

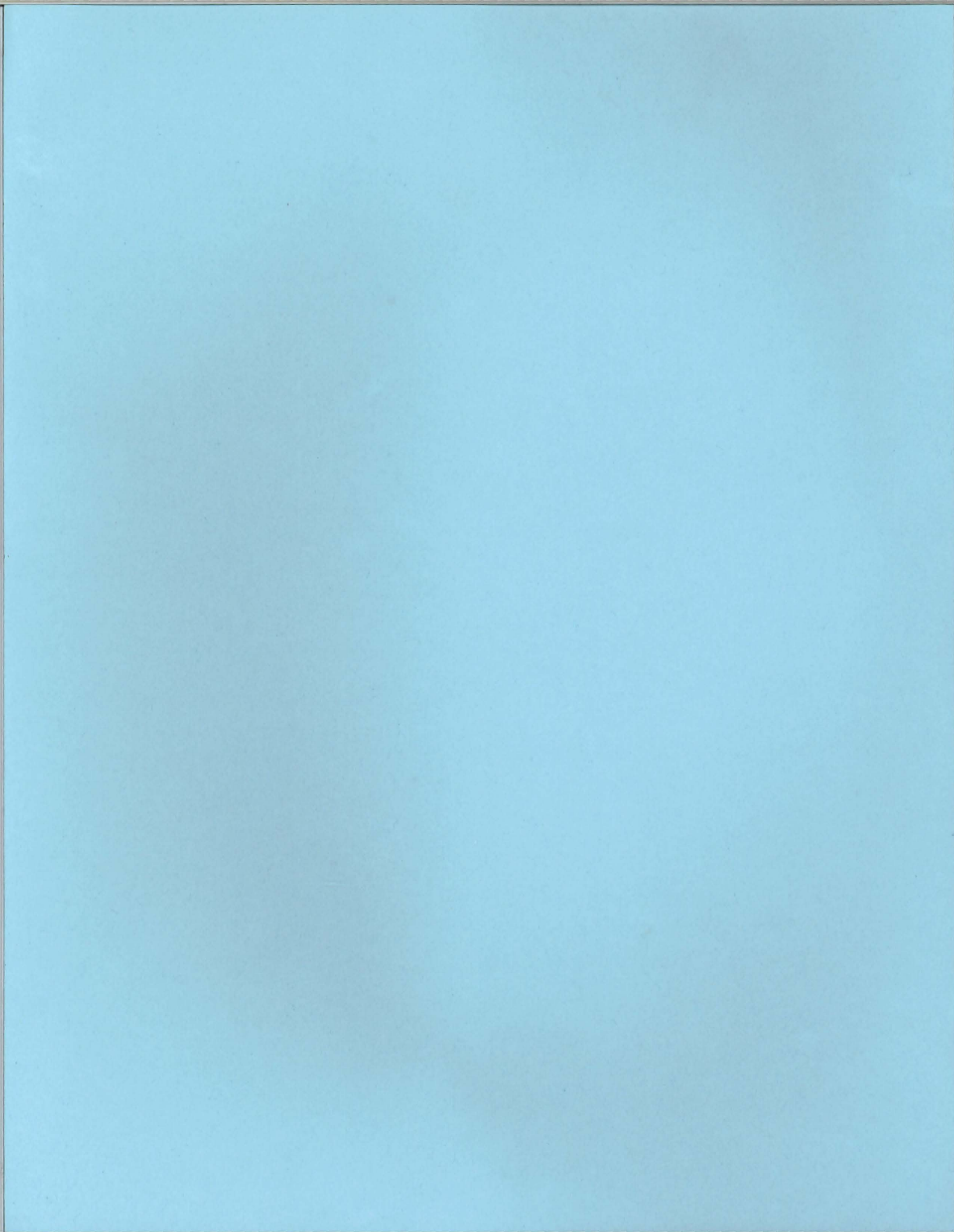
AFRAI COUNTRY FILES

GHANA Debt Conference - 1969-1970

Box 38

File 2

34513





Office Memorandum

cc. m Toure
Done
cc. Central Africa
Div
9/17

TO : Mr. Lamberto Dini
FROM : R.H. Gilchrist
SUBJECT : Ghana Debt Conference

DATE: 16th September 1970

This is to tell you that the Ghana Government have now notified the Chairman of the debt conference of their acceptance of the draft agreed minute, and have made certain observations on it. I attach the text of a letter from the Ghanaian Minister of Finance to Lord Lothian recording these comments.

2. My authorities have asked me to make the following points in communicating this information to you; there is, of course, no need for any action in either regard on the part of the IMF; they are being made also to the creditor governments to whom similar communications are being sent:-

- A. In accordance with the memorandum signed at the conference by the Chairman on behalf of the creditor countries and by Mr. Mensah, the draft agreed minute now becomes the formal agreed minute of the conference. It is now for creditor country governments which were represented by participants at the conference to decide whether to approve the proposals in the agreed minute. All such decisions should be communicated to HMG who will inform the Ghana Government and other creditor governments of them.
- B. HMG are concerned that debt payments by Ghana to the UK under the 1968 rescheduling agreement have been suspended since the end of the conference. We therefore propose to ask the Ghanaians whether they now intend to clear these arrears and make future payments on time, in accordance with the formal obligations accepted by the Ghanaians and recorded in paragraphs 4(2) and 5(3) of the agreed minute, so as to enable HMG to make their decision on the proposals in the agreed minute and arrangements for the negotiation of a bilateral agreement to put those proposals into effect.
- C. We should be grateful for information about payments by Ghana to other creditor countries under the 1968 agreements since the 1970 conference. If others have also stopped receiving payments due we hope that they will take the same line as that in (B) above.
- D. We are also asking Ghana what action she is taking to discharge her obligations under para. 5(1)(A) and (D) of the agreed minute.
- E. The Ghanaians have proposed negotiations with HMG from 23rd to 27th October of a bilateral agreement to implement the agreed minute. We understand that other dates have been suggested for similar negotiations with other countries represented at the conference. We propose to defer any commitment as to the dates of our negotiations until the Ghanaians have replied to the enquiries in (B) above.

Attachment

TEXT OF MR MENSAH'S LETTER OF 20 AUGUST (RECEIVED BY THE BRITISH HIGH COMMISSION IN ACCRA ONLY ON 4 SEPTEMBER) ADDRESSED TO LORD LOTHIAN:

I am writing to confirm the message which was sent to you on 8th August, 1970 through the United Kingdom High Commissioner in Ghana.

