CHAPTER IX
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CONTROVERSY OVER SMELTER'S CONSTRUCTION

To work out a strategy for dealing with Nkrumah a high-level conference was held at the White House. Apart from the President, Secretary of State, Dean Rusk, Under Secretary Harriman, Assistant Secretary Williams, John McCone, Director of CIA and Edgar Kaiser were present. One of the options discussed at the meeting was whether the American position should be skilfully and forcefully communicated to Nkrumah by an emissary. The discussions resulted in the decision to send Edgar Kaiser to undertake the task.¹ The present writer learnt from a State Department source that the idea of sending Edgar Kaiser to Accra for direct discussions with Nkrumah originated from the Department. The Department was of the view that Kaiser would be the most satisfactory intermediary in view of the fact that his personal relations with Nkrumah still remained excellent.² It was probably at the same White House meeting that a second decision was made that Averell Harriman, the veteran diplomat and trouble-shooter should visit Accra to reinforce Edgar Kaiser's efforts and to obtain appropriate assurances from the Ghanaian leader.

Kaiser arrived in Accra in early March. His first step was to hold discussions with senior officials of the US

¹ Interview, Ambassador Mehoney.
² Interview.

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Mission in order to get their reactions to the possible options relating to the proposed smelter. Among those he met was Oliver L. Troxel, the Economic officer of the Embassy. The present writer interviewed Troxel and obtained information relating to the prevailing sentiment in the Mission and Kaiser's activities during his visit.

Troxel recounted that even prior to February 1964 demonstrations, opinion in the Embassy was somewhat divided over the issue of supporting Nkrumah. But the situation changed totally following the demonstrations. A consensus had already emerged in favour of taking some strong steps against Nkrumah and not for committing money for VALCO right away.

With regard to discussions with Kaiser, Troxel recollected that he had advised Kaiser not to be taken in by Nkrumah's broadcast to the nation on 5 March in which he had expressed gratefulness for "all the help we received from outside". The reason for such a gesture on Nkrumah's part, Troxel pointed out, was probably Kaiser's presence in Accra to discuss the construction of the smelter due to begin in November. An additional factor, Troxel indicated, was the Seven Year Development Plan which Ghana was about to announce, which badly required foreign investment. Troxel requested Kaiser to show firmness in his conversations with Nkrumah and not to accept any grandiose descriptions that Nkrumah might give without substantial reservations.

Troxel told Kaiser that the Mission was of the view that, obligating any further funds to Nkrumah should be suspended
and American aid for the smelter should be held up. Mission officials told Keiser of the very difficult conditions faced by American personnel working in Ghana. Troxel cited numerous instances of harassment perpetrated by the CPP volunteers against American personnel working in Ghana, making their life difficult. It was one thing, Troxel pointed out, to accuse the United States as the chief of the neo-colonialist powers—a slogan raised elsewhere on globe too—but it was another matter to be subjected to insults, slander and harassment. Reports had reached the Embassy that the CPP was instigating the Ghanaians to treat an American as "a snake to be killed immediately". Further, Troxel pointed out to Keiser, he knew a number of instances in which the police, probably with the connivance of the CPP, raided the houses of Americans stationed in Ghana and arrested them without any provocation or offence on the part of the Americans. Troxel recounted that the police commissioner was, however, somewhat helpful and the Embassy could get the release of innocent victims. Vindictive actions by the CPP members against the Americans in particular were inexplicable and would affect the morale of American personnel working in Ghana. In such an environment, if work were to be commenced, it cannot be expected to proceed smoothly. 3

Edgar was an old hand in "doing business as usual" even in environments where anti-Americanism was rampant. He had put in a great deal of efforts in his Ghana venture and

3. Interview, Troxel.
was not ready to run away. His effort was thus directed towards inducing Nkrumah to take steps to reduce the sources of tension between Ghana and the United States.

From a very highly-placed source, the present writer was able to obtain a copy of the transcript of Kaiser’s discussions with Nkrumah. Kaiser conveyed to Nkrumah President Johnson’s strong feelings concerning anti-American demonstrations. He drew his attention to hostile American press coverage of the deportation of American educators and the branding of Peace Corps volunteers as CIA agents by the Ghanaian newspapers. Kaiser pointed out to Nkrumah that these adverse developments had occurred while, on his own, Kaiser had planned to start negotiations with Nkrumah for the establishment of an alumina processing plant in Ghana to convert Ghana’s bauxite resources to alumina, once the aluminium smelter got underway. Having thus displayed a juicy carrot, Kaiser said that the belligerent posture of Nkrumah and the CPP against the United States had spoiled all chances of setting up of an alumina processing plant. Kaiser then warned that even the smelter might not materialize if Nkrumah persisted with his attack on the United States. He wanted Nkrumah to remember that VALCO would be unable to proceed with the construction of the smelter unless the deadlock between the two countries was resolved.

Kaiser then offered some suggestions to Nkrumah. He said that Nkrumah should reopen the channel of communication through Ambassador Mehoney immediately and should show a
friendly attitude towards the US envoy. Secondly, Keiser urged that Nkrumah should pay a visit to the United States to mend his fences with President Johnson. He indicated that an expression of personal regret from Nkrumah might mollify the President who was highly upset over the succession of incidents. Keiser depicted Johnson as a tough and hard type of person who might not hesitate to retaliate with economic sanctions against Ghana. If Nkrumah was agreeable, Keiser offered to take the initiative to arrange Nkrumah's meeting with Johnson.

