

GROWTH WITHOUT DEVELOPMENT

AN ECONOMIC SURVEY OF LIBERIA

By

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With the assistance of

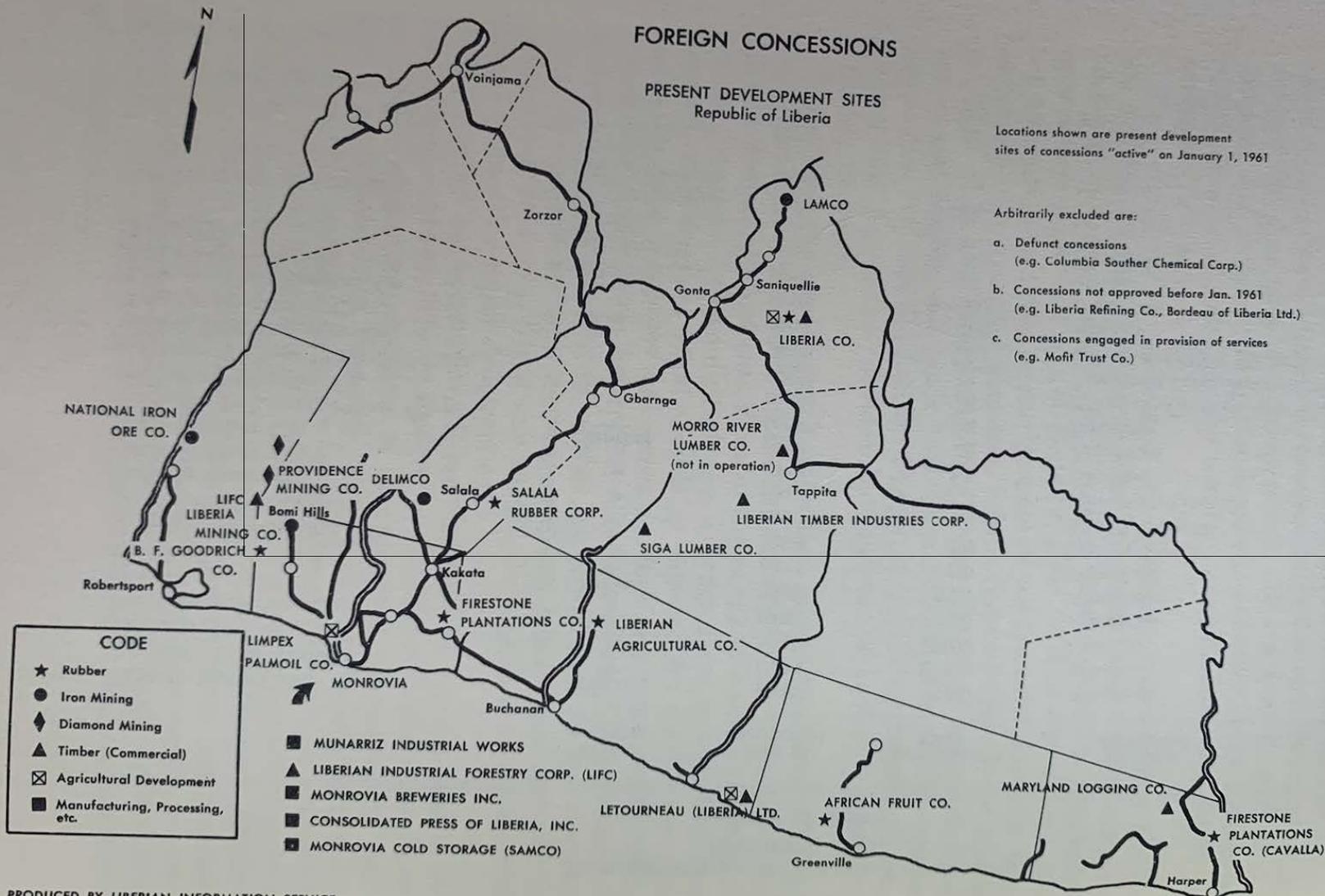
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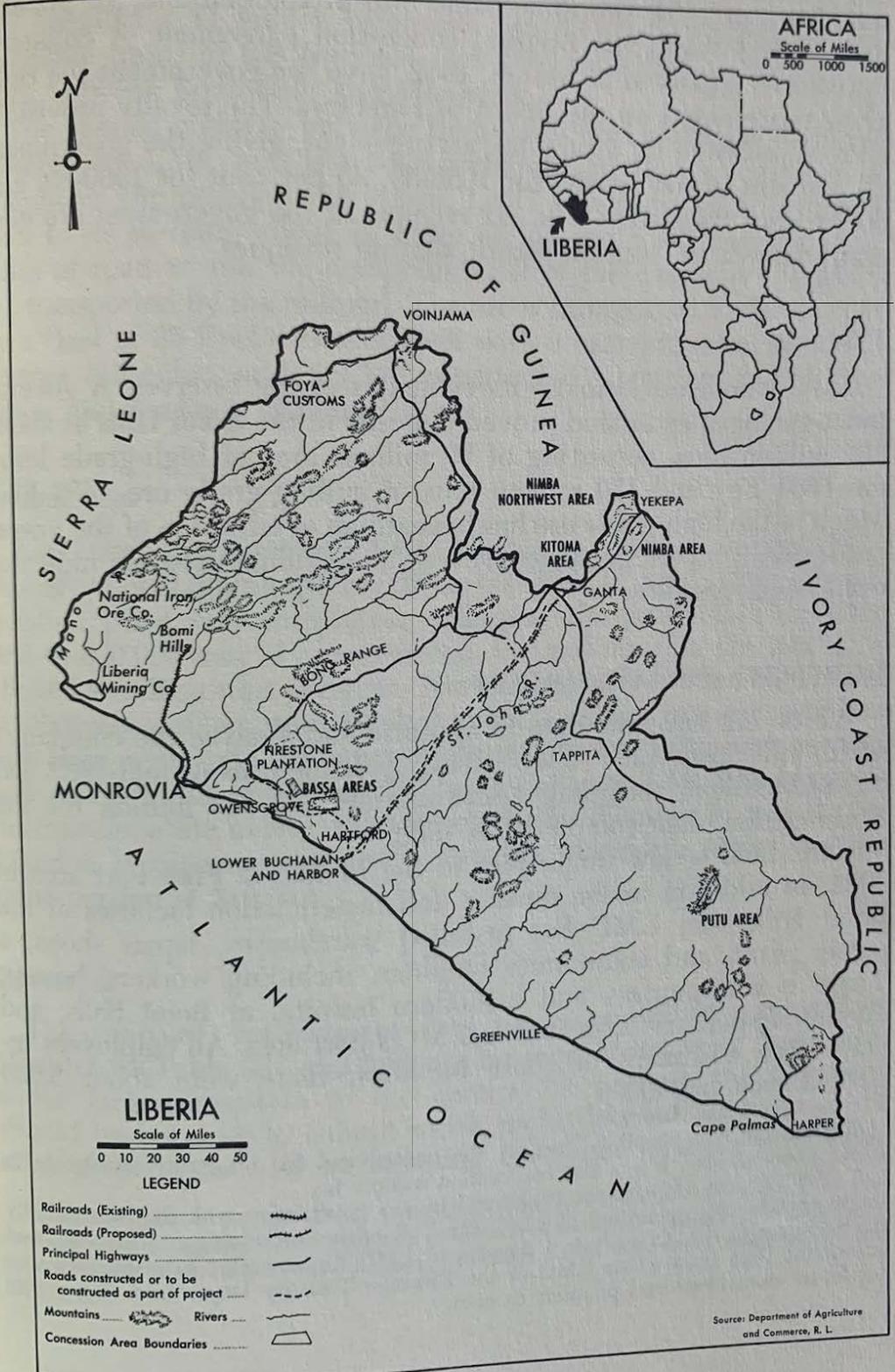
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MAP 2

IRON ORE CONCESSIONS



AFRICA

Scale of Miles
0 500 1000 1500

LIBERIA

REPUBLIC OF GUINEA

VOINJAMA

FOYA CUSTOMS

SIERRA LEONE

REPUBLIC OF GUINEA

NIMBA NORTHWEST AREA

YEKEPA

KITOMA AREA

NIMBA AREA

National Iron Ore Co.

