THE POLITICAL ECONOMY OF DEPENDENCE: GHANA 1945-1966

by

JUDITH MAUREEN MARSHALL
(Canada)

A Thesis written in partial fulfillment of the requirements for the degree of Master of Social Sciences of the Institute of Social Studies, The Hague, Netherlands.

August 1972

TO THE GHANAIAN PEOPLE -

WITH WHOM I LEARNED TO ASK QUESTIONS ABOUT CONTRADICTIONS

We as people, as human beings have the
basic human right to eliminate the
conditions that have and are continuously
destroying us.

Malcolm X

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

This thesis grew out of my experiences in Ghana from 1967-1970 related to Volta River Project Resettlements. Three years of living and working in resettlement villages in rural Ghana brought an opportunity to view the present world order from some of the most remote and underdeveloped points on the periphery. They revealed clearly how lives of all of the world's people are affected by the workings of monopoly capitalism. They raised urgent and unanswered questions about the exact nature of the links binding Ghana to the world capitalist system and the concrete processes by which the Ghanaian people were being exploited.

The thesis is by no means an individual project but grew out of the collaboration and support of many. I should like to acknowledge my thanks to the Ghanaian people. Some may feel betrayed by my harsh indictment of their actions as Ghana's leaders. I can only say that they are not alone in having been educated to perpetuate the status quo, but it is surely a moment in history when many of us must become aware of how our position is linked to the exploitation of others. To enjoy being privileged at the expense of many, to sell out to the status quo in despair, or to take up the long and difficult struggle for human liberation, they, like all of us, must choose.

I should like also to thank those associated with the Institute of Social Studies for providing a context in which the contradictions of the present world order were daily discussed and actively embodied, particularly those who gave strong support at times when a task like this seemed futile. I should like to thank Noordeinde friends for their unfailing encouragement in both silent and concrete ways. I should also like to acknowledge the long distance support of my mother whose brief visit to Ghana was a time of rare warmth and human solidarity.

I should like to thank Ken Post for his extremely helpful suggestions and his exactitude in going through the earlier drafts, but in particular for his encouragement to attempt such a thesis even when others urged a more cautious approach. Finally I should like to give warm thanks to Florence Bindels for her great patience in typing from much-edited rough drafts and her willingness to do extra hours of work.

Power to the people

Judith Marshall

Den Haag, August 1972.

CHAPTER I

INTRODUCTION AND THEORETICAL APPROACH

"Ebi te yiye. Ebi nte yiye koraa." "Some are sitting well. Some are not sitting well at all." In Ghana after 1967 this phrase from a popular high life lyric could be heard daily, on cocoa farm transistors, from village radio boxes, sounding through regional markets and goverment ministry offices, drunk to in city chop bars and cafes, danced to in Accra bungalows sounding out from sophisticated stereos imported from abroad. In the dusty villages, the big cars driving through from Kumasi or Accra were likely to be greeted by village children with loud cries of "Ebi te yiye." In the towns, the substantial buildings being erected also elicited wry comments of "Ebi te yiye" from school leavers drawn to the towns in hope of employment or petty traders thronging the streets deftly balancing trays of oranges or bread or small goods seeking a living from the cigarettes sold one by one or an orange for a few cents. In the cities "Ebi te yiye" was echoed many times by the throngs of unemployed who saw all too clearly the things they wanted, the watches and radios from the urban traders, the shirts and trousers from the Lebanese shopkeepers, the sophisticated goods from Kingsway and UTC, accessible only to others. They were re-echoed by junior grade civil servants and even by relatively well-to-do traders and transport owners in response to the style of life of the urban rich with their substantial, air-conditioned bungalows, their Mercedes, their children in private schools, their annual trips abroad.

"Some are sitting well. Some are not sitting well at all." There was a general consciousness of the prevailing and indeed widening gap between rich and poor. All admitted to its existence. Few could explain how such inequalities had become established except by sweeping references to the colonial past or vague phrases about present bribery and corruption. Even fewer recognized any relationship between richness and poorness. There was little consciousness of exploitation. Nor was there any awareness of poverty and wealth being integrally linked whereby the very existence of the rich rested on the maintenance of continued poverty for the many or the very labour of the poor created the wealth which was being usurped by the rich.

"Some are sitting well. Some are not sitting well at all." What were and are these processes in Ghana which resulted in continued poverty and backwardness for the many and expanding wealth and opportunity for the few? How is the internal situation of affluence for the few and poverty for the many related to the world order which is, broadly speaking, characterized by "underdevelopment" with poverty, backwardness and misery for two-thirds of the world while one-third lives in "over-developed" super abundance, glutted to the point of absurdity, with its very power to consume unable to keep up with its phenomenal capacity to produce? How is the disparity in Ghana between rich and poor linked to the general world situation in which "underdeveloped" countries contain small but very powerful sectors of affluence in the midst of the general poverty while the "overdeveloped" countries contain rather large but powerless sectors of poverty in the midst of the general affluence?

This is the basic problematic which this thesis sets out to explore in a historical-structural analysis of Ghana. What is meant by a historical-structural analysis? First of all, such an analysis attempts to deal with Ghanaian society as a totality, refusing to isolate economic from political or political from social realities. It attempts to conceptualize a given historical reality by means of an analysis of its structure. By structure, we refer to the complex of relationships between sets of parts of a given society, the economic, social and political interrelationships both within and between societies.that make up a concrete social reality. By historical-structural, we refer to the fact that these relationships exist over time and are related to one another in historically derived processes. A structural analysis would imply , therefore, an analysis well beyond a static view of component parts at a given moment in history. It would imply an analysis that would have a historical dimension of both explanatory and predictive value derived from its ability to analyze the underlying basis of these structural relationships and the ongoing processes in motion.

What is the nature of these structural relationships? We find that historically the relationships between component parts of a society are not regular or symmetrically linked but tend rather to be a complex set of disproportionate and asymmetric relationships. [1] Historically we find not structural equilibrium as the basic state of relationships in societies but tension between disproportionate sets of parts linked in asymmetric relations. These relations tend to be dialectical, related to one another in terms of contradictions. By dialectical we mean that there are contradictions inherent in the very nature of things, within all processes of nature and society, thus creating the eternal necessity for struggle between opposing forces. In other words, a contradiction is inherent in a given process and not something imposed from outside. The struggle "characteristic of the process is not an external clash of accidentally opposed factors, but is the working out of contradictions belonging to the very nature of the process." [2]

Such a discussionof contradictions is essentially meaningless without embodying structures and contradictions in their human bearers. It may, however, be helpful initially to discuss at this level of abstraction. A contradiction is a unity of opposites whereby in the very nature of the relationship, opposite tendencies are combined in such a way that neither can exist without the other. Each aspect of contradiction both supports and constrains the development of the other. Each aspect is at the same time the condition for the existence of the other and also the condition for the incapacity to develop of the other. The clusters of inter-related relationships which make up a given structure, then, are based on contradictions, mutually conditioning each other's existence and thus creating the inevitable struggle of opposites.

No contradictory aspect exists in isolation. As Mao says:

> Without its opposite aspect, each loses the condition for its existence... Without landlords, there would be no tenant-peasants: without tenant-peasants there would be no landlords... Without imperialist oppression of nations, there would be no colonies or semi-colonies; without colonies or

> semi-colonies, there would be no imperialist oppression of nations. It is so with all opposites; in given conditions on the one hand they are opposed to each other, and on the other they are interconnected, interpenetrating, interpermeating and interdependent, and this character is described as identity. In given conditions, all contradictory aspects possess the character of non-identity and hence are described as being in contradiction. But they also possess the character of identity and hence are interconnected.[3]

The complex of economic, social and political relationships of a given society is characterized, then, by contradictions both within and between structures. The various sets of relations which made up a given historical reality, are not static but dynamic, not functioning towards equilibrium but in motion in processes characterized by conflict. Conceptual tools of social science that describe a society without analyzing such contradictory processes in motion can give only a static view without scientific explanation of the determinative factors on which these contradictions are based or what determines the perpetuation or resolution of these contradictions? A structural analysis which simply describes present functioning without explanation of how such structural contradictions came to exist or what processes are presently operative which would alter these contradictions is surely an analysis of little value.

Mao says in his essay "On Contradiction:"

> Contradictoriness within a thing is the fundamental cause of its development, while its interrelations and interactions with other things are secondary causes... Changes in society are due chiefly to the development of the internal contradictions in society, that is, the contradictions between the productive forces and the relations of production, the contradictions between classes and the contradictions between the old and the new; it is the development of these contradictions that pushes the society forward and gives the impetus for the supersession of the old society by the new.[4]

It is to these productive forces and their predominance in determining changes in society that we must now turn our attention. What is the underlying basis for all of the economic, social and political relationships of a given society? Surely it is man as social producer in relation to his material environment which is the central reality to be analyzed within a given society and the power relationships between men in their control over their material environment is the determinative force for social development.

How are we to conceptualize the structures of a society in such a way that the power relationships of men in their relationship to their material environment is central? It would seem that historically this power relationship centres on production, distribution and exchange of the social product. As soon as a society reaches a point where it produces enough to have an expropriatable surplus, it enters into power relations within the process of social production based on the ability to control expropriation of that surplus. From a simple food gathering society to agricultural - hunter exchanges to specialization and division of labour, there has been a rapid movement historically towards establishment of societies with established and unequal distribution of resources maintained by forms of the state based on dominance and dependence. The potential surplus in the society is the base on which the power relation rests and one's position in relation to expropriation of the potential surplus results in the formation of social classes of dominance and dependence which ultimately determine the direction of change within the society.

As Engels suggests, the mode of production is the basis of social life.

> The materialist conception of history starts from the principle that production, and with production the exchange of its products, is the basis of every social order; that in every society which has appeared in history the distribution of the products, and with it the division of society into classes or estates, is determined by what is produced and how it is produced and how the product is exchanged. According to this conception, the ultimate causes of all social changes and political revolutions are to be sought, not in theminds of men, in their increasing insight into eternal truth and justice, but in changes in the mode of production and exchange; they are to be sought not in the philosophy but in the economics of the epoch. [5]

While the inter-related relationships which make up the structures of a society form an integrated complex, albeit a complex based on contradictions, it may be helpful for analytical purposes to distinguish between various kinds of structures. Again at a high level of abstraction, we may consider society to be composed of a sub-structure and a superstructure, although it must be constantly kept in mind that the dichotomy between the two is only a dichotomy at the level of abstraction and historically one cannot make such a separation.

Man in relation to his material environment entering into the concrete relations of social production, then, forms the sub-structure of society, the material base on which all also rests.

The sub-structure is composed of the mode of production, the actual relations between available productive forces in the society at any given moment of history and the groupings of men and women engaged in social production, distribution and exchange. To analyze the material base of the society is not, then, a simple matter of analyzing "stock" and "flows", as if transformation of stocks of resources into flows of commodities and services happens by chance or by an invisible hand or even by governmental adjustment aimed at regaining an "equilibrium" within the system. Nor is it I think, legitimate to argue that with "resources," "pattern of demand," and "flow of output" one can simply assume that the pattern of demand is reflected in the flow of output as Robtert Szerezewski does in his book Structural Changes in the Economy of Ghana.[6] The important question centres on who is in a position structurally to make demands. One must go further to ask who controls the process of resources being transformed into social products and who in fact controls the distribution of these products within or between given societies. On what is this control based? It is imperative, then to analyze ownership/control of material resources, and the relationship of men to these material resources in terms of how labour power is used to transform these resources within production process and how the commodities thus produced in social production are expropriated from the actual producer for distribution and exchange.

> It is always the direct relationships of the owners of the conditions of production to the direct producer - a relation always naturally corresponding to a definite stage in the development of the methods of labour and therebyits social productivity - which reveals the innermost secret, the hidden basis of the entire social structure, and with it the political form of the relation of sovereignty and dependence, in short, the corresponding form of the state.[7]

From the sub-structure emerges also a superstructure of political, ideological and institutional structures, all of which derive their existence from the relationship between the forces of production and the social relations of production. We can best quote Marx himself in defining the nature of the superstructure and its relation to the substructure.

> In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society - the real foundation, on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political and spiritual processes of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness. At a certain stage of their development, the material forces of production in society come in conflict with the existing relations of production ... From forms of development of forces of production these relations turn into their fetters. ...With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed. [8]

The relation between base and superstructure is not to be interpreted in a crudely mechanical fashion. While the economic structures set the parameters, all forces have full play within any given historical situation. The material transformation of the economic conditions of production can be readily determined, often even with very great precision. The legal, political, ideological, religious, social and aesthetic forms in which men become conscious of this conflict between the material forces of production and the relations of production are much more difficult to analyze in terms of their influence on historical process. Certainly, however, it is a blatant falsification of the materialist conception of history to suggest that superstructural forms are disregarded or that they are not considered as factors of crucial importance for Marxists in analyzing a given historical process. Engels himself cautions against such crude determinism and refer to "wonderful rubbish" in which younger writers were laying undue stress on economic factors without awareness of the "innumerable interacting forces" giving rise to historical events.

> ... the determining element in history is ultimately the production and reproduction in real life. More than this neither Marx nor I have ever asserted. If therefore somebody twists this into the statement that the economic element is

> the only determining one, he transforms it into a meaningless, abstract and absurd phrase. The economic situation is the basis but the various elements of the superstructure - political forms of the class struggle and its consequences, constitutions established by the victorious class after a successful battle, etc. - forms of law - and then even the reflexes of all these actual struggles in the brains of the combatants: political legal, philosophical theories, religious ideas and their further development into systems of dogma - also exercise their influence upon the course of the historical struggle and in many cases preponderate in determining their form. [9]

The material base, the actual land, labour, capital and level of technology sets the parameters. Groups of men and women are related to various combinations and organizations of these forces of social production in very concrete ways and thus form social classes which are determined by the specific nature of their relationship to the forces of production. The relations between classes are mediated by not only the forces of production but also by the forms of the superstructure and it is the development of the contradictions between the forces of production and relations of production as one form of social production gives way to another which makes up the ongoing class struggle.

A research project of this nature does not permit full discussion of Marxist laws of dialectics and indeed Marxist theory is still in need. of much more work in conceptualizing contradictions. Nevertheless we must at least make some reference to several other important concepts related to contradictions. [10] First of all, contradictions may be either antagonistic or non-antagonistic. When there is no unanimity among Marxists in defining antagonistic contradictions, it is clear that at least the following three elements are essential to their definition. First, antagonistic contradictions are related to the economic base or sub-structure of society, i.e. within the determinant relations of production, and include such relations as those between landlords and tenants or capitalists and proletariat, while non-antagonistic contradictions may be related to the super structure and include such relations as those between bureaucrats and intellectuals or between generations or between male and female. Secondly, antagonistic relations are based on exploitation such as that characterizing class relations in which one class lives by appropriating the labour power of another, e.g. the relationship between capitalists and proletariat. Antagonistic contradictions may also include those closely related to exploitative class relations such as the relations of rural and urban or agriculture and industry under capitalism. Non-antagonistic relations are related to conflicts not based on exploitation such as that between rural and urban relations under socialism. Finally, and most crucial, antagonistic contradictions are based on dialectical relations, one aspect of the contradiction continually recreating the other. The existence of the landlord creates the existence of the tenants just as the existence of the tenant creates the existence of the landlord. Neither can exist without the other and the contradiction can be resolved only by the destruction of both aspects. Non-antagonistic relations are not based on dialectical relations but more on ordering relationships. They are only partially the conditions of one another's existence. Their resolution can be accomplished by alteration of either aspect of the contradiction through such things as education or technological development, without necessitating the disappearance of both aspects. Contradictions between one ethnic group and another or between urban workers and the peasantry are of this nature.

Contradictions, then, can be either antagonistic or non-antagonistic. Also within any contradiction, either antagonistic or non-antagonistic, there is at any given historical moment, a principal or dominant aspect and a non-principal or subordinate aspect, according to which plays the leading role. In addition, within any historical configuration of structures, there is a principal contradiction playing the leading or decisive role while the rest occupy a secondary or subordinate position to it.

Historically, the development of contradictions between the forces of production and the relations of production has not taken place only within national boundaries. Indeed one of the distinctive marks of the predominant form of social production in the modern world, capitalism, is its capacity to expand beyond national boundaries, to incorporate other forms of social production within other political economies into its structures. Thus the particular form of organization of social production within capitalism includes also an international dimension of imperialism, colonialism, and neo-colonialism. There is both controversy and confusion about the exact relations of capitalism with imperialism and its manifestation in colonialism and neo-colonialism, but clearly capitalism has been characterized historically by economic, political, cultural and territorial expansion of an almost unprecedented nature. As a form of social organization, it includes a history of monopolistic privilege and preference, plunder of raw materials, seizure of territory, enslavement of local peoples, racism, and militarism that has encompassed the entire world. Imperialism may function with or without direct political and territorial control. It consists basically of economic domination of one region by another with formal or informal control over local resources in a manner advantageous to the dominant power. In the earlier history of capitalist expansion, colonialism was the main instrument of monopoly capitalist expansion and direct political and administrative control was imposed by the then dominant capitalist powers of Europe on weaker powers throughout the world from whom they could wrest economic advantage. The age of colonialism has passed but the new instrument of imperialist expansion is neo-colonialism, whereby the outward trappings of independence and international sovereignty exist but in reality the mode of production, and thus political policy also, is entirely dominated by foreign interests. It hinges on transfer from the ruling class under colonialism to a new internal ruling class that will maintain monopoly capitalist interests. As James O'Connor suggests in his article, "The Meaning of Economic Imperialism:" [11]

> First, modern imperialism requires the active participation of the state in international economic relationships: imperialist nations cannot singly or collectively implement a neo-colonialist policy - via agencies such as the European Common Market, for example - without state capitalism. Secondly, neo-colonist policy is first and foremost designed to prevent the newly independent countries from consolidating their political independence and thus to keep them economically dependent and securely in the world capitalist system. In the pure case of neo-colonialism, the allocation of economic resources, investment effort, legal and ideological structures, and other features of the old society remain unchanged - with the single exception of the substitution of "internal colonialism" for formal colonialism, that is, the transfer of power to the domestic ruling classes by their former colonial masters. Independence has thus been achieved on conditions which are irrelevant to the basic needs of the society, and represents a part denial of real sovereignty, and a part continuation of disunity within the society.

While the conflicts in the study of the development of capitalism in the dominant centre continue, some claiming as does O'Connor that the inner logic of capitalism leads to imperialism, others trying to explain away capitalism's integral link with imperialist expansion, the more immediately important task in a historical-structural analysis of Ghana is a conceptual framework that can explain adequately the structural relations of expanding monopoly capitalism within the periphery and processes set in motion internally whereby such a political economy on the periphery is kept economically dependent and prevented from consolidating its independence. For this we must turn to the concepts of "structural domination" and "structural dependence" being developed by Latin American social scientists in their struggle to understand the dynamics of Latin American countries caught in the grip of the world capitalist order. Teotonio Dos Santos is one of the main proponents of the group now looking critically at the orthodox theories of imperialism and suggesting that it is necessary to look more closely at imperialism from the point of view of the dependent countries in terms of its mechanisms and internal dynamics within the periphery. He defines dependency as follows:

> By dependence, we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies, and between these and world trade, assumes the form of dependence when some countries (the dominant ones) can expand and can be self-sustaining, while other countries, (the dependent one) can do this only as a reflection of that expansion, which can have either a positive or negative effect on their immediate development.[12]

Crucial to the thinking of those exploring structures of dependence is the realization that domination cannot take place without being concretely embodies. "External domination is impractical in principle. Domination is only possible when it finds support in national sectors which benefit from it."[13] The power structure in the periphery cannot, then, be understood purely in terms of imperialist domination but must be analyzed in terms of the internal forces within the power structure that benefit from the maintenance of structural dependency.

It is this fundamental relation of dependence which forms the principal contradiction between present day neo-colonies such as Ghana and the centres of monopoly capitalism. We must analyze the structures and contradictions within the dependent societies in order to see clearly the processes in motion and understand who benefits from such structural dependency and who is being exploited by it. "Ebi te yiye. Ebi nte yiye koraa." We must now analyze how and why this is so.

Clearly such a framework of analysis is not the usual conceptual framework that has been applied to Ghana. Much re-interpretation of existing data will be required. As Paul Baran has said, however, there is little point in: "sacrificing the relevance of subject matter to the elegance of analytical method; it is better to deal imperfectly with what is important than to attain virtuoso skill in the treatment of what does not matter." [14] While the conceptual framework I have chosen to apply to Ghana may reveal some inadequacies, both in terms of the theoretical development of the school dealing with "structures of domination" and "dependency" and in terms of my own theoretical development, such a conceptual framework does attempt to deal seriously with what seems crucial to a real understanding of Ghana. An analytical framework must be judged ultimately by its ability to explain phenomena. While the framework I have chosen may seem at times somewhat crude and oversimplified, I believe it begins to provide an explanation of the structures and internal processes of the Ghanaian political economy which is verified not only historically but also provides a more adequate explanation of the current phase of coups and counter coups. My hope is that it may also contribute to the necessary analysis being built up by Ghanaian people themselves as they take up the struggle to create their own future.

FOOTNOTES

1. I am much indebted to an unpublished manuscript of Ken Post for the ensuing discussion on structures and contradictions.

2. Cornforth, Maurice, Materialism and the Dialectical Method (New York: International Publishers, 1953), p. 94.

3. Mao Tsetung, Selected Readings from the Works of Mao Tsetung (Peking: Foreign Languages Press, 1971), pp. 118,119.

4. Mao, op.cit., p. 88.

5. Selsam, H., and Martel, H., Reader in Marxist Philosophy (New York: International Publishers, 1970), pp.218,219.

6. Szerezewski, Robert, Structual Changes in the Economy of Ghana (London: Weidenfeld & Nicolson, 1965).

7. Marx, Karl, Capital, Vol. III (New York: International Publishers, 1967), p. 792.

8. Reader in Marxist Philosophy, op.cit., p. 186.

9. Ibid., p. 204.

10. For a more comprehensive discussion of contradictions, see Ken Post, Chapter 1, "Themes and Theories," unpublished manuscript.

11. O'Connor, James, "The Meaning of Economic Imperialism" in Rhodes, R.I., Imperialism and Underdevelopment (New York: Monthly Review Press, 1970), pp. 117,118.

12. Dos Santos, Teotonio, "The Structure of Dependence" in "American Economic Reviews, Paper and Proceedings," May 1970, p. 231.

13. Quoted in Ehrensaft, Philip, "Semi-industrial Capitalism in the Third World: Implications for Social Research in Africa," Vol.II, No. I, January 1971, p. 60.

14. Baran, Paul, The Political Economy of Growth (New York: Monthly Review Press, 1957), p. 22.

CHAPTER II

PRE-1945 GOLD COAST

> Men make their history themselves but they do so in a given environment which conditions it and on the basis of actual relations already existing.
>
> Karl Marx.

The application of an historical-structural approach to the socio-economic and political structures of Ghana is confronted immediately with the inadmissability of trying to analyze Ghana as if it exists as an autonomous social system which can be understood apart from its external relations. To analyze the structure of the Ghanaian political economy from 1945-1966 as I propose to do in this thesis, it is necessary to analyze historically the process through which the structure of the Ghanaian political economy as it existed in 1945 has evolved. To do full justice to the historical phenomena of pre-1945 Ghana, it would be necessary to analyze the relations between Ghana and other socio-economic formations both within and outside of the African continent with a particularly careful analysis of external relations and the internal response to them. It would be necessary to study Ghana as a product of its past, to explore the processes by which West African societies were transformed by their incorporation into the world market from the 15th century onwards, and particularly to explore the manner in which Ghana came to be incorporated into the British colonial empire. Within the scope of this thesis, it is not possible to document in full detail all of these processes but it will be necessary to make at least brief reference to the broad periods in the history of Ghana's relations with the West in order to understand the present state of its political economy which I have already referred to as a state of "underdevelpment."

"Underdevelopment" is to be understood not as a quantitative phenomena whereby Ghana's economy is described as "backward" but moving towards modernity or "transitional" moving from a pre-market to a money economy or the "immature" form of the mature developed industrial economy which will, over time, emerge. In fact, we are dealing with a qualitative phenomena, a question of fundamental structural differences and diametrically opposite processes in motion.

> The industrial countries today are not countries which are economically dependent. Their production structure does not consist of a few hypertrophied sectors narrowly tied to foreign markets and strongly penetrated by capital which is also foreign. These economies do not develop or stagnate according to the movements of the world market of this or that mineral or agricultural raw material. They do not support the cost of heavy external obligations (interest, dividends, royalties paid to foreign capital). Their infant industries do not have to face competition with powerful industries already well established and dominated by the same big capital which has already dominated their own natural resources. These economies do not depend for their increased productivity on imports of equipment coming from abroad. Even when they were not highly industrialized these economies were not distorted and disequilibriated but, on the contrary, integrated and internally-oriented.[1]

Present underdevelopment, then, can only be understood as a historical process which resulted in the formation of such distorted and disequilibriated economies. Without positing the present state of underdevelopment as the result of historical processes, we cannot explain the phenomena of underdevelopment. It becomes imperative, therefore, to have clear answers about such questions as these in relations to Ghana. How has it come about that alongside the integrated, internally-oriented economies which characterize the few highly developed industrialized countries of the world today, we have also a number of political economies which are totally "foreign-oriented"? How has it happened that certain political economies are characterized by a systematic skewing of their political, economic and social structures so that there is, in the extreme mainfestation, a total inability to perceive the immediate material environment as the potential on which to build a political-economy shaped by the needs and aspirations of the population within it? Why throughout Asia, Latin America and Africa do we find this phenomenon to an extreme degree with most political economies totally externally-oriented, with production determined entirely by demand from outside? Why do we find still in 1972 economies based entirely on production for export of mineral and agricultural raw materials, with rigid specialization and monoculture throughout entire regions, a concominant of this being the necessity to import even basic foodstuffs despite agricultural populations of 60-70%? Why do we find entire cultures diffused with the notion of basic inferiority and the necessity, therefore, to depend on external reference points whether it be in the form of "aid" or "experts" or "technology"? These questions can only be answered by an analysis that can explain how such an external orientation was first established, and what processes were set in motion that now perpetuate this structural dependency.

It is necessary to give a brief description of the central features in the establishment of structural dependency in Ghana as background to a more detailed examination of the period from 1945 to 1966. The external relations of Ghana can be divided into three main periods of history before the post World War II period.[2]

I 16th century-Industrial Revolution (Pre-history of Capitalism)

- characterized by mercantile activity leading to the formation of capitalism.

II Industrial Revolution-mid 19th century

- characterized by consolidation of industrial capitalism and a measure of "legitimate" trade with the periphery.

III 1874-1945

- characterized by expansion of monopoly capitalism in its imperialist phase - Ghana becomes a "model" colony.

I. <u>Pre-history of capitalism</u>

This first historical period marks the pre-history of capitalism, a period in which an unprecedented increase in capital circulation in Europe led to a great expansion of mercantile activities. As Ernest Mandel points out:

> The discovery of America, the plundering of Mexico and Peru, the circumnavigation of Africa, the establishment of a sea link with India, Indonesia, China and Japan, completely transformed economic life in Western Europe. This was the commercial revolution, the creation of the world commodity market, the most important change in the history of mankind since the metallurgical revolution.[3]

This was a period of utmost importance for eventual development of the capitalist system. The types of relations between the different socio-economic formation of this era are of a very particular nature.

> This was the heyday of merchant capital in West Europe when the instinct of the new society, the hunt for surplus value, began to assert itself in the disintegrating old society. This pursuit of profit, as production was still carried on on a feudal basis, took the form of commercial profit-making, the acquisition of tangible money, of gold. But to get rich in commerce, to get hold of more money, of gold, is possible only if the exchange is uneven, if one party always win while the others constantly lose. But the possibilities of a lasting and repeated uneven exchange are very limited within the society of a given country, so the activity of merchant capital was directed from the beginning to the outside, to foreign countries. The ideology of merchant capital, mercantilism, points to foreign trade as the source of a country's enrichment and sees the way to increase the nation's wealth as importing as much gold as possible into the country, while exporting as little as possible, preferably nothing out of it.[4]

What we find in operation then is trade based on unequal exchange. In 1710, according to K.Y. Daaku, in his book, Trade and Politics in the Gold Coast: 1600-1720 goods worth ƒ 7,000 in Holland sold in the Gold Coast for ƒ 20,000 but a slave brought for ƒ 45 in the Gold Coast could be resold for ƒ 210. Between 1705-1716, a net profit of ƒ 239,742 was made on goods worth 7,755,965, these transactions recording purchase of 67,000 lb. ivory, 1,025 slaves and 1983 marks 5 oz. gold.[5] Exchanges in the centre, i.e. in Western Europe, were based primarily on redistribution of the products provided by the periphery, gold, luxury goods and exotic items such as ivory including agricultural products such as spices and sugar and craft items such as silks and cotton from the Orient.

Gold Coast was very much affected by these developments. William Wisselux, a pioneer of Dutch large-scale trade at the beginning of the 17th century had this to say:

> The trade on the Guinea coast was, indeed, profitable to the country in two ways: first, commodities of great value were obtained there from people who as yet were ignorant of their true value (!); secondly, these commodities were obtained in exchange for European goods of much smaller value.[6]

Within this era, there rapidly developed a "triangular relationship" that afforded great profits to the political economies of the centre, and brought about a transformation of the peripheral political economies. The outright looting of treasure, particularly precious metals, from the Americas was replaced by a more systematic exploitation of gold and silver deposits for which labour power was required. Africa from the 16th century onwards became the source of slave labour power to provide enormous profits for Europeans by their labour in gold and silver mines and on agricultural plantations growing crops such as sugar, cotton and tobacco. As Marx himself describes it:

> The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies the turning of Africa into a warren for the commercial hunting of black skins, signalised the rosy dawn of the era of capitalist production.[7]

The Dutch West India Company between 1636-1645 sold 23,000 Africans for ƒ 6.7 m. or about ƒ 300 per head in exchange for goods valued at less than ƒ 50 per head. From 1783-1793, Liverpool slaves sold numbered 300,000 for a total of £15 m., much of which was later to go into industrial enterprises.[8] The effects of this on the various political-economies involved were, of course, enormous. A cursory glance reveals that the highly developed Indian cultures of Latin America were destroyed and replaced by a slave mode of production to mine gold and silver and grow sugar and indigo. This production for export quickly became the dominant feature of the economy, so much so that all economic activity came to revolve around externally-oriented production. Agricultural activities focused on food supplies to feed the workers in the mineral regions and areas of plantation agriculture. Coastal areas were developed and the hinterland was oriented towards the coast in production not for internal use but for external trade. In Asia, comparable transformations were in progress.

In West Africa during this early period of mercantile activity, slaves became the major "commodity." The early raids from slaving ships soon gave way to more settled trading activities from the various coastal "factories" in which European managers kept their stores of trading goods and those of the Africans with whom they were trading. First the Portuguese and then the Dutch and English and Danes established themselves in trading activities along the Gold Coast.

> ...In the second half of the 17th century gun-running which followed the wake of the concentration of many European forts shook the foundations of (Gold Coast) society. The great proliferation of fire-arms made possible a forcible inclusion of weaker states into the power complex. The later parts of the 17th century, therefore, witnessed the formation of sizeable empires in the hinterland of the coast. The desire for territorial expansion by force of arms in order to be economically viable in the new situation was first shown by Denkyira to be followed by Akwamu and Ashanti.[9]

Not enough is known of the transformation of West Africa during this period and the scope of this paper does not permit full examination of even the details now generally established. Suffice it to say that the Europeans with their much coveted firearms and trinkets managed to implant themselves deeply into patterns of inter-tribal warfare. Often different Europeans backed both sides of the conflict and therefore stood to gain slaves from both winner and loser. Often also they aided the growing powers of some tribes who then made raids on surrounding territories and thus became active as slave traders for the Europeans.

> The trade and the civil wars that were its consequence destroyed the ancient African system, poisoned the ancient peace. Money-lust, artificially introduced into black Africa, pushed the population into perpetual war to procure slaves to sell to the Arab and European traders. On this basis embryonic States were constituted around this or that famous leader. The immense movements of the population because of these wars, the flight of the farmers before the slave-raiders, brought about the development of new relationships, often unequal, between ethnic groups formerly good neighbours but ever since at odds with each other, as the linguistic map of Africa shows.[10]

Continuous raiding and inter-tribal warfare with benefits in the short term for the strong slave trading states that emerged succeeded not only in de-populating large areas of West Africa but more seriously, in disintegrating the social fabric.

In Europe also, this amassing of capital from mercantile activity brought about sweeping changes.

> Every port to which the slave-ships returned saw the rise of manufactures in the eighteenth century - refineries, cottons, dye-works, sweet-making - in increasing numbers which testified to the advance of business and industry. In Nantes, for instance, there were founded in the course of the eighteenth century 15 refineries, 5 cotton manufacturers..., two big dyeworks, two sweet-making establishments... Industries created, private fortunes increased, the public wealth of the cities transformed, the flowering of a new class - the big merchants eager to play a part in public affairs - these are the essential features with which the slave trade marked the evolution of France in the eighteenth century.[11]

II. Consolidation of Industrial Capitalism

The second period of external relations to be considered is one lasting from the beginning of the Industrial Revolution to the late 19th century, a period of approximately 100 years. During this period, the role of commerce between centre and periphery changed its functions even though quantitatively it remains substantial and even though any history of the period would give centrality to Britain's commerce with America, Asia and Africa and Britain's continuing role as the redistributor of exotic produce throughout western Europe. Pre-capitalist large scale trade was predominantly foreign trade, a trade in luxury products limited to elite consumption at the centre capitals and drawing its strength from unevenness of economic development between trading partners which allowed the centre to profit immensely at the expense of the periphery. With the period of growing capitalist production following the "industrial revolution" qualitative changes were made. International trade attained a new and unprecedented volume but the trade in luxuries shifted to trade in goods of current consumption and raw materials and means of production.

> Early mercantilism was commercial capital in its purest essence, middlemen exchanged goods for goods in a lively entropot trade, and mercantilist wars were mainly trade wars - the Anglo Dutch wars of the seventeenth century were the purest commercial wars in history. It is true that, as early as the first decades of the seventeenth century, the East India Company purchased raw materials

> in exchange for British manufactured goods. But this was not typical. It was only in the late mercantile and early industrial periods that Britain increasingly exported manufactured commodities for agricultural raw materials and minerals. As late as 1800, for example, British ships took woolens and hardware to India and returned with cotton and silk products. Then, as the nineteenth century wore on, a new dimension was added to trade; capital goods financed by foreign loans and investments, as well as consumer manufacturers, exchanged for foodstuffs and industrial raw materials.[12]

Britain's limited internal resources were in sharp contradistinction to the capital wealth she had amassed throughout the mercantile era and her new-found industrial predominance. Thus the demand for food for an expanding industrial labour force and the demand for raw materials for rapidly developing capitalist industry was tremendous and the function of the periphery became that of supplying the resources for capitalist development in Britain first and soon Holland, France and Germany also.

New configurations of external relations quickly emerged, configurations which drew the whole world together into a unified world market. Now the peripheral countries were confronted with manufactured goods from Britain in exchange for exotic produce or agricultural products; consequently many local craft industries were destroyed. Plantation agriculture continued for products such as sugar but was soon expanded to include such commodities as rice and tea. The new colonies of North America and Australia became important suppliers of raw materials such as grain and timber and cotton.

What was the response to these changes within the Gold Coast? Again the limitations of a research project of this nature preclude the full exploration of the very fascinating history of the political economies of West Africa during this era. It would seem, however, that the basic unit of political economy was the village community, essentially a classless system of production in which small independent producers were associated in a village community with agricultural production based on family units. This village production-consumption unit is characterized by a low level of technology and low degree of specialization. As Samir Amin points out, there were social antagonisms within the village community in relation to age sets, hierarchies of occupation and ethnic groups but these were contradictions of a non-antagonistic nature, to be resolved by education or advances in technology. These primitive village communities were not, however, to be confused with primitive communism. They already exhibited structurally the effects of a "hierarchization of ancestry" and "relationships with complementary economies" which result in tendencies towards formation of castes and concentration of power among the old men which pre-figure later class formation.[13]

It is necessary to deal with some care in analyzing these village-community formations characteristic of West Africa and to locate them securely in relation to other historical configurations rather than to succumb to the temptation of depicting them as more ideal than real. Possibly Stephen Hymer in his very suggestive paper "Economic Forms of Pre-Colonial Ghana" succumbs to idealism in his glowing description of the egalitarian village subsistence economy based on the study of H.G. Jones, although he himself admits to exaggeration of the degree of equality and democracy obtainable.[14] He quotes Jones's idea of West Africans exhibiting a "native genius in political organization which is democratic" whereby land was distributed equally with the chief holding no more than others in the community and all together forming many small communities of peasant proprietors of comparable social and economic status.

> Thus no member of the community was landless, and since most belonged to a community, few men were forced, by lack of land, to work for others. The result was a relatively equal distribution of income in which everyone had similar standards of food, housing and clothing. West Africa, although devoid of ballot box could, in Jones's words "... attain their ends by far simpler and more natural means, but the effect of it was to give a relatively enormous number of people an effective power in the ordering of their own government.[15]

What must be borne in mind, however, is that these communities not only held within themselves the possibilities of emerging antagonistic contradictions but that also nowhere has the village community survived intact from the impact of external forces which totally distorted its original basis. Amin suggests that the decomposition of village communities began before colonization and in fact must be analyzed in relation to the formation of West African States which began as early as the 10th century and also in relation to Islam and the slave trade. Colonization could only intensify processes of decomposition already in motion.[16]

The formation of great trading empires led to the formation of States in West Africa, then, from the 10th to 19th centuries. These States and their precise relations to the primitive communities are a matter of great interest.

K.Y. Daaku suggests that the era of extensive slave trade and the growth of sizeable political entities in the forest regions are not unrelated phenomena. "The correlation between the growth of empires and the European trade, especially the slave trade, is one of the most important phenomena in the history of Gold Coast in the 17th century.[17] The essential elements would appear to be a juxtaposition of long-distance trading societies with little-differentiated village communities linked by bonds of tribute into formation common to numerous societies of West Africa. Clearly from the 16th century onwards, Ghana experienced a period of active state formation as various groups contended for control of the trade routes both north by land and south by sea.

While the capitalist industrial system was being consolidated in Europe and America we find various forces emerging in West Africa. The states along the coast were little organized with no military forces, living instead by trading abilities developed by their long proximity to the European forts. They developed their position as middle-men during slavery and also during the period of more legitimate commercial activity which included palm-oil, gold dust and timber in return for rum, tobacco, beads and textiles. Their orientation was shaped entirely towards external trade and away from internal production, a prefiguration of what was later to be the general orientation throughout the Gold Coast.

> If we come to the interior, six days journey, people make iron and make their own clothes, but nobody thinks,

> along the coast, of making iron or clothes; native industry disappears, so far as the European trade is going.[18]

A much harsher indictment of the internal response to the presence of European commercial activity is given by Samir Amin.

> The societies of the coast that served as intermediaries between the slave traders and European businessmen in their dealings with the populations of the interior were completely upset by the infiltration of Europeans. The embryonic ruling classes which already existed at the time the Europeans arrived (black "aristocratic" and "royal" ancestry) became richer and more or less Europeanized. The descendents of these aristocracies have often given birth to millionaires in the modern style. For example the aristocracy of Ewe and Mina plantation owners in southern Togo and Dahomey. Europeanized very early, these aristocracies have usually been the faithful agents of colonization and its penetration into the interior. Thus in Ghana, especially in south eastern Nigeria, and also in Senegal there are families of intellectuals that go back three generations. The Portuguese and English names of these "great families," frequent on the coast between Accra and Lagos, the "light-skin" snobbery which is a symbol for cross-breeding, testifies to the antiquity of this Europeanization.[19]

The ending of the slave trade in 1807 had great ramifications for economic activity in West Africa. In fact, it did not end completely until well into the 19th century but certainly the levels of the 16th-18th centuries disappeared rapidly. The result of this was a gradual increase in the export of some agricultural products such as rubber and palm-oil and palm-kernels but this was by no means rapid enough or extensive enough to counter-act the tremendous drop in imports once slaves ceased to be the central item of exchange.

The main contenders for what legitimate commerce there was were the Fantis and Ashantis. The loose organization of the Fanti communities of middle-men and their determination to maintain their monopoly position and force all trade between the remaining European powers and the interior through themselves was opposed by a highly organized military confederacy of Ashantis. The Ashanti state by this time had become very strong. By the beginning of the 19th Century, the Ashanti:

> ...had established ascendency over an area of some 125,000-15,000 square miles from the southern coasts to the high forest, heartland of the empire and far into the northern savannahs. Within this area there lived probably between three and five million people. Economically the territory was rich in exploitable natural resources, especially of gold and kola. Along ancient trade routes to Hausaland in the north-east, and to Timbuktu and Jenne in the north-west, Ashanti commodities could pass into the entrepots of the Western Sudan and some, by the trans-Sahara caravan trails, on to the greater markets of North Africa. On the southern shores of Ashanti the agents of Danish, Dutch, English, and French companies had established their numerous factories, and vied with each other, and with the northern merchants, for the trade of the interior. Through the ramifications of the distributive trade, the Ashanti economy became linked with those of Europe and North Africa, responsive to the changing patterns of supply and demand in world markets.[20]

The monopoly of the Fanti on British and Danish factories limited the Ashanti to their long established contact with the Dutch at Elmina and the Ashanti, in a period of scarce trading possibilities, bitterly resented this constraint on their commercial activities. The period until 1874 is characterized by vacillations of British policy and a series of wars between Ashanti and Fanti over this crucial question of access to trade routes and markets, since each depended for its economic livelihood on trade. Britain by 1821 was ready to withdraw its supports of the African Company because of dissatisfaction with policy both towards the natives in the three Ashanti wars of 1803, 1808 and 1813 and also towards the continuance of slave trade against which there were now substantial pressures in Britain. The Asantehene was forced by the Treaty of Fomena to dissolve the confederacy and grant independence to all of the tribes paying tribute to the Ashanti as conquered territories.

By 1874, the policy of British retreat had been dramatically reversed and a whole new period of relations with Europe began which was to establish even more firmly the external orientation of the Gold Coast. Gold Coast, instead of being abandoned by Britain, was annexed in 1874 as the Gold Coast Colony, i.e. the coastal area only. A governor backed by legislative and executive councils was established and a whole new era of external relations began.

This reversal of policy in 1874 can only be understood in relation to the powerful forces of expanding industrial capitalism within Britain itself. Throughout the period of mercantile capitalism and the consolidation period of industrial capitalist development, two processes were at work simultaneously in Britain's capital accumulation. On the one hand, capital accumulation took place through the growth of industrial capital and the surplus labour of the wage workers' being usurped by the owners of the newly established industries. The tales of human suffering, of enclosures, of child labour - all are well known and certainly this form of capital accumulation by expanding industry was not accomplished without great human cost.

The other form of capital accumultion was that of out and out pillage of Africa, Asia and Latin America, a history of contact in which wealth was stolen, plundered, seized by tricks, pressure or violence from the overseas people with whom Europe came in contact. This systematic pillage was continued throughout the 16th-19th centuries and it is historically undeniable that it had a direct effect on conditions favouring the industrial revolution.

> Thus, even before industrial capitalism had developed in England, the exploitation, whether casual or systematic, of overseas countries was one of the chief sources of Britain's wealth. And the chief victims of primitive accumulation were, more than the yeomen driven from their farms by sheepraising or the journeyman of the crafts left without work in the towns and forced to work for a miserable pittance in poor-relief workshops, the <u>indios</u> condemned to <u>mita</u> (forced labour), the Bantu sold as slaves, the wretched inhabitants of the Hongy Islands, the people of the decadent Mogul Empire, pitilessly plundered by the agents of the British East India Company. It was this systematic plundering of four continents, during the commercial expansion of the sixteenth to eighteenth centuries, that created the conditions for the decisive lead acquired by Europe from the industrial revolution onward.[21]

The transition from plunder to "legitimate" trade was, ironically, to have even mere deleterious effects on the periphery. Trade within the newly established world market was a trade between very unequal socio-economic formations marked by vast disparities in technical and social conditions and the average degree of productivity of labour. The very unevenness of development had become, in the amalgamation of pre-capitalist modes into the dominant capitalist mode in the world economy a means of securing "superprofits" for the centre from the periphery. Even in situations where the unevenness of development was not initially the case, contact with British industry succeeded in establishing the peripheral trade partner in a process leading towards underdevelopment. The British textile industry's contact with India and China is, of course, the classic example.

> Between 1815 and 1859 British cotton goods conquered India: that country absorbed in 1850 25 percent of all Lancashire's exports. But during the same period the Indian craftsman defeated in this competitive struggle found no place for himself in industry....Age old industrial centres died. Dacca was partly overgrown with jungle. The craftsmen, reduced to idleness, spilt over into agriculture. The vicious circle closed when, after 1833, Britain decided to develop on a large scale in India the production of agricultural raw materials, especially cotton plantations. A people who formerly had exported cotton goods to all parts of the world now exported only raw cotton, to be worked up in Britain and sent back to India as textile goods! ... It is thus not ethnological, demographic, geographical or religious (ideological) conditions that account for the economic underdevelopment of India. This results from the fact that capitalism entered this country under conditions of imperialist domination, which transformed India from a producer of manufactured goods into a producer of agricultural raw materials.

Whether it be trading empires such as that of the Ashanti and other West African tribes or established industry such as the textile industries of India and China, the impact of contact with Europe was the same. Diversifying, basically self-sufficient political economiés became structured according to the needs of European industrial capitalist development and narrowly specialized into a world wide division of labour with all the sanctions of European political and military power ready to act if coercion by setting up monopoly supply-demand structures was not effective.

III. Monopoly Capitalism and the Establishment of Empires 1874-1975

The last third of the 19th century was the age of imperialist distribution of the world, a crude carving out of chunks for all of the major European capitalist powers. The logic of capitalist development in Europe led directly to imperialism. Competitive capitalism which had marked the earlier aged had given way to monopoly capitalism. The possibilities of larger and larger concentrations of production with synchronization of factory work, with conveyor belts, with new divisions of labour, meant that capital-intensive techniques emerged quickly to a dominant position at the expense of smaller, more labour intensive productive units. Concomitant with this growth of larger concentrations of capital was the need for more control over investment, more security, more rationalization for optimal productivity with less risks. There was a need to have monopoly control over the market and thus a whole host of agreements, groupings and combines emerged. Mr. Lever of Unilever and, in Africa, United Africa Company, emerges early among the voices for monopoly control.

> The chairman of the British Soap Maker's Association stated in January 1901 that it had become impossible "to make profits without association and combination." And a more famous soap-maker, Mr. Lever, himself, had to say in 1903: "In the old days a manufactory could be an individual concern. Next... a partnership... Then it grew beyond the capital available by two or three joining together as a partnership, and limited companies became necessary... Now we have reached a further stage again, when a number of limited companies require to be grouped together in what we call a combine..." [23]

Mr. Lever's combine rapidly became enmeshed in further concentrations. The power of these monopolies greatly exceeded simple control over certain sectors of production. The financial groups controlling these sectors of industry extended their control also over such a range of banks, insurance companies, industrial commercial and transport companies, all bearing different names and all at first glance unconnected, that it is difficult to discern the full extent of their monopoly position.

This movement towards monopoly capitalism resulted quickly in a surplus of capital in the industrial countries of Europe. The very fact that competition had been replaced by these syndicates, trusts and monopolies meant that there were certain constraints on new internal investments, while at the same time profits grew at a rapid rate from a revolutionized industry.

The logic of capitalism called not for greater consumption by the increasingly concentrated capitalist class but for increased investment meaning expansion into new fields. Once again the relation to the periphery was transformed by a new thrust of energy from the centre, this time primarily through capital seeking higher profits rates.

> With the development of large capitalist monopolies in the leading capitalist countries, the capitalists of these countries lost interest in developmental investment in the less developed countries because such investment threatened their established monopolistic positions. Consequently, investment in underdeveloped countries acquired a specific character. It went chiefly into the exploitation of natural resources to be utilized as raw materials by the industries of the developed countries; and into developing food production in the underdeveloped countries to feed the population of the developed capitalist countries. It also went into developing the economic infrastructures ... needed to maintain economic relations with the underdeveloped countries.
> ...the profits which were made by foreign capital... were exported back to the countries where the capital came from. Or if used for investment... they were not used for industrial investment on any major scale... Furthermore...the great capitalist powers supported the feudal elements in the underdeveloped countries as an instrument for maintaining their economic and political influence. This provided another obstacle to the economic development of the countries...[24]

The colonial relationship during the imperialist phase of monopoly capital transformed the embryonic external orientation, already noted during the earlier periods of centre-periphery contact among those with most contact with the Europeans, into a wide-scale phenomena in which whole societies became externally-oriented. Put in almost crude over-simplification, the structural relationship to the world economy became established on three levels. 1) the colonies became producers of agricultural and mineral raw materials for the centre 2) the colonies became consumers of manufactured goods from the centre, particularly cotton textiles 3) the colonies became areas of investment for surplus capital from the centre.

The patterns of amalgamation of the political economies of the periphery into the dominant capitalist mode of production within the world market were patterns of great flexibility and subtlety. What is necessary, the, is to see beyond the broad flows of commodities and factors of production within the imperialist framework to the underlying structural transformation which has taken place and which now operates on its own internally generated momentum. Philip Ehrensaft in his excellent article, "Semi-industrial development in the Third World-Implications for Social Research in Africa," rightly criticizes some of the writings of Gunder Frank for being superficial in this respect, making sweeping statements with more polemic than historical or scientific value about the masses of the Third World being uniformly and increasingly immiserated since the rise of capitalism or the metropolitan capitalism's propensity to destroy or totally transform all earlier viable socio-economic units with which it comes into contact.

> In much of the Third World, contrary to Frank, the metropolitan powers concentrated upon the incorporation and partial transformation of earlier systems. Their approach was to "capitalize" pre-capitalist structures. Rather than eliminating tribal, village, and extended family structures in many parts of Black Africa, for example, the European powers utilized them to produce agricultural goods for the world market. Older social units were not shattered by the capitalist system but rather amalgamated into it. There is a continuum for European capitalist treatment of pre-capitalist Third World social structures: at one end, there is a total shattering, as happened in much of Latin America; at the other end, there is amalgamation into the world market. What approach was used depended upon the specific metropolitan power, the nature of indigenous pre-capitalist social structures, and the time when penetration occurred. Operating with a simple and incorrect concept that indigenous structures were leveled in all instances blinds one to many of the most important dynamics of peripheral capitalism.[25]

This brings us to the point, then, of analyzing capitalist penetration into the Ghanaian political economy. Ghana in 1874 as a Crown Colony with governor and legislative and executive councils from the centre was rapidly to become also an outlet for British capital and increasing numbers of manufactured goods and a contributor to Britain's expanding industry through a very particular specialization. Robert Szerezewski refers to the transformation of the Ghanaian economy between 1891 to 1911 as a "unique phenomenon" in tropical Africa.

> In 1891 the Gold Coast was primarily an economy dominated by indigenous activities - traditional agriculture and collection of forest produce, traditional crafts - and by trade flows whose nature in terms of organization, conveyance, spatial incidence and type of commodities had not changed significantly over centuries. It was an economy based on the most simple techniques of production, spanned by a network of narrow bush roads and practically fragmentated, politically as well as economically. Large areas of the forest hinterland, as well as the whole of the northern savanna, were outside any systematic economic contact with the coast. Modern patterns of activity were confined to the coastal fringe and the Tarkwa enclave where a tiny gold-mining industry had been struggling since the 'seventies.' Twenty years later the Gold Coast was the biggest exporter of cocoa in the world. The mining industry exported over 280,000 ounces of gold. A railway network was in existence. Whole new sectors of activity appeared during the two decades, and by 1911 the structure of the economy was transformed. What is even more interesting, the transformations of this period largely determined the structure of the economy for the next fifty years, and it can be maintained that the pattern established in 1911 still largely persisted in 1960.[26]

Far from being "unique", however, this was exactly the type of transformation that was carried out in innumerable peripheral political economies just at this period of expansion of monopoly capitalist interests.[27]

Spurred on by a combination of factors - monopoly constraints on further internal investments, revolutions in international communications able to draw the whole world into a network of steam-ship, telegraphy and improved railway communications and thus alleviate time and distance insecurities in foreign investments - but above all by the chronic surplus of investible capital which could reap much higher profits overseas, a new wave of foreign investment built up. The monopoly of production which had at first belonged to Britain had rapidly extended to France, Germany, the U.S.A., Russia and Japan, each now competing with the others for world markets. The age of monopoly capital, brought direct confrontation and a revival of colonialism. The carving up of the world into areas closed to foreign competition as markets for finished products, sources of raw materials and cheap labour and a field for capital investment seeking super profits resulted in Gold Coast's becoming part of the British Empire. Britain's industrial and financial dominance at the time gave her the largest share of the pie, so Gold Coast found herself in the company of half of Africa (though in balkanized portions), the Indian sub-continent, plus stepping stones along the way to India, some islands in the Pacific and also former colonies such as Canada, Australia and New Zealand. The zeal with which colonial enterprise was established at this time can be related directly to the new possibilities presented by this carving out of exclusive domains.

Gold Coast, then, became part of Britain's exclusive domain and was re-structured in accordance with Britain's imperial interests. Mineral and agricultural raw materials were desired and those most readily exploitable in Gold Coast were cocoa and gold. The central features of the structural changes of post-1874 Gold Coast which transformed it into an externally oriented political economy based on production of cocoa and gold for export must now be delineated. In order to understand the development of production of cocoa and gold beyond the details of historical evolution to an analysis of structural position in the Gold Coast political economy, it is necessary to have a clear picture of the relationships of the Gold Coast village communities to the land and their control over socially produced surplus in relation to larger state formation which we have earlier referred to, with particular care in analyzing their structures in terms of internal, continentally-integrated or externally-oriented patterns of production and exchange. The name, Gold Coast, indicates the deserved fame of this part of the West African coast for trade based on gold dating back for almost 1000 years. State formation in the 10th century was based on long distance trade in gold, the Arab conquest stimulating a trade of salt and manufactured items, particularly cotton textiles, from the north in return for gold, slaves and malaguetta pepper from the south.[28] The exact relation of the Sudanic empires of Ghana, Mali and Songhai with the present Gold Coast are not clearly established but important linkages are known to have existed and also there is knowledge of links by sea to Nigeria and overland to other parts of Africa. It is exactly this integration of Gold Coast into a continental trade system based on a commercialized economy which made it so attractive to the Portuguese landing in Elmina in 1471. The Portuguese found it sufficiently attractive that they were prepared to import the popular textiles of North Africa by a sea route in order to gain the market for gold. Estimated Portuguese gold shipments from West Africa in the 16th century reach $\frac{1}{2}$-1 ton per year and equalled one-tenth of the world supply at the time. [29] The strategic importance of Gold Coast's position in terms of its integration within the continental network was not lost on other mercantile adventurers and soon the Portuguese were joined by the English and French and later the Dutch. The early practice of ships anchoring for trade purposes gave way to forts and factories, the Portuguese fort at Elmina being just the first of a string of forts of rival European powers which were soon to be established up and down the Gold Coast. Gold Coast Africans at this time kept a firm hand on their own resources and Portuguese attempts to establish gold mines were not tolerated but instead were met with such strong resistance that the Portuguese had to subside. The links of coastal trade with inland village communities and the pervasive effects of this trade on the whole political economy can be seen clearly from J. Barbot's description of 1850 Gold Coast.

> ...trade was well established among those, in every part of it, many of them applying themselves wholy to it, and the profit being considerable, many from the inland thought it worth while to come down to the coast, to buy European goods of the Portuguese and other whites, to furnish the markets in their several provinces: others settling there with their families, as brokers and factors for their correspondents, residing in remoter parts, great numbers of which sort are to be found settled at many places under the European forts, especially Commendo, Mina, Corso, Mouree, Cormentin and Acra .... Thus in process of time, from generation to generation, the result of trading Black has been greater: as the several European settlements at the coast have increased the plenty of goods, and consequently lessened their prices, which has been a greater encouragement to those people to drive the greater trade in the remote inland countries, and by it many have been vastly enriched... as the trade increased in the course of a century or more, the number of these factors or brokers has also multiplied to what they are now: as has the number of fairs and markets in many parts of that vast country.[30]

This period of Gold Coast history from the 16th-19th century can best be understood as a process of emerging states vying with one another for control over production and markets and trade routes, the most important question at issue ultimately being whether the result would be continentally integrated African trade or external trade with Europe. Samir Amin suggests that the State consisted first of simply ruling heads, a kind of king and court, often augmented by court officials, administrators and soldiers as well as domestic servants, these often captives of wars, and all in a somewhat embryonic state formation of a few officials grouped around a king in juxtaposition to village communities who paid tribute by way of supporting these non-productive forces by their own agriculture and handicraft production.[31]

This basic social formation of village communities linked by tribute to a ruling State emerges distinctly and recedes at various points throughout the period as power struggles between States continue. Denkyira and Akwamu emerge and fall, leaving Ashanti as the most powerful trading empire in the immediate pre-colonial period. As trading empires emerge, the State formation becomes more distinct and more specialized. The primary need was for security on the trade routes against banditry. Armies therefore emerged to provide safe access and, in addition, to raise state revenue by taxes on goods passing through. Expansion was desirable to gain monopoly over the routes and the power thus to raise higher taxes. Captives were by-products of expansion and could be used for labour to produce and transport trade goods or to maintain the ruling class. They could be and were increasingly used also as trading commodities, particularly with the introduction of firearms and with the competing European interests actively encouraging armaments of rival states in the hope of gaining yet more captives for the very lucrative slave trade.

The general effect of the Atlantic slave trade was, indeed, to remove the centres of wealth and power in West Africa away from the Sudan and towards the coast. The impressive growth of African states just inland from the coast in the 17th and 18th centuries can only be understood in relation to the slave trade and their growth was to be definitive for the future history of Gold Coast, particularly in relation to their orientation back towards the Sudan and continental integration, or towards the Coast and external orientation. The interplay of forces during this period is complex, of course. The dominant position of the Europeans with their firearms, their superior manufactured goods and their superior communications (e.g. ability to gain gold trade by bringing North African cloth by sea to Gold Coast) could not have achieved the disintegration of the African continental network and the consequent dependence and external orientation had their interests not coincided with those of powerful groups within West Africa. The ruling class of the emerging inland states which benefitted most from the thriving trade activities eagerly sought access to European trade as well as northern routes.

> Even the Gold Coast forts, impressive architectural monuments to the bitter competition of the seventeenth century, were built on land leased from the local African states. In the last resort their lonely garrisons were unable to withstand determined opposition from the Africans of the towns which came to cluster around them. However, a community of interest existed, which came to ally the Europeans with their African neighbours when both were threatened by the growth of the new states in the immediate hinterland, and from this, in the nineteenth century, the seeds of colonialism could grow.
>
> 32

Clearly in Gold Coast, as elsewhere, groups quickly emerged with interests in perpetuating the existing system to their own benefit.

The collapse of state capitals, inter-state warfare and return to simple subsistence production, then, marked the village communities of the Gold Coast tribal groupings as the 1874 Colonial administration took control. This new colonial administration succeeded quickly in establishing a totally transformed economic base for the Gold Coast colony, one which corresponded to the interests of Britain's growing industry at the time and one which totally transformed the orientation of the Colony. The structural transformation of that period and its externally-oriented direction still predominate today.

The phenomenal rise of cocoa production in Gold Coast from non-existence in 1892 to production of 50,000 tons in 1914 is only now receiving the serious analysis it deserves. Polly Hill's studies in this regard are of extreme importance, and her book, Migrant Cocoa Farmers of Southern Ghana, has already become a standard reference on this subject.[33] The Akwapim, just north of the coast and long familiar with trade in palm products, were the first to move into large-scale cocoa production.

With due apologies to those who want to extoll Ghanaian enterpreneurship or the glories of Tetteh Quarshie who is said to have initiated cocoa production by smuggling cocoa beans into Ghana from Fernando Po in 1879, it would seem more that combined efforts of the missions, the trading companies and the government in introducing cash crops for export finally paid off and the Akwapims became firmly established in cocoa production for export at this time. [34] A ready market is undoubtedly the central new force.

> One foreign group had played in important facilitating role - the mercantile houses. The market they provided and later, the system of up-country buying and crop advances were essential to the industry. Their organizational structure, their interest in enlarging West African farmers' exports to expand their market for European goods, and their contacts with Britain cocoa purchasers were a necessary link between the African farmers and the world cocoa market, which was entering a period of rapid expansion..."[35]

Increased quantities of land was sought west of the Densu River for cocoa production. Using money from their palm trade, they were able to buy land from their neighbours, land being in abundant supply for the village community level of living characteristic of the Akim at this time. From 1900 on, there was a great deal of land speculation, the cocoa farmers responding to the steady demand for cocoa beans from the export firms and therefore investing in more and more acreage for production. The Akwapim were soon joihed by Krobo, Ga and Shai and a variety of land tenure system evolved with patterns of matrilineal and patrilineal inheritance as the determining factor in the mosaic patterns and strip or <u>husa</u> patterns that emerged.[36]

The phenomenal rise in cocoa production can be seen in the following table.

Year	Five Year Average by Tons.
1891-1895	5
1896-1900	230
1901-1905	3,172
1906-1910	14,784
1911-1915	51,819
1916-1920	106,072
1921-1925	186,329
1926-1930	218,895 [37]

This brought about great changes in the organization of cocoa production. New technology was introduced so that simple labour-axe-cutlass activity was augemented by improved seeds and sprayers. As early as 1910, the first 24 sprayers were brought by Aburi farmers.[38] The need for additional capital was largely managed by the ingenious company systems and <u>abusua</u> systems, local systems of land holding now applied to a cash crop for export. It must be pointed out, however, that these systems rapidly expanded far beyond a simple household or even extended family framework and from early days included labour arrangements of various sorts, drawing mainly on additional labourers from east of the Colony in Togoland and from the Northern Territories. The most prevalent types of labour arrangement were:

1. <u>abusua</u> - where the labourer is entitled to 1/3 of the cocoa harvested, this being especially common on new farms
2. <u>nkotokuana</u> - where the labourer is given a fixed sum per load
3. annual labourer - where the labourer is employed by the year and paid after six months or at the end of the year.
4. daily labourer - where the labour is seasonal and paid

by the day

5. contract labourer - where the labourer is paid in advance for doing a specific job.

Polly Hill speaks of this as marking the emergence of rural capitalism in Ghana. Indeed Szerezewski quotes from W.S.D. Tunhope's Enquiry into the Gold Coast Cocoa Industry in 1919 in which, ironically, administrative officials were surprised and even shocked by the "capitalist" vigour of those Gold Coast farmers who were apparently "uable to control their lust or greed." [40] In the introduction to Polly Hill's book, Stephen Hymer suggests that indeed this phenomenon is one of emergence of a rural capitalist class. The "amorphous peasantry" is, in fact, revealed to be a highly differentiated body.

The history of the introduction of cocoa into Ashanti is extremely important for Ashanti was to become the centre of cocoa production in Ghana when the Akwapim cocoa areas were severely damaged with swollen shoot. In 1903, the Sekondi Tarkwa railway line had been extended to Ashanti, a security against further outbreaks of trouble but also a very strong coastal-oriented communications link in case Ashanti should re-establish northern trading interests. In 1903, cocoa planting was taken up in south andeastern Ashanti; in 1908, western Ashanti also began to produce. An effective market in the rival European tradings firms established in Kumasi led to phenomenal growth so that by 1913, 8,500 tons were produced, increasing to 20,000 in 1917, 40,000 in 1921 and 70,000 in 1926. Meanwhile rubber and kola production were virtually neglected.

Gold Coast farmers, then, were early able to make cocoa into a productive enterprise. Because the production was for export in its raw state, however, the kind of economic transformation resulting from it was of a peculiar nature. In fact, Britain had monopoly control on the marketing of the cocoa. Since all processing was done in Britain, there were minimal effects within Ghana. To have a real idea of the transformational effects of this phenomenal rise in cocoa production, one would have to study British industry at this time to see how the raw material arriving from Gold Coast was used in the building up of the confectionary industry in Britain. It was in Britain that this raw material generated industrial development with increased demands for labour, for capital goods, for industrial infrastructure, and for increased food and other consumption items for the labour force of the cocoa industry. In Ghana, the effects of cocoa production did not lead to industrialization but to a skewing of the economy towards increased production for export only. As Szentes clearly points out in his book, The Political Economy of Underdevelopment, "The allocation of the intermediate and/or final processing of the primary product to the industrial countries, mostly together with keeping in their hands also the transporting and marketing apparatus which serve it, means the reduction and transfer of that potential income formation and accumulation for which the product itself provides a material basis." [41]

The net effect of this is very broad. Not only did cocoa have little effect in terms of generating other integrated and self-perpetuating development within Gold Coast, but, in fact, what diversification already existed in the colony was considerably diminished. Lack of data makes it impossible to ascertain the full range of economic activity being carried on prior to the introduction of cocoa, particularly in the areas where there were few Europeans.

The coastal areas had already reached high degree of external orientation so that their primary activities were geared to the demands of the import-export sector. In the Ashanti interior, however, the strong trading empire had only recently been destroyed by the British. A meeting of Ashanti chiefs with Prempeh in 1929 in response to a fall in cocoa price elicited this memory of pre-cocoa days. "Before 1896... there were many trades and the country was prosperous - there had been trading in ivory tusks, monkey skins, palm kernels, palm kernel oil, rubber, gum, guinea corns, cotton, groundnuts, kola nuts, ginger and tobacco." [42]

Other reports indicate that in 1881-1882, Salaga-Accra trade included items of shea butter, leather goods, local cloth and livestock in return for salt, cotton, metalware and guns. Trade across the Prah included gin, rum, salt, brassware, pipes and tobacco, Manchester cotton goods, guns and gunpowder in return for gold dust, ivory, monkey skins, sanbals and country-made cloths.[43]

The data available on sea-borne exports in 1891 and again in 1911 from census reports indicates that in 1891, the central items for export were palm oil (30%) and rubber (31%) followed by palm kernels (14%) and gold (14%) with smaller export items including timber, monkey skins and kola nuts. By 1911 palm oil products accounted for only 9%, rubber for only 6% and gold had risen to 30% while cocoa had, within 20 years, risen to account for 46% of sea-borne exports.[44] One could assume that these changes indicate only the law of supply and demand if one did not correlate them with data from other colonial possessions and find that other colonies were becoming specialists in such crops as rubber and palm products during the same time.[45]

Let us look more closely at the concrete factors of production and why the introduction of cocoa was able to take hold so readily. First of all, land suitable for cocoa growing in forest areas was available in abundance. There was no population pressure on the land, possibly in part attributable to the de-population processes of slavery and the recent civil wars. There were no strong indigenous state formations exercising control over surplus production from the land by means of rent or tribute. The land was held within village-communities which could readily plant cocoa seedlings in combination with their traditional crops without substantial alteration of self-sufficiency in food produdtion. This was in marked distinction to the effects of other crops imposed on colonial possessions such as rice or rubber or coffee which involved drastic changes in the prevailing mode of production.

There were some attempts by Europeans themselves to gain access to land. Governor Torrance in 1879 had some 4,000 coffee trees near Cape Coast and the Swanzys also had coffee plantations in mid-century. Since the 1860's, the chiefs had been selling land to foreigners particularly in the mining areas and there had been an attempt at a Public Land Bill to control transfer of lands to private persons in 1896. This had been defeated by the Aborigine Rights Protection Society, a society of chiefs and educated Africans, mainly coastal, fearing usurpation of land. There were some further attempts with the interest of Lord Lever in establishing modern agricultural estates and his attempt to gain a long-term concession of land. The Colonial Office refused his request, however, on the grounds of maintaining African interests. This is readily understandable in view of the realization of the kind of resistance likely to emerge, and even more important, the realization that the indigenous socio-economic formation could adapt readily and be amalgamated onto the prevailing capitalist market without land acquisition by Foreign interests. Had there not already been a dramatic increase in production over the past years?

Labour was not in short supply with extended family and village community groups readily incorporated, but, as suggested above, the dramatic increase in productivity rapidly brought abour labour demands and new semi-wage conditions of labour quickly evolved. Capital was also available through the efforts of the Gold Coasters themselves. The Akwapims had resources from palm products which they invested in land. The very simple agricultural technology demanded little capital investment in equipment and the cocoa seeds were readily available from the missions and government agricultural stations such as the one at Aburi. Also the particular forms of land-holding and labour relations meant that a certain credit flexibility existed with payment in kind at harvest or land-holding with installment terms payable by the Akwapim to the Akim, or mosaic patterns of land-holding from matrilineal families which granted usufructory rights to poorer family members as well as those with some means.

In terms of ownership of the means of production, we have established already that land constitutes the primary means of production and that the land is held by the village-communities and not by foreign interests. The situation is unusual in terms of colonial relations and production for export in the periphery and so must be analyzed with some care.

The anthropological writing on African land tenure seems often to surround it with almost mystical complexity. There is also, however, the danger of oversimplifying and therefore missing the subtlety of this particular mode of amalgamation into the capitalist market. James O' Connor in his article, "International Corporations and Economic Underdevelopment," in which perceptiveness in relation to Latin American phenomena is unquestionable , succumbs to the latter in his assessment of the West African situation.

> Almost invariably, when pre-capitalist societies were integrated or re-integrated into the world capitalist system the result was underdevelopment in the economically more backward poles and development in the advanced poles. Economic development and underdevelopment did not merely go hand in hand historically: the one caused the other. Only in a handful of regions, such as West Africa, where the existence of unused land and underemployed labour opened the possibility of expanding subsistence and export sumultaneously did specialization in raw material production for export fail to undermine subsistence agriculture, small-scale manufacturing, and, in general, any local base for autonomous development.[46]

The land is, indeed, held by Africans, small independent producers associated in village communities. The ownership of the land is collective and the use of land distributed to each household is based on family structures. With the introduction of cocoa, however, this pattern very quickly became more complex. First of all, land suitable for cocoa was to be found only in the forest belt and so village communities situated in the plains or coastal areas did not traditionally own land suitable for cocoa cultivation. As Amin points out, the diffused character of collective ownership where use of land is shared equally among the producers is based on the supreme right of the real or supposed "first occupant" and his descendants. "In certain regions this supreme right has already become the embryo of a sort of land ownership. On the Ivory Coast and in Ghana the population of the forest (Baoulé, Agni, Ashanti etc.) have thus profited from their 'rights'."[47]

As Polly Hill's studies document, the phenomenal rise in cocoa production transformed land into a valuable and increasingly scarce commodity. The immediate response was a widespread series of migrations and significant adaptations of traditional land holding systems. Two important new forms emerged. First, companies took up the system originally common to the Krobo in their search for new land for their prospering food and oil-palm farms. This "husa" system of the Krobo was one by which group purchases were made and then the acquired land was divided into strips according to the sise of investment. Groups with patrilineal inheritance systems such as the Akwapim groups of Larteh and Mamfe, plus Krobo, Ga Shai and other farmers from south eastern Gold Coast made these purchases from 1900 on within the traditional area of the Akim Abuakwa people, an area then little inhabited except by hunters, the main Akim towns being to the north or west and the main settlements by migrant cocoa farmers in the south. The Akim chiefs were glad to meet this sudden demand for land and accepted installment terms as happily as the totally unprecedented windfalls of ready cash. Soon after 1900 the Akim districts were the scene of a scramble for land, where land then became "a 'factor' which was quantified and bought and sold on commercial terms." [48]

The companies themselves are an interesting example of the adaptability of traditional structures to more complex economic activity.

> A company consists of a group of farmers who club together for the sole and commercial purpose of buying cocoa-land. Each individual is concerned to buy land for himself and there is never any intention of joint, or communal, ownership or farming. After the land has been acquired from the vendor stool, each individual member is (sooner or later) allotted a strip, measured along one of the boundaries (the base line), the width of which is proportionate to the sum of money he subscribes. Each member is then free to do whatever he wishes with his strip; he does not even have to retain it for his own use, but may resell the whole, or part, of it to an outsiders of his own choice. [49]

The other form of land holding to emerge during these migrations was that of family land or the "abusua" system. This form actually preceded the company and is characterized by family groupings within matrilineal families who make a purchase of land, a portion of which each member then farms individually In the earliest years of "abusaa" holdings, allocation within the family purchase were made by traditional methods of clearing and planting with no measurement or formal division of holdings. Later farms seem to indicate at least a rough measuring out in strips, but there is no indication within these family holding that size of holding corresponds in any way to cash invested. Company and family lands are easier to distinguish over time as customary rules of inheritance come into play. The patrilineal family holdings are further sub-divided into narrower and narrower strips. The matrilineal holdings where there is only one successor exhibit a mosaic or cellular pattern as a consequence of the original farmers tendencies to allocate portions of land to members of their abusua and others. [50]

By the end of the pre-lorry age, most of the land of southern Akim Abuakwa as well as some further north had been sold to these migrant groups of "stranger-farmers" except in the immediate area of the Akim towns. Much of it was not actually farmed but bought for future development. Few foresaw with the clarity of J.B. Danquah the eventual outcome of such practices. "'Let not my sense of responsibility forsake me. But there are overwhilming instance in which stools owning large tracts of good virgin forest lands have sold all away, so that even at this early date some towns are hard pressed for small lots of lands on which the inhabitants are to cultivate their annual foodstuff plantations.'" [51]

The original pattern of ownership/labour units rapidly gave way under increased productivity to patterns of semi-wage labour. Cocoa farmers initially both owned and worked their own cocoa farms, hiring labour only to carry during harvest. (Many of these carriers, particularly the Shai and Anum-Boso, saved enough from their earnings to invest themselves in land). [52] New groups of prosperous business and trading interests emerged, with townsmen owning cocoa farms in nearby villages, traders advancing from limited trade in textiles to setting up general stores and cocoa brokers serving as links between the farmers and European buying firms but also setting up money-lending practices on a substantial scale. Tordoff gives an idea of the far-reaching effects on land ownership in Ashanti.

