Chapter IV

GHANA'S RELATIONS WITH BRITAIN AND ITS ROLE IN THE COMMONWEALTH 1966-69
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GHANA'S RELATIONS WITH BRITAIN AND ITS ROLE IN THE COMMONWEALTH (1966-69)

In the previous chapter an attempt was made to analyse the NLC's policies vis-a-vis super-powers. With the twin aim of discrediting the deposed regime and overcoming Ghana's economic problems, the NLC accepted Ghana's reliance on the west and fashioned its foreign policy to win the latter's confidence. Without gaining any long-term benefits by its objective, the NLC lost even its political initiative and a strong bargaining position for Ghana's interests with the west. Economic constraints were no doubt significant in conditioning the foreign policy options. But the extent to which NLC went in toeing the western line revealed yet another factor--the ideology or value framework of the members of ruling janta which implied a positive inclination, irrespective of constraints, to support and follow the west and oppose the east. This ideological dimension among other factors became concretely visible in Ghana's relations with Britain and the NLC's role in the Commonwealth during 1966-69. This is the subject-matter of the present chapter.

Since independence Ghana's relations with Britain and its association with the Commonwealth had been important issues of its foreign policy. On the eve of independence Ghana inherited political, administrative and military structures shaped and developed by Britain as a colonial power.
Ghana's economy was closely allied with the sterling. Britain remained the single most important trading partner of Ghana and accounted for the considerable proportion of the latter's exports and imports. Britain's assistance for Ghana in financial, technical and educational fields were notable. It was also the largest source of loans and grants for Ghana's economic development. Ghana was the first African state, too, to join the Commonwealth; and its entry helped transform the organisation into a multi-racial association of sovereign nation-states with the principle of racial equality as the chief characteristic of the post-War Commonwealth.

The coup of 24 February 1966 brought the NLC into power at a time when both Africa and the Commonwealth faced a crisis due to the Unilateral Declaration of Independence (UDI) by Rhodesia. While discussing the impact of Rhodesia, it was pointed out by J.D.B. Miller:

After South Africa issue, Rhodesia had brought African states in direct confrontation with Britain creating a critical crisis for the Commonwealth as an organisation. Use of force and majority rules were two issues dividing Britain from African governments. Wilson agreed with majority rule but turned down use of force offering only sanctions by Britain. Whereas militants emphasized only use of force by Britain or mandatory economic sanctions by UN.

In response to this crisis Ghana's approach to the Commonwealth as well as its relations with Britain had undergone significant change under the CPP regime. The coup became an important event

for Africa and the Commonwealth, as it led to significant changes in Ghana’s policies towards both. Three factors seemed to influence Ghana’s relations with Britain and its role in the Commonwealth. First, military officers comprising the ruling NLC shared a common belief system acquired during their training in Britain. Their adoration for English norms and institutions reflected an element of bias in favour of Britain. Second, the NLC’s priority for measures to tackle economic problems required Ghana to improve its relations with Britain. Third, pragmatism which the leadership professed in its policies required a low-key profile for Ghana’s role in the Commonwealth where the emphasis was on taking not initiatives and on going along with the majority in taking a stand. All the three factors reinforced each other making the leadership reorient its policies towards Britain and the Commonwealth.

The military organisation in the African states continued to heavily rely on the ex-colonial power concerned, which usually undertook the training of the army, especially that of senior officers, even after independence. During their stay abroad the trainees were influenced by the set of traditions, symbols and values of the host country which they cherished after returning home. Ghana as a former colony inherited its military organisation. Its officers trained in Britain imbibed the ideological framework prevalent in the metropolis and a commitment to the ruling politico-economic system of that country.

Military Organisation

Ghana continued to send officers for training to Sandhurst and Eton. The basic character of the military, a bequest of colonialism, thus remained largely dominated by the British trained officers. The extent of British influence on the military leaders of Ghana, who subsequently brought about significant changes in Ghana's policies, was reflected in the memoirs of A.K. Ocran and A.A. Afrifa who played a lead role in the coup and became important members of the military regime. They went much beyond their own account of the coup and its causes, reflecting on wider issues.

Ideological Framework of NLC

Major-General Ocran stressed the close links of Ghana's army with Britain and stated: "Its members fought and died as loyal soldiers who answered the call to defend the Commonwealth, their country and Africa's freedom." Sandhurst-trained Brigadier Afrifa, who along with Colonel A.K. Kotoka was main instigator of the coup, expressed his admiration for the

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Jon Kraus notes: "The attitude of the officer corps were shaped by a common educational background, economic status, professional elan and long association with British military personnel, procedures and organizations... Certainly the army had little identification with the CPP's efforts to restructure the society and the economy. Ghana's military remained a colonial institution enlarged and Africanised but never fully decolonised." Africa Report, April 1966, p. 17.