It was a skillful presentation and both the carrot and the stick were exhibited for Nkrumah's contemplation. Nkrumah agreed to open the channel with Mehoney forthwith. He, however, refused to go over to meet Johnson for any expression of regrets. Any such action, he asserted, would be highly insulting to his personal dignity. He stressed to Keiser that the Government of Ghana had already tendered an apology to the American Government and he saw no reason why he should go again to prostrate before President Johnson. He pointed out that he had no hand in instigating the Ghanaian press nor had he organized the demonstration against the United States. He reiterated that he would resume communications with Ambassador Mehoney and that he would try to see that anti-American wave did not get out of hand.

Keiser indicated that something more substantial than an expression of good intentions would be needed to mend matters. Otherwise, he would not be able to go ahead with the smelter construction. Nkrumah agreed to put a curb on the activities
of some of his leftist supporters who, Kaiser felt, were getting hysterical against the United States. Kaiser asked Nkrumah to have the good sense to realize that the kind of "all-out war" against Americans launched by his CPP "red guards" would ruin the prospects of Ghana inducing American private investment to participate in the implementation of the Seven Year Plan. 4

Kaiser's mission brought some immediate results. Press attacks against the United States suddenly ceased. Ambassador Mahoney was able to set up communications with Nkrumah once more. Hard on the heels of Kaiser's visit, Sir Robert Jackson arrived in Ghana in the middle of March, on a World Bank assignment connected with the VRP. He too conveyed to Nkrumah that there would be no smelter unless Ghana's relations with the United States improved. 5

American policy-makers were of the view that the time had come for a high-level appraisal of Nkrumah's position, trends in Ghana, and the short and long-range interests of the United States in that part of the world. The person entrusted with the task was the veteran diplomat and trouble-shooter, W. Averell Harriman, Under Secretary of State. 6

On 22 March 1964 Harriman arrived in Accra in the course of a "fact-finding tour" of Africa on behalf of President

4. The present writer is unable to disclose the identity of the person who supplied him with a transcript of Kaiser's conversations with Nkrumah.
5. Interview, Robert Jackson.
6. Interview, Ambassador Mahoney.
Johnson. The atmosphere was still tense following the February incidents. At the airport Harriman praised Ghana for the rapid economic strides it had made since his previous visit. It would one day become one of the most developed states in Africa, he declared.  

The Daily Graphic of Accra, welcoming Harriman to Ghana, said that the trip was probably a conciliatory step on the part of the United States which had completely misunderstood and misinterpreted the domestic and foreign policy of Ghana. The US had wrongly appraised Ghana as leaning towards the Soviet Union, the newspaper wrote.  

The present writer, in the course of his investigations, encountered from the sources interviewed, two versions with respect to Harriman's visit to Ghana. One version held that Harriman came simply on a probing mission to urge Nkrumah to soften his attacks on the United States. A second version supported also by the New York Times said that Harriman took a tough line and talked forcefully to Nkrumah about the need for an end to attacks on the United States.

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8. Ibid., p. 6.
9. Interviews, Ambassador Mahoney, Truxel, and John Foley, Political Officer, U.S. Mission, Accra.
10. Interview. See also the New York Times, 1 May 1964 which at p. 6 stated: "Some forceful language from Harriman is credited with helping balance anti-American propaganda in Ghana. Harriman was reported to have warned that for the massive Volta River Project to be successful, Ghana would have to attract Western and largely American industries. He pointed out that this was unlikely in the face of frequent anti-American attack."
The present writer found more corroboration for the second view than the first. On the basis of interviews with American diplomats stationed at Accra during the period, the present writer was able to piece together what reportedly happened at the meeting between Nkrumah and Harriman. Harriman read out to Nkrumah a few clippings from American newspapers on the riots in Accra. He firmly indicated to Nkrumah that unless he was able to straighten matters, there was a prospect of real deterioration in the relations between the two countries. Nkrumah assured Harriman that he would keep in regular contact with Ambassador Mehney.11

At a reception for Harriman, two of Nkrumah's trusted lieutenants, Kwame Armah, Minister of Industries and Krobo Edusei, Minister of Agriculture made some sharply critical comments about the United States. Edusei was reported to have spoken on the occasion that "Ghanians valued friendly relations with the United States as well as with all other countries so long as these are based on mutual respect and understanding." The source reported to the author that Harriman promptly rose up from his seat after the ministers had finished their speeches and made a fighting reply intended to snub the ministers.12

Sir Robert Jackson's visit coincided with that of Harriman. In view of the rather close contacts that the State

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11. Interview.
12. Interview.
Department always maintained with Jackson, it is reasonable to presume that his arrival in Ghana was not a pure coincidence. According to James Hoxon, Harriman and Jackson consulted with each other and "were able to decide together how Nkrumah might best be informed of the explosive dangers that now lay in his path."

