Chapter III

THE NLC AND THE SUPER POWERS
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The main objective of the NLC in framing its foreign policy was to make it an instrument to serve Ghana's national interests. In the absence of any threat to the national security and territorial integrity of Ghana, the term "national interests" meant specifically its economic interests. The NLC introduced changes, as seen in the previous chapter, with regard to Ghana's role in Africa under this perspective. The policies of the deposed regime, in view of the military junta, harmed the national interests of Ghana, rendering its economy weak and vulnerable. Similarly Nkrumah's stance in world politics made Ghana's role controversial resulting in its alienation from those countries with whom it had closest economic ties. Any effort to salvage Ghana's economy required NLC to simultaneously refashion its relations with the states beyond the continent due to Ghana's reliance on external aid and assistance for its economic development. Ghana's relations specifically with the super-powers, with economic and political dimensions, were of great consequence to the NLC. This chapter will attempt to outline the nature of Ghana's relations with the super-powers during 1966-69.

The military and police personnel who overthrew the CPP Government tried to explain their action by focussing mainly on
economic mismanagement and chaos in Ghana. There were three hardcore problems inherited from the deposed regime by NLC:

(1) deficits in budgets, due to the very high rate of expenditure by the state when revenues had fallen;

(2) deficits in balance of payments with no foreign reserves; and

(3) debts including short-term and medium-term supplier credits falling due in 1966 with no provision for their payments.

Coupled with these were problems of rising unemployment, a costly living standard, soaring prices and serious shortages of food and other items.

As its first task, the NLC announced both short-term and long-term measures to improve the situation:

(1) reduction in state expenditure along with closure of all prestigious projects;

(2) gradual reduction in the public sector while releasing a number of public enterprises to the private sector;

(3) priority and pre-dominance to private sector; and

(4) commitment to honour all outstanding debts with no unilateral repudiation of any debt.

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NLC's Perspectives on Ghana's Non-Alignment Policy

Along with corrective measures and thorough review of

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1 A statement over Radio Accra said: "This action has been necessitated by the political and economic situation in the country. The economic situation is in such a chaotic condition that unless something is done about it now the whole economic system will collapse. In fact the country is on the brink of national bankruptcy. What we need is a radical rethinking of our economic and financial policies... We hope to be able to announce measures for curing our troubles." *Daily Graphic*, 25 February 1966.

economic policies, the NLC also stated Ghana's policy and role in the world politics. General Ankrah, while setting the main priority of the NLC to "resuscitate" Ghana's economy, stated:

In pursuance of this policy we should not be misunderstood as adopting a neutral attitude towards world peace. It has always been our policy to be friends with all who are prepared to cooperate with us... Ghana will not automatically change her foreign policy and to that end we shall continue to follow the policy of non-alignment. In the past you know mere lip-service was paid to this policy. NLC on its part will adhere strictly to this policy of neutrality both in theory and practice, always guided by the highest interests of the state.

Elaborating, he said:

We are determined that our foreign policy is set back on the true course of genuine neutrality and non-alignment which mean that our judgement of any world issue should not be predetermined by any dependence on or alignment with any foreign power or bloc of powers... The previous regime not only paid lip-service but in practice perverted it beyond recognition. The aim will therefore be to restore its proper balance to abolish that brand of non-alignment which in practice had all the attributes of alignment. Our policy of non-alignment and absolute neutrality must now regain its genuine character guided and inspired by the highest interest of the state. A judicious balance in search for technical assistance, economic cooperation and foreign aid and a sincere quest of friendship with all countries will be the guiding and abiding characteristics of our foreign policy.

Three main points emerged from these statements. First, the NLC was committed to strictly adhere to non-alignment and

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4 A little later Ankrah was more specific. "When a regime reaches a state where the top secrets of its intelligence are laid open to the scrutiny of foreign adversaries from one bloc; when the Head of the regime considers his personal security incomplete without the assistance of experts drawn exclusively from same bloc of course adherence to the principles of non-alignment is surely reduced to a farce." Daily Graphic, 25 March 1966.
neutrality but the policy in its pursuit had to be 'genuine' and balanced non-alignment or 'absolute neutrality' based on and guided by highest interests of state. Thus, every issue had to be decided on its merit and, as and when a situation arose, without any preconceived notion and commitment. Nkrumah used the term 'positive non-alignment' which signified a commitment and a prior perception on a given issue. Second, the NLC was for genuine and balanced non-alignment because Nkrumah was considered to have distorted and perverted in practice the principle of non-alignment. The NLC omitted to name the bloc Ghana was inclined towards under Nkrumah. It was, however, obvious that his stance on international issues was nearer to that of Soviet bloc, resulting often in tense relations with the west. Third, as may be inferred from the first two points, a change of regime in Ghana would be unwelcome with the Socialist countries whereas the west would find it favourable since a factor against its interests had been removed from the international scene.

The choice of allies for the NLC was, thus, clear. The NLC tried to critically revise Ghana's relations with the Socialist states and improve its contacts with the western bloc. In its efforts to strengthen its position and win the confidence of the western powers, it adopted a three-pronged strategy. While it tried to discredit Nkrumah and expose his alleged corruption, malpractices, mismanagement and authoritarianism, there were simultaneous attacks on the Socialist countries for their support to the deposed President as well as frontal criticism of Socialism as their common ideology. There was, thus an organised campaign in Ghana against Nkrumah, the Socialist
srates, Socialism and Communism. The Daily Graphic reported on 2 March 1966:

As an act of protest, the newly appointed secretary-general of Ghana Trade Union Congress, B.A. Bentium set on fire the heaps of books on Socialism at the TUC headquarters in Accra. This action was in support of the new regime which ousted Nkrumah. 5

In a leading article entitled "Ideology and Ghanaian Youth", Ghanaian Times pointed out:

