CHAPTER II

ANTECEDENTS OF THE VOLTA RIVER PROJECT

NKRUUMAH AND HIS VISION OF THE VOLTA RIVER PROJECT

The Volta River Project (VRP) has often been described as Nkrumah's "baby" and his "living dream." It was a project very dear to his heart and he struggled and fought hard with full vigour and messianic zeal to establish it. In Nkrumah's mind, the project held tremendous prospects for his country. It would be a project, which by way of generating power would help in the development of large deposits of Ghanaian bauxite to aluminium. The aluminium produced would be a great source of foreign exchange earnings for his country. Further, Nkrumah believed that the electric power held the key to the progress and prosperity of a country and therefore, the poor countries must have electricity in abundance to anticipate any large scale industrial advance. The Volta River Project, it was expected, would generate a rapid process of industrialization creating African markets for Ghana's products. This would diversify Ghana's economy which was so strongly dependent on one single crop, Cocos, whose price fluctuated sharply after World War II.


2. The Volta River Project, A Statement made by Kwame Nkrumah to the National Assembly, February 21, 1961, as cited in Esseks, ibid., p. 54.
Further, it was Nkrumah's hope that if the project ever got underway, it would bring about other benefits to his country like the development of railway and road network, irrigation, fisheries, and inland transportation. In short, it would transform Ghana from a predominantly agricultural country to a highly industrialized state. Nkrumah's enthusiasm for this venture was reflected in the election manifestoes of his Convention People's Party (CPP). The CPP brought the VRP issue into limelight in the elections of 1951. After coming to power, Nkrumah's Government explored possibilities of harnessing Volta's power for large scale industrialization and aluminium smelting.

BACKGROUND OF THE PROJECT: GROWING BRITISH INTEREST

The VRP had a very long history. It was first conceived by Sir Albert E. Kitson of the Gold Coast Geological


4. An excellent background for the project can be found in the unpublished Ph.D. dissertation of Winston L. Kinsey entitled, "United States and Ghana, 1951-1966", submitted to the Texas Tech, University, Lubbock, Texas in 1969. Other useful writings on the subject are:

Survey Department in 1914 while undertaking a geological survey of the Volta basin and the adjoining areas. Kitson came across huge deposits of bauxite in the region. The discovery came at a time when aluminium was in very short supply in the Sterling Area. In 1915 Kitson drew the attention of his Government to the potentialities of the Volta river as a source of hydroelectric power. He pointed out that such power, coupled with the rich bauxite resources of the country, held great promise for the development of an aluminium industry in the Gold Coast. Working on Kitson's plan, the Gold Coast Government drew up proposals as early as 1924 for the construction of a dam on the Volta river at Ajena in the Akwapim Hills for generating power for the production of aluminium. Progress on the proposals was stalled due to lack of finances.

It was only in 1938 that interest in the project again revived. That year two South African engineers, Duncan C. Rose and Christopher John Bird, carried out preliminary investigations in the Gold Coast and drew the attention of the mining world and of the British Government to an aluminium scheme in the Gold


Geoffrey Bing, a British socialist was invited by Kwame Nkrumah, Leader of Government Business of the Gold Coast Government, to act as his personal adviser. Bing held key official positions under Nkrumah until the latter was overthrown by a military coup in 1966. A great apologist of Nkrumah's policies, Bing was actively associated with the policy-making under Nkrumah.

Coast. The Second World War intervened and no further work could be undertaken for the duration. The South Africans, however, acquired certain bauxite concessions in the country during the war. At the end of the war in 1945 Duncan Rose took the lead in the formation of the West African Aluminium Limited (WAFAL) in the Gold Coast to carry forward the proposals for building an aluminium industry.  

Since the end of the Second World War the British Government and the British Aluminium Company (BAC) became increasingly concerned over the importance of developing a dependable source of aluminium supply in the Sterling Area. The Aluminium Industry Council representing various sections of the aluminium industry in Britain estimated that requirement of aluminium by the United Kingdom would increase at an annual average rate of five per cent. It was projected that the United Kingdom would need in 1975 thrice as much aluminium it consumed in 1951. The problem that Britain faced was that it was able to obtain only one-fifth of virgin aluminium needed by it from sterling sources. The remaining four-fifths came from dollar sources. The British authorities carefully examined various possible sources in the Sterling Area and came to the conclusion that the Volta River site was the most promising.  

In 1947 another aluminium giant of the world aluminium industry, the Aluminium Company of Canada (ALCAN) entered the

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7. Ibid.

Gold Coast scene probably at the behest of the BAC. ALCAN succeeded in obtaining large bauxite concessions. Two years later, ALCAN acquired an interest in WAFAL. Reflecting the interests of the aluminium companies and of the British Government, the Gold Coast Government appointed Sir William Harcourt and partner in London to study the contribution that the Volta River Dam could make to the Gold Coast. In its report submitted in August 1961, the Harcourt group advocated the development of hydroelectric power for the production of aluminium. Almost simultaneously the British Government had also encouraged ALCAN and BAC to examine in detail the prospects of aluminium production in the Gold Coast. The report of the companies submitted in January 1961 was also favourable. 9

Meanwhile fast moving political events in the Gold Coast had led to the victory of Kwame Nkrumah's Convention People's Party in the election held in May 1951. Released from prison, Nkrumah was invited to become the Leader of Government Business under the colonial government. Commenting on Nkrumah's political career and success in Gold Coast, the New York Times characterized him as "West Africa's Gandhi" and expressed the hope that he could eventually become the leader of all Africa. The paper stressed that Nkrumah's political influence had transgressed the territory of his country and had spread over to adjoining Nigeria, which was usually jealous of Gold Coast. There, the

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9. Ibid., p. 4.
paper noted, Nkrumah was even politically more important than the indomitable Nigerian leader, Nnamdi Azikwe (Zik).