On his return to the United States, Harriman gave a background briefing to reporters concerning his visit. His observations did not indicate very serious reservations concerning Nkrumah or the extent of American Governmental corporate involvement in the Volta Project. There was good chance, Harriman said, that Nkrumah "will maintain the kind of relationship toward private investment which will be necessary to have the Volta River a success." He expressed the hope that in his own interest, Nkrumah would maintain relations on a reasonably satisfactory level in order to make it possible for Kaiser to carry forward his project satisfactorily. Depicting his impressions on the Ghanaian situation, he said: "We have had some strained relations--I would not say--yes, strained relations with the Ghana Government."

...I think it is fair to say that Nkrumah recognized the absolute necessity of getting foreign capital to invest. His Seven Year program is based on that. It would not be successful without it. Although there are certain influences which bear upon his policies which relate a strong central government."

think that there is a good chance that he will maintain the kind of relationship toward private investment which will be necessary to have the Volta River Project a success. 14

Harriman referred to the "very warm relationship" between Nkrumah and Edgar Kaiser and placed Kaiser at the head of the list of his concept of responsible capitalist. 15

A day before Harriman's press conference, Secretary of State Dean Rusk appeared before the Senate Committee on Foreign Relations in connection with the Foreign Assistance bill for 1964. In response to a question with regard to American participation in the smelter he said: "We have made it very clear to Nkrumah that we cannot proceed with any confidence in this matter [smelter] if he is going to steer Ghana down to a road that is hostile to the United States or American interest there." 16

Was there a contradiction between Harriman's posture and the statement made by Rusk? Apparently it was part of a design to blow hot and cold at the same time. Help to Ghana, yes; but Ghana should take care not to annoy the United States beyond limits deemed tolerable by the United States. That was the position of the American policy-makers.

Scott Thompson in his book, Ghana's Foreign Policy, 1957-1966 is of the view that in the short run the Harriman


15. Ibid., p. 324.

mission achieved some break-through in the deadlock that existed in the United States-Ghanaian relations. The Ghanaian newspapers refrained from attacking the United States in April and May and that Ambassador Mezinnay was able to meet Nkrumah once again at his official residence. But in the long run, Thompson points out, the Mission achieved very little. Even while Harriman was in Accra, the Ghanaian press and Nkrumah’s ministers were emphasizing the African character of Ghanaian socialism, Thompson says.\(^{17}\)

But American policy-makers were not particularly disturbed over definitions of socialism by countries like Ghana. It appears that Harriman was deputed to talk plaintly with Nkrumah and to remind him that Ghanaian outbursts against the United States should stop if Ghana was interested in continued American aid. It is to be noted that Congress was at that time debating on the Foreign Assistance Bill of 1964. Administration wanted Nkrumah to know that aid to Ghana would be affected by an unsatisfactory state of Ghana-US relations and that the smelter project might be in jeopardy.

While that message was intended for Nkrumah, the Administration regarded it as important to continue to present to Congress a fairly optimistic picture of prospects in Ghana, and with some qualifications, of Nkrumah as well. Assistant Secretary Williams’ response to certain questions posed by

Congressmen during hearings held by the Committee of Foreign Affairs may be cited at this point:

Donald M. Fraser [Minnesota]: I wonder if you could give us a report on the current status in Ghana?

G. Menen Williams: The present situation in Ghana is a difficult one as Governor Harriman just reported on his return from there. There is no question that the Soviets are making a determined effort either directly or through Communist-oriented people to increase their influence there. And there was a period of time when the attacks in the newspapers against the United States, against the American Negro [Emerson Player] were very bitter indeed. On the other hand it is our estimate that in the long run there are favourable factors that we think will prevail. This is an area where the British developed a very soundly based Civil Service, a well-trained military. Their schools and universities were pretty highly developed and have had a good degree of independence. The middle class is a sizable one and the amount of free enterprise is considerable. Their most important crop is Cocoa. These are all middle class independent farmers. In the balance that over the long run we could hope for a government which would be at least non-aligned. I think for the moment there have been unfortunate tendencies which seem to look eastward.

I think there on the Volta dam the progress has been very good. As a matter of fact Senator Bidender saw that and remarked favourably on the fact that this was a soundly based financial operation. The Ghanaians have put up half the money for it. The thing is well ahead of schedule and is going to turn out engineering-wise to be a very good investment.

We are going to have ups and downs, but we have been able to talk and get more redress of specific grievances as they arise....
William J. Murphy (Illinois): getting back to Ghana, Mr Secretary, the attacks on the United States were levelled by the press. The press in Ghana is controlled. I would like to know what about the Ashanti people? What is their attitude? I understand they are quite friendly toward the United States.

Williams: Yes Sir, shortly before these attacks I was in Kumasi, the Ashanti area and their cordiality could not be greater....I think even elsewhere the large mass of Ghanian people have been friendly to the United States. I think the press barrage when it goes on has some effect, but it does not reflect the fundamental attitude, I think we have had some success in persuading Nkrumah that these attacks in the long-run are not in his best interests either, because it discourages American and other enterprises from coming in and he is counting very heavily on enterprise to help him in his future program.