2. The Government of Ghana has considered the draft agreed minute on the rearrangement of medium term debt repayments due from Ghana between July 1970 and June 1972, which was prepared at the end of the Ghana debt Conference held in London from 7th to 11th July, 1970.
3. The Government of Ghana would be pleased if you would pass on to the governments of the creditor countries the following observations on the draft agreed minute:
 - (i) The Government of Ghana is of the opinion that the only satisfactory solution of our debt problem is one which is based on a long term settlement and which takes into full account the depth of Ghana's balance of payment problem and its requirements for sustained economic growth. Whilst the Ghana Government appreciates the short-term debt relief which the creditor countries have offered to Ghana under the terms of the draft agreed minute, it regrets the failure of the conference to address itself to finding a long term solution. The government of Ghana entertains the hope that the creditor countries will recognise the need for a long term settlement and work towards one at the proposed 1971 debt conference.
 - (ii) With respect to the formula for debt relief prescribed under paragraph 4 of the draft agreed minute, the Government of Ghana hopes that creditor countries which choose to proceed by that method will agree that the amounts payable after the deferments provided for under formula (B) should be spread over a period of years after the 10 years of deferment stipulated under that formula. The Government of Ghana will be looking forward to corresponding improvements in the terms of refinancing loans beyond the minimum provided in the agreed minute. It is also the hope of the Government of Ghana that the creditor countries which choose formula (C) will not offset the debt relief granted under that formula against the volume of additional development aid which they would otherwise offer to Ghana.
 - (iii) The Government of Ghana would like to reiterate in the strongest terms, its objection to the practice of levying moratorium interest at high rates under the 1966 and 1968 arrangements in consideration of the deferment of repayment obligations. In this connection the Government of Ghana notes with regret that the creditor countries did not accede to the request of the Ghanaian delegation that the moratorium interest charges falling due within the next two years on the basis of the 1966 and 1968 settlements should be waived altogether. The Government of Ghana considers that any system which results in piling charge upon charge and debt upon debt is economically unsound and morally untenable and it is the fervent hope of the Government of Ghana that a formula will ultimately be found whereby these accumulated moratorium interest charges will be eliminated altogether from our debt service obligations.

/(iv)

(iv)

4. Notwithstanding the above observations, the Government of Ghana accepts the above mentioned draft agreed minute, and would appreciate it if you would communicate this acceptance to all governments of the creditor countries. The Government of Ghana would like to record its appreciation of the considerable amount of debt relief afforded to Ghana by the creditor countries, and the readiness of the creditor countries to consider the Ghana debt problem again within the next two years.
5. We are taking appropriate action to implement the terms of the agreed minute.



Office Memorandum

Done CC - ETR
cc - CADiv
~~YTD~~

TO : Mr. Charles L. Merwin *Chm*
FROM : Ronald H. Gilchrist *RG*
SUBJECT : Ghana Debt Conference

DATE: 6th August, 1970

① I have been asked by my authorities to pass to you for information the attached copies of the Memorandum of Understanding signed at the recent Ghana Debt Conference and of the accompanying draft Agreed Minute.

As you know, it was not possible for the Conference to produce an Agreed Minute for signature at the Conference itself, in view of the Ghana delegation's wish to submit the text to their government before endorsing it. It was agreed that the Ghanaians and the Chairman, acting on behalf of the creditor countries, would sign the Memorandum in which the Ghanaians undertook to recommend to their government that the Agreed Minute should be accepted as such.

When the Ghana government's notification of the acceptance of the draft as an Agreed Minute is received in London, we shall inform all governments represented at the Conference and yourselves and the I.B.R.D. Until then, it remains only a draft.

Permanized
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25% COTTON FIBER
USA

cc = Bhatia



Office Memorandum

TO : Acting Managing Director

FROM : Charles L. Merwin *CL Merwin*

SUBJECT : Attendance of Mr. Bhatia at Ghana Debt Meetings

DATE: June 29, 1970

Mr. Bhatia has just learned that his wife must enter the hospital shortly for a course of treatment which will culminate in a major operation on July 9 or 10.

He and Mr. Wittich are scheduled to represent the Fund at the Ghana debt meetings in London July 2-3 (creditors only) and July 7-8 or 9 (plenary). Mr. Bhatia is prepared to stay in London through the first day of the plenary meeting (July 7) but feels he must return that evening.

I recommend that he be so authorized. Mr. Wittich would continue through the balance of the conference as Fund representative. Mr. Sturc agrees.

This change does not affect the policy discussion with the Ghanaian authorities on the repurchase schedule, which takes place on July 5 or 6.

Approved
Jus

cc: Mr. Sturc



Office Memorandum

elm

TO : Deputy Managing Director

DATE: June 24, 1970

FROM : Charles L. Merwin

Cl Merwin

SUBJECT : Ghana Debt and Aid Meetings and Repurchase Schedule

Owing to the change in Government, the United Kingdom is delaying by one week the Ghana debt meetings, occasioning a delay in the IBRD's aid meeting. There is no need to change the staffing. The new dates and staff representatives would be as follows:

Meeting of Ghana creditor countries, July 2 and 3 - Messrs. Bhatia and Wittich.

Plenary Ghana debt conference, July 7-9 - Messrs. Bhatia and Wittich.

Ghana Consultative Group Meeting, July 16 and 17 (?) - Messrs. Merwin and Szapary.

In order not to delay preparation of the Board paper on the repurchase schedule, I propose suggesting to the Ghanaians that we maintain the already agreed timing (i.e., Monday, July 6) for the policy discussion on that subject (see my memorandum to you of June 22). These discussions would then be held by Messrs. Bhatia and Wittich, with any follow-up talks that may be necessary by Mr. Szapary and myself.

We will delay issuance of the Board paper on the aid meeting until the dates are firm.

cc: ETR

approved
JS

cc: M.T.



Office Memorandum

TO : Mr. Merwin
FROM : Ernest Sturc
SUBJECT : Ghana

A handwritten mark resembling a stylized 'S' or a lightning bolt, located to the right of the 'FROM' line.

DATE: June 22, 1970

We, in this Department, have reflected on the issue raised in your memorandum of June 15 and do not find any particular objection to participating in a meeting in which non-Fund members are present, as long as we are invited by the chairman of the debt conference and by the debtor country. As for documentation, we have in the past provided reports on "recent economic developments" to a non-member (Switzerland) and we do not see any problem in circulating similar factual information to other nonmembers under the usual safeguards.