These developments clearly foreshadowed the possibility that it would not be long before the country would emerge from its colonial status into independence as in the case of India.

The British Government was understandably anxious that while conditions were favourable from its point of view, some definite commitments should be worked out with the colonial regime in regard to the aluminium project. With his profound faith in the role of the VRP as a catalyst for his country’s economic development, Nkrumah too was probably ready to proceed with the discussions with the British Government in order to ascertain for himself the extent of support that could be obtained from that source.

Exploratory discussions took place in London in October-November 1951, and in London and Accra in May-June 1952. In this regard between representatives of the UK Government, the Gold Coast Government and the BAC to consider conditions under which they might participate jointly in a scheme for aluminium production in the Gold Coast. In April 1952, a “Statement on the Volta River Project and Related Matters” was published by the Gold Coast Government. This statement stipulated that the British and the Canadian interests which controlled ninety per cent of the

shares of equity capital would assume responsibility for the operation of an aluminium smelter. It was envisaged that the British Government would build the hydroelectric project while the Gold Coast Government would take charge for the constructions of the new harbour and the railroads. 12

In November 1952, a White Paper on the Volta River Aluminium Scheme was presented by the British Government to the Parliament. It outlined a scheme under which the two Governments and the Canadian and the British aluminium interests would cooperate in the development of aluminium production in the Gold Coast. It was estimated that the initial capital expenditure would be £100 million, rising ultimately to £144 million. The expenditure was to be shared by various parties. The successful completion of the scheme, according to the White Paper, "would guarantee the United Kingdom additional Sterling Area supplies of aluminium at competitive prices to meet rapidly growing requirements for which it would be unwise to rely on other sources." The White Paper stated that in view of the magnitude of the project it should not be embarked upon "without every practical assurance that it can be carried through to a successful conclusion." It suggested the setting up of a Preparatory Commission "to report

with all practicable speed" so that final decisions could be taken. 13

On 23 February 1953 the Gold Coast Legislative Assembly adopted a resolution welcoming these proposals for "large scale industrial and agricultural" developments. No immediate action was, however, envisaged. The proposals did not offer "a clear-cut scheme" nor had any firm agreement been reached between the two Governments and the aluminium companies. 14

WORK OF THE PREPARATORY COMMISSION

In June 1952 all the parties had agreed to the establishment of a Preparatory Commission to study all aspects relating to the undertaking of the project. 15 It is not quite clear what factors were responsible for the slowing of the tempo of British interest in the matter. Probably the British were reasonably confident that they might not face any serious external—especially American—counter-proposals that might complicate matters for them in the Gold Coast. In view of the heavy outlay of investment that the massive project was likely to involve, the British were probably anxious to undertake a very thorough study of all possible aspects. Further, the British probably calculated that such a study, even if it meant a delay of a few years, might

15. Ibid., p. 18.
have an educational influence on Nkrumah and the Ghanaians, and would make them conscious of the immense external assistance that was involved and to induce them eventually to accept contractual obligations that would be favourable from the British point of view. Obtaining satisfactory safeguards against nationalization might also have figured in British calculations.

On 17 February 1953, Commander Robert A. Jackson, an Australian engineer who had done outstanding job in various international enterprises in the Middle East area during the war, was appointed as the Special Commissioner of the Preparatory Commission and the Commission started functioning from 1 May 1953. For over two years the Commission carried on its studies and its elaborate report was published simultaneously in the Gold Coast and in Great Britain in November 1955. While its investigations were in progress an anxious Nkrumah made clear his Government's interest in welcoming foreign investment.

In a statement to the Legislative Assembly on 1 March 1954, Nkrumah declared that his Government would ensure "freedom to transfer without restriction profits arising from non-resident capital investment" and to repatriate foreign capital invested in the country. He also sought to allay fears concerning nationalization policies. The present Government, he declared, "has no plans for nationalizing industries, beyond the extent to which the public utilities are already nationalized and it does not envisage any such proposals arising out of it." His statement also made clear that if any successor Government should decide to nationalize a particular industry in the national interest,
"there should be suitable means of guaranteeing fair compensation". Nkrumah went on to promise that his Government would request the British Government to incorporate in the Constitution to be prepared for the Gold Coast, appropriate provisions for the payment of compensation "following the precedents in the Constitutions of the United States and India". "There should be no doubt left in the mind of foreign enterprise that the Gold Coast is prepared to encourage the entry and investment of foreign capital and to safeguard the interest of the capital," Nkrumah declared. 16

These significant assurances were subsequently incorporated in the Gold Coast (Constitution) (Amendment) Order-in-Council, 1965, Section 36(A)(1). 17 It is note-worthy that the publication of the Preparatory Commission's Report followed these important developments. The British understandably regarded them as essential preliminary steps.