It is easy to eliminate a dictator, but it is most difficult to eradicate the evil seeds of his internal cult and philosophy. It is the poisoning of the minds of young Ghanaians through most subversive institutions like the Kwame Nkrumah Ideological Institute at Winneba, that must be combated...it is well known that there were experts for this purpose from Eastern countries who taught in the Institute. What is to be done? Only one way out, re-education. We must try to find some experts for an alternative to "Communism" or what this nonsense is called in Ghana as "Nkrumalism". 6

The ideological offensive was combined with concrete steps to weaken Ghana's links with the Socialist states. On 1 March, the NLC expelled 130 Soviet technicians and their families and banned flights to Ghana by Aeroflot. A week later, 125 Chinese technicians were asked to leave Accra. Similarly restrictions were put on the diplomatic staff of the German Democratic Republic and Cuba. The NLC defended

5 Daily Graphic, 2 March 1966.
6 Ghanaian Times, 25 March 1966. Similarly reacting to Nkrumah's asylum in Guinea, Daily Graphic said: "Having relieved the communist high gods of Moscow of his presence, only other place he could go was Guinea. Both are diehard communists, neither of them has any respect for human dignity or the rule of law." Daily Graphic, 8 March 1966.
7 Daily Graphic, 3 March 1966.
8 Ibid., 9 March 1966.
these expulsions on the ground that "as certain tension had arisen between Ghanaians and Russians and Chinese, for protective measures, the Council asked them to leave the country". On 16 March, the Soviet Union along with Poland and Czechoslovakia recognised the new regime in Ghana. The expulsions, however, continued. On 17 March, diplomats from the Soviet Union, China and other eastern countries were declared persona-non-grata and, along with 200 Soviet technicians, were asked to leave the country immediately. The newspapers reported a statement by Harley that these people were involved in "subversive activities and are trying to bring Nkrumah back to Ghana".

The NLC singled out for propaganda the issue of subversive activities carried out by Nkrumah against the neighbouring states allegedly in close collaboration with the Chinese and the Soviets. The members of the NLC personally took diplomats from African and west European states for a visit to the camps established by Nkrumah for training freedom-fighters from colonial Africa and were shown weapons with Soviet and Chinese markings used for subversive training against African States. The news was prominently published in Ghana's press.

9 Ibid.
10 Ibid., 19 March 1966.
11 "Nkrumah's subversion in Africa" (1966, Accra), "Nkrumah's Deception of Africa" (1967, Accra). The basic theme supported by photocopies of documents in these booklets was that "Nkrumah in the name of training freedom-fighters were actually training subversive clients from African States." These camps were manned by "Chinese and Soviet communists" where they provided armed training and preached their ideology.
The Soviet Union protested to the Ghana Government against the expulsion of Soviet diplomats and other personnel serving in country under various contracts and demanded that the NLC halt slanderous fabrications and anti-Soviet campaigns in the Ghanaian press and TV which have been picked up and magnified by western agencies. The People's Republic of China reacted more sharply against the NLC's moves. While Peking considered expulsion of the Chinese personnel from Ghana "as violation of Sino-Ghanaian Economic Cooperation Agreement", there were repeated exchanges of protest notes between the Ghana Government and the Chinese Embassy in Accra. In a note to the Chinese Embassy from the Ministry of External Affairs on 24 March, the Ghana Government lodged the strongest protest thus far over detention and harassment of many Ghanaians in Peking and asserted that it had "irrefutable evidence that some Chinese diplomats have gone over to Guinea to contact Nkrumah which the Ghana considers as interference with Ghana's internal affairs and an unfriendly act on the part of People's Republic of China". The note also alleged that some Chinese military experts had tried "to leave Ghana under assumed names". A reply sent by the PRC's embassy in Accra on 1 April 1966 rejected Ghana's allegations as fabricated and stated that "repeated threats from Ghana will only further expose its deliberate and sinister attempt to worsen relations between the two countries".

another exchange of angry protest notes between the NLC and
the PRC in October 1966, Ghana's Ministry of External Affairs
announced a suspension of the relations between China and Ghana.
A Chinese reply on 29 October stated that the relations between
China and Ghana had been disrupted by Ghana unilaterally:

The Government of the PRC hereby lodges the
strongest protest... As the facts show the
responsibility for disrupting the relations rests
entirely with Ghanaian side... it fully reveals
its true features as a pawn of US imperialism...
the Government is now compelled to take corres-
ponding measures of withdrawing the entire
personnel of the Chinese Embassy in Ghana. 17

Meanwhile, the Ghana Government had recalled its Ambassador from
Hanoi and Cuba had withdrawn its embassy from Accra. 18 Reacting
to these developments the Evening News from Accra commented:
"Ghana has nothing to lose by severing diplomatic relations with
China, just as it did recently with Cuba, the citadel of Communism
in Latin America." The German Democratic Republic reacted to
the NLC's hostile acts by detaining Ghana's Head of Trade Mission
and his staff along with 350 Ghanaians students in the country in
retaliation against restrictions imposed by the Ghana Government
on the GDR Trade Mission officials and other technicians in Accra.
The issue was settled when the NLC allowed the GDR staff to leave
Accra in return for Ghanaians in Berlin. In November 1966, an
east German journalist was arrested on charges of subversion and

18 Ibid., 20 October 1966.
later deported from Ghana. The comments by Daily Graphic reflected the prevalent mood in Ghana. "The deportation of this East German spy-cum-journalist should serve a stern warning to the communist countries that no foreigner will again be allowed to subvert this country...it is only Ghanaians alone who have the right to determine who shall rule the country and not any foreigners let alone communists whose godless philosophy of life is totally unacceptable to the Ghanaians". By the end of 1966, Ghana's relations with China, Cuba, North Vietnam and the GDR had been totally severed. Diplomatic contacts continued with Soviet Union but Ghana's relations with it had cooled down considerably. The NLC nurtured a permanent suspicion about the Socialist states helping Nkrumah return to Ghana. The suspicion was also a convenient ploy with military leaders to occasionally remind their friends in Africa and abroad that there was a lurking danger from the Socialist countries. Delivery of two jet planes by the Soviet Union to Guinea, when Nkrumah took asylum there, led to the NLC charge that "Soviets have designs to help Nkrumah return to Ghana". This was in spite of the fact that the Soviet Union neither reacted to events in Ghana nor presented even an impression of supporting Nkrumah after the coup. Nkrumah was in Moscow only for a couple of hours on