Thus at this point the State Department's position apparently was to fulfill commitments to the VRP already obligated, to refrain from any significant expansion of AID activities and to give the green-signal to Kaiser to proceed with the construction of the smelter as a factor that influenced Nkrumah's behaviour. The Department continuing to evaluate the opposition to Nkrumah in Ghana and the possibility of his removal, was unwilling to give any public expression of criticisms concerning Nkrumah. This is brought out by statements made by Assistant Secretary Williams during his fact-finding trip to Accra in May 1964. Before his departure he

announced to the press that during his stay in Accra, he planned to meet Nkrumah and his Foreign Minister, Kojo Botsio. He also added that he would like to review the developments in respect of the VRP.\textsuperscript{19} After reaching Accra on 11 May he poured forth praises for Nkrumah’s “greatness and his determination to use every penny in the development of the country”. After inspecting the dam site at Akosombo he remarked, “I did not expect to see so much progress as I saw today.”\textsuperscript{20}

**U.S. Embassy in Accra Counsels Deferment of Decision on Smelter**

The American Embassy in Accra and the AID group’s misgivings and reservations concerning Nkrumah continued to increase. As will be pointed out, the Mission’s pessimistic appraisals probably were a factor in the unwillingness of the United States Government to respond favourably to certain urgent requests for assistance from Nkrumah. The Mission in Accra was also opposed to any immediate unfavourable action authorizing construction of a smelter. In this respect, however, its point of view ran counter to that of another entity whose influence among the American policy-makers was by no means insignificant—the Kaiser Corporation.

In the summer of 1964 Ghana faced a serious foreign exchange crisis. An important contributory factor was the low

\textsuperscript{19} U.S. Department of State For the Press, 8 May 1964, no. 221.

price for Cocoa, Ghana's principal crop in the world market. In cooperation with other Cocoa-producing countries, Ghana sought ways and means by which a better price for Cocoa could be negotiated with the consuming countries, of which the United States was the major market. Nkrumah sought to obtain credits against Cocoa stocks to extricate the economy, at least partially, from its difficulties. In May he also explored the possibility of obtaining from the United States $100 million worth of P.L. 480 food assistance. The request was not publicized. It appears that the reaction of the American Mission in Ghana towards Nkrumah's approaches was not favourable. 21

The Washington Post reported on 14 April 1964 that a request from the Government of Ghana for emergency loans to stave off her balance of payments deficit had been turned down by the United States and several other countries. The Post indicated that the total request was for over $2 billion and that Ghana's emergency needs were for $200 millions to meet its immediate debt and import requirements. The paper stated that the State Department had conveyed to Ghana its inability to comply with the request but had refused to be drawn into further discussions presumably because of the "sensitive" state of relations which prevailed between the two countries. 22

Why did the United States turn down all requests for aid except giving the green signal for the VALCO smelter?

21. Interview, Troxel.

It has been mentioned earlier that the sentiments in the American Mission at Accra had turned unfavourable towards further aid to Ghana. What then was its position on the smelter? And what was the attitude of Kaiser Corporation itself at this time? An explanation for this decision is to be sought in the answers to the questions. No information is available in published sources concerning the antecedents of the State Department's decision to give the "go ahead" signal to Kaiser for the construction of the smelter. On the basis of interviews with persons associated with the US Embassy in Ghana at the time and the Kaiser Corporation, the present writer has attempted to piece together a picture of the developments concerning the matter.

By this time the American Mission in Accra was convinced that the United States would face dangers and uncertainties in view of the nature of domestic developments in Ghana. It felt that Nkrumah had very largely thrown in his lot with the Soviet Union. His domestic policies, the Mission reported to the State Department, had led to the growth of a great deal of dissatisfaction among elite groups in the country and that even the police force had begun to feel disaffected. The police leadership was disturbed by the dismissal of police chief, Erasmus R. Tawia Medjitey. There was considerable disappointment among elite group over the dismissal of Chief Justice Arku Korsah and over the arrest and persecution of opposition leader, Joseph Danquah. Reportedly the Mission drew the attention of the State Department to the revised constitution
of Nkrumah's Convention People's Party which, according to it, was virtually a copy of the constitution of the Communist Party of the Soviet Union. Further, Nkrumah had been showing signs of jitteriness and becoming extremely concerned over the threat of assassination attempts, the Mission reported. He had made himself a virtual prisoner in his own palace, and as a result, he was losing contact with the Ghanaian masses, the source of his strength. In urban centres dissatisfaction among the public was on the increase owing to the growing economic problems, scarcity of items of mass consumption, and rising prices and widespread rumours of corruption in high places.23

According to Ambassador Mahoney, the Mission could not feel very enthusiastic over inaugurating the smelter project at a time when Nkrumah's political position was undergoing a considerable erosion. Initiation of work on the smelter might be a factor in providing a certain accretion of strength to Nkrumah and contribute to the stability of his position. Already Mahoney had heard that elements of the police were in league with elements in the army. And tribal passions were also being brought into play—all indicating the possibility of an effort directed towards the removal of Nkrumah from power. These efforts, it was believed, might possibly come to head early in 1965. Under the circumstances, the Mission's position was that a decision on the smelter should be delayed by the United States

23. Interview, Troxel, John Foley.
for about six months so that the domestic situation in Ghana might become a little clearer before any additional American commitment was made. 24