> The spread of liberal ideas, which were the by-product of mission as much as of trading activity, meant that it was becoming more individualistic also - from the outset, the

> cocoa industry developed as a one man or at most as a family enterprise. Quarrels broke out between relations over the inheritance of cocoa farms and houses; and chiefs accumulated private property as an insurance policy against destoolment. [53]

The emerging class formation from this dichotomy between those directly working the land and thos ultimately profiting from it was not as major an element in the social consciousness as the awareness of a dichotomy at the level of cocoa marketing. The European firms from the beginning established themselves as the buyers of cocoa. After the Gold Coast became an official colony, the individual merchants generally remained, often acting as temporary government officials and frequently agitating for a greater place in the colonial government. They were augmented by a few mulattoes and well-to-do African. Goods were ordered on consignment from English shippers such as Foster and Smith, received on credit and then sold from factories or trading stations or exchanged for primary produce. Textiles, wines, and spirits were the major items imported followed by gunpowder, guns, hardware, tobacco and beads. [54] A whole network of middlemen and small traders linked the factories and trading stations with the hinterland. A regular service from Africa to Liverpool was set up by the African Steamship Company in 1852-53 and thus a faster and cheaper service encouraged more small-scale businessmen to enter direct import-export trade although the larger exporters continued to ship their own cargoes to coastal merchants with whom they had connection of long standing.[55] The entry of Africans was encouraged by a few smaller Liverpool firms. Kimble quotes words of F. Fitzgerald, London editor of "The African Times" who took on an editorial crusade to promote "a race of native capitalists in West Africa... and we will do our best to help in the creation." [56] He actually set up a special agency to help African traders by buying and selling goods on their behalf via London or Liverpool on a non-profit basis.

With regard to cocoa buying, Africans did not play a significant role. In 1898, the government introduced a marketing scheme for both coffee and cocoa whereby money was advanced on the produce to the grower, the balance being paid after sale in England. This scheme was short-lived, partly owing to adverse comments of the West African Trade Association, and by 1901-02 the European merchants were the chief buyers. Immediately difficulties occurred over price rings and discrepancies between prices offered in Gold Coast compared to prices in England. The Nowell Commission on the marketing of West African cocoa writing in 1938 refers to cocoa-buying agreements between the firms as early as the period from 1903-1910.[57] In some areas such as Larteh and Dodowah, planter unions were formed in order to get a better price. The main import-export companies were the major buyers. Cadbury's, however, did buy direct as early as 1906 and soon set up a local buying organization.

The marketing system itself promoted a high degree of economic individualism in the farmers' handling of their crops and land rights. Buyers made contracts at the beginning of the growing season to secure sufficient sales; usually this was accompanied by a small advance, sufficient at least for costs of transporting the cocoa, but at times the whole crop was paid for in advance at an agreed price. This pattern of cash advances effectively cut out African competition as large-scale buyers, except for a very few established firms such as Ofori Brothers with sufficient liquid capital.[58]

With the widespread system of these loans, not only the crop but also the land was increasingly seen as security for the loan and therefore its value as a commodity for commercial transaction was established. The permanent nature of cocoa farms as opposed to the shifting and seasonal cultivation of food crops also confirmed this process of land's becoming a commodity.

The perception of exploitation at the hands of the European buying companies was early established. Cycles of intense competition were interspersed with "understandings" in the pre-war period. The mergers of capitalist interests in Britain are reflected, of course, in the colony. A combination formed in the 1880's, the African Association, merged just after World War I with F.T.A. Swanzy's, Miller Brothers and Miller's Ltd to form the African and European Trade Corporation. In 1920, Lever's purchased the Niger Co. Kimble quotes the comment in "West Africa" at the time.

"The earth is the Lord Leverhulme's and the fulness thereof." [59] Legislative Council Debate of 1920 records Nana Ofori Atta's alarm at these amalgamations and their effects on the Gold Coast, an alarm shared, apparently, by the Colonial Secretary. [60] The mergers continued to gather momentum. Lever had already begun to negotiate a merger with African and Eastern, and by 1929 this was achieved and the United African Company was formed.

The fact that the same firms that exported cocoa also supplied imports made their monopoly control of exchange within the prevailing mode of production all too readily apparent. The first world war brought a drop in prices due to closure of the German markets and limitations on shipping. The farmers reacted by a reluctance to sell and in 1917-18, it is estimated that only ¾ of the total crop was gathered and only ½ sold. The high price of imports was also cause for complaint and in 1918, the Chiefs intervened on behalf of the cocoa farmers to threaten the Government if no official action was taken to rectify the situation. "Whilst the Gold Coast produce is taken for almost nothing... the prices of European goods have reached such a prohibitive height that one feels most unhappy." [61] The Government agreed to grant export licenses directly to Africans. Growers' associations were formed with the object of shipping their own cocoa and a trial shipment of 700 bags was made in 1918. This met with a strong opposition from the European firms and the London and Liverpool Chamber of Commerce sent deputations to the Colonial Office to make allegations against the Gold Coast Government.

The cocoa boom after the war gave the firms control once more but with strong suspicions of the "Combine clique" now firmly established. The slump of 1920 brought wide-spread response. Governor Guggisberg's personal pleas went unheeded as the situation continued into 1921 and in that year, Akwapim farmers formed an association which marks the first organized attempt to stop cocoa sales. This and other associations consequently formed were very successful and the higher prices of 1922 were welcomed by those who had held back their crops. After a World Cocoa Conference in 1924 to which Eastern Province chiefs sent delegates, a short-lived schemes for exporting directly to the U.S. was implemented. Higher prices for the thousands of tons shipped never reached the farmers, however, the Associations' broker misappropriating the funds and absconding with an estimated 300,000.

Lower prices of 1928 again brought suspicion of the companies. This time they were confirmed by the pooling agreement of the principal European purchasers of West African cocoa in 1929 in the face of a world slump in all primary produce. It led to formation of the Gold Coast and Ashanti Federation which organized wide-spread cocoa hold-ups during 1930-31.

From the beginning of the cocoa industry, then production for export, for a market over which Gold Coasters had no effective took its toll. The incentive for developing productive forces was not forthcoming. Acquisition of increased land was a secure investment but investment of money or energy creativity in improved methods of fermenting or drying or improved agricultural implements or related technology of any sort that would release human beings from sheer physical drudgery was negligible so long as production of cocoa was divorced by the Atlantic Ocean from its essential link to the developing confectionery industry which was creating real specialization, real development of productive forces in the rapidly expanding industrial climate of Britain.

The second main feature of the transformed economy under the pax Brittanica was the development od another export sector, that of mining. Just as gold had been a major source of attraction in the establishment of early mercantile interests centered at Elmina, so now again gold became a major source of attracting British capital into the recently acquired colonial possessions and with mining activities came also infrastructural investments which were to play a central role in reinforcing the external orientation of economic development.

By 1861, the first attempt at gold mining in a fashion substantially different from the traditional methods of shallow digging and washing was made by one Thomas Hughes of Cape Coast in West Wassaw. Hughes imported some heavy machinery and managed to transport it to Wassaw with very great difficulties, only to have it destroyed by the Chief in protest at the machine's capacities after a very rich vein was struck in 1861. After 1874, British soldiers returning from the expedition to Kumasi were full of tales of the fabulous wealth in gold of the Ashanti, one account of the war including the note that "Gold is there in profusion and to be had for the seeking."[62] The young French trader, Bonnat, captured by the Ashanti in 1869, took the opportunity to learn of gold deposits and African methods of mining so that by 1877 he was leading an expedition up the River Ankobra where a company was formed and the first actively worked mining concessions at Awudua and Tarkwa were established. The hazards of mining at this time were enormous. The 1884-1886 Colonial report indicates the expense and difficulty of transporting equipment. The mining machinery was disembarked at Axim and transported by carriers, launch, canoe and more carriers up the Ankobra River to the mining area with transport costs running as high as £25-30 per ton.[63] By 1891, 6 mines were actively working the Tarkwa area, one of them belonging to the Swanzy trading interests.

Africans themselves were involved directly in the new mining companies and land speculation surrounding their development. Kimble quotes the Nov. 1881 "Gold Coast Times" which urged its readers not to stand as merely passive onlookers of "our foreign friends" now operating at Tarkwa. "They only come to benefit themselves alone... The land is ours."[64] In 1882, the Gold Coast Native Concession Purchasing Company was formed with F.C. Grant, proprietor of "Gold Coast Times" as chairman. It was short-lived but other enterprising groups continued in land speculation. Other groups also tried to operate directly in mining activities, one such attempt being that of Africanus Horton in 1889 who, in conjunction with Fitzgerald of the "African Times" tried to float the "Wassaw and Ahanta Gold Mines Syndicate." His difficulties were enormous. Limited capital was combined with institutional constraints such as no local capital market and not even facilities for registration of companies in Gold Coast.[65]

After 1896 the way was open for developing mining activities in the, by now, fabled Ashanti Kingdom. The 1897 message to the Legislative Council was an open invitation to reinforce the military conquest by a commercial conquest, this being the definitive element in determining Ashanti's orientation firmly towards the coast. Traders and prospectors were happy to take up the quest.

The most famous had already prepared the way for himself. E.A. Cade had journeyed through Adansi in 1895 and secured from a group of African concessionaries a written agreement for 100 miles of land within the traditional lands of Adansi and Bekwai. The Government in 1895 had no territorial rights beyond the Forts and Settlements so was unable to recognize his claim. He returned to England and in 1897 formed the Ashanti Gold-fields Corporation. A fresh agreement was then drawn up by which the chiefs of Adansi and Bekwai were to receive £100 and £66 annually, the government would receive royalties of 3% on profits plus a commuted royalty of £500 on each of the first five years of operation. In return for these minimal obligations, Ashanti Goldfields Corporation received very great powers which included the right to undertake mining, trading, rubber and timber extraction, road-making and town-building.[66] In 1898 the mine in Obuasi was opened which was to become one of the richest goldfields in the world.

Even the colonial Government joined in the rush for gold with an abortive attempt at mining in Kibi complete with investment of £1000 of government funds, prospectors and imported Chinese labour. Experts from the Transvaal visited Tarkwa. The Annual Report on the Gold Coast for 1898 estimated extraction of £40 million within the next ten years. The boom was under way and within 3 years, some 400 companies had been formed.[67]

By 1911, the gold mining industry included 21 mines and 12 dredges of alluvial gold. Of the 12 companies actually producing, eight in the Colony and four in Ashanti, Ashanti Goldfields Corporation was by far the largest followed by Prestea Block A and Aboso. The 1891 sea-borne exports included 24,476 oz. of gold valued at £88,000 and constituting 14% of Gold Coast exports. By 1911, gold production was up to 280,060 oz. worth £1,058,000 and now constituting 30% of Gold Coast's exports.[68] Diamonds were discovered in 1919 and soon manganese and bauxite were also added to mineral output.

The patterns of ownership of land on which mining concessions were granted exhibit not so much an adaption of traditional ownership as a complete transition to land as a commodity. The requests for land concessions by the Europeans went well beyond the customary practice of allotment of land to "strangers" by the Chief. From 1860 on, concessions began to be granted to foreign interests with a tremendous increase at the turn of the century. These tended to be carried out with real disruption of existing patterns and mounting land speculation, opportunism and deceit. As Kimble suggests:

> As soon as overseas prospectors moved in, the mere hint of gold was enough to drive up the bidding for concessions; and although the sums offered in annual payment might have seemed small to Europeans, they were well above any revenues previously obtainable from land, or from indigenous methods of mining. Any reluctance of the Chiefs to allow large-scale development was soon overcome by this factor. In addition to the regular sums agreed as rents or royalties, large down-payments were sometimes offered; and in the absence of any clear-cut distinction between the Chief's private expenditure and his outlay as the representative of the State, the wealthy Chief soon began to realize distinct personal advantages.[69]

The Government itself became alarmed at the number of concessions granted and tried to intervene with the Crown Lands Bill of 1894-97 which would control transactions involving traditional land with foreign interests. This met much resistance, however, and the Aborigines Rights Protection Society was formed and lobbied actively against it. Finally a Concessions Bill was drafted which was far short of the original bill which would have vested "Waste Lands, Forest Lands and Minerals in the Queen" but still protected British interests from investing in land already conceded and also the traditional owners of the land from losing it through unscrupulous speculations. Not only did the chiefs succumb readily to this possibility of large sums of money flowing into their areas at a time when increased goods from abroad were becoming available but also other African benefitted from the increased speculation in land. Litigations were frequent and lawyers' services were much in demand. It must have been an era of grandiose plans. Cade who had already substantial rights for exploitation in the Adansi and Bekwai areas soon made a further request that in return for £5,000 down and a further £500,000 to conclude the deal (the latter to be spent on a railway), his Ashanti Goldfields Corporation should be given all metalliferous, timber water and rubber rights throughout the whole of Ashanti. His proposal was refused! [70]

Concessions of mineral rights, then, placed ownership of the mines in the hands of European interests. Labour for the mines became a major problem. Systems of semi-wage labour in the rapidly expanding cocoa farms were much more attractive than wage labour in the mines. Elaborate recruitment schemes included visits by young men to the mines from the Northern Territories and a payment of head money to the Chief in payment for workers recruited. By 1909, the mines were employing more than 5,000 men per year and finding it extremely difficult to fill the demand. The imposition of taxes in neighbouring French colonies eased the situation to some extent and many men from north of Gold Coast came to seek employment in the mines in order to meet the taxation of French colonial government. [71] Even within Gold Coast, the attempts to cloak the recruitment in persuasive terms (including even "before" and "after" pictures of miners) could not cover up the essentially coercive nature of the operation.

> The mines now sent up their own recruiting agents, but many workers were still supplied by the Chiefs, who were paid 5s. for each man who reported to the District Commissioner, and a further 7s.6d. on his return after completing a nine months service contract. The Regulation of Employment Ordinance of 1921 made desertion (i.e. breach of contract) a penal offence, for which the Chamber of Mines had been pressing for some years. [72]

With regard to control over what was produced in terms of exchange and distribution, this was solely in the hands of the mine owners. Minimal royalties were written into the agreements and the original terms prevailed long after the volume of production had increased ten and twenty-fold. Ashanti Goldfields was by far the largest producer of the £1,058,000 worth of gold exported in 1911 but its payment to the traditional land owners of Bekwai and Adansi was only £166 while its payment to Government was only 3% on profits. The Gold Coast, then, benefitted only minimally from the mining activity as profits were repatriated rather than invested in further production in Gold Coast. Irreplaceable minerals were being exploited with no return to the political economy in which they were value-able resources.

The conditions for African workers were deplorable. By 1924, the situation had become acute.

> ...statistics revealed a very grave death-rate among mining labourers. The Secretary of State instructed that recruitment in the North should cease forthwith, and an eminent phy-sician was sent out to conduct a special inquiry, which re-vealed some very unsatisfactory conditions in the mining areas. He found the main factors in the high death rate to be: the prevalence of ankylostomiasis (hook-worm), the large number of unfit men (especially with T.B.) coming south, unsatis-factory housing conditions at Abbontiakoon, a polluted and insufficient water supply, and inadequate medical arrange-ments at Tarkwa and Abosso. 73

The migrant patterns of labour reinforced low labour productivity and lack of specialization.

The material resource of Gold Coast gold, then, was exploited not as a resource on which the Gold Coast political economy could build but as a resource on which Britain could build. It operated very much in the colonial enclave pattern with no integration into an emerging internal industrial sector in Gold Coast but instead as an important com-ponent of an emerging export sector amalgamated onto the world capitalist market in such a way that it had no power to develop the economy of the Gold Coast but could only reinforce its externally oriented dependency.

As far as industrial activity at this time apart from mining, it was virtually non-existent, a situation which was to prevail substantially until after World War II. From 1904 on there are small unrelated instances of industrial activity. The 1904 Blue Book reports a sawmill in the Sekondi district, a brick and tile factory at Sekondi, a mineral water plant at

Cape Coast and a workshop at Ada for repair and conversion of launches. As Szerezewski notes:

> It is interesting... that the first four establishments are so characteristic of the present (1960) structure of Ghana's industry: timber processing; supply of construction inputs; light consumer goods industries based on imported inputs and repair and maintenance establishments.[74]

With the need to balance the colonial budget without resorting to grant-in-aid, revenue earning activity was mandatory, not in any way to raise the level of living of the Gold Coast population in general but only to keep the balance of payments in good order and to support the costs of administration. Already in 1891, the 16 coastal towns had some 206 Europeans resident and occupations in these towns included 1,376 persons in the civil service, 3,369 students and scholars, 4,975 in commerce, i.e. traders, agents clerks and shopmen, and 2,795 domestic servants. Already there was a substantial infrastructure developing:

> administrative building, in many cases based upon the old castles from the slavery period like Christianborg, Cape Coast and Elmina; some rudimentary service and sanitary facilities in the main towns of the Colony-roads, lighting, market sheds, water cisterns and harbour facilities like light houses and signals. In the field of communications 210 miles of government telegraph wire were in existence in 1891, and the Gold Coast was connected with the international network. Since 1890 telephone communication had existed in Accra, and a line ran to Aburi. The social infrastructure established by the administration included a number of hospitals and dispensaries, and five schools. There was also the Aburi agricultural station, which fulfilled an important role in the diffusion of coffee and cocoa.[75]

By 1911, the European population had increased to 2,245, mining interests predominating.

All of this infrastructure cost money. If cocoa and gold were to be the revenue earners to support such activities including the increasing numbers of government functionaries, merchants and owners of investments, all of whom were outside the direct productive process, it would be necessary to increase cocoa and gold production rapidly and therefore to provide infrastructural supports specifically aimed at increased exploitation of cocoa and gold. Roads, railways and harbour brought a great wave of activity into the Gold Coast and even more firmly structured it towards an external orientation.

At the beginning of the gold and cocoa activity, there were few roads in Gold Coast and those existent were ill kept. Waterways such as the Volta River up to Akuse and Senchi and later the Ankobra up to Tarkwa were in use. The companies established warehouses inland for their merchandise. Casks of palm oil could be floated down the Volta from the industrious Krobo farmers. Travel by foot or hammock and transport by head load or rolling were still predominant.

Kimble recounts that the first railway project was in connection with General Wolseley's march to Kumasi in 1874 but the proposed tramway from Cape Coast to the river Prah failed to materialize in time and the Colonial Office was left with the rolling stock and no alternative use for it. Apparently the indefatigible Fitzgerald of the "African Times" was again enthusiastic and announced formation of the West African Railroad, Tramways and Canal Co. in 1879 but no African investors were forthcoming. Africanus Horton also made an attempt in the 1880's but also with no success.[76] After much discussion between Gold Coast delegates, the Colonial Office and business interests, the decision was made finally to take not the first option of collection of produce but the second option of mineral exports as the primary factor in establishing a railway network. A line to Tarkwa was proposed and by 1900, Ashanti Goldfields Corporation had made an agreement whereby, Government would extend the line to Obuasi in return for the Corporation's guarantee of a minimum level of net earnings of £30,000. By 1902, the Sekondi-Tarkwa line reached Obuasi and by 1903, Kumasi was firmly linked to the coast and Europe by a 3'6" gauge single line track.

Road networks began to build up. By 1911, 3,235 mi. of road were maintained in the Colony linking the cocoa areas in Akwapim and Akim. A road was extended 55 mi. north of Ashanti and roads were being proposed for the Northern Territory. These roads were not primarily for motor transport, however, but for head carriers, cask rollers and the wooden hand-carts being developed by the Basel Mission workshops in Christiansborg.[78]

The era of Governor Guggisberg considerably increased these infrastructural investments. Within ten days of his arrival in Gold Coast, in 1917, Guggisberg announced Gold Coast's first 10 Year Development Plan. Here then was a bold attempt at colonial development.

Guggisberg's Ten-Year Development Plan (£'000)

	Original plan 1919	Revised plan 1922	Revised Plan 1927
Harbour	2,000	1,840	3,551
Railways	14,581	6,076	5,948
Roads	1,000	750	1,619
Water supplies	1,790	1,208	634
Town Improvements and Drainage	1,790	300	740
Hydraulic & Electric works	2,000	200	199
Public buildings (including Achimota)	1,100	1,000	2,273
Posts and telegraphs	90	422	336
Maps and surveys	200	120	200
Agriculture and forestry	-	-	252
Takoradi town	-	-	669
Miscellaneous		100	225
	£24,611	£12,016	£16,646 [79]

The Takoradi deep water port was the biggest scheme to be envisioned but other significant developments included railway lines from Kumasi to Accra, widespread construction of motorways to provide an additional 3,000 miles of road, Korle Bu hospital, Achimota School and also major electricity and water supply projects.

Who was to pay for and who was to benefit from these infrastructural developments? The bulk of the revenue to pay for these investments came from import and export duties. Export duties were applied to cocoa as early as 1916 as a war measure to replace the usual revenue supply from import duties. Export duties were also levied on timber and palm produce for export. With the phenomenal increase in tonnage of cocoa sent overseas, the cocoa duty began to yield from £$\frac{1}{4}$-$\frac{1}{2}$ million per year and therefore to provide a substantial portion of the necessary investment capital for roads and railways. The tax amounted to 12-28% of the income of the cocoa producer and raised many complaints. These complaints became even more vocal during the latter part of 1920 when the post-war boom of 1919 subsided and there was a sudden drop in cocoa prices. Cocoa prices in 1919 and the first part of 1920 which had reached as high as £80 or even £120 per ton suddenly dropped as dramatically. This was a situation which was to last until 1923 but despite the hardships which this drop in real income presented, the squeeze on the farmers continued unabated and the infrastructural construction which was to make Guggisberg renowned among colonial governors continued. The siphoning off of income from the cocoa farmers is clear from the following table.

Cocoa Exports

Year	Quantity tons	Value (£'000)	Yield of export duty (£'000)
1918	66	1,797	131
1919	176	8,279	419
1920	125	10,056	580
1921	133	4,764	622
1922	159	5,841	646
1923	198	6,567	461
1924	223	7,250	368
1925	218	8,222	255
1926	231	9,181	269
1927	210	11,728	245
1928	225	11,230	263 [80]

The increased tonnage of 1921 brought in less than half the price of the preceding year but export duty rose from £580,000 to £622,000 and the construction went on. Clearly the rural population producing cocoa bore the major burden of this tremendous investment in infrastructure. Royalties from mining were not nearly so substantial as a source of revenue, the European owners being much more skilled in lobbying and having a much clearer idea of their own interests and much greater power to protect them.

Who benefitted from such investments? Clearly, the primary benefit went to Britain's own interests both in the Colony itself and back in the Mother country. It was British industry that was stimulated with increased shipment of capital goods both for these infrastructural investments and for the mining interests developing alongside. In fact the cocoa farmers' labour provided revenue for infrastructure that primarily supported private British mining industries, and the Gold Coast railway was but one of the many colonial railway systems which provided a boost for British industry. If we compare the railway as an investment in the colony in relation to a railway as a domestic investment within Britain, it is clear to see, in fact, that centre and periphery investments have totally different dynamics. The rolling stock was already in Gold Coast for the 1874 expedition to Kumasi. Now the decision to construct the railroad set in motion a whole range of secondary and tertiary effects in Britain , demands for production of steel, for coal, for timber, for a range of machine tools, for engineers, for skilled workers, for capital. In fact, a railway becomes an immense investment, one which can shift a society to a whole new level of technology. In Gold Coast, however, the secondary and tertiary effects were little existent and it was Britain that experienced the main benefits from railway spread effects. The structure of Gold Coast was also consolidated by this tremendous increase in infrastructure, the railway being a major item of it, but the structural transformation was again of a peculiar kind, now providing the communications network by which Gold Coast could be more efficiently drained of its internal resources and more firmly structured away from national or continental integration towards an external orientation.

An import-export structure of the classic colonial variety rapidly became established as the dominant economic activity in the Gold Coast political economy. Imports and exports benefitted the same interests, those interests being the European merchants and European firms who rapidly became entrenched as the chief buyers of cocoa, owners of mines and importers of finished products which they further controlled by a distributory network that stretched far into the hinterland. It was a many-fronted attack to which the recently colonized Gold Coasters were subjected. Trading interests also owned mines and shipping lines. Religion and education were linked with the same commercial interests. Missions such as Basel Mission worked closely with merchant interests of Union Trading Company which plowed some of its trading profits into cocoa and coffee research and much of it into technical education. With enormous goodwill and energies to Christianize and civilize the heathen Gold Coasters, they in fact actively aided and abetted the creation of the major distortion of the economy, the hypertrophied import-export secotr. Their research and their exhortations of hard work to the newly baptized Gold Coasters bore fruit and Gold Coast produced still more cocoa beans while Switzerland established the chocolate industry for which it is now world famous. The technical training of Basel Mission provided skilled labour for merchant interests so that the increasingly diverse company activities could have sufficient supply of skilled labour. Meanwhile the moral and religious training effectively alienated Gold Coasters from their own style of dress, food, family patterns and traditional customs. Most important, it educated Gold Coasters to view their own political economy through European eyes so that its resources and potential were seen only in relation to its continued orientation as an appendage of Europe.

The hold of the companies involved in import-export was enormous. The long-established merchant interests on the coast itself and on the Akwapim ridge and up the Volta to warehouses at Senchi and Akuse as 1905, eleven European firms were established in Kumasi. In 1908, the Bank of British West Africa followed. In 1910, European firms opened stations throughout the cocoa belt at Kukurantumi, Tafo and Koforidua. The Africans earlier in import-export activities found themselves unable to compete with the aggressive tactics of the European firms and the preferential treatment these firms received from their fellow Europeans who were their counterparts in banking, shipping, and credit networks not to mention the direct links with the buyers of the tropical raw materials in Europe itself. The drop in cocoa produce in 1920, for example, and the difficul years until 1923 resulted in disappearance of many Africans from import-export activities. Their capital was not sufficient to tide them through such a period and many were caught with stock on hand and had to sell out to the European companies with greater resources to ride out such a period.

On top of this was the ability of the companies to make use of the colonial state to support their interests. While there was a good deal of distance between the colonial administrator's activities and those of the merchants at some levels, clearly their interests essentially coincided. The decision about the railway network is a good case in point. Szerezewski relates that the original plans were for a railway network which would facilitate '... the collection of produce and its transport to the coast for exportation and for the distribution of imported articles.' Had this been implemented, the major cocoa producing areas would have been linked with a good communications network. After lengthy deliberations and a chance for all interests concerned to bring pressure to bear, the railway network was shifted instead to the western part of the colony with Takoradi habour as its major connection point and the gold mines at Tarkwa and Obuasi as its main object, cocoa could be headloaded. Ore required rail transport.

In the inter-war period, the dominant position of the European firms was even more firmly consolidated. In Gold Coast and indeed throughout West Africa, the small groups of European firms engaged in exporting raw materials and importing manufactured goods managed to entrench themselves in such a manner that no competition with them was possible and they gained a powerful monopoly hold on the most readily expoitable of Gold Coast's resources. By 1929, the firms had passed beyond the period of fluctuating competition and agreements which had characterized their earlier behaviour. The price drop during World War I and again after the post-war boom, followed shortly by the 1929 depression, had effectively demolished most of their rivals including virtually all Gold Coasters involved in the import-export trade. In 1929, the merger of the Niger Company with the African and Eastern trading Company to form United African Company brought UAC to the dominant position among the firms.

In Gold Coast the following firms had interests: United Africa Company, which included the operations of G.B. Ollivant and G. Gottschalk and Co., John Holt and Co., CFAO, SCOA, Paterson and Zochonis Ltd., Union Trading Company, Basel, and Commonwealth Trust Company. The smaller companies were bound to the larger companies in several ways. On the one hand they were linked by fear that any competition would result in a price war which they would inevitably lose because of slender resources. On the other hand there were also direct links in the Mother country and also formal or informal marketing agreements. The colonial government adopted a very laissez-faire policy towards these activities although well aware of the harmful effects of such expatriate monopolies.

From 1934-37, the Staple Lines Agreement was in operation by means of which the major companies divided on a percentage basis trade in staples such as corrugated iron sheets, cement, sugar, flour and salt. From 1937 on, the Merchandise Agreement was also in effect. This was even broader in scope, covering the entire range of merchandise trade with firms importing more than their share being subject to penalties payable to those falling short of their agreed shares. The main companies formed a grouping called the Association of West African Merchants [81] which operated as a trade association and had its offices in London.. As Bauer points out:

> This degree of concentration would be high even if the firms were of approximately equal size and always acted independently. In an important sense it is even higher in West African trade. First there is one dominant firm; and secondly, most of the large firms have often acted in concert. Moreover, with very few exceptions the same large firms participate in the import trade and in the purchase of export produce more or less in the same proportions. The degree of concentration is therefore greater than would be suggested by the shares of the largest firms in the import or export trades separately.[82]

These trading companies operated in such a way as to monopolize completely the commercial life of the Gold Coast. Their ability to divide up trade in imports among themselves was aided by their control of shipping lines and also their direct links in terms of ownership or financial alliance with factories producing the goods which they wished to sell. Their control did not end at the wholesale level, however, but extended throughout a wide-flung retail network also. The largest firms had vertically integrated organizations with their own wholesale, semi-wholesale and retail stores as well as further organization including many small-scale buying points for the purchase of export produce.[83] Thus a system of vertically integrated trading operations was established where, instead of a non-integrated operation which would specialize in certain activities or certain stages of trade, there were integrated companies performing a variety of functions and activities. The essence of such vertical integration was its responsiveness not to market forces of competition, resulting in the need for efficiency and low prices for the consumers, but response instead to its own monopolistic-monopsonistic position and the fact that each part of the organization could enjoy the continuous, compulsory and unsolicited patronage of the other parts. The securing of sources of supply and clientele demanded a communications network through the Gold Coast which would serve to link buyers and sellers within the trading companies' operations, the linkage being provided not in relation to forces of supply and demand but by the boundaries established by the vertical linkages with the company.

> In the inter-war period the operations of these large companies and indeed of the smaller onces which followed their lead rather than competed with them, were very unsophisticated. They bought the peasant's export crop for processing in the factories of Europe and sold to him only goods imported from these factories. 'This simple form of export and import trade', as the Leverhulme Trust Commission described it after its tour of West Africa in 1938-9, was an addition to, rather than a part of, the subsistence economy or the internal system of trade in cattle, kola or yams. Singly or collectively these firms created area and even territorial monopolies of the purchase of the export crop; their capital investment was nearly all short term and the profits from it went mainly to their European shareholders; they established industries in West Africa only where it was absolutely essential: they employed

> high-cost European company officials rather than train lower-cost Africans to replace them; similarly they did little to train their junior African employees; and finally, being untrammelled by government minimum wage laws and trade unions, wherever they exercised a monopoly of the labour market they used it to keep its price down.[84]

The contradiction between the increasingly monopolistic operations of the AWAM companies and the increasingly expoited position of the cocoa producers came to a direct confrontation in 1937-38. In 1937, the tendencies towards concentration and market-sharing agreements were at their height. The Staple Lines Agreement had been extended to the Merchandise Agreements. In addition to complete control of imports, the companies involved in the Merchandise Agreements had also as a group entered into preferential arrangements with overseas suppliers of many imported products which restricted opportunities for new entrants. Control of exports was also attempted in 1937 with the cocoa buyers' price ring led by United Africa Company which was operating in both Nigeria and the Gold Coast. The pooling of sales operated by allocating to each member of the pool a percentage of total purchases of cocoa based on their performance in recent years at a fixed price. The resentment of cocoa producers and middlemen to this pooling was strong and the chiefs and farmers unions agreed to major boycotts.

Shortly after rumours of the pending agreement had reached the cocoa producers, plans for the boycott were made. Farmers of Gold Coast, Ashanti and Togo, organized through chiefs and farmers unions, united solidly in their refusal to sell any cocoa. Not only did they refuse to sell cocoa but they also boycotted the retail stores of the firms connected with the pool. The hold-up lasted from October unti the following April and meant a virtual stoppage of commercial activities within the Gold Coast. The chiefs were solidly behind the boycott including Nana Sir Atta, a member of the Legislative Council, and there was almost 100% support by the farmers themselves. A special commission was appointed and only then were terms arranged by which cocoa would be sold once again.

The Nowell Commission of 1939 strongly denounced the activities of the European merchants in establishing price rings and also the activities of the African brokers and middlemen. It was clear in its condemnation of the European companies' tendencies to control prices paid to farmers so that they could benefit from rises in price while farmers bore the brunt of falls. It also revealed a whole range of agreements, some operating from the beginning of the century, concerning purchase of West African cash crops such as cocoa, palm-kernels, palm-oil, groundnuts and cotton. Evidence showed that in Gold Coast, even as early as 1903-1917, there had been pooling of both sales and purchases.[85] It verified that in 1937-38, 98% of all cocoa buying had been in the hands of foreign firms.

Despite the forthright condemnation of the monopoly activities of the 13 European firms, and their virtually absolute control of any significant import-export activity to the exclusion of all possible conpetition and to the detriment of Gold Coast producer and consumer, the outbreak of war immediately after the report of the Commission resulted in the AWAM group's gaining an even stronger monopoly hold in the Gold Coast. With the outbreak of war in 1939, the purchase of cash crops for the first time was taken out of the hands of the large, expatriate commercial houses and placed instead under the control of the colonial governments. The subsequent behaviour of the colonial governments points clearly to their attitudes and interests in relation to commercial activities in the colonies. Once government became purchaser of export crops, its distrust of the activities of the Levantine firms and its predilection for the simplicity and neatness of dealing with the few, large, established expatriate enterprises and collective bargaining over against the many small and often precariously established African and Levantine enterprises[86] immediately were translated into policy measures. The AWAM firms became government agents to purchase cash crops at prices determined by the Ministry of Supply directed by the West African Produce Marketing Board. Since the AWAM headquarters in U.K. was actually consulted for advice in setting up of war-time controls,[87] it is perhaps not surprising that the organization established was decidedly in their favour. The new policy made the merchant firms the sole buying agents at a fixed price for all cocoa for sale in Gold Coast and Nigeria. They were also to be shippers under government direction and were to share the trade on a quota basis determined by their past performance during the seasons of 1936-39. These were percentage quotas and any new entry into the trade was banned. Thus the activities of the firms which had caused the boycott in the first place now became institutionalized and gained government sanction. The firms used their already established networks of buying agents, transport, storage and shipping but now their price monopoly had given way to a guaranteed government price during the war years. Profit now lay for the firms in claims for expenses (including cost of purchase of products) and reimbursement for services. Since the buying activities were totally integrated with their over-all trading activities, the possibilities to benefit from the situation were enormous. As Bauer points out, the schedule of buying expenses used by the firms to determine the local parity of world market prices was very generously calculated. There was no correlation between profits on merchandise trade and expenses on buying operations although they were totally integrated activities. Also, a substantial part of the total overheads of the firms came to be debited to government as costs incurred in cocoa buying.[88]

The firms were thus in an excellent position. They had lost their price monopoly but had gained a fixed rate of profit during a time of uncertain demand because of war-time conditions. They had institutionalized their buying monopoly and found a way to shift substantial costs to government. Most beneficial of all, however, they had found a way to prevent all possible competition. The great eagerness of the firms to control imports and produce-buying on the basis of past performance grew directly from their interest in preventing competition. Just prior to the war, a new firm, A.G. Leventis, had emerged as a major competitor in Gold Coast commerce. A former general manager of G.B. Ollivant, Leventis became founder, managing director and controlling share-holder in a new firm established in 1938. This new firm enjoyed the financial backing of an old established English cotton manufacturer and merchants as well as that of a British bank. The rise of Leventis to 5th place in cocoa buying in 1938-39 and 3rd or 4th place by November 1939 when war-time controls were imposed was truly remarkable within the prevailing monopolistic-monopsonistic framework. Also, in imports by 1941 before comprehensive import controls, Leventis was in 3rd place.

The experiences of Leventis in breaking into Gold Coast import-export activities point clearly to the hold of AWAM on the Gold Coast political economy. Even backed by British manufacturing and banking interests, Leventis encountered very great difficulties. How much more so the Gold Coast merchant himself? Clearly AWAM had sufficient influence to shape government policies entirely to their own interests. The export quotas of 1939, for example, had no rational basis since Britain was prepared to buy all cocoa offered for sale and not just a limited amount. The adoption of quotas based on 1936-39 performance, years when AWAM control of the market was at its greatest and years, three of which were before Leventis appeared as a major competitor , show clearly the alliance of merchant and colonial government interests. The war simply provided the occasion for policies not actually related to the exigencies of war but to the threatened interests of the established commercial houses. An even sharper example of the policy manipulation according to vested interests which the firms were able to execute at this time is provided by analyzing import policies. By 1942, Leventis had reached third place in Gold Coast imports. He had done so largely by building up trade with South Africa, utilizing shipping space available in ships coming in ballast from the Middle East to load manganese at Takoradi. [89] Full control of all major imports was imposed in 1942. At this time, licenses were given only to established firms and only British Empire goods could be imported. This put British firms in an enviable position since Indian goods were very expensive to import and British goods were allocated only to British firms. In 1943, severe restriction were placed on South African imports, a policy directly beneficial to the Merchandise Agreement group and directly harmful to Leventis. Leventis had a substantial share in South African trade by this time and application to South African imports of a licensing system based on share of trade in the pre-war years resulted in a reduction of imports by Leventis from South Africa of over 90% from 1943 to 1944.[90]

The war years, then, increased the hold of the established expatriate import-export houses in the Gold Coast political economy and established clearly their compatibility of interests with the colonial administration and their conflict of interests with would-be competitors in commercial activities and, also, with Gold Coast producers. In principle, the Gold Coast producer should have gained from an arrangement by which he was no longer a victim of monopoly pricing. In fact, the marketing board was a simple way of shifting the whole burden of war-time cocoa production onto the direct producer while allowing buying and selling profits to continue or even increase. The government guaranteed price was extremely low, much below the world market price at the time. The cocoa producer ended up substantially subsidizing Britain's war effort and maintaining British business interests in the process.

The basic structure of the political economy, within the colonial framework, then, was firmly established at the beginning of the century. Agriculture and mineral raw materials flowed out. Finished goods flowed in. An infrastructural network supported this growing import-export sector. The level of living of Gold Coast inhabitants was valued only insofar as it influenced their ability to labour productively for increased export crops and to continue with their demands for a limited range of consumption items. The economy of the country was shaped according to the interests of the dominant colonial power. With its monopoly hold on trade and external financial arrangements, Britain could put all its efforts towards developing optimal ways for draining out the natural resources of the Gold Coast. The limited internal market of the colony and the strong demand induction of the world market set in motion on almost spontaneous growth of export sectors of agriculture. The natural extension of this was to suppress or limit national capital to certain fields, often through institutional arrangements or monopoly banking, shipping and credit arrangements, and thus occupy the leading sectors of the economy and develop the most important resources. Export production for the capitalist world market became the dominating productive activity but this had no power to transform the total society into a capitalist society. Therefore an economic system evolved which combined several modes of production with a curious amalgamation of traditional and pre-capitalist modes of production with the capitalist mode. Within the capitalist centres, one can speak of a configuration of forces, mainly internally generated, which resulted in the emergence of capitalism and the capitalist mode of production and the capitalist world market. In the Gold Coast and other peripheral political economies, the development of this mode of production and the relation to this world market was not a development generated from a configuration of internal forces but a structure imposed from beyond national boundaries.

These was thus rapid development of a few chosen sectors of the economy and a whole range of internal interests arising in relation to these sectors while, at the same time, substantial sectors of the economy remained little develop. These other sectors were not isolated from these developments in the sectors producing for export but were integrally related as a constant supplier of cheap, unskilled labour and as producers of food for a domestic market which offered minimal prices and in no way invested in supports for agriculture which would advance these food producers beyond very primitive farming methods.

> The relationship to the developing export sector was determinative of the underdevelopment of the subsistence sector. Since these sectors constituted islands within the economy, they did not only fail to stimulate but even hampered the development of the other sectors. The growth of export production did not increase accumulation and investment sources of the other sectors, even if they yielded considerable foreign exchange receipts, but they led rather to increasing import of manufactures which in turn held back even further the development of the local industry. The separation of the developing export sectors from the rest of the economy resulted at the same time in the survival and preservation of the remains of the primitive mode of production, of subsistence economy. In this way the most advanced form of

> commodity production, production for the world market, became intermingled in a peculiar way with the subsistence economy. This strange symbiosis could not have come into existence if capitalist development in these countries had not been started from outside. 91

This externally-oriented structures of the Gold Coast political economy were well established by 1945, then, with internal processes which had built up their own mometum, and with internal interests that benefitted directly from the colonial structures. Having established the processes through which these structures emerged, it is time to analyze carefully the period between 1945-1966.

FOOTNOTES "HISTORICAL STRUCTURAL APPROACH TO GHANA"

1. Charles Bettelheim, Planification et croissance acceleree (Paris: Maspero, 1970), p. 28. (Translation mine)

2. Samir Amin, "Le commerce international et les flux internationaux de capitaux" ("L'Homme et la Societe," 1970, I)., pp. 77-78. In this section I am making use throughout of the periods in the history of capitalist growth suggested by Amin.

3. Ernest Mandel, Marxist Economic Theory (London: Merlin Press, 1962), p. 106.

4. Szentes, Tama, The Political Economy of Underdevelopment (Budapest: Akademiai Kiado, 1971), p. 137.

5. K.Y. Daaku, Trade and Politics in the Gold Coast: 1600-1720 (Oxford Clarend on Press, 1970), p. 41.

6. Mandel, Marxist Economic Theory, p. 109.

7. Szentes, op. cit., p. 137.

8. Mandel, op. cit. p. 109.

9. Daaku, op. cit., p. 50.

10. Amin, The Class Struggle in Africa (Cambridge: Africa Research Group, Reprint 2), p. 32.

11. Mandel, op. cit. p. 444.

12. O'Connor, James, "The Meaning of Economic Imperialism" in Rhodes, R.I., Imperialism and Underdevelopment (New York: Monthly Review 1971), pp. 104-5

13. Samir Amin, The Class Struggle in Africa (Cambridge: Africa Research Group, Reprint 2), p. 29.

14. Stephen Hymer, "Economic Forms in Pre-colonial Ghana" in "Journal of Economic History," March 1970, pp. 34, 35.

15. Ibid., p. 35.

16. Amin, Class Struggle, p. 25.

17. Daaku, op. cit., p. 29

18. Szerezewski, Robert, Structural Change in the Economy of Ghana 1891-1911 (London: Weidenfeld and Nicolson, 1965), p. 7.

19. Amin, Class Struggle, pp. 34, 35.

20. Hymer, op. cit., pp. 44, 45.

21. Mandel, op. cit., p. 445.

22. Ibid., p. 447

23. " , p. 339

24. Arrighi, Giovanni, "International Corporations, Labour Aristocracies, and Economic Development in Tropical Africa" in Rhodes, Robert I, Imperialism and Underdevelopment, (New York: Monthly Review, 1971), p. 221.

25. Ehrensaft, Philip, "Semi-industrial Development in the Third World - Implications for Social Research in Africa," in "Africa Today," Vol. 11 No. 1, January 1971, p. 53.

26. Szerezewski, op. cit., pp. 1-3.

27. See for example, Resnick, Stephen, "The Decline of Rural Industry Under Export Expansion: A Comparison Among Burma, Philippines, and Thailand, 1870-1938." or Arrighi, Giovanni, The Political Economy of Rhodesia.

28. Hymer, op. cit., p. 39.

29. Ibid., p. 40.

30. Ibid., p. 42.

31. Amin, Class Struggle, p. 31.

32. Oliver R. and Fage, J.D. A Short History of Africa (London: Penguin African Library, 1962), p. 122

33. Polly Hill, Migrant Cocoa Farmers of Southern Ghana, (Cambridge at the University Press, 1963).

34. Szerezewski, op. cit., p. 24. Apparently there had been continuous attempts to introduce cash crops into the Gold Coast, particularly coffee and cocoa. As early as 1807, Governor Torrane had a coffee plantation of some 4,000 trees near Cape Coast. The Swanzys also tried coffee. In 1891, the governor sent enthusiastic reports about coffee growing in Akwapim and Krobo but clearly cocoa won the day.

35. Green and Hymer.

36. Hill, op. cit., pp. 16, 17.

37. Bourret, F.M. The Gold Coast (London: Oxford University Press, 1952), p. 24.

38. Szerezewski, op. cit., p. 60.

39. Hill, op. cit., pp. 188, 189.

40. Szerewski, op. cit., p. 60.

41. Szentes, op. cit., p. 212.

42. Tordoff, W., Ashanti Under the Prempehs(London:Oxford University Press, 1965).

43. Kimble, David, A Political History of Ghana (Oxford at the Clarendon Press, 1963), p. 11

44. Szerezewski, p. 29, 9, 67.

45. See P.T. Bauer, West African Trade (Cambridge at the University Press, 1953), p. 195. While palm produce was already established in Nigeria at the turn of the century, it shows a remarkable growth in the following decades. Export of palm oil and palm kernels combines increased from 66,000 tons in 1899-1901 to 172,000 tons in 1919-21, 384,000 tons in 1929-31 and 496,000 tons in 1935-37. Bauer himself says: With the exception of palm produce, these(principal West African) exports date from about 1900. Such staples of the present West African export trade as groundnuts and cocoa were rather absent from the trade returns fifty years ago, or were of negligible importance... Cocoa in West Africa and rubber in South-east Asia are in a class by themselves, as they are by far the most important cash crops produced by local populations in the Colonial Empire."

46. James O'Connor,"Internationa Corporations and Underdevelopment" in "Science and Society," xxxiv, No. 1 p. 44.

47. Amin, Class Struggle in Africa, p. 46.

48. Hill, Polly, op. cit., p. 16.

49. Ibid., p. 39.

50. " , p. 76.

51. " , p. 22

52. " , p. 17

53. Tordoff, op. cit., p. 190.

54. Kimble, op. cit., pp. 4, 5.

55. Ibid., p. 5.

56. " , p. 5.

57. Report of the (Nowell) Commission on the Marketing , West Africa Cocoa, London, 1938), Cmd. 5845, historical introduction.

58. Kimble, *op. cit.*, p. 56.

59. *Ibid.*, p. 49.

60. " , p. 48.

61. " , p. 49

62. " , p. 16.

63. Szerezewski, *op. cit.*, p. 25.

64. Kimble, *op. cit.*, p. 22.

65. *Ibid.*, p. 22.

66. " ., p. 24.

67. " , p. 25.

68. Szerezewski. *op. cit.*, p. 29, 47 & 67.

69. Kimble, *op. cit.*, p. 21.

70. *Ibid.*, p. 24.

71. Crowder, Michael, *West Africa Under Colonial Rule* (Northwestern University Press, 1968), p. 274.

72. Kimble, *op. cit.*, p. 42.

73. *Ibid.*, p. 43.

74. Szerezewski, *op. cit.*, p. 63.

75. *Ibid.*, p. 24.

76. Kimble, p. 26.

77. Szerezewski, p. 42.

78. Ibid., p. 62.

79. Kimble, p. 56.

80. Szentes, p. 234.

81. Henceforth referred to as AWAM.

82. Bauer, *op. cit.*, p. 100

83. *Ibid.*, p. 111.

84. Crowder, *op. cit.*, p. 299.

85. Bauer, *op. cit.*, p. 297.

86. *Ibid.*, pp. 145-149.

87. " , p. 147.

88. " , p. 207.

89. " , p. 84.

90. For further details of manipulation of government policy measures to control competition, see Bauer's account of Leventis in relation to textile quotas and army drill allocations, p. 85ff. and, in Nigeria, his account of Raccah in relation to groundnut purchasing and shipping, p. 117 ff.

91. Szentes, *op. cit.*, p. 234.

CHAPTER III

GOLD COAST ECONOMIC BASE 1945-1960

"Whatever you want to do in this world,
it is with cocoa money that you do it."

1954 Election Campaign Song.

Gold Coast as it emerged into the post-war world and the process of de-colonization was already structured in a manner that, in the long term, could lead only to further under-development. The pre-colonial and colonial periods had been characterized by the structural transformation of Gold Coast into a political economic unit of the Empire which functioned totally to the benefit of the Motherland. The most readily exploitable natural resources of the economy were already developed for export from the periphery to the centre. Non-replenishable mineral resources of gold, manganese, diamonds and bauxite as well as timber were disappearing forever without having benefitted the Gold Coast political economy except in a very marginal fashion. Substantial land, labour and capital resources were already committed to the production of one export crop, cocoa, so that other options of production for domestic consumption or production for more diversified exports were limited by the long-term investment in one tree crop, that of cocoa. The monopoly hold of the expatriate import-export companies, reinforced by their links with banking, shipping and financial interests plus the legal-institutional framework of the colonial government prevented the Gold Coast entrepreneur from amassing sufficient capital to emerge as a commercial competitor.

The colonial period brought structural distortion of many sorts within the Gold Coast political economy, patterns of uneven development between the north and south of the economy, between the urban and rural areas and between the capital itself, now located in Accra, and the rest of the country. It skewed economic activity towards an external orientation with production for export dominating and domestic production lagging far behind. What little production there was for internal usage consisted entirely of food crops. There was no development of traditional crafts and craftsmen into more advanced technology and more complex organizations. Traditional industry was usurped completely by foreign technology located in the capital or strategic to British interests and drawing on labour in no way related to the indigenous producer of such a commodity in the Gold Coast. It brought political distortions which shifted the position of chieftancy from being a system of authority subject to a complex allocation of checks and balances within and between tribal groupings to an authoritarian position with accountability to the British colonial administration instead of to the Gold Coast people and a position of opportunism as vital resources were suddenly sought in a rush of commercial speculation. It brought further social distortion with conflict between the educated and the illiterate, and between the intelligentsia and the chieftancy.

The links to the centre were all links that increased the dependency of the Gold Coast on Britain, consolidating its external orientation and systematically destroying its capabilities for self-reliance or internally integrated development. The task now is to see, in the decolonization process which quickened after WorldWar II, what structural changes occurred and to what extent metropolitan dominance was really threatened by political independence. The starting point of such an analysis cannot be at the level of the political and social phenomena but must be first and foremost at the economic level. It is necessary to study the material base of the Gold Coast in the period leading to independence and immediately after and to discern whether the gaining of independece as a political phenomena is, in fact, reflected in structural changes which would set in motion processes in Gold Coast to break the dependency links established during the colonial era and lead towards real economic independence and a degree of autonomy and self-reliance.

Clearly there were many different perceptions of what the process of decolonization meant. Many differing interests had become vested in the colonial structures that had emerged, by no means all of them belonging to Britain. Those Gold Coasters who had also benefitted from the colonial era attempted to shape the decolonization process in such a way that their own vital interests could benefit. The articulation of such interests, whether on the part of expatriate companies or colonial administration, of Gold Coast intellectuals or cocoa labourers, was rarely made, and in many cases very unclearly perceived by those most vitally concerned. If we analyze the decolonization process carefully, however, the conflicting interests are clearly there and decisions are taken and policies made that clearly benefit some to the detriment of others. Events take place that consolidate further the structural dependency of Gold Coast or threaten to break the links of dependency.

With post-war configurations of coups, counter-coups and neo-colonialism shaping our perceptions, it is difficult to analyze the consciousness during the de-colonization period of what it meant to be a colonizer or what it meant to be colonized. Clearly then as now, the capacity of the prevailing capitalist system to persuade that all could benefit from a socio-economic organization whereby labour power could be applied to natural resources along with ever-increasingly sophisticated technology to produce and re-produce endless commodities was immensely persuasive. The fact that ownership of the means of such production and re-production also meant enormous unchecked power to exploit the human labour power needed for production and to make participation in that production the test of eligibility to participate in consumption of what was produced was conveniently underplayed. Perhaps it is fairer to say that it was carefully hidden by communications media which glossed the concentrations of power in a barrage of rhetoric designed to convince the exploited workers within metropolitan capitalism that all would benefit from growing industry and to convince the exploited in the colonies that they were being offered the benefits of civilization.

In a very real sense, the dangers of concentrations of power in the hands of a few and their consequent power to redistribute when and to whom they chose within and between nations was as little understood by the capitalists themselves as it was by the emerging world of workers who produced and serviced capitalist activities. The awareness of the colonial administration, including such a man as the highly respected Guggisberg, was certainly not a conscious awareness that by providing legal, administrative and infrastructural services to the foreign companies, he was in fact paving the way for Gold Coast's future underdevelopment. The Gold Coast intellectual endorsing increasing expenditure on health, education and welfare as well as yet more physical infrastructure certainly saw this as the way to modernize the Gold Coast and not as a way of making Gold Coast resources, both human and physical, more readily exploitable by foreign capitalists to the exclusion of Gold Coasters themselves. Neither administrators nor Gold Coast intellectuals were conscious that their decisions, in fact, were structuring the Gold Coast political economy in such a way that it would become increasingly difficult for it to function in its own right rather than as an appendage of Britain, a perennial source of raw materials and cheap labour. The capitalists themselves were confident that they were spreading the benefits of material prosperity and western civilization to all whom they incorpoated into the capitalist system. They were proud of the development of mining and timber interests and the cocoa monoculture, easing any twinges of conscience by reiterating the prevailing ideology that Europeans were, in fact, a superior race and had a Christianizing and civilizing mission in Africa.

In fact, at the level of consciousness, the blatant contradictions of the empire were never openly dealt with. As Palme Dutt suggests:

> These contradictions, however, are never seen as contradictions. There is a tacit convention of a kind of double book-keeping of the Empire; and the two sides of the ledger are never brought into contact. On the one side, the sentiments of universal philanthropy and benevolence, of liberal enlightenment and the march to freedom "within the mystic circle of the Crown," and of development and welfare, substantiated by the few niggardly crubs thrown out from the vast profits of the monopolies. On the other side, the concrete realities of the giant colonial trusts and combines, plantation-owners, and 100 per cent profits; the mass poverty and exploitation, starvation wages, pestilential slums and peasant ruin; the colonial penal laws and repression; the concentration camps, terror and shooting, the troops, guns and bombing planes.[1]

The double book-keeping prevailed, both among colonizer and colonized, and few were the voices that openly faced the contradictions and questioned the prevailing system.

It took World War II effectively to break down much of the pervasive ideology under which the colonial system had been maintained. "Civilized" Europeans were suddenly openly at war with one another and Gold Coast found itself confronted with enemies next door as France fell under the Vichy regime. The feats of the Japanese, a "coloured" race, over against a "white" race, and the activities of servicemen, particularly Americans, in dealing with Gold Coasters effectively destroyed the, until then virtually intact, myth of white superiority. The experiences of Gold Coast soldiers, their exposure to Asian poverty, and their expanded world horizons resulted in their complete disaffection with the limited possibilities in the post-war colonial economy of the Gold Coast.

Gold Coast had taken on strategic importance as a military base after the Mediterranean was cut off through Italy's joining with Germany and after French bases in the colonies were cut off during the Vichy regime. Gold Coast was also strategically important as a supplier of agricultural and mineral raw materials to Britain, particularly after the Far East was no longer as a source of supply. The war, far from providing respite from colonial interests which might have allowed Gold Coasters themselves to emerge, brought an intensification of colonial interests which resulted in a whole range of new activities, all geared to the war effort.

As part of the war effort, there was drive for maximum production throughout all of W. Africa. The West African resident minister in 1943 Legislative Council Debates spoke in these terms:

> When the Japanese overran the Far East products which we and our Allies had been accustomed to draw from there had to be replaced.... for example, the fat ration at home - so important for health - depended now on West Africa as never before. More groundnuts, more palm oil, and more palm kernels had to be produced - far more than in the best boom years of peace. And again note that this

> production had to come, not from great estates but from the little holdings of millions of Africans .... Then there was the demand for rubber, again not from great plantation, but largely from trees scattered over thousands of miles of forest. Timber was needed as never before, both in the Colonies and for export. Cocoa... was still needed... The development of mineral resources attained a new importance and urgency - tin from Nigeria, manganese and bauxite from the Gold Coast....[2]

The result was a kind of mobilization of the Gold Coast economy in a way which exploited a whole new range of material and human resources. Output of Nsuta manganese was increased and bauxite was mined with the addition of a 46 mile spur line to the main railroad as a direct conseqence. The timber industry was built up, both for export and for internal use, particularly as a building material, since shipping restrictions precluded importation of other building materials. The West African Produce Board established in 1942 encouraged increased production of palm-oil, copra and rubber, using higher prices as the reward. Apparently even school children were mobilized in the hunt for wild rubber after Malaya as the chief source of rubber was cut off.[3] Cocoa continued to play the dominant role but a much more diversified agriculture was established at the time.

There was also a great demand for food crops, particularly acute because of the presence of Allied army, navy and airforce personnel in the urban areas of Accra and Takoradi. Between 1942- 43, some 200 planes a day were using Accra airport, and from 1943-45 it was completely under American control. Increased vegetable raising and cattle farming and poultry keeping were the result. Pig farming and a government bacon-factory were developed. New types of vegetable such as the potato and the soya-bean were successfully grown.[4] Also building materials were in demand and apart from timber, several small brick and tile factories weer started as well as the production of concrete.

This mobilization for production during the war period served to heighten the contradictions within the colonial economy as it led to tremendous inflationary pressure. Clearly if Gold Coast were to receive prices commensurate with the value of resources readily exploitable and thus build up an internal demand, this would engender a tremendous pressure for increased production for internal consumption. The fact that the colonial structure prevented such a situation by prices that effectively limited internal demand and also by control measures that kept the internal demand related to the supply of imports available through the foreign firms as an alternative to increased domestic production was highlighted by the war-time situation. Had such pressures built up for a longer period, clearly a major restructuring would have been necessary. The end of the war, however, brought a period of fluctuation and confusion and then a return essentially to the pre-war structure of imports-exports on a somewhat expanded level. The post-war productive base brought a re-emergence of the foreign firms to the dominant position and an expanded version of the classic colonial pattern of production of exports and consumption of imports with the full range of inter-play in the de-colonization struggle for power taking place in relation to the international processes of exchange between imports and exports.

Let us analyze the economic base of Gold Coast during the decolonization period of 1945-1960 under the following categories of economic activity:

I Agriculture, Mining and Forestry.

II Manufacturing

III Import-Export Trade

I AGRICULTURE, MINING AND FORESTRY

A. AGRICULTURE

1. COCOA

If you want to send your children to school, it is cocoa.
If you want to build a house, it is cocoa.
If you want to marry, it is cocoa.
If you want to buy cloth, it is cocoa.
If you want to buy a lorry, it is cocoa.
Whatever you want to do in this world,
It is with cocoa money that you do it.[5]

The popularity of this high-life tune mid-way through the period under consideration reveals clearly the central reality of

Gold Coast life. Cocoa and Gold Coast had become as inextricably linked in the minds of Gold Coasters as they were within the economic policies of the British Empire. The economy of the Gold Coast had become totally dominated by production of cocoa for export. The phenomenal growth of cocoa production during the first quarter of the century noted above had stabilized from the 1930's onwards to an output of about 230,000 tons per year with the exception of the period between 1940-44. The growth in exports of raw cocoa beans is indicated in the following table.[6]

EXPORTS OF RAW COCOA BEANS, 1900-'62
Tons.

Period	Annual Average	Period	Annual Average
1900- 4	2,261	1935-9	272,037
1905- 9	11,276	1940-4	191,386
1910-14	40,889	1945-9	229,337
1915-19	96,583	1950-4	231,943
1920- 4	167,653	1955-9	229,607
1925- 9	224,409	1960-2	375,333
1930- 4	226,962		

Cocoa production remained during this period essentially within the mode of production already outlined, a combined pre-capitalist and capitalist mode of production by which the traditional was utilized for production for the world market with only partial transformation into a fully capitalist mode of production. During this period, however, the central contradictions within this mode of production emerged sharply. The first and central contradiction within the mode of production was that between the cocoa producers in Gold Coast and the European buyers of raw cocoa beans for export for European industry. The second contradiction within the mode of production was that between the owners of the means of production and the increasing numbers of wage and semi-wage labourers who were needed to work their increasing land holdings.

The principal contradiction, that between those producing cocoa in rapidly increasing quantities within the Gold Coast and those who bought the cocoa produced and exported it to Europe as an industrial raw material, had emerged very early. Already in 1919, the drop in cocoa prices and high price of imported merchandise after World War I had causepopular unrest and for a time Gold Coasters exported their own cocoa until the combination of protest from London and Liverpool Chambers of Commerce and rising cocoa prices halted the operation. Again in 1929, the relation between Gold Coast cocoa producers and expatriate cocoa buyers had reached confrontation point with the depression causing a slump in all primary produce prices and the setting of prices by the "Pool" of expatriate commercial houses. A widespread and effective boycott during the 1930-31 season was carried out by the Gold Coast and Ashanti Cocoa Federation. It was at this time that the remarkable entrepreneur cited by Tony Hopkins came to the fore.

> Politicians in Nigeria, Gold Coast and Sierra Leone became involved in commercial ventures designed to break the expatriate stranglehold of their economies. The most remarkable enterprise was that of Tete-Ansa, a Gold Coast entrepreneur who tried to link up West African and American Negro businessmen. His West African Co-operative Producers Ltd. succeeded by 1930 in gaining control of 60% of the cocoa annually exported from West Africa. Among the directors of his company were leading politicians from the Gold Coast and Nigeria. He acquired an English bank and set up its new headquarters in Lagos and abranch in Accra with the aim of mobilizing African savings and making available to African businessmen the credit they were not granted by the European banks.... If nothing else, Tete Ansa's ventures, combined with the earlier propaganda of Marcus Garvey, served to emphasize that economic independence was as important as political independence.[7]

The 1937 price-fixing by the firms led by UAC and the consequent boycott in 1938 led to the Nowell Commission report but action on it was deferred because of the outbreak of war. The war period was characterized by the same contradiction but a different configuration of forces on the buying end with government assuming the role of price setter and buyer with the firms acting as intermediaries. Immediately after the war, the major contradiction within the Gold Coast political economy came once again to prominence and a new policy for cocoa marketing was established. It would be difficult to overstate the far-reaching effects of this new marketing policy.

The statutory marketing boards of British colonial policy have probably been vastly under-rated in their effectiveness as a means of colonial exploitation, particularly in their long-term implications for the political economy dependent on producing export crops to be sold through such pricing and marketing arrangements. The marketing boards were highly effective in containing the growth of any indigenous capitalist class. Even more far-reaching, however, was their effectiveness in placing the mechanisms of exploitation outside of the direct relations of productions into the relations of exchange and thus preventing the consciousness of exploitation from being focussed clearly on the mechanisms of exploitation operative within and beyond the Gold Coast.

The government-controlled marketing boards had already proved themselves as a highly effective means of subsidizing the war effort. In the years immediately after the war, a statutory marketing board was recognized as an effective mechanism to continue this very helpful process of directly supporting the metropolitan economy, now engaged in post-war reconstruction.

P.T. Bauer's exhaustive study of marketing boards in W. Africa would suggest that the marketing boards were established as a result of "several different and distinct opinions and ideas, and that chance played an important part." [8] The first major force was the criticism of pre-war marketing systems of the Nowell Report, though Bauer suggests that these were largely misconceived and missed several important factors of the local economies and market situation. The major abuses pointed to by the Nowell Commission were reproduced in the second Cocoa White Paper of 1946. In fact, the report is clearly rather confused. Its suggestion that produce buying had not been lucrative to the buying firms in recent years hardly tallies with the eagerness of the buying firms to maintain their hold on produce buying or prevent others such as Leventis from entering. Also it does not do justice to the full scope of the buying firms' activities. The fact that the produce buying was closely linked with sale of imported merchandise meant that overheads, administration, personnel and a network of patronage were built up into an integrated operation, not to mention shipping and insurance services for the return trip to England and the contacts with British industry for whom the produce was vital raw material. Since several important firms were engaged in both Gold Coast and Nigeria solely in the export trade, it seems likely that the claim that produce buying was not remunerative was false.

The contention within the second abuse cited by the Nowell Commission shows equal lack of clarity. There seems to be the suggestion that the buying firms had to overpay while at the same time the producers did not receive enough, as if the middlemen were able to exact tribute from both. The competition among middlemen, however, makes this unlikely and would seem more to suggest an attempt on the part of the commission to blame middlemen for the paradox of alleged overpayments of produce buyers and under-payments of producers.

Other alleged abuses seem to indicate merely a prejudice against middlemen and the untidiness of traditional marketing, money-lending and land tenure arrangements to the European Commissioners. In fact, the Commission's general and specific allegations of abuse would tend to suggest a great deal of receptiveness to the pressures of AWAM interests pressing for establishment of a buyer's monopoly in which they would hold a dominant position. Clearly they were interested in perpetuating the 1937 price ring which had sparked off the boycott in the first place and indeed the West African Produce Control Board of the war years had been just that. The proposed collective marketing agency of the White Paper in no way corrected the abuses pointed to in the Nowell Commission for it left untouched the network between producer and buying agent, the sphere of most of the alleged abuses, and instead proposed a statutory marketing board for which there were no rational grounds.

The experiences of the West African Produce Control Board during the war were frequently cited in support of the desirability of continuing statutory marketing boards after the war. Again, the three main inferences drawn from the experiences of the Board do not stand up to critical examination. The first inference is that the WAPCB was successful in its trading operations because it showed a substantial surplus after the war. In fact, this shows only that a price monopoly can withhold sale proceeds from producers and indicates nothing of its marketing ability. Secondly, its operations are taken to indicate something about the feasibility of organized marketing of peasant crops in backward areas. In fact, it shows only that where a statutory marketing board exists, all exports will take place through that monopoly. Third, the war-time board is taken as an indication of the feasibility of price stabilization and its beneficial results. "In fact what it did show was that a statutory export monopoly can prescribe producers prices more or less at any level (below the world level) it thinks desirable, and that it can fix prices at levels which would not be permitted by the government if attempted by private organizations." [9]

Bauer goes on to suggest that the mere presence of the war-time board at the end of the war was also an incentive to perpetuating its existence. He cites the Nigerian Sessional Paper proposing an extension of statutory marketing boards to other products which makes a strong case for perpetuating the boards simply because the amounts accumulated during the war would be a problem to return.

> In the event of the abandonment of the present arrangements, the disposal of the considerable sums which have already accumulated would present a problem of no little difficulty. In one way or another, since the the return of a contribution made to those funds by each individual farmer is plainly impracticable, these sums would have to be expended for the benefit of the producing communities. That by itself implies the establishment of representative boards to direct the process. [10]

This becomes particularly interesting as an argument in view of the fact that during the years in which the amount was being accumulated, Nigerian groundnuts were being purchased at a control price of £21.45

per ton over against a world price of £71 per ton.

The strong tendencies for self-perpetuation once such an organization is established, particularly in the absence of strong forces presenting alternatives meant additional support for the proposal of a centralized monopoly just by the physical presence of WAPCB. In fact, far from presenting alternatives, those forces that made their presence felt were firmly in support of a statutory marketing board. The Association of West African Merchants was most anxious to have such a system established, having clearly found it beneficial during the war years. The possibilities of restricting competition and barring new entry were immeasurably enhanced with a single buyer. Their own draft scheme for cocoa control in 1939 had already provided for the purchase of the entire crop by a statutory export monopoly at seasonally fixed prices and a quota system based on past performance.

The two Papers of 1944 and 1946 dealt further with the themes of the Nowell Report, then, with the 1944 paper stressing the need for price stabilization and the 1946 paper stressing a dislike for traders and intermediaries, referring to them as middlemen-speculators engaging in nefarious activities.[11] The notion of stabilization of prices was recurrent in the discussions although, as Bauer points out, there was little attempt to deal seriously with the ambiguities inherent in this notion. The Cocoa White Papers speak of stabilization in vastly over-simplified terms. The marketing boards would withhold part of the proceeds from producers in times of high prices and pay out the accumulated funds in years of low prices. Clearly, however, any discussion of stabilization must distinguish between stabilization of prices, money incomes and real incomes. A policy which stabilizes one without controlling the others leads only to increased instability.

Despite the shallow nature of the discussion in favour of statutory marketing boards, they were duly established throughout West Africa. Gold Coast Cocoa Marketing Board was established in 1947 followed by the establishment of the Gold Coast Agricultural Produce Marketing Board in 1949. The duty of the GCCMB was statutorily defined as follows:

> It shall be the duty of the Board to secure the most favourable arrangements for the purchase, grading export and selling of Gold Coast cocoa, and to assist in the development by all possible means of the cocoa industry of the Gold Coast for the benefit and prosperity of the producers. [12]

The Cocoa Marketing Board from 1947-1951 was composed of 10 members. Four persons were to be nominated by the Governor of whom one would be chairman with both an original and casting vote. Two persons were to represent the producers; these were to be nominated by the Governor on recommendation of the Joint Provincial Council of the Colony and the Ashanti Confederation Council. Two more appointments were to be made directly by these bodies. One member was to be nominated by the Gold Coast Chamber of Commerce and finally one member was to be nominated by cocoa manufacturers with a buying establishment in the Gold Coast. Apparently the establishment of the Board was received without great protest by the Gold Coasters although there was some critism of its being loaded with government appointments. With only two appointments directly from the African producers' interests not subject to Government approval, and votes of seven expatriates against 4 Gold Coasters, it was clearly not designed to give much weight to Gold Coast interests. In fact, the White Paper of 1946 refers directly to the alternative possibility of a producer-operated scheme of marketing but suggests that it is "impracticable to expect the African cocoa-farmer to operate such a scheme unaided at present."[13] Clearly vital interests were being furthered and Gold Coast producers exploited all within the prevailing colonial ethos of paternalism and racial superiority which could conveniently disregard the fact that the White Papers had been occasioned by these very African producers, now referred to in such a condescending manner, who had been capable enough of recognizing monopoly price setting by the expatriate firms and their own exploited position in 1937 to organize an effective boycott and make attempts at alternative marketing arrangements over which they would have independent control.

In 1951-52, amending ordinances resulted in a 9 member Board, all appointments being made by the Minister of Commerce, Industry and Mines. The Minister had to approve the price prescribed by the Board and also had power to direct the Board in its use and management of funds. The Boards, in fact, had enormous power. They had the sole right to export cocoa, the sole right to fix prices and determine grades for the prescribed price, the sole right to determine what cocoa was suitable for export without reference to overseas buyers' criteria, the sole right to license all buying agents and the sole right to determine what use of the surplus would most benefit the producer. The vast powers of the Board went far beyond a mere commercial organization. Within a monoculture such as Ghana, it functioned more with a governmental character.[14]

When we look at the price policies of the marketing boards, once established, it becomes clear that they wielded enormous power and that some stood to gain and some to lose by their activities. In the first five years of its operations, GCCMB operated in the following manner:[15]

Summary of the operations of the marketing boards, 1947-51.

	(1)	(2)	(3)	(4)	(5)	(6)
Gold Coast Cocoa	Producer price per ton (£)	Fob cost per ton (£)	Average fob price per ton (£)	Surplus (including interest) per ton (£)	Surplus per ton as percentage of producer price i.e. 4 as %age of 1	Total annual surplus (£ m)
1947-48	75	85	201	117	183%	24.1
1948-49	121	139	136	- 0.5	- 0.5%	-0.1
1949-50	84	110	178	71	86%	18.1
1950-51	130	196	269	77	59%	20.1

In this table, the export duties of the colonial government are included within the fob cost and were in fact substantial. In 1950-51, for example, the export duty on cocoa was as high as £51.1 per ton, 39% of the basic producer price, whereas in 1939, before the war, export duty was only £2.1, making up 15% of the producer price. Not only did the cocoa producers have levies imposed to create CMB surplus and to support government by export duty but also a third type of levy was imposed, one which Bauer refers to as "under-utilization." This "under utilization" refers to the difference between open market prices and the sale proceeds realised by the marketing organizations. During the war and until 1947, the Ministry of Food bought crops, excepting cocoa, from the West Africa Produce Control Board at cost price, i.e. less than that paid by the Ministry of Food for the same commodities from other sources and less also than open market prices. From 1940-48, cocoa was bought by the Ministry of Food first at prices based on the ruling price in U.K. when the distribution of cocoa was taken over by the Ministry of Food and, from 1942 on, at prices based on a formula which resulted in the Ministry's obtaining its cocoa at a much lower price than that ruling in the U.S.A. Bauer gives a modest estimate of £12 million as the figure for under-utilization for Gold Coast cocoa during the period of 1940-1948.[16]

During the period from 1939-51, Bauer estimates that the three types of levy imposed on cocoa producers in Gold Coast amounted to some 71% of the proceeds from cocoa sales by the statutory marketing boards. Producers' gross proceeds of £138 million had been drained of £22 million for export duty, £77 million for marketing board surplus formation and a further £8 million for under-utilization.[17] Even these figures do not give the total picture for the producer prices set by the boards were by no means the equivalent of what actually reached the peasant producer. A whole range of middleman and hinterland buying station activity lay still between producer prices as set by the boards and cocoa proceeds actually reaching the direct producer.

As suggested above, the cocoa producer clearly stood to lose within such a marketing arrangement. Over the period in question, it is clear that Gold Coast land and labour producing cocoa gave substantial support to the Gold Coast colonial adminstration with all its additional war-time demands and post-war infrastructural expansion through the levy of export duties. Cocoa also supported the British economy with sterling reserves of some £77 million (apart from some minimal expenditures on cocoa research) through the levy resulting in surplus accumulation. Cocoa further supported the British war and post-war economy by under-realization policies which meant a price for Gold Coast well below world market levels but did not prevent U.K. from re-selling the cocoa on the world market at the highest possible price, at the same time drawing much-needed dollars into the sterling zone.

The expatriate firms were in an enviable position in that through the operations of the marketing boards, they were able to enjoy their monopoly position, acting as buying agents for the Boards without fear of competition, gaining good and what is more, guaranteed profits for their services, shifting overhead costs onto buying operations for which they claimed marketing board reimbursement and meanwhile continuing to exact even further surplus from the cocoa producers directly through their continued monopoly control of high-price imported merchandise. The marketing board was of even further benefit to the firms in that it became a means of protection from open confrontation with the peasant producers of cocoa. The 1938 boycott, immediately prior to the introduction of the war-time marketing board, marks the last strong organization of farmers in a direct attempt to control the cocoa market.

The Gold Coast producer found himself in a desperate position as a direct result of marketing board policies, for their insistence on price policies leading to an increasing surplus resulted in a de-stabilization of cocoa producer incomes. The loss of £100,000 in the second year of CMB operations which amounted to only a fraction of 1% of the accumulated surpluses or total annual turnover resulted in a dramatic reduction of producer prices by 30% which resulted in a huge surplus of £18 million within the operations of the following year. The complete falsity of the Board's claims to be set up as a guarantor of price stability for the producer is indicated clearly by the following table.[18]

Actual combined money incomes of cocoa producers in the Gold Coast and Nigeria, 1947-51.

