mr. Knapp prefaced today's discussion by stating that the IBRD has heard about the Volta River Project for some years; that in 1956 the Bank sent a small group to Ghana to conduct an economic survey; that the team did not make a study of the Project as such, but, based on the 1956 Report of the Preparatory Commission on the Volta River Project which it tried to fit into its report, concluded costs of the Project were too high and the size of the Project too great for Ghana's economy to carry at that time; that the Bank for some time did not hear anything about the Project except for what appeared in the papers; that the Bank had received a copy of Kaiser's Reassessment Report which it had studied only informally and Ambassador Chapman's recent visit to the Bank was somewhat of a surprise.

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Mr. Knapp stated Ambassador Chapman reviewed recent developments with regard to the Volta Project and outlined his recent discussions with Mr. Dillon. Apparently as a result of Ambassador Chapman's talk with Mr. Dillon and instructions from his Government Mr. Knapp said Ambassador Chapman explained Ghana's interest and need for determining adequate rates for power which would facilitate a decision of the aluminum companies to invest in an aluminum smelter. The Ambassador, he said, requested the Bank's assistance in this regard as well as its help in putting together a financial package. Mr. Knapp said he explained to Ambassador Chapman the Bank's current interest rate for projects similar to Volta is 6 percent with repayment running anywhere from 20 to 25 years. In any event Mr. Knapp said he told Ambassador Chapman the Bank would need time to study the Kaiser report, look at the new scheme as developed in the Kaiser report within the context of Ghana's economy, and check with the United States Government.

Mr. Knapp expressed surprise that Mr. Dillon told Ambassador Chapman DLF's rate of interest for projects such as the Volta would be  $3\frac{1}{2}$  percent. Mr. Knapp was informed the Department had checked with DLF and was told DLF's rate of interest for similar dam projects had been  $3\frac{1}{2}$  percent. Mr. Knapp inquired whether DLF would be willing to consider a loan as high as \$100 million. It was generally agreed that while no DLF sum had ever been mentioned it seemed unlikely the DLF would consider loaning Ghana a sum anywhere near \$100 million. To Mr. Knapp's inquiry whether the British would be willing to put anything into the Project, Mr. Dolgin replied it was our opinion the British would not be inclined to invest in Volta since their investing in Ghana would open the door to similar requests from members of the Commonwealth. Mr. Knapp said he was inclined to agree with Mr. Dolgin's assessment.

Mr. Knapp inquired what other sources are available within the United States Government for financing the Volta Project. It was pointed out there are no sources other than DLF and the Exim Bank and there was little likelihood of special grant assistance.

It was Mr. Knapp's opinion that there are a number of major questions to be answered before the Volta Project can get underway - some of which can be answered only by Ghana and others only by the investors themselves. In this connection Mr. Knapp mentioned aluminum companies today are looking all over the world for power sites; that several power developments within Africa, such as, the Konkoure in Guinea, the vast Inga development in the Belgian Congo, and Kouilou in French Equatorial Africa are more promising than Volta. Market-wise he said there are also a number of interesting questions, for example, where would the aluminum produced in Ghana be marketed - in Europe or in the common market area? The answer to this he said depends upon whether Ghana becomes a member of the European Economic Community.

Mr. Knapp stated the main point is that everyone (the aluminum companies) is looking all over the world for sources of bauxite and sites for aluminum smelters. A number of the companies he said have sites in Latin America and tremendous bauxite discoveries have been made in Australia and Borneo. These facts he said mean very favorable conditions will have to be offered to attract aluminum companies.

To attract aluminum companies, Mr. Knapp said the following questions would

need to be answered: (1) what will be the price of power; (2) what kind of country is Ghana, in other words, what is its future, does it have political stability; and (3) what can it offer to the investor in the way of guarantees?

Mr. Ferguson replied that the Department considers Ghana to be one of the most stable countries in Africa today and pointed out Ghana had signed an Investment Guaranty Agreement with ICA.

Mr. Knapp said Kaiser's Reassessment Report had done several things: (1) it had made major changes in the Project, such as, lowered the cost, relocated the dam and smelter sites and discovered new bauxite deposits much closer to the harbor which cut transportation costs; (2) it faced up to the fact that power can never be developed cheap enough if there is just an aluminum project and indicated there must be a development of an industrial market in addition to an aluminum smelter if Ghana is not to subsidize or carry the cost of selling power to the aluminum companies at a cheaper rate. This new complex problem of finding industrial markets he said requires the Bank to look into Ghana's economy. To do this, he said, it will be necessary for the Bank to conduct a new survey of Ghana's economy.