Bomi Hills

Liberia Mining Co.

BONG RANGE

FIRESTONE PLANTATION

BASSA AREAS

OWENSGROVE

HARTFORD

LOWER BUCHANAN AND HARBOR

GANTA

TAPPITA

PUTU AREA

IVORY COAST REPUBLIC

GREENVILLE

Cape Palmas

HARPER

LIBERIA

Scale of Miles

0 10 20 30 40 50

LEGEND

- Railroads (Existing)
- Railroads (Proposed)
- Principal Highways
- Roads constructed or to be constructed as part of project
- Mountains Rivers
- Concession Area Boundaries

Source: Department of Agriculture and Commerce, R. L.

TABLE 11
 SELECTED STATISTICS, FOREIGN CONCESSIONS,
 JANUARY 1, 1962
 (millions of dollars)

	Major Activity	Date of Agreement	Development Cost	National Affiliation	1966 Estimated Employment
Liberia Mining Co.	iron ore	1946	37.0	American	2,700
LAMCO Joint Venture	"	1953	215.0	Swedish	2,200
DELIMCO	"	1953	100.0	German	2,000
National Iron Ore Co.	"	1958	30.0	American	1,400
Firestone	rubber	1925	32.0	American	21,500
Goodrich	"	1954	4.3	American	3,700
Liberian Agricultural Co.	"	1959	2.0	Italian/Dutch	2,900
Salala Rubber Corp.	"	1959	.9	Dutch/German	1,300
Liberia Company	"	1947	2.1	American/German	2,200
African Fruit Co.	"	1952	4.5	German	1,600
Siga Lumber Co.	lumber	1959	.2	American	120
Liberian Industrial Forest Corp.	"	1957	.4	Spanish	300
Maryland Logging Co.	"	1960	.5	Formerly German, now English	
Liberian Timber Industries Corp.	"	1959	.1	American (concession canceled)	
Morro River Lumber Co.	"	1957	.01	Liberian (still a promotion)	
Providence Mining Co.	diamonds	1960	.05	English	
Liberian Development Co.	"	1959	.03	American	
Monrovia Breweries	beer/soft drinks	1956	3.5	Swiss	120
SAMCO	reconstituted milk	1960	.05	Swedish	10
Le Tourneau of Liberia	timber, poultry agr.	1952	3.0	American	115
Limpex Palm Oil Co.	palm oil, pineapple juice	1953	.5	German	55
Munarriz Industrial Works	bricks, tile, soap	1952	.2	Spanish	80
Consolidated Press	printing	1959	.5	Liberian	65

Source: Staff research.