	Actual	
Year	£m.	As percentage of 1947-51
1947- 8	20.0	100
1948- 9	46.4	232
1949-50	31.3	157
1950- 1	47.3	237

Source: Adapted from Bauer, op. cit. p. 301.

Depite violent fluctuations, cocoa incomes were rising. The direct consequence of this was serious inflation. The actual retail prices for imported merchandise in this period increased over pre-war levels proportionately much more than did cif value. Rates of import duties had been raised on many basic commodities. Poor communications further widened the gap between import prices and relevant internal prices. Retail prices in the cocoa areas were far higher than landed costs and distributing expenses on most commodities. The actual scarcity of commodities compounded by their further restricted circulation within the network of AWAM importers really imposed hardship on all. The eventual boycott of consumer goods which will be analysed in detail below rallied the people with such sentiments as these reported to the Watson Commission.

> ...This cloth sold by the whiteman at eighty-four shillings per piece and sold at the black market for six pounds per piece cost the whiteman about forty shillings landed here in these days. If the whiteman sells it at a fifty shillings he would gain ten shillings profit on a piece. If he sells it at eighty-four shillings he collects a profit more than the print cost him. Is the whiteman not cunning taking away your money for nothing?[19]

At the same time as West Africa farmers were selling their export crops at prices far below the open market level, then, they had to spend their incomes on imported consumer goods at open market prices governed by forces of supply and demand. The general shortage of shipping and manufactured goods immediately after the war compounded with price inducements for agricultural production had brought about a high degree of inflation. In the midst of this inflation, scarcity of goods, booming black market and general unrest, the CMB wielded an enormous amount of power.

> The West African boards largely prescribed the level of money incomes and the standard of living over wide areas of British West Africa. By determining the producer prices of the principal cash crops they largely direct production and thus the activities of the peasant producers. They make individual savings of the peasant producers almost impossible. They closely control the industries subject to them. In addition to their power derived from the ordinances, the possession of their very large funds places them in a dominant strategic position in the economies in which they function. For good or evil the boards must be seen as instruments for the socialization of saving and for a large measure of government control and socialization of peasant production in West Africa. Suggestions that they are devised for price stabilization or that they are individual commercial organization only obscure their nature and function. This fundamental aspect of statutory marketing and of the policies and operation of the boards raises political and social issues of the widest significance.[20]

Whose interests stood to gain by the policies of these boards with their dominant position in allocating resources and opportunities within the processes of decolonization? Clearly the peasant producers' interests were seriously undermined by the introduction of marketing boards, based as they were on the very forces which the cocoa farmers perceived to be at the root of their troubles. The Asante Youth association, composed mainly of illiterate cocoa farmers, traders and shop-keepers, could see the pattern of exploitation in the colony very clearly. They complained that :

> the Gold Coast African has been subject for a long time to economic oppression and exploitation. The economic oppression is evinced in the Export and Import Policy of the Government .... The AWAM, the QUOTA system, and the act of Past Performance, all of which are major roots of our present economic troubles, were born during the war, and therefore should be withdrawn immediately.[21]

Equally clearly, the Gold Coast businessman suffered under the hold of the new marketing board arrangements and at least some were quick to recognize the root causes of inflation and were forthright in naming those who stood to benefit by it. As Nii Bonne, an enterprising businessman analyzed it:

> we had neither a Government-controlled economy, with an efficient system of price control and regulation such as existed in England at the time, nor a liberal economy with free trade and genuine competition which could have cut down the profits of the middlemen and importers and forced them to show real enterprise by taking their goods into the distant village. Instead we had a virtual monopoly of the big firms and Syrian merchants who could fix their own prices....[22]

Clearly the expatriate firms consolidated their monopoly hold under the new marketing boards, now made immeasurably stronger by government support, despite the claims to the contrary made by spokeman for the firms. The Leverhulme Trust Commission could report in 1943 that "all Africans are, to a very large extent, and very many of them wholly, outside the system of money economy which dominates the economic life of Europe and the rest of the world."[23] This statement by a commission taking its name from the man behind UAC interests has a special irony, for it was being made at the very moment when UAC's interests were being firmly consolidated by government support. Perhaps it should be taken more as a statement of intent, the intent to keep Africans outside of the money economy except in a manner which would benefit further the interests of men such as Lord Leverhulme. Although Unilever figures for UAC operations are not readily available, UAC as the world's largest trading company certainly has played a substantial role in defining on what terms a great number of African (and Asians) will be linked to the system of money economy. After the profitable activities of UAC during the war and immediately after, much of their prosperity being derived from marketing board activities, the 1951 profits of Unilever had reached £188.5 million and in the years of 1950 and 1951 alone, its gross profits reached 66.0 million and 70.8 million pounds with some 38% of this re-invested in 1951 in further capital assets.[24] Clearly Lord Leverhulme's Africans were not unrelated to the money economy but were related in a way that could maximize his interests by providing raw materials and cheap labour and markets for manufactured goods all controlled by institutional arragements which left him free to exploit without outside competition.

Most clearly of all, however, the new marketing boards served the imperialist interests of the British Empire during the post-war period. Sir Stafford Cripps stated in November, 1947, the year of the CMB's formation: "The whole future of the sterling group and its ability to survive depend, in my view, upon a quick and extensive development of our African resources." A year later, Mr. Strachey, the Food Minister, was equally clear in his assessment of British dependence on further exploitation of Africa. On the third reading of the Overseas Resources Development Bill, he states: "By hook or by crook the development of primary production of all sorts in the colonial territories and dependent areas in the Commonwealth and throughout the world is a life and death matter for the economy of this country.[25]

The marketing boards had become an important policy instrument for the economic recovery of post-war Britain. Since the thirties, the deficits in balance of payments had appeared regularly and the war exacerbated an already declining balance of payments position. The enormous import requirements of the war at a time of curbed exports meant that Britain was forced to borrow heavily abroad. A substantial part of this borrowing took the form of blocked sterling balances from the colonies and semi-colonies. The dependent countries sent their goods to U.K. in exchange for sterling which, for the time being, they were unable to spend. By the end of the war, British sterling totalled £3,000 millions with £1,138 millions of this owed to India and another £402 millions to Egypt and Sudan. These amounts were far in excess of the needs of these countries for monetary reserves and were, in fact, a form of forced saving. At the of the war, some voices demanding repayments became vociferous and so the stronger dependencies had to be placated at the expense of the weak to salvage Britain's position. Attempts to persuade India and Egypt to write off their debts as part of the war effort failed. Meanwhile there were also pressures for increased imports to support the tasks of reconstruction during the post-war era, particularly pressures for American capital goods to rebuild British industry. Balance of payments deficit had reached

£344 million in 1946, and by 1947 a record £545 million. The crisis came in 1947 when predictions of post-war improvement vanished and were replaced with panic at the reality of inconvertible currency. An emergency programme of restriction of imports and general austerity was announced. Exhortations to produce more for export prevailed. During that year the Cocoa Marketing Boards in Gold Coast and Nigeria were formed.

Despite American aid, austerity and a phenomenal 17% production increase, Britain's position improved little and in the summer of 1949 the threat of international bankruptcy loomed again. The dollar deficit was some £600 million annually and gold and dollar reserves would be exhausted within the year. By September, a devaluation of the pound from £4.03 to £2.80 took place under open American pressure. A plan for stepping up GNP by policies of maximum production alongside a wage freeze and a cut-back in all social programmes was the policy for the Mother country. The colonies also had a role to play. The Government Four Year Economic Programme presented to the Marshall Plan administration in January 1949 explicitly aimed at a large increase in the contribution of the colonies to European recovery. There was to be a doubling of rubber production by 1952, a tripling of tin, a doubling of oil and copper and a multiplication of invisible earnings from shipping, insurance, interest on foreign investment and international financial commissions by sevenfold or eightfold within the four year period. In 1949 marketing boards were set up in the colonies, for oil palms, groundnuts, oil seeds and other agricultural produce.

> By establishing the marketing boards throughout its colonies, Great Britain, once the free trade center of the world, carried out what was perhaps the most thorough going attempt to control the marketplace since the Diocletian Code. From Accra to Mombasa and across the Indian Ocean to Kuala Lumpur, the marketing boards all operated in the same way. First, buying and selling monopolies were established; then producer prices were set below the world market price; then the boards began to accumulate the difference.[26]

The answer to the question, "What did the marketing boards do with the surplus?" has already emerged. The sterling balances increased at a tremendous rate immediately after the war and especially after 1949. Already during the war, the process had begun with blocked sterling balances and with the building up of reserves of the war-time marketing boards. With the introduction of statutory marketing boards, the process began in earnest and the colonies indeed made a major contribution to the past-war recovery of the Motherland. The following table gives a clear idea of the expansion of colonial sterling balances at this time.[27]

Sterling Balances 1945-51
& Million

United Kingdom sterling liabilities to: STERLING AREA	1945[1]	1946[1]	1947[2]	1948[2]	1949[2]	1950[2]	1951[2]	Increase 1945-51 + or - Total	Percent
Dependent overseas territories	446	495	510	556	583	754	984	+518	+116
Other sterling areas	2007 2007	1922	1787	1809	1770	1978	1825	-182	- 9
NON-STERLING AREAS	1210	1284	1306	1055	1064	1011	1018	-192	- 16
	3663	3701	3603	3420	3417	3743	3807		

1. U.K. Balance of Payments, 1946-50 (1951) Cmd. 8,065
2. U.K. Balznce of Payments, 1948-51 (1952), Cmd. 8505

The sterling balances from the colonial countries increased from £446 million to £984 million, more than doubling in the brief space of six years. By 1952, the total had increased to £1,042. All of this accumulation took place at a time when the reverse flow was the case of other countries in the sterling area and for those countries outside of the sterling area. The absolute political and economic power held over the colonial countries was clearly being used to extract further advantage from them, advantage that could not be wrested from the dominions and non-sterling zone countries.

Formally these balances represented the indebtedness of U.K. to the countries concerned. In the colonies, however, the U.K. was both banker and ruler so that, in fact, they represented a system of forced loans drawn from the Gold Coast without the consent of the people, and with only vague obligations to repay at some unspecified time in the future. Ironically, at a time when the flow of funds from periphery to centre was much intensified, the post-war Labour Government in Britain made a great deal of publicity about new policies and plans for development of the colonies. "The Labour Speaker's Handbook, 1948-49" depicted Britain's interest in the colonies in the following terms:

> Imperialism is dead, but the Empire has been given new life.... In the colonies Labour Britain has given a tremendous impetus to social and economic progress. Under the Colonial Development and Welfare Scheme, £120 million is given to colonial governments to assist local planning. The Colonial Development Corporation with a capital of £110 million has been established to finance special projects of large-scale economic developments. Further still the Overseas Food Corporation is empowered to spend £55 million on great plans for increasing food production in the colonies. Even Beaverbrook has welcomed these schemes and admits that the Labour Government has done more for the Common wealth than the Tories ever did with all their phrase-mongering.[28]

In fact, the blatant falsity of this representation of what was happening between Britain and the colonies was clearly discernible. From the inception of the aid scheme in 1940 until 1952, only £66,427,976 was actually expended of the much publicized allocations which amounted to some £140 million in promises. Since this was allocated to 45 colonial territories with some 81 million inhabitants, it would not have been a particularly significant contribution even if it had been expended. Much more telling than this minimal outflow from Britain, however, is the inflow to Britain from the colonies, the inflow of some £1,042 million by 1952.[29] When this inflow is added to the kind of profits being made by the operations of such private investments as Unilever, Ashanti Goldfields and others, clearly Gold Coast and the other colonies were being drained of all possible surplus for the direct benefit of Britain. Even the "Guardian" felt compelled to some honesty in its review of the 1951-52 official report, "The Colonial Territories."

> If one reckons only in financial terms, we are getting out of the Colonies in the course of trade more than we put into them in the course of investment... the sterling balances held by the colonial territories increased in the year from £850 million to £1,085

> million. Against this an expenditure from the Colonial Development and Welfare Funds of about £14 million is small beer. ("Manchester Guardian, May 30, 1952) [30]

Looking at the situation which prevailed immediately after the war, in the context of imperialist links between metropolis and the peripheries, it is clear that Bauer's assessment of the marketing boards as instruments for government control and socialization of peasant production with broad political and social implications is entirely correct. The socialization of saving, the enforced accumulation, was part of a broad siphoning off process, a decapitalization of the Gold Coast with a strong flow of capital from the colonies into the mother country. Paul Baran depicts the process clearly.

> Where the situation is nothing short of outrageous - matched perhaps only by what happens to the economic surplus of the oil-producing countries - is in the British colonial empire. These areas, the population of which has undoubtedly the world's lowest per capita income, have been made by Britain's "paternalistic" government (Labour as well as Conservative) to support throughout the entire post-war period the United Kingdom's incomparably higher standard of living. In the years 1945 through 1951 the colonies were forced under innumerable pretexts to accumulate no less than 1 billion pounds sterling balance. Since these represent the difference between the colonies' receipts from abroad and their payments to other countries, this billion pounds constitutes the colonies' capital export to Britain! [31]

Behind all of the talk of development and philanthropy and a new policy of aid rather than imperialism lay Britain's post war financial crises and deepening balance of payments and dollar deficits. The colonial sterling balances had clearly become a major way of solving this dilemma. Despite the publicity made of sacrifices being made by the British population after the war, it was, in fact, the African and Asian peasants who paid most heavily. Interestingly, the intensity of exploitation and the forced inflation and shortage of goods which prompted wide-spread political repercussion in so many of the colonies resulted in an article in "The Financial Times" by none other than Professor W. Arthur Lewis, soon to make a major report on industrialization possibilities in the Gold Coast. Lewis clearly labelled the process as not development but exploitation.

> Many Colonies must sell their produce to Britain at prices below the world price, and, through exchange control, must buy from Britain at prices above the world price, or pay an ever-increasing sum into the Bank of England, because Britain will not deliver goods in return for what she receives.
> Britain talks of colonial development, but on the contrary, it is African and Malayan peasants who are putting capital into Britain.... The British colonial system has become a major means of economic exploitation.
> The Colonies are exporting far more than they import, and are building up large balances. They cannot get all the imports they need, especially of capital goods, and their development programmes are in consequence retarded. They are in effect paying Britain for goods which she does not deliver....[32]
>
> ("Financial Times," January 16, 1952)

Gold Coast cocoa had a special role to play in all of this because of the very acute need of Britain for dollars at this time. Cocoa became a prime earner of dollars during the post-war period since cocoa bought with sterling IOUs to the Gold Coast could then be placed on the world market at the highest possible price and thus earn dollars to pay for the much-needed capital goods from America to resurrect British industry after the war. The double advantage alluded to by Dr. Mars could better be seen as a triple advantage.

> The control over Colonial suppliers gives us a double advantage. We can get the same goods at lower prices from our colonies than from other overseas countries, and in addition we can retain some of the proceeds of the sale of colonial products in the world in the form of sterling balances.
> In 1951 bananas were imported from Nigeria and Jamaica at £2.42 per hundredweight and from the Canary Islands at £2.65. Coffee was imported from British East Africa at £13.0 per hundredweight and from Brazil at £20.3. Unrefined sugar was imported from Mauritius at £1.92 per hundredweight and from the British West Indies at £2.05, but from Cuba at £2.48.... These examples suffice to show that Britain can and does wrest a price advantage from dependent suppliers. This price advantage may be presumed to take also another form. The same commodity exported from British Colonies reaches a higher price in foreign countries than in the United Kingdom, e.g. cocoa beans.[33]
> (Dr. Mars of Manchester University, "Manchester Guardian", May 28, 1952).

Cheap raw materials, a growing reserve of sterling and an accumulation of dollars. All were possible through marketing board policies in the colonies.

The central contradiction within the mode of cocoa production in the decolonization period after World War II was clearly between the producers of cocoa and the buyers of cocoa through the mediation of marketing boards. The seeming paradox of a country that produced millions of dollars worth of cocoa for the world market on land owned by its own nationals and yet failed to produce a strong class of national capitalists is thus explained. Cocoa could not result in expanding production to meet a growing internal market demand based on cocoa incomes because most of the income derived from cocoa, in fact, never reached the Gold Coast.

Cocoa, remained as the dominant economic activity in the Gold Coast political economy throughout the 1945-1960 period. It accounted for more than half of Gold Coast total exports with a high of 75% of total exports in 1954, a low of 56% in 1957 and in 1960, at the end of the period, it was still accounting for some 59% of total exports. It was the mainstay of foreign exchange earnings and also accounted for a substantial part of government revenue through export taxes. In the period from 1955-61, it was still accounting for some 13.7% of the GDP at constant prices. CMB payments to cocoa farmers accounted for 8.6% of GDP at current prices. [34]

The degree of dependence on cocoa could perhaps be directly correlated with the degree of Ghana's underdevelopment. The whole political economy was even more firmly established during the period in structures of dependency. Production and consumption were not internally integrated but were linked by exchange between centre and periphery. With production for export and consumption of imports, Ghana was in totally dependent position. If export earnings and foreign exchange earnings were threatened so that these imports were not forthcoming, both private and public consumption were immediately seriously threatened. The tying up of resources in cocoa production for export to the exclusion of almost all other activities of production left

Ghana with little room to manoeuvre. Combined with the tying up of resources was the fact that cocoa had few spread effects in terms of generating other productive activities within the economy. The level of technology in cocoa production remained very simple, with land and labour continuing to be the crucial factors of production, and therefore cocoa, although it accounted for more than a tenth of the expenditure on gross national product, made few demands on other sectors of the economy and generated few spread effects into other sectors. Only at the very end of the period was there some processing of cocoa beans but the manufacturing activity generated was still of little consequence.

The dominant position of cocoa in forming the economic base of the Gold Coast political economy meant that it had also wide ramifications on social, political and institutional structures not only between Gold Coast and the "Mother" country but also within Gold Coast itself. In the next chapter, we must trace out in more detail the emergence of class formation in relation to cocoa.

2. FOOD CROPS

The war, as we have noted above, brought demand for increased agricultural production both in terms of volume and diversity of crops. There was need to compensate for the loss of imports. There were demands to feed the internal population now cut off from the imported foods to which it had grown accustomed and also to feed the substantial war-time population of allied forces. Finally there was increased demand to export agricultural products to Britain, now cut off from normal production and sources of supply. Demands for palm-oil, copra and rubber were increased and the West African Produce Board was established in 1942 to meet this demand.

After the war, Gold Coast continued to supply some agricultural products other than cocoa for export. Among the post-war marketing boards established in the colonies was the Gold Coast Agricultural Produce Marketing Board established in 1949 for the buying of several minor agricultural products indluding copra, palm kernels and coffee.

The GCAPMB, like the CMB, can only be understood as part of Britain's post-war recovery policy. In 1950-51, producers were receiving only a third to a quarter of the value of their crops on the world market. Prices for copra in neighbouring Ivory Coast were £87 per ton over against £40 per ton in the Gold Coast. Palm kernels procuring £70 from French buyers were procuring only £21 in Gold Coast through the marketing board. Britain was paying for Nigerian palm kernels at this time a price of £25.1 but Malayan palm kernels not controlled by marketing board were being bought by the same ministry for £58.5 per ton. Clearly, the marketing boards suited Britain's interests well at the time.

This post-war phenomenon of a marketing board for products other than cocoa is of more significance in illuminating Britain's benefits from marketing board arrangements than it is in illuminating the place of food crop production in the Gold Coast economic base after the war. Local food consumption accounts for about one-third of GDP throughout the period and some 64 of the adult male population and 58% of the adult female population was estimated to have been engaged in agricultural production, although cocoa and timber are also included in this figure and many carried on agriculture in combination with other activities. In a study of this scope, it is impossible to do justice to agricultural production which remained throughout the period as the predominant activity of the Gold Coast population. I shall give only a very general picture to give some notion of the magnitudes involved and applicable only to the majority within which there are some very significant exceptions.

Agricultural production was carried out not by plantation agriculture or landlord-tenant relations but by independent smallholders carrying out traditional slash and burn clearing, shifting cultivation and hoe and cutlass techniques withi an infinitely complex system of traditional land tenure. Distributive and marketing networks are equally complex and equally in the hands of a multiplicity of trading and transport networks, predominantly owned by Ghanains although other Africans such as Nigerians also played a significant role in agricultural marketing.

As with cocoa, the actual production of food crops in an activity with far less opportunity than the buying and selling and transporting of food crops. The rural producer is generally caught in a structure whereby even with land and labour at his disposal, he has no storage facilities, poor transport, little withholding power to operate advantageously within seasonally fluctuating market prices, no capital for expanded production or technological inputs, and minimal agricultural extension services. The relation of the peasant producer to the wage structure of the economy remained, throughout the period, one in which low prices for local food crops were maintained in order to prevent further demands for wage increases in the wage labour sectors of the economy. Demand and prices for increased food production were determined by the position of the food farmer within the rural-urban relationship that prevailed.

B. MINING

1. GOLD

In the period after the war, mining, and particularly gold mining, remained as a central component in the economic base of the Gold Coast. In the pre-war period, Ashanti Goldfields had already made their name as one of the richest goldfields in the world but the foreign interests owning the mines were able throughout the period to mine this non-replenishable resource year after year with no substantial contribution to the development of the Gold Coast political economy in the process. The 5% royalty on profits was augmented in 1934 with an export tax of 15% of the gold premium, still a negligible amount in view of the 1937 export of gold which amounted to 551,764 fine ounces valued at £3,910. [35] When Africans in the Legislative Council immediately prior to the war asked for compulsory royalties on mining operation, Governor Hodson stated in reply, "..I feel sure it would be a short-sighted and extremely harmful policy for the Government to interfere in a matter of this sort, because capital is very sensitive and it might have the effect of driving it away to other parts of the world.... [36] In view of the fact that such capital was invested in a mineral resource with a known existence only in limited parts of the world, Gold Coast being one of the richest of these, the credibility of his reply is certainly open to question.

Gold Coasters were not unaware of this blatant pillage of their non-replenishable resources but there was little way to gain effective control once recourse to the colonial administration proved fruitless. An Achimota Discussion Group in a publication entitled "Quo Vadis or Gold Coast Future" pointed out clearly the different conditions prevailing in terms of exploitation of natural resources throughout the Empire.

> It should be the duty of a trustee government to see that the exploitation of minerals, while giving reasonable profits to shareholders, must contribute substantially to the increase of the revenue of the country in which the minerals are exploited. The large dividends paid by mining companies in recent years, show that they could shoulder more taxation without normal enterprise being discouraged, particularly when it is remembered that conditions of taxation and mining prospects in rival countries like South Africa and Australia are not as favourable as those in the Gold Coast..[37]

In the post-war period, seven gold mines were operating in Gold Coast, none of which was Gold Coast owned. By far the largest was Ashanti Goldfields Corporation in Obuasi, the British-owned joint stock company already referred to above. In 1947, AGC produced some 154,465 oz. of gold at a working cost of 66/4 per oz. and at a working profit of 119/10 per oz. By 1959, gold production had more than doubled so that an amount of 341,999 oz. of gold was produced at a working profit of 170/2. The other mines were also predominantly British owned and included Amalgamated Banket Areas Ltd., Ariston Gold Mines (1929) Ltd., Bibiani (1927) Ltd., Bremang Gold Dredging Co. Ltd., and Konongo Gold Mines Ltd. [38]

During the period from 1945-60, tremendous changes occurred in costs, productivities and profit margins of gold mining operations, so much so that for several companies it became uneconomic to continue operations in Gold Coast/Ghana. The major deposits of Gold Coast varied considerably in their content, their extent and depth and accessibility, ranging from quartz reef deposits at Obuasi which yield over 8 oz. gold for each 10 tons of ore mined to the quartz reef deposits of Bibiani giving only 2 oz. of gold for each 10 tons mined and a banket deposit at Tarkwa yielding even less. The price for gold has been peculiar because of its position as the backbone of the international system of liquidity and therefore, it has varied very little in price. The free market price related to jewellery demands for gold and non-government buyers of gold rarely has much effect on the official rate. In 1949, the devaluation of sterling did cause a significant change so that a price of £8. 12s per oz. in 1948-49 had risen to £12 8s. in 1950-1951. It remained at this price and the dollar price for gold also remained thoughout the period at the Bretton Woods price of $35.00 per fine oz.

With a fixed price, then, gold mining operations have to operate in a world of rising costs which tend to squeeze profits. Rises in wage rates and material input costs must therefore be balanced by increased productivity in the mines. The mines in Gold Coast subjected to these constraints on operations exhibited very different trends in costs, productivities and profit margins throughout the period. In all cases, unit working costs rose and profit margins declined, but the decrease in costs varies considerably from AGC's 44% to Bibiani's 179%. Differing labour productivity based on such factors as grade of ore, method of mining, size and efficiency of operation and capital intensity resulted in these very different unit costs.

A decisionaat the end of the period in July 1960 to introduce a minimum wage legislation in Gold Coast resulted in several of the mines deciding that it was no longer possible to work on a profitable basis and threatening to close operations. These mines had always played a disproportionate role in their effect on Gold Coast wage structure. The 2.9% of the labour force engaged in mining none-the less accounted for 15% of those employed in the private sector and 32% of skilled workers in private and public sectors. The vulnerability to rising labour costs resulted in strong pressures from mining interests to keep wages low. Obviously the 35-50% working profit of AGC throughout the period indicates a high degree of success and even a rising minimum wage could not seriously jeopardize its operations. The other companies, however, were not equally well situated in terms of earnings and productivity and thus came threats of closure.

Despite years of operation at a high rate of profit without benefit accruing to the Gold Coast political economy, at the point of closure as an uneconomic operation, the government stepped in with an offer to buy both ABA and Bibiani plus 3 other mines and thus a State Mining Corporation was established to take over an already deteriorating situation, bound to become even worse as the full impact of wage increases made themselves felt.

Far from a nationalization of mines as a government policy to gain control of the national economy at the expense of private British interests in 1960-61 as has at times been suggested, the "Assets were acquired on the London Stock Exchange by the Ghana Government in a take-over bid whose orthodoxy and propriety were equal to any similar operation by the most staid of British capitalist enterprises and differed from such only in the more generous terms it accorded to the retiring shareholders." [39]

Ownership of the mines, then, was firmly in the hands of foreign interests until the very end of the period. Labour in the mines was purely within the capitalist mode of production with migrant labour from neighbouring countries and from underdeveloped areas within the Gold Coast continuing to play an important role in providing the labour force.

2. DIAMONDS.

Diamonds in the period from 1945-1960 had become established as an important mineral activity with diamondiferous ores in substantial quantities in both the Birim basin and Bonsa basin. Exploitation of this resource was also firmly in foreign hands with four mining companies extracting diamonds by technologically advanced, capital intensive techniques. Three were British-owned concerns (CAST, a company linked with De Beers and Diamond Corporation, a large S. African based international operation, Cayco [London Ltd.] and Akim concessions.) The fourth, Takrowase Diamond-fields, was a Dutch privately -owned concern, Holland Syndicate N.V.[40] In addition to these four technologically advanced operations, there was mining in African hands under a system of licensed "diggers," working in a technologically simple, labour-intensive operation. Each "digger" had the right to diamonds in a specified plot of not greater than 25 acres. Usually, however, the digger, for a small retainer fee, licensed "tributors" to work the land under an agreement that all diamonds found are sold to the digger.

CAST dominated diamond mining, accounting for some 47% of the total output. Takrowase, a larger employer of labour, came next but is well behind CAST and the other two mining companies are very small. The African diggers operating individually on a very small scale nevertheless contributed some 45% of total output and provided nearly two-thirds of the employment created by the diamond industry.[41] CAST has a productivity figure more than twice that of any of the others, yielding 505 carats of diamonds per worker. This is to the accounted for by the highly capital-intensive techniques employed by CAST. The productivity of the African diggers compares very favourably with that of the rest of the industry showing the competitiveness of small-scale, low capital, labour-intensive operations. Despite the prejudices of official reports such as the 1956 "Mines Inquiry" against wasteful methods of the diggers, it would seem that the shortage of land with its consequence of re-digging each acre, in fact, results in a good deal of efficiency and little waste in the simple, labour-intensive method of mining.

The diamonds are not used at all within the Gold Coast. There is no further processing within Gold Coast and the demand for capital goods generated from the technologically advanced methods of mining are met not by products from other sectors of the Gold Coast economy, except for minimal demands for forestry, electricity and construction, but instead by imports of capital goods from abroad. The gems shipped abroad account for some 6-9% of total exports of domestic produce during the period.

The years from 1950-60 indicate a secular decline in the world market price for diamonds and there was every likelihood that the three companies with higher productivity costs might find it difficult to continue to make diamond mining a profitable operation. Also there were predictions of further decrease in the demand for diamonds as the possibility of synthetic diamonds became stronger. Since industrial diamonds made up ¾ of the weight of diamonds exported during the period, the decreasing demand for industrial diamonds posed a real threat to the diamond industry. Once again, we see that during the era of high prices and strong demand, another Gold Coast resource was almost entirely controlled by private interests of the colonial power with the colonial government unwilling to adopt any measures of control to prevent the outright pillage of the colony. Indeed the colonial administration, by its strategic placing of railroads and other infrastructural supports, was a willing accomplice in the exploitation.

3. MANGANESE

Manganese deposits at Nsuta deposit were mined and in the 1956 "Mines Inquiry" it is cited as the largest unit Manganese operation in the world. It was worked by a foreign company, African Manganese Company, a wholly owned British subsidiary of the giant American company, Union Carbide. During the period from 1953-1960, output had fallen 710,700 tons in 1953-54 to 472,707 tons in 1960. Employment has also dropped from 5,879 to 3,106, partly from adoption of more capital-intensive methods. Output per man has risen from 121 to 166 tons per man with fluctuations as low as 96 tons per man in 1954 and as high as 178 tons per man in 1959.[42]

Again, a purely capitalist mode of production prevails and again the spread effects generated throughout the economy by manganese mining are minimal.

4. BAUXITE

Bauxite was exploited first during World War II when Britain's need for new mineral raw materials was acute and a 46 mile spur line was added to the railway to link bauxite deposits with existing communications networks. Interest in bauxite quickened after the war with the proposed integrated aluminum industry which would mine bauxite for conversion into aluminium with power from the proposed Volta Dam to complete the conversion into aluminum ingots. Several British private companies acquired substantial bauxite concession with this scheme in mind. In 1949, British Aluminium Ltd. began to explore the commercial possibilities of such a scheme and a 1952 White Paper proposed that funds for the two-phase, £244 million scheme, come from British Government, Gold Coast government and the interested aluminum companies. Since there was a world shortage of aluminium at this time and available aluminium was located in the dollar rather than sterling area interest was great. By the time of the 1956 Preparatory Commission, both dollar and aluminium shortages had disappeared and consequently Britain's interest waned. U.S. Government interest in the project brought it once again into the forefront of discussion, however, and by December 1960, a "letter of intent" was signed with Valco, a consortium made up of Kaiser Aluminium and Chemical Corporation holding 90% ownership and Reynolds Metal Company holding 10%, for establishment of an aluminum smelter. The major consumer of electricity, which was the pre-condition for the building of Volta Dam was thus satisfied, Kaiser having by then negotiated a price which would make Ghana hydro-electri power available virtually at cost, the cheapest rate of all Kaiser's operations.[43] A round of negotiations and international financial arrangements ensued for the construction of the dam and the smelter with Ghana's bauxite receding more and more into the background.

C. TIMBER

From 1945-60, the exploitation of timber resources became one of the most substantial processes within the economic base of the Gold Coast. During World War II, we have noted already that a new demand for timber for construction and furniture arose because of the major shortage of imports and shipping links. Immediately after the war, timber became established as an important feature of the Gold Coast political economy. From export of only 2.7 m. cubic feet in 1945, there was steady and dramatic increase throughout the period until, by 1960, gross exports of timber had reached 37.3 million cubic feet. In 1951, timber accounted for only 5% of Gold Coast exports. By 1957, it had reached 11% and by 1960, it mounted to 14% of total exports.[44]

In this activity also, foreign interests were active very early. In 1946, UAC had established a 1000 mile timber concession at Samreboi, and in 1947, African Timber and Plywood (Ghana) Ltd. was established by UAC. By 1949, 11 European saw mills were in operation. The Africans who had long been established as exporters of logs continued in this capacity and in 1949 statistics of the Forestry Department, it is indicated that of the two-thirds of the timber exports constituting logs rather than sawn timber, only one-third was being exported by foreign interests and the remaining two-thirds were still being exported by Gold Coasters.

Bauer's predictions in the early 1950's are interesting at this point, as he predicts the further development of expatriate interests and the diminution of African control to that of intermediaries at best.

> The preponderance of expatriate enterprise in the export trade in sawn timber reflects the relatively greater capital and technical skill required in its production and export. An increase in the relative importance of sawn timber is almost certain to increase the relative share of all timber exports handled by non-African firms; it is, even possible that the absolute volume of the export trade remaining in African hands might be reduced. But these developments would not result in a decrease in the volume of total volume of timber business by African traders in their capacity as intermediaries. The total volume of timber business transacted by Africans is likely to increase, since the sawmills are likely to use the services of African dealers and contractors. In assessing the African interest in the timber trade it would therefore be misleading to focus attention on the shipping stage of the export trade; other African interests are likely to benefit greatly from an expansion in the

volume of export, even if African direct exporters should lose some ground to non-Africans relatively or even absolutely.[45]

Indeed, by the mid-fifties, the UAC operation in Samreboi was already the world's largest plywood and timber mill. [46] African timber merchants were indeed also being squeezed out of the timber business by their lack of access to the kind of capital and technological inputs which the European companies could command. One of the key figures in the politics of post-war Gold Coast was, in fact, a timber merchant who as early as 1948 in his evidence to the Watson Commission inquiry into "disturbances" in the Gold Coast clearly perceived that his interests were directly threatened by the increasing hold of the companies who had gained immensely in power from the rationalization and consolidation of their interests under war-time government control.

By the end of the period, timber production had increased substantially with domestic consumption accounting for about two-thirds of the sawn timber produced. Ghanaian woods had become well established in European markets and such products as "Cresta" plywood and blockwood were being exported by ATP for markets in Europe, North America, the Middle East and Australasia.

The rapid exploitation of natural timber resources has not been accompanied by control measures and re-planting schemes. Most of the timber extracted until 1960 had been in virgin forest areas. This was wasteful in that only a small portion of the species growing were of interest to timber companies extracting for export. Some 90% of the exports produced were based on only 6 species of wood. The remaining 10% drew on only another 15 species of the 130 species known to have commercial possibilities. [47] Large parts of the open forest area exploited for timber are subsequently used for farming rather than for any replanting scheme. The removal of timber from the non-forest reserve areas was largely, then, a once and for all operation. An industry operating at the level of extraction established over the period could not continue over a long period in operation. Removal of mature timber from the forest reserves was anticipated as the means of longer term extraction of timber.

As far as marketing was concerned, a Timber Marketing Board was established in 1960 to handle the sale and export of wawa timber. Its operations were extended during the following years, in an attempt to gain some greater measure of control over the timber industry.

Clearly, then, the development of timber as an important asset in the economy contained much of the external orientation characteristic of natural resources developed much earlier in the colonial period. The phenomenal increase of timber extraction was not an indication of increased timber in domestic usage; timber exports were about 6 times as great as domestic usage in construction and manufacturing by the end of the period. The prejudices against timber as a building material related by Arthur Lewis in his 1952 report on industrialization would seem to have remained strong. Timber resources developed during the period, then, simply served to consolidate further the old pattern of export of raw materials and semi-processed materials, with any processing done firmly in European hands.

II. MANUFACTURING

The classic pattern of imperialist exploitation involves a distribution of labour on a world scale that prevents fully integrated and balanced political economies from functioning in interdependent relations and instead sets up dependent appendages to the more dominant powers which function as the suppliers of raw materials. They are systematically prevented from industrialization policies which would compete for the same raw materials for internal use and eventually compete against the imported manufactured products of the imperial power with domestically produced manufactured goods. How far did Gold Coast in the period in question move away from the classic position of source of raw materials and cheap labour for foreign manufacturers and market for foreign manufactured goods? How far was it able to move towards internal integration of production and consumption instead of producing exports and consuming imports with exchange within the colonial relation as the basic dynamic of the economic base of the political economy?

Clearly pre-war Gold Coast had no manufacturing to speak of. War-time Gold Coast marked the beginning of some significant processing of raw materials if not actual manufacturing activity. Lumber and brick and tile factories were in operation to meet the needs of the construction industry. There was more processing of foods. Apart from these minimal activities, however, Gold Coast at the end of the war virtually without manufacturing activity. The period after the war did bring changes and the Industrial Statistics of 1958-59 give the following record of the establishment of construction and manufacturing activity. It should be realized, however, that the huge Unilever sawmilling operation at Samreboi is listed alongside the pito brewer or village blacksmith so some care must be taken in interpreting the data.[48]

YEAR OF COMMENCEMENT OF OPERATION OF
ESTABLISHMENTS RECORDED IN 1959

Period	Number of Establishments	
	Manufacturing	Construction
Before 1900	11	15
1900-9	11	5
1910-9	3	5
1920-9	19	2
1930-9	18	6
1940-9	53	27
1950-9	130	89
Total	234	144

Source: Industrial Statistics, table 64. Quoted in <u>ASCG</u>, p. 274.[49]

The colonial government after the war was taking a very unclear stand on economic policy, perhaps not surprising in view of the precarious state of Britain's own post-war economy. There was now a Colonial Welfare and Development Act and amounts voted for colonial development marked a recognition that something beyond the self-financing of the earlier colonial period was necessary. The Watson Report after the 1948 "disturbance" had clearly pointed to the need for increased national productivity and hence economic planning if Gold Coast conditions were to be ameliorated, but government response to the suggestion of an Economic Advisor was negative and the re-drafted plan of 1948 when it emerged in 1950 included a central statement to the effect that economic development is not government's exclusive concern but must depend on commercial and private enterprise and masses of people acting in their own interests. "The most important part of development cannot, in a democracy, be directed by the Government. The most which the Government can do outside the sphere of government departmental activity is to attempt to stimulate initiative, enthusiasm and endeavour."[50]

The 1950 Annual Report of the Colonial Development Corporation showed that it had indeed lived up to its 1947 statement of three governing principles, 1) operation on commercial principles, 2) intended not to supplant established enterprise but to supplement it and 3) mainly agricultural enterprises.[51] Of the 50 undertakings reported in 1950, not one was for major industrial development and a third were in partnership with private British firms. Most of them had to do with land development, primary production and possibly a little further processing in the form of canning. The report gives an account of a great many studies undertaken by the CDC of possible industrial development of such things as cement, textiles and rubber products but all are only at the stage of "studies" and none have actually been implemented.[52] For the country that prided itself on its own acquisition of industrial status, it is interesting that its advisors had so much difficulty in implementing industrialization elsewhere!

Arthur Lewis in his "Report on Industrialization in the Gold Coast" which was to be so definitive in shaping future economic and industrial policy in the Gold Coast found in 1952 little industry already established. He refers to a small factory and some cottage industry for soap-making, a confectionary establishment in Accra employing 15 people, a small salt manufacturer in Elmina, a beer factory about to be extended, immediate plans for a tobacco factory, a shirt factory plus some home industry in clothing , traditional textiles in the form of kente cloth and woven cloth from the north, some foundry items based on imported metals, rough pottery and a well established plywood industry plus casks, shoods and staves. Lewis takes a listing of current imports and then explores the possibilities of producing these items in Gold Coast, feasibility being based on a combination of factors including weight losing propensities of raw materials, cheapness of fuel, size of potential market, capital intensity and man-power requirements.[53] He then classifies those industries most favourable to development and those which are marginal. In his classification, those industries most favourable include oil expressing, food processing, salt, beer, bricks and tiles, cement, glass, lime, industrial alcohol, miscellaneous chemicals and wood products. Industries in a marginal category mainly because of limited consumer demand include biscuits, soap, confectionary, cigarettes, boots and shoes, hats and caps, shirts, knitwear, weaving, cotton and rayons, jute bags, foundry products, candles, paints and colours, travelling bags and rubber manufactures.

Given the methodology Lewis chooses to use it is not surprising that the industrialization policy he advocates was not successful. He does not start with serious consideration of the resource potential of the Gold Coast political economy. Nor does he start with any model of an industrialized economy towards which Gold Coast can develop. He starts instead with the present imports into the Gold Coast, imports derived from an economy in the classical "model colony" position of exporter of raw materials and importer of manufactured goods, imports all oriented on consumption rather than production. He speaks of industrialization possibilities having their "genesis" in one of three ways. Industrialization may be generated by processing of raw materials for export. It may be generated by manufactures for export. Or it may be generated by manufacturing for an expanding home market. If, however, agricultural and mineral raw materials which are processed are never linked with expanding industry but instead are shipped out of the country as is true in the colonially structured economy, then the linkage of agriculture and industry, urban and rural, production and consumption is never made. Lewis' import substitution model of industrialization could, in fact, lead only to further underdevelopment.

It is interesting that the very man who had been quick to see in the policies of the post-war marketing boards a process of heightened exploitation drawing out the considerable surplus being generated by the economic activity within the existing colonial agricultural activities, failed to see this surplus as the source for future industrialization in the colonies. His "import substitution" industrialization was not to be financed by the surplus already being generated in Gold Coast. Instead, Gold Coast was assumed to be short of capital precisely because of the state of its agriculture. Lewis himself develops his argument thus:

> To the extent to which industrialization is financed from domestic saving, it is, in the ultimate analysis, the farmers who provide the wherewithal. In Japan, this was accomplished by levying high taxes and rents upon them; and in the USSR it was accomplished by an inflationary process, with the prices of manufactures rising faster than food prices, to the farmers' disadvantage. It is, however, one thing to prise capital out of the farmer when his productivity is increasing year by year and quite a different matter to prise it out of a stagnant agriculture.[54]

This "stagnant" agriculture in the years immediately preceding Lewis' report had produced 209 thousand tons of cocoa in 1945-46, 296,000 tons in 1947-48, 274,000 tons in 1948-49, 253,000 in 1949-50 and 261,000 in 1950-51, the year before Lewis' visit. [55]

Perhaps Lewis too exhibits the colonial dual vision referred to earlier, or perhaps he is just the first of the 20 day "expert" phenomenon (his visit lasted from Dec. 15, 1952 - January 4, 1953 so perhaps even 20 days is a generous estimate since Christmas and New Year presumably did not pass unacknowledged). At any rate his analysis of Gold Coast industrialization potential seems to bear little relation to the concrete realities of the Gold Coast political economy in 1952. When Lewis does talk of food production in Gold Coast, he again conveniently forgets the realities he himself has addressed in his condemnation of Gold Coast exploitation. He speaks of the relation of agriculture and industry, where expanding incomes in agriculture generate a demand for production for the local market, yet he himself had noted that rural incomes were being drained off for Britain's benefit. He speaks of a "certain complacency towards food production in the Gold Coast" [56] yet he himself had taken note of the pressures on the colonies to produce export crops and he himself had noted the inflation rampant within the economy which totally distorts the pricing of food produced in the rural areas.

Lewis finally concludes that the capital for industrialization will obviously have to come, not from domestic savings, but from foreign investment. The accumulated reserves of the CMB will serve not as the capital for investment but instead as the guarantee of Gold Coast long-term viability for the potential foreign investor.

> Assuming that the foreign capital is required, the alternative to permitting foreign enterprise is that the Government should borrow abroad, presumably at a rate of interest lower than the profits that foreign entrepreneurs would want, and should either operate factories itself, or lend the money to African entrepreneurs. Most governments, however, need all the money that they can raise, whether by loan or by taxes, for the more urgent purpose of expanding the public services. This purpose is more urgent in a double sense. It is more urgent because the expansion of the public services is necessary if other economic activities are to be developed, so that a government is likely to contribute more to development if it expands the public services generally than if it uses the same money to build a factory. And it is more urgent also in the sense that no one but the government can expand the public services whereas if the government does not build factories, others will.... There is no doubt in the writer's mind that the Gold Coast Government can do more for development by spending its money on expanding the public services, which are woefully inadequate, and on quadrupling that part of its agricultural services which relate to food production for the local market, than it can by operating factories.[57]

Gold Coast Government, then, should continue within the colonial structure of providing social and physical infrastructure which would pave the road for foreign investors to make their way into the Gold Coast economy. Lewis was even concerned with the minute details of how to lure these investors into the colony. Not only should there be tax holidays, exemption from import duties on machinery and raw materials, protective tariffs, construction of industrial estates and man-power training assistance, but also there should be government investment for the material comforts of the potential foreign investor.

> On the Government's interest in industrialization also depends how much money it is willing to spend on bringing to the country industrialists who have expressed an interest in making further investigations there. The minimum the Gold Coast Government ought to do is to guarantee the capital and interest on a first class hotel in Accra. Such a hotel is absolutely necessary if a good flow of highly placed business people is to be attracted into the country. By a first class hotel the sort of place that is meant is a hotel with first class food and wines, a ration of three or four staff to each guest, complete freedom from insects, air-conditioning in several bedrooms and public rooms, telephones in each room, service at call, a provate bath to each room and suites available.[58]

This seems to be an interesting feature within a report on industrialization for a country that was being advised to undertake production of such items as its own matches, candles and paper for the first time. Perhaps it is best seen as an indication of how firmly the structures of neo-colonialism were being implanted during the de-colonization process.

The Lewis report, then, theorized about industrialization processes while steadfastly refusing to deal with the historical reality of Gold Coast. Statements about stagnant agriculture and shortage of capital failed to take account of de-capitalization processes within expanding cocoa production. Theoretical discussions about expanding food production to create an increasing market for manufactures and an increasing commodity of exchange for manufactures assumed internal dynamics between rural and urban, agriculture and industry, which were exactly the linkages denied by the colonial relation. In the colonial relation, the political economy of the colony had been structured in relation to the Mother country in such a way that it was exactly these processes of expanding food production in the rural areas being linked to specialization and expanding craft and manufacturing activities in the towns, the combination setting in motion processes of an expanding internal productive base which were absent. Instead, there was the external,export orientation so that the expanding food production about which Lewis theorizes was, within the Gold Coast, replaced by expanding imports of food items instead. The recent experiences of the war had shown the accuracy of Lewis' analysis within a closed economy. Once war-time production in Gold Coast of agricultural produce had increased, the incomes generated resulted in a much increased demand but this increased internal market was not linked to an expanding productive base within the Gold Coast and the result was tremendous inflation until the resumption of commodities from Britain's industry was resumed after the war.

Just prior to Lewis' report, in 1951, a 10 year plan for Gold Coast development had been established by the colonial government divided into the categories of economic and productive services, communication, social services and common services and general administration. Despite the claims within the plan that priority was to be given to "economic and productive services with particular attention to agriculture in its widest sense, to industry, and to water supply on which so much depends,[59] the actual financial allocation gives quite a different picture. Of the £G73 m. expenditure proposed only 16.9% was allocated for economic and productive services while both communications and social services had allocations of over 33%. The typical colonial budget stressing social and physical infrastructure,while private individuals were expected to provide the capital for development, prevailed despite statements to the contrary.

In 1952, the plan was revised into a 5 year plan reflecting the priorities of the newly elected Gold Coast government. The newly-elected Gold Coast nationals made considerable additions to the plan but its basic structure remained unaltered. Agricultural industry was recognized as the basis of the economy but still only 5% of the total planned capital expenditure was ear-marked for agricultural industry. The plan included a number of specific industries the government wanted to promote, most of them echoing the recommendations of the Lewis report, but by 1960, few of these had been implemented. Those which were established were generally owned by foreign interests and their lack of integration into an expanding productive base within Gold Coast exhibited clearly how an adoption of manufacturing industrial priorities from a listing of current imports into a colonial economy could result only in further underdevelopment, the new industry being linked to the economy only in the consumption process and not at all through production.

As early as 1947, an Industrial Development Corporation had been established to investigate, formulate and carry out projects for developing industry but it had proved entirely ineffectual. It had operated in its early years mainly as a loans agency and had provided capical for loans to industries including laundry, brick and tile, painting, confectionery, light engineering, oil expressing, wood-working and weaving by 1952 when Lewis made his report. By 1953, it was reviewed and the conclusion was that it had lent money for projects not of strategic importance to Gold Coast industrial development and often without adequate supervision or control over funds. The IDC was instructed to concentrate its efforts on two types of activity, that of establishing Subsidiary Companies of IDC and that of establishing Associate Companies, making arrangements with already established interests or new interests willing to operate on a joint basis.

The history of IDC activities from 1953-1960 is a history of unsuccessful attempts at industrialization. Often prior investigation was minimal. A clay deposit for a brick and tile factory was found to contain unsuitable clays only after the factory had been built. Also the demand for these clay bricks and tiles was minimal, and no measures were taken to re-orient demand from imported building materials to indigenous materials. Local raw material supplies were of uncertain quantity and quality and the lack of working capital prevented any possibility of building up an improved supply through material incentives. The mobilization being carried on through the newly established community development programs was using great imagination and energy on matters of hygiene, nutrition and health but mobilization for increased and improved production was scarcely mentioned. The IDC industries operated with a general shortage of capital whether in terms of plant, machinery or working capital. One highly successful Metal Industry was housed in a factory too small for its operations and forced to work with decrepit machinery. Management and technical personnel were scarce, some factories having the experience of five different managers within the course of 9 years.

These constraints were minimal, however, over against the central and over-riding obstacle to industrialization in the Gold Coast. This obstacle was the interests of the import-export firms vis-a-vis industrialization. The colonial period had been characterized by the dominant position of the expatriate companies in the colony with manufactured imports in return for primary produce as the basis for their operations. So long as these companies continued operations, any manufacturing activity within the Gold Coast was a direct threat to their established interests. Lewis had been quite candid in pointing to the difficulty of marketing in competition with such interests.

> Even if the product of the local factory is as good and as cheap as the imported product, there may be difficulty in selling it. First, there is the resistance of the consumer, who is wedded to the imported brand, and who may genuinely believe that it is better than the local product... or may prefer the snobbishness of buying the famous imported rather than the local product. Then there is also the resistance of the wholesale importer. In so far as he is merely wholesaler, it is all the same to him whether he buys abroad or from a local factory, if the margin is the same. But if he also owns ships, or maintains a buying agency abroad, he has a vested interest in supporting the imported rather than the local products And finally there is also resistance of the manufacturer overseas, who, in one or two instances, will not hesitate to dump his product in the local market well below his normal price, in order to drive the new business bankrupt. This he can afford to do only when he is a very large supplier on a world scale, who can bear the cost of temporary heavy losses in one of his markets in the expectation of making up the loss when the new business is closed.[60]

In this case, Lewis was not engaging in mere theoretical discussion but was indeed dealing with the core of Gold Coast realities. The entrenched position of the operations of UAC, UTC, SCOA, CFAO, John Holt, Leventis etc., all of whom had built up intricate networks of wholesale, retail and distribution operations on the basis of manufactured goods was a tremendous force with which to compete. These firms and their particular manufactured imports were integrated into the social structure of the colony in many ways. Cocoa advances from the factors and agents of the firms ensured sales to that particular company from the rural areas. Systems of licensed distributors, rented retail premises and a wide-spread network of women in petty trade who were linked as licensed buyers and sellers to a particular firm further insured the interests of the firms. Finally, even the tastes of the Gold Coasters were moulded to these imported products which came to be perceived as the mark of progressiveness, of education, even of civilization. Against such a formidable array of forces, Gold Coast manufacturing could only have competed with very strong government intervention and a strong frontal attack. This was by no means forthcoming prior to 1960.

The plight of attempts at soap-making tells the tale. Here was a commodity based on local raw materials (palm-oil) which had hitherto been imported except for those quantities produced by very simple methods in the rural areas. It should be pointed out that the very fact that Gold Coast should embark on manufacture of soap at all is a telling indication of how little they perceived the conflict of interests between their own industrialization and the position of the expatriate firms. In fact, the early history of Unilver is linked with access to palm products through plantations and marketing arrangements throughout W. Africa, these raw materials forming the base for production of vegetable oils, lubricants and soaps in U.K., the original basis of the Unilever empire. Such power nothwithstanding, the IDC plunged bravely into the manufacture of soap within the Gold Coast. The factory was plagued with difficulties. The machinery ordered proved to be for animal fat (tallow) instead of vegetable fat (palm and coconut oils). The quality of palm oil available was not satisfactory. There was no capital available for research into improved varieties or ways of adapting the variety of palm oil available.

One year, there was too little capital available to buy oil in sufficient quantities during the season in which it was readily available. When capital became available, the palm oil season had passed. Other years, it was simply scarce and there was never sufficient capital for advances or price incentives to ensure access to what limited supply there was. The automatic cutter produced bars longer than the imported variety but it was impossible to compete by setting a higher price. The machinery constantly broke down.

Even these difficulties might have been overcome, however, if it had not been for the overwhelming strength of the competition. Perhaps most telling are these figures. The soap factory before its eventual liquidation had increased its sales in one year from £G13,000 to £G32,000 because of a temporary shortage of imported soap. Once the imported supplies resumed, however, the sales of locally manufactured soap returned to £G15,000. The 1957 Legislative Debates record this plaintive note on soap manufacturing.

> The government told us some time ago that the Industrial Development Corporation (a government agency) was going to establish a soap factory. All that the Corporation did was to buy somebody's soap factory at Korle Gonno for about £10,000. Now we learn that a certain engineer is going to establish a £1 million soap factory at Tema. Are we to allow foreigners to set up industries which we have the facilities to establish ourselves? Whenever we suggest that certain industries should be set up in the country, some expatriate (foreign) higher ups (in the civil service) cleverly turn them down. They do so on the ground that the industries would not be economic simply because they want their friends overseas to come and establish them.[61]

By the time of the 1959 Industrial Census the picture was as follows:[62]

MANUFACTURING INDUSTRY AND CONSTRUCTION
SELECTED INDICATORS, 1959.

Sector and Industry group	Value added £G thousand (1)	Per cent (2)
MANUFACTURING		
1. Grainmill and other bakery products	359	3.0%
2. Other food manufacturing	62	0.5
3. Beverages and tobacco	4,090	34.3
4. Textiles and wearing apparel	58	0.5
5. Furniture & fixtures	198	1.7
6. Other wood products	4,763	39.9
7. Printing & publishing	439	3.7
8. Leather & rubber products	109	0.9
9. Chemicals	444	3.7
10. Non-metallic mineral products	180	1.0
11. Metal products except group 12	118	1.0
12. Transport equipment	1,024	8.6
13. Miscellaneous	84	0.7
WHOLE SECTOR	11,931	100.0
CONSTRUCTION	14,913	100.0

Source: Industrial Statistics selected from those quoted in Birmingham, Neustadt, Omaboe, op. cit.

Construction emerges as holding a prominent position, its value added is actually higher than that of industry. In construction activities, there were 22 operations of the central and local government by 1959, 53 companies, 14 partnerships and 55 owner proprietors. The companies accounted for 65% of the total value added. Three companies registered abroad accounted for 28% over against the 36% accounted for by 50 companies registered in Ghana. Foreign-owned and controlled companies can also be registered in Ghana. Major British construction interests such as Taylor Woodrow, Parkinson Howard, Dorman Long and British Insulated

Columns and Cables had established themselves firmly in Ghana by this time, benefitting greatly from increased infrastructural developments and other government construction.

As far as industry was concerned, by the end of the period, the manufacturing sector of industry was dominated by two groups, "beverages and tobacco" and "other wood products," which together accounted for more than three-quarters of the value added in industry. The "beverages and tobacco" group consisted of many Ghana-owned akpeteshie distillers' associations, two large breweries, one large distillery, small and medium sized soft drink factories and two large cigarette factories. The Breweries were owned by British and Dutch interests of Heineken and Guiness with links to UAC. Another giant monopoly concern, British American Tobacco, had invested in Pioneer Tobacco Company in Takoradi. Competing franchises for US soft drinks in 1952 had been resolved and American interests were firmly established here. In the "other wood products" group, sawmilling was the main activity and UAC interests held a dominant position.

There were also 4 other industry groups each accounting for some 3-9% value added. "Transport equipment" accounted for 8.6% value added and included boatyards, the workshop of Ghana railways, vehicle assembly plants and a large number of vehicle repair shops. The UAC assembly plant opened in 1959 in Ghana at Tema, assembling vehicles from parts shipped from England including Bedfords, Albions and Land Rovers. The vehicles repair shops included UAC owned African Motors and comparable workshops for the other major companies such as UAC, SCOA and CFAO. "Chemicals" accounted for 3.7% value added and consisted of two oil mills and a number of factories producing perfumery, but soon after soap and paint production were added. Soap production was established by Lever Brothers directly. Printing and publishing accounted for 3.7% value added and "grain mills and other bakery products" accounted for a further 3.0%. At the end of the period, then, industry consisted of a large number of small establishments and a small number of medium and large establishments. Two years later in 1962, there were still only 14 industries accounting for more than 500 workers. Notable absences were industries related to agriculture and capital goods industries, both mainstays of any substantially integrated industrialization.

The mode of production within industry also quickly exhibited contradictions comparable to those already discussed in relation to agriculture. If agriculture was totally structured towards production for export, one could say that industry quickly became structured toward production necessitating imports. Neither resulted from exploitation of the potential resources within the political economy, for internal usage. This import-oriented industry was based not on exploitation of Ghana's resources or linkages with an expanding productive base within Ghana. Instead it was based on further imports so that the direct importation of manufactures was replaced with importation of the component parts or the capital goods to produce them within the Gold Coast. At its crudest level, manufacturing industry became a matter of assembly and finishing operations with all of the essential components imported in their unassembled state. The Ghana labour putting them together was much less costly than that in their country of origin. As "raw materials" for "manufacture" they were not subject to import duty. As an infant "industry" they were able to enjoy tax exemptions and government protection. The capital goods and equipment needed for the assembly process were also imported duty free in order to promote "industrialization" and provided a good outlet for used equipment from the parent company. The construction companies could use government subsidies to build costly plants to house "manufacturing enterprises" which used no Ghana raw materials and saved costs for foreign manufacturers who could now ship in bulk and do the processing, assembling and packaging with poorly paid Ghana labour. The wry account of this type of "manufacturing" in Africa and Asian states by Green and Seidman provides the model. A 'local'factory producing light bulbs imports the base, the cores, the filaments and the bulbs. The only part manufactured locally is the 'vacuum.' [63]

Unfortunately, this model began to characterize all too aptly the kind of industrialization in Ghana by the end of the period. There was no apology for it by the manufacturer; in fact, glossy publicity materials lauded his contribution to the country's "development." We have already cited UAC's establishment of a vehicle assembly plant in 1959. This was but the first of the "contributions" of UAC to Ghana's "industrial development." Another major assembly plant began operations at the end of the period. UAC publicity described it thus.

> Ghana Pan Electric opened in 1959 as an electric wholesaler, but since then has developed into wide-range manufacture. At the factory at Nsawam the manufacturing and assembly of radiograms, record players, fans, reffigerators, cookers and air-conditioners is underway and these are distributed throughout Ghana by a network of dealers. Basic components are drawn from many sources in Europe, the United States and Japan, and suppliers include such names as National, Electrolux, Garrard, Indola and Amona. In many cases the products are housed in cabinets made by G.P.E.L. from Ghana's timber and plywood.[64]

In this case, Ghana supplies not the vacuum but it own timber which is also conveniently being exploited by another member of the UAC Groups. "Manufacture" becomes a matter of providing the housing for further expensive imports.

As well as "manufacture" through these assembly and packaging operations there was also the less open and more far-reaching forms of import-oriented industry established. Even those industries making some use of Ghana's raw materials set up operations based entirely on very sophisticated and usually capital-intensive technological processes. The choices in terms of type of technology therefore mortgaged Ghana's future increasingly towards continued usage of imported capital goods. Breweries and cigarette factories, saw mills and soft-drink factories, even when they used Ghana's malt or tobacco or timber or fruit, did so only with processes which demanded imported capital goods. The choice of technology meant that there was no linkage with a developing capital goods sector within Ghana but only increased dependency on imports for all further industrial development.

Industry, then, from 1945-1960, can in no way be seen as a major force for bringing about structural transformation of the Ghanaian political economy. Indeed in his study of structural change in the economy of Ghana, Szerezewski concludes that the process of structural change initiated by development of cocoa and gold in the early part of the century lost momentum after 1911 so that a comparison fifty years later revealed a close affinity with the 1911 structure although at a level of double the per capita income. He suggests that "the pattern evolved between 1891-1911 almost froze for half a century." [65]

The assumption of the colonial administration and of Lewis, and indeed, of the new Ghana government after independence that private investment, either national or foreign, could be the means of industrialization must be attributed to a strange blend of naivete and duplicity. Clearly the presence of merchant capital in the Gold Coast/Ghana economy in the form of substantial and deeply entrenched interests of the expatriate companies meant that no manufacturing venture, either national or foreign, could or would compete. The dominant hold of these companies meant that manufacturing would take place in a manner commensurate with their best interests and certainly the import-oriented manufacturing in which they began to engage at the end of the period would bear this out.

III. IMPORT-EXPORT

Within the economic structure of Gold Coast during the period from 1945-1960, what was the position of the import-export firms? We have touched on it largely already in relation to cocoa marketing board policies and the types of "manufacturing" activity which had begun to emerge by the end of the period.

It is important to look at the position of import-export activities at the beginning of the period for they played a substantial role in the emerging political consciousness leading to the quickened process of de-colonization. During the war, the bitterness between AWAM, especially the leading members of the Merchandise Agreement group, and Leventis had grown. We have already seen specific steps such as the curbing of S. Africa imports to try to defeat Leventis. Leventis in turn severely criticized the operation of trade controls and the dominant part played by AWAM in their establishment and administration. The firms accused Leventis of improper action in allocation of licenses, supplies and foreign exchange. In 1946, an official commission of inquiry was formed to examine the eharges against Leventis. The Martindale Commission, presided over by a judge of the Supreme Court, received formal complaints from members of the Merchandise Agreement group allegin that for some years licenses, supplies and foreign exchange had been allocated in favour of certain companies, Leventis being foremost among them. The Commission reported in favour of AWAM and against Leventis with a finding that corroborated the allegations of special favours.

An open and harsh campaign followed, during which documents were published discrediting both AWAM and the Martindale Commission. Those whose conduct had been questioned by the Commission wrote memoranda to the Administration questioning the regularity of the Commission. Finally a second commission was appointed with a sole commissioner, Geoffrey Sachs, K.C., Bencher of the Middle Temple. The Sachs Commission substantially reversed the finding of the Martindale Commission, labelling its findings as improper with misstatements so mush in excess of minor errors that they struck at the general reliability of the report itself. It found that Leventis had in fact received a share of restricted imports during the years in question no greater than it should have, had the policy of past performance been consistently and fairly applied.

The very open and bitter press campaign of 1947-48 with widely publicized evidence before the Sachs Commission which specified exactly how the AWAM maintained it dominant position resulted in clear exposure of the monopolistic hold of the firms and also how the administration and judiciary could be used by the firms to further their interests. There had always been an implicit assumption that this was the case. Now the evidence was clearly established and it could not have come at a time when more forces within Gold Coast were receptive to it. Inflation was rampant in the post-war economy and the shortage of goods which had prevailed throughout the war had now become acute. Imports of sugar had fallen to less than half of the 1937 figure, cotton piece goods to 35% and kerosene to 45%.[65] Soldiers returning to Gold Coast and depositing war-time payments in local banks found their savings disappear within a matter of months. The many who had looked to the transport business as a good investment opportunity found their capital disappearing on black market kerosene. Forces of unrest were to be found throughout the population and the 1948 boycott of the firms showed a general consensus in the popular consciousness of what was the root of the problem. All interests involved, the administration, the companies, the Gold Coasters themselves, had to take stock after the 1948 "disturbances" to see what future had in store.

The demands of the post-war Gold Coast population were of a new sort, voiced by the servicemen who had returned, but echoed by many looked forward to a new era in which Gold Coast would attain dominion status within the Commonwealth. Some, however, had visions of a more complete form of independence and did not see Gold Coast so closely aligned with the fortunes of Britain. With clear indications of new forces emerging, the import-export firms also began to adapt to the new situation. Their key position in the process of exchange between primary products and imported manufactures which characterized the colonial link, now began to shift. With the establishment of marketing boards, they had become licensed agents of government for produce buying and had maintained and indeed consolidated their hold on all wholesale and retail of manufactured goods in the process. The CPC had proved a somewhat ineffectual threat. Gradually, however, they began to move away from produce buying and by the time of their official departure from all produce buying in 1959, the new direction were emerging clearly.

A good example of the changing directions can be found in the history of the Swiss African Trading Company. It was established in 1943 in Kumasi as a competitive trading venture within the UAC Group, buying produce and selling general merchandise. It benefitted from war-time and post-war licensed buying activities but in the fifties began to move away from this into a more specialized range of imported commodity selling in the fields of building materials, toiletries, and business equipment and methods. This became further specialized still as the drugs and toiletries were closed and the domestic hardware division handed over to a specialized section of UAC/GBO. SAT became specialist in two lines of merchandise, one in relation to construction activities with builders' supplies and the other in relation to business, industry and commerce with a complete range of office supplies and business machines. [66] Clearly the expatriate companies were adapting to changing conditions.

The other substantial change in the operations of expatriate companies was to respon to the opportunities created by decolonization in forming a new type of market demand. The rather limited resources allocated through bureaucracies and markets in the colonial era had now expanded substantially with increased cocoa production and Africanization of the rapidly growing government service. The emergence of politics heightened the differential access to resources, for now markets, bureaucracies <u>and</u> politics all combined to form a much expanded opportunity structure. The expatriate companies were quick to seize the opportunity of catering for the rather specialized market for consumer goods created by the new, educated elite. In 1957, the Accra Kingsway Store opened, a modern department store to provide pleasant shopping surroundings for elite consumption. UAC was very clear in its own explanation of the place of Kingsway in the structure of Ghana and it was certainly not a question of acting to develop the economy. "Kingsway Stores began initially as the United Africa Company's response to consumer demand for more sophisticated products... Future development plans include the provision of more thoroughly modern branches in urban communities which have already shown by their custom a very full appreciation of Kingsway's standards of shopping and service. [67]

Ghana might not be able to produce more than a handful of manufactured commodities internally but this was no reason for those Ghanaians with resources at hand not to enjoy the best of consumer items the world of developed capitalist industry could provide.

Perhaps the description of UAC shipping activities gives away most clearly the fact that, colonized or independent, it was business as usual for the expatriate companies within the Ghanaian political economy.

A political economy once externally oriented, once structured as a dependent of another more dominant economy, cannot attain self-reliant, internally oriented economy without a major struggle to restructure. Clearly Gold Coast during the period from 1945-1960 had barely begun such a struggle and Palm Lines, even well after the period under consideration, could describe its activities thus.

> Palm Lines is a wholly-owned cargo liner company. It operates fast liner services from the U.K. and N.W. Europe to ports on the West African Coast between Mauritania and Angola. Southbound the ships carry virtually every product of European industry, from frozen foods to motor vehicles and from cosmetics to cement. They return from the Coast with the products of West Africa, vegetable oils, and seeds, timber and plywood, cocoa, rubber and minerals.[68]

The structural dependency established in the colonial era, then, prevailed in Gold Coast even after the granting of formal independence in 1957. The economic base continued to be externally oriented, with little movement towards an integrated national economy.

FOOTNOTES

1. Palme Dutte, *op. cit.*, p. 21.

2. Quoted in Bourret, *op. cit.*, p. 159

3. *Ibid.*, p. 160

4. Nkrumah gives an ironic account in *Africa Must Unite* of how Gold Coast soils were able to produce potatoes during a time of great demand from Allied forces during the war but suddenly became unable to produce potatoes after the war, at which time imports of potatoes were resumed.

5. Quoted in Austin, p. 275.

6. Birmingham, Neustadt and Omaboe, *A Study of Contemporary Ghana* (London: George Allen and Unwin, Ltd., 1966), p. 241. (Henceforth referred to as *ASCG*).

7. Crowder, *op. cit.*, pp. 469, 470

8. Bauer, *op. cit.* p. 265.

9. *Ibid.*, p. 267

10. " , p. 270

11. " , p. 269.

12. " , p. 267.

13. Bourret, *op. cit.*, p. 175.

14. Bauer, *op. cit.*, p. 284.

15. *Ibid.*, p. 284.

16. " , p. 289

17. Even this left a comparatively sizable amount to the direct producer. In Nigeria during the same period, Bauer estimates that levies siphoned off 813 of cocoa proceeds, 100% of palm oil proceeds, 118% of palm kernel proceeds and a whopping 170% of groundnut proceeds.

18. *Ibid.*, p. 301

19. Bing, Geoffrey, *Reap the Whirlwind* (London:MacGibbon & Kee,1968), p.100.
p. 307 Cocoa from Ghana and Nigeria makes up such a substantial
20. Bauer, *op.cit.*, p. 227. it was impossible to pay below commercial value to the same extent as for other produce without upsetting world market prices. This account for the comparatively better prices of cocoa farmers.

19. Geoffrey Bing, *Reap the Whirlwind* (London: MacGibbon & Kee, 1968), p. 100

20. Bauer, *op. cit.*, p. 316

21. Austin, _op. cit._, p. 70.

22. _Ibid._, p. 71.

23. Crowder, _op. cit._, p. 347.

24. Palme Dutt, _op. cit._, p. 56.

25. Quoted in Palme Dutt, _op. cit._, p. 249.

26. Fitch and Oppenheimer, _Ghana, End of an Illusion_ (New York: Monthly Review Press 1966), p. 43.

27. Quoted in Palme Dutt, _op. cit._, p. 267.

28. Quoted in Palme Dutt, pp. 238, 239.

29. Palme Dutt, pp. 240, 241.

30. Quoted in Palme Dutt, p. 242.

31. Baran, _The Political Economy of Growth_ (Prometheus Paperback, 1960), pp. 230, 231.

32. Quoted in Palme Dutt, p. 270.

33. Quoted in Palme Dutt, p. 54.

34. _ASCG._, p. 236.

35. Bourret, _op. cit._, p. 133.

36. _Ibid._, p. 133.

37. " , p. 134.

38. _ASCG_, The Data on mining in Ghana is largely derived from the discussion on mining in ASCG, pp. 250-273.

39. Bing, _op. cit._, p. 13.

40. _ASCG_, p. 266.

41. _Ibid._, p. 266.

42. " ., p. 271.

43. " , pp. 391, 392.

44. " ., pp. 232, 233.

45. Bauer, _op. cit._, p. 227.

46. Wright, *op. cit.*, p. 316.

47. *ASCG*, p. 234.

48. *Ibid.*, p. 274.

49. " , p. 274.

50. Bing, *op. cit.*, p. 144.

51. Palme Dutt, *op. cit.*, p. 244.

52. *Ibid.*, p. 246.

53. Lewis, Arthur, *Report on Industrialization and the Gold Coast* (Accra: Government Printing Department, 1953), p. 12.

54. Lewis, *Ibid.*, p. 8

55. Green, *op. cit.*, pp. 152, 155.

56. Lewis, *op. cit.*, p. 3.

57. *Ibid.*, p. 9.

58. " ., p. 16.

59. *Loc. cit.*

60. "

61. Quoted in Fitch and Oppenheimer, *op. cit.*, p. 89.

62. *ASCG*, p. 283.

63. Green and Seidman: *Unity of Poverty* (Penguin, Harmondsworth, 1968), p. 69.

64. *The United Africa Company in Modern Ghana*, p. 10.

65. Szerezewski, *op. cit.*, p. 112.

66. Austin, *op. cit.*, p. 66.

67. "The Unicorn," Vol. 17, No. 2, p. 15.

68. *UAC A Profile* (Copyright UAC 1971), p. 12.

CHAPTER IV

CLASS FORMATION 1945-1960

> For if you think that you can manage a country without letting the people interfere, if you think that the people upset the game by their mere presence, whether they slow it down or whether by their natural ingnorance they sabotage it, then you must have no hesitation: you must keep the people out.
>
> Frantz Fanon.

In Gold Coast from 1945-1960, the processes of social differentation and class formation already in evidence prior to 1945 emerged more sharply. We must now look at these processes emerging in the 1945-60 period, taking account also of their roots in the earlier history of Gold Coast Colony.

The expanding productive forces with the emergence of timber as a major export, the increase in mining interests, the widespread effect of the cocoa boom of the fifties, the increase in manufacturing and the major investments in infrastructure meant also an intensification of the processes whereby the traditional rural structures were being transformed. Subsistence producers bound to the productive forces by traditional links were rapidly becoming cash crop producers and wage labourers with production relations determined by market forces and external links rather than traditional self-sufficiency. A process of social differentiation was set in motion. Differential access to control over combinations of land, labour and capital in the production process brought about new groupings of people in structured relations within the socio-economic system. These structured relations were not static but dynamic, having cumulative effects as the forces of production enlarged, this process being further compounded by Gold Coast's position within the colonial empire.

> In analyzing the process of constituting a world economy that integrates the so-called "national economies" in a world market of commodities, capital, and even of labor power, we see that the relations produced by this market are unequal and combined - unequal because development of parts of the system occurs at the expense of other parts. Trade relations are based on monopolistic control of the market, which leads to the transfer of surplus generated in the dependent countries to the dominant

> countries; financial relations are, from the viewpoint of the dominant powers, based on loans and the export of capital, which permit them to receive interest and profits; thus increasing their domestic surplus and strenghtening their control over the economies of the other countries. For the dependent countries these relations represent an export of profits and interest which carries off part of the surplus generated domestically and leads to a loss of control over their productive resources. In order to permit these disadvantageous relations, the dependent countries must generate large surpluses, not in such a way as to create higher levels of technology but rather superexploited manpower. The result is to limit the development of their internal market and their technical and cultural capacity, as well as the moral and physical health of their people. We call this combined development because it is the combination of these inequalities and the transfer of resources from the most backward and dependent sectors to the most advanced and dominant ones which explains the inequality, deepens it, and transforms it into a necessary and structural element of the world economy.

Within the uneven and combined development of a world market of commodities, land labour and capital, the differing initial relation to the forces of production, distribution and exchange within the Gold Coast, as an owner of land or capital, as a labourer, as a merchant, as a trader, as a member of the legislative assembly, as a bureaucrat, as a teacher, meant that, within the expanding forces of production in 1945-1960, there was a differential access to the wealth being created by the expanded production forces.