When asked what the IBRD had informed Ambassador Chapman it would do with regard to the Volta Project, Mr. Knapp said he indicated to the Ambassador that the Bank hoped to have a reply for him prior to his departure for Ghana on June 4 for consultation and home leave. Although Mr. Knapp did not explicitly state today that the Bank would be willing to act as the "focal point", as suggested by Mr. Dillon to Ambassador Chapman, a statement by him to the effect that the "monkey is now on our back" would seem to indicate the Bank will do what it can to assist Ghana in developing and arranging some sort of financial package.

Mr. Knapp mentioned that Mr. Black had not had an opportunity to speak to Mr. Dillon about the Volta Project but they would undoubtedly be in touch with each other upon Mr. Black's return to Washington within the next few days.

Mr. Knapp promised to keep in touch informally with the Department regarding the Volta Project.

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RM/R  
FILE

Dear Lynn:

You will recall that you mentioned to me a few days ago that the Bank might possibly be interested in certain aspects of the Volta River development in Ghana.

On the occasion of Prime Minister Nkrumah's visit here last year, the United States Government undertook to assist him in alerting American aluminum companies to the possibilities of investment in mining and production facilities in Ghana. As part of this effort, we also agreed to pay half the cost of an up-dating of the Volta River Survey by the Kaiser Industries Corporation.

Since then the completed Kaiser report has been made available to interested companies by the Department of Commerce. Before any aluminum company can decide whether or not to invest, it is naturally interested in knowing, among other things, approximate power costs. I have had discussions recently with Ambassador Chapman of Ghana, and he has expressed the preoccupation of the Ghana Government with this problem. Is the Export-Import Bank interested in this project and would it be in a position to help the Ghanians to construct estimates of adequate rates for power which could facilitate decisions concerning such investment?

I understand that you have a copy of the Kaiser reassessment. I would appreciate knowing whether the Bank has had an opportunity to study the report, particularly the chapter on power costs.

Sincerely yours,

/S/ DOUGLAS DILLON

Acting Secretary

The Honorable

Lynn U. Stambaugh,  
First Vice President,

Export-Import Bank of Washington,  
Washington, 25, D.C.

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S/S - RO

MAY 30 1959

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Walt

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Walt

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Dear Gene:

On the occasion of Prime Minister Nkrumah's visit here last year, the United States Government undertook to assist him in alerting American aluminum companies to the possibilities of investment in mining and production facilities in Ghana. As part of this effort, we also agreed to pay half the cost of an up-dating of the Volta River Survey by the Kaiser Industries Corporation.

Since then the completed Kaiser report has been made available to interested companies by the Department of Commerce. Before any aluminum company can decide whether or not to invest, it is naturally interested in knowing, among other things, approximate power costs. I have had discussions recently with Ambassador Chapman of Ghana, and he has expressed the pre-occupation of the Ghana Government with this problem. Would the Bank be in a position to help the Ghanaians to construct estimates of adequate rates for power which could facilitate decisions concerning such investment?

I understand that Prime Minister Nkrumah has supplied the Bank with a copy of the Kaiser reassessment. I would appreciate knowing whether the Bank has had an opportunity to study the report, particularly the chapter on power costs.

Sincerely yours,

Acting Secretary

The Honorable  
Eugene R. Black,  
President,

International Bank for  
Reconstruction and  
Development.



Concurrences: E - Mr. Mann ED - Mr. Hefner  
OFD - Mr. Adair, Mr. Gay AF - Mr. Dolgin  
OFD:ED:GRKenney:ed : 5/15/59 : (See attached blue for initials)  
L.L/E:SDMtz:er:blm  
5/22/59

3626  
3601

Dear Gene:

On the occasion of Prime Minister Nkrumah's visit here last year, the United States Government undertook to assist him in alerting American aluminum companies to the possibilities of investment in mining and production facilities in Ghana. As part of this effort, we also agreed to pay half the cost of an up-dating of the Volta River Survey by the Kaiser Industries Corporation.

Since then, private investment specialists of I.C.A. have been in close contact with the aluminum industry on this subject, and the completed Kaiser report has been made available to interested companies by the Department of Commerce. However, before the aluminum companies can decide whether or not to invest in a smelter, they are naturally interested in knowing, among other things, their approximate power costs. I have had discussions recently with Ambassador Chapman of Ghana, and he has expressed the preoccupation of the Ghana Government with this problem. Would the Bank be in a position to help the Ghanaians to construct estimates of adequate rates for power which could facilitate a decision by the aluminum industry concerning its investment?

I understand that Prime Minister Nkrumah has supplied the Bank with a copy of the Kaiser reassessment. I would appreciate knowing whether the Bank has had an opportunity to study the report, particularly the chapter on power costs.

Sincerely yours,

Acting Secretary

The Honorable  
Eugene R. Black,  
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International Bank for Reconstruction  
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Concurrences: E - Mr. Mann  
OFD - Mr. Adkins Mr. Gay

ED - Mr. Hefner  
AF - Mr. Dolgin

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