21 Ibid., 24 November 1966.
22 Ghanaian Times, 10 March 1966.
23 For ten days Soviet official media kept quite on developments in Ghana. When the comments appeared were more of an analysis on Nkrumah's failure. "Insufficient involvement in political and state life by broad popular masses was the major cause of Nkrumah's fall along with neglect of peasantry and the absence of mass parties." Izvestia, 6 March 1966.
1 March 1966 before he came to Conakary. But the NLC continued to be critical of the Soviet Union. In October 1968, Ghana's navy intercepted two Soviet fishing trawlers again on the suspicion that they carried subversive elements.

Similarly, the Ghanaian press continued its campaign against the alleged designs of the Socialist countries in Africa. Daily Graphic in an article on "Communist Subversion in Africa" pondered over the Communist role in Africa:

What has been the reason for the increasing failure of Communism in Africa? In new Ghana, for instance, just as in other states of Africa, the choice of tenets, principles and the practice of liberal democracy with all its attributes has come to grips with forces of totalitarianism, dictatorship and theory and practice of communism. In this encounter the latter forces are losing grounds. The reaction of communism tends in these circumstances to be expressed in terms of subversion.

Any move by Soviet Union to enhance its influence elicited sharp reactions from Ghana. Thus, Ghana was very apprehensive of

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24 Harley pointing out the details of the episode stated that Government of Ghana believes that the two Soviet trawlers captured in Ghana's territorial waters were on a reconnaissance mission. "This was in pursuance of plans to overthrow the NLC and restore the deposed President."

Two days before this incident, Air Marshal A.K. Otu was arrested on charges of plotting to overthrow the NLC regime.

According to Harley, Otu was in contact with some subversive elements based in London and presence of Soviet trawlers on Busua island off Ghana's Coast meant that there was a "full-fledged conspiracy". The NLC appointed a three-man Commission under the Supreme Court judge, Joseph Amissah, who submitted his report in February 1969. The Commission gave Otu a clean chit with a recommendation for his reinstatement and the Russian trawlers were freed after four months of detention. Daily Graphic, 11 October 1968 and 30 April 1969.

25 Daily Graphic, 10 June 1968.
Soviet involvement in Africa as exemplified by the Soviet support to the Federal Government of Nigeria against Biafra. According to a report in Ghana's press, the Soviet Union had two motives for its involvement in Nigerian crisis. One was to compensate for its loss of face in the Arab-Israeli war and the second was that "the Russian seized their best chance to gain a strong foothold in West Africa since they lost in Ghana". Commenting on the developing ties between Nigeria and Soviet Union, it was again pointed out that, since the war, the Soviet arms supply and trade has significantly increased. Nigerian students are now to be sent to Russia which was impossible to talk a few years back. Soviet Union and Nigerians have started seriously to talk of socialism. The West can no longer take for granted Nigeria's support at the UN now."

Ghana's attitude towards the Socialist states was motivated by their futile closeness and thus possible support to the deposed regime. A persistent criticism of these countries by the NLC was also taken as means to extract support from western sources in the form of economic assistance. No less important was a third factor in Ghana's relations with the Socialist bloc.

After the fall of Nkrumah's regime, deep-rooted changes took place in Ghana, reorienting economic, political and ideological values and ideas. The NLC, along with Ghana's press, the intelligentsia and business community rejected any

26 "Russia's despatch of Mig fighters to Nigeria does not surprise...Russia has a notorious reputation for always fishing in troubled waters. Russia's current aim towards Africa is to revive and restore its dwindling friendship and influence." Ibid., 21 August 1967.

27 Ghanaian Times, 30 December 1968.
kind of socialism and advocated an open aid liberal economy and polity. A welfare state with a free-enterprise economy and a participatory polity with democratic rights to individuals was professed as a model for Ghana. *Legon Observer*, in its inaugural issue, had put forward this model:

There is need to develop this idea of a welfare state in Ghana... It is, as we believe and as Chairman of NLC stated in his budget speech, a pragmatic and sensible blend of state capitalism and unfettered free enterprise... a nice balance between excessive central control and individual liberty with rising living standard and rapid economic growth. 28

Thus, in the post-Nkrumah Ghana, there was a total environment which rejected ties with the Socialist states or Socialism itself because the ruling circles believed in and propagated a different ideology. Accordingly changes in Ghana's international stance during 1966-69 were not merely caused by the NLC's hostile relations with the Socialist states nor simply because of the need for western aid but also because of an ideological preference on the part of the military junta.

The NLC emphasis on a balanced non-alignment was explained by *Ghanaian Times* thus:

NLC avoids taking sides in the politically and ideologically divided nations. In most cases Nkrumah's regime flagrantly took sides in the internal squabbles and politics of divided nations by according diplomatic recognition to the Communist-backed factions while it persistently refused similar recognition to Western-backed sides. South Korea and South Vietnam were typical examples.

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28 *Legon Observer*, 5 August 1966. Again "Wherever there is concentration and control of means of production by the state in the hands of rulers the people are reduced to the status of slaves. Such was the society during past two decades. There is need for the creation of a visible middle class society without which there can never be any democracy in this country." *Daily Graphic*, 23 May 1967.
East Germany was accorded de facto recognition and deliberately encouraged to play a greater role in Ghana than the fully recognised West Germans. 29

The NLC succeeded in pulling Ghana away from the Socialist countries but, instead of maintaining an equi-distance, displayed a degree of bias in favour of the western bloc. This was not done as much by the NLC publicly taking a stand in support of a western position as to through adopting a low profile or no initiative, and often through statements that were neutral in content. An analysis of Ghana's voting pattern at the UN and the stand of Ghana's official press on various issues involving super-powers, which reflected the actual thinking of the ruling circles, confirmed the presence of a strong pro-US bias in the NLC's policy. There were four specific issues important in super-power confrontation during this period, on which Ghana exhibited inclination towards one bloc. These were: 1) the war in Vietnam, 2½ the Arab Israeli conflict, 3) the seating of the People's Republic of China in the UN, and 4) the Soviet occupation of Czechoslovakia.