The Preparatory Commission reported that the VRP was technically sound and was economically feasible. 18 It conceived the project as an amalgamation of three component units:

1. A dam and a power station at Ajena

2. The development of bauxite mines, an alumina plant and the aluminium smelter

3. The construction of a railway, roads, and a town-ship to back up the project

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18. Ibid., p. 3.
The total outlay was projected to the tune of £309,000,000 which was to be shared by the Governments of Great Britain and the Gold Coast and the two aluminium companies — ALCAN and the BAC. 19

The report reiterated the appraisal contained in the White Paper that world demand for aluminium would continue to rise. The table presented in the report indicated the rise during the decade 1945-1955: 20

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S.A. and Canada</th>
<th>Europe (excluding UK)</th>
<th>Sterling Area</th>
<th>Rest of World</th>
<th>Total</th>
<th>Percentage of 1945 total (1945=100)</th>
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<tr>
<td>1945</td>
<td>635</td>
<td>79</td>
<td>31</td>
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<td>669</td>
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<tr>
<td>1947</td>
<td>777</td>
<td>125</td>
<td>23</td>
<td>3</td>
<td>4</td>
<td>937</td>
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<tr>
<td>1948</td>
<td>885</td>
<td>169</td>
<td>30</td>
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<tr>
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<td>182</td>
<td>30</td>
<td>4</td>
<td>23</td>
<td>1,108</td>
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<tr>
<td>1950</td>
<td>994</td>
<td>213</td>
<td>29</td>
<td>4</td>
<td>25</td>
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<tr>
<td>1951</td>
<td>1,166</td>
<td>321</td>
<td>27</td>
<td>4</td>
<td>36</td>
<td>1,554</td>
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<tr>
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<td>23</td>
<td>4</td>
<td>43</td>
<td>1,744</td>
</tr>
<tr>
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<td>1,605</td>
<td>411</td>
<td>31</td>
<td>4</td>
<td>48</td>
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<td>466</td>
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<td>2,362</td>
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<tr>
<td>1955</td>
<td>1,920</td>
<td>500</td>
<td>24</td>
<td>8</td>
<td>73</td>
<td>2,526</td>
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</table>

20. Ibid., p. 99.
As the report noted a "spectacular" increase had taken place in aluminium production during the previous decade, a greater part of which was in North America and Europe. The report quoted with approval the reference of the President of the Aluminium Limited to "what appears to be an unrelenting demand for increasing quantities of primary aluminium". The report also offered the draft of a "Master Agreement, a Power Contract and other contractual documents" to be signed by the parties that were expected to co-operate in implementing the Volta River Project. The Master Agreement spelled out in detail arrangements for financing the project, the terms on which loans would be extended by the Governments and the mortgages providing the creditor governments with securities for their loans. It sought to define the modalities of the sale of aluminium to the United Kingdom, pricing arrangements and a formula for revision of price under specified circumstances. The Gold Coast Government was to agree to associate the British Government in the exercise of certain specified functions relating to the Volta River Authority (VRA). Acceptance of this provision, the report said, "would reflect the important financial contribution by the United Kingdom Government by continued association of the Authority so long as any part of the loan was outstanding". The second "special obligation" that the Gold Coast Government was to accept was to be "an undertaking against derogation by legislation or governmental action" from the documents setting up the project.

21. Ibid.
A third "special obligation" was to be an undertaking to pay fair compensation in the event of nationalization of the smelter company. 22

The report succinctly summed up the implication of success or failure of the project. Addressing itself to the first point it declared:

The size and complexity of the project must be kept in mind constantly when assessing its chances of successful development. Not only would it involve the physical construction of several major works, but it would also represent a remarkable example of co-operation in a less developed country, at a time of very rapid political transition, between the public enterprise of two Governments and the private enterprise of two aluminium companies situated in different parts of the world. Very large sums of money—in dollar, sterling and Gold Coast currencies—would be involved in the scheme.

The results of such a great undertaking would not only have major and direct consequences for the parties to the project themselves; they could also have an indirect effect on the willingness of other Governments and private interests to make large investments in schemes of similar magnitude now under consideration in other parts of the world.

A successful outcome of the Volta Project would have beneficial results for all concerned with it. To the aluminium companies it would mean that an additional source of ingot would have been brought into production at a competitive price. Such a development would appear to fit in with the general policy of expansion which has characterized the operation of various aluminium companies—particularly the Aluminium Limited since the end of the World War II.

To the British Government as emphasised in the White Paper, the successful operation of the scheme would make available at competitive prices, a further Sterling Area supply of aluminium far in excess of the Area's present production. It would

22. Ibid., pp. 107-11.
also advance the Government's policy of encouraging the development of resources of the Commonwealth. The scheme, if successful, could save the Sterling Area about one hundred million dollars annually when at full production.

The Gold Coast Government would stand to gain marked advantages from the effective development of the project. New and very large capital assets would be created in the Gold Coast. Opportunities for employment and training in new professions and skills would be provided. The present dangerous dependence of the national economy on a single export, Cocoa, would be substantially reduced. 23

What would be the implication if the Project were to fail? The report noted that the consequences of failure would be serious for the aluminium companies and they would be very reluctant to invest in countries like the Gold Coast. Also the ability of the British Government to raise funds for big schemes in developing countries would be seriously affected. "The stakes are thus very high", the report emphasized. 24

BRITISH INTEREST DECLINES

It is interesting to note here that according to James Moxon, the British would have been willing to invest £30 million in this Project at this point. 25 Then the question arises as to

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23. Ibid., p. 123.
24. Ibid.