We see, then, in the 1945-1960 period an intensification of the process of social class formation. What exactly do we mean by class formation? Lenin defines classes with the following formulations:

> Classes are large groups of people who differ from each other by the place they occupy in a historically determined system of social production, by their relation (in most cases fixed and formulated in law) to the means of production, by their role in the social organization of labour and, consequently, by the dimensions and method of acquiring a share of social wealth of which they dispose. Classes are groups of people one of which can appropriate the labour of another owing to the different places they occupy in a definite system of social economy.[2]

The process of social differentiation, then, is not a question simply of divisions into grouping per se. It is not a question simply of an ordering principle to distinguish gradations in society presenting a static analysis of various groups stratified according to chosen criteria It is a question of a dynamic principle of groups related to the means of production in positions of interdependence or of one-sided dependence and dominance., i.e. asymmetric relations. It is further a question of one group living off the labour of others in a structured relationship in which control over the wealth created in the production process is in the hands not of the direct producer but of the owner of the means of production. Once the means of production are privately owned, a cumulative process is set in motion which tends to spiral in two opposing directions. The more the means of production expand, the greater the disparity between the wealth of the owners of the means of production and the poverty of those who labour for them unless some strong re-distributive mechanisms intervene to alter these cumulative processes.

Within the 1945-1960 period, processes already discernible in embryonic form prior to World War II became more clear as the factors of production, land, labour and capital, were increasingly transformed from their basis in tratitional social relations to a new basis as commodities within a system of market relations. Increasing numbers of Gold Coast men and women moved from a position in which they had direct control over their own means of subsistence to a position where they depended on market relations, on the demand for labour which they could provide in return for the means of subsistence or on their ability to employ the labour of others for their own subsistence. From 1945-1960, we see the intensification of three central processes of class formation in which relations to the means of production were being transformed to relations of sellers of labour and employers of labour. These three processes were 1. peasantization, 2. proletarianization and 3. formation of intermediate strata.

By peasantization, I refer to a process whereby communal cultivators grouped in village communities under a traditional chieftancy and lineage system of authority now found themselves being transformed by the presence of a strong external market demand into differentiated classes of producers for the world market, subordinated to the market principle in the form of produce buyers for expatriate companies who presented an effective demand for cocoa beans with ready monetary payments, credit and a supply of consumer goods, and subordinated to political authorities outside their own community in the form of the colonial administration which could levy taxes and later marketing boards which could determine producer prices.[3] It was a process whereby village communities of "primitive" cultivators living in virtually self-sufficient communities based largely on kinship ties were being turned "inside out" as it were, becoming externally oriented and made dependent in various ways on external structures and forces.[4]

With this process of transition from internal to external orientation of the village communities, very great changes occurred. With regard to the manland relationship, communal ownership was maintained but within communal ownership, divided petty cultivation was occurring to an increasing degree. In addition, significant land transactions were occurring, still within traditional "stranger" customs of acquisition but again for cultivation on an individual basis for an external market rather than on a communal basis for communal self-subsistence. With regard to man-market relations, again there is a movement from the "market place" to the "market principle."[5] The "market place" is characterized by a specific geographic meeting place of buyers and sellers. The means of subsistence are acquired outside of the market place. Neither the buyer nor the producer depends on the market for basic livelihood. Neither land nor labour is transacted. The "market principle" is characterized by supply-demand pricing which determines not only commodity prices but also land and labour prices. The price mechanism functions as an integrative force to allocate resources, incomes and outputs. The movement from market place to market principle is not an even one, but once cocoa was established as a major commodity subject fully to market principles, the other factors of production began to emerge also in new degrees of subordination to the market principle as we shall see more clearly in subsequent discussion of the actual processes.

With regard to man-state relations, the process of turning "inside out" entailed subordination to political forces outside the immediate community. To use Eric Wolf's definition, this movement of peasantization is towards a peasantry defined as:

> ...rural cultivators whose surpluses are transferred to a dominant group of rulers that uses the surpluses both to underwrite its own standard of living and to distribute the remainder to groups in society that do not farm but must be fed for their specific goods and services in return.[6]

If the key determinant of peasantry is the phenomenon of access to land while at the same time subordination to social and institutional arrangements which siphon of the produce of that land from the direct producer, then clearly the increasing numbers of producers engaged in cocoa production who at the same time had little or no control over pricing or marketing of their produce within a system of combined and uneven development within the colonial empire indicates a process of peasantization within the Gold Coast.

Within this process of peasantization we can distinguish various strata. The Gold Coast peasantry would seem to exhibit comparable strata to those found in other political economies in Asia and Latin America in which traditional structures were being transformed in the process of incorporation into the world market. If we look at the various strata referred to by Hamza Alavi in his very suggestive article, "Peasants and Revolution,"[7] we find that the rich, middle and poor peasants he refers to indeed correspond to strata within the Gold Coast. This is by no means to suggest that the relations between these strata are not determined by the particularities of the Gold Coast in terms of relative abundance or scarcity of each factor or production and the particular pattern of uneven incorporation into the world market of Gold Coast factors of production. The relative abundance of land, the relative scarcity of labour, the nature of the tree crop, cocoa, as the major commodity, particularly in relation to food crop production for subsistence which could be carried on simultaneously, these together meant that the interactions between the various strata of the peasantry and between the peasantry and the world capitalist market in the Gold Coast were very different from, for example, a situation of acute land pressure or situations of agricultural production for the world market which precluded the possibility of food crops and thus brought about much accelerated processes of social differentiation.

In addition, the traditional land tenure system of Gold Coast was such that land use rights were distinct from property rights. Access to land rather than ownership of land is the determinative factor from the point of view of the individual and the rapid transition from traditional access within patterns of communal ownership to use of land in terms of individual property ownership is also distinctive feature of peasantization processes within Gold Coast.

The Gold Coast peasantry, then, included a stratum of rich peasants or kulaks, who employed wage labour, a stratum of independent peasants who basically both owned and worked their own land with family labour which are Alavi's middle peasants and a stratum of share-croppers and wage labourers or poor peasants who lived by selling their labour power for reimbursement in cash or kind without any independent access to land. What were the structural relations within this peasantry and between the Gold Coast peasantry and the state and the peasantry and metropolitan markets in the period from 1945-1960? It is to this that we must now turn our attention.

As we have indicated, there was a stratum of rich peasantry, rural land owners with access to capital which permitted them to buy cocoa land, often on the basis of primary capital accumulation from the palm trade earlier as is well documented for Akwapim, or to acquire cocoa land through traditional land tenure arrangements as was the case in Ashanti. An important sub-stratum within the rich peasantry consisted of the chiefs themselves. With the process of transformation of the Gold Coast communal cultivators into a peasantry producing for the world market, one sees also the related process of stool lands being transformed from communal to private property, and chiefs using traditional access to land as a means of gaining private property on which they then employed labour from which they came to collect profits as landlords.

We have noted previously that the initial development of cocoa came as a result of combining several factors. An external market demand was established by expatriate companies. Those with access to capital through a relation to the market in the form of sales of palm produce or sale of labour power and those with access to education through contact with missionaries, particularly the Basel Missionaries active in the Akwapim areas, were first to see the opportunities in increasing cocoa production. As Polly Hill suggests, the Akwapim were already very much in contact with the monetary economy.

> Many Akwapim men already had highly expansible sets of wants, being aware, through education, travel and contact with others, of conditions in other parts of the world. Apart from the Akwapim traders and craftmen... many of whom had originally (themselves or their forebears) been trained by the Basel Mission, there were labourers and carriers who sought jobs in connection with the Ashanti wars, on the building from 1898 of the Sekondi railway, or in the expanding coastal towns. Ministers of religion, catechists, teachers and prominent Christians generally, were among those most sensitive to the possibilities of the new crops and if the 'scholar-farmer' was sometimes derided, though usually only in public, his influence and example were profound.[8]

With expanding cocoa productivity, different initial resources quickly became part of cumulative processes and original or acquired access to land, capital, transport, seedlings, labour or education soon resulted in accumulation of wealth for some of the cocoa producers. The full range of differentiation was held back by two main factors. First, the full revenue derived from sale of cocoa beans on the world market even from the earliest days, never reached the direct producer. The exporters and middlemen took a substantial portion from the earliest years and the colonial government was also supported to a significant degree by export tax revenue largely from cocoa. The distribution of cocoa proceeds is clearly shown by the following table:[9]

DISTRIBUTION OF COCOA PROCEEDS SELECTED YEARS (percentages)

Year	Producer	Marketing Board[1]	Export Duty	Other[2]
1919...	42.0		58.0	58.0
1928...	83.0			17.0
1930...	86.0			14.0
1936...	50.0			50.0
1939-40	63.2	3.5	9.2	24.1
1942-43	46.6	24.1	8.4	20.9
1945-46	66.2	12.3	5.1	16.5
1946-47	47.4	45.7	1.9	5.0
1947-48	37.1	57.7	1.4	3.8
1948-49	87.9	(.4)	4.4	8.0
1949-50	47.1	38.4	6.9	7.8
1950-51	48.4	26.9	18.9	5.9
1951-52	60.9	3.9	28.6	6.5
1952-53	56.9	8.1	27.9	7.1
1953-54	37.5	12.5	45.6	4.5
1954-55	38.0	7.8	49.6	4.6
1955-56	66.9	(2.8)	27.9	8.0
1956-57	78.7	(12.0)	23.6	9.1
1957-58	44.1	8.0	41.0	6.9
1958-59+	48.1	9.4	35.2	7.3

1. 1939-47 West African Produce Control Board: Thereafter Ghana (Gold Coast) Cocoa Marketing Board
   (   ) indicates deficit

2. Marketing Expenses From Producer to Port Including Exporter Profits (since 1939 Buying Agent Profits) and Middlemen's remuneration.

\+ Partially estimated

Sources: Bauer, op. cit, Ghana Cocoa Marketing Board "Annual Reports" 1956-57 and 1957-58; Quarterly Digest of Statistics No. 3, 1960, Economic Survey 1959; Food and Agricultural Bulletin No. 27, November 1955.

Even with such intervention, the producer was still victim of drastic shifts in the world price for cocoa, and the unsteady market with its vulnerability to the world market fluctuations during the wars and the depression of 1929 also prevented the full development of class formation within those groups related to cocoa production. This process of class formation in relation to cocoa becomes even more complex to analyze because of the early recognition in Gold Coast that money from cocoa was to be made not so much from the direct production of cocoa but from related activities of buying and selling cocoa, transport, usury and trade. Access to land and family labour brought not nearly so much opportunity for accumulation of capital as did enough education to establish a relation to one of the companies and become a cocoa broker with its consequent trading and usury possibilities or enough capital to become a large farmer creditor making loans to the smaller farmers or buying a lorry for transport activities.

The sort of Gold Coast capitalism developing within cocoa production was that of underdeveloped capitalism or the peculiarly distorted capitalism of amalgamating pre-capitalist relations of production to monopoly capitalist relations of exchange. There was nothing of the so called capitalist creativity in which Gold Coast labour power applied to the natural resources of the Gold Coast could result in accumulation of capital which could be reinvested and which in turn would raise the productive capacity of the economy. The accumulation of surplus from increasing cocoa production was expended not according to the classic choices of conventional economy, i.e. consumption or investment in expanding means of production, but instead was drained from the country by colonial interests. Or perhaps it is more accurate to say that the classic choices did apply but not within the Gold Coast. The export companies did indeed choose. UAC and John Holt had to make choices between higher salaries for British employees of their companies, higher profits to British share holders, further investment at home in British industry which used the raw materials or provided the merchandise for trading activities in Gold Coast or further investment in the colonies themselves. Often they did opt for increased investment in the Gold Coast, and not surprisingly so in view of the rate of profit to be made from investment in the colonies compared to rates of profit within Britain itself.[10]

The colonial administration supporting "development" in the colonies by private investors also took a substantial portion of the cocoa profit in export duties to support the expenses of colonial administration and to construct the necessary infrastructure to support further mining and agricultural exports and increased commerce.

Meanwhile the Gold Coast producer was left with only a fraction of the proceeds actually derived from cocoa sales. What little remained had to be spread over increased land acquisition, labour payments, agricultural tools, education and food, clothing and housing. Expenses for traditional social obligations were made even more pressing by the dependence on family labour for continued cocoa production and dependency on customary rights and duties for access to land. The production of staple food stuffs like plantain and cocoyam as cover-crops for cocoa seedlings and the abundance of the forests in snails and wild game supplied some of the elementary food needs. However, the use of labour in cocoa production instead of in traditional crafts and food processing also brought additional expenses. Most important, the sustained contact with market forces, plus European administrators and missionaries, resulted in strongly implanted values being placed on imported commodities. As a result, a large part of cocoa income was spent even in the earliest years of cocoa production on imported consumer items such as milk, tea, coffee, flour for bread, sugar, kerosene, motor fuel, cigarettes and above all, cloth, iron sheets and cement. The following table shows clearly the patterns that were established:[11]

Imports of certain commodities in the Gold Coast 1899-1951

	1899-01	1909-11	1919-21	1929-31	1935-37	1951
Cotton piece goods (£000's)	289	471	2,121	1,142	1,726	10,787
(m. sq. yd.)	16	22	25	31	65	83
Wheat flour (000's cwt.)	27	49	58	205	154	501
Sugar (000's tons)	0.8	1.6	1.5	4.8	6.2	14.7
Cigarettes (m.)	-	20	125	159	214	811
Cement, including lime (000's tons)	-	-	19	43	64	222
Motor fuel (000's tons)	-	-	4	20	23	75
Kerosene (000's tons)	2	3	5	11	11	23

Note: Some of the figures for the earlier years are estimated, chiefly from value figures on the basis of export prices from the supplying countries.

Within a mode of production that was shaped by combined market relations and traditional social relations and with only a fraction of the cocoa proceeds reaching the producer, it is not surprising that the process of differentiation did not result immediately in a strong class of Gold Coast capitalists who could compete with the foreign capitalist interests. The growth of a strong national capitalist class was stunted and Gold Coast entrepreneurs were instead limited to a petty bourgeois stratum of store-keepers, petty traders, transport owners and, of course, the full range of middleman and usurer activities, although it should be added that these too were kept somewhat in check by the ingenious family patterns of financial backing.

To suggest that there was no formation of a strong class of national capitalists is not, however, to suggest that there was no differentiation amongst those related to cocoa production or that it is possible to see cocoa producers as an undifferentiated mass of peasant producers. By the post-war period, the emerging differentiation had become more sharply delineated. Most of the cocoa lands were acquired and/or planted with cocoa seedlings during the pre-war period. The pattern was to buy not just one piece of land but several, the proceeds from cocoa being rapidly reinvested in further acquisition of land. Land was bought both as the crucial production factor for cocoa but also for speculation. Higher cocoa incomes were immediately reflected in increased land purchases. Many cocoa farmers bought ahead of their current requirements, seeing land as a safe investment, an insurance for future offspring, or even an item of conspicuous consumption. With few alternative outlets, it was a sure and attractive means of investing capital. Also many with other employment bought land for cocoa farming and it was common from earliest times to find catechists and teachers buying cocoa land which was then entrusted to a wife or male relative or hired caretaker.

Polly Hill's richly detailed studies of Akwapim cocoa farmers reveal clearly the complex patterns of land acquisition made possible originally by customary right, inheritance or accumulated capital but consequently changing hands through even more complex patterns of inheritance, re-sales, litigations and creditor-debtor pledging arrangements. We see exactly how the web of family and kinship relations that initially provided a basis for labour became transformed over time into class relations with one class living off the labour of others with little mediation by traditional structures remaining.

An 83 year old Akropong farmer with 12 cocoa farms gives the following account of his cocoa acquisitions and we see the rich peasant stratum emerging.[11]

> Creditor-farmer aged 83. Original source of wealth was (i) a large land bought by a matrilineal forebear near Yaw Koko, well before 1900, much of which was resold to Ga farmers; (ii) inher. land at Awawso; (iii) 42 acres at Trayo...bought at an auction, 2 sons there as farmers; (iv) 11 acres near-by Obomofo-Densua bought from a Shai farmer... (v)-(vii) 3 lands near Kraboa-Coaltar

> bought second hand from Akropong and Mampong farmers; (viii) Kokoso, west of Suhum, bought second-hand from Akropong farmers; (ix) Ayiribe, north-west of Oda, bought large land alone direct from chief for £600, resold much to others, no good for cocoa; (x)-(xii) Oworam area (near Asamankese), all bought as farms from Akim farmers, one cost £700. He said that he had wives living on most of his lands, but that he had divorced one of them because she had refused to go and live at Oworam. In the old days before swollen shoot, many more farms had been pledged to him; when the swollen shoot came he had, unsuccessfully, resorted to litigation to reclaim the money owing to him.[12]

A case history from Larteh, another major town in cocoa acquisitions, shows the limitations on the Gold Coast cocoa producer in reinvesting his profits apart from land and the constraints of formation of a strong rural bourgeoisie.

> Speaking on behalf of the descendents of her grandfather who had been one of those who had acquired land at Mmetiamu and had subscribed towards the building of the bridge, this woman said that he had been a trader in palm produce at Ayikuma and that he had bought the Mmetiamu land only. 'He assisted many other farmers to buy land.' He bought no other land partly because of his aspirations, which were frustrated, to become a mine-owner. He was also (though not for long) a cocoa-shipper.[13]

A typical Mamfe owner of six lands illustrates well the access to land resulting from previous capital accumulation and patterns of land speculation and creditor activities:

> The farmer died about twenty years ago and information given by daughters etc. (i) land near Tinkong bought with money obtained from carpentry and trading in palm oil; (ii) Trayo (near Nankese)... bought share I, 274 acres, resold about half; (iii) bought another vast area near Adakwa (near Suhum), again reselling much to others; (iv) near Potroase; (v) near Twifo Praso, bought through Mamfe company; (vi) another land near Twifo Praso, NYP. A large creditor-farmer - 'he assisted the Mamfe farmers with loans.'[14]

In Ashanti and Brong-Ahafo, the situation was somewhat different in that the cocoa production was not the result of large-scale migrations so much as an intensification of cultivation by the Ashanti and Brongs of their own traditional land once a market for cocoa was established by rail communication from Ashanti to the coast and by roads to Kumasi from the surrounding area. The need for capital for land acquisition was not a factor, therefore, although capital for additional labour was soon important. E.R. Bray's study of cocoa production in Ahafo, West Ashanti, indicates a rapid progress from small 2-3 acre clearings by families to much larger yearly clearings of 5, 10, 15 and even 20 acres with the aid of additional paid labour as a rapid concomitant of this phenomenon. His survey of a number of Ahafo villages indicates a multiplicity of plots per farmer.[15]

Village or Centre	Number of Farmers	Number of Plots Total	Bearing	non-bearing
Dadiesoaba	18	143	79	64
Gambia No. 1	77	59	26	33
Gambia No. 2	22	208	117	91
Kukuom	16	152	98	54
Mim	17	188	118	70
Nkasaim	23	253	171	82
	103	1,003	609	394

The rapid multiplication of "strangers" to farm cocoa on Ahafo lands is documented by Bray but his accout of their origin and their manner of acquisition and land tenure seems somewhat unclear, perhaps mainly in comparison with the unusually rich documentation of Polly Hill's work in southern Ghana. At any rate he seems to suggest little of the modification of southern Ghana in terms of company and family land purchases in Akim and much more continuity with the "stranger" requirements in Ashanti customary law. The stranger first approaches the chief with some form of customary salutation, usually in the form of drinks, in hand. He then gains tenure in return for agreed upon payments in cash or kind including often a share in the developed farm. In West Ashanti, the strangers generally received two-thirds and the chief one-third of the wealth of the newly created farms. This one-third payment gave permanent usufruct right over the land and heirs were not obliged to repay when land was handed over to them. As land pressure increased, local chiefs demanded greater amounts or more carefully delineated boundaries, particularly when a "stranger" continued to acquire more and more land. If the land was to be re-sold by the "stranger" he must have the consent and approval of the chief. One-third of the proceeds of the sale again go to the chief. As one of the interviews in West Ashanti recounts:

> So, in addition to an initial payment and as a further consequence of his inferior status, the stranger farmer should pay each year a sum for the "buying" of the right to farming land. 'This depends on the yield of the farm and is considered as interest (i.e. rent) on the land... First, messengers visit the farms of stranger farmers during the peak of the cocoa season and when they have seen the size of the yield, they demand some amount from these farmers. Once this amount to be paid is agreed upon, it becomes a yearly amount to be paid."[16]

Also patterns of labour employment developed early with equally distinctive characteristics distinguishing it from any conventional notion of labour employment either on feudal basis or a wage basis. Usually labour was employed only after immediate family and extended family labour potential was exhausted and, more important, only after the land itself was producing enough to support the recompense of that labour. Even those entering cocoa farming with large capital resources tended to expend their capital on land acquisition with labour payments more often paid as a share of the crop or access to the land acquired. On first employment, the labourer, often himself an aspirant cocoa farmer, was allowed to "use" all cocoa from the young farm on condition that he assist the farmer in establishing new farms. As yield increased, the portion available to the labourer decreased to the "abusa" share of one-third of the crop and later still, with further increasing yield, to the nkotokuano rate of a fixed sum per load which would amount to less than one-third of the total yield. The labourer harvesting the cocoa was paid on a piece work rate from the proceeds of the farm at the time of the sale of produce. The owner could devote more time to the management of new farms while the tasks of plucking and weeding became more the tasks of labourers. As the labour force became more established, a new type of family labour, that of the wives and children of labourers, largely superceded the old one. Labourer families became established in the cocoa areas with their own cocoa farms, food crops, houses and petty trading activities. These caretakers were in a pseudo-owner position. Here we see a merging of poor and middle peasantry, the movement from poor to middle depending on cocoa prices and general cost of living in any given season.

A position more close to that of the classic seller of labour power is that of the annual labourers, employed for work mainly on new farms. These are paid according to time over regular working hours and generally undertake all tasks allocated by the farmers. They do not bring their dependents with them and have to be maintained completely by the farmer with clothes, working tools, and money for meat and fish if food is not supplied. In addition farm labourers on a contract and daily basis are employed for specific tasks of clearing, weeding etc. The early labourers in Southern Ghana from Shai and Anum-Boso were often able to set up their own farms. Later, Ewes came to supply the bulk of the labour force but few of them have become farmers in their own right.

The numbers engaged in cocoa labour, their origin, their alternative possibilities and their conditions of labour are in need of much careful analysis, much more than a broad study of this nature can attempt. The use of non-family labour is not well documented and what data exists is full of discrepancies and contradictions. A survey of cocoa labour in 1951-1953 in [illegible] by the Labour Department found 3,391 farmers employing a total of 30,676 non-[illegible] labourers, though Tony Killick who has done more recent work on cocoa suggests that this is almost certainly exaggerated. [17] Bray himself in his studies in Ahafo found 104 farmers, 337 family workers and the estimates of non-family workers engaged as caretakers and labourers varying from 651 to 816.[18] The 1960 census finds in Ghana as a whole a total of 312,510 cocoa farmers, 90,840 family workers, 50,080 caretakers and 68,920 labourers. The fact that this census data is derived from enumeration during the month of March, however, means that the results are of little benefit since this is an off-season period during which migrant workers coming only for the cocoa season would not appear in the estimates at all.

As to the origins of cocoa non-family labour geographically, the data available also is somewhat scanty. Clearly the forest area acts as a force for drawing migrant labour into mining and cocoa activities from neighbouring French colonies and less developed regions of Ghana. The very development of cocoa production has, as one of its consequences, the inducement of underdevelopment in the other regions of the country. The absence of an obvious cash crop in the non-cocoa regions, the lack of research and infrastructure, the remoteness from the transportation and communications network and the quickly established "tradition" of migrant labour result rapidly in processes of uneven development which consolidate into patterns whereby one region becomes supplier of labour for another. For example comparable ecological conditions to those which make Northern Nigeria a resource for substantial groundnut production exist also in Northern Ghana which remains substantially isolated from economic development since, during the colonial era, its incorporation into the money economy was as a supply of cheap labour. Comparisons of yield per acre in Ghana with other parts of Africa and the world indicate that groundnut production in Ghana at 419 lb. per acre is well above an African average of 255 lb. per acre or a world average of 381 lb. per acre.[19] Interestingly, it is in the North that iron deposits have been found, a key resource for real internally integrated development, but the "traditional" relegation of the north to a position of supplier of labour in the export-oriented structures imposed on Gold Coast makes such a key natural resource only a very recent discovery.

Within the poor peasantry, the main suppliers of labour, then, were the eastern part of Gold Coast and Togo plus the Northern Territories. In the 1951-52 survey of cocoa labour in Ashanti there were some 10,000 labourers engaged in annual, half-year and care-taker contracts. Of these, 18% were from Gold Coast Colony including Togoland, 38% were natives of Ashanti and 44% were from the Northern Territories. In the Ahafo area itself, a study by Polly Hill of Hwidiem revealed 142 abusa labourers, of whom 101 were from Northern Territories, 35 from Ashanti and 4 from the Colony.[20]

A discussion of labour in cocoa production would be incomplete without at least passing reference to the fact that, although cocoa may account for the predominant portion of labour power of a substantial number of the population, there is, in fact, a very low degree of labour specialization within the mode of cocoa production. Polly Hill's studies indicate that some 40% of the cocoa farmers studied had some other significant work off the farms, usually within the trading and distributive system. A 1956 study of Nigerian cocoa farmers indicates patterns that are also to be found in Ghana.

> In every areas nearly every male works on the farms and nearly every female spends much of her time in household tasks. In every area the majority of the women engage in the processing of palm-oil, palm-kernel, gari, or other products and most of them also trade in the processed products: others trade in imported goods and other commodities which they have not themselves prepared. The number of men trading is comparatively small but the number of women who give some help on the farms is large in all areas... a fair proportion of the men spend some time on building or repairing houses; about a fifth practise some craft or home industry; and nearly one-sixth are engaged in public administration, teaching, or some other service. Nearly one woman in seven is engaged in laundry work, hair-dressing, or some other service.[21]

Bray's work in Ahafo very much substantiates this picture for Ghana, where he estimates that approximately half of the cocoa farmers had supplementary occupations, including those of kente weaver, palm-wine tapper, pupil-teacher, corn-mill owner or fetish priest. His survey included 14 men who were cocoa fators or receivers for the buying firms. The amounts handled varied from 10 tons on the part of the forest buyer to over 200 tons in the case of the broker and supplementary earnings from cocoa buying and selling varied from £10-15 to £400.[22] Also most cocoa farmers engaged in at least some sales of food crops.

The exact nature, extent and implications of indebtedness among the cocoa producers is another problematic issue which must be at least touched upon but certainly cannot be considered with the fullness it deserves. Polly Hill seems to minimize the importance of rural indebtedness, suggesting that from earliest days almost all farmers were either creditor farmers or debtor farmers but that this was more to be understood as a system of farm financing than as the type of usury common to peasant agriculture in other parts of the world.

> In general, creditor-farmers are not a class apart - and, there are nearly as many creditor-farmers as debtor-farmers (farmers who have pledged their farms). Nor are debtor-farmers a special class either, for contrary to general belief it is not so much the most poverty-stricken farmers who pledge their farms, as those whose security is reasonably good - farmers who will continue to live on their unpledged farms and thus not embarrass their creditors.[23]

Bray cites a 1945 survey that indicates that over half the farmers were indebted, the most common sources of loans being other farmers and cocoa brokers, the most common reasons for loans being payment of labour, building, maintenance of farms and litigations. In Akokoaso, Becket also found nearly two-thirds of the cocoa farmers indebted and the extent of debt seemed related to earning capacity, a large-scale farmer being more credit-worthy than a small one. Local farmers and relatives were the most important sources of loans and these were closely related to family and company relations and often functioned more in terms of an older, established farmer helping a younger one. Bray suggests that money lenders charged 40% for debt servicing but were not generally an important source of credit. His survey of indebtedness reveals only £2,725 of the total indebtedness of £26,504 owed to money lenders as compared to £18,013 to local farmers or relatives,

£160 to Co-op Societies and a further £1,625 to the CPC.

The practice of pledging farms took many forms. Sometimes the creditor took over the farm for a period of years or sometimes a portion of its profits against repayment of principle and another proportion against payment of interest. Normally even default in repayment did not lead to forfeiture of the farm under customary law and sometimes decades later relatives paid off the debt and reclaimed the land.

Bray suggest that the situation in Gold Coast of rural indebtedness was unlike that of peasant societies elsewhere in part because the main source of peasant loans was from seasonal lending by the expatriate buying firms.

> The reasons for this state of affairs that debt is not a serious problem, surprising to one who is familiar with peasant indebtedness in other parts of the world, are to be found partly in the methods of seasonal lending by expatriate firms, which has the effect of keeping the farmer out of the hands of money lenders as far as his short term requirements are concerned, and partly in the structure of farming in the rural areas.[24]

The network of cocoa factors and buying stations, then, competed for produce but were able to assure themselves of a portion of the crop largely in proportion to the advances they were prepared to make to the cocoa farmer. It goes without saying that this also served to ensure that consumption goods and building materials desired by the peasant farmer were also bought from the same company. A firm hold on the rural farmers, then, was early established.

The situation of indebtedness became acute with identification of swollen shoot disease immediately prior to the war and its rapid spread throughout the war and post-war period. Without an active campaign against swollen shoot, the whole cocoa industry was in jeopardy. Once it was established in 1941 that cutting out of the diseased trees was an effective method of control, the colonial government, through the Division of Agriculture, attempted to persuade cocoa farmers to cut out their diseased trees.

> The answer propounded by the expert who advised the officials was the cutting down of the infected trees, but to all but

> the most enlightened farmer (and he was not easy to find in 1947) the cure was worse than the disease. An infected tree was likely to be still bearing healthy pods, and might do so for two more crop seasons; to cut it down meant an immediate total loss. Yet the government was bound to act, and when persuasion was found inadequate it turned first to compulsion and then to direct action; when a farmer refused to 'cut out' the diseased trees on his farm, legislation was used to compel him, and when this too was ineffective, the authorized the Agricultural Department to employ gangs of labourers whether the farmer agreed or not. By the end of 1947, despite the fact that 2½ million had been destroyed of the total number of 400 million trees, it was estimated that there were nearly 45 million more infected, and that the rate of spread was a further 15 million a year.[25]

It was difficult to persuade those farmers with a long-term interest in a farm to take the necessary steps of cutting out the diseased trees which still had bearing potential. It was, however, impossible to persuade creditor-farmers with pledged farms to which they were related in a much shorter time perspective of the value of cutting out for the sake of the future the very cocoa-bearing trees which were to have provided repayment of their loan in the immediate future.

Some data on the incomes of cocoa farmers and cocoa labourers in the late fifties are available from Bray's survey. Cocoa farmers in a prosperous town such as Hwidiem might average 211 loads whereas Mim and Nkasaim averaged only 150 loads. At £3.12 per load, the cash income from cocoa could range from £180-£540 after paying the abusa. [26] The remuneration of annual labourers was much less than that of the abusa. In 1956-57, Bray indicates that the annual rates were from £10 for the least experienced to £30 for the most experienced. In addition, the farmer was required by an existing wage ordinance to provide for his annual labourers working materials including cutlasses, farm clothing and cover cloths as well as food, lodging, soap, salt and medical expenses. Often travel on leave was also paid with the understanding that the labourer would bring back with him other needed workers. [27] The contract and daily rated labour was at a lower rate again, in part determined by supply-demand and in part by skillful bargaining. Daily rates were generally 2/6 or 3/ per day plus food for clearing and brushing operations but as much as 10/ to

15/ per day for felling large trees. Usually advances were made during the course of the work and payment made on completion. Apparently, if payment was delayed until harvest time, an additional premium was added, often as high as 40%.[28] Clearly, then, income from cocoa was not distributed equally but varied considerably according to one's function in cocoa production.

An interesting attempt to further clarify income distribution within cocoa production is that of Kupriyanov. He suggests that the most telling indicator of differentiation within cocoa production is not so much the degree of labour specialization or even the size of farms since land holdings are often in the form not of large holdings but of a series of small holdings. He suggests that the most revealing indicator of differentiation is in terms of quantity of cocoa beans sold and attempts to document this in his study of Akokoaso. Using data from an earlier study by W.H. Beckett in comparison with his own data from 1961-62, he shows the process of differentiation in Akokoaso.[29]

CLASSIFICATION OF THE AKOKOASO COCOA-FARMERS
ACCORDING TO THE QUANTITY OF THEIR PRODUCE

Category of the farm	Number of farms		Percentage to the total		Quantity of produce (loads)		Percentage to the total	
	1932-35	1961-62	1932-35	1961-62	1932-35	1961-62	1932-35	1961-62
Producing up to 20 loads	123	195	61.2	68.2	-	1348	20	21.3
Producing from 20 to 50 loads	57	66	28.4	23.1	-	2113	35	33.6
Producing over 50 loads	21	25	10.4	8.7	-	2836	45	45.1
TOTAL	201	286	100	100		6297	100	100

The quantity of cocoa produced by the three categories of farms remains the same but the number of farms within the categories changes considerably. Small farms producing under 20 loads of cocoa beans increase from 123 to 195 and now account for 68.2% of the total farms as compared to 61.2% 30 years earlier. Thus there is an almost 60% increase in the number of small farms, within the total increase of farms from 201 to 286. Family inheritance patterns result in subdivisions of holdings. (The number of farms producing less than 10 loads exactly doubled from 71 in 1932-35 and 143 in 1961-62). Undoubtedly also mortagaging of farms or outright sales of portions of land accounted for further subdivisions.

Meanwhile those farms producing over 50 loads increased numerically from 21 to 25 and account now for 8.7 of the total farms in the area as compared to 10.4 earlier. In the middle range of farms producing 20-50 loads, there is a percentage decline of 28.4 to 23.1 per cent of total farms. What this means is that in 1932-35, 61.2% of the farms produced 20% of the cocoa sold and 10.4% of the farms accounted for 45% whereas 30 years later, 68.2% of the farms produced 21.3% of the crops and 8.7% accounted for 45.1% of the cocoa sold. Clearly impoverished small holders were increasing whereas the few large holders were becoming increasingly concentrated.

The following table compiled from Polly Hill's findings in the 1950's makes the picture more clear. The survey conducted in 1954-55 covered 10 villages and a total of 483 farmers including 2 villages and 70 farmers in Volta Region, 2 villages and 102 farmers in Eastern Region around Koforidua,an area severely affected by swollen shoot, 3 villages and 167 farmers in Ashanti and 3 villages and 144 farmers in Ahafo.

Size, Income and Labour Employed in Cocoa Farming

	Loads	Net income[a] or 50 shill. per load	Size of farmers	Number of Farmers	%	Share of Production (Percentage)	Example of Labour Employment by individual farmers.
Middle Peasants	20	£50	very small	130	27	7	
	20–40	£50–100	small	136	28	16	
Rich Peasants	40–80	£100–200	middle	100	20	19	2 abusa * (farmers own sono); 3 annual* 4 annual; etc.
	80–100	£200–500	large	83	17	33	6 abusa; 3 abusa etc.
	100	£500	very large	34	7	24	10 abusa; 15 abusa 11 annual; 9 abusa; 10 abusa; 6 abusa 15[a] abusa, 15 abusa 9 abusa; 5 abusa; 8 abusa 9 abusa ; 4 abusa 7 annual; 3 annual etc. 7 annual;etc.

Poor Peasants

Notes: a) Seventy per cent gross income

Source: Adapted from Roger Genoud, Nationalism and Economic Development in Ghana [30]

Poor peasants

The pattern of differentiation here is striking. The middle peasants working their own land account for more than half the farmers surveyed (55%) but account for only 23% of the cocoa produced. The rich peasants account for 44% of the farmers but 76% of the cocoa produced. Almost a quarter of the cocoa produced is accounted for by the 7% of very large farmers on farms producing more than 100 loads with income of more than £500 as compared to middle peasant incomes of less than £100. Data concerning labour on these large farms is very scant but would seem to indicate that very large farmers employed 4-18 abusa labourers, large farmers from 3-6 abusa as well as annual and daily rated workers.[31] The total number employed by the 127 rich peasants in the sample is unfortunately not indicated.

The stratum of rich peasantry, then was related to the production of cocoa by means of ownership or access to land and the employment of capital as remuneration for the labour services of others. They were thus related to the stratum of poor peasantry who laboured for them either on the basis of remuneration in cash as wage labourers or in kind as share-croppers under abusa or nkotokuano systems. We see here clearly the nature of the process of class formation. The traditional system of abusa is adapted to cocoa production for the world market but the expanding forces of cocoa production soon transform social relations of production based on traditional patterns into exploitative social relations of production. The abusa system which traditionally gave access to stool land to non-stool members in return for one-third of the produce which went back to the stool, over time was transformed into a totally different system. The "stranger" now became a cocoa labourer who worked the land not with payment of one-third to the stool but, in an interesting reversal, with payment of two-thirds to the individual land holder who might be himself a chief or might be holding land under traditional tenure relations. One owner with one abusa labourer and three wage labourers soon became one owner with 5 abusa labourers, 15 wage labourers and the process of differentiation had begun in earnest.

We have seen already that the structural relations within the peasantry were not limited to those between the rich and poor peasants but also included relations between the rich and middle peasants. The middle peasant depending as he did on working his own land without access to the labour power of others found himself directly dependent on changing producer prices for cocoa for his livelihood. There were no alternative activities on which to fall in a year of low prices or poor harvests. In years of poor prices, the middle peasants had to turn to the rich farmers for credit, often pledging their farms as we have noted above. There was much movement back and forth between the middle and poor peasantry caused by fluctuating producer prices, particularly in the years prior to the marketing board when periods of cut-throat competition were interspersed with price rings leaving the peasantry in a most disadvantageous position.

The process of peasantization included also the food crop farmers, although again their full incorporation into market relations was mediated by several important factors. First, the peasantry engaged in cocoa production could, by and large, maintain a high degree of self-sufficiency in food production by inter-cropping on cocoa farms and by private plots which were part of the conditions of labour even for the poor peasantry, this being feasible in a situation where land pressure was by no means acute. Secondly, the rural areas of Gold Coast, as well as the urban, were incorporated into the metropolitan markets not only as producers of cocoa but also as consumers of imports including food. Milk, tinned meat, sugar, flour etc. were early established as basic trade commodities in return for cocoa beans and thus food farmers were not drawn into market relations by an increased demand from export crop farmers for food. The marginality of non-cocoa producers places them basically as a strata of independent producers caught structurally in a situation of absence of credit and marketing facilities and of capital resources, with little withholding power in the face of uncertain and fluctuating demand resulting in a situation of stagnation of agricultural productivity. In a real sense, their incorporation into the peasantry was the opposite of that of the cocoa farmers. For the cocoa producer effective demand was supported by ready markets, credit facilities and availability of consumer goods. For the food producer, there was instead competition with food imports, no credit, uncertain markets, poor prices, and thus a situation of incorporation on disadvantageous terms which precluded any alternative while at the same time denying any real opportunity.

The process of peasantization, then, meant a breakdown of groups. of communal cultivators into classes of labourers and employers of labour, the labourers subordinated increasingly to market forces and also to social and political forces which institutionalize the siphoning off of the product of their labour. In the Gold Coast the siphoning did operate at both the political-administrative level and directly at the market level. The colonial administration was the external force that siphoned off the surplus product. We have seen already the taxation measures introduced by the colonial government as early as 1917. These export taxes continued and increased greatly at times of high world market prices, providing the main basis of revenue for the colonial administration. They were a direct imposition by the colonial administration made possible only by the subordinate position of the Gold Coast peasantry. We have discussed already the further institutionalization of this siphoning off process through the colonial marketing boards so that the siphoning off process became much more intense as the volume of cocoa being produced increased. The other aspect of this siphoning off process is directly through the market and through the process of unequal exchange. With incorporation into an international division of labour within the colonial empire, Gold Coast producers of primary produce were confronted with a sellers market where their own bargaining power was minimal. The institutionalization of unequal terms of exchange, established long before 1945, heightened after the second world war. The difference between the value of the cocoa produced measured in hours of labour input (particularly as compared to hours of labour input in manufactured goods exchanged for cocoa) and the value received formed part of a larger pattern of unequal exchange and made the siphoning off process from the Gold Coast peasantry one of much greater magnitude.

The second major process of class formation within the Gold Coast from 1945-1960 was the process of proletarianization. By proletarianization, we mean a process whereby Gold Coast men and women were moving from a situation of self-sufficient control over the means of their own subsistence to a relation to the forces of production as sellers of labour, their means of subsistence becoming dependent on remuneration for labour in cash or kind. It is clear from the preceding discussion that the process of peasantization and the process of proletarianization form a complex whole in the overall transformation within the Gold Coast towards a mixed pre-capitalist and semi-capitalist mode of production, unevenly incorporated into the capitalist world market. The rural wage labour stratum of the poor peasantry is also, by strict definition, part of the proletariat i.e. related to the production system solely by the sale of their labour power. Their situation, however, of continued access to land both in their own traditional areas and even in the area of cocoa production for their own subsistence alters their situation. Also their involvement in a structure which institutionally siphoned off the surplus links them firmly with the peasantry.

Prior to 1945, the wage labour force was confined to a rather limited range of activities. The mining sector provided opportunities for wage employment as did also the expatriate companies. The colonial administration was the other main source of wage employment and colonial administration as well as social and physical infrastructural developments provided employment to growing numbers of clerks, artisans, construction workers and teachers, to mention but a few of the major groups. The increase in the process of proletarianization was largely in the growing towns and cities. From 1945-1960, there were marked changes in the number of Gold Coast men and women who left agricultural activities to seek employment outside of the rural areas as part of a wage labour force. It is impossible to give a precise indication of the numbers involved for the statistical data available is by no means comprehensive. An attempt is made in <u>A Study of Contemporary Ghana</u>[32] to define pre-industrial activity as any activity being carried on within the social framework of traditional society, without causing the disintegration or radical transformation of that society, and on the basis of individual or family labour without large-scale incidence of wage labour. In contrast to this, the "industrial" sector is identified as that employing wage labour living in urban, non-traditional society. The activities of agriculture, forestry, hunting and fishing and commerce which is dominated by petty trading, are taken as representing the pre-industrial sector and the remainder the industrial. On what the authors themselves admit to be a rough and ready basis, the 1960 census indicated some 70% of employed males and 86% of employed females were engaged in the pre-industrial sector as compared to the 1948 population census which indicated 75-80% of adult males engaged in the pre-industrial. A comparison of pre-industrial and industrial employment in the more urban areas between 1948 and 1960 is also possible thanks to detailed information gathered in the 1948 census in the areas of high enough literacy for the population to fill in its own census forms. [33]

INDUSTRIAL DISTRIBUTION OF URBAN EMPLOYMENT IN SELECTED INDUSTRIES
1948 and 1960

Industry	Per cent 1940	Per cent 1960
Agriculture, forestry, hunting fishing	25	19
Mining and Quarrying	6	3
Manufacturing	13	15
Construction	3	8
Commerce	33	31
Remainder	20	24
TOTAL	100	100

Here, then, the pre-industrial sector accounts for 58% of urban employment in 1948 as compared to 49% in 1960. Industrial employment increased from 22% in 1948 to 24% in 1960 in the literate areas.

The statistics give only a very rough idea of magnitudes involved and, in fact, define pre-industrial and industrial in a manner that does little to clarify the process of proletarianization. It includes under pre-industrial the sector of forestry which, as noted above, included a substantial and growing wage labour force. It does not take into consideration the significant part of cocoa labour which was engaged on a wage basis. Even more important for our argument, it included trade in pre-industrial activity despite the fact that this trade was largely in imported industrial commodities and was an important aspect of the uneven incorporation into the market economy. In addition, the trading sector neither employs nor sells labour power but belongs to an intermediate sector. The data does give some idea , however, of the movement from self-sufficiency to wage labour.

Growing urbanization gives another indication of this process away from rural independent producers in villages towards wage labour in towns and cities. The shift of population within the various regions between 1948 and 1960 clearly indicates the trand. [34]

URBAN POPULATION AS PERCENTAGE OF REGION

REGION	1948	1960
Accra C.D.	63	80
Eastern	10	20
Central and Western	20	27
Ashanti	14	25
Brong Ahafo	2	16
Volta	5	13
Northern and Upper	4	8
Ghana	13	23

SOURCE: Adapted from Killick, ASCG, p. 132.

During this period, the average annual rate of growth of urban population was over 9% while the growth rate in the rural areas was only 3% [35]

The population growth of the capital, Accra, increased from 148,000 in 1948 to 416,000 in 1960 while a regional capital like Koforidua increased from 34,000 to 54,000. Even Kumasi, in the heart of the richest cocoa producing area during this period, shows a remarkable movement from village to city with growth from 82,000 to 218,000 in the 12 year period. One gains a clearer picture of these processes from the following table.[36]

POPULATION BY BIRTH PLACE, LARGEST TOWNS, AND WHOLE COUNTRY GHANA 1960
(percentage distribution[a])

	This locality	Another locality in same	Another region in Ghana	Another African country	Country outside Ghana
Ghana	38	21	12	8	0
Large Towns					
Accra-Tema	46	4	33	15	2
Kumasi	39	19	30	12	1
Sekondi-Takoradi	31	35	18	14	1
Tamale	59	19	16	6	0
Koforidua	44	24	21	101	0
Cape Coast	65	16	14	5	0
Oda-Swedru	60	12	18	11	0
Tarkwa-Aboso	22	41	21	15	0

a Percentages do not always add up to 100 to rounding

b Localities are nucleated settlements but the above consist usually of one large locality plus some smaller peripheral localities; regions are those at the time of the census.

Kumasi population increased by 181% during this period or three times the national population increase of 63% and the increased population consisted of 58% from Ashanti region itself and a further 30% from other regions. Takoradi which increased by 167% from 82,000 to 118,000 was composed of 65% with origins within Western region and a further 18% from other regions in Ghana.

Within the process of proletarianization, we can identify two

main strata. The first is that of non-Ghanaian migrants who came to Ghana seeking wage labour. Togolese, Nigerian and Upper Voltan migrants are most numerous, making up four-fifths of the immigrants entering. In the 1948 census, the number of foreign born was 181,000 while by 1960 there had been a 20% increase to 560,000. Non-Ghanaians made up more than 8% of the total population by 1960.[37] Contrary to the popular notion that most migrants from neighbouring African countries are engaged solely in agriculture and mining, the patterns of the 1960 census indicated that West African migrants were engaged as follows:
Agriculture, forestry and fishing - 48.8%, Commerce - 14.8%, Services - 9.9%, Manufacturing - 7.7%, Mining - 7.2% and Construction - 7.0%.[38]

The other stratum of the emerging proletariat was made up of movement from village to towns by Ghanaians themselves. From 1942-1960, the general population increase in Ghana was 63% while the population increase was, as we have noted above, 181% in Accra-Tema, 167% in Kumasi, 140% in Takoradi and 105% in Oda-Swedru.[39]

> An analysis of urbanization between 1948 and 1960, with various assumptions about the accuracy of censuses and the increase of various sectors of the population, suggested that the natural increase of the 1948 urban population accounted for no more than one-quarter of town growth during the succeeding twelve years. One-fifth was probably explained by foreign immigrants, mostly from Nigeria, Togo, and Upper Volta, and their natural increase. But over half the growth must be attributed to Ghanaians who moved from the countryside to the town and to the children subsequently born to them in the towns. Included in this latter groups are some who merely stayed at home while their villages grew in size to towns, but even in this case there was undoubtedly some change in environment and way of life. Probably rural-urban migration reduced rural population growth between the censuses by between one-quarter and one-third.[40]

Surveys done by Margaret Peil in her study of the reasons for migration revealed an overwhelming response to economic motives with 88% of those questioned indicating jobs, money and increased ability to purchase consumption goods as the major motives.[41] The increasing numbers of educated in the rural areas intensified the process greatly, with schooling having the effect of turning the educated away from the rural areas and towards the towns.

What kinds of wage labour were available after 1945 to absorb this great influx from the rural areas and from neighbouring African countries? Even at the end of the period, the number actually engaged in wage labour is small in comparison with the total population and in relation to the shift in population from rural to urban areas. By 1960, the public sector, i.e. central and local government, public boards and corporations, accounted for only 8% of the total labour force although it accounted for two-fifths of all wage and salary employment. This proletarianization process whereby Gold Coast men and women becoming related to the means of production as sellers of labour power involved a shift to wage labour mainly in mining, construction and manufacturing in the industrial sector. Mining and quarrying accounted for 2%, manufacturing for 9% and construction for 3% of employment in 1960 though even these percentages include both self-employment and family labour in addition to wage employment and thus are overstated. The greater proportion of wage labour at this time was in the tertiary sector and forms part of the process of intermediate strata formation which we shall discuss below.

Within this process of proletarianization, the concentrations of wage labour had very early resulted in organized labour movements. By 1938, a labour department had been established by the colonial administration, and by 1939 a labour exchange had been set up and was preparing legislation on such matters as trade unionism, workers compensation, collective bargaining and juvenile employment. In 1949, unions were legalized in the Gold Coast but kept carefully under the purview of the colonial authorities. Radical or nationalist aims were feared, as this statement by the Labour Secretary State for the Colonial makes clear:

> There is a danger that without sympathetic supervision and guidance, organizations and labourers without experience of combination for any social or economic purposes may fall under domination of disaffected persons by whom their activities may be diverted to improper and mischievous ends.[42]

With the legalization of trade unions came also the requirement that accounts, rules and membership must be submitted to colonial officials each year. British trade union officials were "imported" and tried to steer the Gold Coast trade union towards British organizational models and away from any direct political involvement. These moves were to little avail, however, and the Trade Unions rapidly became among the most politically conscious forces in the Gold Coast, figuring prominently in the events leading up to the 1948 riots and also the 1950 "Positive Action" campaign. Their movement towards a general strike in 1950 prompted the CPP towards a more radical position vis-a-vis the colonial administration and ushered in the age of strong nationalist politics. We shall deal with this in detail in the analysis of the superstructure during this period.

The third major process of class formation within Gold Coast during the 1945-1960 period was the formation of intermediate strata.[43] The intermediate strata are numerous and each is also of a nature peculiar to a political economy like that of the Gold Coast, incorporated into the capitalist world market with pre-capitalist and semi-capitalist forms of production. The first major stratum is that of the petty-bourgeoisie, a strata that is defined by the fact that it neither sells nor employs labour but is related to the means of production both as owner and labourer. This class included such categories as artisans, petty traders, small-time transporters, store keepers and produce buyers. It was a class that multiplied enormously during this period in the wake of cocoa prosperity. It was these kinds of petty-bourgeois activities that grew out of the particular manner in which cocoa production was related to a monopoly controlled world market and institutional siphoning off within the colonial system. There were severe limits on the amount that could be amassed in increased cocoa production per se but much fewer limits, and indeed an enlarging opportunity structure, in the activities ancillary to cocoa production such as trade, transport and construction. Countless cocoa farmers accumulated a small amout of capital which was then invested in a lorry, or in setting up a wife or relative in trade or in opening a small shop. The towns throughout the cocoa areas abounded with stores, small contractors, lorry owners, pharmacies, etc. and many of these petty trading activities grew to subtantial proportions during this period.

Another major stratum in the process of intermediate strata formation was that of the bureaucracy. The policy of Africanization combined with the great expansion in social and physical infrastructure meant that the limited opportunities for positions in administration, education and health services of the colonial era suddenly expanded during the decolonization process. This class belongs to the proletariat in the sense that it is a seller of labour power, but this sale is not related to labour directly within the productive process but rather to the service of these processes within the superstructure. The sale of labour power is not directly to the owner of the means of production but is sale of labour through the mediation of the superstructure, in this case, the state. It is also a sale of labour in a situation more approaching a sellers' market than a buyers' market, which thus places the bureaucracy in a very different position from that of the proletariat.[44] It will be considered in this analysis as one of the intermediate strata.

By 1960, employment in the public secotr accounted for 8% of the total labour force in Ghana and 38% of all wage and salary earners.[45] Fro m 1950 to 1961, there was a decline in the relative importance of the private sector as an employer of wage and salary earners and a growth of employment in the public sector particularly within public boards and corporations. Although there are some major difficulties with regard to statistical accuracy of figures on private employment, the steady growth of the public sector employment is clear. In 1950, it accounted for 42% of employment while by 1957 it had reached 51% and by 1960, 56%. These percentages are somewhat overstated in view of the fact that private employment has been recorded with far less statistical accuracy than public employment. Nontheless, the growth of the public sector is clear.[46] More telling for the growth of the bureaucracy is the fact that public employment in central and local government and on public boards and corporations accounted for 83% of all technical and professional employees, 62% of all administrative, executive and managerial employees and 50% of all clerical employees by 1960. [47]

The bureaucracy tended to wield an amount of influence disproportionate to their actual structural position for several reasons. The concentration of high-level manpower within the bureaucracy was one reason for its strong position. Closely linked with this is the fact that, although they were linked to the processes of production, distribution and exchange as sellers of labour, the remuneration for their sale of labour gave them consumption powers much closer to those of the owners of labour than to the proletariat. Having taken over the colonial salary and wage structure at the time of independence, the incomes of those within the bureaucracy were in marked contrast to the incomes of other segments of the population.

Another important intermediate stratum consisted of an intelligentsia composed of intellectuals and professionals who wielded a power out of all proportion to their numbers within the de-colonization process. Even by 1960, this group of doctors, lawyers, teachers and engineers broadened to include administrative and managerial personnel, accounted for 7,702 Ghanaians or much less than 1% of the total population. As a group with substantial positions in the bureaucracy, in education, in communications and in industry, it was a group with much socio-political power despite its very limited onwership and control over the actual productive forces operating within Ghana.

The intelligentsia emerged during this period as a strongly externally-oriented strata, products of a Western colonial-style education, committed to values and conceptual orientations based on external reference points. Their own lack of independent economic base was more than compensated for by their position as representatives and intermediaries for the foreign interests that had become deeply entrenched within Gold Coast during the colonial period.

Another important intermediate stratum was the military. After World War II, the numbers in the military had dropped sharply. At independence in 1957, there was a British type army with three infantry battalions under a British officer corps which included only some 30 Ghanaians in its lower ranks. There was a plan presented in 1959 for Africanization of the army by 1970. The end of the period, however, after the formal independence granted in 1957, saw a rapid process of formation of a military stratum, with complete Africanization by 1962 as the new goal. The officer cadets were recruited from secondary schools with pay and fringe benefits on a parity with the civil service. After 1960, this class was to become even more important.

Class formation during the period from 1945-1960, then, included important processes of peasantization, proletarianization and intermediate strata formation. Equally important, however, in a discussion of class formation in the Gold Coast is an understanding of what class forces did not emerge strongly. In this period, with intensified processes of peasantization, proletarianization and intermediate strata formation, no strong class of Ghanaian capitalists emerged. Why was this so? In a period of much expanded cocoa and timber production with Ghana emerging as the foremost cocoa producer in the world, why did no Ghanaian forces emerge with accumulation and productive investment of capital into an expanding productive base? What prevented the rich cocoa farmers and growing petty bourgeoisie from developing into a strong national bourgeoisie?

Here clearly the structural constraints imposed by the mode of incorporation into the world capitalist market provide the answer. As we have seen already, the potential capital accumulation from cocoa did not materialize into a strong entrepreneurial class engaged in investment of Ghanaian capital in production for Ghanaian markets based on Ghanaian raw materials, because the proceeds from cocoa were channelled not to the cocoa producer but to the marketing boards and colonial administration, Some of them were re-channelled to the "mother country" as currency reserves. Others financed the physical and social infrastructure which tended to serve foreign capitalist interests within the Gold Coast. There were many small capitalists confined to a limited range of activities by the monopoly hold on capital, credit, shipping and technology exercised by the foreign interests. The cultural imperialism of the colonial era also had implanted, at the level of consciousness, a strong sense of European superiority and African inferiority which revealed itself in the strong external value orientation and both implicit and explicit denigration of things Ghanaian. Such dependence on external reference points resulted in an actual distrust of African capacities and resources and a virtual blindness to the potential of human and physical resources within Ghana itself.

The few large-scale capitalists who did emerge, such as Pa Grant with his timber fortune or Nii Bonne with his transport fortune, found themselves constrained from further expansion by strong monopoly interests already established and by the fiscal and monetary policies of the colonial government which reinforced foreign capitalist interests. Ghanaian capitalist class formation was stunted during the colonial era and the period from 1945-1960 brought some attempts for such a class to emerge. These attempts had little success, however, as the new CPP government did little to favour growth of such a class during this period. The constraints on the formation of a national bourgeoisie remained and therefore no Ghanaian national capitalist class emerged.

The interests of international capitalism which had become firmly entrenched in the colonial period continued, then, to maintain their dominant position in the 1945-1960 period. This class was related to the means of production, distribution and exchange as owners of the major productive forces (mining and timber concession), owners of the major distributive forces (import-export companies) and owners of the major forces of exchange (produce buyers for cocoa and owners of banking, shipping and insurance interests). Mining interests in the form of gold (Ashanti Goldfields Corporation), diamonds (CAST) and manganese (African Manganese Company) resulted in a group of expatriates in various ownership, management and technical and skilled labour capacities within Ghana. The actual presence of this class was to be found in the enclaves of comfortable residential areas with schools, shops, swimming pools, clubs and golf courses to cater for the expatriates in such places as Obuasi and Tarkwa or Samreboi. The other major interest of foreign capital, the import-export companies, also emerged more strongly during this period with simpler earlier patterns of trade shifting to new areas of more specialized trade such as processing and export of timber, imports of machinery and construction and technical goods and also imports of luxury items for the new department stores such as Kingsway and UTC. At the end of the period, there was a further shift to light manufacturing within Ghana of the import-substitution variety. The international class also had interests in banking (Barclays and BWA) and shipping (Umarco, Scanship, Elder Dempster, and Palm Lines) which continued unabated throughout the period.

We have in Ghana, then, the following classes and strata within classes in varying state of emergence throughout the period from 1945-1960.

CAPITALIST CLASS

International Capitalist - mainly British with long established interests in mining, timber, import-export.

Ghanaian Capitalist - more nascent than emergent apart from a few substantial timber-transport interests and many small capitalists

INTERMEDIATE STRATA

Petty bourgeoisie - mainly trade, transport, construction
Bureaucracy - Africanization and expansion of government administration
Intelligentsia - mainly professionals, many in government service
Military - expansion from 1957 onwards

PROLETARIAT

Urban wage labour - mainly mines, docks, railway and construction
Rural wage labour - mainly on cocoa farms

PEASANTRY

Rich peasants - employers of labour, mainly on cocoa farms
Middle peasants - independent producers both on cocoa farms and food farms
Poor peasants - share croppers and wage labourers.

We have looked already at inter-relations within the peasantry. Let us analyze more carefully now the relations between classes. A social class has been defined as a "group of people one of which can appropriate the labour of another owing to the different places they occupy in a definite system of social economy."[48] Classes are not more agglomerations of individuals but are groups that exist in structured relationship with other groups, in dialectical relationships in which the existence of one class predicates the existence of the other and the non-existence of one predicates the non-existence of the other.

What are the contradictions within and between the emergent classes in Gold Coast from 1945-1960? There is clearly one principal contradiction, that between the international capitalist class and the peasants and workers on whose labour the existence of the international capitalist class is based and who in turn exist as sellers of their labour only on the basis of remuneration from the capitalist class. The other contradictions such as those between the chieftancy and the emergent bourgeoisie, between the proletariat and the rural petty bourgeoisie, between the monopoly capitalists and non-monopoly capitalist, between the bureaucracy and the petty bourgeoisie - all are determined or influenced by this principal contradiction. In this principal contradiction, the development of the contradictory aspects is characteristically uneven and it is the imperialist side of international monopoly capitalism which is the principal aspect, clearly having gained the dominant position in relation to Ghanaian workers and peasants. As a conflict of economic interests is involved, one class living off the labour power of another, it is also an antagonistic contradiction.

There was also a contradiction between the few Ghanaian capitalists and the wage labour employed by them, but in a situation of monopoly control by foreign capitalist interests, this contradiction was not fully developed. There was also an antagonistic contradiction between the rich peasants or kulak class of capitalist farmers and the labour they employed but again the situation of the entire peasantry in relation to the monopoly controlled markets and also to the form of the state presented by the colonial administration prevented this contradiction also from developing into a fully formed antagonistic contradiction.

There were also non-antagonistic contradictions that came into play at various points including contradiction between the various intermediate stata such as between the petty bourgeoisie and the intellectuals. There were also non-antagonistic contradictions that came into play between intermediate strata and the proletariat or the peasantry but these could be resolved without destruction of both sides of the contradiction and were, therefore, by our definition, non-antagonistic.

We have suggested, then, that with the development of production forces in Gold Coast, the social relations of production altered to conform with them and new classes emerged including a peasantry, a small proletariat, a rapidly growing middle-class and an international capitalist class both expanding and consolidating its position. We now develop the analysis further. The superstructure has a tendency to conform with the new production relations but those classes which owe their social and economic position to the superstructure of the existing social formation tend to resist this process. Once these conflicts are resolved, however, and the new superstructure emerges to conform with the expanded productive forces, yet further expansion of the productive forces can occur resulting in new tensions between the forces of production and the social relations of production, which result again in the tendency for the superstructure to alter to conform with the productive base.

It is this hypothesis of the dialectical relations between the economic base and the superstructure that is being tested in this historical-structural analysis of Ghana. As Giovanni Arrighi suggests in his introduction to his analysis of Rhodesia, such an approach at one level sets out to be deliberately naive. It attempts to deal with interdisciplinary relations, with sociological, political and economic factors all treated as endogenous variables at a macro-level of analysis. It assumes a deliberate naivety with regard to micro-analysis of that same reality. This is necessary, however, if the social sciences are to deal seriously with historical reality and avoid the arbitrary divisions into specialized compartments of sociology, political science and economics within a tradition disciplinary approach.

Though the political - economic process under examination is not quantitatively measureable so that historical veri-

> fication rather than statistical verification has to be applied, the method is substantially the same. Given the *a priori* assumption of the interaction between economic base and superstructure, what has been attempted is to show that the hypothesis is not inconsistent with impirical observations and therefore cannot be rejected. And this, unfortunately, is all one can do with any kind of assumption proposed by social scientist even if it can be neatly classified within the conventional lines which separate the various disciplines and even if it is formulated at the micro-level.49

The hypothesis to be tested, then, is that the expanding productive forces which gave rise to processes of class formation in Gold Coast from 1945-1960 will in turn lead to conformity in the superstructure to the new production relations. The classes owing their existence to the old production relations may come into temporary conflict with the newly emerging superstructure but these conflicts are resolved and the dominant classes which emerge in the new social formation initiate yet further expansion of the productive forces and the whole process continues.

How do we see the superstructure conforming to the new production relations of the expanding productive base of 1945-1960? In order to analyze this, we must assess the interests of the classes which are emerging. We shall define the pattern of interests which can be assumed, *a priori*, to characterize each class. Whether class members are aware themselves of their interests is not immediately relevant. The evidence for providing the hypothesis is indirect, gathered by historical verification.

If we can posit an assumed structure of class interests, and then show by actual historical analysis that, in fact, political behaviour, policy measures and institutional structures actually can be explained by this structure of class interests, then we have proved indirectly that class interests based on relation to the means of production were the basic forces operative within the Gold Coast political economy at the time.

The central interests of *international capitalism* were three. First, continued monopoly access to mineral and agricultural raw materials of gold, diamonds, manganese, timber and cocoa. Second, a continued market in the Gold Coast for British manufactures. Third, continued investment opportunities in Gold Coast for foreign capital at high rates of profit based on cheap labour supply, minimal taxation or royalties and favourable institutional and infrastructural supports. It was directly in the interest of the international capitalist class to prevent competition from the emergence of a strong Gold Coast national bourgeoisie also wanting to establish interests in mining, timber, shipping, cocoa marketing and manufacturing. It was therefore in their interest to continue the institutional arrangements whereby the cocoa surplus would continue to be siphoned off and little significant internal capital accumulation could occur. It was equally in their interest to prevent competition from other foreign interests, whether capitalist or socialist, except insofar as these interests were prepared to work in conjunction with their interests. It was in their interests to have a continuing source of labour in the mines and timber and cocoa producing areas and therefore to encourage uneven development which would perpetuate some areas as sources of labour for others. It was also to their interest to have labour continually available at very low wages, this need becoming even more acute because of substantial gold interests which operated within a fixed world market price. This ceiling on wage structure meant also that it was in their interest to have the rural areas remain substantially underdeveloped with low prices for food crops which would in turn curb rising wage demands among urban wage labourers and also keep labour supply available since agriculture did not present a viable alternative to wage labour. In conflict with this interest, however, was their interest in having sufficient internal market demand for high-priced, imported commodities. Therefore, it was also in their interest to build up a consumption-oriented, salaried class of Gold Coasters whose consumption power was based not on income derived from increasing productive activity but on bureaucratic and service activities which would not threaten the established interests of international capitalism. This coincided with their interest in having major government investment in physical infrastructure to support their already established interests and in social infrastructure, particularly education, which could develop the service and welfare oriented bureaucracy which would make up this desired consumer elite.

The nascent national capitalist class had as its dominant interest gaining access to the cocoa surplus being siphoned off through institutional arrangements both in order to have opportunity for increased capital accumulation in their own hands but also to have an expanded internal market for increased trading, transport and construction activities in which they were engaged. They also had an interest coinciding with that of the international capitalist class in keeping a supply of cheap labour available for cocoa farms. They shared the interest of the international capitalist class in further developing some areas and allowing others to remain underdeveloped and function as labour supplying areas. The intermediate strata had a varied structure of interests. The petty bourgeoisie as part of the nascent capitalist class had interest comparable to those outlined above. As a class with a substantial segment related not to direct production but to distribution and exchange, they had a major interests in continued reliance on imports and exports and thus had a strong interest in liberal import-export policies. They thus had an interest in maintenance of the main antagonistic contradiction for if cocoa exports should diminish or consumption goods be diverted to producer goods instead of continuation of the colonial pattern of expanding exports based on peasant labour and expanding imports based on foreign trading monopolies, the position of the petty bourgeoisie would deteriorate.

The bureaucracy also brought a particular structure of interests to bear in the political economy. Its basic position was derived, again from perpetuation of the central contradiction between the imperialist interests and the exploited peasantry and proletariat, for it was mainly taxation on exports of raw materials that provided the revenue to maintain a bureaucracy far larger than the actual development of the productive forces would otherwise warrant. The bureaucracy had a vested interest in continuance of the colonial pattern of investment in social and physical infrastructure that would create employment for a large number of people related to central and regional government. It had a very immediate interest in wage-price policies insofar as they had a direct effect on fixed incomes within the civil service. The bureaucracy, mainly urban rather than rural based, had an interest in keeping food prices low and thus, by low urban demand, contributed to the maintenance of a marginal position for food crop producers. They formed a strong lobby for maintenance of the salary scale inherited from the colonial era and for steady wage increases. They also had an interest in emulating the elitist consumption habits of the international capitalist class, their own education and orientation being based on metropolitan consumption standards with a high propensity for consumer durables such as cars, electrical equipment and imported food and clothing. The effective demand created by the consumption power of the bureaucracy meant that there was pressure for foreign exchange policies to permit expenditure on imports of luxury goods.

Not only was the private consumption of the bureaucracy such that it created a pattern of demand that kept the rural areas in sobordination to the urban but also the public demand of the bureaucracy and other intermediate class strata was deleterious to the interests of the rural areas. The standards of the bureaucracy were derived largely from external reference points, creating a justification for expenditure on expensive public services. Rather than paramedical services and rural health posts, expensively equipped hospitals and highly trained specialists were demanded. Rather than an education system offering basic education to all Gold Coast people, a duplication of the metropolitan education systems was offered which creamed off the fortunate few for a very expensive university education, leaving the many as illiterates or as middle school leavers, often barely literate after several years in poorly equipped rural schools with minimally trained teachers, yet all aspiring to leave the rural areas for urban employment. Even with extension of primary school education later in the period, the general orientation of the system towards higher education meant that, in a country with severely limited resources to spend for education, a substantial number of those with access to education opportunities spent ten years in a school system yet ended up as "middle school leavers," failures in the pursuit of secondary and tertiary education, to which the whole expensive system was oriented as a duplication of that of metropolitan countries.

The interests of the intelligentsia were in complete harmony with those of the bureaucracy in providing a strong consumer elite, taking their reference point from colonial standards of living and from the consumption power their professions could command within the metropolitan countries rather than referring to internal production forces or the level of the great majority within the Gold Coast. They added yet more weight to the pattern of demand that did not integrate the rural food-producing peasantry significantly into the economy and resulted in stagnant agricultural production of food crops. The intelligentsia added its own particular pressure for expensive imports not only for private and public consumption but also for highly priced supports for the expensive social infrastructure provided by the intelligentsia. Doctors had no interest in developing Gold Coast traditional medicine but demanded imports of drugs and equipment to duplicate what they had been trained to use in London or Heidelburg. Scientists did not adapt to simpler laboratory conditions but demanded expensive imports from abroad. Engineers did not create an independent and innovative technology but insisted on duplicating modes learned abroad.

Finally the military added to this pattern of interests creating a capital-intensive, import oriented structure of demand from the intermediate strata. In the case of the military also, the private and public consumption habits of the newly formed officer class created an interest in increasing wage and salary and low prices for locally produced goods. This was augmented by an interest in costly military equipment. The military was no people's army joining in agricultural production and construction but a proper metropolitan army, Sandhurst and Dartmouth trained, very conscious of its dignity and demanding sufficient allocations to maintain a standard again dictated by external reference points and orientations.

The proletariat too had a structure of interests. Being related to the system of production solely as sellers of labour power, their primary interest was in higher wages and lower prices. Their wages were in marked contrast to those of the middle class. In fact, most of the urban proletariat eked out an existence on abysmally low wages in relation to the market economy in which they were forced to live once they left the rural areas for the towns. The wages of unskilled labourers were in 1945 1/10 per day. By 1951 this had increased to 3/3 per day and by 1957 to 5/2 while by 1960, the minimum rate was set by legislation at 6/6 per day. Meanwhile, however, with a rising cost of living throughout the period, the real wage index in the years cited above, taking 1939 as the base year, was 66 in 1945, 65 in 1951, 98 in 1957 and at a temporary peak of 119 in 1960. Wages hovered around the pre-war level, then, even 10 and 20 years after.[50] The position of the most poorly paid, however, was at the level of the rural proletariat as we have documented above.

The interests of the strata within the peasantry converged on two points. First, all shared an interest in access to land. The rich peasants had interests in a continuance of the traditional land holding pattern so that their position as large land holders would not be jeopardized and they could maintain their position as the main sources of rural credit by the pattern of pledging farms. The middle and poor peasants' interests in land were rather different. Rural indebtedness was widespread and the middle and poor peasants in many cases had to pledge farms or leave their own farms with wives and contract to labour for a rich peasant in order to survive. The share croppers had an interest in gaining their own land so that they would not have to labour on land for which they received only one-third of the proceeds. The middle and poor peasants thus supported any credit policies which could free them from indebtedness to the rich peasants and landlords and give them secure tenure on their land. They would have been the prime beneficiaries of a land reform program which could equalize the differential access to land which accumulation of capital and traditional access had perpetuated.

The interests of the peasantry converged also on higher prices for cocoa to the direct producer though here too this interest took very different forms. The rich peasant had an interest in higher prices in order to increase his capital accumulation which could in turn allow him to acquire more land, employ more labour or make further investments in trade, transport, real estate and education. The rich peasant, since he generally had also petty bourgeois interests related to the towns, could benefit also from purchasing power in the hands of the middle classes. Thus the channelling of cocoa proceeds into middle class salaries and social and physical infrastructural investments could also serve his interests as a trader, a transporter, a shopkeeper, a contractor or an owner of real estate. The middle peasant was much more narrowly tied to the land with his level of living hinging directly on the cocoa price. He therefore had a strong interest in higher cocoa prices and gained little from an expanding market based on middle class consumption power. His main interest, therefore lay in control over the marketing of cocoa so that a greater proportion of cocoa proceeds would go to the direct producer rather than to middle men, marketing boards and government revenue. The middle peasant also had a great interest in higher prices for food crops since generally food crop production formed a major part of his income outside of cocoa production.

The poor peasantry also had strong interests in higher cocoa prices and higher prices for food crops. The share cropper or abusa stood to gain directly from higher prices. The rural wage labourer also shared in the general level of increased affluence created by higher cocoa prices, particularly as the spread effects of cocoa created employment in other sectors which meant that opportunities for wage employment on the cocoa farms had to compete with opportunities for wage employment in the towns, thus placing him in a better bargaining position. The reasons for the high preponderance of non-Ashanti labour on the Ashanti cocoa farms was undoubtedly related to such competing opportunities. The patterns of rural-urban migration cited above indicate that the wage labour force of Ashanti was attracted to Kumasi while non-Ashanti labour from the northern territories and outside Ghana moved into a position of rural wage labour.

The poor peasantry also had an interest in increased urban demand for food crops. For many, such an increase in demand could free them from having to sell their labour to cocoa farmers for a shift in patterns of urban demand vis-a-vis the rural areas could alter the position of generally stagnant agriculture in the non-cocoa areas and create opportunities for agricultural production in other regions in which many cocoa labourers had traditional access to land.

In the period from 1945-1960, these contradiction at times emerged sharply and at other times merged into various convergences of interests. The 1948 riots brought a sharp confrontation between the international capitalist class and all of the classes within Ghana in a post-war period of steep decline in terms of trade and rampant inflation. These classes continued to maintain a unity of interests during the national independence struggles up to 1951. The cocoa prosperity after 1951 combined with the rapid increase of middle class strata in a privileged wage and salary structure and the rapid emergence of small capitalist, rich peasant and petty bourgeois interests brought internal contradictions more sharply into focus. In 1954 with record world prices for cocoa, there was an emergence of strong opposition to the CPP which was largely determined by class conflicts despite the cries of regional and tribal interests that prevailed. It is to these class interests as they shaped the political activities, policies and institutions in the Gold Coast from 1945-1960 that we must now turn

FOOTNOTES CHAPTER IV

1. Dos Santos, op. cit., p. 231.

2. Lenin, V.I., "A Great Beginning" in The Essentials of Lenin (london: Lawrence & Wishart, 1947), p. 492.

3. Post, Ken, "On 'Peasantization' and Rural Class Differentiation in Western Africa," an Occasional Paper published by the Institute of Social Studies, The Hague, The Netherlands, September 16, 1970. I am much indebted to the argument developed in this paper for my discussion of peasantization in Ghana.