Addressing the 22nd General Assembly Session of the UN on 8 September 1967, Harley stated on the issue of Vietnam:

"This conflict is a most serious threat to world peace and it is a matter of some regret that the UN has so far failed to become the focal point in search for a peaceful solution... From this rostrum we plead for peace... it shall be the endeavour of my delegation to support any practical moves towards peace in the region."

Whereas NLC's expressed concern was for peace and a peaceful solution to the Indo-China issue, the press in Ghana considered


North Vietnam's attitude as the main obstacle to peace for which various proposals had been put forward by the United States. Reacting to such proposals made at the beginning of 1966 by the US, including one for a conference to be attended by the US, North Vietnam, China and essential participants from the South Vietnam and to be held either in Burma or Japan, Daily Graphic commented:

However, without examining the proposals/China which is not directly involved in the combat but is the brain behind this war in South-East Asia has described them a hoax. This precipitate action has made their accusations of Americans as 'warmongers' and 'aggressors' look like a cover-up of their own intentions and aims... America is anxious to achieve a peaceful settlement in North Vietnam and there is genuine desire among Americans to end this bloody war. But their proposals have been called a hoax, plot and trap. They on their part only make one unrealistic demand that Americans should pull out. 31

A little later, Ghanaian Times reacted against North Vietnam's attitude:

Ho Chi Minh and his communist collaborators have displayed their aversion to a negotiated settlement in Vietnam while rejecting proposals which clearly indicate America's determination to seek a lasting political solution... the communists true to their form have indicated that in their kind of world it is force and not negotiations that decides the issue. 32

The proposals of the United States were followed by a heavy American bombing of Vietnam in July 1967. In November 1968, when President Nixon announced a decision to withdraw American troops, the Government of Ghana considered it "an important and laudable step", and hoped that "North Vietnam will reciprocate by a clear and positive response both in the battle

32 Ghanaian Times, 1 October 1966.
field and in the Paris peace talks. The comments in Ghanaian Times were more forthright. The paper, commending Nixon, said:

It was about the frankest speech ever made by any US President...it is a realistic and acceptable move...unless Hanoi comes out with something in the same vein and with an equal sincerity,... nothing much is going to change. We underline the need for sincerity because that what has been lacking with North Vietnam. It is better to be realistic and the Hanoi government must know that South Vietnam cannot be taken over at gun-point. 34

The efforts and proposals for peace by US were lauded, whereas the demand of the North Vietnamese for an American pull-out were considered unrealistic. If peace eluded Vietnam, this was considered to be because of aggressive North Vietnamese designs. That was the impression of press reports, in the absence of relative silence by the NLC, spread in Ghana. 35

On the issue of the Arab-Israeli war, both the NLC and the official media took an identical approach. The press blamed the Arabs, particularly the UAE, for going to war against Israel. A typical comment said: "It has been at the instigation of the Soviet Union which provided military hardware to the Arabs... The interests of the Soviet Union in the area besides creating

33 Ibid., 17 November 1968.
34 Ibid., 14 May 1969.
35 (Ibid., 7 June 1967). There was official silence, but privately the NLC took sympathetic attitude to the USA in Vietnam. As W.S. Thompson noted: "General Ankrah frequently if privately expressed his vigorous support of US policy in Vietnam horrifying the professionals who thought it both unnecessary and harmful to Ghana's interests for the head of the Government to take sides on the controversial issue marginal to Ghana's own interests," W.S. Thompson, "Ghana's Foreign Policy Under Military Rule", Africa Report, May-June 1969, p. 12.
its own pawns is to have access to the Mediterranean Sea, a dream that Russians have nurtured since the days of Czars." Harley, spelling out Ghana's policy towards the Middle East crisis in the UN, demanded that Israel should withdraw from occupied territories but simultaneously asked for a guarantee to its existence as a sovereign state. He also urged that the Gulf of Aqaba should be thrown open to all for free passage. The NLC's pro-US stance was most vividly illustrated when Ghana's delegate chose to vote for a resolution tabled by Latin American countries as against the one presented by non-aligned nations. The former was the nearest to the American position on Middle East.

The issue of the representation of the People's Republic of China (PRC) in the UN as the legitimate and legal government of mainland China had been before the organisation since 1950. The United States had successfully blocked the Chinese entry on the strength of a resolution of 1961 that a two-third majority was necessary to decide the issue. At the 22nd session of the General Assembly in 1967, Harley stated:

Asia reminds us that the seven hundred million people on the Chinese mainland are still not represented in this organization. The government of Ghana believes that the People's Republic of China are the legal representatives of China and its entry does not require a two-third majority vote of this assembly. Saying this however, does not mean prejudice the claim of Taiwan as a member of the international community. 37

36 The resolution moved by Yugoslavia and backed by 17 non-aligned nations while condemning Israel asked the General Assembly to call upon Israel to withdraw immediately all its forces. The Latin American resolution's emphasis was on, besides a withdrawal of Israel forces, a denunciation of the use of force and a guarantee of free passage from international waterways in the region along with territorial inviolating of all states in the region. Both the resolutions failed to get the required two-third majority and so lapsed. 1/L 522 and A/L 523, 4 July 1967. UN Yearbook 1967, pp. 206-20.