Moxon, an Englishman served under the Gold Coast Government as the District Commissioner of the Volta River district and after 1949 joined the Gold Coast Information Service. He kept his interest alive for furthering the implementation of the Volta River Project. Subsequently, he was made a member of the Volta River Authority.
why British chose the path of the long-drawn-out process of the Preparatory Commission and whether the British Government was in a position to commit itself to the implementation of the Project. It would appear that as the prospect of concrete action moved nearer, second thoughts crept in on whether Britain really possessed capability to underwrite expenditures of enormous magnitude and, if such were feasible, whether Nkrumah's Ghana was the place to do it. The British Prime Minister, Anthony Eden, had his own reservations concerning Nkrumah.26 The British probably took note of the strong criticisms that had been levelled in the Gold Coast itself against Nkrumah's moves relating to the VRP from opposition elements like Joseph B. Danquah of the United Gold Coast Convention Party (UGCC) and Kofi A. Busia of the Ghana Congress Party.27 While all the Volta moves received unanimous support from the ruling CPP, the native chiefs preferred to remain neutral when the issue was debated upon in the Legislature.28 The British also probably could not remain uninfluenced by Nkrumah's statements during that period and afterwards concerning his commitment to build socialism in Ghana and his attitude toward the elimination of colonialism in the rest of Africa. There was probably a question mark in British minds,


28. See Apter, ibid., p. 237.
whether the assurances that had been obtained from Nkrumah concerning safeguards for British investment, transfer of profits, and compensation in the event of nationalization would be honoured in the future if Nkrumah's basic attitude toward Britain came to be modified.

Sir Robert Jackson who had served as the Special Commissioner of the Preparatory Commission told the present writer in an interview that during 1955-1956 it was politically inconceivable for the British to push through a scheme of the magnitude of the VRP. He noted that memories of the fiasco of the Tengenyika Groundnut Scheme still lingered on. Britain's own economic condition had not been in good shape since 1951. This factor had probably been responsible for Britain's willingness to make the discussion and examination of the VRP long drawn out. The Balance of Payments position continued to be quite unsatisfactory during 1951-1955. The British authorities were engaged in continuing efforts to maintain the value of sterling, tackle the balance of payments problem, increase reserves and reduce liabilities. The British Government had to come to terms

Sir Robert Jackson, an Australian by nationality came to Ghana as the Chairman of the Preparatory Commission in 1953 and continued his association with the VRP in all its stages of its development. A number of State Department personnel whom the present writer had interviewed in connection with the present effort stated that Jackson was the most well-informed person on decision-making with regard to the Volta River Project. He was close to Nkrumah, admired by the British and highly respected in the United States circles as a most sincere person dedicated to the establishment of the VRP.
with the appraisal that any major venture involving uncertain and unpredictable factors could be undertaken only if it were satisfied that such a role would be consistent with Britain’s resources and responsibilities. It appears to the present writer that in 1955 the British Government could not see its way clear to take any quick action in pursuance of the Preparatory Commission’s report.

Further 1955-1956 was a period of financial stringency in Britain when interest rates on loans and the lengths of loan repayments had become less favourable. In addition, the world demand for aluminium had temporarily not kept pace with production capacity. The aluminium companies showed lessened enthusiasm for big, new commitments especially in areas that they did not regard as quite secure politically. 30

The British sources probably were not unaware of certain moves that Nkrumah had made to explore the possibility of getting some American Corporations interested in the venture. These moves which will be described in subsequent chapters were no longer viewed with concern by the British. By now the British side was apparently interested in finding a way out to escape Gold Coast pressure for early action.

The British Government’s attitude was reflected in the actions of the British and Canadian companies. They began to argue that the price of power fixed by the Preparatory Commission

for the aluminium smelter to be put up by them was too high. 31

As Jackson told the present writer it was probably made clear
to Nkrumah by the British that further "painstaking analysis"
would have to be undertaken concerning all aspects of the pro-
ject. 32 The Ghanaian leader could only conclude that he might
have a long wait ahead if he were to depend solely on British
co-operation. Under the circumstances, the question that he
had to face urgently was how he could proceed in the direction
of securing support for his cherished project from the United
States Government and American Corporations.

The British attitude intensified Nkrumah's desire to
achieve complete independence of his country. He felt that such
a step would free Ghana from dependence on the British and from
the British aluminium interests that sought to take advantage
of Ghana's dependence.

EMERGENCE OF AMERICAN INTEREST

Prior to Ghana's attainment of independence, the United
States Government had showed no great interest in the implemen-
tation of the Volta River Project. The reason probably was that
Gold Coast was a British colony and it was considered the respon-
sibility of Britain to obtain financial support for the project.
Being an ally in the cold war confrontations against the Soviet

31. See Moxon, n. 26, p. 84.
32. Interview with Jackson.
Union, the United States Government probably did not wish to intrude into the sphere of British influence. At the same time the Volta River Project contained features that interested American policy-makers since the VRP was going to inaugurate a new source of aluminium in the world, the control over which was crucial for American interests. Also, as the cold war progressed, the United States Government started stockpiling of essential and critical materials which included aluminium.

During the inter-war years, the demand for aluminium in the world market continued to rise and it began to occupy the position as a major nonferrous metal in the world. Finding this, President Harry S. Truman appointed a Commission (Materials Policy Commission) in 1949 to go into the question of prospective demands for aluminium in the United States and the "Free World". In its report of June 1952 entitled, "Resources for Freedom", the Commission estimated that the consumption of aluminium in the United States and the rest of the world in 1975 might be between four to five times of the consumption in 1950. It was stipulated in the report that since aluminium was in the process of winning away markets from other competitive materials, there were still further chances of increasing need for aluminium. 33 Aluminium producers and fabricators in the United States saw tremendous scope for aluminium to substitute steel and wood and thereby enhancing the use of aluminium in engineering, ship building, air craft, transport, electrical

industry, building and other fields. Thus, while the British were taking lead along with the Canadians in an aluminium scheme in Gold Coast, the United States Government kept itself abreast of the developments concerning the project.