While these were apparently the confidential recommendations to the State Department, the Mission's public posture in Accra was "business as usual." It gave no impression to the Ghanaian Government of any lack of interest in the inauguration of the smelter project. On the other hand, it urged the Kaiser Company to invite a delegation of prominent Ghanaians to visit the United States and inspect various Kaiser installations in the country. It also urged the Ghanaian Government to respond favourably to the invitation so as to improve the environment for an early favourable American decision. 25 The move fructified and a Ghanaian delegation consisting of bureaucrats, engineers, Ghanaian socialists and pressmen visited Kaiser's aluminium producing facilities located in Jamaica and the United States at VALCO's expense. The delegation was led by Imoru Igele, Nkrumah's Industries Minister and comprised of eight members. They were T. D. Baffoe (Ghanaian Times), Daniel K. Foevie (Trade Union Congress), E. L. Quertey (Chief Electrical Engineer), Frank Dobson (Chief Executive, Volta River Authority), J. V. L. Phillips (Chairman, State Mining Corporation), J. H. Mensah (Planning Commission), and Ambassador Miguel A. Ribeiro. The Mission inspected

24. Interview, Ambassador Mehoney.
25. Interview, Prozel.
Kaiser's bauxite mines in Jamaica, a bauxite refinery in Louisiana, an aluminium smelter in West Virginia, three aluminium fabricating plants in Illinois and finally Kaiser Aluminium headquarters in Oakland, California. The delegation's visit was regarded as useful both by Ghana and the Kaiser Corporation, but the US Embassy at Accra still held to its view that no decision regarding the smelter should be taken till the internal situation in Ghana became clearer.

**KAISER PRESSES FOR AUTHORIZATION**

The American Embassy's appraisal and the thrust of its recommendation went contrary to the position taken by the Kaiser Corporation itself. Edgar Kaiser saw no useful purpose in delaying work on the smelter. On the other hand, he felt that VALCO should start the venture as scheduled and that it would return reasonable profit for the consortium. An aide of Kaiser gave this impression to the present writer. He added that the Kaiser Corporation sought to counteract some of the criticisms levelled at the Volta River Project and about the proposed construction or of the smelter. For instance, the Corporation rejected the notion that Ghanaian technical and non-technical persons were not available in sufficient numbers to meet the tremendous technical challenges of the construction in progress and those that were projected. Kaiser's position

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27. Interview, Troxel.
was that the record of construction on the Volta dam and hydro-electric installations for two years clearly showed good performance of Chameians and that misgivings on that score were baseless. The side said that regardless of certain aspects of Nkrumah's domestic policies, Edgar Kaiser had developed considerable respect for Nkrumah and regarded him as a brilliant man with right ideas on approach for African development. He continued to believe that American press criticisms of Nkrumah were one sided and unfair, based on ignorance and lack of understanding of African realities. Kaiser's appraisal also reflected the convictions held by his close associate, Chad Calhoun, while in Ghana, Calhoun once said: "When I drive around and see the numerous developments going on, I ask myself if they would have been there without Nkrumah. The answer is no and that was why I admire him."

Apparently, despite Nkrumah's growing domestic problems, Edgar Kaiser and Chad Calhoun did not subscribe to the view that he faced any early danger of ouster from power. Even if it were to be assumed that he faced some danger, they felt that it would be inadvisable to go on waiting for the situation in Ghana to clarify before proceeding with the task of construction of the smelter. With their wide experience in international operations, Edgar Kaiser and Chad Calhoun had not placed all their eggs in Nkrumah's basket alone.


E.K. Akuoko, a Ghanaian lawyer and an attorney for VALCO for several years told the present writer that the Kaiser Corporation had built a good base to safeguard its investment in Ghana. It had placed several politically influential people or their dependents in its pay-roll. Thus its "access" to the Ghana "power elite" was not restricted to Narumah. VALCO had given employment to hundreds of Ghanaians whose jobs depended on Kaiser's continued operation in Ghana. Kaiser's political connections and his pay-roll were custodians of Kaiser's interests in Ghana, Akuoko remarked.

For these reasons Kaiser could not see any specific advantage to him of delaying the start of the construction. Such a course would only serve to annoy Narumah without bringing any benefits to Kaiser. Once the project was started, Kaiser did not feel that any basic threat to its interest would develop even if major political changes took place including the possible ouster of Narumah himself.

STATE DEPARTMENT GIVES GREEN SIGNAL TO KAISER

The State Department had thus two differing appraisals. The appraisal of Kaiser was in favour of avoiding delay and commencing the construction of the smelter as per schedule without waiting for the political dust to settle in Ghana. The American Mission in Accra appeared to recommend a delay of about six months before the announcement of the decision to go-ahead.