RECEIVED
INTERNATIONAL MONETARY FUND
JUL 1 1970



Office Memorandum

CONFIDENTIAL

TO : Files

FROM : Charles L. Merwin *Clm*

SUBJECT : Ghana Debt Discussions

DATE: June 22, 1970

A group of creditor countries held a "rump" meeting in London June 17 on the above subject--the United Kingdom, Germany, France, Netherlands, and the United States. According to Mr. Robert Duncan of the Office of Development Finance in the U.S. Department of State, the representatives at this meeting concluded that by the service ratio test Ghana had no case for debt relief until mid-1972 and therefore proposed another debt rescheduling meeting be held by the end of 1971. They admitted, however, that there was a resource transfer problem and that there were political considerations motivating action at the present time. It was recognized that relief on moratorium interest would not be enough to cover the gap which was estimated at about \$27 million for 1970 and \$47 million for 1971 (the latter including a \$20 million reduction in short-term credits). The United Kingdom proposed refinancing or rescheduling equal to one third of principal and interest due on medium-term debts in 1970/71 and 1971/72, or the equivalent of about \$10 million in each year. Although the United Kingdom, German and French representatives as well as the United States (who are not heavily involved) were willing to go along with this proposal, the Netherlands objected very strenuously to mixing aid and debt.

cc: Mr. Mohammed
Mr. Bhatia



Office Memorandum

TO : Mr. Southard (to await return)

FROM : Charles L. Merwin *Cl Merwin*

SUBJECT : Ghana Debt and Aid Meetings and Repurchase Schedule

DATE: June 16, 1970

Pursuant to your memorandum of June 15 on the above subject, we are reducing the size of the Fund's team at the debt meetings to two persons by dropping Mr. Szapary. The schedule for the two sets of meetings will then be as follows:

June 25-26: Creditor countries)	} Messrs. Bhatia and Wittich
July 1-3: Debt conference)	
July 7-8: Aid meeting	- Messrs. Merwin and Szapary

I have cabled Mr. Mensah suggesting discussion of the repurchase schedule between the debt conference and aid meeting. Depending on the timing he prefers for these discussions, some two or three of the foregoing staff members would either delay their departure from London or accelerate their arrival.

cc: Mr. Sturc
Mr. Thorson

OK
[Signature]

JW
I.O. File

Mr. Southard (to await return)

June 16, 1970

Charles L. Merwin

Ghana Debt and Aid Meetings and Repurchase Schedule

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- June 25-26: Creditor countries
 - July 1-3: Debt conference
 - July 7-8: Aid meeting
- } Messrs. Bhatia and Wittich
- Messrs. Merwin and Szapary

I have cabled Mr. Mensah suggesting discussion of the repurchase schedule between the debt conference and aid meeting. Depending on the timing he prefers for these discussions, some two or three of the foregoing staff members would either delay their departure from London or accelerate their arrival.

- cc: Mr. Sture
- Mr. Thorson
- Mr. Wittich
- Mr. Bhatia

Cable

Shearcopy Union S.M.

25% OFF



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

cc: Mr. Stone

DEPUTY MANAGING DIRECTOR

CABLE ADDRESS
INTERFUND

June 15, 1970

MEMORANDUM

TO: Mr. Merwin

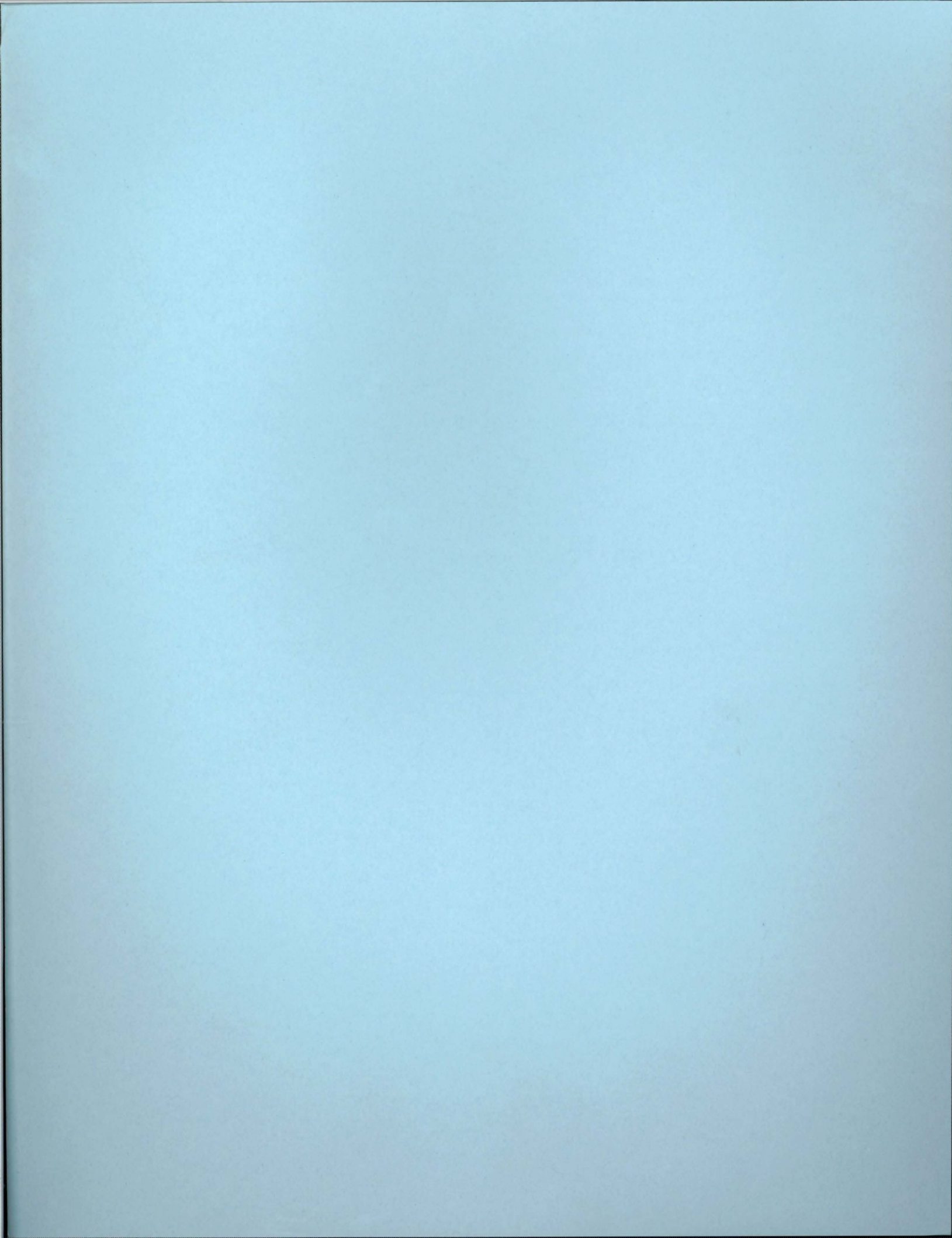
FROM: Frank A. Southard, Jr. *FS*

SUBJECT: Ghana Debt Aid Meetings and Repurchase Schedule

I refer to Mr. Touré's memorandum of June 12 on the above subject in which he proposed that Messrs. Bhatia, Wittich and Szapary would go to the Ghana Debt Conference. The memorandum is not altogether clear, but I assume that they would go both to the meeting on creditor countries, June 25-26, and the Conference itself on July 1-3. I assume that there will be no choice but for them to remain in London between the two meetings. I also note that it is proposed that you and Mr. Szapary represent the Fund at the Ghana Consultative Group meeting in London on July 7-8.