Albania moved a resolution to the same session on "Restoration of the lawful rights of the People's Republic of China in the United Nations" which asked for abolition of the condition of a two-third majority to seat China in the UN. When the resolution was put to vote, Ghana abstained on it, and thus actually favoured the United States. The press in Ghana had more clearly expressed the NLC's anti-PRC stance. *Ghanaian Times*, commenting that the "entry of China will weaken the UN", stated its reason as well:

The fact nonetheless, remained that an organisation of nations working towards the eradication of war and to concomitant human sufferings cannot naturally rejoice at welcoming a traditional trouble maker in their midst...Whatever the case is since there is now increasing desire in favour of giving Red China seat at the UN, it should not be at the cost of Nationalist China.

The NLC's position on 'Two Chinas' to which a vague reference was made in the 22nd General Assembly session was however put in the most explicit terms in the 23rd session, where Ghana's delegate stated: "While the Government of Ghana welcomes PRC in the UN it is unable to support any move, to expel an existing member of the organization."

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39 Thompson, saying that Ghana's vote was in support of the USA, noted that, when an agreement for technical assistance was negotiated with a delegation of Formosan rice experts, it was rumoured that this was a quid pro quo for US aid and support to Ghana in the IMF etc. W. Scot Thompson, "Ghana's Foreign Policy under NLC", *African Report*, vol. 14, no. 6, May-June 1969, p. 11.

40 *Ghanaian Times*, 3 November 1968.

41 *Ghana Today*, vol. 12, no. 21, 16 October 1968.
Another issue on which NLC did not even observe official and diplomatic restraints was supplied by the Soviet intervention in Czechoslovakia. In a press release, the NLC stated:

The Government of Ghana strongly explored the invasion of Czechoslovakia by Russian invading forces...it is a most unjustified aggression and blatant interference in the internal affairs of Czechoslovakia. The Ghana Government strongly and unreservedly condemns use of force against small powers by big powers...Ghana Government will not be taken in by the pretext that Czechoslovakia has been occupied at the urgent invitation of its government...Czechoslovakia has been browbeaten and intimidated to abandon the policy of liberalization which had enjoyed overwhelming support and the people. The Government of Ghana calls upon for immediate withdrawal of occupying forces. No amount of force can suppress the spirit of liberalism and freedom now prevailing in that happy country. 42

The statement went beyond condemnation of any external aggression. The NLC's indignation in this instance at a big power crushing small ones contrasted conspicuously with its stand on the issue of Vietnam.

The policy of balanced non-alignment designed to follow the highest interests of state, was interpreted by the NLC in favour of cultivating closer cooperation with US and west European states. The NLC believed, as we have seen before, that Ghana's national interests would be served with the assistance and cooperation of western bloc without whose help the economic problems could not be effectively solved. Cocoa, the mainstay of Ghana's economy, accounting for 78 per cent of its foreign earnings, was supplied to the western markets. The western countries were also the major trade partners as Ghana imported bulk of its capital and consumer goods from them. Ghana also

42 Ibid., vol. 12, no. 18, 4 September 1968.
looked to the west for direct private and public investment for its own economic growth. And what became the most crucial aspect of Ghana's relations with the western powers was the fact that it incurred highest amount of loans and debts to finance a large number of state projects for its economic development. The major part of these debts was in the form of supplier credits, both medium as well as short-term, on 180-day credit guarantees to buy essential commodities like food. By 1966, the economy faced a critical situation in form of rapidly fallen cocoa prices affecting first revenues and then foreign reserves at a time when the rate of state expenditure was very high. The means to meet the demand of essential commodities at home and foreign obligations abroad became scarce. Appeals for help from the IMF and other agencies were turned down on the grounds of uneconomical policies and unfriendly acts against western countries. After the coup, the efforts of the NLC were to appease to western states on both these accounts in order to gain immediate relief and subsequent cooperation in settling long-standing problems of Ghana's economy including debts, new investments, aid and assistance.

The first step of the NLC after the coup was to state likely changes and priorities in the economic policy of Ghana. On 2 March 1966, General Ankruh announced the following economic guidelines of his regime:

1) priority to private sector;
2) reduction in state expenditure removed deficit budgeting;
3) reduction of the state sector by handing over some public corporations to the public sector;
4) honouring of all international agreements; and
5) negotiations with the IMF, the World Bank and associated institutions to obtain urgent financial help. 43

The NLC also made a specific request to the United States for emergency food relief as well as spare parts for Ghana's air force. 44

The proposed economic changes were aimed at attracting the attention of the western nations and, judging by their early response, the NLC seemed to have succeeded in its objective. On 3 March, the United States recognised the new regime in Ghana. On 17 March, a seven-member joint mission of the IMF and the World Bank arrived in Accra to study the economic conditions and Ghana's request for rescheduling its debts and new funds for its sagging economy. 45 By 30 March, 25 tons of powdered milk was flown into Ghana by the United States as the first instalment of a 500-ton gift to help alleviate the milk shortage. On 1 April, Ghana entered into its first formal agreement, after the coup, with the United States under which Ghana was to receive 25,000 metric tons of wheat flour, 20,000 tons of rice, 5,000 tons of yellow corn, 5,000 tons of Guinina corn, 9,200 bales of cotton, 5,000 tons of vegetable oil and 400 tons of bag tobacco. A similar agreement was signed between the Ghana Government and

46 Ibid., 1 April 1966.
47 The agreement was concluded under the US Programme for Food or Peace and Freedom. Ghana Today, vol. 10, no. 54, May 1966.
West Germany on 6 April under which a loan of 40 million Deutsch marks (13,600,000) was made available to Ghana. Half of this was to be spent on import of essential commodities such as spare parts, new materials and pharmaceuticals. The other half was to be spent on financing an electricity distribution system with West German collaboration. A third measure of relief was made possible through the major importers of Ghana who agreed not to suspend their imports and extended the 180-day credit facilities on the condition that full payment would be made on the goods provided from April onwards. These early measures eased the economic conditions in terms of guaranteeing a continued supply of essential goods with availability of finances in the form of commodity loans. The NLC benefited by consolidating its position. The conviction must have been strengthened in the new leaders that Ghana could rely on the west to get it out of the woods.