TABLE 33 MASTER TABLE OF DESCRIPTIVE STATISTICS: IRON ORE MINING CONCESSIONS

	LIBERIA MINING COMPANY	LAMCO JOINT VENTURE*	DELIMCO†	NATIONAL IRON ORE COMPANY
Date of Original Agreement	Jan. 22, 1946; collateral agreement Mar. 12, 1952	Sept. 9, 1953; joint venture, April 28, 1960	Sept. 16, 1958	Mar. 20, 1958
Tenure (years)		70	70	80
Location of Mine	Bomi Hills	Mt. Nimba (Central Province)	Bong Range (Central Province)	Mano River (Western Province)
Estimated Investment and Source of Capital	\$37 million; U.S.A.	\$215-260 million; U.S.A., Sweden, Germany	\$100 million; Germany	\$30 million; 1.5-LMC, 3.5-Liberian Enterprises, 5.0-GOL, and loans
Management	American	Swedish	German	American
Estimated 1961 Employment (July)	2,500 Africans 165 non-Africans	3,200 Africans 230 non-Africans (plus Raymond Construction Company employees)	250 Africans 35 non-Africans	1,300 Africans 100 non-Africans (plus African Construction Company employees)
Estimated Total 1966 Employment	2,700	2,200	2,000	1,400
Major Tax Provisions‡	35% of net profits payable to GOL, 1960-69; thereafter at 50%	Bethlehem—50% of net income; LAMCO—50c/ton royalty in 1963 and 1964; thereafter, dividends on 50% of LAMCO stock	50% of net profits	Dividends on 50% of stock
General Description§	LMC is the only mining operation actually in production, with a relatively stable output of about 3 million tons per year; in 1960 this consisted of roughly 2 million tons direct shipping ore and 1 million tons concentrated ore, with an average f.o.b./Monrovia value of \$10.60 per ton; hospital; 5,000 patient visits/yr.; 500 2-family housing units; 42-mile railroad; constructing new pier.	The LAMCO Joint Venture is the largest project now underway in Liberia; output will commence in 1963; will export 6-8 million tons of about 65% direct shipping ore by 1964, and more in future years; 165-mile railroad; port of Buchanan (+\$6.5 million commercial harbor); concession area totals 500 square miles; rights also to Putu Range and Bassa Hills; Nimba proven reserves greater than 250 million tons.	Target date for production is 1964; output will gradually increase to capacity of 4-5 million tons of export ore; estimated reserves at 300+ million tons; about 35% ore, to be concentrated to about 64%; construction of pier in Free Port, 60-mile railroad; rights to 300 square miles.	Over 1,600 Liberians are shareholders in this project; production target end of 1961; plant capacity of 4 million tons; ore is about 55% Fe, will be exported directly after washing; pier constructed in Free Port; 52-mile railroad connects with Bomi Hills line; 25,000 acre development area; exploration also of Bie Range; over 65 million tons proven reserves and many more indicated.

* Liberian-American-Swedish Minerals Company and Bethlehem Steel Corp.

† German-Liberian Mining Company.

‡ All four companies have duty-free import privileges for all supplies, equipment, spare parts, etc., needed for construction, operation and maintenance.

§ It is estimated that within the next few years more than .35 billion dollars will have been invested in Liberia's iron ore mining industry. New port facilities will be constructed in Monrovia and Buchanan, including a \$6.5 million commercial harbor at

Buchanan, and a total of about 300 miles of railway was to have been installed by 1964. By 1966, aggregate production of the four mining companies should reach 20 million long tons of shipping ore; actually, 5-6 million tons more will be mined but not exported, since both LMC and DELIMCO will have beneficiation (concentrating) plants. Also by 1966, aggregate employment of the four firms will total 8,000+—somewhat less than the total presently employed in both the mining and construction activities of these companies. Aggregate iron ore deposits total many hundreds of millions of tons—which at projected rates of output would not exhaust any deposit areas for many years.

PROVIDENCE
MINING CO.

LIBERIAN
DEVELOPMENT CO.

Date of Agreement	1960	1959
Tenure (Years)	20	20
Land Area (Acres) and Location	20-mile strip along Lofa River, Bopulu-Suehn Dis- trict (Western Province)	20-mile strip along Lofa River (Western Province)
Type of Operations	Diamond mining	Diamond mining
Major Tax Provisions	50% shares GOL-owned; 15% export duty deduct- ible from dividends paid GOL; duty-free imports	50% shares GOL-owned; 15% export duty deduct- ible from dividends paid GOL; duty-free imports
Description of Operations	Production on very small scale commenced in Feb. 1961; future development not yet determinable	Not yet in effective oper- ation