4. Ibid., p. 2.

5. Bohannan, Paul and Dalton, George, Markets in Africa (Evanston: Northwestern University Press, 1962), p. 1.

6. Wolf, Eric, Peasants (Englewood Cliffs: Prentice Hall; 1967), pp. 3,4.

7. Alavi, Hamza, "Peasants and Revolution," Socialist Register 1965 London: The Merlin Press, 1965).

8. Hill, op. cit., pp. 168, 169.

9. Green op. cit., p. 152.

10. Baran, Paul, The Political Economy of Growth (Prometheus Paperback, 1960), See p. 228 ff. for a discussion of profits earned in underdeveloped countries.

11. Bauer, op. cit. p. 228.

12. Hill, op. cit., p. 201.

13. Ibid., pp. 204-205.

14. Ibid., p. 207.

15. Bray, op. cit., p. 25.

16. Ibid., pp. 22-23.

17. Killick, op. cit., p. 239.

18. Bray, op. cit., p. 42-43.

19. ASCG, p. 230.

20. Bray, op. cit., p. 43.

21. Quoted from Contemporary Ghana, p. 128.

22. Bray, op. cit., p. 34.

23. Hill, op. cit., p. 186.

24. Bray, op. cit., p. 51.

25. Austin, op. cit., p. 59.

26. Bray, op. cit., p. 43.

27. Ibid., p. 42.

28. Ibid., p. 44.

29. P. Kupriyanov, Socio-Economic Differentiation Among Ghana Gold Coast Farmers (Moscow, 1967), p. 7.

30. Genoud, Roger, Nationalism and Economic Development in Ghana (New York: Praeger, 1969)p. 30.

31. Ibid., p. 33.

32. ASCG, p. 126.

33. Ibid., p. 127.

34. Ibid., p. 132.

35. Peil, Margaret, The Ghanaian Factory Worker: Industrial Man in Africa (Cambridge University Press, 1971), p. 13.

36. Caldwell, John C., African Rural-Urban Migration (Canberra, Australia National University Press, 1969), p. 12.

37. Ibid., p. 20.

38. Ibid., p. 135.

39. Peil, op. cit., p. 11.

40. Ibid., p. 13.

41. Ibid., p. 89.

42. Fitch and Oppenheimer, op. cit., p. 98.

43. I shall make use of the concept of "intermediate strata" while at the same time much aware of the grave analytical problems with both the concept of "middle class" and "intermediate strata" within Marxist theory. Given my own level of competence and the limitations of a research paper such as this, it seems best to use the concept of "intermediate strata" even while aware of its problematic nature.

44. Arrighi, G., The Political Economy of Rhodesia (The Hague, Mouton, 1967), p. 22.

45. ASCG, p. 124.

46. Ibid., p. 124.

47. Ibid., p. 124.

48. Lenin, op. cit., p. 492.

49. Arrighi, G., op. cit., p. 17.

50. ASCG, pp. 141 - 155.

CHAPTER V

SUPERSTRUCTURE 1945-1960

"Seek ye first the political kingdom..."
Kwame Nkrumah.

The processes of class formation in Gold Coast from 1945-1960 set in motion an interplay of class interests, interests characterized by moments of both convergence and contradiction. How do we see these class forces emerge in the political behaviour and in the policy measures and institutional structure of the 1945-1960 period? In particular, how do we see class forces operative in the de-colonization process leading towards the formal political independence granted in 1957? Which class interests were threatened by this process and which class interests were consolidated? How does the kind of struggle leading towards national independence itself reflect class interests? It is these questions we must answer in analysing the superstructure during the 1945-1960 period.

The years and those immediately after the war brought great pressures and counter-pressures to the British colonial system. The exigencies of the war itself, the loss of significant parts of the Empire, the new strategic importance of the West African colonies, shipping constraints, shortages of commodities for import and export, rising inflation, a thriv-black market - all compounded to bring a period of heightened contradictions and much more open confrontation between opposing interests than had hitherto prevailed. Between 1945-48, the political behaviour within the Gold Coast shows clearly the play of opposing forces. The strength of the pre-war boycott had already indicated that there was a need for the colonial administration to build up internal leadership forces within the Gold Coast intermediate strata that would protect the interests of international capitalism, rather than openly opposing them as had been the case in the 1938 boycott. There was a need to ensure that the combination of chiefs, petty bourgeoisie, small capitalists, intelligentsia and rural producers, all in organized opposition to the expatriate companies, should not recur. By incorporating Gold Coast intermediate strata more significantly into colonial administration it would be possible to contain the opposing forces now emerging and blunt the sharpening contradiction between imperialist interests and the

Gold Coast people. Even during the war, steps had been taken. In 1942, Gold Coasters were appointed to the administrative service as assistant District Commissioners and to the Government Executive Council. In 1943, adult suffrage was introduced in Accra municipal elections. In 1944, the native authorities in the Colony were strengthened as units of local government.

In 1946, under Governor Burns, the Colony and Ashanti were united under a constitution which brought into existence a single legislature of 18 elected and 6 nominated members. Both the chiefs, under the strengthened native authority, and the intelligentsia, under the elected Councils of the urban areas, were thus co-opted into partnership with the administrative officials of the colonialist government. The direct confrontation of 1938 between cocoa producers and the firms was to be avoided by an attempt to strengthen the chiefs and intelligentsia in their loyalty to the colonial government and their vision of orderly progress towards self-government within the British Commonwealth. The sharpened contradiction between imperialism and the people was to be contained by the mediation of intermediate strata in an adjunct position to imperialist interests.

The pressures of AWAM towards adoption of a statutory marketing board policy were further indication of the adaptability of the colonial interests in response to a threat to their established position. Just as potential competition could be removed by administrative manoeuvres, so also potential confrontation with producers could be removed by altering the direct exploitation through institutional intermediaries. Clearly the open exploitation of pre-war years had to be cloaked. A government marketing board was a suitable instrument and the active lobbying of AWAM for its adoption indicates the awareness of imperialist interests of its benefits. The predominance of official appointments onto the marketing board ensured that power would remain in the hands of the firms but the Gold Coast appointments ensured at least a degree of popular support. Token representation could hide the interests of the import-export firms and the colonialist government monetary system.

Already, however, political forces within Gold Coast were forming to pursue directly their own interests. Some among the Gold Coast capitalists and intermediate strata, were quick to realize the fact that increased power lay in control of the Gold Coast Legislative Council. In August, 1947, these forces united in a new political movement, the United Gold Coast Convention. A major force in its founding was the Sekondi timber merchant, Pa Grant, who felt that the intelligentsia were a far more suitable group to look after merchant and trading interests in the Gold Coast than were the chiefs. As he told the Watson Commission in 1948:

> We were not being treated right, we were not getting the licenses for the import of goods, also we were not pleased with the way our Leg. Co. handled matters, because we had not the right people there. At one time, we had the Aborigine Rights Protection Society who were taking care of the country. Later on, they were pushed out and there was the Provincial Council of Chiefs. The chiefs go to the Council and approve loans without submitting them to the merchants and tradesmen in the country. Thereby we keep on losing.[1]

The interests of the intelligentsia in wresting power from the chiefs into their own hands seem clear in the formative stages of the UGCC. The initial statement of purpose was not openly political. It did not call itself a party but instead a movement, and it presented itself as an organization to restore leadership in Gold Coast from the hands of the officials into the hands of chiefs and people with self-government in due time as its primary aim. Within its first statement of "Aims and Objectives," however, it clearly was offering not so much an alternative policy to the Burns Constitution as the same policy but with intelligentsia and business instead of the chiefs in the key positions. The first meeting of the UGCC Working Committee in September 1947 went so far as to suggest that the contact of chiefs and government was "unconstitutional" but this was tempered by the statement of the broader purpose of the UGCC which was to "ensure that by all legitimate and constitutional means the direction and control of government should pass into the hands of the people and their chiefs in the shortest possible time."[2] Those in the UGCC with chiefly connections wanted the alliance with chieftancy continued but with more room for other interests than the colonial administration was proposing under the Burns constitution.

The predominant interest of the UGCC was clearly business opportunities and the chance for a nascent capitalist class to emerge more strongly augmented by Kulak and petty bourgeois interests and also constrained within the colonial structures. As Richard Rathbone suggests:

> There were few active in the party who had other than class interests at heart. The interests of businessmen are obvious... Careful reading of Legislative Council debates, letters in the press and speeches by UGCC members reveal that quantitatively much more time was taken up in hectoring for the abolition of the AWAM, for the relaxation of shipping quotas, import permits and the debarring of Syrian traders from acquisition of land or from further immigration than was ever spent on the UGCC's professed end of achieving 'Self-government in the shortest possible time.'[13]

There were, however, other significant groups in Gold Coast whose interest were not at all represented by the UGCC.

There were people drawn to the towns and cities by expanding economic and educational activities who also experienced the constraints and disabilities of colonial rule but who saw little chance of sharing in the opportunities and perquisities of "self-government" under the political leadership of the UGCC. Interestingly, it was the very man invited to further UGCC aims and interests who was eventually to polarize at least for a time these UGCC interests from the other emerging forces within the political manoeuvres leading towards independence in the Gold Coast. Kwame Nkrumah was called in 1947 to return from London to become full-time secretary of the movement.

Within the broad scope of such a study as this, how does one do justice to a man of the magnitude and complexity of Nkrumah? Perhaps most simply one could say that his perceptions and priorities indicate a consciousness forged far more by the contradictions perceived from within the dominant colonialist powers than by the contradictions perceived from within the dependent colony. He had come to his consciousness of imperialism not so much by dealing with exploitation within the colony of Gold Coast but by viewing the machinations of monopoly capitalism throughout the colonial empire from within the metropolitan perspective. In his broad vision of international monopoly capitalist power and world-wide colonial oppression, he eventually failed to find a way to free the potential within the Gold Coast people themselves to struggle within the very particular contradictions of imperialism within their own political economy. Perhaps his initial re-introduction to Gold Coast after his many years abroad should have resulted in a more rapid perception of the kind of leadership forces emerging in the manoeuvres towards independence and what sorts of interests they represented. Or perhaps it did - but when Nkrumah himself tried to develop leadership cadres representing different interests, he discovered the virtual impossibility of developing leadership within a decolonisation process where that leadership is forged not by open struggle with the colonial power by the people themselves but instead by political manoeuvres in the name of the people.

When Nkrumah first arrived back in the Gold Coast, he seemed to have few illusions about the interests represented by the UGCC. For that matter, some UGCC members also had some very definite uneasiness about his class interests. In his autobiography, Nkrumah says his first thought on being invited to become secretary for the UGCC was that it would be "quite useless to associate himself with a movement backed almost entirely by reactionaries, middle-class lawyers and merchants, for my revolutionary background and ideas would make it impossible for me to work with them." [4] The Working Party was also somewhat uneasy and the December '47 minutes of the first meeting record a pointed enquiry from J.B. Danquah as to how Nkrumah was able to "reconcile his active interests in West African unity (through the West African National Secretariat) with the rather parochial aims of the United Gold Coast Convention." [5]

The fundamental divergence of interests between Nkrumah and the UGCC was clear from the moment he began his organizational work. Whom did he seek to organize in the Gold Coast to take up the independence struggle? Contrary to all UGCC expectations of a possible strategy for mobilizing support for the UGCC, Nkrumah turned to the already existing youth organization throughout the cities, towns and villages of the Colony and Ashanti for support. These youth associations were a force representing totally different interests from those of the UGCC. They represented not the traditional ruling elite as did UGCC members like Ofori Atta nor the intelligentsia, as represented by the many lawyers, nor the established business interests such as those of Pa Grant. They were the small people, small capitalists, petty bourgeois, petty bureaucrats, minor intelligentsia, united by not having found access to opportunities within the colonial structure sufficient to meet their needs. Neither colonial bureaucracy nor the money economy had given them significant opportunities and they were restless in the rapidly shifting post-war economy, looking for a viable future. Cocoa farmers, petty traders, lorry and taxi drivers, artisans, store-keepers, school-teachers, small-time contractors and businessmen, clerks, letter writers - and, above all, a growing number of school leavers. The school leavers typified the structural limitatations of colonial rule.

> If only because in greater contact with the towns - the congeries of colonial rule, they experienced its frustrations more frequently and felt its humiliations more sharply. Because they had been to school and learned a modioum of English... they regarded themselves as educated, and were so regarded by their families in the countryside. Yet for their education, Africanization had little use: they were very nearly unemployable in white-collar jobs which they deemed their due. As small businessment and contractors, they could not withstand the overpowering competition of European trading firms and of Levantine and Asian entrepreneurs. After the war, those engaged in minute import-export business could not secure the licenses which, predictably, went to expatriate firms, nor credit facilities from British controlled banks. Those who were labourers or junior clerks had to cope with small wages and high prices. As they flooded into the towns, they faced acute housing shortages. Although by comparison with the large majority of their countrymen they were reasonably well-off, they were interested less in a comparison with the plight of those in the bush than in the contrast between their condition and the affluence of Europeans and a handful of Africans.[6]

The restlessness of the post-war years, brought more than the UGCC to the forefront, however, and other groups with other interests were also seeking representation. Returned service-men found the post-war political economy lacking in opportunity and began to organize. They had returned to a situation of rising inflation. The 1947 Address to the Legislative Council indicated that 30,000 bank accounts had been opened to house ex-servicement's war-time gratuities which had totalled some £1,200,000. Only 10% of this sum remained by the end of the year .[7] Petty bourgeois activities were severely constrained. Those trying to incorporate themselves into the economy as drivers found petrol in short supply and black market prices resulted in rapidly diminishinig savings. Others attempting to get into petty trade found Syrians with their already established contacts with the expatriate companies and their access to bank credit as insurmountable obstacles. An Ex-servicemen's Union was formed with branches throughout the country and plans were made to present grievances and make demands for employment to the colonial governor.

Other groups also formed, with complaints flowing into the native authorities and district commissioners' offices in every part of the Gold Coast. The uncontrolled inflation and thriving black markets affected all groups adversely. Daily rated government employees found their buying power had virtually disappeared. The real-wage index for these employees dropped from 100 in 1939 to 66 in November 1945. Cost of living index rose from 100 in 1939 to 212 in 1947.[8] A more direct attack on the limited opportunities within the economic system was launched by a new figure in Gold Coast politics, one Kwamina Taylor, who was also known by his Ga royal title of Nii Bonne. Nii Bonne's attack focussed directly on the conflict of interests with foreign capitalists and their hold on the economy which prevented national capitalist interests such as his own from expansion. A man with little formal education, Nii Bonne had made the most of what opportunities the prevailing economic system offered and had engaged in construction and trade. From his beginnings as a steward boy to European merchants, he had gone on to contracting and finally to significant import-export activity with Britain, Germany, Italy and Japan. As a wealthy business man of Kumasi, he was a well-known figure throughout the Gold Coast.

Nii Bonne clearly saw the monopolist interests of the trading firms as the chief cause of the crippling inflation within post-war Gold Coast and set out to organize forces to campaign against the firms. We have seen above the acuity of his analysis of processes at work within the Gold Coast political economy.[9] His analysis of the potential of the traditional chieftancy powers and Native Courts as an instrument to counter the colonialist forces was equally acute. Nii Bonne took his anti-inflation campaign through the legal channels of indirect rule, gaining the support of the Native Administration in Accra itself and then the approval of the Joint Provincial Council of Chiefs. On New Year's Day, 1948, Nii Bonne addressed his fellow chiefs, calling them to fight against the high prices by boycotting the European stores. He wrote to the Accra Chamber of Commerce proposing a revised list of prices covering a large number of imported goods. He further called for a national boycott starting on Jan. 24. Those not adhering to the boycott were to have the oath of the Omanhene sworn on them. In fact this was a superb bit of tactical manoeuvering, using instruments created by the colonial government to work against it. It meant, in effect, a very strong sanction for the boycott since those not adhering to it had to justify their non-adherence in the Chief's court. Once the taboo was broken, all those involved and not only the swearer of the oath, had to appear and justify their behaviour.

The boycott was immediately well received. The Chamber of Commerce had not replied and an Anti-Inflation Committee was established with local committees in many Colony and Ashanti towns. Krobo Edusei was chairman of the Ashanti Boycott Committee. Watch was kept on the many European and Levantine stores with telegraph contact maintained between local committees Nii Bonne in Accra. Committees of young men in the main towns were strong in their support. From Cape Coast came the word: "We shall fight until success is achieved, no one will dare to enter any European stores.[10] Similar messages of support are recorded from Yilo Krobo, Axim and Big Ada.

On Jan. 24. the boycott came into effect. It was directed mainly against Manchester print cloth but also other crucial imported commodities like corned beef, flour, biscuits and spirits. It lasted nearly a month and only on Feb. 20 was there an agreement reached between representatives of the Anti-Inflationary Campaign Committee, the Joint Provincial Council of Chiefs and the Chamber of Commerce in which the firms agreed to reduce the rate of their gross overall profit margin on non-controlled commodities from 75 to 50% for a trial period of 3 months. The terms were accepted at least in part because of a conflict of interests among the boycotters themselves. Nii Bonne's own withholding power and relative independence vis-a-vis the firms far exceeded that of the petty traders, many of whom were completely dependent on the firms for their supplies. One they began to run short of trading goods, their short term interests came to the fore and they pressed for a speedy resolution of the boycott. This conflict between nascent national capitalist interests restrained by the interests of foreign capital and a petty bourgeois stratum whose interests were closely linked with those of foreign capitalists was to emerge again and again.

From 1946-48, then, many new interests emerged and there was a period of intense and rapidly shifting political forces. The colonialist power was itself in post-war disarray, but rapidly implemented marketing board structures both in order to contain the situation that had led to confrontation before the war and in order to alleviate their own post-war economic difficulties. The international capitalist interests were also shifting. Shortage of shipping and imports restricted their usual range of operations but again the marketing board had helped them to maintain their monopoly position and new timber interests partly filled the gap.

The interests of the rapidly emerging intermediate strata were in greatest flux at this time. Some approached de-colonization from within a very limited perspective, seeking a "dominion" rather than a "colonial" status but not questioning continued incorporation into the British Empire. Others, however, envisioned a de-colonization process which would be not just a period of grooming for expanded bureaucratic and political opportunities within the British Empire but a struggle for a much more deeply-rooted independence constituting a real break with the colonial past.

The urban protetariat in general was concerned with broader political issues only as they touched the immediate issues of employment, low wages, high priced consumer goods and the black market. Some of the leadership within the trade unions formed a marked contrast to the generally low level of political consciousness of the wage labour force, however, and men such as Anthony Worde, Pobee Biney and Turkson Ocran were among the clearest anti-imperialist voices of the time. Generally, however, the increasing process of proletanization brought such tremendous pressures for the few jobs available, that the proletariat had little effective power and was little organized as a force for change.

The richer peasants found their interests articulated by the boycott committee. Those involved in trade found that they could benefit from the high priced, scarce merchandise only to the extent of their direct linkage with the European firms since import licenses were still on a past-performance basis and supplies were thus allocated through the firms. The middle perasants were also in agreement. The war-time cocoa prices had given way to much higher post-war prices. The mid-war price of 7/3 per load had risen to 14/6 per load by 1945-6, 27/6 per load by 1946-7 and up to 40/ per load in 1947-8. These higher prices, however, had resulted only in crippling inflation and were therefore of little benefit to the cocoa producer. The poor peasants were also affected for they too depended on certain imported commodities. Of even greater immediate concern for the cocoa producer was the problem of swollen shoot and its control, for the source of his livelihood was in jeopardy by the cutting out campaign which was being waged as the remedy to swollen shoot. The forceful measures being taken by the colonial government once its attempts at persuasion had failed resulted in much unrest. Meetings were held in regional capitals throughout 1947 and early 1948 and there were clashes between individual farmers and the cutting out gangs.[11] The situation had become acute. The size of the crop went down by a third in 1947-8 as a result of swollen shoot. The 300,000 tons marketed in 1937-8 fetched £5 m. In 1948, the 200,000 tons marketed was able to fetch £41 m. With four times the amount of money in circulation after the war and a great shortage of imports, black markets flourished and the local produced goods also sky-rocketed in price. Youth committees were holding rowdy public meetings to protest and general unrest prevailed.

Meanwhile the UGCC was attempting to establish a constituency and Danquah and Nkrumah travelled throughout the early part of 1948 through the Colony and Ashanti spreading the idea of "self-government." The general unrest made for very receptive audiences and large crowds came in many towns to hear local grievances aired. Although formally the boycott and the emerging UGCC membership were not connected, and Nii Bonne refused his support to their linkage, still many of the youth committees and other local groups were active both in the boycott and in the new political movement for self-government.

In late February, 1948 all of these forces converged. On February 20, the Boycott Committee reached an agreement on terms to end the boycott. On Feb. 20 also, a large crowd gathered in Accra at the Palladium Cinema to hear UGCC leaders Nkrumah, Danquah and Ako Adjei. At this time, the UGCC gave its support to yet another discontented group, the ex-servicemen, and plans were made for a march to the castle to present a petition to the colonial Governor. When the march finally did take place a few days later after one postponement, it was to have results much more far-reaching than anyone could have imagined at the time. The 3000 gathered for the march took an altered route from their gathering place at the polo ground to the castle. Policemen intervened to check them. Amidst threats and confusion, the British police superintendent snatched a rifle and fired into the unarmed crowd, killing 2 and wounding several others. By mid-afternoon, UAC offices and shops plus other European stores were ablaze. Looting continued well into the night. The next morning, the gates of Ussher Fort were battered down and prisoners released. Similar scenes were enacted in other towns and evening brought rioting to Kumasi also. A state of emergency was declared throughout the entire colony.

It was a time of general confusion. Nkrumah and Danquah had been in Saltpond when news of the riots reached them but their subsequent telegrams to the Secretary of State and the world press (including New York, London, Moscow and UN coverage) brought them into the forefront of activity. The colonial government was uncertain as to how to respond. It decided to lay the blame squarely on UGCC organizers and, drawing on Nkrumah's earlier leftist associations, labelled them all as Communist organizers whose ends "while ostensibly the attainment of self-government by constitutional means, were in fact revolutionary."[12] After 10 days of hesitation, leading members of the UGCC were imprisoned, including Danquah and Nkrumah . The UGCC's initial efforts to raise political consciousness for the decolonization process were thus crowned with spectacular success. The difficulties in mobilization of the general unrest now had a solution. The imprisonment of UGCC leaders gave immediately a unifying, national focus to the movement and established political leadership firmly in the hands of UGCC.

The riots resulted in the Watson Commission of Inquiry, which gave an endless catalogue of shortcomings within the "model colony," from the Constitution with its dependence on the chiefs to insufficient Colonial administrative machinery, with little modern economic planning and the neglect of disease control and technical improvements in agriculture, despite its centrality in the economy. The upshot of the report was a plan for the formation of a local committee to formulate proposals for a new constitution.

Meawhile Gold Coast internal forces had also responded to the riots. The Standing Committee of the Joint Provincial Council, which consisted of 12 paramout chiefs (plus the Ga Native Authority), sent messages of loyalty to the king and welcomed measures to restore law and order. The UGCC responded strongly against these, Danquah seeing it as a "stab in the back" to Gold Coast nationalism. [13] In Ashanti also the chiefs affirmed their loyalty to the government and denounced the Asante Youth Association and the boycott committees. The Asantehene spoke forcefully against the movement towards self-government, suggesting it was importation of a foreign system to Gold Coast.

> You people claim to be nationally conscious, and therefore undertook to fight against rising prices and black marketing. You claim to be waving the torch of emancipation, yet you have proved yourself to be after your own personal interest. What do you want us to make of your clamour for Self-Government?... The Secretary will inform the Government that the Anti-Inflation Campaign Committee has been dissolved in Ashanti and that if Krobo Edusei engineers another boycott or travels through Ashanti for funds, he should be arrested. The gong-gong to be beaten by chiefs should state in plain language that the recent reductions in prices have not been due to the efforts of Krobo Edusei.[14]

With chiefs and colonial government again taking charge of the situation, the newly politicized forces were told to abandon all support of UGCC and self-government.

The committee to formulate a new constitution which took its name from its chairman, Judge Henley Coussey, resulted only in further conflicts of interests within and between Gold Coast forces. The 40 member Coussey Committee appointed jointly by the Governor and the three regional bodies of chiefs showed clearly the great fear of the new forces within the Gold Coast exposed by the riots and the desire on the part of some for power to remain firmly in old established hand. Nine of the forty members were chiefs. The old Aborigines Rights Protection Society was represented.UGCC was also represented, but the invitation had been extended not to the UGCC at large but only to selected members. Nkrumah was not one of them. Trade Unions, Ex-Servicemen's Unions, Youth Associations and groupings of farmers, petty traders and market women were also conspicuously absent from the committee's membership. Thus the constitutional committee excluded representatives from proletariat and peasantry as well as nascent bourgeois interests. It included only intermediate strata and the chiefs who as traditional rulers had already come to a modus vivendi with the colonial rulers.

While Akuffo Addo, Danquah, Grant and other UGCC Working Committee members were involved in the Coussey Committee, Nkrumah, now released from prison, began intensified political organization and consciousness-raising among the local youth societies. A national "Committee on Youth Organizations" (CYO) was founded in Accra with K.A. Gbedemah as Chairman and Kojo Botsio as secretary. A daily news sheet, "The Evening News" first appeared, a paper that was anti-colonial, anti-Coussey Committee and anti-UGCC. By the end of Dec. 1948, a Ghana Youth League Congress was summoned in Kumasi and the goal of "Self-Government Now" was adopted with a call for a national constituent assembly as the means of achieving it.[15]

Meanwhile Nkrumah's association with the UGCC continued intermittently. By August 1948, he was suspended from the post of secretary. With publication of the "Evening News" some demanded his complete removal from office but others suggested alternative positions which Nkrumah at first refused but later accepted. UGCC became increasingly uncomfortable at the emerging CYO forces, unhappy at their class origins and even more anxious about their radical slogans. Finally by June 1949, the UGCC was ready to act and prepared two resolutions, one stating that membership of CYO and UGCC were incompatible, the other stating that Nkrumah was to be charged with neglect of "collective responsibility and party discipline in the publication of opinions, views and critisms in the "Evening News" and undermining of the Convention in general".[16]

By the time the report was out, however, it was too late. The CYO itself had had lengthy and intense discussions in Tarkwa earlier in June and had had divided opinions about how best to proceed. One group of more experienced members including Gbedemah, Botsio and Krobo Edusei wanted a clean break with UGCC. A younger section led by Kofi Baako, Kwesi Plange and Saki Scheck, envisioned taking over the UGCC from within by insisting on re-instatement of Nkrumah as secretary, their assumption being that UGCC still commanded wide support. The compromise eventually reached was to form a new party retaining the name "Convention." On June 12, 1949, at an Accra rally, the new party was formed. The Convention People's Party came into being.

> ... in the name of the chiefs, the people, the rank and file of the Convention, the Labour movement, our valiant ex-servicemen, the youth movement throughout the country, the man in the street, our children, and those as yet unborn, the new Ghana that is to be, Sergeant Adjety and his comrades who died at the crossroads of Christiansborg during the 1948 riots, and in the name of God Almighty and humanity. [17]

Meanwhile the Coussey Report appeared in October proposing a form of semi-responsible government. The UGCC was basically in agreement with the proposals, though adding a rider objecting to reserve powers in the hands of the Governor. The CPP was faced with a dilemma, torn between the practical advantages of compromise and the need for increased support by a bold appeal to nationalist principles. The decision was not simplified by the strong stand of the new governor, Charles Arden-Clarke, who had already imprisoned Gbedemah on charges of publishing false news. Nkrumah's immediate response was a call for Positive Action, a civil disobedience campaign of agitation and propaganda with strikes, boycotts and non-cooperation held out as possibilities if government still refused to call a Constituent Assembly. In November, a new tactic appeared, a Ghana People's Representative Assembly in Accra. The interests represented by CPP here emerged clearly CYO, trade unions, cooperatives, farmers' association, ex-servicemen, and local youth societies and women's societies, all sent representatives to the assembly. The Council of Chiefs, the Aborigine Rights Protection Society and the UGCC refused to send delegates. The break was now public. A general resolution at this Assembly demanded immediate self-government and full Dominion Status within the Commonwealth.

By December, however, Positive Action was again the tactic. Early in 1950, the call to Positive Action, after hesitation and consultations with the colonial Governor, finally resulted in plans for a general strike. As in the 1948 boycott, the CPP now found itself not so much organizing political action as becoming the voice for political action already generated by local contradictions. Positive Action coincided with a strike of Government meteorological workers which was backed by the TUC. The resulting general stoppage of work received prompt response from the new governor. A state of emergency once more was declared on January 11, 1950. A curfew was slapped on the main towns, and was immediately effective thanks to new forces of mobile policemen. Arrests were made of the TUC and party leaders as well as Nkrumah himself with charges of sedition, promoting an illegal strike and attempting to coerce the government. Nkrumah himself was sentenced separately on three counts to three years of imprisonment.

To some, this intervention by government signalled the end of the CPP and the disappearance of the threat of new forces in Gold Coast politics gaining power. Among the reactions of the intelligentsia and chiefs were found voices such as this one raised in the 1950 "Debate on the Governor's Address."

> This is the time for the Government to strengthen its hands, check lawlessness and disregard for law and order. We have suffered enough, many lives have been destroyed and lost; valuable property had been damaged. This is the time for the government to strengthen its hands. Among the hooligans, there is not one responsible person in this country. No chief has asked for self-government, no responsible person in this country has asked for self-government and self-government is not attained overnight.[18]

In fact, the interests which found their articulation in CPP "Self-Government Now" were not nearly so ephemeral as the old established Gold Coast elite liked to think. These interests were concretely based within prevailing Gold Coast conditions. Their structural position, however, was one of powerlessness and clearly an independence mediated by UGCC-style intellectuals and indirect rule chiefs brought no hopes of increased opportunity for such groups. The CPP had established itself as the representative of those interests, interests which, until the CPP, had never had an organization to articulate their demands. The history of minimally organized strkes, protests and boycotts aimed at bettering economic positions was now taken up by one organizational channel and CPP's call for "S.G." for the people now was seen as the way to increased economic livelihood for the common man. Gbedemah's resumption of CPP organizing after his release from prison early in 1950 met with a widespread response. The "verandah boys," as the school leavers sleeping on the verandahs of the rich had come to be known, were eager to take up political activities once again. The farmers, whether rich, middle or poor, thoroughly distrusted the Colonial government in its handling of their affairs since swollen shoot continued to destroy large acreages and the increased price of cocoa brought not prosperity but inflationary chaos. Wage labourers found the disparity between income and cost of living such that they too were restless for change and saw a future opening with the promises of the CPP.

The colonial government had great confidence in a "very large body of moderate and responsible people" which is "utterly opposed to the methods of the CPP" [19] a confidence increased by the reassurances of "nananom" and those owning the "verandahs". It was anxious to put the Coussey constitution into effect and even with the growing popularity of Gbedemah-organized CPP forces and the wane of UGCC activities, it pressed on with the election of the first Gold Coast government. The interests of the British were clear. The real danger was seen as a repeat of the 1948 disturbances with its direct confrontation between foreign interests and the Gold Coast peasants and workers. Arden-Clarke saw this quite unequivocally, and was prepared to go ahead even when it was becoming clear that CPP forces would form the government.

> Nkrumah and his party had the mass of the people behind them and there was no other party with appreciable support to which we could turn. Without Nkrumah, the Constitution would be still-born and if nothing came of all the hopes, aspirations and concrete proposals for a greater measure of self-government, there would be no longer any faith in the good intentions of the British Government... the Gold Coast would be plunged into disorder, violence and bloodshed.[20]

On February 9, 1951, the results became known. CPP had won an outstanding majority with 29 of the rural seats and 5 municipal seats. The hard work of organization and "cipipiification" of the country which had been advocated by Nkrumah in his prison message to the August 1950 CPP

First Annual Conference had paid off. Each new prisoner released had further strengthened the CPP's position as the party of anti-colonialism, the people's nationalist party which would bring benefits to all. Hard organizational work in the rural areas with voter registration had been carried out. Also however, CPP benifitted immensely from its position as the only party to take up an anti- colonial position at a moment in history when national independence was an immediately popular goal.

The very nature of the colonial link determined also the nature of the Gold Coast anti-colonial struggle. With no colonialist settler population interests at stake, the colonialist government and international capitalist interests were quick to realize that political independence might be granted while economic dependence remained largely intact. A favourite slogan of the CPP during a period of many slogans,banners, rallies and salutes, was "Seek ye First the Political Kingdon and All Things will be added Unto It." With the 1951 election, the political kingdon had come into CPP hands. The economic struggle, however, was barely discerned and the party support from local farmers, fishers and traders labouring in the midst of adverse conditions was soon virtually forgotten in the supercharged atmosphere of the newly won parliamentary majority. The sagacity of traditional ethics as embodied in Akan, Ga and Ewe proverbs was forgotten in effusive adaptations of Biblical passages and British popular wisdom. "Chameleon organizations shall pass away but the Political Holy Ghost CPP shall stay for evermore. Long live Kwame." "We prefer Self-Government with danger to servitude in tranquillity." In the headiness of nationalistic slogans, the concrete realities of the Gold Coast political economy which was to be self-governed were transcended completely. While the "verandah boys" and the politicians who were emerging to seek opportunities within the political "kingdom" continued with their slogans almost into the realms of fantasy, the people, the cocoa producer, the fisherman and small trader continued to eke out an existence amidst the realities of inflation , unemployment, and swollen shoot disease. Meanwhile, international interests looked for ways to continue their exploitative operations within the new political landscape.

There was an air of unreality about the whole period. African ministers were proud of their new positions and new symbols of office.

Ghana was seen as leading the whole African continent towards independence. There was a strong feeling that the eyes of the world were focussed on Ghana, a feeling enforced by Western communications media which picked up the idea of the "model colony" now making a transition to "model self-government". "For Great Britain, the Gold Coast is the showpiece of successful institutional transfer. It is the model to which people in the colonial office point, as do others anxious to see Africans democratically governing themselves." [21] The consciousness of accountability on the part of the new government was less accountability to the Ghanaian people than it was accountability to the Western world watching African self-government.

An Africanized and enlarged bureaucracy and the advent of political parties and a Gold Coast government meant a much expanded opportunity structure particularly for intermediate strata and many were quick to seize on the new possibilities within the political economy during this period. Employment in the public sector expanded greatly with increased social and physical infrastrural investments and the general policy of Africanization. In 1949, Public Service Senior officers totalled only 1,239 with 171 of these being African. By 1954, Senior Officers totalled 2,406 with 916 of these being African. [22] An expanding array of junior officers, clerks, technical officers and artisans was to be found in every region. The Party itself provided new opportunities with party functionaries in a national secretariat and liaison offices to many regional and district committees as well as Party Officials related to ancillary organizations such as the TUC, Ghana Farmers Council, Women's Section, and Youth League as well as other institutions which were to emerge.

The newly elected government tended to function under the colonialist administration much in the manner that the chiefs had done under indirect rule. Their accountability to the watching world press, to the electorate or even to the party itself tended to disappear quickly amidst the sudden array of possibilities opened up by politics. The radical statements of CPP in August 1951 about developing Ghana on the basis of socialism, of serving as the "vigorous, conscious political vanguard for removing all forms of oppression and for establishing a democratic, socialist society," to "establish a Socialist State in which all men and women shall have equal opportunity and where there shall be no capitalist exploitation" rapidly faded away.[23] Victory had been too easy. There had been no establishment of basic democratization processes during Cipipiification and no real mobilization of the Gold Coast people in a way that actually drew them into the shaping of a transformed political economy. Quickly the CPP found itself the dominant partner numerically in an administrative operation which essentially maintained open channels for foreign capitalist exploitation of the Gold Coast resources. The rhetoric about parliamentary democracy and bureaucratic prodedures proved so capable of mystifying that the new government found itself glad to rely on colonial tutelage in the art of being caretaker of capitalist interests. The concrete reality of the situation was that the 1951 Gold Coast government was not so much a substantial step towards a national government as a new stage of colonial government, in which intermediate strata emerged as junior partners in the continued operation of administering capitalist interests. Britain controlled the police and army. The colonial Governor retained his reserve powers. British bureaucrats still held all senior Civil Service positions. All monetary and fiscal policies were controlled by the colonial office. British stockholders owned the mines. The foreign firms controlled all import-export operations. The yearly budget was prepared in London. The colonial administration, in fact, carried on business as usual after 1951. Arden-Clarke's memoirs put it this way:

> We learnt for example, how effective the device of changing names could be. It is, I suppose, true that "a rose by any other name would smell as sweet," but we learnt that if we changed the name of Leader of Government Business to Prime Minister and Executive Council to Cabinet, without in any way altering their functions and powers, or the name of Chief Commissioner to Regional Officer, or District Commissioner to Government Agent, they all seemed to smell much sweeter in the public nose. That device certainly helped us to get over some difficult periods.[24]

Leading CPP members who suddenly found themselves as ministers, Assembly members, officials of the Cocoa Marketing Board and party secretaries also found that the colonial administration, behind the mystification about parliamentary democracy and bureaucratic niceties, was riddled with "arrangements." Corruption and bribery and malpractice within the prevailing monopolistic/monoponistic situation had been and continued to be the order of the day. CPP ministers refused to live in bungalows provided at at the outskirts of Accra but instead invested in impressive buildings, often using government materials, for which they then claimed generous allowances. Flamboyant living, buying of contracts and all manner of corruption prevailed. Nkrumah himself had foreseen the danger. His "Message to Members of the Assembly" in 1951 clearly showed his concern. He referred to:

> risk in accepting office under the new constitution which still makes us half-slaves and half-free... The temptation there is that it is easy for one to identify oneself with such a constitution and thereby be swayed by consideration of personal temporary advantage instead of seeking the interests of the people. Hence we call for vigilance and moral courage, to withstand the evil manoeuvreing of imperialism. Now bribery and corruption, both moral and factual, have eaten into the whole fabric of our society and these must be stamped out if we are to achieve any progress.[25]

Moral exhortations had little effect, particularly because those giving them were generally indulging in the same practices. The deeper roots of the phenomena of bribery and corruption were barely perceived. In a colonial society based on processes of blatant pillage carried out in the most urbane and civilized manner by the British, moral exhortations to personal rectitude obviously could have little effect.

One minister, J.A. Braimah, actually confessed to the Governor that as Minister of Communications and Works he had accepted a bribe from an Armenian contractor working in the north but by the time the Korsah Commission "Report" was published in 1954, his particular instance was but one of a multitude of such irregularities. The Armenian contractor, for his part, had simply operated according to the modus vivendi prevailing within the Gold Coast, the level of corruption depending only on the level of power within the colony. UAC and other major firms could operate at a more sophisticated level, lobbying through AWAM and the Colonial Office for "arrangements" of quota systems or import restrictions which would consolidate their monopoly position. The smaller interests indulged in a pettier brand of monopoly arrangements and bribery. It was these locally based foreign interests seeking opportunities in the vastly expanding government infrastructure who found the new government such a ready source of favours and "arrangements."

The risks in accepting office under such a constitution went far beyond bribery and corruption within the party and bureaucracy. These were simply the visible signs of the underlying contradiction. The struggle for control over institutions which could take power from the hands of international capitalist interests was in progress during this period after 1951. The style of political leadership of the CPP which emerged during this period was an indication that the attempts to gain control of institutions within the political economy from imperialist interests and to restructure them in a manner concomitant with the interests of the Ghanaian people were not going well. Imperialist manoeuvres did indeed make it all too enticing for many of the newly appointed politicians and bureaucrats to place "temporary personal advantage" above the interests of the people.

For some, and I think Nkrumah himself must be counted as foremost among them, "Tactical Action" was a means of putting sufficient pressure on colonial authorities for the final transfer of power as to reassure critics and militants within the party and maintain electoral support, while at the same time presenting a sufficiently moderate front to reassure colonial officials of their political and economic "statemanship." Put more crudely, the price for gaining power and independence was a maintenance of imperialist economic interests.[26] Some protested strongly against this kind of leadership, the Volta River Project debates providing a good indication of their concern. Anthony Woode who was soon ousted from CPP for alleged communist activities was unhappy with accommodation with imperialist interests.

> We also want to socialize this country, we cannot make any mistake about that, The prime minister himself is a great Marxist socialist, yes, and we strengthen him in that, and when some of us in this house get up to say, or when we are compelled to say, nationalize the mines for reasons we know, we are told no! That will place the government in a very difficult position as far as national implications are concerned... I am no economist, I am no authority on this issue, but the feelings of my common nature, taking all these things into consideration, rebel strongly against how these things are going now.[27]

Most, however, had none of Woode's scruples about the continuance of imperialist interests. The difficulties of the CPP in providing political leadership during this period in a manner counter to continued imperialist interests are well illustrated by the kind of manifesto issued in 1951. The accomodating actions of the British government in providing a step by step transition towards self-government meant that the new political leaders had not struggled against imperialism in a way that educated them as to the concrete processes of exploitation in which imperialist interests were engaged or the real priorities in constructing an integrated national economy.

The CPP Manifesto of 1951 shows real vagueness about the nature of the Gold Coast political economy and what national liberation would mean in terms of a program of economic reconstruction.

CPP MANIFESTO 1951
Towards the Goal

1. Constitutional. The Coussey Committee let the country down by prolonging white imperialism. The CPP will fight for self-government now.

1. Political. An upper house of the Legislature, known as the Senate, shall be created for the Chiefs.

Universal suffrage at the age of 21.
Direct elections with no property or residential qualifications for candidates...

3. Economic. A five year Economic Plan...

(i) Immediate materialization of the Volta hydro-electric scheme.

(ii) Railway lines to be doubled and extended.

(iii) Roads to be modernized and extended.

(iv) Canals to join river.

(v) Progressive mechanization of agriculture.

(vi) Special attention will be given to the swollen shoot disease; farmers will be given control of the Cocoa Industry Board funds...

(ix) Industrialization will be carried out with all energy.

4. Social. Education.

(i) A unified system of free compulsory elementary, secondary, and technical education up to 16 years of age.

(ii) The University College to be brought up to University status.

(iii) A planned campaign to abolish illiteracy.

Family Assistance:

A free national health service.

A high standard housing programme...

A piped-water supply in all parts of the country...

A national insurance scheme. [28]

Colonialism's full impact is revealed in statements such as this one, where we see how the external orientation and dependency characteristic of the colonial era result in the inability of the colonized even to perceive social reality except through the cognitive framework of the colonizer. One could interpret such a manifesto as a tactical manoeuvre, the long term goal of independence necessitating short term complicity with continued imperialist interests. It seems more likely, however, that the Manifesto was seen by most if not all within CPP not as accomodation to imperialist interests but as a real manifesto for developing a nation. Despite the claims of oppression and exploitation under the colonialist powers, the nature of concrete processes of oppression and exploitation remained a mystery and the development plan of the colonized was almost an exact repetition of the plan of the colonizer. Imperialism was hailed as the enemy but the manifestations of imperialism and those people benefitting from its continuation were not clearly exposed.

> The objective of nationalist parties as from a certain given period is, we have seen, strictly national. They mobilize the people with slogans of independence, and for the rest leave it to future events. When such parties are questioned on the economic programme of the State that they are clamouring for, or on the nature of the regime which they propose to install, they are incapable of replying, because, precisely, they are completely ignorant of the economy of their own country. The economy has always developed outside the limits of their knowledge. They have nothing more than an approximate, bookish acquaintance with the actual and potential resources of their country's soil and mineral deposits; and therefore they can only speak of these resources on a general and abstract plane. [29]

The Manifesto clearly indicates the correctness of Fanon's analysis. The CPP was unable to envision what mechanism could transform the Gold Coast economy into an integrated economy structured for the benefit of its own population with an increasing productive base internally oriented, instead of perpetuating the external orientation that had, until now, benefitted mainly the colonizer. The manifesto is in no way a programme of national reconstruction. Constitutionally it offers only slogans. Politically, it offers only an imitation of the colonizer's political system. Economically, the plan is basically a repetition of the 10 year development plan of the colonial administration which indicates how little CPP leadership had really been engaged in serious analysis of its own exploitation and how little it envisaged real re-structuring of the post-independence political economy. The first priority is a hydro-electric scheme, an expensive infrastructual project with only long term profitability, this to be constructed in an economy which at that time was producing not even the simplest machine tools and had virtually no industry to be fed by this hydro-electric scheme. Items ii-iv are for still more infrastructure despite the fact that in the Gold Coast political economy inherited from the colonial era, infrastructure was already somewhat beyond the minimum required for expanded production. Even more telling, however, is the fact that, underlying the high priority given to railway lines, roads, and canals, was the implicit assumption that production for export was to continue and, in fact, increase as the main economic activity. Item v was mechanization of agriculture despite the fact that the prevailing level of agricultural technology in no way warranted imposition of sophisticated and expensive agricultural technology but was crying out for more simple improvements. There was no mention of institutional constraints on agricultural development as a central priority for any agricultural policy. Item vi finally deals with swollen shoot despite the fact that cocoa was the mainstay of the economy and swollen shoot was posing a real threat to Gold Coast cocoa production. Item ix refers to industry but only in the most general terms. Educationlly, free schooling is to be offered up to the age of 16 despite the many school leavers already without employment. Family assistance is to include free health service, water supply and housing schemes, again with no reference as to how such social infrastructure will be financed.

The complicity of the colonial government in perpetuating such planning is interesting to note. Perhaps the CPP was initially as surprised as the colonial administration to find itself so firmly ensconced in office. In a legislature with only 38 elected representatives as compared to 42 nominated ones, CPP still found themselves with a majority of 16. Attempts of the new government to established some control over the economy, however, were met with little cooperation from the colonial administration. The Watson Commission had recommended increased economic productivity as a major necessity and suggested that the colonial administration was weak for purposes of modern economic planning. The Colonial Office, however, was not prepared to appoint an Economic Advisor. The Watson Commission had noted the disparity in housing programmes between European housing and African housing which prompted the outgoing Colonial administration of 1950 to advocate an inquiry into possible effects of a major government works programme on existing inflation. This resulted in the Seers-Ross Commission of inquiry. Their report of 1952 strongly urged appointment of an economic adviser for the "fragile" Gold Coast economy but the British government refused to allow an outside adviser to enter the de-colonization process at this stage. The Seers-Ross report clearly saw the need for technical, economic and financial advice beyond what was available through the Colonial Office. More important, they saw internal expansion of the economy largely as a monetary and financial issue. The prevailing policy of a West Africa Currency Board operating under the "Sterling Exchange Standard" was designed to facilitate admirably an economy based on import-export activities but was in no way geared to an economy which was less dependent on foreign trade and more internally oriented.

The new CPP government, then, was carefully trained by the British towards "independence" of a neo-colonial variety. The British were firmly in control of the situation. The Extra-mural Department of the University arranged to hold a conference of "Parliamentary Government" for the newly elected members of the Assembly. Dennis Austin recounts a session on government estimates and drawing up of the budget which he attended.

> It slowly dawned upon the largely CPP audience that the budget they would be asked to approve had been prepared before they were elected - while many of them indeed were still in prison. They would have none of it, therefore: they wanted their own, and not an 'Imperialists' budget. Order was restored only when it was suggested that the new government could, if it wished, introduce an 'anti-imperialist',

> supplementary budget in the 'autumn', and thereafter goodwill prevailed once more. [30]

When "imperialists" and "anti-imperialists" agree to take turns making budgets and the "anti-imperialist" budget will come in the "autumn" which in fact, does not figure among the seasons of the year within the colony, but exists only within the Mother country, then, clearly the process of mystification reigns supreme.

Just as monetary and financial institutions and policies related to budget and planning remained firmly linked to the interests of the oligopolistic foreign-owned trading, mining and logging firms and their associated banking, insurance and shipping interests, so also the main institutions directly in CPP hands proved problematic as a counter force to international capitalist interests. The main institutions over which the CPP had direct control were the Cocoa Marketing Board and the Cocoa Purchasing Company.

The Cocoa Marketing Board was re-constituted in 1951-52 to include 9 members, all appointments being made by the Minister of Commerce, Industry and Mines. As a real challenge to European buying firms, it was an institution of very limited effectiveness. The CMB found itself in a structure of international trade in which it had no effective bargaining power. The world cocoa market was a buyers' market characterized by imperfect competition with three major cocoa-buying groups dominating prices and sales of cocoa. Hershey's, an American enterprise, Nestles, an association of two companies with European, American, African and Latin American links, and Cadbury's, a British company with links in England, Europe, Asia, Africa and New Zealand, were the three major cocoa buying groups.[31] Since the CMB did not attempt to engage in cocoa trade apart from Gold Coast's traditional trading partners, it was still subject to prices established by the major buying groups in a fluctuating world market and clearly government control in no way made the confectionary industry for which cocoa provided the material base any less profitable. Even with the unprecedentedly high cocoa prices of the 1954-58 period, the chocolate manufacturers recorded a profit margin of 26% of final price. [32]

The Cocoa Marketing Board as the key institution within the Ghanaian political economy did come under direct Ghanaian control but it was in no way altered to further the interests of the Ghanaian people over against imperialist interests at this time. While its effectiveness over prices and sales of cocoa was severely limited as we have indicated above, its control over surplus funds could have been the point of much more substantial leverage. The continued hold of the colonialist powers at this time and the ready acceptance, by at least some of the politicians groomed for political leadership, of policies serving imperialist interests, however, is reflected in the fact that CMB continued to accumulate reserves at this time and hold these reserves in sterling, thus helping Britain to maintain the pound. A direct confrontation with imperialist interest over use of this primary accumulation based on cocoa proceeds was avoided.

Here we see clearly how the nature of the independence struggle determines the nature of the independence won. The manner in which Gold Coast independence was being attained at this time meant that those in political leadership had to compromise independence even while it was being attained. The Volta River Debate illuminates the problems of political leadership at this time. J.B. Danquah advocated use of CMB reserves to finance the scheme in order to avoid foreign control. K.A. Busia also spoke of mortgaging the future to the benevolence of the British and the restraint of aluminium companies if financing from abroad was accepted. William Ofori Atta also spoke against the White Paper for a preparatory commission on development of Volta River Project based on foreign private investment. Nkrumah himself finally intervened in the, by then, very heated debate to point out that at the commencement of debate on Volta there had been an arrangement to regard the scheme as a politically sensitive issue and to take care not to weaken any of the potential participants.

> ... since most of the participants are British companies the arguments would be so carefully worded that we should not in any way prejudice those who are going to be participants; but the whole of the speech [Ofori Atta's] was a diatribe against the British government. As far as I am concerned when the national movement started in this country, I was one of the principal soldiers against imperialism... Go through the whole history of the United Gold Coast convention and you will see that my argument has always been against imperialism. Yet you say here

> that Kwame Nkrumah is selling out to imperialists... We are not boys! Do you think I am a fool to enter into a project like that blindly? If I were a fool do you think I could have been able to organize the country to this stage. I am not so damned silly as to put my nose into something that is detrimental to the interests of this country.[33]

Clearly the remaining political hold of the British during the period leading up to independence served as a means for consolidating still further foreign domination of the economy. Some, such as Nkrumah, recognized the dangers but for reasons of political viability, made compromises. Others were less concerned about future implications but eager for short term advantage and therefore willingly linked their own interests to those of foreign capital.

The other major institution under direct CPP control was the Cocoa Purchasing Company. The establishment of the Cocoa Purchasing Company in 1952 can be seen as a multi-purpose instrument. It was a challenge to the European buying firms and a means to tackle the problem of rural indebtedness and thus insure a long-term perspective in disease control by the eradication of land pledging. If Bray is correct in his assessment of the role of the buying firms in perpetuating rural indebtedness, then clearly any attempt by the Cocoa Purchasing Company to compete in produce buying would, of necessity, have to include extricating the potential producer-seller from his indebtedness to factors and agents of firms. Set up as a subsidiary of the CMB, the CPC was established with a share capital of £2 million and empowered in 1953 to set up, in addition, a Loans Agency with a limit first of £150 m. and then, in Feb. 1954, £1,500 m. By Sept. 1954, funds to the extent of £1,900,000 had been released to the CPC.[34]

The CPC provided no real threat to the expatriate firms. Their main trading interests lay in sales of manufactured goods. Primary produce buying was necessary only to provide sufficient incomes for an expanding market for these goods. Earlier activities in produce buying had served well to establish a trading network in the rural areas but by now the distribution network was well established through a web of petty traders linked to the expatriate companies and producer buying could be readily abandoned. Even more important, the growing intermediate strata plus increased government expenditures on infrastructure could provide an expanding market for trading interests. Re-allocation of the surplus from cocoa to central government for capital and recurrent expenditures and salaries all creating a demand for imported commodities was far more crucial to the interests of the firms than their own direct involvement in produce buying. Had the CPC attempted to re-allocate the surplus in such a manner that the direct producer price was closely related to the world price thus altering seriously the prevailing structure of demand, particularly had this been done in conjunction with re-structuring of the relations of production, the CPC would have been a threat to monopoly capitalist interests. As it was, the CPC proved to be an institution used more to oppose anti-CPP internal interests than to oppose imperialist interests.

The funds of the CPC, then, provided real leverage for the CPP within the local Gold Coast situation and succeeded in posing such a direct threat to certain Gold Coast interests as to lead to open opposition very quickly. The CPC as a giant cocoa broker was able to compete with the European buying firms as claimed - but it also competed with Gold Coasters working as brokers for the firms and indeed with wealthy Gold Coast farmers working as independent brokers. The CPC did indeed provide credit for indebted Gold Coast Cocoa farmers as claimed (albeit in return for support, in many cases) but in doing so it competed directly again with rich cocoa farmers who had been the major source of rural credit in the Gold Coast. Not only did it threaten these interests, many of them interests of highly respected members of the intelligentsia and chiefly elite, but it did so in a crude and openly corrupt fashion. Vote buying, personal enrichment and the tremendously expansive bureaucracy linked with CPC activities were too much for an elite used to corruption with manners as practised by the colonialists. Very quickly UGCC members, rich peasants, chiefs and also petty bourgeois interests saw an open threat to their interests in the CPC. The internal class struggle was now visible and some forces began to find their interests articulated not by CPP but by other political voices.

In 1951-54, then, the differentiation process had been greatly intensified by the fact that resources were now allocated not only through markets and bureaucracies but also through politics, all of this happening at a time of much increased capital circulation because of the high cocoa prices. The limited and essentially false opportunities offered by a de-colonization process of political manoeuvres under tutelage of the colonialist power had brought forth dissension and corruption within the CPP itself. Any semblance of party unity or party discipline had vanished. Some criticized openly the delay in pressing for self-government, seeing all too clearly the dangers of co-option into the "not unfruitful partnership" described by Arden-Clarke.

By 1952, some key members had resigned and others had been expelled for criticizing the rate of progress towards self-government and the substitution of "Tactical Action" for "Positive Action." The 1952 conference broubgt open discussion and a temporary truce with an "Evening News" suggestion that "those who were grumbling at the CPP for not jumping to wrestle S.G. for the people of this country must surely see the tactical plan of the Party in its move to lead the country into 'Canaan'[35] The more radical critics were ousted. Some were quick to shift positions and rapidly emerged within other parties. Others, however, represented more substantial constituencies such as Turkson Ocran and Anthony Woode of the TUC and their ousting meant a real break with substantial, already politicized forces, and CPP's claims to a mass base dwindled as a result. Among the few forces with a relatively high degree of political consciousness in the colonial era were some forces within the TUC. Such men as Anthony Woode, Pobee Biney and Turkson Ocran were all strong trade union spokesmen and became associated with CPP in the indendence struggle through the "Ghana People's Representative Assembly" of 1949. By 1950, Biney and Woode were among the labour leaders in jail after the positive action campaign. The colonial government tried to de-politicize workers at this time by re-organization of the Gold Coast TUC and its affiliation with the ICFTU, the "free world" International Confederation of Free Trade Union. On the release of these trade union leaders in 1951, a rival

Ghana Trade Union Congress was formed which was pro-CPP and anti-ICFTU and which took a strong position not only in wage working conditions but also in all political matters. In the 1951 election, both Biney and Woode were elected as members of parliament and by 1952, they were vocal critics of CPP's willingness to delay on its pledge of "Self-government now" . They were also critical of foreign capital controlling the Volta project.

Their more consistent theoretical position in relation to capitalism/socialism was in stark contrast to the rather confusing mixture of anti-capitalist, anti-communist, pro-nationalist, pro-socialist tenets of Pan Africanism, espoused by CPP at this time, particularly when it became clear that Pan-Africanism socialism could accomodate foreign financial control and continued capitalist loans for development, despite "primary accumulation" already amounting to some £145 million held in foreign reserves, derived from cocoa prduction.

In 1953 this left-wing element in the CPP was pushed out. The two trade unions were merged. Woode and Ocran were suspended from the CPP, Woode being charged with attendance at meetings of the World Federation of Trade Unions (WFTU), the international communist trade union organization. Turkson Ocran was displaced as general secretary of the TUC and replaced by J.K. Tettegah, a much less militant trade unionist. The TUC became completely subordinated to the party and to the state, the workers dues now financing headquarters buildings, administration and official cars and salaries and TUC holding disciplinery powers over any union activities.

Political leadership, then, in the period leading up to formal political independence in 1957, was at best precarious as it tried to hold together conflicting internal interests, while at the same time presenting a united front in order not to jeopardize the actual granting of independence. The mobilization for the election of 1951 had stopped at the point of electoral victory. Political mobilization became synonymous with building up a party organization, an assured vote getting machine, instead of real political education towards formation of a mass base. The potential of CPP as a people's party over against the nascent bourgeois interests of UGCC was never realized. Once CPP became co-opted as the party to be groomed for independence by the colonialist power, it rapidly became bureaucratized and corrupted.

What mass organization existed proved totally ineffective in controlling the excesses of the leadership. The pyramid structure of authority in the party gave the Leader the power of choosing a 9 member Central Committee to act as "directorate" of a broad, national executive committee. Both Central Committee and National Executve Committee were supposedly responsible to the National Conference made up of representatives from constituency organizations, Women's Section, Youth League and affiliated organizations. During this period, many other groups also were linked with the CPP. At the base, however, the whole manner of party organization had little in the way of basic democratization to it. The eagerness to enlist the illiterate and the school leaver as voters was not matched by eagerness to give them increased opportunity within Gold Coast structures once the elections were over, and the old habits of paternalism and an élitism that disdained illiteracy quickly came to prevail within the "people's" party as well as elsewhere throughout the colonial society. A unity of interests was assumed within CPP supporters and so the already educated or relatively prosperous took up party positions and the "people" were relegated to a position of silent assent at best.

Perhaps the Amansie East Constituency, an Ashanti rural constituency spreading out from the market town of Bekwai, gives a good indication of how CPP tended to reinforce rather than counter the processes of class formation already created by markets and bureaucracy and already resulting in processes of differentiation. Petty bourgeois and rich peasant interests entrenched themselves in key positions. In Amansie, the chairman was a contractor and bar-keeper, the vice-chairman a cocoa broker, the secretary a letter writer with standard VII education, the propaganda secretary a teacher and the treasurer a cocoa factor. In an executive committee of 24, there were 13 with at least standard VII education and only 4 illiterates. Among the 24, there were petty bourgeois interests and rich farmer interests (13) including 6 cocoa brokers and 3 in bureaucratic and service occupations. Of the remaining 8, one was without permanent job, one was an MLA, and only four were direct producers, one of these being the Chief Farmer of the area.[36]

The tendencies of the political party described by Fanon, were rapidly to prevail in the Gold Coast.

> The political party in many parts of Africa which are today independent is puffed up in a most dangerous way. In the presence of a member of the party, the people are silent, behave like a flock of sheep and publish panegyrics on praise of the government or the leader. But in the street when evening comes, away from the village, in the cafe or by the river, the bitter disappointment of the people, their despair but also their unceasing anger makes itself heard. The party, instead of welcoming the expression of popular discontent, instead of taking for its fundamental purpose the free flow of ideas from the people up to the government, forms a screen, and forbids such ideas. The party leaders behave like common sergeant-majors, frequently reminding the people of the need for "silence in the ranks". This party which used to call itself the servant of the people, used to claim that it worked for the full expression of the people's will, as soon as the colonial power puts the country into its control hastens to send the people back to their caves.[37]

During 1951-54, various political activities emerged in opposition to the CPP. A Ghana Congress Party was organized in 1952 with the old intelligentsia/ business/chieftancy forces which saw itself mainly as a force of opposition to CPP and drew support mainly through chieftancy links with Wenchi and Kibi, business links in the major towns and intellectual links with Cape Coast. Here were forces established under the pre-war social formation in tension with new forces as superstructure moved to conform with the new post-war forces of production. A Northern People's Party was organized in 1954. Its main aims were a share in the social and physical infrastructural developments of the south and respect for Northern culture and protection from injustice. The very statement of Party aims is a good indication of the structural position of the Norther Territories as source of cheap labour for the South which resulted in both its underdevelopment as a region and its perception of the elitist disdain of the Southern educated Christians for the Northern illiterate Muslims. The first aim of the NPP was to ensure "respect for the culture of the people of the Northern Territories" including just treatment and protection against abuses. The second aim was a greater share in administrative and other services of the country. The third aim was for immediate development and progress of the Protectorate and the fourth a plea for representation by people who "actually have the interests of the Protectorate at heart, and not carpet baggers."[38]

Another party, the Moslem Association Party, was formed in 1954 based allegedly on dislike for the CPP's disrepect of Moslem traditions, but its Kumasi location makes it perhaps more likely that its genesis lay mainly in the controls imposed on Moslem traders by the CPP controlled municipal council. Finally a Togoland Congress was formed in 1953-54 with interests in reuniting British and French Togoland. Since France's policies towards its colonial possessions certainly did not include substantial steps towards self-government at this time, the aim of re-uniting Togoland was highly problematic. The Togoland Congress was also mainly the voice of a Lome-Keta axis firmly incorporated into the international capitalist system and little reflected the interests of the peasantry and proletariat emerging in the hinterland.

In 1954, a further step of de-colonization was announced. A new Order in Council was promulgated which would provide for further reduction and transfer of the Government's discretionary powers into the hands of the Prime Minister, the Gold Coast Public Service Commission and the Judicial Service Commission. This granting of full, internal self-government was seen as a 'final stage' before independence by the British. As far as the British were concerned, the four years of CPP government had provided no threat to their interests. The conditions leading to the confrontation of 1948, far from being repeated, were now only a faint memory in a wave of cocoa prosperity. Import-export interests thrived, expanded, specialized. The mines were producing well and the timber industry was booming. None of these operations was threatened in any way by the new Gold Coast government, many members of which were intent on political trappings of independence and personal interests with little concern for the dependent and externally-oriented state of the economy. The 1954 House of Commons Debate about Gold Coast independence certainly was not a debate from a threatened colonial power. The Minister of State for the Colonies could speak thus:

> The discussions which have led to the satisfactory settlement now reached have been cordial and constructive. It is proposed that a General Election should be held under the new Constitution in June. I am confident that when there is an All-African Government it will prove as friendly, co-operative and responsible as the prevent one. Under these changes, the powers retained by Her Majesty's Government are the minimum which they must

> retain so long as they have any responsibility for the Gold Coast. These changes must therefore be regarded as the last stage before the Gold Coast assumes full responsibility for its own affairs. [39]

The "arrangement" with the Gold Coast government of 1951-54 had functioned remarkably well as far as British interests were concerned. The CMB effectively siphoned off cocoa revenue to such an extent that it prevented substantial threats to British interests from a nascent national capitalist class with agro-mercantile interests which could have competed with foreign interests or even grown to the stage of national manufacturing interests within the Gold Coast economy. The CMB also acted as an efficient re-distributive mechanism. Export duty which had been only 18.9% of cocoa proceeds in 1950-51 had reached 27.9% in 1952-3 and by 1953-4, 45.6% of total cocoa proceeds was being siphoned from the producers into government revenue through the export tax. This provided government with ample funds to support new expenditures on a much expanded government bureaucracy and thus a much expanded internal market. A 1953 study of imports of consumer goods and producers goods in a number of countries thoughout the world found Gold Coast with the second highest proportion of consumer goods of all countries studied with a figure half as high again as the average. [40] The value of imports increased from $134.8 m. in 1950 to $198.9 m. in 1954. [41] Cocoa revenue also provided for much increased infrastructure and thus further demands for imports all of which British interests admirably. A continued neo-colonial arrangement of this sort was not to be feared and "independence" of the Gold Coast was approached with equanimity by the international capitalist class, now confident that its imperialist interests could easily survive, and indeed benefit, from such a de-colonization.

As far as Gold Coast forces internally were concerned, the urgency of the 1951 election had disappeared. The rising cocoa prices brought about a period of general expansion and prosperity. Bureaucratic and service occupations were multiplying at a phenomenal rate and government employment became the major feature of the political economy. Trade, transport, contracting and construction were thriving in a period of expanding infrastructure financed by government. Increased cocoa incomes added to the expansion of economic activities throughout the country. Rich cocoa farmers were putting up impressive buildings, financing expensive educational opportunities for sons and daughters who could soon return to join the intelligentsia or bureaucratic elite, and venturing into all sorts of related activities. Middle cocoa farmers had income for cloth and radios, cement and tin sheets. Even the poorest cocoa farmers could be sure of more regular corned beef and sardines along with cloth and even a manufactured shirt or two.

> Whatever you want to do in this world -
> It is with cocoa money that you do it.

Perhaps Nkrumah in the 1954 election when this high life lyric was being widely sung throughout Gold Coast was less aware than many others of the full potential of such dependence on cocoa.

> The fundamental cause of the development of a thing is not external but internal; it lies in the contradictoriness within the thing... (materialist dialectics) holds that external causes are the conditions of change and internal causes are the basis of change, and that external causes become operative through internal causes. 42

Perhaps if Nkrumah's arrival back in Gold Coast had not catapulted him immediately into political leadership amidst the 1948 crisis, he would have made a different analysis of Gold Coast realities and the internal processes of colonialism. As it was, perhaps he never did come to grips with an analysis of the principal contradiction within the Gold Coast, the "contradictoriness" within cocoa production and the relation at all other contradictions to that principal contradiction. By 1954, cocoa accounted for 75% of the total exports, but Nkrumah's thoughts seemed little focussed on cocoa monoculture as a precarious basis for economic development or access to cocoa proceeds as the source of political and economic power within the Gold Coast. In what was to emerge increasingly as a fundamental theoretical error, Nkrumah chose to attack the principal contradiction, that between imperialism and the people, not as it manifested itself in concrete processes related to cocoa production and the structural relations of the Gold Coast political economy but instead as it manifested itself in relation to the entire African continent. By doing so, Nkrumah increasingly operated at an idealist rather than a materialist level, providing little political leadership for those concretely locked within the contradiction to emerge as a dominant force against imperialism. By failing to recognize that the only strategy possible against imperialism was a strategy to mobilize the people, those people caught within its oppressive structure, to develop an alternative force based on the power of the people, Nkrumah failed to do the political work necessary to mobilize the Ghanaian peasantry and proletariat. He himself became increasingly immersed in Pan African politics and struggles outside Ghana; meanwhile the forces of imperialism continued unabated within Ghana.

The strategic principles of a neighbouring African country some years later stand in marked contrast to the Ghanaian experience. In Portuguese Guinea, Cabral speaks of analyzing closely the social structure of Guinea and coming to several strategic operating principles. "Our people are our mountains." Manuals of revolutionary warfare speak of mountains as bases for developing guerrilla warfare. Without mountains, the people themselves will form a base from within which the struggle will emerge. The second principle concerned mobilization and organization of the people. A national proverb brought wisdom to bear."Rice can only be cooked inside the pot." Even with fire, rice can only be cooked inside and not outside of the pot.[43] Ghana's liberation could only be accomplished inside Ghana and not by Pan African visions operating without material base.

The 1953 meeting of West African nationalists in Kumasi proposed a 'strong and truly federal state (of West Africa) capable of protecting itself from outside invasion and able to preserve its internal security."[44] The invasion from outside, however, had already come and had won an overwhelming victory in which West Africa had become established as a source of mineral and agricultural raw materials for the metropolitan capitalist countries. "Internal security" could not be guaranteed by police and military forces as intermediaries over continued processes of pillage but could only come from a real control of the economy and national reconstruction in a self-reliant manner, that would control the forces of exploitation that prevailed. It was not seen in such terms by the Kumasi gathering, however, and "Evening News" began an intensive propaganda effort in 1954 to put Nkrumah forward as the leader not only of Gold Coast nationalism but as a leader of all Africa.

Meanwhile other political forces were quick to see access to increasing cocoa revenue as the basis of power within the Gold Coast political economy. CPP had won the June 1954 election with 72 of the 104 seats, despite internal confusion within the party caused by candidates' standing as independents and despite a lack of real programme beyond the cumbersome slogan "to shorten the trasitional period to independence." Nkrumah is reported to have told a visiting journalist at the time," Until independence, there is only one political platform - that is, independence - and I happen to be occupying it." [45]

After the 1954 election, however, cocoa politics began in earnest. The Election Manifesto had avoided promises of any higher cocoa price but at a time of record world market prices there was general speculation about an increased price after the election. Some CPP politicians in election campaigns were reported to have intimated that recently established £5 currency note had been introduced in order to facilitate payment of 100s. per load for the 1954 crop instead of the 72s. which had been paid in 1953. In August Gbedemah introduced into the Assembly a Cocoa Duty and Development Funds (Amendment) Bill which proposed to fix the producer price at 72s. per 60 lb. load for a period of four years. He defended the bill by pointing to the dominant position of cocoa in total export revenue.

> ... in 1950, out of a total revenue of £77.4 million, cocoa constituted _52.4 million; in 1951, out of a total export revenue of £92 million, cocoa constituted £52.5 million; in 1952, out of a total export revenue of £85.4 million, cocoa constituted £52.5 million and in the last year, that is, 1953, out of a total export revenue of £89.7 million, cocoa constituted £66.1 million. All the other export crops put together cannot form the basis of any major fiscal policy apart from cocoa and therefore the Government is justified and is right in basing its policy on the major crop which this country produces in order to stabilise its economy, and in doing so to use the accumulated funds to the benefit of every section of the community.[46]

The logic of the argument is clear. What is not so clear is whether, in fact, every section of the community was benefitting from government control of the accumulated funds.

Compared to a pre-war price of 7/10 in 1939 or 27/6 in 1946, the 1954 price of 72/ per load was excellent. Compared to the world price of £450 per ton or £12 10s. a load, and compared to an Ivory Coast/ Togo price of £7 10s. per ton, it was something less than satisfactory. The Cocoa Bill presented a real issue and political forces suddenly emerged articulating opposing interests, interests intent on gaining control of the accumulated funds now in CPP hands. These interests converged in Ashanti in the form of a new linkage of disgruntled farmers led by Kofi Buor, Ashanti Chief Farmer and now chairman of a "Council for Higher Cocoa Prices," ousted CPP members, Ashanti Youth Association members unhappy about recent constituency demarcations for the elections and also, very quickly, well-known opposition members as well. The AYA rebels, now linked with the cocoa farmers, turned next to the chiefs for support. The chiefs were happy to promote anti-CPP activity and even more happy at the prospect of organizing to gain more power through access to cocoa revenue. Under the chairmanship of a wealthy cocoa farmer and senior linguist of the Asantehene, Bafour Osei Akoto, the new movement was launched, accompanied with a great deal of ritual and traditional Ashanti symbolism. With "anti-communism" and "good neighbourliness" as part of their propaganda, they organized through traditional Ashanti social structures and built up a strong Ashanti-based party, the National Liberation Movement. Their demands ranged from higher cocoa prices to investigation into CPC, a new election, and finally demands for a federal constitution. All of these served only to hide the central power struggle being waged by the NLM.

> It would have been impossible to organize a popular movement whose announced objective was simply to enable the absentee landlord chiefs of Ashanti to regain from the CPP profits that had originally come from the labour of the agricultural proletariat. An "ideological" appreach was necessary. The NLM said that the policies of the Cocoa Marketing Board and the Cocoa Purchasing Company were not its main targets: "The cocoa issue is only a facet of a larger problem." Instead, the NLM was appealing to the Asanteman Council "for help in the campaign against the larger issue, namely the stamping out of dictatorship and communistic practices..."

In Togoland, without such excessive nationalism and intelligentsia rhetoric to mystify, the struggle for access to cocoa revenue as the central issue was much more clear. Ashanti and Togo were struggling to prevent cocoa surplus from being siphoned out of the cocoa areas into the hands of a central government controlled by the CPP. The rich cocoa farmers of Ashanti and Togo, supported in their demands by prices in neighbouring Togo and Ivory Coast, suddenly saw politics as a means of gaining access to this revenue. Mr. K. Apaloo, speaking on behalf of the opposition and Ewe interests, clearly saw the mechanisms at work in the CPP-colonial "arrangement." Government fiscal policy was leaving the firms and mines untapped as sources of revenue. It was not even demanding loans from surplus already built up as sterling reserves. Almost the entire government revenue was coming from cocoa export tax which placed the burden squarely on the backs of direct cocoa producers. He suggested that the government was creating a peasant slave system and that development schemes benefitted only the bureaucracy and the cities. People in the rural areas were living in the same mud houses roofed with iron sheets while others built impressive bungalows at their expense. Trans-Volta Togoland with less than 5% of the population of Gold Coast was contributing nearly 30% of government revenue with its cocoa production. Meanwhile not one mile of road had been tarred in the area. Apaloo spoke up clearly in the Assembly debates.

> These people want the money and instead of our giving their money to them we have taken the money and we tell then "we will give you loans!"... I am saying; do not give them loans, give them their money so that they can buy building materials for their own buildings with their own money.[48]

It was far more than building materials that were at stake, however, in the struggle. A man like Bafour Akoto employing some 24 labourers on his farms produced some 500-700 loads a year, For such a man, the difference between 72s a load and £5 a load meant an overall difference of £700-1,000 per year. That kind of capital put together with his powerful position in the Asantehene's Court, his business interests already established after a career as motor mechanic to Swanzy Transport, chief fitter for Cadbury and Fry, and fitter-driver, in his own business in Tamale before returning to Kumasi as linguist, were the stuff of which a national capitalist class was made. It was exactly this kind of accumulation which the marketing board mechanism had effectively prevented.