The NLC on its part continued to bring changes in the economic policies of Ghana. In July a revised Budget for 1966-67 was cut from the 1965-66 estimate of £192,000,000 to £167,000,000. A programme to organise the work of all public corporations and projects was undertaken with a view to reducing the burden on state, leading to the closure of a number of projects. Feasibility studies were begun on leasing out a number of these corporations to the private sector. With these measures, the NLC tried to create

48 Ibid.

49 Ghanaian Times, 24 April 1966. Accordingly, the IMF offered a loan of £2.5 million to enable Ghana to pay importers.

a climate for foreign investment besides new financial assistance and aid. General Ankrah, in an address to the representatives of private business in Ghana, stated:

We are determined to restore confidence of businessmen in our economy. It is up to you to study the actions of the NLC to judge for yourselves whether Ghana is a good bet or not. We will take all the measures to encourage and guarantee foreign investment. Renew your confidence in Ghana under a new economic policy that acknowledges the important role to be played by the private sector. 51

The changes were appreciated in the western countries, notably the United States. David Katzen Bach, Assistant Secretary of State for Africa, stated: "Ghana is among the places in Africa where quite but effective and concrete progress is taking place. There has been a remarkably improved climate towards development." The Daily Graphic reacted to this optimistic mood among those people "who can help us rebuild our economy" in the following words:

Barely a few months ago Ghana topped the list in the Pentagon's blue books. Senate and the Congress both agreed that no matter how pathetic our position was, our country was undeserving of assistance of any from the US. Now comes the good news that Ghana is back in the good books of the Pentagon again. 53

The NLC had succeeded in impressing the western nations with its determination and commitment to follow such economic and foreign policy measures as would suit their perceptions and interests. But, while the west responded through essential relief measures, it was cautious in regard to the fundamental problems faced by Ghana's economy. This became clear when the

51 Daily Graphic, 14 October 1966.
NLC sought to rally around the west for a favourable rescheduling of debts incurred by the deposed regime.

The NLC was unreservedly committed to honour Ghana's debts. Due to expansion of foreign reserves and dwindling revenues, it had appealed to 13 donor nations of western Europe to whom Ghana owed most of its debts to reschedule them for payments. The appeal elicited no response for three months after the coup until mid-May 1966. Then, on the recommendations of the IMF which was supervising the changes in Ghana's economic policy, a meeting of all the 13 western creditors of Ghana was called in order to evolve a common formula to reschedule the debts. The meeting failed to arrive at a decision. The second meeting held in October same year also met the same fate. It was only after the third meeting of the creditors held in December 1966 in London that the agreement was reached to reschedule 80 per cent of Ghana's medium-term debts. Ghana was not present at any of these meetings.

According to the agreement, Ghana was to begin payment in July 1967 of 20 per cent of the principal and interest of £182,000,000 in medium-term loans. After a grace period of two and a half years, repayment for the remaining 80 per cent was

54 Ankrab made it clear on 3 March and Omaboe stated on 12 April that it would be against the traditions of Ghana to honour one's commitments. "Gentlemen Pay Their Debts", Daily Graphic, 12 April 1966.

55 Besides visiting the country twice in 1966, personnel from the IMF had been deputed to the National Economic Council to help in the preparation of new economic plan for Ghana. The NLC had on its own asked the Harvard University Economic Group to help them prepare a new plan for Ghana. Daily Graphic, 17 May 1966.

spread over an eight-year period beginning on 1 July 1971. The agreement was only about the total amount of debts and general conditions for its repayment as the meeting directed Ghana to enter into bilateral negotiations with donor countries for specific rates of interests. Ghana thus earned a respite from immediate repayment obligations as only 20 per cent of total amount was to be paid from July 1967. The second round of talks on rescheduling the remaining 20 per cent debts was held in February 1968 on similar terms. In the long run, the relief in the form of postponement of payments turned into a heavier debt burden because of the extended period of repayment as well as the high rates of interest charged by the donor countries as a result of bilateral negotiations. J.H. Mensah, Finance Minister in the successor civilian government, admitted that Ghana's outstanding external debt totalled N$768.1 million on 31 May 1969 compared with N$687.3 million on 23 February 1968.

The United States, though itself a minor creditor to Ghana, had played a leading role in the negotiations for debt repayment. Through the agencies of IMF and the World Bank, the United States first of all tried to ensure against any possibility of the NLC repudiating the debts. It also urged the Ghana Government to take such economic measures as to create confidence among the donors. Secondly, the United States was anxious not to set a precedent for the countries facing a similar problem of mounting debts to make use of debt relief measures. It, therefore,

57 "Developments in Ghana's Economy 1960-68", Statement by E.N. Omoboe, Ghana Today,

simultaneously, insisted upon other major creditors to reach an early agreement with Ghana so as to avoid any eventuality of the NLC being forced into repudiation if the settlement was delayed. Even in giving initial relief on its own and through the IMF to ease Ghana's foreign exchange problem, the purpose of US Government actually was to appease the NLC in order to enable it to meet Ghana's loan commitment. But, as actual negotiations began, the United States sided with other major creditors in not giving any relief or concession affecting adversely the interests of the donor nations.