with the smelter part. In the Department the attitude of Assistant Secretary of State Mennen Williams and his close associates would have been crucial in a final determination. The present writer was unable to interview Mennen Williams on this matter but had an opportunity to have a discussion with Wayne Fredericks, Deputy Assistant Secretary for Africa. Fredericks declined to provide direct answers to questions relating to final determination by the State Department and of the Administration. He chose to speak in general terms from which his attitude and that of Williams emerges as one in line with Keiser's position of proceeding with the smelter project instead of delaying it. Fredericks said that he considered the implementation of the VRP as a great landmark in African development. African development was a continuous and long-term process whereas political regimes were, relatively speaking, short run phenomena. Fredericks said that he always considered development for Africa as a straight line and political regimes were ripples which might disturb the course of such developments marginally. What Africa required urgently was development. In the case of Ghana, the record was encouraging. Fredericks said that he was of the view that the implementation of the Volta River Project could transform Ghana and place it on the road to industrial growth. In the long run, the VRP would be the monument to Ghana's prosperity. In the short run, Fredericks felt, problems could arise creating doubts in the minds of decision-makers as to the wisdom of a particular course of
action. He referred to the doubts that had existed before the decision of 1961 in this context and added that the Volta River Project would stay on to serve the interest and welfare of the people of Ghana irrespective of whatever regime was in power. He stated that for him, it was the creation of a sound infrastructure for the country that mattered and not the political orientation of the regime in power. In that sense he had believed that it was Ghana which was more important than Nkrumah, Fredericks stated. 31

These views expressed by Fredericks indicate that he and Williams were in favour of proceeding with the construction of the smelter and did not believe that any useful purpose could be served by delaying a decision. In July 1964 the State Department took the first step in the direction of clearing the way for the smelter project. It authorized Kaiser Aluminium to go ahead with the plans and purchases with regard to the smelter once again on which it had earlier imposed suspension orders on the aftermath of the February demonstrations. 32

THE GROUND BREAKING CEREMONY, 5 DECEMBER 1964

The ground breaking ceremony for the smelter was held at Tema on 5 December 1964, with Nkrumah performing the inauguration ceremony. Edgar Kaiser himself was present on the

31. Interview, J. Wayne Fredericks.
32. Source, State Department.
ground breaking occasion. He spoke in very optimistic terms in his welcome to the assembled guests. There were persons Kaiser said, who had expressed misgivings about the project and who had asserted that "we would never make it": "we would founder on the rocks of distrust and misunderstanding". Any new project would naturally face some problems and difficulties for implementation, but in Ghana such problems were solved because "the people of Ghana were determined to find the solution to those problems", Kaiser spoke to the audience.33

Nkrumah expressed his gratification at the initiation of work on the smelter. It was the last of the three interconnected schemes, the other two being Tema Harbour and the Akosombo dam and power station, he said. "This is an enterprise of international co-operation, a project in the direction of world peace", Nkrumah declared.

In his speech Nkrumah outlined "the possibility of foreign private enterprise working within the framework of socialist economic planning", and of the development of bauxite "so that all stages of aluminium industry, from the mining of bauxite to the production of the finished aluminium ingot can be carried out in Ghana." Nkrumah pointed out that Kaiser Engineers were undertaking a feasibility study of alumina production in Ghana and for setting up of aluminium fabricating plants for manufacturing a wide variety of aluminium materials. "We intend that this project should be designed from

33. For Kaiser's Speech on the occasion, see Moxon, n. 12.
the beginning, to enable us not only to serve the local market, but to sell on the wider African market", Nkrumah declared.

Nkrumah spoke warmly of his association with Kaiser and Celhoun. He said: "We certainly understood one another on the business side, but the sort of true and lasting friendship which is built on mutual understanding and trust, develops naturally through that rare and indefinable bond of affinity." Nkrumah used the occasion to apprise his audience an episode in the history of the Volta River Project which had not been made public. He reminded the audience of his first meeting with Edgar Kaiser at the Waldorf-Astoria in 1953. It was mere coincidence that President Eisenhower was also lodged in that hotel at the same time. Nkrumah described his second meeting with the President this way:

So Edgar in the way he has of getting down to things, suggested that we saw the President straight away. When Eisenhower heard what I had to say, he turned to one of his officials and said that he understood that the matter had already been taken care of. When he was informed to the contrary, he ordered, "then why don't you get on with the damned thing". "Yes Sir", I cried enthusiastically.

Nkrumah lauded Kennedy's personal interest and his sense of involvement with the project and said, "Kennedy promised to help us with it and he kept his promise in spite of the fact that he had to come up against much criticism and forceful opposition from the Cabinet colleagues, Congress members and the press." "This common co-operation endeavour is a clear demonstration of the fact that Ghana welcomes foreign capital,
institutional or private, provided it comes without strings 
and with the sole purpose of helping to accelerate the 
economic development of Ghana," Nkrumah asserted. He concluded 
his remarks projecting a bright future for Ghana:

From the elevated ground on which I stand, I see 
the symbol of Ghana tomorrow a vast new industrial 
complex comprising of a modern port and a new 
aluminium dock, the cocoa complex, the food 
complex, the new textile factory, the vegetable 
ol plants, the oil refinery and the new steel 
mill. In addition, there is the clinker cement 
factory, a 12-mile modern motor way linking Tema 
to Accra, a dry dock and ship building yard, the 
largest in Africa, and new hotels gradually rising 
on the horizon... The climax will come when we 
declare Tema a free port for the ships of all 
nations. 34