The years from 1954-56 were years of struggle, then, as NLM manoeuvred with all the political acumen it possessed to forestall full independence being granted to a CPP-led government. It rejected all overtures from the CPP to cooperate. It refused to consult with the Constitutional adviser sent by the Secretary of State on Nkrumah's request to expedite matters. Once the adviser's report had been made, the opposition refused to join in the Achimota Conference called to discuss it. Apart from such stalling tactics, there was little that could be done. The NLM aroused Ashanti peasants with Ashanti traditional slogans but this was a limited tactic, the NLM intelligentsia and chiefly elite really being permeated by paternalistic attitudes which certainly did not envision mobilizing Ashanti peasant forces beyond the stage of assuring their votes. NLM tried to win federal powers by appeals to the British and negotiations through the Colonial Office in London but, in fact, the British were solidly behind the CPP, benefitting from the prevailing "arrangement" and by no means unaware of the threat that a federal system would pose to their interests. Dr. K.A. Busia, leader of the Parliamentary opposition, had seen this clearly in his 1953 conversation with Richard Wright. "The British here care nothing for our people; they are concerned with their political power which enables them to defend their financial interests. They sided with the CPP in order to protect those interests. It's that simple." [49]

Finally the only thing possible was to call for a new election, asking for a mandate from the people for granting of immediate independence. The main issue was whether this would be under a unitary or federal constitution. Amidst eloquent propaganda attacks and counter-attacks, the candidates were carefully selected to contest each constituency. In July 1956, the election was held. CPP won a healthy majority of 71 out of the 104 seats. NLM maintained its Ashanti strength to gain 13 of the 21 seats but

CPP clearly had the overwhelming support of the portion of the electorate that voted. On August, 3, Nkrumah's motion for independence was passed by 72-0. The opposition boycotted the assembly. In March 1957, Independence was granted. The de-colonization process had reached the stage of formal independence. The process of gaining economic independence had yet to be begun.

From 1957-60, the political activities in the new Ghana continued to exhibit many of the same conflicts of interest as pre-independence politics had done. The prizes of political office were now even more accessible without the direct presence of the British and a general furor was created even over such apparently trivial things as allocation of government estate houses which went against sectional interests. The general level of corruption increased as did also accusation and couter-accusations of tribalism and communism. December 1957 brought an "Avoidance of Discrimination Act" which made regional, tribal or religious parties illegal. In 1958, the "Report" of the Regional Constitutional Commissioner appeared with precise, detailed recommendations for establishing elected regional assemblies to replace the interim assemblies appointed in 1957. The "Report" attempted a compromise between the wide and extensive power over numerous areas being demanded by the opposition and the essentially advisory function being advocated by government. The government's "Statement to the Report" severely restricted the range of powers suggested and concentrated all powers on the central government, that being firmly within CPP control. The opposition protested strongly since this came on top of other measures which had already brought the chiefs more firmly under CPP control. Assembly elections came and were boycotted by the opposition. The CPP dominated assemblies met briefly in Sept. 1958 and approved a Constitutional (Repeal of Restrictions) Bill which, the following March, resulted in their abolition. Unrestricted power was now vested in a simple majority in the National Assembly. Other legislation gave powers against individual opposition including a Preventive Detention Act in July 1958 which gave powers for imprisonment without trial of anyone suspected of activities prejudicial to State security. By November

1958, 38 opposition members had been detained under the act.

The opposition rallied against such moves and by November 1957, the United Party was formed to include NLM, NPP, MAP, Togoland Congress, as well as a newly formed Anlo Youth Organization and an Accra movement, Ga Shifim o Kpee. The UP had little effect. By 1960, of the original opposition members of parliament, 3 were in detention, one was in exile, and 12 had gone over to join the CPP. By 1960, the government announced its intention to seek draft republican constitution. J.B. Danquah came forward once again and faced Nkrumah as an opponent for president but the UP was powerless against the far-flung CPP network and so on July 1, 1960, Ghana became a Republic with Nkrumah as President.

The concentration of political power was now substantial. The nature of claims to authority within the prevailing situation of de-colonization allowed such a concentration to build up without real opposition. Multiple powers were placed in CPP hands at the same time that it had ceased to function as a mass organization truly responsive to the people whom it claimed to represent. CPP had by this time become victim of both atrophy and stratification. [50] It had succeeded in holding off all opposition. The rightist opposition in the form of the UP who claimed to speak for the interests of the rural producer but in fact were more concerned for their own interests as relatively prosperous cocoa farmers had been defeated through electoral manoeuvres. Any potentially leftist opposition had also been silenced. The more vocal trade union members were out of the CPP, and the TUC as a whole had been incorporated into the CPP so that it now functioned as a kind of bureaucratic national union, a state agency for labour administration, more prone to moral pronouncements about working harder than to serious anlysis of prevailing wage structures or any attempts at worker control. Student groups found education such an authomatic guarantee of their incorporation into the growing numbers of government and political functionaries that they were more intent on preparing themselves for their new roles as part of the the intelligentsia/bureaucracy consumer elite than on controlling excesses of the CPP.

The continuance of high cocoa prices until the very end of the period meant relative prosperity for cocoa producers with a speeding up of the differentiation process and a widening gap between rich peasant and poor peasant. The poor peasants were not organized at all as a political force. The middle peasants also were a firmly enmeshed in a social structure in which paternalism, patron-client relationships and hierarchical family structures prevailed. There was little consciousness of any credibility gap between the pronouncements of good intentions by the more prosperous farmers controlling the UGFC and local CPP branches and the dwindling opportunities as size of land holdings decreased and incomes remained relatively static, particularly as compared to the rapidly increasing prosperity of the rich peasants. Generally the intermediate strata were able to perpetuate at the level of the popular consciousness the perception of strong traditional family ties. By operating within an intricate web of patron-client relationships, they prevented full perception of the growing economic differentiation. The "big man," the fellow "countryman," and the "senior brother" enjoying the new opportunities could still present themselves essentially as benefactors who would spread opportunities they now monopolized to their relatives and townsmen also. Indeed they did so, to a degree, and this fact prevented full realization of the fact that, had they not entrenched themselves in these positions of opportunity and consumption privilege, in the first place, there could have been a totally different structure of both demand and opportunity, with an integration of the entire population into the increased standard of living now monopolized by the few.

It was a precarious balance being maintained at this time, and only the continuing proceeds of cocoa allowed it to maintain the semblance of viability for so long. What was happening within Ghana, at this time, was to become a classic stage of the de-colonization process throughout Africa, and indeed throughout the whole range of colonial and semi-colonial countries incorporated into the world capitalist market and now seeking independence. If one envisaged the social product being produced as divided into three categories of usage as suggested by Ernest Mandel, one would have the following tri-fold division. [51] First, there was the share of the social product being used for the consumption of direct producers. Second, there was the share being used for accumulation for re-vestment in an expanding productive base. In the middle was the third share and this was the share being consumed by all those who were not direct producers, those who consumed the social product in their capacity as owners or managers of the means of production, as politicians, administrators, military men, lawyers, middle-men etc., In Ghana at this time, more and more of the growing social product was being used for this middle category, that of unproductive consumption. The direct producer had minimal increases, enough to keep him producing, not enough to improve substantially his level of living. The CMB which by administrative fiat had control of a very substantial share of the social product, channelled a great part of that share into development of infra-structure of a sort that could benefit certain interests within the political economy and a very great share also went into salaries for consumption of those not engaged in direct production. Intermediate strata, then, of a very particular nature were emerging into a dominant position in the socio-economic structure.

We have seen throughout this discussion of the political processes between 1945-1960 that the movement from colony to "independence" in 1957 and a further move in 1960 to a constitutional republic with an elected president were essentially processes that in no way posed a threat to the established position of Ghana as one of the dependent political economies within the international capitalist system. We have discussed already the concept of dependency in the writings of Dos Santos and other Latin American social scientists as a structural situation in which the economy of one country is conditioned by the development and expansion of another economy to which the former is subjected. Between 1945-1960, the structures of dependency prevailed. The economy was developed not on the basis of national needs and aspirations but on the basis of foreign needs, complementary to another dominant economy and functioning not in response to forces generated from within but only as a reflex in response to demands from outside the political economy. Agricultural production indicated most clearly the continuation of the state of dependency. The overwhelming dominance of cocoa was not a result of self-generating demands within the political economy that integrated cocoa into an expanding productive base but indicated instead a response to market demand by the international capitalist world for a luxury item, chocolate. Similarly, industrialization processes were totally dependent, playing a completely different role in Ghana than industrialization had played historically in the development of Western capitalist economies a century before.

The general orientation of policy for economic development was a dependent one. The mythology of a shortage of capital perpetuated by foreign advisors was accepted without question despite the continued outflow of capital accumulation through high profits from the exploitation of mineral and timber resources and despite capital accumulation from cocoa production clearly visible in the hands of the CMB. The capital accumulated internally through CMB was not expended on investment in productive enterprise, but, was held as securities in British banks to provide a stable investment climate and spent on infrastructure which was supposed to attract foreign private capital, and on salaries for an increasing sector of non-productive consumers. This general economic policy of building up social and physical infrastructure in order to entice others in to develop the economy is indicative of the structural dependency that prevailed.

Dependency also prevailed throughout the social and political superstructure. Virtually all institutions continued to be foreign designed, directed, controlled and manned. The kinds of institutions set up, the bureaucracy, the military, the political institutions, all exhibited an external orientation and a dependence on external forces for their perpetuation. The educational policies exhibited the same phenomenon, being oriented not towards self-reliance, towards a perception of social reality in national terms with Ghanaian resources being developed for the benefit of Ghanaians, but more as dependent on Western knowledge, Western science, and particularly Western technology. Eventually education led either to assumption of a place in the state bureaucracy or political activities in a government which, **rhetoric notwithstanding, functioned throughout the** period essentially as a political holding company for foreign capital.

Alternatively, education led to a position as a school-leaver, unemployed and unemployable, functioning within the prevailing structures only to augment the supply of cheap, unskilled migrant labour. In neither case did education produce anything except further dependency.

The most striking change during the period was the **emergence** of the substantial social classes which functioned within and benefitted from the continuing structures of dependency. The change from colonial to "independent" status meant that the international capitalist interests had to be serviced not by a colonial administration but by Ghanaians themselves. The new opportunities in the intermediate strata and within the political sphere were filled by Ghanaians oriented to continued dependency through educational experiences in which they had been thoroughly inculcated with western values. The intermediate strata emerged with amazing rapidity, and quickly consolidated their position as guarantors of the status quo.

As Fanon has so aptly described it, such intermediate strata form a kind of "underdeveloped middle class." Such strata have almost no economic power and eagerly resumes dependence on the mother country for economic affairs after "independence" provided their members can emulate the consumption patterns of the mother country bourgeoisie which it hopes to replace.

> The University and merchant classes which make up the most enlightened section of the new state are in fact characterised by the smallness of their number and their being concentrated in the capital, and the type of activites in which they are engaged: business, agriculture and the liberal professions. Neither financiers nor industrial magnates are to be found within this national middle-class. The national bourgeoisie of under-developed countries is not engaged in production, nor in invention, nor building, nor labour; it is completely canalised into activities of the intermediary type. Its innermost vocation seems to be to keep in the running and to be part of the racket..[52]

It was such intermediate strata, which prevailed within Ghana in the later half of the period. The tales of corruption and bribery were endless. Pilfering of public funds was commonplace, the degree depending only on one's rank within the bureaucracy or party. The bureaucracy became the major employer within the economy for all highly trained manpower. By the 1960 census, 83% of all professional and technical employees were engaged in the public sector. Some 62% of all administrative, executive, and managerial employees and 56% of clerical employees were also to be found on government payrolls. This group was part of the phenomenon described in a Latin American context as "clientele social classes," social classes which have a vested interest in perpetuating the situation of dependency because of the way in which they are able to benefit from it.[53] In Ghana, during this period, the bureaucracy and other intermeidate strata formed a kind of intellectual, technical, managerial and professional elite, functioning as clientele of international capitalism, managing the economy only in a manner dependent on continued harmony of interests with UAC, Barclay's and soon other foreign interests as well. A comfortable life in Accra and the regional capitals with increasing "amenities," consumption privileges, and trips abroad was the reward for perpetuating Ghana's dependent position and allowing nominal independence to replace any real national reconstruction.

For the most part, "Independence" brought not changes in the structures of exploitation characteristic of the colonial era but an opportunity for some Ghanaians to themselves step into the position of exploiters while the majority continued to be exploited as they had been throughout the colonial era.

> The national bourgeoisie steps into the shoes of the former European settlement: doctors, barristers, traders, commercial travellers, general agents and transport agents. It considers that the dignity of the country and its own welfare require that it should occupy all these posts. From now on it will insist that all the big foreign companies should pass through its hands, whether these companies wish to keep on their connections with the country, or open it up. The national middle-class discovers its historic mission: that of intermediary. ... Seen through its eyes, its mission has nothing to do with transforming the nation, it consists, prosaically, of being the transmission line between the nation and a capitalism, rampant though camouflaged, which today puts on the masque of neo-colonialism. 54

It is interesting to note that Frantz Fanon wrote such an indictment of the African national middle class in 1961 while residing in Accra.

Clearly the class interests based on relations to the means of production had succeeded in shaping the superstructure to conform with their interests during the period. International capitalist interests prevailed, having now found a willing intermediary for continued, post-independence operations in the new intermediate strata and politicians.

> Behind a facade of African rule..., British interests had been allowed to remain paramount. Ghana had proved that it was possible to be constitutionally concessive without hazarding major fields of British concern. [55]

It was a fragile arrangement, however, since it hinged on cocoa proceeds for its perpetuation. In 1960, cocoa prices began to fall. From the 1954 height of £G395 per ton and the 1958 position of £G316 per ton, the price in 1960 fell to only £G219 per ton and by 1962, was down to £G159. Producer prices fell from 72s. to 60s. and then from 60s. to 50s. A whole new array of forces and contradictions began to emerge and it is to these which we must now turn.

FOOTNOTES

1. Quoted in Austin, op.cit., p. 51.

2. Ibid., p. 53.

3. Rathbone, Richard, "The Transfer of Power in Ghana 1945-1957," an unpublished PHD thesis at the University of London, 1968, p. 66.

4. Kwame Nkrumah, Ghana, the Autobiography of Kwame Nkrumah, (Edinburgh: 1957), p. 62.

5. Austin, op.cit., p. 56.

6. Mohan, G., "Nkrumah and Nkrumahism," The Socialist Register (London: Merlin Press, 1967), p. 193.

7. Austin, op.cit., p. 68.

8. Ibid., p. 67.

9. " , p. 71.

10. " , p. 72.

11. " , p. 66.

12. " , p. 76.

13. " , p. 78.

14. Quoted in Austin, p. 80.

15. Austin, op.cit., p. 81.

16. Ibid., p. 84.

17. " , p. 85.

18. " , p. 90.

19. " , p. 91.

20. " , p. 150.

21. Apter, David, Ghana in Transition (New York:Atheneum, 1963), p. 8.

22. Austin, op.cit., p. 158.

23. Ibid., p. 162.

24. Quoted in Fitch and Oppernheimer, "Ghana: End of an Illusion," Monthly Review, July-August 1966., p. 37.

25. Austin, _op. cit._, p. 165.

26. Mohan, _op. cit._, p. 196.

27. Apter, _op. cit._, p. 238.

28. Austin, _op. cit._, p. 130

29. Fanon, Frantz, _The Wretched of the Earth_ (New York: Grove Press Inc. 1961), p. 123.

30. Austin, _op. cit._, p. 153.

31. Moody's Industrial Manual, American and Foreign (New York: Moody's Investors' Service (annual), 1964.)

32. FAO, _Cocoa: Recent World Market Trends_

33. Apter, _op. cit._, p. 238

34. Austin, _op. cit._, p. 172

35. _Ibid._, p. 169

36. _Ibid._, p. 198.

37. Fanon, _op. cit._, p. 147

38. Austin, _op. cit._, p. 184.

39. _Ibid._, p. 211.

40. _ASCG_, op. cit., p. 335.

41. UNO, _Economic Survey of Africa_

42. Mao Tsetung, _Quotations from Chairman Mao_ (Peiking, Foreign Languages Press, 1966), p. 213.

43. Cabral, Amikar, _Our People Are Our Mountains_ (London: Committee Freedom in Mozambique, Angola and Guinea), p. 12.

44. Austin, _op. cit._, p. 200

45. _Ibid._, p. 254.

46. Ibid., p. 254 n.

47. Fitch and Oppenheimer, op. cit., p. 59.

48. Ibid., pp. 56, 7.

49. Richard Wright, Black Power (London: Dennis Robson, 1954), p. 275.

50. Murray, Roger, "Militarism in Africa" in "New Left Review, Apr. - May 1966, p. 47.

51. Mandel, Ernest, Unpublished lecture at The Institute of Social Studies, April, 29 1972.

52. Fanon, op. cit., p. 122.

53. Bodenheimer, Susanne, op. cit., p. 337.

54. Fanon, op. cit., p. 134.

55. Rathbone, op. cit., p. 378.

CHAPTER VI

ECONOMIC BASE 1960-66.

"...and all else shall be added unto it"
Kwame Nkrumah.

"Seek ye first the political kingdom." This had been the watchword of the struggle for national independence and indeed the period of 1945-1960 had been a period in which the political kingdom had been sought and won. From 1961 on, however, the struggle for economic independence was foremost and here the real nature of the imperialist hold on the Ghana economy built up over the years of colonial rule revealed itself clearly. There were serious attempts to break the colonial links by which Ghana was incorporated into the world capitalist system and to establish new links which would make Ghana less dependent or re-negotiate the old links on terms more beneficial to Ghana's long term interests. Ghana's attempts to find more room to manoeuvre withing the international capitalist system and her attempts to extricate herself from a fundamentally dependent position and participate on terms of her own making were extremely problematic. Her struggle to become less dependent formed a kind of counter-point to the general movement of international monopoly capitalism in relation to the underdeveloped nations during this period towards establishing yet a further stage of dependency. Let us analyze, then, the concrete processes in motion from 1961-66.

Ghana from 1961 on must be recognized as having pursued a different path from that before 1961 but, despite its professed ideology of socialism, it could probably be better understood as an attempt to establish a national capitalist system with state intervention purely in capitalist terms in order to gain control of the national economy. If one were to posit the tasks of a national capitalist class if it were to gain control over the national economy one comes closer to a description of Ghana from 1961-66. During this time we have a period of strong state intervention in the economy, the type of state intervention which has characterized the development of several capitalist countries such as Japan. In fact we have in Ghana not an attempt at socialism at all, except at the level of rhetoric. There is instead a kind of mixed state capitalism and private capitalism which proved itself totally unable to extricate Ghana from its structures of dependency towards a self-reliant, integrated and self-sustaining political economy. The two periods of Nkrumahist Ghana proved first the deleterious effects of remaining within the colonial structures of 1951-61, and secondly the impossibility of breaking the neo-colonial links in 1961-66 and establishing an independent position within the world capitalist system as a nationally oriented capitalist political economy. Not the failure to create a socialist state in Ghana but the failure to create a capitalist state, the impossibility of developing a capitalist system in Ghana functioning as an integrated self-sustaining economy, not structurally dependent on the western capitalist countries, this is the fundamental lesson of 1961-66.

Let us look, then, at the developments of 1961-66 in order to see what changes there were in the productive base during this period that attempted to alter Ghana's fundamental dependency and move towards national control over, and development of, the economy. In order to do this, I shall make use of the indices proposed by Reginald Green.[1] Green suggests that an independent economy is characterized by 1) a basic orientation of production towards meeting national demand, 2) a large capacity for satisfying that demand both quantitatively and qualitatively, 3) predominant utilization of national manpower, and 4) the ability to engage in international relations on terms of relative equality. A dependent political economy, on the contrary, is fundamentally externally-oriented, developing only those branches of the economy which have export demand. National demand is met almost entirely by imports. It is predomenantly staffed by expatriates or by nationals entirely educated within a foreign scientific and technological milieu who therefore provide no independent or self-reliant scientific and technological inputs. It engages in international trade with monopolist control of the market already established and therefore its ability to bargain for equal terms of trade is completely non-existent.

Green suggests that it is possible to have some reasonably objective and quantitative tools to measure the degree of dependence or independence within a political economy."At least ten basic relationships which can be made to lend themselves to quantitative expression and which provide evidence of the nature and extent of external dependence and its concentration can be identified for most African economies." [2] Let us analyze, then, the ten relationships cited by Green as they functioned within the political economy of Ghana from 1961-66 in order to assess the degree to which the CPP government was able to apply state intervention in order to move towards a greater degree of economic independence and an integrated national economy.

1. A high ratio of exports to domestic (or if identifiable, national) product and particularly to monetary domestic product, with a parallel high ratio of a limited number of unprocessed primary products to total exports. Together these two characteristics identify an economy whose 'modern' sector is dominated by the exploitation of climate, unskilled labour, and/or mineral deposits for sale to foreign markets. [3]

In 1955, out of a Gross Domestic Product of N¢816 million, N¢242 million was accounted for by exports or some 29%. [4] This was at a time when the ratio of commodity exports to GDP throughout the world was: North America - 5%, Asia - 10%, South America - 13%, Europe - 17% and Africa as a whole, 21%. [5] By 1960, the ratio had changed a little and of a GDP of N¢1,147 million, some N¢ 295 was accounted for by exports or about 20%. By 1962 this was down to 19%, by 1964 to 17.6% and by 1965 to 15.5%. This can by no means be attributed to policy measures solely for it occurred within a generally deteriorating situation with regard to Ghanaian export commodities. The post-1945 boom in exports had been as a result of more favourable terms of trade rather than rapid expansion of output and, in fact, amounts of land and manpower available for cocoa production were not unlimited. The actual volume of cocoa exported ranged from the 1950 high of 267,000 tons to the 1958 low of 197,000 tons while the prices ranged from the 1954 peak of £6,396 per ton to the 1957 low of £6,197, [6] From 1960-1965 the volume of cocoa exports varied from a 1960 low of £303,000 tons to a 1965 high of 545,800 tons while the price varied from a high of £178 to the 1965 low of £138. [7] The boom prices of the 50's plus disease control measures plus some new planting encouraged by high prices resulted in the greatly increased quantities of cocoa produced in the 1960's and consequently a flooding of the world market and much lowered prices. Mineral exports also were declining in output and price in this 1960-66 period.

As far as the ratio of a limited number of unprocessed primary exports to total exports is concerned, the exploitation of climate, unskilled labour and mineral deposits for sale to foreign markets is clearly the prevailing pattern. There is no question of specialization but purely a continuance of the old colonial patterns. In 1956, the limited number of exports included five with cocoa accounting for 68%, timber for 11%, manganese 8%, diamonds 9% and gold 9%, By 1962, cocoa accounted for 60%, timber 11%, manganese 5%, diamonds 7% and gold 10%. By 1965 cocoa accounted for 66%, timber and logs 11%, gold 9%, diamonds 6% and manganese 4%. [8] In 1956, almost 100% of the exports were unprocessed. From 1962 on, there was some decrease in the unprocessed exports. The 92.5% unprocessed exports of 1962 had declined to 90.2% in 1965. The increase in processing within Ghana was accounted for both by government measures to increase processing and private measures as well. By 1965, 5% of the cocoa exported was in a form other than cocoa beans. Timber also accounted for a substantial part of the increase in processed exports, however, and the attempts to gain greater control over the export markets and increase the number of processed exports indicate clearly the enormous difficulties of economic de-colonization.

The timber industry was dominated by foreigners with some 98% of all timber concessions in foreign hands at independence in 1957. [9] By 1963, three of the timber interests were producing veneer and plywood for export. These were foreign owned, the largest of them being UAC itself. As well as exports of processed timber, there were other foreign interests exporting logs. Prior to 1960, there had been government controls on the timber trade and producers and shippers were at liberty to produce, sell and export timber as they wished, subject only to export duty. [10] Clearly these export duties were minimal, as in fact were all export duties with the exception of those on cocoa. Although timber constituted 14% and minerals

25% of Ghana's exports in 1960, still of the 24% of government revenue derived from export taxes, export taxes on cocoa accounted for 23% or about 98% of all export revenue. [11]

A Timber Marketing Board was set up in 1960 to be the sole buyer and seller of logs. A subsidiary firm was also set up with exclusive rights to market timber. This was in conjuction with an Italian firm and the Timber Marketing Board was to hold 51% shares with the management contract with 49% of the shares being held by Inter-Timber Establishment, the Italian firm. In 1960, the Ghana Timber Cooperative Union was also formed and a loan from the Cocoa Marketing Board was made which established the cooperative as a source of loans for developing Ghana's timber industry.

Not surprisingly, the attempt to compete with well established expatriate timber interests was not very successful. The patron-client relationships of the expatriate companies were firmly established. A company like F. Hill and Sons in Takoradi, for example, had some 300 small contractors financed by them for log supplies in their sawmill and veneer and plywood factory in Takoradi. F. Hill and Sons was the Ghana operation of the giant British wood product company, Bowater. Such foreign companies exporting logs could afford to offer higher prices than any of the local sawmills because they were exporting to integrated wood industries in Europe and America where there would be no waste whereas local sawmills processed logs with some 50-60% waste. [12] Not only this, the foreign firms could offer prompt payment whereas Ghanaian operations were consistently short of working capital.

Attempts to gain greater control over timber exports also encoutered obstacles at the level of handling and shipping. The Takoradi Joint Lighterage Venture was a pool made up of Palm Lines (UAC), Elder Dempster, Umarco and Scanship. With the formation of a state shipping line, the "Pool" was extended to include Black Star Lines. The Cargo Handling Company came into being but clearly it was dominated by the expatriate companies and they immediately increased their own fleet of lighters and tugs and then approached the Port Authority for licenses to operate for a further 7 years in order to recoup their expenditures.

The newly purchased lighters and tugs of Black Star Line were not utilized so that the state shipping line with 16.6% participation in the shares of the Handling Company found itself a member with no operational activity. [13]

The attempt to gain greater control over timber production and exports was thwarted not only by the monopoly hold of foreign interests, however, but also by Ghanaian interests who saw in state intervention an opportunity to further their own private interests. Like the Cocoa Purchasing Company, the Ghana Timber Cooperative Union was characterized by many irregularities in its operations. The loan of £62,000,000 from the CMB was used largely for political patronage purposes with staunch CPP supporters being rewarded for their faithfulness by generous loans, many of which were used not for timber production but for trips abroad, buildings and imported luxury goods. The list of loans not repaid in a later commission of inquiry included barristers, doctors and numerous chiefs and the findings of the commission show clearly how timber concessions and GTCU loans were arranged for political support. [14]

Perhaps the more significant item in processed exports in view of its long-term potential was that of cocoa processing. By 1962, cocoa processing plants in Tema and Takoradi had been built and cocoa butter and paste increased from 8,986,000 metric tons in 1962 to 14.773,000 in 1965. [15] The unequal bargaining power on the world market was immediately apparent, however, and the effective duty on cocoa beans entering the EEC at 5% became an effective duty of 100% on cocoa powder and cocoa butter. A further effort at gaining greater control over exports of cocoa was made in the construction of two immense cocoa silos at a cost of £8.5 million, [16] but this increase in withholding capacity depended on working agreements with other cocoa producing countries and despite Ghana's leadership in a Cocoa Producers' Alliance after 1964, such agreements were never reached. The attempts to gain greater control over prices and processing of exports were, then, of minimal success.

In fact all attempts to use the CMB as a liverage point for greater economic independence vis-a-vis established markets in the Western countries failed completely. In 1964, barter cocoa deals were set up with French and Swiss companies, SODEFRAN and COFICOMEX, but these proved to worsen the already deteriorating situation. The barter arrangements proved damaging to Ghana's world cocoa market position generally. In addition, the exchange resulted in "a rather odd melange of overpriced consumer luxury imports" in return for Ghana's cocoa.[17]

In 1965, Ghana attempted through the Cocoa Producers Alliance to effect a hold up in protest at fallen cocoa prices. Ghana offered her storage facilities to neighbouring West African cocoa producers. Nigeria hastely constructed 6 small storage silos. Meanwhile Hershey's alone had 27 large warehouse in the US, and an additional 5 in Canada. Its ability to buy up at the low price and withstand the pressures of such a boycott far exceeded the withholding power of the producing countries both in terms of their storage capacity and their urgent needs for a continued flow of foreign exchange. The hold-up collapsed early in 1965.[18]

Attempts to gain marketing control and do further processing of exports included not only timber and cocoa but also minerals. We have made reference already to marketing of gold and diamonds. There was an attempt to develop a gold refinery with Soviet financial aid and assistance after 1964 but this was incomplete at the time of the 1966 coup.[19]

2. A high ratio of imports to domestic (and especially monetary domestic) product with parallel high ratios of imported to total supply of consumer, intermediate, and a fortiori transport and capital manufactured goods, These factors render the 'modern' sector dependent on imports (and thus ultimately on exports) for its expansion, ongoing operation, and provision of incentives to producers.

In the attempts to gain control of the national economy from 1961-66, was there any success in gaining greater independence with regard to imports of consumer, intermediate, transport and capital goods? The absolute volume of imports increased tremendously throughout the period with the value of 1955 imports being almost doubled by 1965. In 1955, imports had accounted for N¢232 million in a total GDP of N¢8,168 or about 28%. By 1959, they were N¢302 in a GDP of N¢1,068, also about 28%. By 1965, imports valued at N¢454 million flowed into the country.

The trends within the composition of imports give some indication of the attempted restructuring during this period.[20]

Imports into Ghana classified by end-use, 1954 and 1963
(in US $ thousand)

	YEAR	
	1954	1963
Total Imports	199,234	364,871
Raw materials	910	4,352
Semi-finished products	12,396(2)	54,735
Fuel	12,275(3)	21,320
CAPITAL GOODS		
Transport equipment	34,292	34,688
Machinery & other equipment	-	91,066
Durable consumer goods	-	23,755
NON-DURABLE - Consumer goods		
Food beverages & tobacco	41,765	53,656
Others	-	74,471
Misc.	-	6,808

Source: Adapted from UN International Trade Yearbook 1952 and 1963; ECA Statistical Bulletin for Africa, 1965, Part 1, No. 1.

1. Excluding fish and meat
2. Chemicals only.
3. Mineral fuels.

Clearly there was an attempt to control imports of consumer goods and increase the imports of producer goods but to interpret these changes as leading to a substantial increase in independence is to find oneself in the midst of all manner of contradictions. Here we find the central issues of economic decolonization and structural dependency. One sees the essential problems clearly in the pattern of composition of imports. Substantial imports of food in a country with the majority of its population engaged in agriculture was a major cause of concern. The plan indicated that in 1961, over

£G26 million had been spent on food imports alone and that this was equal to the total deficit on visible trade. Of the major imports of food items, only wheat and dairy produce might be more expensive to produce in Ghana than elsewhere. The pre-1961 situation regarding food imports is as follows: [21]

DEVELOPMENT OF SELECTED FOOD IMPORTS 1951-1961.

Item	Imports in £G'000 1951	1961	% change in 10 years + increase - decrease
Meat	1,195	1,935	+ 62
Fish	1,422	4,814	+ 239
Dairy Products	633	1,901	+ 200
Rice	313	2,514	+ 706
Maize	207	35	- 89
Wheat	1,539	3,145	+ 104
Sugar	1,139	2,690	+ 136
Fruits and Vegetables	171	2,068	+ 1,109
Total Selected Items	6,618	19,102	198

The general policy of self-sufficiency in food was therefore adopted but, ironically, tended to lead to more rather than less demand for imports. For example, imports of fish decreased from 20 metric tons in 1962 to 5 metric tons in 1965. The cost of importing 20 tons in 1962 was N¢736,000 while imports of 5 tons in 1965 cost ¢3,222,000. Meanwhile, to depend more on Ghana-produced fish, the imports of motors, fuel, boats and essential imports building up a shipyards increased substatially. Imports of boats and ships increased from ¢641,000 in 1962 to ¢1,273,000 in 1965, a substantial part of which is for fisheries rather than defence. [22] An ongoing demand for motors, spare parts and other technical replacements for large-scale fishing activities was thus set up. This demand was met not by any industry within Ghana but by continued imports demanding continued foreign exchange. Self-sufficiency in a basic food industry set in motion a whole new range of high-priced import demands. Technical equipment and fuel demands increased Ghana's dependency on imports of capital goods in the very process of lessening dependency on food imports.

There was also concern over the imports of consumer staple items such as clothing, footwear, soap and textiles.

> Owing to the need to conserve foreign exchange, and to the present and prospective importance of these consumer goods as users of foreign exchange, the attainment of the targets for the production of staple consumer goods will be given priority over all other aspects of the industrialization programme. It will be expected that whether production of these commodities is undertaken by state or private enterprise a high degree of self-sufficiency in these goods should have been attained by 1969. It is therefore intended that before the end of 1966 there will have been put in hand enough factory projects to meet substantially all the production targets set in this field of industrialization. [23]

Again, owing to the kind of industrialization pursued with mixed enterprises prevailing, the result was not greater independence but greater dependence instead. To give a further example, soap was produced in Ghana by 1962 through a manufacturing enterprise of Lever Brothers. Unilever, whose annual budget as a multi-national corporation exceeded that of the entire Ghanaian political economy, was eligible for all of the tax exemptions and duty free imports of capital goods designed to attract new foreign investment. From its internal operations, UAC could finance a new soap factory in Tema and draw on Ghana government for foreign exchange for capital imports and raw materials duty free. Decreases in manufactured soap imports from 31.4 thousand metric tons in 1962 to 8.7 metric tons in 1965 were more than made up for by increases in imports to established a soap factory. [24] Tallow was imported as the basic component rather than making use of Ghanaian vegetable oils such as palm oil or coconut oil, or indeed, developing a process for use of cocoa butter in soap making. Caustic soda imports were also added to the import bill. Long-term commitments to continued imports of both machinery and raw materials were set up. In addition to these foreign exchange demands, the pattern of private foreign investment represented by the Lever Brothers operation meant even further payments for patents and royalties so that consumer brand preferences could be met, as well as expatriate management and technical personnel. The foreign personnel meant not only a great outflow of capital in terms of personal remittance quotas and home leave allowances but also a strong additional component to demand for imported consumer goods and a model of consumption to be emulated by Ghanaians themselves.

The attempt at greater independence by manufacturing of textiles provides yet another example of a new stage of dependency within the prevailing neo-colonialist framework. There was a decrease in imports of printed cotton fabrics from 59,696,700, square meters in 1962 to 37,096,300 in 1964 [25] but at the same time there was an increase in imports of the necessary raw materials for textile production, since Ghana's own cotton was by no means produced in sufficient quantities to supply a textile industry. Imports of textile machinery alone from 1962-65 totalled almost ₵10 million. [26]

In fact, the whole establishment of a textile industry in Ghana adds yet another chapter to the role of textiles throughout colonial history. The textile industry in Ghana was initiated not from a base of raw cotton, and not even from a spinning and weaving operation on imports of raw cotton, but rather on printing and dyeing operations on imports of already woven cloth. UAC again enters the manufacturing field and now the specialised colonial textile industry developed in Birmingham and Holland to provide wax prints and Java prints for the African colonies moves to its neo-colonial variation. A printing and dyeing factory, Ghana Textile Printing Corporation, was established with 51% shares owned by Ghana government and the remaining 49% to include UAC, Texoprint, the Dutch textile manufacturer at Helmond and English Calico Limited of Brimingham. Imports of grey cloth, some of it through US tied aid programmes, were processed now within Ghana. The construction of the factory necessitated further imports. All of the machinery was imported as were the chemicals for printing and dyeing. The patents on designs, built up over many years of catering for African tastes, became now a further drain on Ghana's foreign exchange. The British and Dutch textile operations sold the familiar "Oguaa <u>koto</u>" or "Nkrumah's pencil" designs only at considerable profit to their operations, now producing within Ghana itself. Also the familiar round of managerial and technical manpower added its further demands necessitating outflow of foreign exchange. Recent Dutch research indicates that the costs in foreign exchange for one yard of cotton printed in Ghana when freight, commissions, royalties and technical and managerial costs are included comes to 90% of the estimated cost of one yard of imported printed cotton of higher quality. When machinery costs written off are included as foreign exchange costs, the foreign exchange costs of textiles made in Ghana may indeed be higher than foreign exchange costs of imports. [27]

The shifts in composition of imports, then, indicate that a decline in the ratio of imports to GDP is by no means a straightforward indicator of greater independence. Decrease in imports of manufactured goods during this period tended to be more than compensated for by increases in imports of these same commodities in their raw or semi-processed state. Imported in this fashion, they no longer provided revenue in import taxes and they also set in motion a demand for capital goods and foreign technical and management personnel. The predominance of capital-intensive rather than labour-intensive techniques meant little creation of employment and a meagre contribution towards creation of skilled manpower, and productivity of labour. With few backwards or forwards linkages within the Ghanaian economy, the new industries had little significant integration with resources within the Ghanaian economy and the end result was a long-term commitment to increased imports in order to sustain the neo-colonial type of industry being pursued. The inevitability of such a situation in a mixed economy which continued to welcome foreign private investment with limited controls was little recognized, or if recognized, could not be effectively controlled by policy instruments.

3. Capital imports- including reinvested profits of foreign enterprises - representing a high proportion of gross fixed capital formation.

Green estimates himself that in Ghana from 1956-58, capital imports accounted for 20% of government fixed investment and 50% of private investment. By 1965-67, this had shifted considerably so that capital imports accounted for 66.7% of government investment and only 35% of private investments. [28] The position of Ghana vis-a-vis capital imports was again a clear situation of attempts at greater independence resulting in greater dependence instead. The attempts at restructuring were not soon enough nor were they far-reaching enough. Perhaps one should add further that they were also not enough in accord with historical realities. Capitalism as a system of socio-economic organization has as its reason for being, its inner dynamic, the process whereby investment of capital should result in profit for the investor and any thought of development as the result of foreign aid and foreign investment from the very powers that had benefitted from the colonial situation for so long was surely an indication of total false consciousness on the part of the new leaders of independent countries such as Ghana or total compromise with international capitalism which amounted to selling out any hope of long-term integrated development of the economy for the sake of personal short-term amenities and consumption privileges for the new political and bureaucratic elite.

At any rate, Ghana from 1961-66, managed to increase its external dependence tremendously by the patterns of capital imports in which it became involved, patterns belonging very much to the neo-colonial era. The more Ghana attempted to gain control of its own economy, the more it had difficulty in financing its ventures. The cocoa price continued to decline throughout the period. The London price in $ per kilo moved from $60.4 in 1960 to $48.2 in 1961, $45.4 in 1962, $55.8 in 1963, $51.0 in 1964 and $37.9 in 1965.[29] In fact, the terms of trade throughout the period placed Ghana in a very disadvantageous position.

The marked secular deterioration of terms of trade in 1961 and 1962 was not to improve from 1963-1965. The general deterioration in terms of trade at a time of increased demands for imports of capital goods to carry out expanded industrial programmes resulted in an acute shortage of capital. At the same time, foreign investors were even less willing to invest in Ghana because of its strong policy statement about restructuring and economic decolonization. Some would go so far as to suggest direct US manipulation of the capital market at this time.

> Following Kaiser's large and profitable investment in the combined Volta dam and aluminium smelter (a project which had Kennedy's active support), a squeeze was put on the Ghana economy. Cocoa prices were falling very severely (from £352 a ton in 1957/8 to around £100 a ton in 1965), and a shortage of foreign exchange would clearly jeopardize the well advanced schemes for structural transformation of the economy towards state-controlled industrialization. Yet under Johnson, the US government took a consistently destructive line: it withheld investment and credit quarantees

> from potential investors, brought pressure to bear upon existing major furnishers of credit to the Ghana economy (UAC) to cut off, and negated applications for loans made by Ghana to American-dominated financial institutions (IBRD, IMF, World Bank) and to the US direct (AID). Much play was made with the insolvency of many of Ghana's state corporations (the parallel condition of Nigerian public corporations received far less publicity), and with the verbal militancy of utterances by some CPP and government figures. 31

The only substantial sources of investment available were from foreign investors already well established within Ghana who saw new investment in joint state-private enterprises as a means of ensuring the security of interests already long established. Unilever with 12% of its investments in UAC[32] could not afford to leave its Ghana interests unprotected or have other manufacturing interests compete. The greatest security seemed to be the way of joint state-private enterprises.

> Unilever precisely because of its evaluation of long term profit possibilities displays somewhat more flexible policies towards investment and government relations than most 'colonial period' trading, plantation or mining concerns. Given market opportunities and protective tariffs, it will build at least assembly-type factories. Given an option between not investing and participating in a joint venture with an African state, it will often do the latter. The gravest problem in such negotiations is the absolute size of Unilever-UAC, for which any individual investment project is a small component of their overall programme. As a result its bargaining position is extremely strong, a strength increased by its generally better knowledge of production and marketing costs and conditions than the government with which it negotiates. 33

UAC and other established interests did invest during this period, with manufacture of beer (state-UAC-Heinekens), textiles (state-UAC-Texoprint-English Calico), plywood (ATP), soap (Lever Brothers), electrical equipment assembly (Ghana Pan Electric), vehicle assembly (Africa Motors), food processing (Cascade, Bongo, Satis), cosmetics(A.J. Seward-Zorro), and pharmaceuticals (Kingsway Chemists). UTC moved into technical and transport and construction specialization. Paterson Zochonis moved into thread manufacture. These light manufacturing enterprises, however, marked the limits to investments from the old established companies.

The result of this inability to finance the plan through revenue from exports or domestic revenue resulted in Ghana's adoption of financing methods which were to increase her dependence dramatically. By 1964, Ghana had managed to find a source of capital in medium and short-term credits amounting to some £168 million. [34] Some £157 of this consisted of suppliers credits whereby individual foreign firms agreed to complete a "development" project under an agreement guaranteed by the firm's government. The firm advanced credit for the cost of the project to the Ghana government, generally at terms above the prevailing bank rates with principle to be repaid in 4-6 years. The debt is guaranteed by the Ghana government also and in fact becomes not an investment in the usual sense but a guaranteed loan at a high rate of interest.

Suppliers' credits, then, were guaranteed by both foreign and Ghana governments and proved to be a system admirably suited to neo-colonial "arrangements". The road from Tema to Accra was costed by Ghanaian civil servants in the plan at an amount of £G1.88 million in the first year of the plan and 0.93 in the second year, making a total of £2.81 million.[35] When the contract was awarded, it went on the supplier's credit system to Parkinson Howard for a sum of £3.9 million guaranteed by the UK Export Guarantee Department. It was to be full-scale super highway complete with telephones at regular intervals. Parkinson Howard also got a contract for a massive shipyard at this time.

Similarly the Accra water and sewerage system which in the plan had a modest estimate of 3 million for Accra-Tema sewerage plus part of the 11 million budget for urbanwater supplies now was to have a £9.5 million improvement programm. The WHO and UN Special Fund estimates of £6.5 were disregarded and a German firm received the contract under supplier credit arrangements.

The largest item in the supplier credits, however, was the series of contracts with the Drevici group, a West German company. Drevici with contracts ranging from Trade Fair restaurants with revolving roof-tops to a huge food processing complex at Tema including flour milling, and chocolate bar manufacture had some £60 million worth of supplier credits during this period. [36]

By 1965, Ghana's indebtedness through capital imports had left her anything but independent. Since the supplier credit system was generally adopted by Ghana not for immediately productive projects but more often for infrastructure, its short term result was simply to burden Ghana with enormous debts all payable within a very short period of time. The disparity between the degree of infrastructural investment and volume of production increased. What expansion of production there was was only of a type that demanded yet more expensive capital imports. Economic dependence had in fact increased as a result of foreign investment and foreign aid, placing Ghana in a debtor-creditor relationship which brought a whole new array of pressures to bear.

4 Concentration of foreign trade with a limited number of countries and with economics significantly larger than that of the African state.

Here we see one of the main strategies in Ghana's attempts at economic de-colonisation during this period. The general trend during the period for all of the newly independent countries was a lessening of trading ties with the former colonial Mother and an increase with other Western countries. In Ghana, however, the general trend was much intensified and new trade links were not limited to the capitalist countries. In 1950, exports to UK amounted to 40%. By 1961, exports to UK were down to 21% while exports to EEC and EFTA, excluding UK, were 38.5%, exports to US 26% and exports to Eastern Europe 4.2%. By 1963, exports to UK were 19.8% while exports to EEC were 32.4% and to EFTA excluding UK, 3.2%. Exports to Eastern Europe and Yugoslavia had reached 15.2%. By 1965, the exports to UK were down to only 13% while exports to Eastern Europe had risen to 21% and even China accounted for 2% of total exports with an even greater portion, 3.9%, being exported to Japan.[37]

This diversification in terms of export trade was not at all reflected in general trends throughout Africa at this time. Nigeria in 1963 had 39.7% of its exports destined for the UK and Sierra Leone 71%. Nigerial had only 0.9% of its export trade with centrally planned economies and many of Ghana's neighbours had none. This move away from traditional trading partners and traditional dependence on monopoly-controlled capitalist world market marked a substantial shift in Ghana's economic policies but was not ultimately able to bring the degree of independence desired. The shift still resulted in trade in primary products only and trading partners in economies much more economically advanced than Ghana's own. Trade with the centrally planned economies was generally arranged in the form of a bilateral exchange of goods and services with payment in convertible currencies only in the event that outstanding balances remain after efforts have been made to settle by delivery of goods mutually agreed upon. While the long-term benefits of the shift were clear, the short-term effects were to make Ghana a creditor nation to some of the centrally planned economies at a time when her debts to Western countries were becoming overwhelming.

> This surprisingly generous act on Ghana's part was certainly involuntary. It presumably arose from the difficulty that has sometimes occurred in obtaining from centrally planned economies the import commodities that are in demand in Ghana. Exports were flowing out that could not be matched by imports. This is substantiated in a rueful passage in the 1962 Economic Survey, which in referring to bilateral trade agreements stated that 'Ghana has not yet derived maximum benefits from these agreements and in some cases credit has swung in favour of Ghana. This in effect amounted to the almost ridiculous position of Ghana offering interest-free loans to certain industrialized countries. Steps have now been taken to remove this anomaly....[38]

The limited gain in diversification of exports in this period are most clear when applied to African trading partners. Here there was little change during the period. In 1950, 1.4% of exports went to other African countries and in 1963, this had actually decreased to 1.2%.[39] The vision of the 7 Year Plan for real economic integration within West Africa failed completely and balkanization prevailed. By 1963, Ghana was exporting to Upper Volta, Togo and Nigeria with a few exports also to Senegal, Ivory Coast, Niger, Guinea and Mali. It received imports from Nigeria, Upper Volta, Mali and Niger with additional and less significant imports from Togo and Senegal. In no way could trade with African neighbours be considered as an important feature of trade diversification at this time. "African Unity" clearly had no economic base to support it, despite political aspirations towards Pan Africanism.

As far as imports were concerned, Ghana had only limited success in establishing a more independent position. In 1950, Ghana imports included 56.1% from UK, 11.5% from EEC, 5.6% from USA, 5.2% from Japan and 9.0% from other African countries. By 1963, UK imports were down to 32.8%, EEC imports up to 25.3% and US imports 6.4% with Japanese imports of 6.2%. African imports had decreased to 5.6%. Imports from centrally planned economies had appeared and accounted for 10.8%. In many ways, diversification of imports tended to be ineffective as an instrument of economic decolonization and often created as many problems as they solved... Imports from new trading partners in the centrally planned economies tended to be food imports or consumer non-durables with little long-term effect. Alternatively, they were capital goods and transport equipment which resulted in bottlenecks in production. Few of the imports supported the building up of a capital goods sector in Ghana and consequently diversified trading partners supplying diversified capital goods resulted only in diversified bottlenecks and diversified dependencies.

Trade diversification clearly had its own contradictions as far as long-term development strategy was concerned. The socialist economies of Eastern Europe saw trade and technical assistance in essentially the same terms as the developed capitalist economies. Dr. V.A. Martynov at a conference on "Soviet Economic Aid to the Newly Liberated Countries" spoke in these terms:

> Economic and technical cooperation between the U.S.S.R. and the African economics is of mutual advantage. In exchange for Soviet equipment the African countries deliver the Soviet Union produce that is needed by industries and by the population... cotton, hides, coffee, cocoa beans, pineapples, bananas, peanuts, corn, citrus, fruits and olive oil... Within the next 20 years the Soviet Union can considerably expand its exports to the developing countries of the goods necessary for the implementation of their national development programmes...machinery and equipment, rolled steel products, raw materials, chemical products...[40]

Clearly the division of labour remained the same, with African countries still as suppliers of raw materials.

Trade diversification was of extreme importance, however, in the short-term bargaining power and room to manoeuvre which it could provide.

In this respect, the building up of an Eastern European cocoa market from 20,000 tons in the early 1950's to a 200,000 ton contract late in 1965 was a major achievement. In fact, in late 1965, there was a crucial mission led by the Ghana finance minister to try to establish further cocoa markets in the socialist states. It returned with reports of a guaranteed price for a fixed quantity of cocoa in the remaining Plan period including partial payment in sterling. Such a cocoa deal could have provided a substantial alleviation of the foreign exchange crisis but negotiations on the exact terms were interrupted by the coup.[41]

5 Equal concentration of foreign investment by source, and a parallel concentration of foreign investment (including public sector funds) in building up the export enclave sector and secondary activities relating to it rather than in development of a more integrated national economic structure.

The data available in terms of capital flows is somewhat unsatisfactory. Up until 1958, the figure for short term capital movements was purely a residual incorporating any errors and omissions occurring in the rest of the accounts. The reinvestment of profits by foreign firms operating in Ghana was not covered at all during this period although a public speech of the UAC chairman in Ghana some time later makes reference to reinvestment of well over ¢10.0 million for the period after 1962.[42] Private capital flows in 1961 are not recorded at all and there are no separate figures for Government capital transactions until 1959.

Nonetheless it is possible to have some idea of the concentration of foreign investment by source after 1961 once government became a large international borrower and lender and changed somewhat the overwhelming dominance of British interests within Ghana. In this period, supplier credits dominated the foreign investment scene. By 1962, some £G35.6 million in suppliers credits had built up and by 1966, the total amounted to £G159 million. By mid-1963, about three fifths of these credits had been received from Britain, Western Europe and the US, and the remainder were from the Soviet Union, the countries of Eastern Europe and Yugoslavia. The terms of the supplier credits were quite different. The Western creditors charged interest of about 6% and repayment periods were from 4-6 years. The Eastern countries charged only 2½% interest with a repayment period of 7-8 years. [43] Ghana did succeed, then, in gaining a greater diversity of foreign investments during this period but it was less a matter of gaining independence than it was in trading one dependency for another as the centres of international capitalism shifted.

The dominant position of the US in international capitalism is reflected in the new hold of the US on the Ghanaian political economy. Important American interests now became established in Ghana, including American oil companies, but by far the most important one was the consortium of Kaiser and Reynolds, two international giants in the aluminum industry, building an aluminum smelter as part of Volta River Project. This one investment in an aluminum smelter had the effect of dominating the whole political economy, making America's hold through Valco (Volta Aluminum Company) almost as powerful as Unilever's through UAC (though they should not for a moment be construed as conflicting interests). The financing of the CPP's major development scheme, the Volta River Project, became completely dependent on American finances. The Kaiser-Reynolds consortium was to build an aluminum smelter in Ghana and thus become the major consumer of electricity demanded by the World Bank before it would entertain any discussions about loans to finance the construction of the dam. By the time of negotiations, Volta River Project was already a long discussed project and CPP credibility hinged to a significant extent on successful implementation of this scheme. With tremendously unequal bargaining power, the negotiations were made. Valco ended up by being able to purchase electricity produced in Ghana virtually at cost, the price of 2.625 mills per kilowatt hour for the next 30 years comparing very favourably with costs at other Kaiser operations and indeed being cited as possibly the lowest in the world. The Power Contract included stipulations about limits by which the power price could be raised even after the thirty year period. [44]

The rate for power is only one of the terms highly favourable to Valco. In addition, the following concessions were drawn from the Ghana negotiators, by then desperate to have the project financed at any cost.

a. Imports by Valco for the construction of the smelter and its operation to be duty-free for the first thirty years.

b. No restriction, control or taxation of aluminium exports.

c. Imported alumina to be duty free for thirty years.

d. Valco to be granted pioneer company relief, which exempts it from all taxation of its income for at least five years, extending beyond that period to a maximum of ten years if profits have not totalled a specified minimum which on present figures seems to be about £G20 million.

e. From the years when income tax does become payable until 1997 the rate on which tax shall be levied is that applicable to companies on January 2, 1961, which was then 40% of retained profits plus a further 2.5% of profits transferred out of Ghana. With certain minor exception, no other taxes can be levied on Valco's business during this period.[45]

In a neo-colonial stage of exploitation far more sophisticated than that of the colonial era, Ghana ended up paying for a very expensive infrastructural project, main beneficiaries of which were US and British interests. The loans to finance Volta meant a virtual mortgaging of Ghana's future and a position of total dependency vis-a-vis the US. The sources of finance were IBRD for an amount of £616.8 million at a rate of $5\frac{3}{4}$ for a period of 25 years, USAID for an amount of £9.6 million for 30 years, US Import-export Bank for an amount of £3.6 million at $5\frac{3}{4}$% for 25 years and UK Export Credits Guarantee Department for an amount of £5.0 million at 6% for 25 years. This was to be matched with a Ghana Government Equity Investment of 35.0 million. Interest payments alone would amount to £20 million over the next 25-30 year period, bringing enormous pressures including those for foreign exchange.[46]

VRA thus began operations already committed from 1967 on to meet debt servicing costs totalling £55 million. It mortgaged the future for Ghana with commitments to a certain kind of development, development not centered on significant increases in agricultural production and integration of the rural areas or "hinterland" with the urban areas or "export enclave" but instead a commitment of resources to urban-oriented growith and capital intensive industry. Not only did Ghana end up financing expensive infrastructure for a giant multi-national corporation but even the original resource base to be expoited by the hydro-electric scheme got lost in the international high-finance manoeuvres. Ghana's extensive bauxite resources were to have been developed as part of an integrated aluminum industry and the mining of bauxite and conversion of bauxite to alumina were to have been major additional increases to Ghana's productive capacity. Ghana's bargaining power was so meagre compared to that of Kaiser-Reynolds, however, that only a vague, verbal commitment was made to the effect that Valco would explore the feasibility of developing Ghana's bauxite. In fact, Kaiser has not done so and even today, some six years after the opening of Volta Dam, Ghana's bauxite remains unutilized. Nevertheless, by situating a smelter in Ghana in which they utilize Jamaica alumina at present, US interests are in a strategic position to determine who else gains access to Ghana's bauxite and now hold Ghana in a highly effective reserve position for future bauxite demand within America's sphere of interests.

The other effects on the economy of Volta River Project are equally full of contradictions. Employment created by the operation of the power project itself would be about 145 men, making this a capital-intensive investment to the tune of £G400,000 per man. The lake that formed meant resettlement of some 80,000 people, end result of which is, thus far, 52 artificial and precariously surviving new towns with highly dependent, welfare-oriented populations, little integrated into the surrounding rural communities. They tended more to share the general rural stagnation than to provide growth points for rural development as originally envisioned. It has meant new ecological problems with health hazards increasing enormously from the 250 mile long lake which formed behind the dam to cover some 4% of the total land surface of Ghana. The only significant short-term benefit has been the increase of fishing possibilities. [47]

The concentration of foreign investment in building up the export enclave sector and secondary activities relating to it was almost absolute. Most of the foreign aid went towards purchase of transport equipment followed closely by construction of factories. It was also used for infrastructure, again concentrated on the export enclave. There were some significant exceptions to this pattern with attempts to build factories away from the already industrialized areas although this policy was adopted not so much in terms of balanced growth but because of the nature of the factories themselves. There was a meat factory situated in Bolgatanga, near to imports of cattle from countries north of Ghana. There was a tomato factory at Bawku and sugar factories at Komenda and Asutsuare. These factories were situated with proximity to raw materials in the minds of the planners but their very distance from Accra made them prone to other kinds of bottlenecks. There were great difficulties in securing sufficient raw materials. In part, this was simply a question of insufficient acreage under production. It was also related to the tenuous position of the state industries in building up sources of supply because of their lack of steady demand. Their very distance from Accra put them in a weak bargaining or manoeuvreing position for working capital and spare parts and fuel and often their ability to build up a sufficient supply of raw materials was related directly to their inability to offer payment to their suppliers. Cocoa production had built up as a result of steady market demand but also as a result of locally situated buyers with cash payments and also cash advances not to mention desirable trading goods. The state factories demand for meat or tomatoes or sugar cane was quite the opposite with irregular demand, and haphazard payments, thus making the risk of specializing in crops for industry extremely hazardous for the local farmers.

Attempts at diversification of foreign investment and more even patterns of regional development were clearly highly problematic. The participation of Chinese aid in building up a textile spinning and weaving operation at Juapong and of Eastern European technical assistance in building up the sugar industry and cocoa processing industry were indications of attempts at diversification. More and more development projects were handled by technicians and experts from the Soviet Union, Poland, East Germany and China. In fact, the Eastern European contribution at this time was extremely important. Ghana found itself in a very vulnerable position as it attempted a rapid expansion of industry based almost totally on external financial and technical assistance. New industrial ventures included several such as sugar, iron and steel and cocoa processing which were purchased at inflated prices and functioned at less than optimal efficiency, a direct result of being trapped in the web of dependency on supplier credits and inexperience in evaluating projects. The Eastern European ventures at this time, particularly in the industries of sugar and cocoa processing, clearly were more favourable to Ghana's development in terms of cost and quality than those of the Western European suppliers. [48]

In view of the interests established by America at this time and the debtor-creditor relationship established with America-dominated financial institutions; effects of diversification were minimal. The shift from predominantly British interests to EEC and American interests indicates only a shift of power within the international capitalist system but certainly not a competition of interests which would allow Ghana seriously to play one off against the other. The Americans clearly were in a commanding position once VRA became linked with American finance. For example, there were discussions of gaining control over oil supplies by granting a monopoly on imports of crude oil to one oil refinery, ENI, the Italian state petroleum trust, which would eventually sell to the Ghana Government. Representatives of American oil companies already operating in Ghana let it be known that such a move would undoubtedly discourage other American investors interested in Volta and senior civil servants responsible for Volta River Project urged government to take the warning seriously and not to jeopardize Volta's future. [49]

The completion of Volta River Project in 1966 surely stands out as a monument to the fundamental contradictions within CPP socialism whereby all ideologies could be incorporated and both socialism and capitalism co-exist side by side. Just as non-alignment was an impossible position within the power politics of imperialism, so a mixed socialist and capitalist economy was impossible in a world sharply divided into capitalist and socialist economies. Perhaps Volta can best be seen as an example of cold war politics where a continent in which Russia was building Aswam Dam necessitated an American investment of substantial magnitude to ensure a balance of power on the continent and continued access of America to strategic mineral resources in Africa. One would like to interpret Nkrumah's words on the opening of Volta as a superb example of irony from a leader who had tried to establish a position of relative independence in the face of the super powers and their interests. One suspects, however, that they were uttered in complete sincerity, a recurrence of false consciousness whereby the colonized can still interprete the colonial period from the perspective of the colonizer and see the colonial post as one of mutual benefit.

> The United States is the leading capitalist power in the world today. Like Britain in the heyday of its imperial power, the United States is, and rightly so, adopting a conception of dual mandate in its relations with the developing world. This dual mandate, if properly applied, could enable the United States to increase its own prosperity and at the same time assist in increasing the prosperity of the developing countries. [50]

6. Small national markets which render a shift in the patterns of production designed to reduce dependence, both difficult and costly. The prior characteristic flows in large measure from this one - serious manufacturing activity is not attractive without a larger market base than most African states can offer.

The low population density and balkanization of Africa created enormous problems in terms of national and regional marketing possibilities. The attempts to overcome these problems were certainly not very successful during 1961-66. One of the most striking anomalies of the period is the fact that Nkrumah was the only African leader consistently operating within a Pan-African perspective and yet the concrete links with other African states actually decreased during his leadership. Perhaps one must interpret the deterioration of both economic and political relations with neighbouring countries and the consequent failure to build up a wider regional market as a sign of the pervasiveness of neo-colonialist interests, both internal and external, loath to forego short term interests for long term gains.

There were serious attempts to shift the patterns of production in a manner that would reduce dependence, the most important being the attempt to build up manufacturing activity of a self-perpetuating nature based not on import substitution or light manufacturing but on heavy industry which would form a base for real, sustained and integrated industrial development. By 1963, there was a small steel plant for the production of steel from scrap metal under construction at Tema and domestic iron ore in Shiene was now being viewed as a major resource to be exploited along with further possibilities of exploiting charcoal in iron smelting. One sees clearly the shift in consciousness. The North which had been perceived through colonial eyes only as a source of cheap labour without significant natural resources becomes, in the eyes of a government seeking self-reliant development, the key region for the iron resources necessary for the capital goods industries which are mandatory in breaking the dependency on imports of capital goods for all industrial development.

An oil refinery was set up in conjunction with Agip, an Italian oil company, and the development of a plastics industry from petroleum by-products was in the plan. While continued dependence on imports of capital goods during the plan period of 1963-70 was envisaged, there was also talk of the necessity of creating the basis for a chemical and machine goods industry in the near future. Local manufacturing of caustic soda, basic acids, oxygen, hydrogen for industry were subjects of feasibility studies. The expansion of already existent industrial establishments in engineering plus Ghana Railways and Harbours Administration were planned for production of machine tools. In one way Volta River Project was itself a major shift in allocation of resources towards a pattern of production based on heavy industry rather than on perpetuation of the export enclave.

The period from the presentation of the plan to parliament in January 1964 to the February 1966 coup was very brief but one could see in this period the beginnings of a shift towards more substantial independence with serious manufacturing activity as its major emphasis. The smallness of the internal market was, in an important sense, dismissed as a non-problem, so sweeping was Nkrumah's vision of a united Africa. Factories such as the glass factory in Western region which produced far more than the Ghanaian market could absorb did come into existence. Power from Volta was to be sold to Togo and Dahomey. The inability to link theory and practice already noted above continued to prevail, however, so that the continued deterioration of relations with the immediate neighbours, who could provide an expanded market yet saw in Ghana a threat to their own interests was disregarded in plans for a broader economic union which would result in the expanded market needed to sustain the heavy industry envisioned.

7. Inadequate public sector revenue and low domestic private savings which hamper financing any investment not of interest to foreign capital sources and therefore deter even those changes in productive structures consistent with small markets.

Here, clearly, the period from 1961-66 found Ghana in a position where she had less and less room to manoeuvre. The fall in cocoa revenue meant a drastic reduction in government revenue from export duties but even more devastating, a drastic reduction in foreign exchange. Direct taxation proved very unsatisfactory as a means of gaining revenue. The level of personal income tax was low. The numbers engaged in self-employed categories was great and the level of domestic savings was minimal, while tendencies to high consumption and the general state of inflation kept it so. The development of any large-scale capitalist entrepreneurial class had been restrained, as we have suggested above, and the entrepreneurial manager class in state industries that emerged during this period was generally unable to operate without a loss, much less generating surplus value that could provide a source of revenue.

There were strong measures taken to counter this situation. Cocoa export duties which in 1960 had accounted for 23% of government revenue by 1965 accounted for only 7%. The transfers from the CMB which in 1960 accounted for 13% of government revenue in 1965 accounted for only 1%. The surplus under which government had raised levies as "farmers' voluntary contributions" or "compulsory savings" had disappeared with the narrowing of the difference between export and producer prices. The payment of these "contributions" for 1961/2 and 1962/3 was delayed until 1963/4 and by the end of 1965, the CMB still had not paid the contributions due for 1963/4 and 1964/5.[51] To counter such a drastic fall in revenue at a time of much increased government expenditures, a new source of public sector revenue had to be found. Direct taxation prior to 1960 had proved to be income inelastic and there was actually a fall in revenue from direct taxation between 1957 and 1960. In 1961, however, personal income tax allowaunces were abolished, the number of tax gradations was reduced and a system of compulsory savings was established. In 1962 and 1963, the tax base was broadened with higher tax rates and a reduction of exemption levels. The system of indirect taxation was altered even more drastically with substantial increases in import duties begun in 1960 and increased in 1961. 1961 also saw the establishment of exchange controls, as well as purchase tax on consumer durables and luxury goods.

Sources of Government Revenue as a Percentage of Total Revenue.

	1957/58[a]	1960[b]	1965
DIRECT TAXES			
Company income tax	8	7	19
Personal income tax	1	1	
Other direct taxes	4	2	2
Total direct taxes	13	10	21
INDIRECT TAXES			
Export duties	38	24	7
(Of which on cocoa) ...	(37)	(23)	(7)
Import duties	25	29	38
Purchase tax	-	-	1
Excise taxes	3	4	7
Sales tax	-	-	12
Value added tax	-	-	-
Other indirect taxes	1	2	3
Total indirect taxes	67	59	68
Total tax revenue	80	69	89
Income from foreign investment	4	6	1
Other revenue [c]	10	12	9
Transfers from abroad	1	-	-
Transfers from CMB[d]	5	13	1
Total revenue	100	100	100
Total revenue (in £ mil.)	£60.5	£76.7	£142.0
Total tax Revenue as % of GNP	13	11	16

a. Fiscal year ending June 30th, 1958.
b. Average of fiscal years 1959/60 and 1960/61
c. Charges and fees for services rendered also includes gross Post Office revenue.
d. Includes 'Farmers' Voluntary Contributions.'

Source: Adapted from Eshag Richards, op. cit., 52

The attempt to escape complete dependence on foreign capital sources by increasing public sector revenue once cocoa could no longer provide a sufficient base for the maintenance of the economy is clearly indicated by the increase in the ratio of tax revenue to gross national product from its declining state between 1957/8 - 1960 and its position of 11% in 1960 to a position of 16% in 1965. Direct taxation on companies and personal incomes rose from 10% in 1960 to 21% in 1965. Indirect taxation increased from 59% in 1960 to 68% in 1965 with the decrease in export revenues from 24% to 7% more than compensated for by increase in import duties from 29% to 38%, increases in excise taxes from 4% to 7% and increase in sales tax from 0% to 12%.

Even so, the kinds of projects financed clearly reflect the predominance of the interests of foreign capital sources over local interests. VRP is the central example of dependence on foreign financing resulting in terms not maximally beneficial to Ghana. It is surely no accident that bauxite exploitation and irrigation of the Accra plains, the two related aspects of the Volta project with direct, immediate benefits to the Ghanaian political economy, were discarded or relegated to the indefinite future. The inability to raise soft loans resulted in the supplier credit system with its resultant grandiose projects such as super-highways, and massive shipyards instead of projects more in keeping with smaller markets and an intermediate level of technology.

8. Limited technical and managerial capacity (especially in the directly productive sector) necessitating the importation of substantial numbers of teachers, managers, technicians, and advisers as well as virtually all new technology and applied research. This characteristic base creates a bias both towards maintaining Western patterns and towards diffusing Western standards of consumption among the elite. It results in a very heavy foreign exchange drain for the foreign personnel while limiting gains to both the individual unit and the national economy derived from new modern sector ventures.

Here we find an unusual situation. Ghana's resources of high level manpower are more abundant than in virtually all other African countries. In 1959, some 67% of primary school age population was attending school and 29% of secondary school age also. Some 37% of primary school enrollment reached secondary school, a far higher percentage than in any other African country. Liberia with only 22% of primary school age children attending school and 14% of these going on to secondary school comes next. As Green suggests, Ghana is quite exceptional in the wealth of high level manpower available and should within a decade be quite independent of foreign high level manpower except in a few technical ventures. "It can be argued with considerable cogency that the high-level manpower development in Ghana over this period represents the greatest single stride towards economic independence made by either [Ghana or Ivory Coast] (and possibly by any sub-Sahara African state) over the 1957-67 period."[53]

From 1956-8 to 1965-7, Ghanaian dependence on foreign manpower decreased from 60% to 35%, a real movement towards greater independence. There is a curious contradiction, however, between the level of competence of highly trained Ghanaian and their fundamental orientation towards their own society, a contradiction in consciousness that marks the most deep-rooted effect of the colonial experience. The externally-oriented education of the colonial era produced Ghanaians whose consciousness of their own social reality was shaped by the conceptual orientation of the colonizers. The rapid progress towards Africanization of all bureaucratic and educational positions replaced British civil servants with a Ghanaian educated elite characterized by a literary-minded Western orientation that marked them as "Anglo-Africans or "Afro-Saxons" in their perception of Ghana's potential.

The conversations of Richard Wright with such people as Nkrumah or K.A.Busia perhaps give the clearest indication of this orientation. Dr. Busia in 1950 had said: "Oxford has made me what I am today, I have had eleven years contact with it and now consider it my second home. Most of my friends are here.", While discussing with Wright the use of traditions of oath taking and libation in CPP politics of the 1950 period, he totally disassociates himself from the use of such methods as far as the opposition was concerned with the words: " I 'm a Westerner... I was educated in the West." [54] Nkrumah speaks to Wright of the fact that the exact mineral resources of the country are not known since only those readily exportable by the British were exploited. The whole conception of potential resources is through British eyes. Nkrumah's disparagement of the wholesale adoption of external reference points is clear.

> Until today England has decided what was good for us and shipped it to us at prices that they determined. For example, woolens, which are far too hot for this climate, were shipped here and sold. Even now they make our local police wear woolen uniforms in this awful heat... Take another example... Our climate is good to grow almost anything, yet 80% of our staple food is imported. No one has really ever tried to experiment and determine what food this soil will grow best. Why should the English care about things like that? They don't live here. They come here to make money and go back. And of course they never dreamed that one day the native would arise and say: No more of this! 55

Nkrumah's belief in forces which would say no to these external standards proved to be little grounded in the realities of Gold Coast. The education system remained firmly attached to the external reference points seeking to gear the education towards production of graduates up to standards determined by universities in metropolitan political economies. This voice from the Agriculture Department of the Kumasi University of Science and Technology was one of the few looking towards internal reference points

> I am convinced since we in this country are not producing agriculturalists for any other country there is very little point in basing our course on an imaginary universal or even British standard. The whole question of standard is relative... A standard in education is high enough when it can adequately serve the needs of the community for which it is designed. As the problems become more complex so the standards must grow to deal with them. 56

He was angrily contradicted by others in the university who claimed universal, unchangeable standards to which Ghana must measure up.

Ghanaians were little oriented towards development of the resources within their own political economy then; as true products of the colonial period, they tended to operate with external reference points values, standards and aspirations. Whatever might be said in slogans by the political leadership, there was no fundamental shift in consciousness towards self-reliance as either desirable or possible of attainment. "The selection of national economic strategies as opposed to open economy ones, the initial steps towards constructing a national socio-political ideology, the awareness that only the citizens of an African state are primarily concerned with its welfare and progress - these are the vital foundations for any coherent and sustained course of action." [57] Nkrumah's government raised expectations of a new era of self-reliance but the fundamental adoption of Ghanaians of both their own problems and their own possibilities in constructing a political economy, this kind of self-reliance was not forthcoming.

There was no shift whatsoever in the absolute dependence on western science and technology as the means of rapid economic development. The mode of industrialization envisioned was based purely on a western model of increasing production of consumer durables and the plan speaks explicitly of the goal of trying to "catch up with the standards of living and the level of productivity attained by the more developed countries." [58] High level manpower trained within these "developed" countries returned with a Western bias and orientation in their thinking about economic development and were committed to duplicating in Ghana what they had experienced in the West, whether it be a hospital surgery department, a telecommunications system or a method of production in industry. The technology of the West was the reference point, the pattern for all development within Ghana, and western scientific processes were taken as absolute. The possibility of innovation, of experiment, of developing new processes, of adapting indigenous technology - this climate of creativity in approaching the resources within the Ghanaian political economy so fundamental to self-reliance - was not to be found.

> If the building of a bridge does not enrich the awareness of those who work on it, then that bridge ought not to be built and the citizens can go on swimming across the river or going by boat. The bridge should not be "parachuted down" from above; it should not be imposed by a deus ex machina upon the social scene; on the contrary it should come from the muscles and the brains of the citizens. Certainly, there may well be need of engineers and architect, sometimes completely foreign engineers and architects; but the party leaders should be always present, so that the bridge in whole and in part can be taken up and conceived and the responsibility for it assumed by the citizen. In this way, and in this way only, everything is possible.[59]

The "parachuting down" from above prevailed, however, and the manpower resources of Ghana were not applied creatively towards unlocking the potential physical and human resources within Ghana itself but simply maintained western standards in a fundamentally dependent relationship.

9. A relatively low ratio of net official (or officially controllable) external reserves to imports limiting the economy's ability to ride out either international trade fluctuations or interruption in foreign capital inflow, and thus reducing the room for manoeuvre open to the state in the external economic policy field.

Here Ghana's position deteriorated from the comfortable level of 1957 to a negative level by 1966, at which time Ghana found itself burdened with short term debts, subject to still falling cocoa prices, under severe internal inflationary pressure and unable to meet basic import requirements with export earnings. The inadequacy of foreign exchange reserves was the most significant indication of Ghana's inability to extricate itself from its fundamentally dependent position. Even the elementary needs of food, housing, and clothing were still being met largely by imports and the ability to import still depended largely on foreign exchange earnings from one product only. The pattern of exporting primary produce in exchange for manufactured commodities had begun to shift to another level, that of exporting semi-processed goods in exchange for capital goods but this only brought dependency relations to a new level of sophistication. Imports of capital goods still required foreign exchange and the shift to imports of machinery had proceeded far faster than the shift to semi-processed and manufactured goods for export, resulting in a fundamental deterioration of Ghana's balance of payments position.

10. A high share of economic activity in key sectors controlled by foreign majority-owned firms (or, on occasion, firms which are foreign-managed and controlled even without technical majority ownership). This characteristic is quite consistent with both the actual production of exports and the secondary wholesale and retail distribution of consumer goods being almost totally in African hands, and there being a scattering of service, import-export, industrial, and commercial institutions under African ownership so long as the largest financial, wholesale, import-export, and manufacturing units are foreign controlled and provide a focus around which the African owned units re-

volve and into which they feed.