This was reflected in the assistance that the Preparatory Commission received from the United States Government with respect to certain of its technical investigations. According to the Commission, the agencies that extended assistance were the Department of State, the United States Public Health Service, the Bureau of Reclamation, the Tennessee Valley Authority, the Columbia Basin Project, the Bonneville Power Authority, and the United States Weather Bureau.35

Among prominent Americans who extended assistance to Jackson Commission in its investigations were Arthur E. Morgen and Gordon Clepp, who had served at different times as Chairmen of the Tennessee Valley Authority. Apparently no American aluminium company was approached for advice by the Commission. The Commission apparently kept in close touch with the British Aluminium and the ALCAN.

Prime Minister Nkrumah of Gold Coast Colony in the meanwhile had continued his dialogues with Britain and the British and Canadian aluminium companies for the implementation

34. Ibid., p. 9.
36. Ibid., pp. 126-8.
of the project. At the same time, however, he made consistent efforts to evoke American public interest in the development projects that were projected for his country in the future. After six years of his departure from the United States, he got an opportunity to visit that country once again when his old friend, Horace Mann Bond, the prominent Black educator and President of Lincoln University invited him to receive an honorary degree of "Doctor of Laws" from his University. During this trip to the United States in 1951, he urged a black audience in New York that black American educators, technicians, scientists, and medical men should come over to Gold Coast to establish a "cultural bridge" between the Africans and the Afro-Americans. Further, he said that he was looking forward to the prospects of vigorous economic development in Gold Coast under the aegis of a Volta Project, on the model of the Tennessee Valley Authority.37 On his return to Gold Coast after the tour, Nkrumah outlined a 545,000 kw hydroelectric development project on the Volta River near Ajena. He further spelled it out that a private aluminium company would be given responsibility for the extraction of bauxite, construction and operation of an aluminium processing plant in Gold Coast. Nkrumah announced that his Government would be opening centres in London and New York to acquaint potential investors and technicians on the rich potentials of Gold Coast.38 The New York Times deputed its representative, William S. White on a tour of Africa around this time which included

Gold Coast. The reporter described Gold Coast as the "black men's brave new world" and "an area of light in the dark continent". The reporter indicated that Nkrumah was reluctant to force Britain for an early exit from his country since he was under constraints to induce foreign capital for a Tennessee Valley Authority type of project on the Volta River costing $150,000,000. The money, according to White, must come either from the United States or Britain and probably from the United States. But American public money or interest as has been pointed out earlier was not forthcoming until Britain was on the scene and ruling Gold Coast.

With regard to the evolution of American private interest in the project, it is not clear whether during the years leading up to the slackening of British efforts in the VRP after 1956, any major American private interest had sounded Nkrumah on the possibility of an association with the project. It appears to the present writer that the major American interests might not have taken any significant initiatives in the early and mid 50s in view of what appeared to be a clear linking of Nkrumah with the British Government and the Anglo-Canadian aluminium companies. The one American effort that was made during this period came from a very unusual source that had little or no contact whatsoever with major American interests. The source was Horace Mann Bond, President of Lincoln University, Nkrumah's old alma-mater. The Ghanaian leader had profound

39. Ibid., 16 May 1952, p. 5.
respect for Horace Mann Bond. Bond, on his part, regarded Nkrumah as a big hope for the regeneration of Africa. He watched Nkrumah's progress with affection and admiration and hoped that the Lincoln alumni would be the instrument by which Ghana could emerge as a model for Africa and source of pride for the American Blacks. The sincere, sustained and somewhat amateurish effort that Bond made to attract American capital for Ghana's development are described in a chapter in an unpublished monograph entitled, "United States and Ghana, 1951-1966" by Winston L. Kinsey, Assistant Professor of History at the Appalachian State University in Boone, North Carolina. The present writer was unable to obtain access to the Bond Papers that Kinsey had examined. He did, however, have an opportunity to discuss the issue with Kinsey and to peruse the material that the latter very generously made available to him. While Kinsey chronicles the hectic efforts made by Bond he fails to appraise critically whether they really amounted to much in concrete terms. The present writer remains of the view that the well-intentioned efforts of Bond did not represent anything substantial that could have appealed to Nkrumah in the preliminary period ending 1966. Nkrumah, shrewd and worldly-wise, responded gratefully to Bond's many communications concerning his efforts without, however, placing any large hopes that these efforts might bring on such definite proposals from worthwhile American interests as might enable him to dispense with the efforts that he had been

making with the British. Nkrumah was prepared to listen to the American educator and encouraged him to continue his efforts, but he was not disposed to give up the British bird in the hand for the American bird in the bush that Bond vaguely talked about. The record also shows that Nkrumah was not willing to take very seriously grandiose promises from any individual American promoter and was also quite unwilling to respond if it seemed to him that the operator concerned might be interested in securing for himself an undue measure of control.