The US attitude towards direct development aid to and investment in Ghana was determined by its overall policy towards the African continent as part of a global strategy. As Neilson has noted, the American policy in Africa has sought "continuity rather than change" and "a secondary role" while giving the primary part to its west European allies. As he sums up:

United States has no vital economic or strategic interests in the continent. It has of course interests in trade, investment and access to African raw materials but none are considered to be of compelling importance. Indeed, Africa leads to be placed rather low in the list of those various areas even of secondary interest in American policy. 59

Besides, in the middle of the sixties, the United States was totally involved and even embittered by the Vietnam war and the Middle East Crisis. A third factor, with the beginning of detente between super-powers that affected the smaller states

and reduced even the importance of non-alignment as a way of bargaining, had pushed Africa lower on the US list of priorities. Since Africa south of Sahara was least important in the strategic and foreign policy concerns of the United States, it was also the lowest-ranking region in its aid policy. Ghana had thus pinned its hopes on the United States, when there was actual decline in US allocations. Moreover, the Johnson Administration acting on the Korry Report for the US Agency of International Development (USAID) on its aid to Africa had completely overhauled the policy. The report had emphasised the need for aid on a regional basis rather than a bilateral one, as the efforts were supposed to be multilateral, in collaboration with other western countries; the loan commitments offered by the IMF during 1966-69, amounting to £ 45 million were also aimed at prompting the NLC to prefer imports to investments in developmental activities. The projected aid figures and the allocation during 1966-69 clearly revealed a shifting emphasis when not only

61 Thompson, n. 39, p. 8.

62 There was gradual reduction of aid and assistance since the early sixties. President Richard Nixon's foreign aid budget in 1969 allocated £ 625 million to South-East Asia. Vietnam alone had £ 440 million. Africa was allocated only £ 186 million. West Africa, 7 June 1969, p. 651.

63 E.M. Korry, US Ambassador to Ethiopia, had presented his report on US Aid to Africa under USAID Programme. Commenting on this report under the title "America overhauls aid to Africa", Daily Graphic reported: "US aid history has not entirely been happy one in Africa... Compared with eastern Asia and Latin America where USA has highly strategic and political interests, Africa has not captured the American imagination... in most African countries the USA is the main donor and her investments are microscopic." 8 May 1967.
the volume of total aid declined but even the number of countries to whom the aid was given was reduced from 35 to 9 only.

Ghana, though included in the list of those countries considered for the USAID Programme, actually received no developmental aid. The US offers to Ghana under the Food for Peace Programme, not included in the USAID allocations, amounting to $38 million to enable it to buy American food as well as agricultural apparatuses. The volume of aid offered by the USAID was actually not for development purposes but were merely commodity loans under which Ghana was obliged to buy American goods and services. The fact that not a single new development project was undertaken by the NLC during 1966-69 was an indication of the nature of aid commitments to Ghana by the western powers. The US was not alone in offering to Ghana commodity loans whose aim was only to support the sagging industries of the donors. A similar pattern of aid was adopted by other countries like West Germany, Denmark, and the UK. The offers created an illusion that Ghana was receiving substantial aid for its economic development. In reality, the western countries were only

64 The total US economic assistance to all underdeveloped countries in 1962 was $4,700 million. Africa's share was $408 million or 7.2 per cent. In 1969, it came to less than 4 per cent.

65 US Aid and Grants Committed to Ghana 1966-69 ($ million)

US aid Commodity loans - 37.7
US PL 480 - 38.1 65.8

66 The UK offered a loan of $24.6 million. The Danish loan was only $217 million and West German commodity loans amounted to $22.3 million.
promoting their own export of industrial and agricultural commodities and the grants supported this objective instead of Ghana's economic development.

The other aim of the policy of the western governments was to encourage participation of their private firms in important sectors of Ghana's economy. The ground for such private foreign participation had been prepared by the NLC which, under the guidance of the IMF, the World Bank economic policy, reduced governmental expenditure and the role of the public sector. As the NLC's policy was to encourage the private sector of the economy, a large number of Government-controlled projects and state enterprises were put to sale inviting either indigenous Ghanaian private enterprises or the foreign private firms. Most of the state enterprises were capital-intensive, which the Ghanaian business houses were in no position to buy. Thus, the choice fell on the foreign private firms. There is a difference between direct foreign investment which in general contributes to the growth of economy in the developing states in terms of providing various economic sectors and a merely private foreign participation which demands a share in the already existing enterprises with a guarantee on repatriation of profits both by the parent as well as the recipient countries. The response to the call for such participation by private foreign firms was rather prompt from the US and other western countries. A feasibility loan of $4 million was also granted to the National Investment Bank of Ghana by the USAID in early 1967 for technical supervision and review of the existing projects. The work on such review began soon after the coup. By the end
of 1966 the NLC had handed over 16 of the 50 state enterprises to the private sector while some of these sought joint partnership with foreign firms. Four US firms succeeded in purchasing the shares and control over the management of our enterprises. The first was the Firestone Tyre Rubber Company which established two companies, one to manage and operate the Government's existing rubber plantation in the western region and the other to operate a tyre factory for the manufacture and sale of vehicle tyres, tubes and retread materials. The second US concern was the Union Carbide Corporation of New York which, in partnership with Ghana's National Investment Bank, was to manufacture dry cell batteries and allied products. The third US firm was the Abbot Laboratories of Chicago which established a joint enterprise with the Government of Ghana to operate a pharmaceutical plant actually built by Poland under Nkrumah's regime. The fourth US firm, the Inter Continental Hotels Ltd, took over the State Hotels Corporation to run hotels like the Ambassador in Accra. The terms and conditions agreed upon between Ghana and these private firms had common features. The foreign firms held a minority of shares, generally 45 per cent, but had a complete hold over management and operation of these joint enterprises along with generous provisions for repatriation of profits and a guarantee of

67 Of the 50 state-enterprises, three enterprises including the Ghana Bakery, Ghana Launderies and the State Tyre Retreading Corporation were sold to Ghanaian private enterprises, while 11 corporations were either sold "lock, stock and barrel" to foreign enterprises or invited to participate in them. Those which were given to foreign firms included the State Steel Works, Cement Clinker Factory, the Kade Matchet Factory, the State Pharmaceuticals, Rubber Tyre Factory, the Sugar Corp., the State Publication Corp., Paper Conversion Corp. Daily Graphic, 1 December 1966.
capital security both by the home Government as well as the recipient country.