Here there were significant attempts by Ghana to gain greater control, but by the end of the period, the challenge to foreign interests had proved to be largely ineffective and their dominance in key sectors of the economy remained. Mining interests continued to operate under foreign ownership. The sale of gold mines to Ghana government at the beginning of the period was not the result of government's demanding greater control over mining operations but resulted from rising costs which made the mines uneconomic to operate. Government salvaged these mining operations for the sake of foreign exchange earnings and in fact paid £655 million as compensation for the gold mines taken over.[60] The major gold mines plus diamond and manganese mines remained under foreign control. There was some attempt to gain greater control over their activities but the 1960-61 gold mine experiences indicate something of the unequal bargaining power at the command of the government. The end result of the encounter with gold mining interests set in motion by the minimum wage legislation was that Ghana government paid a substantial sum of foreign exchange for mining operations already in serious difficulties. The State Mining Corporation gold mines continued to decline sharply throughout the period with rising unit costs meaning that less and less reserves could be mined as a sound economic venture. A Diamond Marketing Board was set up so that the commission formerly going to middlemen acting for Diamond Corporation could go into Ghana government revenue instead, but this proved ineffective. Attempts at taxation were also of only limited effectiveness.

New "import substitution" industry was solidly in foreign hands. The UAC interests already established in a vehicle assembly plant and assembly of electrical appliances were expanded. A soap factory was built by Lever Brothers, an associate of UAC. Specialization in imports of builders' supplies and office machinery continued. GCMT became more specialized in heavy construction equipment as well as tractors and agricultural equipment and refrigeration units for cold storage. Accra Ice Company developed 5 factories producing "Satis" meat products, "Bongo" coffee, and "Cascaade" sweets among other things. Another factory, A J Seward, developed a line of toilet preparations. A further substantial venture was that of Kingsway Chemists, now serving the needs of both private consumers and also offering hospital equipment, instruments and drugs for the Ghana medical profession. Kumasi Brewery, with Heineken, Ghana Government and UAC joint ownership began its operations in 1960 and soon increased its capacity by 100%. Ghana textile Printing Company, jointly owned by Ghana Government, UAC and Texoprint (of Holland) went into operation. Palm Lines continued with shipping interests.

The predominance of UAC was upheld by an array of complementary interests. Agip and Mobil and Shell had oil interests in terms of import of crude oil, all of which used the Agip Refinery at Tema. Union Carbide developed interests in plastics through UCAR Plastics Ltd., (and also began to produce batteries). Construction interests continued to thrive despite the awarding of government contracts to GNCC.

The most significant attempt to gain a greater hold over the economy was the attempt to move into the trading sector itself, historically the stronghold of foreign interests. This attempt showed clearly the kind of hold exercised by foreign interests but, even more clearly, the kind of hold of the new political and bureaucratic forces in relation to foreign interests. Processes were rapidly established deep within the fabric of the society once "being in the running and part of the racket" characterized the national leadership. Control of the trading sector was a necessary move towards economic decolonization but it revealed only too clearly the prevailing contradictions within Ghanaian society.

In May 1961, the buying licenses of all produce buyers were withdrawn and only United Ghana Farmers' Cooperative through its operations was licensed to buy cocoa. In fact, this "Ghanaianizing" came far too late. UAC and one of the French concerns had already pulled out of produce buying as unprofitable by 1959 and Cadbury and Fry had announced their intentions of doing so. A Cocoa Marketing Company was set up with headquarters in Accra but again, this proved ineffective over against the prevailing world marketing structures for cocoa.

Import licenses, foreign exchange restrictions and marketing boards were all of an attempt to gain control over the trading sector. There was also a frontal attack on the trading sector by the establishment of Ghana National Trading Corporation with some 43 branches throughout the countryside. In 1962, Commonwealth Trust Ltd. and A.G. Leventis were taken over and became part of the new state trading enterprise with compensation of £6 million. Eventually GNTC had a monopoly of imports of essential goods and in 1965 almost all licenses issued for basic consumer commodities of flour, sugar, rice milk and canned fish were in GNTC hands. Not only that, but as many as half the import licenses issued included stipulations about use of the State Insurance Company and many had also an additional stamp stipulating "Shipping via Black Star Line." [61]

Clearly there was a need for such an attempt to move into trading and wholesale and retail distribution throughout the country. At the time of GNTC's formation about 95 of retail and wholesale trade was in foreign hands. [62] Trading accounted for 15% of employment, the highest category after agriculture's 64% in the 1960 census and some 28% of the female labour force was engaged in trade, this being primarily petty trading activities related to expatriate firms. The foreign companies had an intricate network built up throughout the countryside, a network which functioned by its own momentum even after all produce buying had disappeared. As well as the sophisticated department store operations in Accra and Kumasi and soon the regional capitals as well, there were many wholesale outlets throughout the country with licensed traders from the major firms renting premises owned by the firms and engaging in trade, often set up in business by credit from UAC or G.B. Ollivant. Even in addition to these town and village outlets, however, there was a further system of "pass books" which allowed all kinds of private petty traders to buy from the firms and sell at local markets or from their homes. Nkrumah himself perceived the situation clearly.

> The pattern of its monopolistic control was firmly set in the first quarter of the present century, when the pioneering firms and our own African 'merchant princes', as they were called, were either forced out of business or absorbed by giant companies. A substantial volume of petty trade came to be carried on by thousands of women street hucksters and market vendors.

> These women, a few of whom have accumulated some sizeable capital, play an important part in our internal trade distribution. But they are reliant for their supplies on the monopoly firms, for whom they provide the cheapest kind of retail distributive system it has been possible to devise. 63

The hold of the firms, then, was enormous, Any attempts to substitute products from the new Ghanaian manufacturing enterprises or products from the more diversified trading partners from China or Eastern Europe met stubborn resistance on the part of the traders and the consumers who were totally linked to familiar brand names of commodities imported from UK. Needless to say the firms were happy to perpetuate such consumer preferences. It was not only a question of brand preferences, although certainly these were deeply ingrained. The imported goods had become almost reified throughout the colonial period. They functioned not just as a brand of commodity but as a symbol, of educational mobility or of the attainment of a superior position within the society. More important than consumer tastes or social status, however, the firms and their retail network meant economic livelihood for a great number of people and any curtailment of imports through foreign firms meant unemployment for a great number of people throughout the countryside.

The attempt to gain control of the trading sector through GNTC proved something of a fiasco. The experiences of Swedru, a coastal town west of Accra, give a good indication of how GNTC became not an instrument of decolonization but a further opportunity for the bureaucratic and political elite to be part of the "racket."

> The GNTC, "The People's Shop," which should have assisted indigenous petty traders in Swedru (and could have, since it was in a better position to import goods), failed in that duty. The management was controlled by the D.C. and the local CPP executive. Receipts for obtaining goods were to be signed by the local manager and approved by the D.C., the most senior executive member. of the CPP at the district-local level. GNTC became a source of CPP patronage. Only the supporters or members of the party and friends and favourites of the D.C., who often personally supervised the distribution of essential but scarce goods, could hope to receive them. When the CPP "traders" obtained the goods, they usually resold them to eager and waiting customers, at from 100 percent profit. The customers in turn retailed the merchandise at still more exorbitant prices.

> to other retailers before it finally reached the consumer, who had to pay an inflationary price for the items. [64]

Fanon points to the centrality of control over the middleman's trading sector as the key battlefield in gaining control of the economy, but the control is not a question of administrative or legislative or institutional measures but of human control in mobilising the population for exercising control over their own situation of dependence and exploitation.

> If the goverment wants to bring the country out of its stagnation and set it well on the road towards development and progress, it must first and foremost nationalize the middleman's trading sector... In a colonial economy the intermediary sector is by far the most important. If you want to progress, you must decide in the first few hours to nationalise this sector. But it is clear that such a nationalisation ought not to take on a rigidly state-controlled aspect. It is not a question of placing at the head of these services citizens who have had no political education. Every time such a procedure has been adopted it has been seen that the government has in fact contributed to the triumph of a dictatorship of civil servants who had been set in the mould of the former mother country, and who had quickly showed themselves incapable of thinking in terms of the nation as a whole. These civil servants very soon began to sabotage the national economy and to throw its structure out of joint; under them, corruption, prevarication, the diversion of stocks and the black market came to stay. Nationalising the intermediary sector means organizing wholesale and retail co-operatives on a democratic basis; it also means decentralising these co-operatives by getting the mass of the people interested in the ordering of public affairs. You will not be able to do all this unless you give the people some political education. [65]

Political education was the dimension totally lacking in Ghana. There was no network of incorruptible political cadres to control the workings of the newly established GNTC and it rapidly deteriorated into a morass of corruption and bribery. The need for control was clear. The instrument for control was ultimately dependent on political leadership and this the CPP could not provide. The experiences of Algeria and China indicate the crucial nature of this struggle for control for it is a struggle at this level that determines the support of a mass base and the credibility of political leadership. Compare, for example, the experiences of Algeria during the revolution with merchants in the "forbidden zones" where people had restricted movement. Merchants travelled out for trading goods and exploited the peasantry with exorbitant prices in such a monopoly controlled market. Prices of coffee, salt, sugar and tobacco soared while peasants became more and more indebted to shopkeepers. When political commissioners intervened, the situation initially became worse. The shopkeeper had to buy from nationalist wholesalers and present his invoice on return to the village. The village political commissioner checked off the invoice and fixed the prices and profit margin. The traders, however, then claimed end of stock while they were in fact creating a black market out of the back door. The political commissioners again intervened with fines which were used for social amenities in the villages or by shutting the shop.

The whole process was one of political education for the Algerian peasantry.

> Taking these experiences as a starting point, the functioning of the main laws of economics was explained to the people with concrete examples. The accumulation of capital ceased to be a theory and became a very real and immediate of behavour. The people understood how that once a man was in trade, he could become rich and increase his turn-over. Then and only then did the peasants tell the tale of how the grocer gave them loans at exorbitant interest, and others recalled how he evicted them from their land and how from owners they became labourers. The more the people understand, the more watchful they become, and the more they come to realise that finally everything depends on them and their salvation lies in their own cohesion, in the true understanding of their interests and in knowing who are their enemies.[66]

In Ghana, no such political measures, no such political education emerged. The CPP politicians became part of the enemy instead of the force to ensure that government intervention in trading really freed the people from exploitation. Swedru's experience was duplicated throughout the country. CPP pronouncements from Accra were consistently undermined by the actions of CPP functionaries throughout the countryside.

It is clear, then, that from 1961-66, there were real attempts to gain control of the national economy. Banking and shipping were also part of the attack. Black Star Line became a Ghanaian enterprise with purchase of external shares and by 1962 included 12 vessels with 6 new ships on order. The plan aimed at Ghana's carrying 40% of ocean traffic between Ghana and the rest of the world by 1970. There was an attempt to gain greater control of banking. Once exchange control restrictions were enforced in 1961, the major British banks, Barlay Bank DCO and BWA, had to operate in a different manner, no longer being able to remit surplus funds to London for investment there but being forced to treat Ghana as a self-contained banking territory and to lend within Ghana. The London money market ceased to be a competitor with the local money market. In 1963, the Bank of Ghana Act gave further powers to the banks and in March 1964 it laid down minimum liquidity ratios to be adhered to by the commercial banks. [67]

Clearly then the years from 1961-66 brought many attempts at a fundamental re-structuring of the economic base in Ghana. In 1957, with the gaining of political independence, over 90% of import trade was in the hands of foreign firms. Barclay's and BWA shared about 90% of all banking business. Expatriate companies held 96% of all timber concessions. Foreign interests owned all functioning gold mines and controlled about half the annual diamond production. General insurance was entirely in the hands of expatriate firms. Shipping was entirely in expatriate hands. Foreign companies dominated the construction sector and earned the bulk of receipts in the small manufacturing sector. [68]

The strong intervention of the state from 1961-66 brought about major structural changes. The strategy of gradually expanding state enterprises while attempting to control competing private, mainly foreign, interests through administrative measures, i.e. taxation, import licenses etc., was carried out with a real measure of effectiveness despite the many pressures against it by those whose interests were threatened whether in a long-term or short-term perspective. By 1965, state importing enterprises handled 35% of the country's total commercial imports. The State Insurance Company handled 50% of all insurance business. The Ghana Commercial Bank accounted for over 60% of total bank deposits. Black Star Line carried over 17% of Ghana's sea-borne commerce. Ghana National Construction Company had displaced private contractors in almost all building and construction financed by public funds and state and private ownership combined produced about

27% of total manufacturing output.[69]

Such major structural changes as these could not be accomplished without tremedous short-term dislocations and malfunctioning, causing breakdowns in distribution, loss of export revenue and temporary unemployment. Whether it was retail networks for basic commodities, log suppliers for expatriate sawmills or sand contractors for expatriate construction companies, all of these networks were disrupted as the state attempted to take control. Many interests were threatened directly by these policies of state intervention. Ghanaian petty bourgeois and capitalist interests were threatened by state intervention and the preferential treatment given to state enterprises in awarding of contracts and import licenses. Often the mode of attack adopted by these threatened private interests was not one of open confrontation but infiltration and corruption of the new enterprises. Records of state industries during the period gives all too numerous examples of mismanagement often at the direct instruction of high ranking CPP officials looking out for the interests of friends in private enterprise. Pilfering of state property became a way of life for countless people from management level to night watchman.[70] The Abraham Commission Report makes chilling reading as it recounts case after case in the 1960-65 period of private trade interests in complicity with state employees who effectively sabotaged operations of state trading construction and industrial establishments as well as attempts to control import licenses and foreign exchange.

Most crucial of all, however, the re-structuring of the economic base seriously curtailed the activities of foreign private interests. GNTC and its increasing control over imports of essential commodities was in direct competition with the expatriate companies. The imports of commodities from Eastern Europe, Yugoslavia and China threatened the long-standing links between UAC, UTC, SCOA etc. with manufacturing enterprises in England, Holland, Switzerland, France and Germany. The imports of machinery such as tractors and building supplies from Eastern Europe competed for scarce foreign exchange with the newly specialized UAC and UTC activities in machinery and construction supplies. The Chinese textile factory threatened the foreign firms' monopoly hold on the textile market. Certainly state insurance and shipping and banking interests with whom all government business was transacted were a direct threat to foreign insurance, shipping and banking interests which, until then, had enjoyed a monopoly hold on the Ghanaian political economy.

Ironically, in a very real sense, the strong intervention of the state into the economy made the situation more acute. In fact, Ghana was experiencing a phenomenon shared by all of the underdeveloped nations of the world at this time. Caught in the scissors of falling export prices over against stable or rising prices for imports of manufactured and capital goods, the efforts towards acceleration of economic growth by imports of capital machinery and equipment as well as funds and materials can lead only to growing balance of trade deficits. The more accelerated the rate of industrial growth, the more acute the balance of payment problem becomes.

Since these deteriorating terms of trade are based on the power relationships between the underdeveloped countries and the developed countries, Ghana found itself trapped in a situation in which, despite attempts to find ways to gain more manoeuvreability, there was little progress towards economic decolonization. The developed capitalist countries were in a position to determine market prices. The underdeveloped countries continued to be in asymmetric relationships which gave them ineffective bargaining power. It is not merely a question of primary products over against manufactures. Even in primary produce, the developed capitalist countries can defend the prices of their basic products while the underdeveloped countries cannot. Studies of Paul Bairoch indicate that between 1952-54 and 1961-65, the price of wheat moved much more favourably than the price of rice. The price of beet sugar increased or remained stable while the price of came sugar fell (despite international sugar agreements). Butter prices rose and vegetable oil prices fell. Prices of fruit from temperate zones rose while prices of tropical fruit fell. [71]

The bargaining power of the developed countries continued to increase in the hands of a small number of increasingly interlinked multinational corporations. While this general process of meagres and increasing concentration was even more rapid after 1966, even prior to 1966, the particular exports on which Ghana depended were confronted with world markets over which they had virtually no control. As Ann Seidman suggests:

> ...the post-war merger movement in the developed countries has tended to strengthen the bargaining power of the firms dominating the markets for African produce. They no longer find it convenient or necessary to risk direct investment in African agricultural production as they did in the days of outright colonial rule. With their governments' support they encourage African governments and peasants to expand their own investment to produce more export crops, taking advantage of the consequent competition to buy the output at the lowest possible prices. The resulting fluctuations and overall downward trends in the prices of sub-saharan Africa's major exports have already sharply reduced the contribution which these exports might have made to African development. 72

Ghana operated, then, within the same international structural constraints as other underdeveloped countries. By the end of the fifties trade deficits had become the rule rather than the exception throughout "independent" Africa. Even in countries with balance of trade surpluses, current account balances in many cases indicated a deficit due to exorbitantly priced invisibles.

In Ghana, the very attempt at accelerated growth was the basic cause of the deteriorating situation of the 1961-1966 period. Not the grandiose schemes of a megalomaniac leader, not even blatant incompetence and corruption, though certainly these existed, but reasonably clear and well thought-out policies of state intervention to begin to build up a self-sustaining national economy - this was the basic cause of Ghana's impasse by 1965. Had there been little attempt by the Nkrumah government to intervene, had it tried less to find room to manoeuvre in a manner that could alter Ghana's dependency, had Nkrumahist Ghana been content to accept without resistance the shifting patterns of neo-colonialism, then perhaps the CPP could have maintained political viability longer. Judging by Ghana's neighbours who have made lesser attempts to explore the possibilities of re-structuring towards national independence and accepted more readily their mode of incorporation into the capitalist world order as neo-colonies, however, the continual foreign crises, and the mounting indebtedness are now endemic throughout "independent" Africa. It is only a matter of time before coups and counter-coups emerge as the inevitable response to the heightened contradictions inherent in such structures of dependency.

All of Ghana's efforts to restructure during this period put the policies of the Nkrumah government very much counter to the general shift of interests on the part of international capitalism at this time. During these years, there was a kind of world-wide shift in the relations of the peripheral countries incorporated into a situation of dependency within the network of international economic relations generated by capitalist expansion. Colonial dependence had been characterized by a trade monopoly and colonial monopoly of land, mines and manpower in the colonized countries. Financial- industrial dependence, consolidated at the end of the 19th century, had been characterized by the growth of monopoly capitalism at the centre and its expansion abroad through investment in production of raw materials and agricultural commodities for consumption at the centres. Externally-oriented development was established at this time. With the post World War II period came yet another type of dependence, technological industrial dependence characterized by multi-national corporations investing in industries geared to the internal market of the underdeveloped countries. From the pattern of exports of primary products and imports of manufactured goods, the pattern shifts to production of manufactured products for an external market and imports of capital goods. [73]

It would seem that the international capitalist interests in Ghana were prepared for a shift towards this third kind of dependence. This is by no means to suggest that reliance on exports of primary products or minerals would cease In addition to these continued exports, however, there was a shift towards production of light manufactures for the internal market and the supply of capital goods on which such light manufacturing depends.

> What is really involved here... is the fact that the industrial capitalist countries - as compared to the underdeveloped ones - have such a strong monopoly position in heavy industry today that it makes not only possible for them to relinquish the monopoly over the processing light industries, but even necessary because of the required expansion of the market of capital goods production. Moreover,

> we are witnessing today the emergence of a sort of monopoly, which is the more dangerous, the more concentrated it is, namely the monopoly in electronics, automation, cybernetics and synthetics, and to a greater and greater extent, the scientific and research capacity in general of the capitalist world.74

The beginning of a shift, from financial-industrial dependence to technological - industrial dependence took place in the 1961-66 period. The exigencies of the international commodity and capital markets became even more crucial. The possibilities of new investments depended completely on availability of foreign currency for purchasing machinery and processed raw materials not available internally. There were two major constraints on such purchases. First was the constraint of limited resources generated by the export sector which meant that a favourable balance of trade (based on both trade and service relations) become the key to any expansion of the productive forces of the economy. The second major constraint was that of the monopoly on patents and the desire of monopolistic firms to prefer to transfer their machines in the form of capital rather than as commodities for sale.

What were the implications of this new type of technical-industrial dependence for Ghana? First, since industrialization depended on the export sector for the foreign currency to buy all inputs for industrial development, there was a need to preserve the traditional export sector i.e. cocoa, timber and gold, diamonds and manganese. This in turn implied maintenance of backward relations of production and therefore limitations of the growth of the internal markets. A shift towards more diversified agriculture would have brought an acute balance of payments problem. A major change in production relations based as they were on a complex system pre-capitalist, semi-capitalist and capitalist forms was too great a risk. There were attempts to have greater withholding power by increased storing facilities like the cocoa silos and greater bargaining power by such institutions as the cocoa, diamond and timber marketing boards and the Cocoa Producers Alliance spearheaded by Nkrumah in 1964 but these were of little avail as we have seen already.

Second, the shift towards technical-industrial dependence meant that industrial development was strongly conditioned by fluctuations in the balance of payments. Since the trade relations on which Ghana depended were in the highly monopolized capitalist world market, she had to contend with deteriorating terms of trade in which the price of raw materials tended to be lowered while the price of manufactured goods tended to be raised. [75] Attempts to diversify trading partners were of some benefit but brought their own contradictions as we have suggested already. In no way could Ghana compete with her trading partners, whether in terms of establishing prices or adapting to changing supply and demand. Ghana could not immediately alter production of cocoa in response to low world prices. Chocolate manufacturers were in quite the reserve position and could adapt their product to changing market situations very readily. After the very high prices of cocoa in 1954 (£550 per ton in May 1954) confectionary manufacturers adapted to the sharply increased costs of production by reducing the cocoa content of their products. After 1955-6, there was a significant shift from solid bars to filled bars so that whereas in 1955 filled blocks accounted for only 25% and solid chocolate for 29%, by 1960, solid chocolate was down to 22% and filled bars up to 33%. A filled block contains only half as much cocoa as a solid bar. This possibility of economizing on cocoa use puts confectionary manufacturers in a strong bargaining position. Even with lower cocoa prices after 1956, the trend to use less chocolate continued from 1961-66, with 24.8 in 1963 as the highest proportion during the period and 22.5 in 1965 as the lowest. [76]

This dependent structure of industrial development led towards deficit on the balance of payments in other ways also. Foreign capital during the colonial era had already developed the most dynamic and readily exploitable sectors of the economy. Despite government foreign exchange controls after 1961 and restrictions on personal remittance quotas and repatriated profits, still there was a constant outflow of capital. Since services were still largely under foreign control, those added greatly to deficits in balance of payments and consequent limits on imports of inputs for industrialization. Despite state-owned banking, shipping and insurance ventures, still the value of invisibles rose tremendously. By 1961, invisibles were twice as high as in 1959 and amounted to £34 million. By 1965, invisibles accounted for £41 million, exactly half the deficit balance of trade. [77] Freight transport and insurance accounted for part of this, despite attempts at state control. A greater part, however, was beyond Ghana's control in her position of technological-industrial dependency, this being the position of invisibles accounted for by such items as royalty payments, patents, licensing agreements and technical assistance fees etc.

> The economically underdeveloped countries need for their industrial development patents and licenses, blueprints, standards, technological specifications, machine installation and their component parts, special raw materials and, last but not least, specialists (engineers, geologists, economists etc.) and teachers. When the advanced capitalist countries give these coutries "technical" assistance, they try to do it in such a way that the realization of the licenses, blueprints, standards and technological specifications, etc., given to them, the smooth operation of plants installed by them, and the working and repair of the machinery and equipment, should be dependent on the deliveries of metropolitan firms.[78]

Foreign control over these outflows of capital continued even in state-owned industries for Ghana frequently gave management contracts to international companies and certainly the prevalent pattern in joint state-private industry was for the management and technical contracts to be with international companies. The new brewery in Kumasi, and the new textile factory in Tema were just two examples of new industries which, although joint state-private ventures, in fact brought in international companies such as UAC, and Heinekens, and resulted in an outflow of capital as indicated above. In addition such arrangements within the structure, of technological-industrial dependence meant that, in return for "expertise" and "contacts," Ghana found itself faced with a capital-intensive bias in its industry in large part because such management contracts inevitably led to a repetition in Ghana of the same assortment production techniques used by the parent company in its home country with very different factors of production and effective demand. As a result, dependent industrialization brought high priced, capital - intensive industrial techniques which severely increased balance of payments problems and, in addition, created little new employment or opportunity for increased productivity of labour.

The eventual outcome of such dependent industrialization was the necessity for "foreign financing", both to cover the deficit already created and to "finance" development by means of loans. Foreign financing thus "supplied" an internal economic surplus to replace the surplus created domestically which, through decapitalization processes, was being sent abroad as profits, roylaties, patents, licensing agreements etc. The "aid" was usually tied so that the dependency was increased by the necessity to spend on certain imports from certain countries rather than to look for the best prices available.

Ghana found itself in this position from 1958 onwards, as we have documented above. As Arrighi points out:

> ...attempts to step up economic growth soon result in shortage of foreign exchange which leave these countries wide open to a predictable variety of political pressures and to the lure of economic deals with foreign governments and private investors, which, while possibly "buying time" in the short run, ultimately strengthen their structural dependence on International Capitalism and the consolidation of a pattern of "perverse growth".[79]

Valco was the supreme case of such dependent industrial development during the 1960-66 period. Ghana's bauxite had for year been discussed as the key to major industrialization with an integrated aluminium industry as the mainstay of the expanded productive forces. Since the World Bank and other creditors indicated that loans would be forthcoming only if Ghana could attract foreign investment to build and operate in aluminium smelter,[80] the quest for an investor for aluminium then set the parameters for general industrialization policies in Ghana and no policy likely to be unpalatable to potential investors in the aluminium smelter could be pursued. We have discussed already some of the implications of such a situation.

Valco ended up building an aluminum smelter in Ghana with a whole array of supports from Ghana government and "international" organization. The port and the industrial site in Tema were built by Ghana government for about £24 million, a priority because of dependent industrialization hinging on export-import activities. [81] The supply of cheap hydro-electric power was provided by an array of loans tying Ghana further to balance of payments pressures and an export orientation since debt repayments demanded hard currency. Here the subsidies of foreign aid to finance complementary infrastructure for foreign investment are clearly seen.

The monopoly on engineering survey skills information, contacts, instruments i.e. the general scientific and technological monopoly of the imperialist countries left Ghana totally dependent in terms of where and how and at what cost to construct the hydro-electric scheme which was seen as the key to her "independent" development." It was to Valco's interest to gain the cheapest possible price for electricity and therefore Valco became very directly involved in construction of the dam. Kumasi engineers had a resurvey which resulted in changes in both dam location and construction proposals in such a way as to reduce costs sharply. It also insisted on awarding the main contract by open-tender bidding which almost certainly resulted in a much lower figure than a 'negotiated' construction contract. Kaisers' pressure in directions consistent with Ghana's interests probably saved Ghana some £25-50 million pounds. [82]

Where Kaiser's interests were against those of Ghana quite the reverse occurred. We have noted already Kaiser's extremely low rate of paying for electricity, the 30 years of duty free imports for smelter construction and operations, the tax-free exports of aluminium, the duty free imports of raw material i.e. alumina, the tax holiday for 5 years, and the tax rate from date of payment up to 1997 to be fixed at the Jan. 2, 1961 rate (40 % of retained profits plus 2.5 per cent of profits transferred out of Ghana). All of these were definitely to Kaiser's interest and not Ghana's, a clear indication of Ghana's dependent position and weak bargaining power.

Most striking of all is to note that, from a continental view, this is only one instance of the monopoly capitalist aluminum interests playing off one African country against another. West Africa has long been known to have some of the world's largest and richest bauxite reserves but big firms can play off one small nation against another. Guinea soon after the Valco agreements found herself bargaining with some of the same giants in the aluminium field. Her threats of nationalization if an aluminium smelter was not constructed in Guinea as originally agreed resulted in an impasse and eventually a more favourable contract with a smaller company but with processing still to take place outside of Guinea.[83]

In Guinea, then, bauxite was exploited but sent to North America for processing. Meanwhile Ghana's bauxite was left substantially unexploited, apart from a small quantity exported to Scotland for processing. The alumina for the smelter in Ghana was shipped from Kaiser's Jamaica mining operations. Risks of nationalization were substantially decreased by sepating the raw materials from the process of smelting. The possibility of close political linkages of Ghana- Guinea-Mali, however, and the talk of greater economic union presumably did not pass unnoticed by the aluminium giants whose interests would be seriously threatened should both countries decide to nationalize, thus creating an integrated aluminium industry on the West African coast and closing imperialist access to bauxite resources in West Africa.

Within Ghana from 1961-1966, then all attempts to restructure came up solidly against prevailing international monopoly capitalist dominance. Within the capitalist sphere of influence there was a general movement to advance towards yet a further stage of dependence for the underdeveloped countries, this stage of technological-industrial dependence discussed above. In Ghana all efforts towards increased independence counter to this movement toward technological-industrial dependence were to little avail, pursued as they were still within this overall capitalist world order. The attempts at increased control over markets, banking, shipping, insurance and trading came eventually to very little. This was largely because there was no success in making basic change in the general structural situation whereby industrialization was totally dependent on Western finance and technology, availability of which was determined by resources generated in the export sector based on backward relations of production. An integrated national economy could not be achieved within the capitalist world order. Ghana found itself fast sinking under the weight of cumulative debt, debt incurred by its very attempts at rapid economic growth and industrialization still structurally dependent on Western finance and technology. It is interesting to note that in China, one of the major principles for the Great Leap Forward, along with "self-reliance" and "hard struggle" was to "break down foreign conventions and follow our own road in developing industry."[84] Ghana discovered in 1961-1966 that the economic kingdom was not to be won by following the capitalist road.

FOOTNOTES CHAPTER VI

1. Green, Reginald H., "Political independence and the national economy: an essay on the political economy of decolonization" in C. Allen & R.W. Johnson, ed., African Perspectives (Cambridge at the University Press, 1970), pp. 273-310.
2. Ibid., p. 289.
3. Loc. cit., I shall analyze each of the ten relationships in turn.
4. United Nations, Yearbook of International Trade Statistics.
5. Robson, P. & Lury, D.A., The Economies of Africa (London: George Allen & Unwin Ltd., 1969), p.52.
6. ASCG., p. 348.
7. Eshag, E. & Richards, P.J., "A Comparison of Economic Developments in Ghana and the Ivory Coast Since 1960" in "Oxford University Bulletin of Economic Statistics," December 1967, p. 367.
8. Ghana Central Bureau of Statistics, Economic Survey and Statistical Yearbook, (Accra), various issues.
9. Esseks, John D., "Political Independence and Economic Decolonization" in "Western Political Quarterly," 1971, p. 59n.
10. Report of the Commission of Inquiry into the Affairs of the Ghana Timber Marketing Board and the Ghana Timber Cooperative Union, 1968 (Accra: State Publishing Company, 1968), p. 3.
11. Eshag, Richards, op. cit., p. 356.
12. Commission of Inquiry into Timber, p. 60.
13. Ibid., p. 53.
14. " , p. 42ff.
15. UN, Yearbook of International Trade Statistics.
16. Eshag, Richards, op.cit., p. 367.
17. Green, Reginald H., "Development Strategy and Implementation in Ghana and Nigeria," in "The New African," July 1966, p. 130.
18. Seidman, Ann, "Ghana's Development Experience, 1951-1965," an unpublished doctoral thesis, University of Wisconsin, 1969, p. 205.
19. Ibid., p. 160.
20. UN, Economic Survey of Africa, p. 81.
21. Seven Year Development Plan, p. 55.
22. UN, International Trade Statistics.
23. 7 Year Plan, p. 94.
24. UN, International Trade Statistics.
25. Ibid.
26. "

27. Paerl, Eric, Nederlands Gemakt in de Derde Werelde, (Amsterdam, van Gennup, 1971).

28. Green, "Political independence and the national economy," *op.cit.*, p. 292.

29. Seidman, Ann, "Prospects for Africa's Exports," in "Journal of Modern African Studies,"Vol. 9, No.3, 1971, p. 415.

30. *ASCG.*, p. 345.

31. Murray, *op.cit.*, p. 53.

32. Green and Seidman, *Unity of Poverty*, p. 109.

33. *Ibid.*, p. 110.

34. First, Ruth, *The Barrel of a Gun* (Harmondsworth, Penguin, 1970), p. 176.

35. *7 Year Plan*, p. 133.

36. Fitch & Oppenheimer, *op.cit.*, p. 121.

37. UN, *Economic Survey of Africa*, p.

38. *ASCG*, p. 339.

39. *Economic Survey of Africa*, p. 79.

40. Green & Seidman, *op.cit.*, p. 195.

41. First, *op.cit.*, p. 80.

42. "Unicorn," Vol.18, No.1, 1972, p. 3.

43. *ASCG.*, p. 356.

44. *Ibid.*, p. 403.

45. " , pp. 402,403.

46. " . pp. 396,397.

47. The potential of the fishing industry in Volta Lake is only now being realized. By 1969, rough estimates were being made that revenue from fish from the lake was equal to revenue from sale of VRP power.

48. Green, "Development Strategy," *op.cit.*, p. 130.

49. Esseks, *op.cit.*, pp. 60,61.

50. Quoted in Fitch and Oppenheimer, *op.cit.*, p. 110.

51. Eshag, Richards, *op.cit.*, pp. 357,358.

52. *Ibid.*, p. 356.

53. Green,"Political independence," *op.cit.*, p. 297.

54. Wright, *op.cit.*, p. 228.

55. Nkrumah, *Africa Must Unite* (London: Heinemann, 1963), p. 26.

56. Bing, *op.cit.*, pp. 353,354.

57. Green, "Political independence," *op.cit.*, p. 300.

58. *7 Year Plan*, p. 239.

59. Fanon, *op.cit.*, p. 160.

60. *ASCG.*, p. 320.

61. Esseks, *op.cit.*, p. 62.

62. Fitch and Oppenheimer, *op.cit.*, p. 115.

63. Nkrumah, *Africa Must Unite*, p. 26.

64. Owusu, *op.cit.*, pp. 272-3.

65. Fanon, *op.cit.*, pp. 144-5.

66. *Ibid.*, pp. 152-3.

67. *ASCG.*, p.

68. Esseks, *op.cit.*, p. 59.

69. *Ibid.*, p. 62.

70. "Report of the Commission of Inquiry into Trade Malpractices in Ghana," Accra: State Publishing Company, 1965.

71. Jallee, Pierre, *The Third World in World Economy* (New York: Monthly Review Press, 1969), p. 70.

72. Seidman,"Prospects for Africa's Exports," *op.cit.*, p. 418.

73. Dos Santos, "Structure of Dependence," *op.cit.*, p. 232.

74. Szentes, *op.cit.*, pp. 187-8.

75. Eshag, Richards, *op.cit.*, p. 360.

76. "Annual Report," The Cocoa,Chocolate and Confectionary Alliance, 1970-1971, p. 35.

77. Eshag, Richards, *op.cit.*, p. 360.

78. Szentes, *op.cit.*, p. 188.

79. Arrighi, Giovanni & Saul, John S.,"Nationalism and Revolution in Sub-saharan Africa," in Miliband, Savile ed., *The Socialist Register 1969* (London:Merlin Press, 1969), p. 159.

80. Esseks, *op.cit.*, p. 60.

81. It is interesting to note that whereas railways to provide an internal agricultural-industrial linkage have been a key to industrial development in many of the developed countries, a port has been the priority item in many of the "underdeveloped" countries and has supported externally-oriented development in which the agricultural sector is not integrated with the urban export enclave.

82. *ASCG.*, p.

83. Green and Seidman, *Unity or Poverty*, pp. 118,119.

84. *Taching: Red Banner on China's Industrial Front* (Peking:Foreign Languages Press, 1972), p. 2.

CHAPTER VII

CLASS STRUGGLE AND SUPERSTRUCTURE 1961-1966

> The essence of neo-colonialism is that the state which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality its economic system and thus its political is directed from outside.
>
> Kwame Nkrumah -Neo-Colonialism The Last State of Imperialism

With falling cocoa prices, the fragility of the Ghanaian economy, its lack of integration and its inability to be self-sustaining were suddenly dramatically exposed for the first time since Ghanaians themselves had assumed responsibility for national policies. It was not a question of contracting forces of production. In fact, far more cocoa was being produced than ever before with an increase by one third even from the production in 1958 of 197, 999 tons to the 1960 production of 303,000 tons. The contraction was not within the forces of production but within the mode of exchange. The price in 1958 had been £G316 per ton while the 1960 price for the much increased volume of cocoa was only £G219 per ton. Ghana's fundamental dependency, her incorporation into world markets on unequal terms of trade, her vulnerability to world prices over which she had no effective bargaining power as a result of power relationships unfavourable to her interests-all were suddenly exposed very sharply.

The development plans show clearly the complete dependence on cocoa as the mainstay of the economy and the necessity for structural change once cocoa revenue was threatened. The second development plan,[1] the "Lewis" plan, was, as late as 1959, purely in the colonial mode with the implicit assumption that rapid economic development could be achieved simply by shifting colonial structures into the hands of Africans. The plan was formulated by the old colonial "Shopping list" technique, with targets mainly in the realm of expenditure rather than production. Nkrumah asserted in the speech introducing the new plan that this was to be a plan, implementation and fulfilment of which would "give us a solid foundation to build the welfare state." It was pervaded with the old colonial administration's orientation towards amenities and services, towards a government that would ensure social infrastructure and physical infrastructure while real development of resources would be financed from elsewhere. The "elsewhere" was, of course, foreign investment. The colonial model, the Arthur Lewis model, still prevailed. Government would make the institutional changes required to capture sufficient investible surplus from the export-oriented sectors of the economy. This should then be invested in social and physical infrastructure in order to attract private investment into the productive sectors in order to achieve economic growth and an increased level of living.

A comparison of the 1951-57 first plan and the 1957-59 consolidation plan with the Second Development of 1959 reveal striking similarities. The allocation for physical infrastructure including communications and electricity was by far the largest item. Next came education, housing, health, sanitation and water suplies. Agriculture still was to receive only a third of what physical infrastructure was allocated and industry less than half of the allocation to social infrastructure.

This 1959 plan was to be financed from several sources including government free reserves (£G50 m.) and CMB reserves (£G50m.). In fact, before the commencement of the plan, at least half of the expenditures were ear-marked from Ghana's foreign financial reserves, with no particular constraints on outflow of foreign currency foreseen as the plan was being made. At this time, the colonial currency was backed 100% by sterling and no distinction was made between domestic currency and foreign currency. West African Currency Board and UK sterling were treated as identical, but government surpluses in Ghana were treated as increased government sterling reserves in the UK. Thus in the years of high cocoa prices and a highly favourable balance of trade, a reserve fund had built up.

> Up to and including the 1954-5 financial year the central government consistently ran budget surpluses and was content to see its reserve funds mounting. There was in this period a very sharp rise in revenue, largely due to the favourable trend in cocoa prices, associated with a much slower growth in expenditures. This willingness to see the accumulation of very large reserve funds (at the end of the 1954-5 financial year total government reserves totalled £87 million equivalent to about two year's expenditure at that time) was partly due to a fear of inflation and partly to the sheer difficulty of expanding expenditure pari passu with revenue, given the intellectual framework and administrative machinery of what was still a colonial regime.[2]

These reserves were only one source of accumulation. CMB was also accumulating funds at this time, held in the form of sterling assets. Both had contributed admirably to Britain's needs in the past war years and throughout the 1950s as we have already seen. It was from these sources that funds could be drawn for use within Ghana itself.

By 1961, however, the 1959 development plan had been completely abolished and instead the government embarked on preparation of an entirely new plan. What had caused such an abrupt change in thinking about the economic base of the society? One must look for explanations at a number of levels. First and foremost, Ghana now found itself burdened with a serious balance of payments problem. Up until 1955, Ghana had enjoyed balance of payments surpluses but from 1956 on, with the exception of 1958, this was not the case. The position of the sterling exchange standard and the commercial banks in relation to the central government and CMB resulted in economic procedures which shielded the economy from the brunt of balance of payments deficits until 1960. The commercial banks and currency authority tended to play an inactive role while the external assets of the central government and CMB provided the counterpart for surplus or deficits in the balance of payments, In 1956, 1959 and 1960, the "non banking external assets had to 'pay for' a balance of payments deficit and an increase in the external assets of the banking system. There was thus a twofold drain on the non-banking reserves: to finance an import surplus and to finance an increase in the supply of money." [3]

The history of the years from 1956-60 thus explains the structural predicament of Ghana by 1960. The money supply and external assets of the banking system continued to expand during the period of balance of payments deficits because the reserves accumulated during the earlier years could be drawn on to offset the effects of the deficits. The Government began to run budget deficits of an increasing size, however, over these years. In addition, in 1955-6 and 1956-7, the CMB showed a loss and was forced to draw on its reserves.

It was not possible to continue in this way indefinitely and by the beginning of 1960, balance of payments pressured had become a reality. The falling cocoa prices kept the pressure on and Ghana now found itself faced with diminished reserves, a trend to falling prices of export commodities and, therefore, not nearly the expected revenue or foreign exchange earnings needed to finance the plan. With heavy commitments already made to capital expenditures, clearly drastic measures had to be taken.

Not only were foreign reserves now unable to finance the plan to the degree expected and current government revenue sources seriously undermined but also the essential source of finance for directly productive activities around which the whole plan centered did not materialize. Arthur Lewis' prescriptions had been followed in detail. The luxury hotel was ready. The infrastructure was there. The skilled manpower could be found. The cheap labour was available in abundance. The 1959 "Pioneer Industries and Companies Act" had provided tax relief until recovery of initial investment. The constitution provided a pledge to compensate foreign capital in case of substitution. An Import Duties Act gave companies remission of import duties on their new raw materials. Still foreign investors were not forthcoming.

The plan envisioned establishment of not less than 600 factories of varying size producing a range of over 100 different products and there was the hope that these factories would satisfy consumption demand, create employment and diversify the economy. By 1961, however, the Industrial Development Corporation had only 22 subsidiary companies and 9 associated companies. In 1962 there were only 14 establishments employing 500 or more workers and only 8 industries with more than 2 establishments employing 100 or more workers. Clearly the development plan was not functioning as expected and the productive enterprises envisioned were not forthcoming through private foreign capital.

The new plan was not the result of economic considerations alone. In addition to the immediacies of foreign exchange pressures, falling cocoa prices and the necessary consequence of unpopular taxation and levies in the 1961 budget, there was a very new international climate by 1961. The harsh realities of neo-colonialism were becoming more clear. "Independence" which had seemed a major victory in the years leading up to 1957 was now exposed as essentially meaningless. France with its policy change which resulted in overnight independence for most of her colonies in Africa gave perhaps the clearest indication of how little the granting of formal independence meant. The continued links of the former French colonies with France and their immediate admission into the common market as associates clearly revealed the possibilities of a neo-colonial solution. Some of the African leaders in French colonies understood the implications clearly. Mamadou Dia in 1960 could analyze the situation thus, though the clarity of his analysis did not enable him to change the situation once he himself was in a position of power in Senegal.

> It would be a mortal error for the nations of the Tiers Monde, especially for those which have just received their national freedom, to believe that they had achieved the end of their struggle when independence was proclaimed. This is without doubt a major step...but it is only the first which, it is true, makes possible the active embarkation on basic tasks, the facing of

> vital questions, the application of daring solutions. At least some of the newly emancipated states have understood clearly that soverignty in this world is an illusion unless it is justified technically and economically.[4]

When the atrocities of Algeria were held up against the peaceful granting of independence in other French colonies, it became all too clear that the colonialist power, when really threatened by a break from its hold, could exert enormous pressure to retain the colony in its dependent structure in relation to the dominant Mother country.

In addition to Algeria there were the lessons of Viet Nam and Cuba to be learned at this time. Far more important, however, was the Congo crisis which brought about a totally changed political climate, throughout Africa. The intervention of foreign powers in the Congo, the murder of Lumumba and finally the death of Dag Hammarskjold had a tremendous impact on Ghanaian political leadership, particularly on Nkrumah himself. The perception of foreign interests in the African continent and extent of intervention to which these powers were willing to commit themselves when their interests were seriously threatened had become all too clear. The Congo experience brought about a major rift among African states almost as soon as most of them had become independent. There was the Brazzaville group composed mainly of the former French colonies with their close ties to France. This group became the 'moderates' on various issues through the next few years including in the Congo support for Kasavubu against Lumumba, backing Mauritania against Morocco's claim, advocacy of a 'peaceful' settlement to the Algerian war, notwithstanding the 15,000 African troops still serving in the French Army in Algeria in 1960, and even support for French atomic tests in the Sahara on the part of Ivory Coast. The "Casablanca" group of Ghana, Guinea, Morocco and the UAR were the 'radicals' who abandoned trust in the good faith of the UN intervention in the Congo and generally took more progressive line on the policy issues related to the newly independent Africa.

The widening of the Brazzaville states to include Nigeria, Liberia, Sierra Leone, Ethiopia, Togo, Libya, Tunisia and Somalia and their conference in May 1961 in Monrovia clarified the differences between the two groups. Ghana and the radicals were basically concerned to take up matters of neo-colonialism and anti-imperialism. As far as Ghana was concerned, the political kingdom had been won and power consolidated in a national state but its helplessness in the face of declining cocoa prices after 1961 made a mockery of such independence. The Monrovia group was not ready to take up issues of neo-colonialism. The principles put forward at the Monrovia meeting included absolute equality of states regardless of size, population density or natural resources, non-interference in the internal affairs of other states, respect for mutual sovereignty for each State with the "inalienable right to existence and development of its personality" and unqualified condemnation of outside subversive action by neighbouring states. [5]

Clearly these states were unwilling to take up issues of Pan-Africanism and neo-colonialism at this time. "Each dominant political elite wished to be left undisturbed to consolidate its position within its own country. They resented Kwame Nkrumah's attempt to assume the leadership of all West Africa." [6] Ghana, Guinea and Mali were serious about taking up the neo-colonial struggle to liberate all of Africa even to the extent of welcoming dissident politicians from neighbouring countries. This created a climate of tremendous distrust and ill-will. Nkrumah at this time moved ahead quickly on African unity. Even by November 1958 the Ghana-Guinea-Mali Union had been formed. In July 1961, these three announced their formation into a Union of African States, to be the embryo from which a larger union would eventually form. While economic union was more a prospect than a reality at the time, the commitment to African unity in a struggle to regain the whole continent was firmly made even by 1961. The realities of neo-colonialism and imperialism, then, resulted in pressures for a new economic strategy.

The need for a new development strategy also came from changes within Ghana itself. The realities of neo-colonialism and super powers outside of Ghana was matched by a new socio-political climate within. The populist assumption of an essential egalitarian society, bound together by kinship solidarity which had prevailed throughout the years leading up to independence had been much harder to maintain in view of the increasing disparity between the style of life of the new consumer elite and the increasing number of unemployed school leavers and rural poor. The level of living of this new elite and the kind of opportunities opened by political activities could be measured at least in part by the restriction placed on party members' wealth. Clearly the scope for amassing personal wealth through political activities was great judging from the ruling on restrictions on personal wealth issued immediately after the Dawn Broadcast of April 1961. Party members were not to own a) more than 2 houses of a combined value of £20,000, b) more than 2 motor cars or c) further plots of land with total value greater than £500. [7] When one remembers that at this same time those fortunate enough to be employed were on a wage rate of 6/6 a day, or roughly £101 per annum, the gap is startling. This reality and attempted measures to control the level of corruption were further indications that all was not well within the political kingdom.

Perhaps the state of the economy, the realities of neo-colonialism and imperialism and the excesses and corruption within the new Ghana elite would not have been enough to warrant striking out in a completely new direction and making such an abrupt change when the 1959 plan had only two years of implementation had it not been for yet another factor. Within months of the Congo crisis and in the midst of the internal economic pressures and blatant and open corruption, Nkrumah and a party of high-ranking officials left Ghana and toured Eastern Europe, the Soviet Union and Peking. The kind of economic development and the kind of planning seen during this visit were vastly different from what they had known within colonial and post-colonial, western-oriented Ghana. During their visit they had the chance to have explained to them the techniques of planning in these countries. They were naturally impressed by the rapid economic advance that these countries had made and they were able to compare the Second Five-Year Plan back in Ghana with the development plans of these countries. It is likely that they came to the conclusion that their plan was no plan at all. The decision was therefore taken to scrap it and work on a new plan possessing basic characteristics of socialist development.

A 29-member National Planning Commission was formed with a mandate to prepare a new 7 Year Development Plan. There was for the first time a serious attempt to deal with integrated mobilization of all resources, physical and human, of the political economy, and committees were set up to deal with education and manpower, health and nutrition, infrastructure, finance, works and housing, agriculture and industry. The Planning Commission members, almost all Ghanaians and almost all civil servants, were urged to contribute as experts in various fields of social and economic activity and not as "shoppers" from their various departments with "lists in hand."

The Planners were to be guided by a policy statement adopted by the Party in 1962, the "programme of the Conventions People's Party for Work and Happiness." It was, however, a very broad and diffuse programme, with little real sense of priorities. Its summation in a single sentence was "to provide work and conditions of happiness for every member of our society." Within the Programme the peculiarities of Ghanaian socialism were readily apparent. Socialism was to be achieved by rapid socio-economic re-structuring of the country through the efforts of a "strong, stable, firm and highly centralized government," with power "concentrated" in the country's leadership. This centralized Government would be the instrument to accumulate capital to promote the basic services and industries which are essential. "Government, for the harmonious implementation of its plans, must have the consent of the people. It must rest, therefore, on the firm foundation of mass support, and the leadership must consult continually with the people to ensure that its policy in all matters in understood and is in accordance with the popular will." [9] In Nkrumahist socialism then, the role of the people was that of providing "consent" and "support" to plans formulated by the country's "leadership" in whom powers were to be concentrated.

The Ghanaian delegation seems to have made little distinction between planning in the Soviet Union and planning in China. China was in some confusion at this time, having broken relations with Russia while at the same time struggling with an internal split in leadership. At this time, the second of the three "bitter years" of bad harvests following the dislocations of the Great Leap Forward of 1958, there was a strong reactionary move away from the mass line. "Capitalist" forces emerged in the country-side with private plots and market forces predominating. Schools and universities stressed the need for "experts" rather than the 1958 stress on "red and expert" cadres. The centrality of the Chinese people in planning, their mobilization for production and scientific experiment, and the kind of leadership which the Chinese Communist Party had provided in transforming all of China into a massive national reconstruction effort were largely overlooked by the Ghana delegation. Planning was adopted as a technique, a kind of economic programming without any of the real characteristics of socialist planning. The fundamental role of the direct producer in formulation and realization of the plan in a society making a transition to socialism was little understood.

Or perhaps one has to give more weight to the pragmatism underlying the "Programme", for certainly one of the central aims was to justify a one-party system over against a multi-party system and concentration of leadership is stressed because of this. At any rate, from its inception, Ghanaian socialism had very grave problems in terms of leadership cadres. There was no fundamental tenet, either at the level of theory or practice, that power should be in the hands of the peasants and workers. Power was rather to be concentrated in the country's "leadership." The elitism, the paternalism, the dependence on the "expert" and the "standards" imposed from external reference points, all of these underlay this concept of leadership and they were to emerge much more sharply and much more problematically once the new plan was adopted. The concept of leadership imposed from above and the failure to make any fundamental re-assessment of the human potential of the Ghanaian peasantry, the "boundless creativity of the masses" on which the Chinese were depending so heavily, ultimately brought Ghana to an impasse. The deeply-rooted disdain for the poor and illiterate by the educated elite prevailed. The recognition of classes and internal class struggle was never an essential part of Ghanaian socialism and its exclusion prevented recognition of many of the fundamental contradictions at work within the Ghanaian political economy.

From the beginning also, Ghanaian socialism was of a peculiar brand in that it had no difficulty in incorporating capitalism within its operations and plans. Ghana's economy under the new plan was to include five sectors. These were: 1) State enterprises, 2) Foreign private enterprises, 3) Jointly-owned state and foreign private enterprises, 4) Co-operatives, and 5) Small-scale Ghanaian private enterprises. There would be no attempt to curtail ownership of private property or to attempt any redistribution of already amassed wealth. Private ownership of the means of production within the political economy was not seen as being in any conflict of interests with ultimate social goals. Perhaps Kofi Baako's description gives away most clearly the popular consciousness that prevailed:

> In an Nkrumahist-Socialist state, the farmer will not lose his farm; the landlord will not lose his house,but will not be allowed to exploit the tenant; the employer will not be allowed to exploit the worker, nor will the worker be allowed to cheat the employer by idling about; the car owner will still have his car... Nor will the property or wealth which some one has acquired or earned through hard labour and through honest use of his mental and physical energies be taken away from him and shared among lazy, unscrupulous, indisciplined but able-bodied citizens.[10]

There was no hint of differential access leading to class formation in Baako's mind. Property and wealth were a result of "hard labour" and "honest use of ... mental and physical energies" by some. Those without property or wealth were clearly "lazy, unscrupulous, indisciplined" and therefore poor. The opportunities created historically in Gold Coast by forest produce of palm nuts combined with a market demand leading to capital accumulation, which then led to land accumulation, and access to labour, leading to further land and labour and eventually to housing, education, transport and a comfortable level of living with sons as doctors and daughters as education officers - this was not recognized as a process of cumulative opportunity to which some had access and others had not. The areas with no market demand for cash crops resulted in another process - of labour migrations, of eking aut a subsistence living from the land, of poor health, of sons and daughters as unemployed school-leavers, all in a cumulative process of impoverishment heightened by structural relations to the developed areas. But the historical-structural causes of poverty and inequality were not recognized in Ghana nor were the cumulative processes of acquiring wealth clearly perceived.

Nkrumahist socialism recognized no fundamental tendencies in either capitalism or socialism, it would seem, but saw only one process, the development of an integrated, industrial economy, with socialism or capitalism measured only by their effectiveness in attaining that goal. Socialism and capitalism as fundamentally different and opposing processes of organization of a political economy were not part of Nkrumahist socialism at all. As Bettelheim has pointed out, however, "A country is socialist or capitalist not because of the ideas or intentions of its government, but because of the social structure which characterizes it, and the nature of the classes which play the decisive role in ruling it." [11]

Within Nkrumahist socialism, what were the attempts to make fundamental changes in the social structure? What was the nature of the classes which played a decisive role in ruling it? To these questions we must turn in analyzing more closely the political actions, policies and institutions of the 1961-66 period. The interests of the various classes which had emerged during the period from 1945 to 1960 hinged on cocoa and once cocoa prices began to fall, the contradictions emerged sharply. The principal contradiction, that between imperialists and the people, prevailed throughout the period with imperialism remaining unchallenged as the principal aspect of the principal contradiction. We have noted already how the struggle for political independence was quickly diverted from being an anti-imperialist struggle. As David Apter points out, at the height of its success, and almost by virtue of its success, the CPP was weakened even before 1957.

> The crusade against imperialism has been vitiated by the obliging behaviour of the imperialists and those who see the CPP operating the government in cooperation with the British can look either to left or right, over the shoulders of the CPP leadership, to a more pristine anti-Europeanism, e.g. to the left, where some individuals charge that Nkrumah has sold out to the British, and to the right, where those chiefs who have been removed from contact with the government ever since the downfall of indirect rule can now claim a more fundamental right to nationalism, e.g. pre-European past. [12]

The period of "Tactical Action" during which the political power of the new nationalist government had been consolidated was a period in which political leaders had come to a modus vivendi with imperialism which was to have important implications for the 1961-66 period. When in 1961-66 steps were taken to curb imperialist interests, many in high positions of leadership both within the party and within the bureaucracy were now themselves so linked with these interests that their own position was also at stake. The international components of the capitalist class in Ghana had been joined by strong Ghanaian components, determined to protect their established interests by maintaining neo-colonial structures. In the 1961-66 period, there was an attempt to attack the principal contradiction, but the mode of attack was not to build up the non-principal aspect of the contradiction, the people, the peasantry and the proletariat, to take power into their own hands against imperialism, but instead it was an attack through state intervention in the name of the people to create institutional and administrative policies which could counter imperialist interests. Despite increasingly loud denunciations of neo-colonialism and imperialism, the major interests of imperialists were not immedetely subjected to a frontal attack. The beginning of the period finds imperialist interests in access to raw materials well able to withstand the attempts by Ghana government to gain control through marketing boards. This attempt to manoeuvre within the international capitalist system by attacking imperialist interests at the point of relations of exchange and to win more equal terms of trade through state marketing boards proved little able to counter monopoly control of world markets. The State Diamond Marketing Board in Accra was little threat to de Beers and it has been suggested that the official accounts of Timber Marketing Board failures due to mismanagement might fruitfully be explored in terms of resistance of overseas buyers. [13] As long as Ghana's exports remained within the capitalist world market, international capitalists were little threatened by state control of marketing. The State Marketing Boards were administered by members of the party and state bureaucracy, many of whom were more than willing to continue as "intermediaries" or "holding companies" for imperialist interest, as the State Timber Corporation Commission of Inquiry amply documents.

The more serious threat to imperialist interests was that of restricted access to raw materials through their being exchanged in non-capitalist markets. The years after 1961 brought substantially increased trade outside of monopoly capitalist markets and this posed a real threat to capitalist interests. Once Ghana refused to accept its totally dependent position in the face of a collapse in world cocoa prices and to assert independence by negotiating alternative terms of trade within socialist markets, international capitalist interests found themselves faced for the first time with a real threat. It was imperialist interests in continued availability of cocoa which had led to encouragement of increased cocoa production and indeed active support generally for increased and diversified export crops, from an array of foreign advisors. These "experts" spoke glibly of increased exports as the means to foreign exchange earnings for implementing development programmes with no heed for long term effects of expanded production of these tropical crops by competing countries on the world market. In fact, the cocoa monopolies in the post-war years had actively encouraged Ghana and other West African countries to increase cocoa output and had pledged a fair and stable price of at least £200-250 a ton. The Seven year Plan had been drafted on the basis of a price of £180 a ton which would have ensured an average annual foreign currency income of £80 million. By 1965, however, the price had plummeted to £65 a ton, [14] a tribute surely to the ineffectiveness of marketing boards for agricultural and mineral raw materials to gain any ground against monopoly controlled world markets.

In a real sense, the struggle for economic control encountered the same difficulties as that for political control, for imperialist interests again somewhat vitiated the struggle by their accommodating behaviour. By the time Ghana in May 1961 made United Ghana Farmers' Cooperative the sole buyer of cocoa, foreign companies had already left produce buying. By the time national marketing boards were set up for primary produce, international mergers of firms buying primary produce had so increased their monopoly hold of the world market that state marketing boards like those in Ghana were totally ineffective. Meanwhile imperialist interests were transferring to yet another stage of exploitation and in Ghana from 1961-66, we see the beginnings of this shift of interests.

Produce buying by foreign interests disappeared completely and the total concentration on trade in manufactured imports also began to shift. The new interests of foreign capitalists was in production for the internal market through manufacturing situated within Ghana, inside possible barriers. Import duties rose from 25% of government revenue in 1957 to 38% in 1965. Meanwhile from 1961-64 there was a fall in value of imports of consumer goods which amounted to over 40%. [15] UAC alone shifted from imports to internal production of a range of items including beer, textiles, toiletries, pharmaceuticals and cosmetics as well as much increased food processing and vehicle and electrical appliance assembly plants. Instead of trading in imports of light manufactured goods, then, UAC began to produce such goods in Ghana and trade in specialized lines of goods including business machines, agricultural equipment and capital goods for industry and construction.

An array of foreign experts from such international organizations as the United Nations as well as foreign aid programmes like USAID gave advice on the necessary policies for attracting foreign investment including tax holidays, duty free imports of capital goods and raw materials, and provision of industrial complexes with supporting infrastructure such as Tema. Indeed a team of USAID experts assisted with policies in 1963 which were designed to increase foreign investment by offering even more attractive terms than those which had hitherto prevailed. There were special fiscal concessions and other privileges for investors in priority items under the plan such as consumer staples, building materials and manufactures for export. The National Investment Board established at this time had 25% of its capital held by US banking interests. [16] As fast as the Ghanaian state attempted to gain some control the imperialists shifted to a new pattern of interests that vitiated the attack. Attempts to increase tariffs on imports of manufactures were easily subverted by these industrial policies which advocated duty free imports of the component parts and equipment to assemble and/or manufacture within Ghana, using labour within Ghana which was much less costly than that in United Kingdom, Germany, Holland or other points of origin of these manufactures. Ownership and the product itself remained the same; sources of labour, and geographic location of factories were infinitely variable.

The shift to internal industrial production brought further monopoly capitalist interests such as the oil cartels. These oil interests were quick to out-manoeuvre Ghana in its attempt at state control over oil refining and the suggestion of waning American interests in Volta River Project if Shell and Mobil were prevented from establishing in Ghana received prompt attention. Shell and Mobil were duly established, Mobil even offering a Chair of Business Administration at the University at this time. [17] Shifting imperialist interests now centering on manufacturing succeeded in having Ghana finance the construction of costly infrastructure to provide electricity. Ghana even paid for the privilege of doing so, with interest rates on the loans taken that would soon begin to add considerably to the already well-established outflow of payments.

Adoption of the supplier credit system brought another substantial shift in the operation of foreign capitalists in Ghana. The acute pressure for foreign exchange to finance industrial development with its high import demands meant that businessmen formerly turned down by cautious civil servants frightened by the excessive rates of interest or high down payments or other unacceptable conditions now found their way back to Ghana with offers of entire factories or industrial machinery and equipment on credit terms. With heavy commitments to capital expenditure, much increased current expenditures, stagmant cocoa prices and dwindling foreign reserves, Ghana's bargaining position was anything but strong. Not only unscrupulous foreign interests such as Drevici but also old-established imperialist firms like Parkinson Howard and the UAC-linked firm of Seward [18] set up contracts at this time on terms highly deleterious to Ghana's interests.

The attempts to gain some measure of control over the main processes whereby imperialist interests were perpetuating old colonial exploitative patterns were, then, somewhat less than successful, being vitiated mainly by the fact that the attempt to gain control and bargaining power in the areas of primary produce exports and imports of manufactured commodities could be easily accommodated precisely because capitalist interests were moving towards a new pattern not threatened by state marketing boards or import tariffs. As long as there was no outright attack on foreign investment and private enterpries per se, interests of the capitalist class, were infinitely adaptable to changing situations. Amidst all of the increasing commitments towards a socialist plan of development during the 1961-66 period, there was never a point when private foreign investment was directly attacked and the ambivalence towards capitalism and cumulative effects of capitalist investment within the political economy, was to remain throughout the entire period. The Seven Year Plan itself makes the point very explicitly.

> It is therefore neither a necessity, nor has it even been the intention of Government, to discourage private enterprise. True to its commitment to evolve in Ghana a socialist pattern of society based on purely African conditions, Government will leave to private citizens the degree of freedom of enterprise and those rights to the holding of personal property which are traditional to the African way of life. This shall also provide more than enough ambit for the operation and the security of foreign enterprises in Ghana. [19]

The dominance of imperialist interests in determining the nature of the internal market had resulted in support for particular institutional measures and policies also. The classic colonial pattern had involved the very simple pattern of production of primary products, income in the hands of the producer providing the market for imported manufactures, these imports being largely under the monopoly control of foreign interests. The neo-colonial pattern incorporated an indigenous ruling class into the pattern and thus necessitated a transfer of surplus from the direct producer to the state in order to provide income for an expanding class of consumers not engaged directly in production. The Cocoa Marketing Board had functioned as the policy instrument to accomplish this redistribution. The formation of the CMB meant also the intensification of the peasantization process as expanding production put more and more of the surplus into the hands of the state. To use the paradigm of Ernest Mandel, more and more of the surplus from cocoa production was thus channelled not into productive investment nor into consumption by the direct producer, but instead into consumption by a third sector, the non-productive consumer. The increase in consumption by those not engaged directly in production, through an expanding bureaucracy and through employment in the increasing social and physical infrastructure, resulted in an assured internal market for international capitalist interests.

The pattern of uneven development whereby the rural areas and the peasantry would be maintained in a backward state while urban areas and the enclave of activities related to foreign interests were developed can be directly related to imperialist interests.

Imperialist interests in an expanding internal market were not limited, however, to the expanding internal market that could be supplied within Ghana alone. The shift towards production of manufactured goods within Ghana brought with it an interest in Ghana's neighbours also as a source of markets. During the 1961-66 period, Africa was maintained generally in a "reserve position" in international capitalist strategy Ghana, however, was one of the areas of greater concentration. Imperialist interests began to look to Ghana (along with Ivory Coast and Nigeria) to play the role of a "peripheral-centre," in the new phase of imperialist economic domination in which manufacturing interests predominated. [20] Within the sphere of interests of a company like UAC, there was clearly an advance towards this next state of dependency in those countries where UAC interests were most strongly established.

> Over the past decade, UAC has adopted a new strategy of withdrawing from retail trade and entering more into the production of consumer goods. In Nigeria, the largest West African market with some 55 million inhabitants and a programme of welcoming foreign investments, UAC had by 1963 introduced some eleven projects at a total cost of £13 million ($36.4 million) in the cold-storage business, vehicle assembly, breweries and mineral water manufacture, and together with Portland Cement Manufacturers Ltd., a new cement plant. UAC has undertaken similar projects in Ghana which, with nearly 8 million inhabitants, constitutes the second biggest market in West Africa. [21]

It is interesting to note how imperialist interests in moving towards this new stage of manufacturing quickly blurred the essentially exploitative nature of such a shift in their interests by a convergence with the desire to industrialize which was foremost in any national plan to gain economic independence. The desire for rapid industrialization led the CPP towards adoption of a mixed economy that could incorporate capitalist enterprise. The kind of industrialization envisioned by the CPP, however, went far beyond the industrial activities engaged in so readily by foreign private enterprise. In the 1963 Plan there was discussion of regional markets in much broader terms, not as a peripheral-centre operating with its own internal colonies or as a dominant centre within regional markets characterized by markedly uneven development. The policy was as follows:

> The full participation of Ghana in the efforts that are already under way to coordinate industrial planning among African countries with a view to securing a mutually advantageous division of labour and specialization within an African Common Market. To this end a part of the funds earmarked for the promotion of medium and heavy industry under this plan will be spent for inter-African projects to be sited within and without the country.[22]

While Ghana's attempts to implement such a basic regional industrialization policy were largely unsuccessful for reasons we shall discuss further below, international capitalist interests did expand into manufactures in a substantial way. There were both private ventures and also joint state-private enterprises, another instance of the willingness of imperialist interests to cooperate with cooption in view. In fact the partnership agreements and management contracts such as those in beer and textiles proved highly advantageous to the imperialist interests. Entrepreneurial and political risks could be eliminated while profits continued to flow through the royalties, fees for "technical services," use of patents and brand names and sale of equipment. Whether the CPP recognized its variant of socialism as congruent with neo-colonial interests or not, imperialist interests clearly recognized a situation in which it could continue to operate profitably. The real threat to capitalist interests at this time was the growing pressure on foreign exchange for this threatened the established patterns of outflow.

Ironically, it was the nascent national capitalist class and not the international capitalist class whose interests suffered most from the state intervention during the 1961-66 period. The period of the cocoa boom in the early 1950's had resulted in a national capitalist class emerging more strongly with important timber interests as well as substantial interests in construction, real estate and trade. It was this class that bore the brunt of state intervention policies, so much so that those within the CPP who had themselves become linked with the nascent bourgeoisie formed strong opposition to the CPP from within. The continual ceiling on cocoa producer prices of the CMB combined with the competition from the CPC as a cocoa broker after 1952 had effectively curbed the growth of a Ghanaian bourgeoisie. This was probably accounted for by mixture of ideological commitments to socialism on the part of Nkrumah combined with political expediency, first in not wanting to jeopardize attainment of independence by conflict with British interests and second in needing to gain rural voting support in order to maintain political viability over against opposing party interests. During 1961-66, there seems to have been more definite moves counter to the interests of this emergent bourgeoisie, even though at this time such a group was no longer strongly organized as a political threat.

In one sense, the national bourgeoisie had moved into the area no totally controlled by foreign interests and the very room to manoeuvre within these sectors also made them critical areas for the state as it attempted to gain greater economic independence and control of the national economy. Ghanaian capitalists, then, fared badly under the economic policies of 1961-66. Ghanaians with timber interests suffered from the failure of increased marketing control of timber from 1960-62. Substantial construction interests were curtailed by the awarding of government contracts to GNCC as well as difficulties in obtaining licenses for necessary construction goods. Trading interests found it impossible to operate within the more stringent foreign exchange controls and import licensing system.

Foreign private investment was welcome to partnerships with the Ghana state but not with local private capital for this would encourage a Ghanaian capitalist class. As Ruth First suggests by this "deliberate suppression of an indigenous capitalist class... [Nkrumah] made his whole economy vulnerable to its infinitely more powerful international counterpart.[23]

The intermediate strata also found increasing contradictions in their positions. The petty bourgeois class found its interests seriously threatened during the 1961-66 period. Many of these interests had also established themselves during the cocoa boom of the fifties in activities related to cocoa production such as trade, transport, artisan activities, store-keeping, and small-scale contracting and business. Government attempts to control the trading sector directly affected these interests. Once the foreign companies had restrictions on import licenses, countless store-keepers and petty traders throughout the country whose petty trading activities formed the distribution network for the firms found their livelihood threatened. Those engaged in transport were confronted with rising fuel costs and those in artisan activities found buildings materials high priced. Once cocoa prices were seriously curtailed, the whole range of petty bourgeois activities related to cocoa were also seriously threatened. Although it was this very petty bourgeois class which had once looked to the CPP as a guarantor of a viable future, the petty bourgeoisie were now becoming less and less happy with the CPP policies.

Other intermediate strata also found themselves having to re-negotiate their positions within the political economy. The bureaucracy found itself in a curious position. While their numbers increased enormously, their salaries had remained constant, and, in view of deteriorating terms of trade, had actually decreased in buying power throughout the period. The steady fall in the real earnings of public employees was made more acute by CPP taxation policies after 1961. There were shortages of all consumer goods including food as a part of government policy to curtail imports, and the general shortage of goods resulted in very high prices. In addition, excise taxes and a sales tax on luxury goods and consumer durables such as cars was added. Lack of goods in the stores, queues for essential commodities, black market prices - all were interpreted by the bureaucratic elite as signs of gross mismanagement by the CPP government.

> On the evidence of the retail price index in Accra which rose by over 70 per cent from 1960 to 1965, the increase in the cost of living in this period must have been considerably greater than the rise in wage and salary rates; this was reflected in the severe fall in the real income of wage and salary earners. ... the fall in real earnings was particularly severe in the public sector where money wage and salary rates remained almost unchanged. The result was a general dissatisfaction with the Government, which was particularly pronounced among the older public servants both military and civilian. [24]

The urban proletariat was composed of several more clearly differentiated segments now, each with different and at times opposing interests.

There are three categories which need to be looked at in order to understand the effects of dependent industrialization patterns and falling cocoa prices on the wage labour force. First there were the skilled workers who were in relatively short supply as a result of educational policies and who could therefore command a reasonably good salary as compared to the unskilled workers. The minimum wage scale adopted in 1961 of 6/6 per day or £G110 per annum can be compared with government rates of 12s. 5d. a day and 14s. 11d. for various categories of skilled workers or a starting salary of £G315 a year for a leading artisan or £G355 a year for a low grade foreman. [25] The stabilization of a section of the wage labour force with higher incomes rewarding skilled labour was heightened by the investments in industry during the 1961-66 period. The capital-intensive techniques being adopted in the mines, as well as in the assembly and packaging plants and food processing, drug, cosmetic and textile industries resulted in a stabilized skilled and semi-skilled labour force emerging. This sector of skilled labour shared to an important extent in the wage/price position of the intermediate classes. It was therefore well advanced in a proletarianization process whereby there was much increased independence from the traditional family and rural self-subsistence sector.

There were striking disparities between the wages of clerical workers and those of skilled manual workers, the colonial structure of higher status for a clerk than a craftman being a deterrent to the supply of skilled workers. The pay scale of a clerk with middle school education (£G175-325) was completely incongruent with the pay scale of an artisan with middle school plus five years apprenticeship (£G175-305). [26]

The unskilled workers formed by far the majority of the labour force. The 1960 minimum wage legislation temporarily increased their earnings but rising prices almost immediately cancelled any benefits from the wage increase. A Wage Index for Unskilled Workers shows a temporary real wage index of 119 compared to the May 1939 index of 100 but a rapid fall to 106 in December 1961, 192 in December 1962 and a low of 89 in December 1963. The real wage rate of December 1963, then, was 11 points below the real wage index of 1939. [27] A 1962 wage policy report noted also that international comparisons of the differential rate above the rate for an unskilled worker of thirteen occupations revealed Ghana to be among the highest in almost all cases.[28]

Stagnant incomes in the rural areas pushed more and more of the labour force towards employment in the towns during this period. The Development Plan of 1963 stated succinctly what was causing the heightened process of proletarianization.

> In the past the economic development of the rural areas has been very uneven. While the cocoa growing districts have progressed quite rapidly many othere areas have tended to stagnate. The increased demand for food and other agricultural produce from the prosperous agricultural districts and from the growing urban areas populations has progressively been met through imports rather than by purchases from the other rural districts of Ghana. This has not principally been because these undeveloped districts were not physically capable of producing for their wealthier neighbours but because agricultural policy has not paid enough attention to promoting this potential trade between different parts of Ghana. It is one of the unfortunate features of colonial policy that most of the energies of successive administrations have been directed towards facilitating the production of both food and manufactured goods from the metropolitan countries. The non-exporting sections of the countryside were thus largely neglected because they were of no importance to the metropolitan economies.[29]

The numbers of unemployed were very high by 1960. (The unemployed registered by the census were those without a fixed job who had not worked at any time during the reference month and who had actively sought work by visiting employment agencies, writing applications etc.) The census indicated that those without employment included 6.5% of the total male and 5.2% of the total female labour force. Taken as a percentage of the wage labour force, unemployed males reached 19% and unemployed females reached 60%. While this undoubtedly exaggerates the problem, clearly unemployment was a crucial issue. Probably between 10-15% of the male wage labour forces was actually unemployed in 1960 and this was considered a good year of economic activity.[30] Beyond this rather strictly defined number of unemployed, however, were many others in a semi-proletarian position, half rooted in the countryside, half in the town, with enough education to aspire to the urban areas with their greater opportunities for employment and amenities and yet without specific training or skills. They thus swelled the numbers of cheap unskilled labour available and held wages down as a result, except for the more stabilized skilled and semi-skilled segment already mentioned above. This group along with a substantial portion of the unskilled workers remained then as a kind of semi-proletariat, shifting backwards and forwards from countryside to town as Margaret Peil's survey clearly indicates. [31]

The process of proletarianization did increase during the 1961-66 period. Unemployment figures for 1961-65 indicate that there were increases in the numbers of registered unemployed in 1962 and 1963. From 1964 to 1966, the numbers of unemployed decreased, however, with the expansion of state industries, and establishment of state farms. Much labour power was thus engaged and the process of proletarianization thus intensified. Increased employment, however, was not matched by increases in wages and, despite the minimum wage scale of 1960, the position of the proletariat deteriorated sharply throughout the 1961-66 period. Their much-augmented numbers meant that their bargaining power decreased, except at the level of highly skilled labour which could play off foreign private enterprise against the state in its attempt to gain higher wages. Even the ability of private sector employees to make increased wage claims was restrained, however, by the links of the state with the unions, links much increased after 1958.