Nkrumah appears to have broadly indicated to Bond his negotiations with the British and to have complained about the tough bargaining of the British Aluminium Company. He indicated to Bond that he would not be unwilling to consider worthwhile proposals that might be offered by the American Business interests. Bond took up the matter with the utmost seriousness—much more probably than Nkrumah had expected.

The contact that Bond was able to line up for Nkrumah was one L. Edgar Detwiler, President of an outfit known as the New York World Centre, Inc. As urged by Bond, Nkrumah had a meeting with Detwiler during his visit to the United States in 1951. Subsequently Detwiler organized a firm called Africa International Corporation. Detwiler's prescription for approaching the problem was simplicity itself. All that was needed was to bring together a prestigious law firm with political

41. Ibid., p. 332.
connections, an aluminium interest, a potential financier and a reputed engineering firm. If they would all agree to work together, Detwiler felt that it should be possible to obtain adequate American resources for the VRP. The fly in the ointment was of course that all these powerful interests should want to work under a Detwiler. The only card that Detwiler had in his hand was his acquaintance with Bond who had a line to Nkrumah. Detwiler approached the Law firm of Davies, Richberg, Tydings, Bebe and Lands in Washington, D.C., Hershey, the well-known Chocolate company, Reynolds Metals, the aluminium company in Richmond, Virginia, and the Atlantic Engineers, Inc. His efforts produced no results. Reynolds Metals might have had a logical interest in a scheme involving aluminium, but were inhibited from taking any initiative because of the indication that Nkrumah would take no step that might prejudice the negotiation under way with the British Government and the Anglo-Canadian aluminium interests. Nkrumah could not work up much enthusiasm for the proposals that he received from Detwiler when the latter, accompanied by Bond, visited Accra in December 1952. Detwiler now spoke of yet another firm that he had helped in organizing, the United American Management Corporation, as a subsidiary of the Meritt-Chapman and Scott Corporation. The Ghanaian leader and his principal officials could not apparently bring themselves to believe that that sort of an outfit was likely to turn the dream of the VRP into reality. In March 1953 Bond was back in Accra with the persistent Detwiler in tow.
Nkrumah's officials politely told them that no further initiative needed to be taken since there would be criticism in the Gold Coast Legislative Assembly if any publicity were to result.\(^{42}\)

Kinsey refers to the disgust supposedly felt by Detwiler and his conclusion that Nkrumah was under pressure to accept the British line.\(^{43}\) But any impartial examination of the state of the British proposals at that time would suggest that Nkrumah acted rather sensibly and soberly in deciding against making any hasty commitment to Detwiler. As has been mentioned earlier, the Preparatory Commission was at work at that time and Nkrumah continued to hope that progress could be made with the British. Unless a counter-proposal from an American source could be shown to be clearly and unmistakably more advantageous financially and to have possibilities of quicker implementation, there was no reason why Nkrumah should be disposed to change horses in mid-stream. Further, Detwiler was foolhardy enough to tell the Ghanaian officials that in return for his important efforts, all future initiatives in regard to the Project should be left in his hands. Nkrumah was certainly not prepared to give any such power even if the request had come from a major American entity offering him attractive terms. As far as he was concerned, such a demand from Detwiler was not even worth a second thought.

It is noteworthy that in his discussion of the proposals of Detwiler, Kinsey does not attempt to make a critical appraisal.

\(^{42}\) Ibid., pp. 333-41.

\(^{43}\) Ibid., p. 342.
of Detwiler's standing and credentials. The present writer takes the view that Detwiler was an "operator" who tried to be a little too smart. Nkrumah was able to size up this "operator" better than the well-intentioned educator from Lincoln University. Kinsey's problem arises because of his almost exclusive dependence on the Bond Papers. He was apparently influenced by the fulsome exchange of letters between Detwiler and Bond. He did not ask any hard questions concerning Detwiler's capabilities or even his standing in the business and financial world.

It may be mentioned in this connection that Detwiler emerged a few years later claiming to be the head of yet another outfit known as the Congo International Management Corporation with headquarters in New York. He announced that he had acquired from the Congolese Prime Minister, Patrice M. Lumumba, a fifty year contract to develop the Congo's resources. While making the announcement, he also asserted that he had important interests in Liberia and Guinea. Significantly it was the GOG which at that time publicly warned other African governments not to enter into any contractual obligations with unfamiliar individuals with unknown credentials. 44 Nothing came out of those Detwiler's schemes too.


An American Foreign Service Officer posted in the Congo during the period told the author in an interview that Nkrumah specifically warned Lumumba about Detwiler when the Congolese leader informed him about the proposed deal with the American "operator".
Nkrumah was realistic enough to understand that no worthwhile proposal was likely to come from major American economic interests unless it was clear to the latter that the blessings of the United States Government were assured. Neither Bond nor Detwiler had given the slightest indication in the course of their efforts that they had contacted any sources in the Executive Branch of the United States Government. From the general attitude of the United States Government and possibly from his own appraisal after his visit to the United States in 1951, Nkrumah could not derive any real encouragement or significant American support. He could understand that as long as the Gold Coast remained under the British colonial rule, any American Administration was likely to be reluctant to support any venture in the country that might be regarded as adverse to the British interests. That position changed on 6 March 1957 when Ghana became independent. Nkrumah could now seriously consider the possibility of exploring for an American option for the VRP.