I have no strong objection to these proposals. But I do feel that the use of staff (and money) is on the lavish side. Therefore, I suggest that consideration be given to reducing the first group to two persons. If it is desired that Mr. Szapary attend both meetings, then possibly Mr. Wittich could be omitted. If, however, you consider it essential that all three persons go to the Debt Conference, I will not object.

cc: Mr. Thorson





Office Memorandum

Ghana Debt
Conf.

CC - ETR
Done CADIV
10 file

TO : Mr. Charles L. Merwin

DATE: 5th June, 1970

FROM : Guy Huntrods

SUBJECT : Ghana

I attach a copy of a message which has been conveyed to the Authorities of Ghana by H.M. Government and has also been passed to the creditor governments and to the I.B.R.D.

At the meeting of creditors held in London on 27/28 May, I was asked and agreed, as chairman of the meeting and on behalf of the creditors represented at it, to convey to you a number of points on which various creditors expressed a desire for clarification, arising from the document, "Ghana's External Debt Problem, its Nature and Solution", which the Ghana Government circulated to creditor countries on 30 April 1970.

The I.M.F. representative, who attended the meeting as an observer, authorised me to inform you that the I.M.F. would be willing to provide you with any assistance which you might wish for in elucidating these points. In case therefore you should wish to consult the I.M.F. about them, I am sending a copy of this message to the I.M.F. in Washington.

I have now assembled all the points raised by the various creditors and these are set out below. Some tabular statistics which cannot be cabled will follow by the next diplomatic bag to Accra.

Before listing the points may I express our gratitude for the manner in which the document was compiled and for the clear and cogent way in which it set out the Ghanaian case.

The following are the points which I have been asked to convey to you on behalf of the creditors, expressed for brevity and convenience in question form:

1. Cocoa Earning 1970

Is the estimate on page 74 of the Ghana document based on signed contracts or does it partly reflect estimates of the prices at which contracts would be signed? In particular -

- (a) Is the 144,200 tons at NC687.2 per ton based on actual contract prices?
- (b) Is the 77,000 tons at NC612.0 per ton based on actual contract prices? If these are estimates, what prices were actually realised, particularly for the forward sales of the 1970/71 main crop (and what tonnage has actually been sold forward)?

2. Non-Traditional Exports

The Ghana document assumes an annual 10% growth from a base of NC7.4 million in 1969. In the I.M.F. staff report on the 1969 Article XIV consultation (Part II page 43) other exports in 1968 are recorded at NC41 million. This figure appears to include exports of cocoa butter and paste (NC18 million?) and Bauxite (NC1.5 million) leaving NC21.5 million for non-traditional exports in 1968 - against the 1969 base of NC7.4 million quoted in the Ghana document. The I.M.F. figures of "other exports" are apparently taken from the external trade statistics of Ghana

.....

(Central Bureau of Statistics, Ghana). Can they be reconciled with the balance of payments data published by the Bank of Ghana, on which the Ghana document appears to be based?

3. Service Payments on Medium and Long Term Debt

It is difficult to reconcile the estimates in the Ghana document with those produced by the I.B.R.D. The two sets of estimates are compared in the Table which will follow by air bag. Could you please explain the discrepancies?

Part of the discrepancy appears to be due to the different treatment of service payments on debts to I.B.R.D. members in cases where the 1968 rescheduling agreement has not yet been implemented. The I.B.R.D. has treated these debts (and the service due on them) as unrescheduled, whereas an alternative assumption has been made on page 78 of the Ghana document.

It also appears, however, that the Ghana document omits debt service to non-I.B.R.D. members, at least in 1970 and 1971. Do the Ghana estimates of debt service on private suppliers' credits include service payments on new credits taken up (at the assumed rate of NC8.2 million a year) in 1971 and following years?

4. Payment Arrears

As at 1 June 1970, how much was owed to creditors:

- (a) On account of delayed remittances (e.g. arrears of profits, dividends and trade payments).
- (b) Under the 180 day credit system? Please indicate amounts owing in each category to individual creditor countries.

5. Export Earnings

What specific measures will be taken to stimulate exports, especially of non-traditional items? What specific policies are being adopted with the object of increasing exports to other African countries?

6. Import Programme

What are the revised figures for 1969 imports, by main commodity groups, as shown in the last column of Table 5 (page 27 of the Ghana document)?

What is the import programme for 1970, by the same commodity groups?

What specific policy measures will be adopted to keep imports, by commodity group, within the ceilings set by the 1970 import programme? In particular, what import tariffs will be applied to imports of sugar and other food items which could be produced in Ghana? What level of surcharge will be imposed on imports admitted freely under open general licence? Will this be a general across-the-board surcharge, or will it be applied selectively, and if so, to which items?

• • • •

7. Recurrent Budget

- (a) What level of recurrent expenditure is provided for in the 1970/71 Budget, by main head? To what ceilings will government consumption expenditures be restrained, and what specific policies will be adopted to ensure such restraint (page 60 of the Ghana document).
- (b) What subsidies were paid (i) to public corporations, (ii) to the Private Sector in 1969/70, and what subsidies are provided for in the 1970/71 recurrent budget?
- (c) What level of recurrent revenue is provided for in the 1970/71 budget, by main head? What specific measures will be adopted to secure an increase in tax revenue and a sharp increase in the marginal savings rate? (Page 60 of the Ghana document).

8. Development Budget

What is the development budget and one-year development plan for 1970/71? What is the sectoral distribution of the development budget? What contribution is made to the financing of the development budget by:

- (a) Surplus on the recurrent budget,
- (b) Domestic savings (outside the budget)?

Is consideration being given to a development plan of longer than one year?

9. Education

What is the level of expenditure on education in 1969/70 and what is planned for 1970/71? Is all recurrent expenditure on education included in the recurrent budget, and all capital expenditure in the development budget?

10. Sugar Production and Refining

What specific measures will be taken to secure the maximum economic production of domestic sugar and the efficient utilisation of sugar refining capacity. What proportion of total sugar consumption in 1970 will be provided -

- (a) By domestic sugar refining,
- (b) By imports?

11. Population

What is the latest estimate of the total population of Ghana, and of its current annual rate of growth in the light of the preliminary results of the latest census? What measures are being taken to reduce the population growth rate?

12. Policy Measures for Long Term Growth

Chapter IV of the Ghana document outlines a number of policy measures and objectives. When will these be put into effect? Is it fair to assume, as paragraph 15 of the document does, that if the policies postulated for the low growth model were followed, Ghana would be even more dependent on external assistance 15 years from now? Would it not be more reasonable to assume that some of the problems would be solved by structural changes?

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FLOWER BOND
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Office Memorandum

M.T.S.
J.W.