Commenting on the initiation of a smelter by VALCO, 
the West Africa was of the view that VALCO maintained a 
"favoured" position in Ghana in spite of the outburst of anti-
American sentiments voiced by the ruling party and the press. 
This fact, the article said, was emphasized by Nkrumah himself 
while paying glowing tributes to the Kaiser family for their 
association with the Volta River Project in course of his 
speech. 35 The New York Times reported that the construction of 
the smelter would give West Africa and Ghana its first break 
of a giant industry and that all stages of VALCO when completed 
in 1969 would give Ghana the largest aluminium reduction 
plant outside North America. The paper pointed out that 
excepting for mining, Africa really had no big industry and

34. For Nkrumah's Speech, see West Africa (London), 12 December 
1964, p. 1387.

35. West Africa, ibid.
therefore, "the VALCO's smelter will be a mile stone in West African industrialization". 36

A DREAM REALIZED, INAUGURATION OF THE VOLTA DAM
22 JANUARY 1966

The present study comes to an end with the decision of the United States to authorize Kaiser to proceed with the construction of the smelter. Despite ups and downs in the relations between Ghana and the United States in the months that followed no major issue developed having a bearing on the progress of the construction of the Volta River dam and the smelter project.

By the fall of 1965, the first phase of the Volta River Project was completed at a cost of approximately $160 million, $36 million below the original cost estimated. This phase consisted of the Akosombo dam, power-house and the transmission system that connected the dam to Accra, Tema, Kumasi and Takoradi. Nkrumah set 22 January 1966 as the date for the formal inauguration of his cherished Volta Dam.

The Government of Ghana had extended invitations for the ceremony all over the world to people who had played a role to bring the project into reality. The United States was represented by its newly appointed Black Ambassador, Franklin Williams. In an interview Williams told the present writer that Nkrumah had wished the presence of all three previous

American Ambassadors as also Mrs Jacqueline Kennedy at the

ceremony. Only two Ambassadors, Wilson C. Flake and William

P. Mahoney were able to join Williams at the ceremony. 37

Mrs Kennedy was not present. Other Americans who attended

the function were a big delegation from the Kaiser Industries

Corporation including Edgar Kaiser, Chad Calhoun and Ralph

Knight, all with their wives. Reynolds Metals was represented

by its President, Walter Rice. Carlton Lewis, Director of

Farewell Lines, New York was also present on the occasion. 38

The opening speech was made by Lodigiani of the

Italian firm of constructors, the Impregilo. Edgar Kaiser

spoke next. He first read to the audience a telegram addressed

to Nkrumah by his father, Henry J. Kaiser, expressing his

regrets for the inability to attend the ceremony to "share the

pride of the accomplishment". Opening his speech he described

the Volta River Project as "a challenge to men's imagination

for half a century" and "the beginning of a bright new era for

Ghana". Kaiser in his speech said that he believed that leaders

in countries sharing altogether different viewpoints could

join and work together for the success of a venture if there

"is a bond of mutual trust, mutual respect and mutual self

interest in accomplishing the specific task". Kaiser stated

that the project from the beginning "has been a history of co-

operation among men and nations" and that "Your President's

37. Interview, Ambassador Franklin Williams, US Ambassador


38. See Ghanaian Times, 21 January 1966, p. 3.
(Nkrumah) dream of a better life for the people of Ghana is now one major step closer to reality," Kaiser said that he and his partner, Reynolds Metals "are looking forward beyond completion of the next phase of the Volta River Project to Velco's role in helping to achieve Ghana's full economic potentials."

Kaiser described the dedication of the project as "another stepping stone in the direction of peace and understanding", and felt that from such stepping stones, a "watching world can experience a resurgence of faith". Kaiser concluded his speech by referring the power of faith. He said:

"Faith never fails. It is a miracle worker.... All things are possible to him who has faith, because faith sees and recognizes the power that means accomplishment. It looks beyond all boundaries, transcends all limits, nations, penetrates all obstacles and sees the goal."

Nkrumah's speech on the occasion was appropriate. First of all he referred sadly to the fact that Mrs Kennedy could not come "to unveil the plaque commemorating the part which her husband, the late President Kennedy and President Eisenhower played in this endeavour." Nkrumah referred next to the warm faith and enthusiasm of Edgar Kaiser for the Volta River Project that "provided the spark that brought it to life when the prospects of its continuation were at their lowest ebb." Referring to Edgar Kaiser's father, Henry J.

Keiser, Nkrumah said that the latter "has been a tower of strength and inspiration to Edgar and myself throughout our effort on this project."

Nkrumah pointed out that with the inauguration of the Volta Dam, a long-standing election pledge of the Convention People's Party voiced since 1951 was fulfilled. "From that time, this scheme has been one of our greatest dreams."

"My faith in it never faltered, in spite of the disappointments and frustrations created by the difficult and intricate financial negotiations involved", Nkrumah declared.

Nkrumah referred to the speech already delivered on 5 December 1964 on the occasion of VALCO's ground breaking ceremony at Tema to highlight the role played by Edgar Keiser and Chad Calhoun in the implementation of this project. He pointed out that in 1959 when the financial arrangements still to be agreed upon and were incomplete, he had decided to go ahead with the project out of Ghana's resources, even if external loans could not be raised. At this point he had authorized the Keiser Engineers to undertake the necessary planning and of tendering documents concerning the VRP. It was a calculated risk no doubt, Nkrumah pointed out, but "which really gave the impetus to the scheme." Nkrumah stated that at such critical juncture in the progress of the project "Edgar Keiser shared our optimism and gave us full support and encouragement".