The position of the proletariat institutionally in terms of their bargaining power deteriorated as a result of intervention into all sectors and all institutions within the Ghanaian political economy. In 1958 a new Industrial Relations Act had been formulated which had created 24 big unions with substantial operating budgets and full-time staff. All were subordinated to the TUC which became in turn subordinated to state and party. The Minister of Labour could arbitrarily dissolve any union and no right of appeal existed. After 1960, the president of the Republic could freeze TUC funds in response to actions not thought conducive to the public good. The 1958 Act had been opposed by two of the oldest and most politically conscious trade unions in Ghana, the United Africa Company Workers Union and the Sekondi-Takoradi Railway Workers' Union in which Biney, Ocran and Woode had been active. This opposition led only to a 1959 Industrial Relations Amendment Act which gave the unions two months to amalgamate with the 24 big unions, the alternative being dissolution. Clearly the Trade Unions now had little independent bargaining power left and were totally structured to serve the interests of the state rather than the interests of the rank and file worker whenever these interests came into conflict.

In 1961, the bargaining power of the trade unions to protect worker interests over against the interests of the state was put to the test. The attempt to establish a new basis for government revenue had severely affected the proletariat. Indirect taxes were placed on coffee, tea and tobacco as well as cloth. Real wages dropped 15%. Compulsory savings were deducted, at £3 for incomes between £108 and £120 per annum and 5% for higher incomes.[32] In September 1961, the first pay packets with 5% compulsory savings deducted were issued. Railway and dock workers in Takoradi took the lead in organizing an unofficial strike. They were rapidly joined by others of the urban proletariat including commercial employees, as well as civil servants and market women. A general strike prevailed. Nkrumah was away at the time but Krobo Edusei, minister of Communications and Transport, attempted to intervene. He urged workers to return to their jobs and accept the compulsory wage deductions. TUC officials also ordered the workers back to their jobs and these orders were reinforced by John Tettegah, TUC general secretary, returning early from the Belgrade Conference he was attending in order to deal with the striking workers.

The general distrust shown by the Takoradi-led workers towards the party and the TUC as representatives of their interests was clearly revealed. There were real grievances. Intervention by Krobo Edusei, well known for his opportunism, was little appreciated by the Takoradi workers already operating with a political consciousness much above that of the ordinary worker. This was probably as a direct result of work on the docks and railway which revealed concretely and clearly the patterns of imports and exports, what was happening to the real wealth of Ghana, and who stood to benefit from the patterns presently operative. They were bitterly against the TUC and the structures imposed on industrial relations by the CPP two years earlier. Only with Nkrumah's return two weeks later and the total exhaustion of funds did the workers return to their job.[33]

The position of the urban proletariat, never good, deteriorated even further after 1961. The broadened taxes, both direct and indirect, had far-reaching effects. The increasing employment in the public sector was largely unproductive and thus set up a flow of wages far out of proportion to production and out of proportion to import capacity with falling cocoa prices, thus setting up a situation of shortages of foods and rampant inflation. [34] Falling real wages, rising prices and imposition of salary reductions without consultation, within a structure of industrial relations which gave decreasing bargaining power, these were the processes with which the proletariat had to contend during the 1961-66 period.

The processes of peasantization had accelerated greatly during the preceding period and by 1963, mid-way through the period under consideration, the changes in relations of production were striking. The following analysis of land tenure in the various regions in 1963 gives a clear indication of the shift in the cocoa areas from production within tribal or communal land tenure to production on the basis of individual ownership. [35].

In Ashanti, of the 470 holdings recorded, 411 are owned outright, 23 rented for cash, and 30 rented in kind with only 4 traditionally held. In Brong Ahafo, of 299 holdings recorded, 213 are owned, 51 rented for kind and 34 operated under traditional tenure. In comparison, regions without major cocoa or timber interests show a much greater maintenance of traditional tenure. Central region has only 188 of the 310 recorded holdings owned, with 73 remaining under traditional tenure. Northern and Upper regions record even more under customary forms of land holding.

LAND TENURE IN REGIONS OF GHANA 1963

Region	No. of holdings	Owned		Rented for Cash		Rented in kind		Operated under Tribal or communal Land Tenure		Operated on squatter basis		Total	
		No. of fields	Acres	No. of Fields	Acres	No. of Fields	Acres	No. of Fields	Acres	No. of Fields	Acres	No. of Fields	Acres
Western	90	251	859	6	35	15	100	2	4	-	-	274	998
Central	120	188	387	21	25	28	33	73	97	-	-	310	542
Accra	20	-	-	-	-	-	-	27	24	2	1	29	25
Eastern	160	303	392	44	151	16	19	22	48	4	2	389	612
Volta	130	147	186	9	14	41	67	95	142	-	-	292	409
Ashanti	170	411	1,342	23	96	30	29	4	14	2	1	470	1482
Brong Ahafo	110	213		1	1	51	149	34	96	-	-	299	776
Western	88	74	270	1	1	3	10	88	288	1	4	167	574
Upper	120	74	204	-	-	16	59	186	534	4	10	280	807
Ghana	1,000	1,661	4,170	105	324	200	466	531	1,247	13	18	2,510	6225

Sources: Agricultural Census, Ghana Phase 1; 1963.

The peasantry involved in cocoa production found itself also in a much altered position because of the fundamental changes necessitated by stagnant cocoa prices. The volume of cocoa production continued to expand. Cocoa production increased to 303,000 tons by 1960, it had by 1962 reached 452,000 and by 1965, 543,000. Meanwhile the producer price continued to fall. In June 1959 it was reduced from £117 to £112 per ton, the difference being paid to Government as "farmers' voluntary contributions." In 1961, farmers also were included in the compulsory savings scheme at a rate of 10% on producer prices. The marketing board reserves were virtually exhausted and still world prices continued to fall. By August 1965, the drop to £90 per ton resulted finally in a resolution to cut cocoa producer prices to bring them into line with world prices. The price cut was announced two days before the coup that was to topple the government. [37]

The effects on the peasantization process and formation of a kulak class were, of course, extremely grave. The emergence of a rural bourgeoisie noted in the pre-1960 period was somewhat contained. With curtailment of cocoa incomes generally, not only accumulation on the basis of cocoa profits but also petty bourgeois trade and transport activities now were under financial constraints. The movement of the state into such activities to compete with the nascent national bourgeoisie restrained the rich peasantry still further. The 1960 increase in urban wage rate and urban employment possibilities later in the period had also weakened the position of the rich peasantry by increasing the competition between rural and urban wage labour. This caused an increase in rural wage rates in order to hold the rural wage labour force, [38] now even more necessary with increased production. Even as early as 1957, the Report of the Committee on Agricultural Indebtedness referred to complaints from cocoa farmers who were having to pay labourers high wages in order to compete with the Government for their services. [39]

The position of the middle peasantry was also severely jeopardized by the fall of cocoa price and while there is unsatisfactory data available to document their position fully, it is likely that an increase in pledging

COCOA MARKETING ACCOUNTS FOR CROP YEARS, 1957/58 to 1964/65 [a] (in £ per ton)

	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65
Export price [b]	303.7	280.4	225.4	178.0	157.0	168.0	178.0	138.0
Less Price Paid to producers	-134.4	-131.9	-112.0	-112.0	-100.8	-100.8	-100.8	-100.8
Expenses	- 20.1	- 22.9	- 22.0	- 26.8	- 23.2	25c	25c	25c
	149.2	125.6	91.4	39.2	33.0	42.2	52.2	45.5
Less Payments due to Government	-127.1	-103.5	- 84.9	- 60.2	- 62.9	- 67.6	- 72.6	- 47.9
Of which:								
Export duty	-127.1	-101.0	- 62.5	- 37.8	- 29.3	- 34d	- 39d	- 18d
Farmers' voluntary contributions	-	- 2.5	- 22.4	- 22.4	- 22.4	- 22.4	- 22.4	- 22.4
Compulsory savings [e]	-	-	-	-	- 11.2	- 11.2	- 11.2	- 7.5
Balance	22.1	22.1	6.5	- 21.0	- 29.9	- 25.4	- 20.4	- 2.4
Total export duty received (in £ mil.)	26.3	25.6	19.4	15.5	12.8	12.4	17.3	11.7

a. Crop years oover twelve months from September of the first year to August of the second year stated.

b. After 1961/62 the export price of the second calendar year stated.

c. No figures available; assumed maintained at the annual average of the preceding two years.

d. Estimated on the basis of the export price and the tax schedule.

c. After 1962/63 designated 'farmers' income tax.'

Source: Adopted from Eshag, Richards <u>op. cit.</u>

of farms and even an abandonment of cocoa farms in favour of urban wage labour or rural wage labour for rich peasants or state farms occurred. The poor peasantry found itself in the same deteriorating position with falling prices for cocoa. In addition, prices for imported goods had risen and many of these goods, now in short supply, never even reached the rural areas. Even goods produced in the country such as soap, matches and blankets had a duty on them by 1963 [40] and there were major shortages of commodities like milk, sugar, flour and tinned meat.

The peasantry found itself in a position of growing impoverishment in Ghana at this time. The booms in cocoa prices in the past had established the Ghanaian peasantry at a relatively reasonable level of living in comparison with the peasantry of many other parts of Asia and Latin America and certainly in a substantially better position than the peasantry of Southern Africa. This position deteriorated seriously, however, with falling cocoa prices and a government desperate for increased sources of revenue and therefore taxing the peasantry, further even though it already continued a disproportionate share of state revenue.

The emerging pattern of investment shifted imperialist interests generally away from primary export products and thus set in motion a diminution of world prices. There was demand, even increased demand, for cocoa production by the state, now desperate for foreign exchange earnings, but the position of the peasantry deteriorated as much increased production was now needed even to maintain a constant level of living. As far as the food producing stratum of the peasantry was concerned, a similar situation prevailed. There was a continuing low price for rural produce because of the structure of demand created by relatively high urban incomes in relation to the rural areas. The capital-intensive bias both for private and public consumption in the urban area created an inelastic demand for food produce and resulted in general rural stagnation.

As Arrighi points out, the argument that the relative impoverishment of the peasantry associated with the emerging pattern of investment will speed up the spread of capitalist relations in agriculture, i.e., development of an agricultural proletariat and a kulak class that would enhance the growth of agricultural productivity, completely misses the central point. The relative impoverishment of the peasantry is accompanied by the negative impact of emerging patterns of investment on the growth of demand for agricultural produce.

> Such a pattern, therefore, restrains the incentive for, and financial ability of, the emerging kulaks to expand wage employment so that, other things being equal, it tends to produce an impoverished peasantry without fostering its absorption into capitalist agriculture. [41]

The new patterns of investment, then, combined with an inegalitarian wage structure meant continued rural impoverishment. Such a wage policy created an inegalitarian structure of demand biased towards consumption demands of the consumer elite. The structure of demand in both private and public sectors having been determined by this consumer elite, there was little demand for rural produce, or essential integration of the rural with the urban areas.

> An inegalitarian income structure means that the allocation of resources as between alternative consumer goods and services is determined by the superior buying power of the elite. Naturally this in turn will effect the alternative areas of investment. The economic and political power of the (urban-based) elite ensures that public goods and services are provided to meet their demands primarily All of this accentuates the drain of skills and resources from rural to urban areas. Increased 'growth' on aggregate terms simply provides for the relative luxuries of the few rather than the needs of the many. [42]

After 1961, we have suggested that there were heightened and shifting contradictions caused by the changes in the processes of peasantization, proletarianization and intermediate strata formation that had been established during the previous period. Within the contradiction between the changing forces of production and relations of production, what kind of leadership did the CPP provide? Whose interests did it seek to represent? Whose interests were in conflict with CPP leadership? Was this conflict with forces outside of the CPP or forces from within?

" A Revolutionary Government, that is a government anxious by word and proven deed for rapid changes in the interests of the masses of the people, has been set up in Ghana over the past few days by His High Dedication Osagyefo the President." [43] With these words in 1961, the "Evening News" announced a major change in the direction of Ghana's political leadership, a change that was to advance Ghana from a National Revolution to an Economic Revolution, to add to the political kingdom the construction of an integrated national economy.

If the struggle for political independence was one which served to bring about a convergence of Gold Coast interests, all of whom were united in seeking independence, the struggle for economic independence served to bring about a fragmentation of Ghanaian interests, none of which was willing to give up its own short-term interests for the long-term goal of building an integrated, self-sustaining national economy. We have seen already that the period of "Tactical Action" brought about many divisions within the party and that "anti-imperialism" was by no means the watchword for all within the party. The opportunities opened by political activities resulted in widespread changes in class structure for it opened opportunities for credit, theft, accounting fiddles, percentages on contracts and any number of other "arrangements," all of which served as a source of capital accumulation. [44] This led subsequently to investment in timber, in real estate, trade, or transport, all in addition to much increased consumption of luxury items and travel abroad. It was these forces within the CPP, firmly aligned with the aspirations of the petty bourgeois to become a national bourgeois, the kulak to expand his agro-mercantile interests, the nascent national capitalist to emerge, which were denounced in the Dawn Broadcast of 1961. The period from 1961-66 may be seen as an attempt by Nkrumah and a handful of others to contain these forces while at the same fostering new leadership committed to winning the Second Revolution not for the sake of personal vested interests but for the sake of the Ghanaian people.

Here we come to what I think must be understood as the basic error in political leadership strategy of the Nkrumah era. Nkrumah was genuinely committed to an anti-imperialist struggle. He analyzed, and rightly so, that the contradiction between imperialism and the peasantry and proletariat was the principal contradiction. His strategy for attacking this contradiction, however, was both confused and in error on major points, most basic of which was his failure to realize that the only real way to attack the principal aspect of the principal contradiction was to build up the non-principal aspect, to build up a base of peasants and workers as a powerful force of people against imperialism. This could only be done "in the pot" as Cabral suggests, and Nkrumah's devotion of energies to the anti-imperialist struggle by concentration on manifestation of imperialism on a continental basis could better have been spent on building up a politicized peasantry and proletariat within Ghana itself. During 1960 and 1961, the years of transition to the new economic policies marking the Second Revolution, Nkrumah devoted his energies basically to Pan-African concerns and international policies of non-alignment rather than building up a base of workers and peasants who could themselves take up the struggles for production in the changed economic structures, and identify conter-revolutionary forces subverting attempts to gain control of the national economy as they exposed themselves once their own vested interests were threatened.

> Such time as he gave to the party was spent in an equally fruitless search for a source of radicalism among his followers which would match his own belief in the need for full-scale intellectual, educational and organizational attack on all aspects of colonialism, neo-colonialism and imperialism. Theeffort was to increase the quarrels among the leaders. 45

Radicalism could not come from within the CPP, however. The full-scale attack on colonialism, neo-colonialism and imperialism could not suddenly appear, fully articulated, but could only merge out of a growing political consciousness as real struggles were taken up. As Mao suggests, correct ideas do not come from the sky but out of the real processes of struggle - struggle for production, struggle between classes, and struggle for scientific experiment which can build up an independent science and technology. It was precisely these struggles within Ghana which Nkrumah and the CPP leadership failed to take up.

The concentration on further steps towards an enlarged "political kingdom" marked Nkrumah's leadership within the CPP and within Ghana after 1961. Certainly the increased imperialist activities of these years, particularly as manifested for the whole world to see in Viet Nam, heightened the consciousness of Nkrumah as to who the real enemy is. The lesson of Viet Nam, however, is surely what the power of a mobilized people can do, even in the face of concentrated imperialist power, and this lesson of a mobilized people Nkrumah failed to learn. He functioned more and more as a leader without any base. The 1961 general strike was a clear example of this failure within Nkrumah's political leadership. In May 1961 came the legislation to further integrate the workers into the party structure. This was part of a general movement for wing organizations to become more fully integrated with the party. The party was held up as the symbol of national unity over against which petty regional or parochial interests should subside. "This is not the time for unbridled militant trade unionism in our country. Trade union officials must shed their colonial character and their colonial thinking... their colonial mentality and methods and remember that they are not struggling against capitalists." [46]

This incorporation of the trade unions into the party structures resulted not, however, in more politicized workers but in a de-politicization process instead. The independent base of the workers was taken over and their right to pursue their interests through organized unions with rights to collective bargaining and strikes was removed. Incorporation into the party brought not the greater participation anticipated but the de-mobilization of the workers as they found themselves under arbitrary administrative and bureaucratic control. Within the concrete processes operating in Ghana in 1961, such incorporation brought only great confusion. The suggestion that colonial ideas must be left aside and workers concern themselves not with increased wages but with increased production, as the Plan was to suggest, contained within it real confusions in analysis. Clearly the workers were struggling against capitalism. No UAC clerk, no AGC mine workers, no Takoradi dock-worker had any illusions about that fundamental reality. The party which should have been leading in the struggle against these capitalist interests spoke of unity rather than class struggle within Ghana. The failure of Nkrumah to see how such internal manifestations of the principal contradiction needed to be attacked is perhaps readily understandable in that the state had now emerged as the principal employer of labour alongside foreign private capitalist interests. The conplete lack of priority given to workers' control within state enterprises, however, meant that the workers simply contended with state capitalism rather than private capitalism, their own powerlessness and lack of control over decisions fundamentally affecting their livelihood remaining the same.

The July 1961 austerity budget was issued without consultation but came as a pronouncement from above. There was no attempt to educate the people politically about the real workings of the economy and the necessary steps being taken in response to the drastic fall in cocoa prices. Compare, for example, the lengthy public speeches of Fidel Castro in explaining to the people of Cuba the goals of the sugar campaign and the honesty with which he exposed the failures of the campaign. This became a process of education of the Cubans into the realities of their own political economy. Such was not the style of Nkrumah. The austerity budget necessitated by falling cocoa prices at a time of much increased capital investment was presented as a <u>fait accompli</u>. Salary deductions from the workers were imposed without consultation. In the bitter period of the strike, the total lack of understanding on the part of the workers of what Nkrumah was attempting to do, their total lack of sympathy with government policy, was clearly exposed. They were not only concerned with grievances related to their own lack of rights to collective bargaining. They also included grievances about the Ghana government's loan to Guinea of £10 million after the devastation caused by the departing French. [47]

Clearly Nkrumah's commitment to the anti-imperialist struggle by involving himself in Pan-African affairs at the expense of political education and mobilization of those most exploited by imperialism within Ghana must be seen in retrospect as a grave error in strategy. Clearly the workers were not being organized as a base for support for the CPP. They had been deprived of their rights to collective bargaining and strikes in return for full participation in a party structure which was becoming increasingly bureaucratic and monolithic, leaving them without any effective control over their own deteriorating situation in the 1961-66 period. Far from supporting CPP policies related to continental imperialism, and integrating the situation in Guinea with imperialist contradictions within Ghana, the workers saw such commitments only as adventurism and a drain on Ghana's resources, which might otherwise have been used for workers' wages.

The other groups incorporated more closely into the party in 1961, the farmers, the youth and the women, also found such incorporation increasingly problematic. The peasantry was to be drawn more closely into the party. The Cocoa Marketing Board and the Cocoa Purchasing Company, as well as cooperatives generally, had been criticized by the farmers because of the political patronage and the general corruption prevailing in these institutions. The CPC had been blatantly corrupt and the Jibowu Commission of Inquiry into its practices had confirmed the allegations against it.[48] The United Ghana Farmers Council had formed and was given statutory recognition in 1957 as the sole representative of the farmers. After 1961, separate membership in UGFC and other organizations ceased. Their integral status within the CPP was recognized and common membership cards, and headquarters were established.

The UGFC, however, simply became a vehicle for the rich farmers to control and in no way mobilized the peasantry or represented their interests. There was no official recognition of the differentiation within the peasantry and certainly no policies related to land tenure or conditions of labour that protected the interests of the poor and middle peasants over against those of the emerging kulak class. The UGFC was controlled by the administration and was, like the trade unions, to have the effect of de-politicizing the peasantry. Again, the "farmers' voluntary contributions" were the result of administrative fiat rather than any participation of cocoa producers in decision making in the light of falling cocoa prices and heavy government investment programmes. The UGFC as an institution to give leadership in the rural areas was completely ineffective and the possibility of a peasant base of support alongside the workers against imperialist interests did not even begin to be realized.

The youth organization, Young Pioneers, was little more successful. As a successor to the Boy Scouts, Young Pioneer groups were established in all schools throughout the country as well as among the youth at large. Despite aims of being "always in the vanguard for the social and economic reconstruction of Africa," they did little to establish a style of leadership in any way distinct from that of other youth groups with uniforms, meetings, pledges and parades. Certainly fundamental links with peasants and workers in production were not made and even within educational institutions, there was little of the stress on self-reliance of the type now attempted in Tanzania. Because the basic process of political education which would de-mystify internal economic processes and clarify the internal class struggle was never established, the Young Pioneers became not an institution of politicization but simply an institution of mindless support of Nkrumahism which could readily shift to equally mindless denunciation.

The Council of Ghana Women, in which all Women's organizations were united, fared little better in terms of its importance for political education or party leadership. It did unite the women's groups and drew women into public life and discussion of political issues and indeed, groups like the market mammies were among the CPP's strongest supporters. When the economic interests of these women were touched, however, by CPP policies, there was nothing in the CGW activities that led them to understand why the state should attempt to intervene in the trading sector and they were among the most ready opporunists to sabotage attempts to gain state control over trade.

The party bureaucracy was also expanded after 1961. Nkrumah intervened directly in an attempt to gain control of the splintering party forces at this time. He became General Secretary of the party in addition to being Life Chairman and General Secretary. The National Secretariat of the Party was expanded to include the General Secretary, Administrative Secretary, Bureau of Information and Publicity, African and International Affairs, Local Government Function, Education and Anti-Corruption, National Propaganda, Youth, Finance, Women, Membership, Trade Unions, Cooperative and Farmers, Disciplinary Control and a Director of Ideological Studies. With paid officials, the National Secretariat was the central body for "social reconstruction" and the body to which Branch, Regional and Constituency secretaries were to report. The party bureaucracy never really took root, however, and became increasingly accountable to Nkrumah personally and less and less accountable to constituent groups.[49]

The attempts to revitalize the party and to mobilize for the "Second Revolution" proved very difficult, with opposing interests within the party tending to become more and more out of control. The 1961 strike aftermath brought the jailing of several of the old guard of the party who had become increasingly intent on building up their own power base and exploring to the full the new opportunities for personal gain opened by politics. Gbedemah, Botsio and Edusei, the colleagues of "Positive Action" days, had built up strong positions in their various constituencies and were less concerned with the "Second Revolution" than with maintaining personal empires built up during the first. Others had entrenched themselves in bureaucratic positions once CPP began to run the Ghanaian state and the period after 1961 saw Parliament and press in bitter debate as each group tried further to consolidate its position. The Dawn Broadcast had been an attack on the old guard and the aftermath of the strike included the request to several members to resign for exceeding the standards outlined. These included Gbedemah himself. In 1962, however, an attack was made on Nkrumah's life at Kulungugu and the old guard was quickly restored to office once the blame for the Kulungugu attempt became attached to newer ranks of leadership such as Tawia Adamafio. Nkrumah tried to play off one group against another while at the same time presenting the new Plan for Work and Happiness in 1962 and working towards the 1963 Seven Year Development Plan which was to be the instrument for economic reconstruction.

By 1963, a new attempt at revitalizing party leadership was again in full swing. Nkrumah seemed to think he could hold off the old guard politicians and the equally acquisitive new younger bureaucrats while developing support from other sources. Still Nkrumah's lack of understanding of class forces within Ghana at the time seems clear. Where did he turn for new party support? Not peasants, not workers, but youth, ideologically trained youth, was to be the new basis of support. The Winneba Ideological Institute was established and soon new candidates for party positions and bureaucratic positions were arriving, well versed in theoretical Marxism if not in socialist praxis. The old guard retaliated with accusations of leftist subversion and the party became even further divided between the old guard and younger bureaucrats over against the new leftist element. The CPP became finally an unmanageable conglomeration of different pressure groups full of intrigue and manipulation, with assertions of personal, family, business or tribal interests at all levels and vituperative exchanges at the university, in the press, in Parliament and in government ministries as well as in the Party itself. [50]

With such a factionalized party in the lead and with the economic situation becoming more and more acute as cocoa prices dropped further and foreign exchange pressures increased, the unpopular taxation measures necessitated by the need for a new base for government revenue decreased even further the support necessary for continued political viability. By the time the Seven Year Plan was adopted, Ghana was more dependent than ever in the past on external economic support for the plan and the CPP was more cut off than ever before from internal socio-political support for the plan. Nkrumah seemed curiously unable to come to grips with the situation, and in an important sense dismissed this lack of internal support as simply counter-revolutionary, rather than recognizing the basic failure of the CPP to carry on the kind of political education necessary to build up the human forces that could carry out a transition to a socialist economy. The Seven Year Plan was adopted and state intervention proceeded with a range of policies to decrease Ghana's economic dependence, policies which we have discussed at some length already. No attempt was made, however, to tackle the equally fundamental tasks of social reconstruction towards self-reliant Ghanaians. The increasing proliferation of social forces opposed to the new economic policies was countered not with education but with repression. Nkrumah remained convinced that planning and industrialization in and of themselves could build up a socialist economy. His reflections on the experiences of the Soviet Union are of interest at this point. In his 1963 book, Africa Must Unite he had this to say:

> Against all the disadvantages, the open enmity and contrivance aimed at her success, and the appalling devastation and material and human losses resulting from the Second World War, the Soviet Union, in a little over thirty years, has built up an industrial machine so strong and advanced as to be able to launch the Sputnik and follow it up by being the first to send a man into space. There must be something to be said for a system of

> continental organization allied to clearly defined socialized objectives that made this remarkable achievement, and I pose it as an example of what an integrated economic programme could do for Africa. I am aware of the deep social disturbances that were created and the harshness of the repressive machinery used against critics, dissenters and others in the course of attainment. In recognizing the achievement I can only regret the excess, though I may, out of our own experience, understand some of the causes that produced them. [51]

By 1965, the situation within the party had deteriorated even further. The accounts of this period have been so coloured by lack of sympathy with what Nkrumah was trying to accomplish that it is difficult to establish how much out of touch Nkrumah really was with the concrete situation. [52] At any rate, new men in the party by 1965 had little patience with the style of personal leadership of Nkrumah, now operating from Flagstaff House with only a select circle of trusted CPP stalwarts having access to him. They demanded announcement of membership in the party's central controlling committee. An attempt was made to revive the party yet again with enlargement of the national executive to 240 members. The party machinery was being overhauled at last but before the effects of the overhauling could be assessed, CPP leadership was overthrown.

Whose interests were represented by the CPP during these years of conflict and contradictions? This is by no means an easy matter to assess. In a real sense, it was never closely linked with the very classes which the predominant element within the CPP sought to represent through its specific policy measures, the workers and the peasants. In time, it came to alienate large numbers within the classes which had initially supported it, the petty bourgeoisie and the small capitalists, who had seen a viable future opening through CPP political leadership and who eventually succeeded in virtual sabotage of attempts to gain economic independence which went counter to their vested interests. It never did capture the imagination and commitment of the bureaucrats and intellectuals, busy with external standards and technocratic disdain for political activities and politicians. Once it began seriously to intervene in the economy and carry out basic restructuring to the detriment of international capitalist interests, it lost any support or tolerance from imperialist interests. A substantial group of politicians and party functionaries emerged who benefitted from CPP activities directly but the actual policies of CPP were eventually detrimental even to their interests and thus it is hard to make a case for the CPP as the party of the petty bourgeoisie or the national capitalists.

Perhaps the CPP can only be understood in the context of dependent state formation characteristic of the de-colonization process. The Ghanaian state emerged not rooted in the forces of production within Ghana but as a construction in a historical process of de-colonization, a construction carefully nurtured by colonialist forces to preserve their interests after independence. Nkrumah was swept into power by the nationalist revolution which resulted in the formation of this dependent state. He himselve tried to create political leadership, operating as part of an intellectual vanguard committed to a progressive, albeit somewhat confused, ideology. Once in power, however, he failed to find a concrete base of support which was itself rooted in the production process. All attempts to gain control of the political economy ultimately failed because no base of power actually rooted in the forces of production could be built up.

In the end, CPP became more and more one man with a commitment to an anti-imperialist struggle at the level of theory but without strategy for building up a concrete base with which to carry on such a struggle. In the end, it was class forces that were related to this principal contradiction which his lack of close analysis of Ghanian society had prevented him from seeing that brought his downfall. The intermediate strata began to build up strong, silent forces of resistance to CPP policies. The bureaucracy had no liking for the politicians' interference in the running of the state. The senior bureaucrats had been trained by the British and their commitments were to professional standards and an apolitical civil service. They had come into an already established colonial bureaucracy and indeed even the strongest nationalists had functioned in the early days with Europeans in senior administrative posts who wrote up reports and proposed alternatives, within which ministers must decide. "Obligations to learn the routine, and find out what the problems, issues and decisions of the government are about tend to orient the minister in his ministerial role rather quickly" [53] Once oriented under the Colonial Civil Service, the bureaucracy found itself more and more discomfited with the attempted politicization of the civil service as party and state increasingly merged. The resistance of the bureaucracy was at time justified as some ministries were in the hands of openly corrupt and inept politicians. Much of it was not justified, however, and resulted from a short term perspective which saw in the CPP government policies only attempts to curtail consumption privileges with salsry deductions amidst rising costs of living. There was little sympathy for the broader objectives of restructuring or the realities of diminishing room to manoeuvre in a society so fundamentally dependent.

> Finding socialism, non-alignment and the single party state equally abhorrent, the civil service made its position felt in silent ways. Leading men abandoned Ghana and sought jobs abroad to become members of international bodies like ECA, FAO and others. Others dragged their feet inside the administration...The honest top-level minister was lost in a jungle of precipitate top-level desisions and intrigues. If this was socialism, it should be firmly rejected, they felt.[54]

The major restructuring within the political economy, the state shipping, insurance, banking, marketing boards, trading corporation, all of which demanded committed cadres to cope with the inevitable dislocations, met instead silent resistance and commitment to the status quo or blatant opportunism and commitment to sabotage.

The intellectuals exhibited the same variation of responses.Many succumbed to the opportunism that prevailed. The inquiry into the affairs of the State Timber Company found doctors and lawyers on the lists of debtors, having used their positions to gain leans from the Timber Marketing Board for expanding their business interests. Here also there was much silent dissent, the universities and schools sharing the dislike of the bureaucrats for interference with their professional competence and standards in the name of socialism. They too longed for the assured privileges of the former period. The concrete realities of diminished room to manoeuvre in a period of declining cocoa prices and much increased investment on the part of the state went unrecognized and the deteriorating situation was laid at the foot of Osagyefo with his Pan-African visions and imperialist paranoia.

The petty bourgeoisie which had formed such an important part of CPP support now found itself totally opposed to CPP policies, particularly as state marketing and state trading corporation and state construction activities were totally contrary to their interests.

> Post-coup accusations of corruption were all very well. But discontent among the middle class was caused not so much by the presence of corruption, as by the absence of opportunity. The traders and other nascent members of the bourgeoisie fiercely resented the sealing off of certain kinds of profiteering. A tough but frustrated propertied and trading class had always been impatient at the barriers to its growth. By the sound of the new policies, Nkrumah was preparing to contain them even tighter. Nkrumah himself had, after all, risen to power on the favour and collections of the traders, especially the market mammys. State shops were not yet drawing them out of business, but they were threatening to do so; while the shortage of essential supplies, thanks to the chaos in the system of import licensing, and the need to husband foreign exchange from the import of luxuries was almost doing the job meanwhile.[55]

The Abraham Commission report, even expurgated to protect wives and relatives of top CPP men from open denunciation, gives ample testimony of the kind of counter-attack from the petty bourgeoisie to such an impingement on their interests. No institution can stand up to masses of people determined to destroy its effectiveness. Certainly the policy of gaining control of the trading sector from imperialist interests had no chance against such an array of internal forces protecting their own vested interests.

In the end, all forces converged against the Nkrumah government. The silent opposition and the open sabotage were joined by an even more powerful force, the intensified alarm on the part of international capitalist interests who saw a situation emerging over which they were losing control. The intervention into the trading sector directly impinged on their interests. With import licenses being granted in such a way that trade with Eastern European countries was increasing, Kingsway and UTC suddenly found that Chivers and Wall's and Lipton's were giving way to shelves filled with Polish and Bulgarian and Chinese goods. Even more crucial, however, the outflow of capital in profits and dividends and expenditures on capital goods within the structures of financial-industrial dependency was threatened by the acute balance of payments problems and increasing indebtedness. The ultimate profitability of such structural dependency for imperialist interests was thus threatened. Britain alone had some £150 million worth of investments to safeguard and felt both her investments in jeopardy and her trade links threatened. Even more important, the ability of Western countries to ride out the foreign exchange crisis was suddenly challenged by the apparent willingness of Russia to shore up cocao prices as indicated in the November 1965 negotiations. The guaranteed price from Russia for the remainder of the plan period, some of which was to be paid in sterling, could have alleviated much of the foreign exchange pressures and allowed the re-structuring to proceed.

> There was no time to test whether the Soviet Union would have done for Ghana's cocoa what she was doing for Cuba's sugar exports. There had, however, been time enough for the significance of this swing in direction to be measured by the opposition, both outside, and within the CPP, as well as by Ghana's traditional trading partners.[56]

Silent opposition and open sabotage within, heightened alarm in international capitalist centres without - yet these forces might have allowed the situation to continue for some time had not yet another force intervened. The military too felt its privileges creeping away in the generally difficult situation of 1965. Books have been written and will continue to be written about military coups in Africa. Ghana's had little to make it distinctive. The coup-makers themselves have written about the coup, each account claiming more desirousness than the last, but all solidly against CPP. Within the military too there had been much silent dissent. The external standards of the much quoted "Sandhurstphilia" of Afrifa who "entered Sandhurst as a boy and left a soldier,"[59] full of love for the "companionship of people of identical calling" - and the English breakfast, were shared by most of the officer class. The Congo situation had disturbed army morale. The formation of a presidential guard after the Kulungugu incident was taken as a slight. Retirements _cum_ dismissals of two major generals in August 1965 added to the uneasiness of all senior officers. The first steps towards establishing a People's Militia in December 1965 were the final blow. The £6,5 million air base in Tamale with its three mile landing strip, which could serve will for Soviet planes en route to Havana, and the shipments of Rmssian arms despatched from Tema for Pointe Noire but with re-routing to Stanleyville as a strong possibility,[58] these in combination with the People's Militia meant that attempts at an alternative power base to back CPP actions were being made. With the addition of intelligence facilities backed by Soviet and East German assistance, the army felt its control slipping away. Meanwhile a general shortage of supplies including not only parts for armoured cars but also boot polish, each considered equally essential for an army up to "standard" prevailed. It became only a matter of waiting for the auspicious moment to make a move.

The coup came while Nkrumah was engaged in yet further anti-imperialist activities, this time attacking personally the major manifestation of imperialism over against the people of the world in his attempt to mediate in the war in Vietnam, While in Peking, en route to North Vietnam, news of the bloodless coup in Ghana came to him. In seeking to add the economic kingdom, the political kingdom had been lost.

FOOTNOTES

1. Green, R.H. , "Economic Strategy,Implementation, Necessity," *op.cit.*, p. 240.

2. *ASCG*, p. 318.

3. Ibid., p. 318.

4. Quoted in Green, "Political Independence and the National Economy," *op.cit.*, p. 298.

5. Post, Ken, *The New States of West Africa* (Harmondsworth: Penguin, 1968), p. 170.

6. *Loc. cit.*

7. Austin, *op.cit.*, p. 405.

8. *Programme for Work and Happiness* (Accra: Ministry of Information and Broadcasting, 1962), p. 3.

9. *Ibid.*, p. 4.

10. Quoted in Fitch and Oppenheimer, *op.cit.*, p. 7.

11. Bettelheim, *op.cit.*, p. 7.

12. Apter, David, *Ghana in Transition* (New York:Atheneum, 1963), p. 325.

13. Seidman, Ann,"Ghana's Development Experience 1951-1965," an unpublished doctoral thesis, University of Wisconsin, p. 151.

14. First, Ruth, The Barrel,of a Gun (Harmondsworth: Penguin, 1972), p. 177.

15. Eshag, Richards, *op.cit.*, p. 357.

16. Seidman, op.cit., p. 125.

17. *Loc. cit.*

18. Recent debt renunciation implicates Seward and Parkinson Howard as companies having made dubious contracts with Ghana Government at this time.

19. *Seven Year Plan*, p. 10.

20. Arrighi,"Nationalism and Revolution," op.cit., p. 141.

21. Green and Seidman, *Unity or Poverty*, p. 110.

22. *Seven Year Plan*, p. 16.

23. First, *op.cit.*, p. 187.

24. Eshag, Richards, *op.cit.*, p. 370.

25. ASCG, p. 140.

26. Ibid., p. 140.

27. " , p. 141.

28. " , p. 140.

29. Seven Year Plan, p. 62.

30. ASCG, p. 145.

31. Piel, op.cit.,

32. Eshag, Richards, op.cit., p. 362.

33. Fitch and Oppenheimer, op.cit., p. 103.

34. First, op.cit., p. 180.

35. Seidman, "Ghana's Development Experience,"p. 72.

36. Eshag, Richards, op.cit., p. 359.

37. First, op.cit., p. 180.

38. ASCG, p. 140.

39. Loc. cit.

40. Eshag, Richards, op.cit., p. 362.

41. Arrighi, G., "International Corporations, Labour Aristocracies and Economic Development in Tropical Africa" in R.I. Rhodes, Imperialism and Underdevelopment (New York: Monthly Review Press, 1971), pp. 240,241.

42. Williams, Gavin, "The Political Economy of Development with Special Reference to Incomes Policy," an unpublished paper originally read to the Nigerian Institute for Social and Economic Research, December 1971, p. 14.

43. Apter, David, op.cit., p. 325.

44. William, Gavin, Lecture series at the Institute of Social Studies, Spring, 1972.

45. Austin, op.cit., p. 402.

46. Mohan, op.cit., p. 211.

47. Eshag, Richards, op.cit., p. 362.

48. Austin, op.cit., p. 173.

49. Apter, op.cit., p. 348.

50. First, op.cit., p. 182.

51. Nkrumah, Africa Must Unite, op.cit., p. 166.

52. The sympathetic account of Geoffrey Bing is in marked contrast to the vituperative attacks such as those of Bretton, Afrifa, etc.

53. Apter, _op.cit._, p. 279.

54. First, _op.cit._, p. 190.

55. _Ibid._, p. 189.

56. " , p. 180,181.

57. " , p. 192.

58. " , p. 379.

CHAPTER VIII

POSTSCRIPT: GHANA 1966-72.

"Ebi Te Yiye. Ebi Nte Yiye Koraa."

What is to be said of Ghana from 1966-1972? Coups and counter-coups. Structures of dependency immensely reinforced in the new debtor-creditor relationship. A military-police National Liberation Council ruled from February 1966 to September 1969. It was readily able to maintain the political kingdom against the first attempted counter-coup in April 1967 but had to work feverishly within the economic kingdom to match the zeal of a sudden barrage of diplomatic, military, business and aid missions from the United States, West Germany and Britain eager to salvage Ghana and align it firmly again in links of structural dependency on the West."The Times" of London had indicated the day after the coup that "Ghana would be worth salvaging again," and the legitimacy of the soldier-policeman intervention was quickly confirmed by re-established commercial credit, diplomatic recognition and a wave of loans, experts and aid programs. The new military regime was supported by an IMF team and the World Bank, the IMF team taking the unprecedented step of convening and chairing a meeting of representatives of major aid-giving countries. It was pleaded for by the voice of international capitalism itself, Sir Edward Spears, chairman of Ashanti Goldfields, heading a British Mission to Ghana and urging Britain and the US to support these "very devoted people who need help."[1] The new military and police leaders proceeded to denounce and systematically destroy all CPP attempts at restructuring.

Who were the coup makers? Men such as:

Major A.A. Afrifa - who believed firmly that the old pre-independence intelligentsia and Chieftancy and business elite should have ruled Ghana rather than Nkrumah and CPP.

> "Men like Pa Grant and J.B. Danquah knew it was necessary to make haste slowly ...
> Kwame Nkrumah played hard on the illiteracy of his fellow men and women, marshalling the majority of the 50% illiterate citizens around himself, and working them up against the rightful authors of Ghana's independence[2].

Major A.K. Ocran - whose consciousness of the forces of imperialism was such that could make the following statement about the situation in Southern Africa.

> "Why did Nkrumah want to sent troops to Rhodesia? The Africans there should fight their own battles as a first step, or risk being treated like the aborigines of other countries. Fighting your own wars is a cleansing experience through which our brothers south will have to go."[3]

Police Chief John Harley.

> "After giving careful thought... in view of the unconstitutional army which Kwame Nkrumah had raised around himself, the Constitutional Armed Force... could be employed to constitute the necessary force...."[4]

With the military-police in local command, a host of old UP and NLM stalwarts like Busia, Akufo Addo and Ofori Atta in advisory positions in the Political Committee(later enlarged to enclude the managing director of Lever Brothers), and an Economic Committee made up of an energetic group of newly-trained technocrats, (two coming from executive positions for which they had been carefully groomed in UAC and Mobil), Ghana embarked on a massive repudation of all that the CPP had tried to do. The new political leadership worked closely with a team of economists from Harvard, the head of the Harvard team having been on a similar "salvage" mission in post-coup Indonesia, others having had experience in Iran and several Latin American states. The CPP polices to gain economic independence were step by step reversed.

The confidential reports of Gustave Papanek, head of the Harvard team, which were liberated by American students in 1969, indicate all too clearly the imperialist manoeuvres put into play at the time. The debts to Western countries (even the dubious supplier-credit arrangements of openly corrupt CPP "10%ers" who had been all too receptive to Western businessmen like West Germany's Drevici) were not to be repudiated, on threats of refusal of export credit guarantee and cancellation of aid by some of the creditor countries. In the face of unsympathetic creditors, United Kingdom, the largest, itself experiencing foreign exchange problems, the second largest, Drevici, being predatory by nature, others like Germany and Japan taking tough stands through their banking officials,Ghana's position was desperate. Papanek analyzes in his reports that Ghana's position of possible default if re-negotiations were not forthcoming could have been eased considerably by US, IMF and IBRD support. The US did urge the creditors to be "cooperative and sensible," sage advice amidst such a salvaging operation, but this advice tended to be voiced very softly. "Directly and indirectly, through its influence in the IMF and IBRD, the US has concentrated not on pressing the creditors, but Ghana, urging it not to use the implied threat of default."[5] By the second half of 1968, Papanek himself was reporting that Ghana's position in attempting to repay the debts had become such that she was openly becoming a net exporter of capital to the UK and some European countries.[6]

The state enterprises, some floundering or incompleted but others now operating efficiently and profitably, were sold to various international capitalist interests and to the nascent Ghanaian capitalist interests, at last encouraged openly to become junior partners of the international capitalists.Firestone bought rubber estates and the state tyre factory. Intercontinental Hotels bought the two Accra luxury hotels prepared at Lewis' advice for the potential foreign investors that would bring development to Ghana. Lonrho, a company with Southern African interests, bought up the Ashanti Goldfields; John Holt, Tamale Brewery and Continental Cars. Some of these hand-overs to foreign interests such as that of the state pharmaceutical company to Abbott of Illinois, were on such scandalous terms that public protest prevailed and the agreements were cancelled. Meanwhile local interests bought up other enterprises such as the state bakery, laundry and paints corporation, all by this time operating very profitably.

As far as agriculture was concerned, the reversal of CPP policies proposed by the NLC went too far even for the now exultant Western interests. The NLC request to UAC, Cadbury's SCOA and CFAO to resume produce buying for the CMB was met with polite disinterest and even by a recommendation for a "properly controlled" national organization by CFAO.[7] The outcome, however, was to throw the field open to any buyer prepared to handle a sufficient tonnage. Private enterprise was to prevail at all levels.

What was happening to the people at this time? Clearly international capitalism was "betting on the strong."[8] Those already in good positions were immediately favoured. Nascent Ghanaian capitalists were urged to buy up state enterprises. Property tax was abolished as was tax on cocoa incomes. Fees were now to be paid for school textbooks and government hospitals now charged for drugs and dressings. There were exemptions for civil servants, however, from these charges. The IMF insistence on devaluation had lowered all salaries by 1967 but a public service commission quickly recommended increased remuneration for government employees. The intermediate strata were clearly looking out for their interests in the new policies being implemented and international capitalism was eager for their support and therefore readily agreed to such policies.

Meanwhile the proletariat fared badly. In the name of efficiency and cost/benefit analysis, the NLC retrenched 63,000 workers in under two years, most of them construction workers and unskilled labourers who had been employed in state industries and the Workers' Brigade. In 1964 and 1965, there had been markedly increased employment possibilities created by the CPP, possibilities that incorporated many of the school leavers and unskilled workers thronging the towns and cities. Now joblessness loomed again. Unemployed, faced with newly imposed charges for health and education, in a situation of very high cost of living, the proletariat found itself in an extremely difficult situation with no way to protect its interests.

For the peasantry, the situation was also extremely grave. Cocoa prices improved dramatically (by free play of market forces - or international policies to shore them up?). The low prices of 1965 soon altered after the coup. The February 1966 low of 177s. per cwt. rose to 201s. by April. In 1968, prices rose astronomically, reaching 480s. by the end of the year,[9] although this rise is directly attributable to the adverse weather conditions of 1968 in combination with speculators on the world market. "... the better atmosphere at today's exchange was stimulated by official reports from Accra that as a consequence of the inundations a serious reduction of the main harvest can be expected"[10] Ironically Ghana's incorporation into world markets was such that by a natural catastrophe causing decreased production, Ghana stood to gain more for its cocoa than by a year of good cocoa harvest with maximum efforts for production on the part of cocoa producers.

The higher prices were not of immediate benefit to the peasantry, however, since under the new marketing policies, a range of middle-men entrepreneurs stood between the direct producer and the CMB. The rich peasants benefitted, many of them becoming buyers of cocoa again under the new scheme, as well as indluging more fully again in other interests in trade, transport and real estate. For the poor peasants, the years after the coup were extremely difficult. Indebtedness increased. Gradually consumer staples became available again but those reaching the rural areas were very high priced, particularly after the 1967 devaluation. With resumption of frequent shortages of basic commodities like sugar or milk induced by powerful trading interests, the position of the peasantry deteriorated seriously.

In September, 1969, the NLC gave way to carefully chosen successors. In a much heralded return to civilian rule by due electoral process, the old UGCC-NLM-UP forces, consistently defeated in the former election where an alternative to their leadership had been a possibility, now emerged triumphant to form a government. Any re-emergence of CPP forces was eliminated by disqualifying legislation at the party formation stage. The Presidential Commission retained army-police leaders for some time as an additional safeguard. The Progress Party under Busia presented itself as a party of sincere and honest leadership with the interests of the people foremost, but moral rectitude was no substitute for real socio-economic policies. During two years of continuing balance of payments problems, PP also took very heavy-handed action on several issues. Policies towards residence permits for aliens sent lorry after lorry, household after household, of Nigerians, Togolese and Upper Voltans out of the country, resulting in a serious labour shortage on cocoa farms. Also there was the dismissal of 568 top civil servants in an arbitrary fashion without due notification or chance to appeal. The Progress Party found itself losing even what little popularity it had earlier enjoyed. It was clearly political leadership with neither a firm ideological orientation nor concrete socio-economic policies that could begin to meet the urgent needs within the political economy. Busia's unpopular movement towards a policy of dialogue with South Africa, combined with another fall in cocoa prices and a drastic attempt to salvage the situation by a 44% devaluation in December 1971, brought the military once again into the scene.

Not surprisingly, the National Redemption Council of Col. Acheampong has now exposed the Progress Party as not only having had no success in its economic policies but also as having failed to live up to its claims of moral rectitude. Yet another wave of inquiries and frozen assets quickly revealed the, by now familiar, tale of bribery and corruption. Another attempted coup of July 1972 was unsuccessful, With a general distrust of all political leadership either military or civilian and with continuing economic difficulties, Ghana now finds itself virtually at an impasse.

Meanwhile imperialist forces have by no means been at an impasse in their Ghana operations. Despite the virtual chaos in the Ghana political economy after 1966, Unilever interests generally expanded during this period. New general headquarters for UAC at Swan Mill in Accra, new warehouses at Tema, a new Lucas House in Accra for Africa Motors as well as a new Tema Branch, an extension of the vehicle assembly plant into bus building, a new factory producing cutlasses, extension of textile operations into spinning and weaving and wax and Java prints, additional output of Kumasi Brewery, a new venture in producing Guinness in Ghana, extensions to the Accra store plus new branches in the surburbs of Accra for Kingsway - UAC has clearly found successions of military and civilian governments a not incompatible arrangement for extension of its interests.[11] "Despite the increasing difficulties over debt repayments and foreign exchange leading to the drastic devaluation of December 1971 and the coup of January 1972, Unilever's 1971 Annual Report showed only a slight drop in profits in UAC operations from the very good level of 1970. While textiles, timber and shipping were reported as having had some difficulties , motors and earth moving equipment had an outstanding year, chemists and food operations were profitable and general trading ventures such as GB Olivant did very well."[12]

UAC has become firmly re-established throughout the trading sector with a strong network of internal distribution, GNTC presence notwithstanding. A recent report indicates in the general goods division a network of 123 wholesale distributor stores and nine sales depots in larger centres with some 1000 credit customers and 200 sundry personal accounts including Government/quasi Government organizations. Textiles alone account for another 2,112 credit customers. G.B. Ollivant boasts another 25 wholesale distributor stores with 850 credit customers and 220 sundry personal accounts in its general goods division. Textiles division of GBO has a further 740 credit customers.[13] Clearly the trading sector is firmly re-established as the retail network tied to the wholesale operations of the foreign firms. In addition to increased textile operations inside Ghana Unilever has bought the old established textile companies for the colonies in the Mother countries. Hatema-Texoprints in Helmond is now owned by UAC.[14]

Lonrho which took over Ashanti Goldfields as well as John Holt and several other enterprises, also was reporting high profits at the same time as Ghana struggled desperately to manoeuvre within the grip of its Western creditors.

> For the fiscal year ending last September 30 (1969) Lonrho chalked up a profit of more than $434,000 in 1961, the year in which it began to expand its operations into the new black nations north of the Zambezi River. For this year it hopes to boost profits to $24 million on sales of $240 million. Company chairman Alan Ball recently observed that an investment of 100 pounds sterling in Lonrho in 1961 is worth 1,100 pounds today. On the London Stock Exchange, Lonhro shares have soared in recent months form $1.29 to $6.

"Newsweek," January 20,1969

The giant cocoa buyers have also consolidated their hold on raw material markets still further during this period. Nestle, the Swiss holding company with extensive interests in the food industry with some 820 factories, sales branches, depots and operating units throughout the world, had in 1970 a merger of one of its affiliates with Unilever thus tying a major buyer of cocoa and coffee with a major buyer of oilseeds and other African produce. Hershey's, long linked to chocolate products alone, has now extended its interests to foods in general and linked up with a major cotton dealer, Anderson Clay and Company, with Latin American interests, including a chocolate franchise.[15] The chocolate produces themselves have begun to merge in an accelerated manner. In Holland, the concentration process began in 1969 with Kwatta, buying Van Dungen (including Frank Rademaker) and Droste buying Ringer. The largest cocoa butter and powder factory, De Zaan, is 100% owned by an American company, Grace, and in 1968-1969, this company expanded considerably, mainly because of increased exports of chocolate products. De Zaan maintains on-the-spot observers in both Ghana and Nigeria for harvest estimation. It works in close liaison with Holland's major cocoa buyer, Van Houten, which is 49% owned by Grace and 51% owned by other American interests, Peter Paul.[16] The increased bargaining power resulting from such mergers makes the position of hapless debtor countries like Ghana, dependent on export credit guarantee and foreign exchange earnings, even more untenable. Any hope of national sovereignty is illusory. "Pawns of imperialism" is a more apt description.

The chiefly ruling class joined forces with the propertied bourgoise, the established intelligentsia and the newly-trained group of technocrats in managing the country "in the interests of an international condominium of creditors."[17] The proletariat and peasantry found themselves in a much deteriorated situation, particularly in view of the increasingly clear evidence that some were doing extremely well as the result of these internationally supported policies of "betting on the strong." Most in the rural areas simply responded with general distrust of politicians and political activities and a retreat from political consciousness. Many undoubtedly shared the sentiments of a former CPP supporter from Ashanti called before the Commission of Inquiry into timber marketing who, when confronted with evidence of his support of CPP and the suggestion that the loan he had received had been primarily for past services rendered said in reply,"...if even you put a box down and tell me it the Government of the day, I will support it."[18]

Such a response to socio-political realities was a characteristic one. Others simply continued to grasp at whatever opportunities presented themselves within the prevailing situation, holding a healthy disregard for the endless government pronouncements which filled the state newspapers, "Ghanaian Times" and "Daily Graphic." In 1969, amidst an endlessly reiterated verbal campaign for rural development as first priority of the new Busia government, a young rural middle school teacher was still to be found outlining point by point on the blackboard an essay for his middle form four students on "Why I prefer Teaching to Farming." His points included regular monthly income compared to irregular seasonal income, well kept shirts and shorts compared to dirty, torn farming clothes, cool work inside with one's head compared to work under the hot sun with one's hands, sufficient income for imported commodities like tinned milk for children and sugar and tea and perhaps a radio compared to an uncertain cash income for such basic commodities or school and hospital fees. While the "Times" and "Graphic" were full of pronouncements about "Back to the land" and model village "self-help" schemes such as that so generously contributed to by foreign embassies and business interests in the Ashanti village of Afrifa, the village school teacher still knew the realities of present day Ghana. In an area of maize and cassava production such as the one in which the school was located, cash crop farming was hazardous at best. With the guaranteed price so low as to make increased production barely profitable, with no storage facilities, with uncertain arrangements with local buyers which could mean headloading to a roadside or junction where produce might stand in the rain or sun for days and spoil, with middlemen buying for marketing cartels in the big towns in which the market mammy who was "queen" had sufficient control over storage and transport to dictate prices, with the middlemen thus exacting his profit from the hopless producer to such a degree that the farmer himself might receive only two-fifths to one-third of the price actually paid by the final consumer,[19] with these constraints on the viability of cash crop farming, the meagre but regular pay and working conditions of a school teacher was indeed the wiser choice. To opt for government service over agriculture meant that the people too had learned to "bet on the strong."

Many others responded after 1966 by remaining outside Ghana altogether, with memories of an earlier time when Nkrumah's leadership had held promise of an independent Ghana leading the way to a viable future for all of Africa. A young nurse now in London who left to train in 1965, when responding to a statement about Ghana in the 1967-1970 period, said simply, "That wasn't the Ghana I knew." From a remote northern village, her experience had been that of being offered educational opportunity not open to northerners prior to the much extended primary school education under the CPP government, being given dignity and the chance for full participation in Ghanaian life without feeling inferiority resulting from tribal or religious prejudices or ideas about northerners' backwardness on the part of southern Ghanaians, being challenged to acquire skills to build up Ghana as an independent black African nation to lead the way towards continental reconstruction after centuries of colonial rule. For her, all of the memories of the Nkrumah years were memories of development.

From within the centre of imperialism come these words of one committed to the struggle of the oppressed.

> The real criminals in this society are not all of the people who populate the prisons across the state, but those people who have stolen the wealth of the world from the people.
>
> Angela Davis

The wealth of the world has been and is being stolen from the people. The real criminality of this pillage of the wealth of the people of the world is not to be measured just in terms of quantities of gold or cocoa or timber or royalties or interest on loans being exacted. The real criminality lies not in structures of dependency measured merely in economic terms but in measures of dependency measured in socio-political terms. It lies in structures of dependency which systematically reduce the world's people to a state in which they believe in the exploiters' assessment of their inferiority, doubt their own perceptions of reality, deny their own capacities for creativity. The real criminality lies in lives of the world's people spent in futility, rather than engaged in struggling together to construct a social reality, to create their own rich history of social relations and institutions as they engage in producing the essentials of life.

Imperialism's destructiveness has a human cost, not only in the lives lost in struggle in Vietnam or Southern Africa, but also a human cost in the lives lost without struggle by those complying mindlessly with the present ordering of social reality, accepting without question a position of dependence or powerlessness or inferiority, involving themselves willingly for short-term personal gain even while recognizing their own privileged position amidst the many denied all hope, or retreating in despair when they see stretching ahead into the future, the long struggle against exploitation and oppression. It is a struggle, however, that none can avoid. "Ebi te yiye. Ebi nte yiye koraa." The oppressor and the oppressed are equally caught in a structural contradiction that destroys all human potential. It remains in Ghana as elsewhere for the oppressed to take up the liberation struggle. Such a struggle frees not only the oppressed however, but also the oppressor, so that together men and women can reconstruct a human society no longer based on exploitation.

FOOTNOTES

1. First, op.cit., p. 384.

2. Afrifa, A.A., The Ghana Coup (London: Frank Cass & Co. Ltd., 1967), pp. 53,54.

3. First, op.cit., p. 197.

4. Ibid., p. 369.

5. " p. 392.

6. " p. 393.

7. " p. 396.

8. The idea of "betting on the strong" has figured largely in the writings of Dr. W.F. Wertheim.

9. First, op.cit., p. 385.

10. Paerl, Eric, Nederlandse macht in de Derde Wereld (Amsterdam: van Gennup, 1971).

11. The United Africa Company Group in Modern Ghana, pp. 1,2.

12. "Unilever Report and Accounts 1971," p. 22.

13. UAC in Modern Ghana, op.cit., pp. 3,4.

14. Paerl, op.cit.

15. Seidman, Ann, "Prospects for Africa's Exports," op.cit., pp. 417,418.

16. Paerl, op.cit.

17. Murray, "Militarism in Ghana," op.cit., p. 55.

18. "Commission of Inquiry...Timber," op.cit., p. 46.

19. Seidman, "Ghana's Development Experience," op.cit., p. 85.

20. Davis, Angela, If They Come in the Morning (Orbach and Chambers in association with The Angela Davis Defence Committee), 1971.

BIBLIOGRAPHY

A. BOOKS

Allen, C. & Johnson, R.W., eds, African Perspectives, Cambridge at the University Press, 1971

Amin, Samir, Trois Experiences Africaines du Developpement, Paris, PUF, 1965.

Apter, David, Ghana in Transition, New York, Atheneum, 1963.

Arrighi, Giovanni, The Political Economy of Rhodesia, The Hague; Mouton, 1967.

Austin, Dennis, Politics in Ghana, London, Oxford University Press, 1964.

Baran, Paul, The Political Economy of Growth, New York, Monthly Review Press, 1957.

Baran, Paul, and Sweezy, P., Monopoly Capitalism, New York, Monthly Review Press, 1966.

Bauer, P.T., West African Trade, Cambridge at the University Press, 1953.

Bettelheim, Charles, Planification et Croissance Acceleré, Paris, Maspero, 1965.

Bing, Geoffrey, Reap the Whirlwind, London, McGibbon and Kee, 1968.

Birmingham, W., Neustadt, I., and Omaboe, E.N., A Study of Contemporary Ghana, London: George, Allen & Unwin Ltd., 1966.

Bohannan, P. and Dalton, G. (eds), Markets in Africa, Chicago: Northwestern University Press, 1962.

Bourret, F.M., The Gold Coast, London: Oxford University Press, 1952.

Bretton, Henry L., The Rise and Fall of Kwame Nkrumah, London: Pall Mall Press, 1966.

Caldwell, John C., African Rural-Urban Migration, Canberra: Australian National University Press, 1969.

Cornforth, Maurice, Materialism and the Dialectical Method, New York: International Publishers, 1953.

Crowder, Michael, West Africa Under Colonial Rule, Northwestern University Press, 1968.

Daaku, K.V., Trade and Politics on the Gold Coast 1600-1720, Oxford: Clarendon Press, 1970.

Dumont, Rene, False Start in Africa, London; Praeger, 1966.

Engels, F., The Origin of the Family, Private Property and the State, New York: International Publishers, 1942.

Fanon, Frantz, The Wretched of the Earth, New York: Grove Press, 1965.

Frank, Andre Gunder, Latin America: Underdevelopment or Revolution, New York; Monthly Review Press, 1970.

First, Ruth, The Barrel of a Gun, Harmondsworth: Penguin, 1970.

Fitch, B., and Oppenheimer, M., Ghana: End of an Illusion, New York: Monthly Review Press, 1966.

Foster, P., Education and Social Change in Ghana, London:Routledge & Kegan Paul, 1965.

Foster, P., and Zolberg, A.R., Ghana and the Ivory Coast: Perspectives on Modernization, Chicago: University of Chicago Press, 1971.

Frank, Andre Gunder, Latin America: Underdevelopment or Revolution , New York: Monthly Review Press, 1970.

Garlick, Peter C., African Traders and Economic Development in Ghana, Oxford; Clarendon Press, 1971.

Genoud, Roger, Nationalism and Economic Development in Ghana, New York: Praeger, 1969.

Green, R.H. and Seidman, Ann,,Unity or Poverty, Harmondsworth: Penguin, 1968.

Hill, Polly, Migrant Farmers of Southern Ghana, Cambridge at the University Press, 1963.

Hill, Polly, Rural Capitalism in West Africa, Cambridge at the University Press, 1970.

Hodgkin, Thomas, Nationalism in Colonial Africa, London: Frederick Muller, 1956.

Jallee, Pierre, The Pillage of the Third World, New York: Monthly Review Press, 1969.

Jallee, Pierre, The Third World in World Economy, New York: Monthly Review Press, 1970.

Kamarck, A.M., The Economics of African Development, New York: Praeger, 1966.

Kay, Geoffrey (ed), The Political Economy of Ghana: A Collection of Documents and Statistics 1900-1960, Cambridge at the University Press, 1972.

Lugard, F.D., The Dual Mandate in British Tropical Africa, London: Frank Case, 1965.

Kimble, David, A Political History of Ghana 1850-1928, Oxford: Clarendon Press, 1963.

Lange, Oskar, Political Economy, London: Pergamon Press, 1963.

Lenin, V.I. , The Essentials of Lenin, London: Laurence & Wishart, 1947.

Lloyd, P.C., The New Elites of Tropical Africa, London: Oxford University Press, 1966.

Mandel, Ernest, Marxist Economic Theory, London: Merlin Press, 1968.

Mao Tsetung, Quotations from Chairman Mao Tsetung, Peking: Foreign Languages Press, 1967.

Mao Tsetung, Selected Readings from the Works of Mao Tsetung, Peking Foreign Languages Press, 1971.

Marx, Karl, Capital, Vol. III, New York: International Publishers, 1967.

Moore, Barrington, Social Origins of Dictatorship and Democracy, London: Penguin Press, 1967.

Myrdal, Gunnar, Economic Theory and Underdeveloped Regions, London: Universal Paperbacks, 1957.

Nkrumah, Kwame, Africa Must Unite, London: Heinemann, 1963.

Nkrumah, Kwame, Class Struggle In Africa, London: Panaf, 1970.

Nkrumah, Kwame, Dark Days in Ghana, London: Lawrence & Wishart, 1968.

Nkrumah, Kwame, I Speak of Freedom, London: Heinemann, 1961.

Nkrumah, Kwame, Neo-Colonialism:The Last Stage of Imperialism, London: Thomas Nelson & Sons, 1965.

Nyerere, Julius, Ujamaa - Essays on Socialism, London: Oxford University Press, 1968.

Oliver, R., & Fage, J.D., A Short History of Africa, London: Penguin African Library, 1962.

Ossowski, Stanislaw, Class structure in the Social Consciousness London: Routledge & Kegan Paul, 1963.

Owusu, Maxwell, Uses and Abuses of Political Power, Chicago: Univeristy of Chicago Press, 1970.

Paerl, Eric, Nederlandse Macht in de Derde Wereld Amterdam; van Gennap, 1971.

Peil, Margaret, The Ghanaian Factory Worker: Industrial Man in Africa, Cambridge at the University Press, 1971.

Polanyi, K. (ed), Trade and Market in the Early Empires; Glencoe: The Free Press, 1957.

Post, Ken, The New States of West Africa, Harmondsworth: Penguin, 1968.

Robson,P. & Lury, D.A., The Economies of Africa, London: George Allen & Unwin, Ltd., 1969.

Rhodes, R.I. (ed), Imperialism and Underdevelopment, New York: Monthly Review Press, 1970.

Selsam, W. & Martel, H., Reader in Marxist Philosophy, New York: International Publishers, 1963.

Szentes, Tamas, The Political Economy of Underdevelopment, Budapest: Adakemiai Kiado, 1971.

Szerezewski, R., Structural Changes in the Economy of Ghana 1891-1911, London: Weidenfeld and Nicolson, 1965.

Taching: Red Banner on China's Industrial Front, Peking: Foreign Languages Press, 1972.

Tordoff, William, Ashanti Under the Prempehs, London: Oxford University Press, 1965.

Wolf, Eric R., Peasants, Englewood Cliffs: Prentice Hall, 1966.

Wright, Richard, Black Power. London: Dennis Dobson, 1953.

B. ARTICLES

Alavi, Hamza, "Imperialism Old and New" in R. Miliband & J. Saville (eds), The Socialist Register 1964, London:Merlin Press, 1964.

Alavi, Hamza, "On Peasant Rebellions" in R. Miliband and J. Saville (eds), The Socialist Register 1965, London:Merlin Press, 1965.

Amin, Samir, "The Class Struggle in Africa" in "Revolution," No.3, Nov.63.

Amin, Samir, "le commerce internationale et les flux internationaux du capitaux" in "L'Homme et la Société," 1970, I.

Arrighi, Giovanni, "International Capitalism, Labour Aristrocracies and Economic Development in Tropical Africa" in R.I. Rhodes (ed), Imperialism and Underdevelopment, New York: Monthly Review Press, 1970.

Arrighi, Giovanni, "Labour Supplies in Historical Perspective: A Study of the Proletarianization of African Peasantry in Rhodesia" in "Journal of Development Studies," Vol.6, No.3, April 1970.

Arrighi, G., and Saul, John, "Nationalism and Revolution in Sub-saharan Africa" in R. Miliband & J. Saville (eds), The Socialist Register 1969, London: Merlin Press, 1969.

Arrighi,G., and Saul, John, "Socialism and Economic Development in Tropical Africa" in "Journal of Modern African Studies," VI, 1968.

Awiti, Paul, "Some Aspects of the Cocoa Marketing Boards in Ghana," unpublished paper at the Institute of Social Studies, Den Haag,

Bodenheimer, Susanne, "Dependency and Imperialism: The Roots of Latin American Underdevelopment" in "Politics and Society, Vol.I, No. III, May 1971.

Bray, F.R., "Cocoa Development in Ashanti, West Ahafo," Achimota, 1959.

Cabral, Amilcar, "Our People Are Our Mountains," London: Committee for Freedom in Mozambique, Angola and Guinea.

Chodak, S., "Social Classes in sub-Saharan Africa" in "Africana Bulletin(Warsaw), IV, 1966.

Coquery-Vidrovitvh, Catherine, "Récherches sur un mode de production Africain" in " La Pensée," April 1969.

Dos Santos, Teotonio, "la crise de la théorie du développement et les relations de dépendance en amérique latine" in "L'Homme et la Société, No. 11, 1969.

Dos Santos, Teotonio, "The Structure of Dependence" in "American Economic Review Paper and Proceedings," May 1970.

Ehrensaft, Phillip, "Semi-Industrial Capitalism in the Third World: Implications for Social Research in Africa" in "Africa Today," Vol.II, No.I, January 1971.

Eshag, E., & Richards, P.J., "A Comparison of Economic Developments in Ghana and the Ivory Coast Since 1960" in "Bulletin of the Oxford University Institute of Statistics, Dec. 1967.

Esseks, John D., "Political Independence and Economic Decolonization: The Case of Ghana Under Nkrumah," in Western Political Quarterly, 1971.

Garlick, P.C., "African and Levantine Trading Firms in Ghana," Nigerian Institute of Social and Economic Research, Conference Proceedings, December 1960.

Green, R.H.,"Development Strategy and Implementation in Ghana and Nigeria" in "The New African," Vol.V, No. 6, July 1966.

Green, R.H., Ghana Cocoa Marketing Policy, 1938-60: A Study in Economic Policy and Performance" in Nigerian Institute of Social and Economic Research, Conference Proceedings, December 1960.

Green, R.H. & Hymer, S.H., "Investment in the Ghana Cocoa Industry: Some Problems of Structure and Policy" in "The Economic Bulletin of Ghana," Vol. IX, No.1, 1965.

Green, R.H., "Political Independence and the National Economy: an essay on the political economy of decolonization" in C.Allen & R.W. Johnson (eds), African Perspectives, Cambridge at the University Press, 1970.

Hill, Polly, "How Large are Ghana's Cocoa Farms (and Farmers)?" in "The Economic Bulletin" Vol.4, No. 5, May 1960.

Hill, Polly, "Notes on the Distribution of Certain Ghanaian (& other West African) Foodstuffs With Special Reference to Wholesaling," unpublished paper.

Hymer, Stephen H., "Economic Forms in Pre-Colonial Ghana" in "Journal of Economic Studies," March 1970.

Killick, Tony, "The Performance of Ghana's Economy: 1965 and after" in "The Economic Bulletin of Ghana, Vol. ix, No.1, 1965.

Laclau, Ernesto, "Feudalism and Capitalism in Latin America" in "New Left Review," May-June 1971.

Mensah, J.H., "The Relevance of Marxian Economics to Development Planning in Ghana" in "The Economic Bulletin of Ghana," Vol.ix, No.1, 1965.

Mohan, Jitendra, "Nkrumah and Nkrumahism" in R. Miliband & J. Saville (eds), The Socialist Register, 1967, London:Merlin Press, 1967.

Murray, Roger, "Second Thoughts on Ghana" in "New Left Review," XLII, March-April 1967.

Murray, Roger, "Militarism in Africa" in "New Left Review," April-May 1966.

Nkrumah, Kwame, "The Struggle Continues," London: Panaf Pamphlet, 1968.

Nkrumah, Kwame, "The Way Out," London: Panaf Pamphlet, 1968.

Nkrumah, Kwame, "Two Myths," London: Panaf Pamphlet, 1968.

O'Connor, James, "The Meaning of Economic Imperialism" in R.I. Rhodes, (ed), Imperialism and Underdevelopment, New York: Monthly Review Press, 1971.

O'Connor, James, "International Corporations and Economic Underdevelopment" in"Science and Society," Vol. 7, No. 4, 1970.

Post, Ken, "On 'Peasanization' and Rural Class Differentiation in Western Africa," Occasional Paper, Institute of Social Studies, Den Haag, September 1970.

Post, Ken, "'Peasantization' and Rural Political Movements in Western Africa," unpublished paper, Institute of Social Studies, Den Haag.

Resnick, Stephen, "The Decline of Rural Industry Under Export Expansion: A Comparison Among Burma, Philippines, and Thailand, 1870-1938" in Journal of Economic History," Vol. 10, No. 3., 1969.

Sachs, Ignacy, "On Growth Potential, Proportional Growth and Perverse Growth" in Czechoslovak Economic Papers, No. 7.

Saul, John, "Africa" in Gellner & Ionescu, Populism, London: Weidenfeld and Nicolson, 1969.

Seidman, Ann, "Ghana's Development Experience 1951-1965," unpublished doctoral thesis, University of Wisconsin, 1968.

Seidman, Ann, "Prospects for Africa's Exports," in "Journal of Modern African Studies, Vol.9, No.3, 1971.

Seidman, Ann, "Some Theoretical Implications of Ghana's Development Experience 1961-1965" in "Makerere Institute of Social Research, Vol.3, 1968.

Shivji, Issa, "Tanzania- The Silent Class Struggle" in "Cheche."

Weeks, John, "Employment, Growth and Foreign Domination in Underdeveloped Countries" in "Review of Radical Political Economics, IV, 1.

Williams, Gavin P., "Political Consciousness Among the Ibadan Poor," an unpublished paper for the BSA Conference, 1972.

Williams, Gavin P., "The Political Economy of Development with Special Reference to Incomes Policy," an unpublished paper read originally to NISER, Ibadan, December 1971.

Williams, Gavin P., "The Social Stratification of a Neo-Colonial Economy: Western Nigeria" in C.Allen & R.W. Johnson, African Perspectives, Cambridge at the University Press, 1971.

C. OFFICIAL DOCUMENTS

Annual Report, The Cocoa, Chocolate and Confectionary Alliance, 1970.1971.

Ghana Central Bureau of Statistics, Economic Survey, various issues.

Ghana Central Bureau of Statistics, Statistical Yearbook, various issues.

Ghana's Industrial Policy Statement, 1968, Accra-Tema: Ghana Publishing Corporation.

Lewis, W. Arthur, Report on Industrialization and the Gold Coast, Accra, Government Printing Department, 1953.

Moody's Industrial Manual: American and Foreign, New York: Moody's Investor's Service, (annual).

Programme of the Convention People's Party for Work and Happiness, Accra: Ministry of Information and Broadcasting, 1962.

Report of the Commission of Inquiry into the Affairs of the Ghana Timber Marketing Board and Ghana Timber Cooperative Union, 1968, Accra: State Publishing Corporation, 1968.

Report of the Commission of Inquiry into Trade Malpractices in Ghana, Accra: State Publishing Company, 1965.

Report of the Imperial Economic Commission Twenty Second Report, COCOA, London: 1932.

Seven Year Development Plan 1963-64-1969-70, Accra: Office of the Planning Commission.

UAC A Profile, Copyright UAC 1971.

"The Unicorn,"House Magazine of the UAC Company Group in Ghana, selected issues.

Unilever Report and Accounts, 1971.

The United Africa Company Group in Modern Ghana.

United Nations, Economic Survey of Africa.

United Nations, Yearbook of International Trade Statistics, selected volumes.

D. NEWSPAPERS AND PERIODICALS

Daily Graphic (Ghana)
The Ghanaian Times (Ghana)
The Legon Observer (Ghana)
Manchester Guardian (UK)
The Times of London (UK)
West Africa