TO : Mr. Charles L. Merwin

FROM : Rattan J. Bhatia *RJB*

SUBJECT : Ghana - Creditors' Meeting, London

DATE: May 21, 1970

At the forthcoming London meeting of Ghana's creditor countries, several questions of relevance to the Fund's operations in Ghana are likely to be raised.

1. Over-all attitude

Our reactions to individual questions will be guided by the over-all position we wish to take on Ghana's request for rescheduling her external debts. During the two previous such exercises, we adopted a sympathetic approach since we felt that a strong case existed for providing Ghana some relief in her external payments. This time, however, the case is at best weak, especially during the next two years. A completely neutral approach, however, could be misunderstood by creditors as unsympathetic and might prejudice their consideration of Ghana's request. Accordingly, we could take the position that the Ghanaian case should be considered within the long-term context of development requirements rather than in the short-term framework of the balance of payments. Ghana's slow rate of growth is principally attributable to a lack of investable resources, both internal and external, and a debt rearrangement could augment their availability. However, given the (Ghanaian) projected annual gap between required investment and savings (an average of N¢ 127 million per annum during 1970-75), debt relief, even if total, could provide only a fractional addition to available resources, especially if it substitutes (as in part it would) for concessionary official capital. We would emphasize that Ghana needs to take a number of internal measures to increase domestic savings and the flow of its own foreign exchange.

2. Balance of payments, 1969-72

We may be asked to comment on the balance of payments outcome in 1969 and on the realism of the projections for the next two to three years. For 1969, we could say that the export receipts turned out to be higher than anticipated at the time of the last Ghana Aid Meeting in Paris. Imports, on the other hand, have exceeded the target in the "operational" program and have approximated that in the "minimum" program. The composition of imports was also significantly different from that envisaged in the original import program; imports of consumer goods as well as of raw materials for industries satisfying consumer needs were higher, while those of capital goods were lower than their respective targets.

As regards the projections, export receipts are realistic, though here the recent behavior of cocoa prices has imparted some uncertainty to the projections beyond 1970. Estimates of imports are based on a rigid mathematical relation-

ship between income growth and imports which, however, does not take into account the possibility of changing the composition of imports in favor of those directly conducive to investment and growth; this observation is especially relevant in view of the substantial (12 per cent) increase in imports in 1969, despite a reduction in the level of investment.

3. Repurchase obligations vis-à-vis IMF

We could take the position that the balance of payments projections justify Ghana reconstituting her net position in the Fund during 1970 and 1971. The exact amount of repurchases would be discussed with the Ghanaians shortly and a repurchase schedule would be agreed to; the repurchase schedule indicated on p.79 of the Ghanaian presentation would fall within the three to five year requirement of the Fund.

*SDR's
Continue
after '72.*

4. Reserve management

Apart from reconstituting its position in the Fund, the Ghanaian presentation envisages a substantial build-up of reserves, repayment of commercial arrears, a gradual elimination of 180-day trade credits, and a reduction in her debtor position in bilateral payments accounts; the sum total of these averages approximately N¢ 48 million annually during 1970-75. While each one of them is desirable, perhaps the over-all action is too ambitious in terms of the available resources, and we would indicate this if asked specifically. In particular, a net reserve accumulation of N¢ 100 million (25 per cent of envisaged imports in 1975) may be too rapid, as would also be the reduction in bilateral accounts. The elimination of 180-day trade credits, while these should occupy top priority, may also not take N¢ 100 million since a normal practice in international trade is to grant 90-day credit without charging the exorbitant finance costs involved in compulsory 180-day credits.

The Ghanaian document refers to the Government exploring with the IMF the possibility of internationally financed credit for eliminating the 180-day requirement. Here we could repeat what was told to the Ghanaians when they were here to discuss the draft of their presentation, viz., that the Fund could not directly sponsor such an operation.

5. Long-term growth model

We would decline to comment in detail on the growth model on the grounds that we have not had occasion to discuss with the Ghanaian authorities their assumptions in depth or the policies on which these projections are based.

cc: Mr. A. Mohammed

Demanded
PLOYER BOND
25% COTON FIBER

ABT
JLS

Mr. Craik

April 8, 1970

Charles L. Merwin

Ghana Debt Conference

This will acknowledge receipt of your memorandum of April 7 informing us that the preliminary meeting of creditors of Ghana, provisionally arranged for April 28-30, has been deferred until May 27-28. Management has agreed to recommend to the Board Fund representation at such a preliminary meeting.

cc: ADM
ETR
CA Div.

SUBJECT COPY



Office Memorandum

cc: ADM (memo only)
ETR
CA Div.

TO : C.L.Merwin
FROM : I.A.Craik *W*
SUBJECT : Ghana Debt Conference

DATE: 7th April 1970.

I refer to our telephone conversation yesterday about the postponement of the preliminary meeting of creditors provisionally arranged for 28th-30th April and attach a copy of a note by Mr.Lynch on the current situation as regards discussions on Ghanaian debt relief. Perhaps you would be good enough to confirm that the Fund will wish to be represented at the preliminary meeting which is now deferred until 27th/28th May.

I expect that you are aware of this already but I understand that the Ghanaians intend to send a team to the main creditor countries about mid-April for preliminary discussions about technical and other aspects of the possible proposals for debt relief before finalising their document on the subject. I understand that the team is to visit London for a day during the week beginning 12th April.

Attachment.

Handwritten:
RECEIVED
APR 12 1970
VBA

April 6, 1970

GHANA DEBT CONFERENCE

The Ghanaian Minister of Finance visited London unexpectedly over the Easter week-end in order to discuss arrangements for, and timing of, talks on the debt problem. The Minister assured my government that a document containing the Ghanaian case for debt relief, their proposals and the relevant economic data would be circulated to creditor countries at the latest by the end of April. In view of this assurance, my government have decided to propose the postponement of the preliminary meeting of creditors provisionally arranged for 28 - 30 April inclusive in London. We understand that the Ghanaians accept that the delay in the production of their document means that it will no longer be possible to hold any debt conference by early June as they had hoped. But they have requested my government to do everything possible to shorten the processes of consideration and consultation so that a debt conference might be held before the end of their current financial year (30 June) in order to minimise difficulty in the preparation of the budget. My government consequently, and with the agreement of Mr. Mensah, suggest the following timetable:-

/A.

- A. Preliminary meeting of creditors only (with IMF and IBRD but without Ghana) to be held in London on 27-28 May; running over to 29 May if necessary.
- B. Arrangements for any debt conference to be finalised at meeting between the Chancellor of the Exchequer and the Ghanaian Finance Minister between 4 and 11 June.
- C. Subject to confirmation after the preliminary meeting, a further meeting of creditors in London on 29 and 30 June and main debt conference with Ghanaians from 1 - 3 July and longer if necessary.

We greatly hope this timetable will be acceptable to the creditors, since alternative arrangements will be extremely difficult to make.