The United States, that in the past was involved only in Volta River Project, thus entered other sectors of the economy as well. The entry of foreign firms into Ghana's economy created great resentment, as we have seen earlier, among the indigenous business groups which reacted sharply against the NLC's policy of inviting and patronising the foreign hold on the country's economy. These groups organised a crusade against a specific agreement with the Abbot company of the US which had taken over the State Pharmaceuticals Corporation. This was the only agreement whose terms were made public during the NLC rule. This was a symbolic protest against all-out intervention of the foreign firms allowed by the NLC. The Government-controlled press also aided with the indigenous private business in criticising the Abbot agreement. The Legon Observer from the University

68 The terms of the contract establishing a joint company Abbot on 3 June 1967 Ghana included:
1) 55 per cent shares by the Government of Ghana, 45 per cent by the company.
2) Company's contribution would be paid lumpsum but not as share but a loan to joint company.
3) Ten-year tax holidary.
4) 99 years of lease.
5) Complete control over management and operation.

Legon Observer, 10-23 November 1967.

69 Daily Graphic said that the "terms of the Abbott agreement are not in the national interests and NLC must review these terms". It added: "The CPP fascists had tried to eliminate the Ghanaian private business from the economy. Ever since 24 February revolution, the things started looking brighter as NLC committed to encourage new firms, talents and enterprises in seeking the goal of national self-reliance... But NLC without any serious considerations to its commitment is

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of Ghana organised a public debate criticising the NLC's policy of negating the basic commitment of promoting Ghana's private enterprise. The NLC defended its agreement in the words: "The Ghana Government notes with concern the uniformed press and public attacks and comments on the Abbott-Ghana agreement. Government wishes to make it clear that refuting of an agreement as an act of the Government for which it takes the full responsibility." Subsequent to their defence, the editors of the Evening News and Daily Graphic were dismissed with a personal warning by Ankrah who stated "they should not forget that the Government pays for their salaries."

neglecting the interests of its nationals while indiscriminately handing over vital economic sectors which would have been with us, to the foreign control. The foreigners have been offered all concessions including tax holiday, profits repatriated, performance in import licenses. The plea that NLC is that most of these projects can be run by Ghanaian nationals they neither have enough managerial skill nor capital. But these are examples like State Hotel Corporation whose Chairman offered to take over but NLC gave the control to another US firm...foreign investments are welcome but interests of our nationals are primary."

In one of its editorials, Legon Observer wrote: "In post-coup Ghana we are not relying heavily on foreign investments but seem to be doing on the most flesh-creeping economic terms. For example the latest contract with Abbott laboratories. The terms of the contract are inimical to the long-term interests of Ghana. One begins to wonder whether the legal and economic advisers of the NLC have the economic interests of the country at heart. And this is one of the many examples of such contracts since the coup...The terms of these contracts are prejudicial to our national interests.

Ghanaian Times, 29 November 1967.

Ibid., Abbot withdrew itself unilaterally from agreement.
The Abbot episode was symptomatic of a deep-rooted contradiction in which the NLC was caught. The NLC's basic commitment was to save Ghana's national interests which in more concrete terms meant development of a Ghana through its private sector under the control of indigenous business enterprises. But, the NLC had worked contrary to this commitment. Overemphasizing the dependence of Ghana on foreign resources, the NLC failed to keep that balance and openly sided with the western private investors. The failure of the NLC also was complete as its policies were rejected by the Ghanaians as contrary to their interests and the same time it could not attract any foreign aid and investment contributing to the economic development of Ghana. The net outcome of NLC's policies both foreign as well as economic was increased dependence of Ghana on the external forces and alienation of the Government from its own socio-economic base within the country.

Considering the response to the NLC's economic policy from the west on all three counts--(i) unfavourable terms on debt repayment, (ii) commodity loans instead of developmental aid, and (iii) increased hold of western private firms in the important sectors of Ghana's economy rendering it more vulnerable to external pressures--failure was evident. Similarly the NLC's efforts to gear the entire external policy of Ghana to gain political and ideological support from the west, resulted in the loss of its initiative without meeting its basic objective. The pro-west stance in the NLC's policy had actually been sharp because it had a very active and strong element of ideological opposition to the east. In
other words, the NLC followed an anti-east policy not necessarily because of economic compulsions of reliance on the west but because there was also an independent element of opposition to the Socialist countries, both ideological and political, in the outlook of the leadership.

In the case of the Socialist countries, the NLC unilaterally reviewed trade and project agreements concluded during Nkrumah's regime. Whereas there was complete rupture of diplomatic, trade and economic relations with China, Cuba, and the GDR, the NLC struck down trade agreements with Yugoslavia, Czechoslovakia and the Soviet Union and the work on projects aided by these countries was suspended with the expulsion of their experts in 1966. Ghana had no immediate problem with the repayment of debts to the Socialist states as a moratorium had been obtained just before the coup. The medium term debts stood only at £ 40 million for which the initiative was undertaken by the NLC in 1967. The NLC also concluded protocols on trade and technical assistance with the Socialist countries.

While refashioning Ghana's economic and foreign policies, the NLC's expectation was that the western countries would come

73 Ghana's order of two Ilyshum planes from Soviet Union was cancelled, a contract for supply of tractors from Yugoslavia was also withdrawn. An extensive for supply of machinery from Czechoslovakia had also been cancelled. West Africa, 7 June 1969, p. 1381.

74 Soviet Union's share was only 9 per cent of the total debts of 250 million, whereas Czechoslovakia's was only 2 per cent. Between 1967-69, the NLC successfully got these loans rescheduled on easy terms upto 2½ per cent extending the date of payment from seven to twelve years. Ghana Economic Survey, 1971, pp. 23-25.
to its rescue. The US did recognise the importance of the change in Ghana but it was not a sufficient reason to respond as the latter was strategically and economically unimportant. Instead, efforts of the western nations were to safeguard and promote their own interests. The NLC failed in perceiving this truth and, wilfully surrendering itself, lost bargaining power and even independence in its internal stance. The failure to serve the national interests of Ghana as the NLC perceived them was all the more glaring for the contradiction of its support for foreign interests at the cost of those socio-economic groups with which the military and police officers identified themselves.