Referring to Keiser's Reassessment Study in 1959, he said: "The Keiser Company's re-examination of the project enabled
us to lower substantially the cost of the entire project, a reduction which was a critical factor making construction of this vast project economically feasible."

He paid glowing tributes to President Kennedy whose sympathy and understanding was largely responsible for the financing of the project. "It was characteristic of Kennedy that despite the opposition of forces both in his cabinet and Congress, he put his full personal weight behind the scheme. Indeed at one time he stood alone in the cabinet," Nkrumah declared.

Nkrumah referred to Ghana's response towards external assistance from the United States. He spoke in his characteristic style:

We live in a world of contradictions. These contradictions, somehow keep going. Let me explain what I mean. Ghana is a small but very dynamic independent African state. We are trying to reconstruct our economy and to build a new free and equal society.

To do this, we must attain control of our own economic and political destinies. Only thus can we create higher living standards for our people and free them from the legacies and hazards of a colonial past and from the encroachments of neo-colonialism.

In such a world we certainly need great friends. United States is a capitalist country.

In fact it is the leading capitalist power in the world. Like Britain in the heyday of its imperial power, the United States is and rightly so adopting a concept of dual mandate in its relations with the developing world.

This dual mandate if properly applied, could enable the United States to increase its own
prosperity and at the same time assist in increasing the prosperity of the developing countries.

Eisenhower, President Eisenhower and President Kennedy were genuinely interested in this project because they saw behind the cold figures and rigid calculations that the Volta River Project was not only an economically viable project, but also an opportunity for the United States of America to make a purposeful capital investment in a developing country.

In other words, they saw in the Volta River Project a scheme with new dimensions of growth and development which they felt could benefit both Ghana and the United States.

It was on this common ground of our mutual respect and common advantage that our two countries Ghana and the United States of America made the contact from which grew this project.

The result of this contact is a living proof that nations and people can co-operate and co-exist peacefully with mutual advantage to themselves despite differences of economic and political opinions.

Nkrumah described the Volta River Project as a concrete symbol of international co-operation to help "forge world peace". He said:

It is perhaps the greatest tragedy of today's world that billions of dollars, roubles and pounds should be spent every year on military arrangements and wars. If the money wasted on wars and war preparations were invested in projects like the one spread out before us, these enormous capital funds could revolutionize the economies not only of the developing world, but also of the developed countries.

It was already dark when Nkrumah turned the switch to inaugurate the commissioning of power from the Volta Power
station. He expressed the hope that the Volta light will kindle and take the Chenaianas ultimately to their cherished goal of a Union Government for the whole of Africa. 40

The inauguration at Akosombo evoked favourable response from the British, American and the Chenaian press.

"The inauguration of the Volta River Project was very much an American-Chenaian occasion", the London Times reported. "There is no need to contest the view that the Volta River Project is a tribute to Nkrumah's courage and tenacity", it wrote. The Times noted that the national rejoicing over the event was "perhaps largely a party affair". The paper, however, stated that "this week Ghana is certainly in a self confident mood generated by the visible success and glowing prospects of the Volta dam." 41

The West Africa commented that a vast project completed some months ahead of schedule "is sufficiently rare in Africa to command admiration." "From the great array of American business top brass at the inauguration you can never guess that there were difficult relation between Flag staff House (Chena's Presidential office) and the White House." 42

The Volta Dam, the Christian Science Monitor said was "an example of how public money and foreign aid can co-operate

40. Ibid., 24 January 1966, p. 5.
in giving an economic boost to an emerging country". "The Akosombo dam is a thing of beauty, majesty and power and the Volta project is a monument to African progress", the Monitor wrote.43

The Ghanaian Times published a special supplement to highlight the role and importance of the Volta River Project to the overall development of Ghana. Concerning the inauguration in an editorial it stated that "what seemed an empty vision by mid-summer night dreamers has been accomplished as a result of determination and mutual assistance between Ghana and its partners. Referring to one of such important partners, the Kaiser Engineers, the paper stated that the "Kaiser Engineers must be proud of their association with an economically viable project, symbolic of international co-operation." "And convinced of Ghana's stability, the world will look round to them as partners of a historic edifice of mutual benefit", the paper noted.44

With the inauguration of the project one of the two great dreams of Nkrumah came to reality. But the other great commitment, i.e., the formation of a United States of Africa eluded him for the rest of his life. On 22 Feb., 1966, a month after the inauguration of the dam, Nkrumah was overthrown from power by a combined military-police coup. The coup was

organized and led by Colonel Immanuel Notape of the Second Brigade in Kumasi. Nkrumah at that time was out of his country in China, on his way to Hanoi on a peace mission to bring the Vietnam war to an end.

Thus, a dream was realized, but the dreamer was removed. A new phase of US relations with Ghana was to begin. And Edgar Kaiser and his Corporation stood by to carry on with the new rulers of Ghana as they had done with the old.