(M. P. J. Lynch)

Washington, D.C.

April 6, 1970

Deputy Managing Director

March 27, 1970

Mamoudou Touré

Ghana Debt Conference

You will remember that we have been invited to attend a Ghana Debt Conference tentatively scheduled to be held in London in June as well as any previous creditors' meetings, and that we have accepted the invitation subject to formal Board approval (my memorandum of January 13 to the Managing Director, copy attached). Mr. Huntrods has now informed us that the U.K. Government is provisionally proposing to hold a preliminary meeting of the creditor countries, the IMF, and the IBRD on April 28-30 in London. He notes that it is not yet certain whether the analytical background paper promised by the Ghanaian authorities will be available in time, and if it is not, there may be some postponement of the date of this meeting.

After consultation with ETR, I propose that we be represented at this meeting by Mr. Bhatia of this Department and by Mr. Mohammed of ETR. Mr. Bhatia will be in Lagos on the Article XIV consultation mission to Nigeria during the period covered by the proposed meeting, but since Mr. Merwin and I will both be in Lagos at that time, I think it will be feasible for him to participate in the Ghana Debt Conference. Since he is most familiar with the current economic and financial situation in Ghana, I consider that his participation is important. I understand that Mr. Mohammed is already scheduled to be in Europe at approximately the time of the proposed Ghana meeting, thereby facilitating his participation.

If you agree with this proposal formal Board approval will be sought.

Attachment

CLM/db

cc: ETR

LEG

Bhatia

SUBJECT COPY



Office Memorandum

Copy to ETR
CA

TO : Mr. Charles L. Merwin

DATE: 24th March, 1970

FROM : Guy Huntrods

SUBJECT : Ghana

A handwritten signature in black ink, appearing to be "G. Huntrods".

This is to confirm our telephone conversation today when I told you that the U.K. Government were provisionally proposing to hold a preliminary meeting of the creditor countries, the I.M.F, and the I.B.R.D on 28th to 30th April, inclusive, in London. As I explained, it is not yet certain whether the analytical background paper by the Ghanaian authorities will be available in time and if it is not there could conceivably be some slippage in the date.

Naturally I will keep you posted on developments.




Office Memorandum

TO : Managing Director
FROM : Mamoudou Touré *Touré*
SUBJECT : Ghana Debt Conference

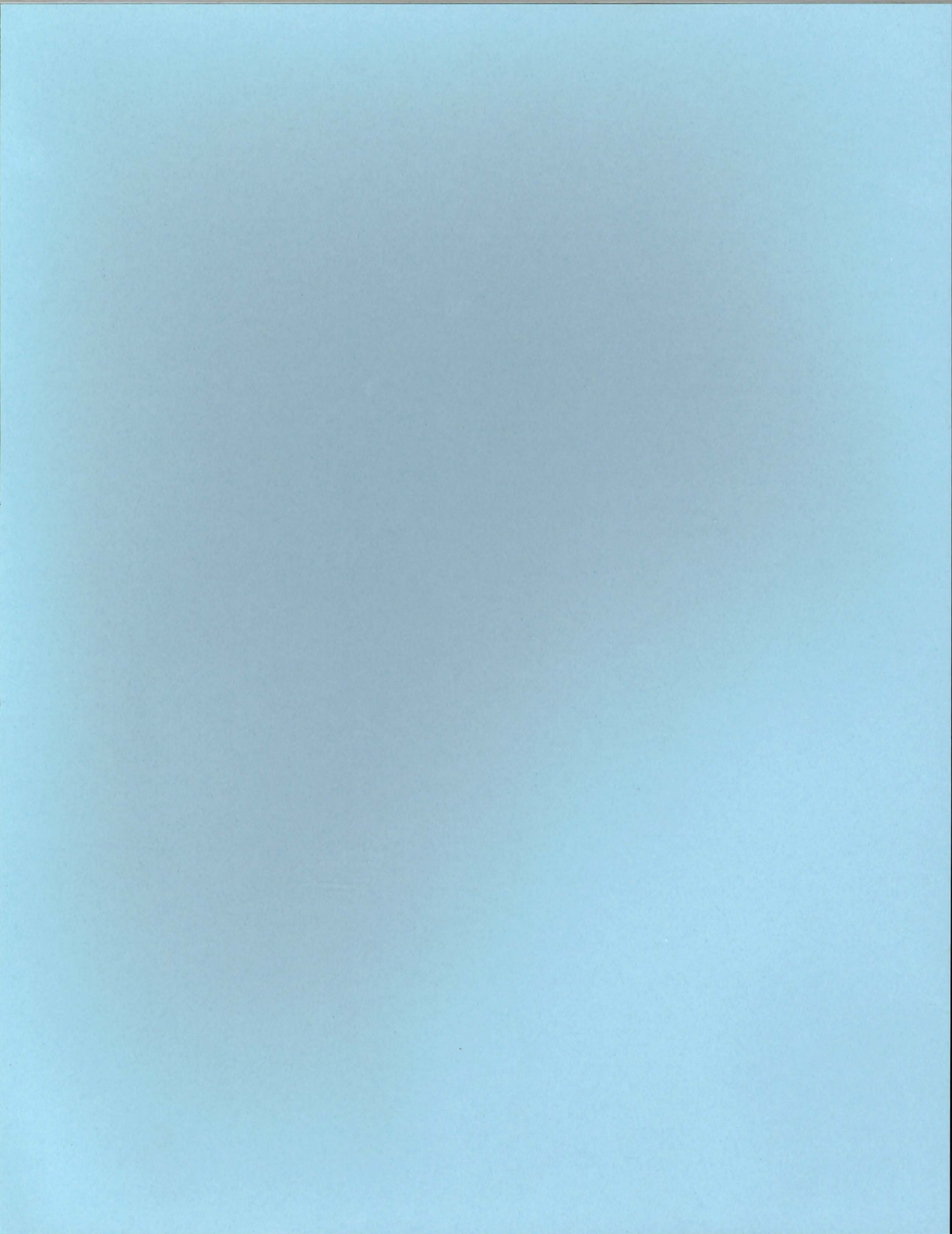
DATE: January 13, 1970

The Fund has been invited through a memorandum of January 7 from Mr. Huntrods (attached) to be represented at a Ghana Debt Conference provisionally scheduled for early June and at any previous creditors' meetings which may be necessary. I recommend that we be authorized to inform Mr. Huntrods that, subject to formal Board approval, the Fund will accept this invitation and will provide background material reviewing economic developments in Ghana.