The approach of independence in Ghana was watched with interest by a major American aluminium producer—the Reynolds Metals. This aggressive Corporation had obviously followed with care the fate of the negotiations that had been going on between the Gold Coast and the British and noted the slackening of British interest in the venture. Reynolds' interest was of an exploratory nature and the man undertaking the exploration on its behalf was Adlai Stevenson, the defeated Democratic candidate for the Presidency in 1952 and 1956. The legal firm of Adlai
Stevenson, based in Chicago, represented Reynolds. Adel Stevenson had made a couple of trips to Ghana before its independence and had developed personal contacts with Nkrumah and Gbedemeh. Through Stevenson Reynolds' interest in examining possibilities in the Gold Coast had been communicated to Nkrumah and Gbedemeh. Simultaneously Reynolds also began some discussions with BAC and ALCAN regarding working arrangements for possible participation in the smelter project in the Gold Coast. 45

Nkrumah apparently regarded this development as much more significant than an alternate proposal submitted by his old friend Horace Mann Bond. Bond had been invited to Ghana's independence ceremony. Despite his previous experience with the Detwiler affair Nkrumah mentioned to the visitor his interests in getting support from American interests for the VRP. It is possible that Nkrumah might have indicated the importance of enlisting the cooperation of some really big American undertaking for a Ghanaian venture. Once again Bond took Nkrumah's request for help with utter seriousness. He tried to interest the Anaconda Corporation which was a giant in copper but had also minor interest in aluminium. To serve as an "intermediary" between the Anaconda Corporation and the CUG a new firm was set up on Bond's initiative with the name Ghana Corporation. 46

Having established some contacts with Reynolds Metals, Nkrumah

46. Ibid., pp. 343-4.
was not willing to be distracted by Bond's latest efforts. He did meet privately with the representatives of the Ghana Corporation in Chicago during his official visit to the United States in July 1958. Nkrumah was quite non-committal at the meeting. He merely asked the Corporation to forward any proposal that they might have to him, after discussion with the Ghanaian Ambassador in the United States. 47

The Corporation did have these discussions and in the proposal they submitted they sought exclusive rights for themselves to carry on negotiations with the various parties that would have to co-operate in the establishment of the project. 48 This was the same kind of suggestion that had earlier emanated from Detwiler and had been rejected by Nkrumah. Nkrumah could have been hardly enthusiastic over the Ghana Corporation's proposal. His most urgent problem was not an agent with exclusive rights but concrete proposals for quick action backed by adequate financial support and the avoidance of any diminution of his own personal power and Ghana's sovereign rights.

Nkrumah had no happier experience with yet another American operator, one Fraser Leith, who early in 1957 had spoken to the Ghanaian leader in grandiose terms about his ability to mobilize American funds for the VRP. The GOC went to the extent of giving Leith a ninety days' option to make good on

47. Ibid., pp. 350-52.
his promise.49 When no specific proposal materialized, Ghana announced that the option had lapsed.50

Nkrumah could see at this time that the British were likely to be on the way out as far as the VRP was concerned. The discreet efforts that he had made through well-intentioned persons like Horace Mann Bond had proved fruitless. Association with operators of the type of Detwiler and Leith clearly turned out to be worthless. The contacts with the Reynolds Metals were still not leading to anything significant. There was little indication that anything worthwhile could be achieved unless the Government of the United States could be interested in the implementation of the Project.

Such, indeed, was the view expressed to Nkrumah a little earlier by Robert Jackson whom Nkrumah considered as a good friend. Jackson had pointed out to him that the United States remained the only hope as far as the VRP was concerned. Only the United States had the resources for helping with the Project. What was needed was a political decision on America’s part.51

At this point there appeared little prospect of Nkrumah’s being able to induce the Soviet Union, with whom he did not have even diplomatic relations to underwrite the project. It became, therefore, necessary for Nkrumah to make


51. Interview with Sir Robert Jackson.
a direct bid to the United States Government. It is in pursuance of such a line of thinking that Nkrumah placed in the hands of the Chief of the United States International Co-operation Administration (ICA) Mission in Ghana, Carl Fletcher, complete documents relating to the proposals received by his Government from various parties regarding the VRP. 52

The United States Government was aware of the problems that Nkrumah confronted and the opportunities that the situation opened for an American initiative at a propitious time when possibility of offending the British would not exist. The Department of State convened a meeting of the Aluminium Industry to discuss the developing situation in respect to Ghana. The ICA chief in Ghana had taken the position that the association of an American aluminium interest would be in the best interest of the United States foreign policy in Ghana in particular, and Africa in general. 53

The meeting at the State Department was apparently of an exploratory nature. Among those who attended was Chad F. Calhoun, a Vice-President of the Kaiser Industries. 54 The Kaiser group had substantial experience in engineering and construction of big hydroelectric projects apart from its interests in aluminium. Ingredients thus existed for the Kaiser

52. See Moxon, n. 25, p. 89.
54. Ibid.
group to take a keen interest in unfolding developments. An incident of racial discrimination involving Ghanaian Finance Minister Komla A. Gbedemah brought front page headlines to Ghana in the American press.\textsuperscript{55} President Eisenhower invited Gbedemah to the White House for breakfast and in the course of discussion indicated his willingness to examine the position about possible American help to Ghana.\textsuperscript{56} The time had obviously come for an American initiative and Nkrumah read the signal correctly. In a personal letter to Eisenhower, Nkrumah requested the President to lend his good offices to arrange development loan assistance for the VRP.\textsuperscript{57} Having received the appeal from Nkrumah himself, the President replied in an encouraging note. Nkrumah reported to the Parliament with enthusiasm about the letter from the American President. He indicated in his speech that there was a prospect for American assistance and so there might no longer be any need for further discussion with BAC and ALCAN. The protracted negotiation with the British had finally proved fruitless. The United States was extending a helping hand, said Nkrumah.\textsuperscript{58}

Nkrumah did not, however, give his Parliament a full picture of Eisenhower's letter. The letter has so far not been published, but the present writer was able to examine a copy

\textsuperscript{55} For details on the incident see \textit{New York Times}, 9 October 1957, p. 20, and 10 October 1957 (editorial), p. 32.