Exchange and Trade Relations and Legal Departments are in agreement with this recommendation.



cc: ETR
LEG

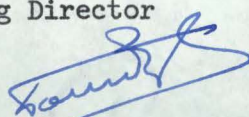




Office Memorandum

TO : Deputy Managing Director

DATE: March 27, 1970

FROM : Mamoudou Touré 

SUBJECT : Ghana Debt Conference

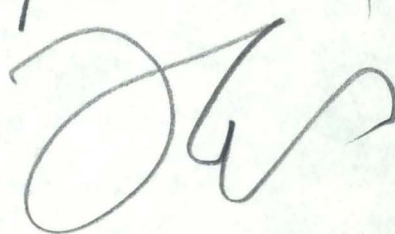
You will remember that we have been invited to attend a Ghana Debt Conference tentatively scheduled to be held in London in June as well as any previous creditors' meetings, and that we have accepted the invitation subject to formal Board approval (my memorandum of January 13 to the Managing Director, copy attached). Mr. Huntrods has now informed us that the U.K. Government is provisionally proposing to hold a preliminary meeting of the creditor countries, the IMF, and the IBRD on April 28-30 in London. He notes that it is not yet certain whether the analytical background paper promised by the Ghanaian authorities will be available in time, and if it is not, there may be some postponement of the date of this meeting.

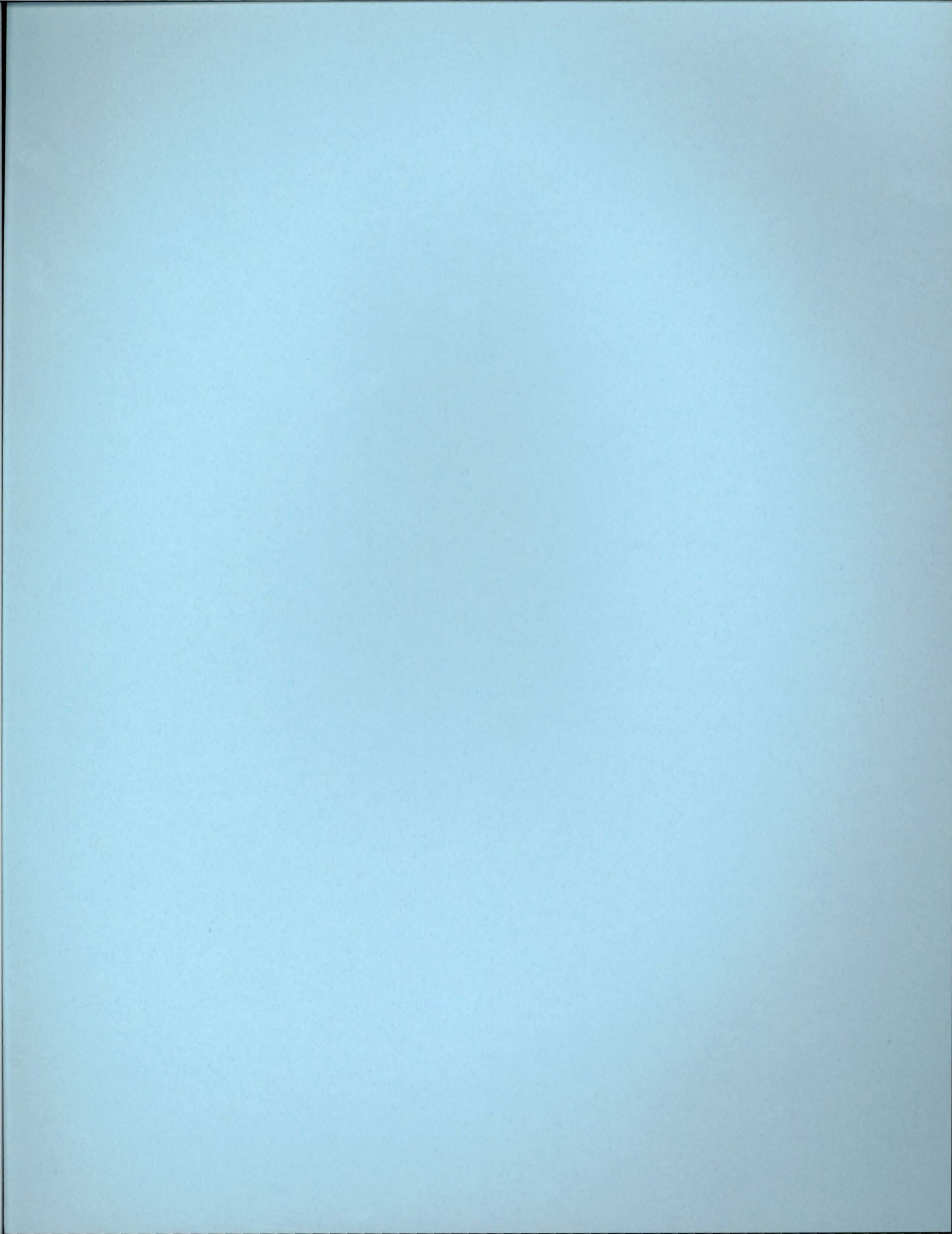
After consultation with ETR, I propose that we be represented at this meeting by Mr. Bhatia of this Department and by Mr. Mohammed of ETR. Mr. Bhatia will be in Lagos on the Article XIV consultation mission to Nigeria during the period covered by the proposed meeting, but since Mr. Merwin and I will both be in Lagos at that time, I think it will be feasible for him to participate in the Ghana Debt Conference. Since he is most familiar with the current economic and financial situation in Ghana, I consider that his participation is important. I understand that Mr. Mohammed is already scheduled to be in Europe at approximately the time of the proposed Ghana meeting, thereby facilitating his participation.

If you agree with this proposal formal Board approval will be sought.

Attachment

cc: ETR
LEG

approved




Managing Director

January 13, 1970

Mamoudou Touré

Ghana Debt Conference

The Fund has been invited through a memorandum of January 7 from Mr. Huntrods (attached) to be represented at a Ghana Debt Conference provisionally scheduled for early June and at any previous creditors' meetings which may be necessary. I recommend that we be authorized to inform Mr. Huntrods that, subject to formal Board approval, the Fund will accept this invitation and will provide background material reviewing economic developments in Ghana.

Exchange and Trade Relations and Legal Departments are in agreement with this recommendation.

cc: ETR
LEG

Chm

SUBJECT COPY

INTERNATIONAL MONETARY FUND

January ¹² 9, 1970

Exchange & Trade Relations:

For clearance, please.



A handwritten signature in blue ink, appearing to be "C.L. Merwin".

A handwritten arrow in blue ink pointing to the right.

Charles L. Merwin

INTERNATIONAL MONETARY FUND

January ¹² 9, 1970

~~Legal Department:~~

For clearance, please.

C.L. Merwin

Mr. Merwin:

O.K.

plh

Charles L. Merwin



Office Memorandum

TO : Mr. Charles L. Merwin

DATE: 7th January, 1970

FROM : Guy Huntrods

A handwritten signature in blue ink, appearing to read "Guy Huntrods", with a long horizontal flourish underneath.