\textsuperscript{56} Ibid., 11 October 1957, p. 20.

\textsuperscript{57} Source: \textit{State Department}.

\textsuperscript{58} For Nkrumah's speech to the Parliament see Kinsey, n. 40, p. 282.
provided by an unimpeachable State Department source. The
President spoke of Vice President Richard M. Nixon's visit at
the time of Ghana's independence in March 1957 and cited
approvingly Nixon's view that Ghana was emerging as a strong and
powerful leader in Africa. He assured Nkrumah that the United
States endorsed the principle of self-determination with regard
to countries in Africa still under colonial subjugation.
Eisenhower mentioned that the United States Government would
explore possibilities of assisting Ghana in respect of the VRP
in so far as its resources permitted. At the same time he
explained that Ghana would have to enlist the support of major
American private financiers for the VRP.

The problem that Nkrumah confronted was similar to that
he had faced with the British. Co-operation and assistance of
the British Government was predicated on the arrangement that
he had to work with British and Canadian companies. Eisenhower's
position was virtually the same. The question thus before
Nkrumah was which American group would be the most advantageous
to woo and what the price the group might want to get from
Ghana.

Following the Nkrumah-Eisenhower correspondence, the
United States Government sent to Ghana an ICA team headed by
Carl Flesher. Flesher believed, as stated earlier, that private
enterprise should play a key role in the foreign aid programme

59. Sources: State Department.
and that the VRP provided an ideal opportunity to put his theory into action. Flesher's appraisal, as presented by a writer in *Fortune* ran as follows: The United States Government would lend Ghana money to build the dam and power station. The private investor, possibly with some government help, would put up an aluminium smelter. Having thus a guaranteed customer for Volta Dam's electrical power, Ghana would receive sufficient income to repay the United States loans.

There was, however, one snag. No aluminium company evinced readiness to go into the smelter project single handedly. During the spring of 1953 Flesher, therefore, gradually moved to the view that a consortium approach would be the answer.

On the Ghanaian side, a basic change in the concept of the project had taken place by this time. Previously, the whole project was conceived as a type of partnership of two Governments, the UK and the Gold Coast and the two aluminium companies namely BAC and Alcan. The two Governments would provide the dam, the power house, railway, harbour and towns. The two companies would provide the mine, smelter and sell ingots to the UK. Of the total amount of money involved, the UK would provide a considerable sum on a long term basis in exchange for the right to buy ingot at the world price.

It was now decided to make the project more manageable and to limit the commitments involved. Therefore, the public

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60. See Siekman, n. 49, p. 131.
61. Ibid.
utility sector of the project (the dam, power house, transmission lines and substations, health and resettlement measures) should be financed from public resources and that power should be sold at an economic rate rather than at cost price. On the other hand, a private enterprise venture should finance and manage the purely commercial operation of mining bauxite, processing it to alumina and smelting the alumina to aluminium, without any commitment attached as to the salt of the metal. This change did not seem to pose any special problems as far as the United States was concerned. 62

With ALCAN bowing out in March 1958 Ghana was enabled to initiate consultations with the United States Government in regard to alternative ways and means by which the project could be made to work. One of the ways was to get the engineering aspect of the project up-to-date so that cost of power could be recalculated. Ghana also requested the United States Government to consider whether assistance from the Development Loan Fund (DLF) could be made available for the dam and power plant. 63

On 22 March 1958 Eisenhower sent a warm congratulatory message to Nkrumah on the first anniversary of Ghana's independence and invited him to come over to the United States on an official visit. Nkrumah promptly indicated his acceptance and the visit was set for July 1958. The State Department by now had become quite anxious that some concrete steps should be


63. Ibid., p. 294.
made ready by the time of Nakumah's visit. One of the persons consulted by the State Department in this connection was Sir Robert Jackson who had prepared the report of the Preparatory Commission for the British and the Gold Coast Governments. This indicates the careful preparations that were undertaken by the Department. The present writer was given to understand that Sir Robert Jackson strongly recommended the association of Kaiser with the Project. He described Kaiser as an aggressive and forward-looking businessman who had achieved significant success in aluminium production in Australia. Kaiser too apparently had good friends inside the State Department who were willing to plead his special qualifications for being given some key responsibility. These elements emphasized that in addition to his work in Australia, Kaiser had also significant experience and success in under-developed countries and that he was well-versed in the techniques of winning friends and influencing natives in the higher echelons of those Governments concerned. In essence these elements took the position that the Kaiser would be America's "best bet" for the Ghanaian venture.

A questioning note was sounded by the Under Secretary of State, Douglas Dillon. His memorandum was made available to the present writer by a State Department source. Dillon acknowledged that the United States could, if it so desired, find resources for the VRP. But the question was, according

64. Interview, State Department.
65. Source: State Department.
to Dillon, whether it would be appropriate to commit such huge resources on a project in Africa at that particular point of time.66

66. Source, State Department.