SUBJECT : Ghana Debt Conference

1. With reference to our telephone conversation yesterday this is to confirm that the following programme has been suggested to and accepted by the Ghanaian Government:-

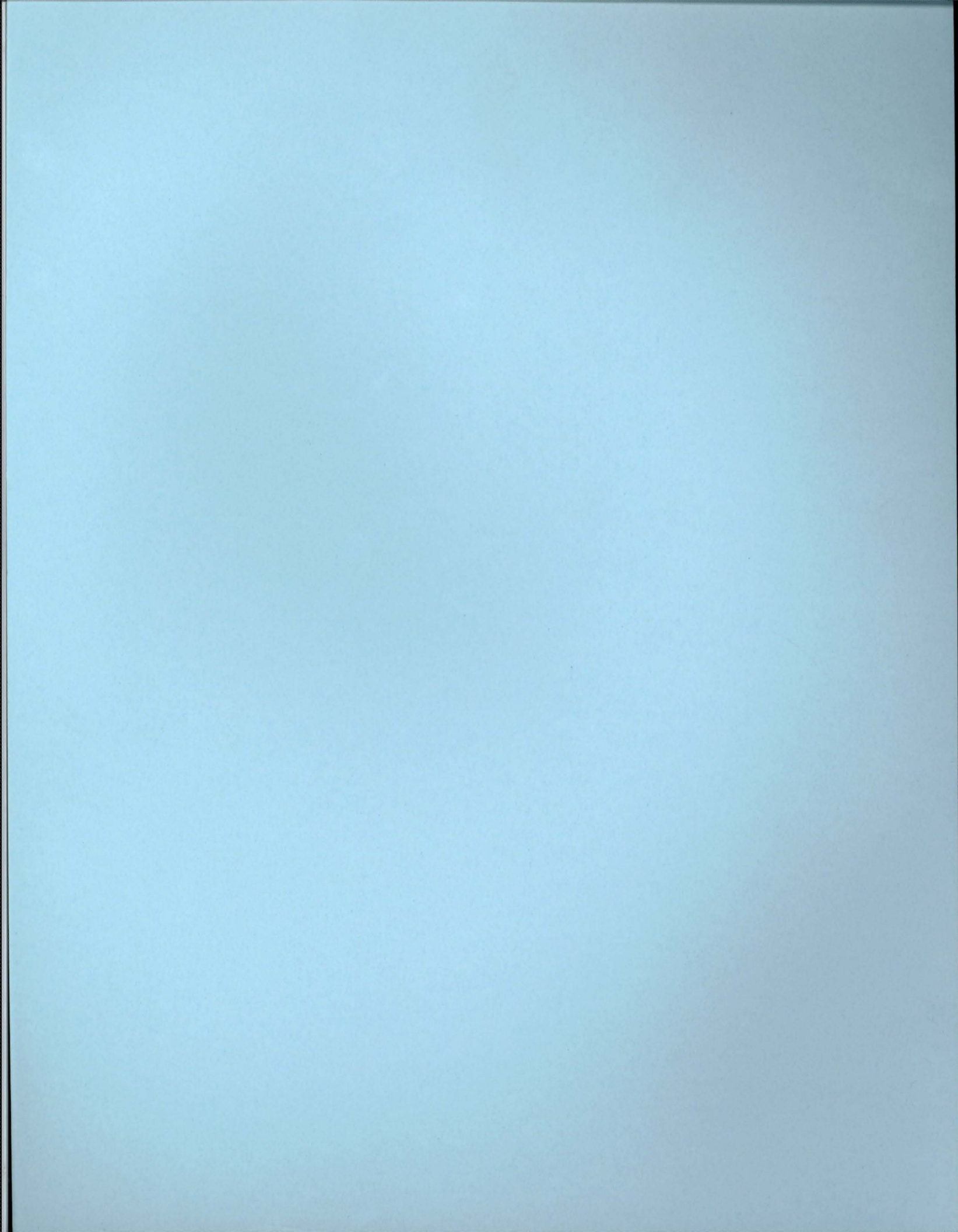
(a) Ghana will make available to the creditors a document setting out the case for further debt relief, with supporting economic data.

(b) The U.K. will consult other creditors during the winter and spring in the light of the Ghanaian document and will have further talks with the Ghanaians' Minister of Finance in April or May next.

(c) Subject to these talks, and if other creditors agree, the U.K. will call a further debt conference for early June 1970.

2. I am requested formally to invite the Fund to attend the debt conference provisionally suggested for early June and any previous creditors' meeting which may be necessary. A similar invitation is being extended to the I.B.R.D.

3. You agreed in due course to provide background material reviewing economic developments in Ghana in the sense of making available the paper shortly to be issued on the recent Article XIV Consultations, and to up-date this in writing or orally as and when appropriate.





Office Memorandum

TO : Managing Director

FROM : Mamoudou Touré *Mamoudou Touré*

SUBJECT : Ghana Debt Conference

DATE: January 13, 1970

The Fund has been invited through a memorandum of January 7 from Mr. Huntrods (attached) to be represented at a Ghana Debt Conference provisionally scheduled for early June and at any previous creditors' meetings which may be necessary. I recommend that we be authorized to inform Mr. Huntrods that, subject to formal Board approval, the Fund will accept this invitation and will provide background material reviewing economic developments in Ghana.

Exchange and Trade Relations and Legal Departments are in agreement with this recommendation.

[Handwritten signature]

cc: ETR
LEG

~~ATF~~
~~CCA~~
↓

December 1, 1969

MEMORANDUM FOR THE FILES


Subject: Ghana Debt Meeting, 1970

On November 25, 1969, Mr. Waitzenegger visited Mr. Finch to discuss the Fund's participation in a prospective third round of Ghana debt rescheduling. Also present were Messrs. Azizali Mohammed and Taher Dajani.

Mr. Waitzenegger said that Mr. Huntrods, British Alternate Director, had contacted him to inquire about the Fund's participation in a prospective conference on the rescheduling of Ghana's external debt and the nature of the technical contribution that could be made by the Fund to such a conference. As Chairman of the last Ghana Debt Conference, the U.K. had been requested by the Ghana Government to convene another debt meeting and the Ghanaian authorities had been asked to submit a document setting forth the reasons for further debt relief. Mr. Huntrods wanted to know if upon the submission of the above document by Ghana the Fund's staff would be prepared to make an impartial appraisal of it.

Messrs. Waitzenegger and Finch agreed that the Fund's participation in the debt conference would depend upon the creditor countries and Ghana expressing a desire that the Fund should attend. Upon the request of the Ghanaian authorities the Fund would be willing to provide technical assistance in their preparation of the above-mentioned document for the conference. The Fund's contribution might also include a background paper which would review recent economic developments and policies.

Mr. Waitzenegger conveyed this position to Mr. Huntrods.


Taher Dajani