British in the following words:

This army has inherited wonderful traditions from British traditions of integrity, fair play and above all honour...I am a great admirer of the British way of life, its legal system...these are the institutions which made Britain the home of democracy. 6

Stating the reasons for army's disenchantment with Nkrumah's regime which, he said, undermined Ghana's connections with Britain and the Commonwealth, he acknowledged:

One of the reasons for my bitterness against Nkrumah's rule was that he paid only lip service to our membership of the Commonwealth of Nations and proceeded to undermine the bonds that binds us in this great union of people...Nkrumah made a mockery of this organisation and under the mask of African unity and non-alignment proceeded to discredit the Commonwealth and to put difficulties in its way. 7

Afrifa further reflected upon the military regime's frame of mind when he wrote on the specific issues of the foreign policy, main Rhodesia:

I personally know that Her Majesty's Government was quite capable of dealing with the Rhodesian situation. I felt that Nkrumah was making too much of noise about the whole issue...I do not know why we would have been fighting in an unnecessary war...and who was I to fight in Rhodesia when I believed that there could be a non-military solution to the Rhodesian problem. 8

Afrifa thus condemned Nkrumah's rash step of breaking relations with Her Majesty's Government which threatened the very existence of the Commonwealth...Organisation of African Unity or no OAU, I will claim my citizenship of Ghana and the Commonwealth in any part of the world. I have been trained in UK as a soldier and I am ever prepared to fight alongside my friends in UK. 9

7 Ibid., p. 34.
8 Ibid., p. 104.
9 Ibid., p. 106.
These were officers who plotted coup combining military professionalism with Anglo. Their memoirs stated the belief system of the Ghanaian leadership and provided an insight into the ideological framework which influenced the course of their actions. Ocran and Afrifa were not impressed by the British system and traditions but imbibed a value preference that espoused external links as being more important than continental. Thus the loyalty to the Commonwealth took precedence over that to the OAU. This meant that, within the continent, the officers owed greater allegiance to their own country than to pan-African commitments. In terms of preference, thus, came the Commonwealth first, Ghana second, and Africa the last. Narrow nationalism and conservative economic ideology were the values they had learnt during their training and they were to enforce these values through policies. The NLC's subsequent role in the Commonwealth and its relations with Britain bore testimony to this approach to Ghana's foreign policy.

**NLC and the Commonwealth**

Immediately after the coup, the NLC expressed its desire to resume diplomatic relations with Britain and rejoin the Commonwealth. General Ankrah extended Ghana's unqualified support to the Commonwealth and stated:

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10 The move was made by the NLC after 4 February through the Australian High Commission in Ghana which was looking after British interests as there were no diplomatic relations between the two. *Daily Telegraph* (London), 1 March 1966.
We believe that the Commonwealth with the vast membership representing peoples of all races have vital role to play in the promotion and maintenance of world peace and security. The NLC will therefore ensure that our membership of the Commonwealth is retained.

But the attitude of the British Government was marked by caution as there was no reaction from it to the change of regime in Ghana. The Guardian discussed the possibility of Nkrumah seeking asylum in Britain "on two bull points. That he is a privy councillor and that since Britain has not yet recognised the new regime in Ghana, it then follows ipso facto that he is the head of government still recognised by Britain as the legal regime. This dilemma had been overcome as the deposed President's arrival in Guinea to seek sanctuary is greeted in Whitehall with pursed lips, silence and just the faintest hint of an official smile." The Daily Telegraph asked for recognition of the new regime in Ghana in a sharply worded editorial:

There is fresh evidence every day that Ghanaian people rigid must cease to be coy and come out on the side of freedom. Ghana needs moral and material support not from Britain as a western nation but from Britain as the founder of the African commonwealth. There is an obvious and immediate need for Britain to recognise the new regime in Ghana.

Britain recognized the new regime in Ghana on 3 March 1966. On 8 March Stephen Miles, the new British High Commissioner, arrived in Ghana in exchange for Seth Anthony, representing the new regime in London.

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14 Daily Graphic, 10 March 1966.
The change of regime in Ghana was a welcome development for Britain which faced a crucial challenge in the Commonwealth over the issue of Rhodesian UDI. Reactions in the British press were clearly sympathetic to the change. The *Dawn* commented:

> With the change of regime in Ghana with whom Britain had now re-established diplomatic relations, the British political circles believe that there are now better prospects for a concerted Commonwealth move on Rhodesia.

The basis for such optimism was that with the departure from power of Nkrumah, who spearheaded the camp pushing Wilson towards a more determined Rhodesia policy, the Commonwealth would be less constrained by internal dissent. The speculation on changes in Ghana's policy was based on the NLC's statements, according to which the new leadership was to be preoccupied primarily with economic and domestic problems. This trend was part of the changes in West Africa as a whole which led *The Times* to point out: "There is a swing back to reliance on the West as a period of introversion and preoccupation with internal issues may have started". Such a trend was going to be favourable to Britain because as a consequence "Rhodesia is fundamentally unimportant to General Ankrah in Accra and General Ironsi in Lagos where the new military regimes are absorbed by the very difficult task of


Importance of such development was noticed in Salisbury. The *Cape Times* commented that "force over Rhodesia policy will now be relaxed with Nkrumah's fall to help Britain save her from embarrassment". *Cape Times* (Salisbury), 22 August 1966.

securing from use or their another". The NLC on its part had reiterated Ghana's commitment to the demand that "Ian Smith's regime must be pulled down immediately" and added that NLC would pursue it "through the forums of the OAU, Commonwealth and the United Nations". While the NLC supported resort to mandatory sanctions as envisaged by the UN, it also accepted the proposition that Rhodesia was primarily the responsibility of Britain. But a military sanction against Rhodesia was ruled out by the NLC. Major General Otu while leading a good-will delegation to East Africa stated in Nairobi "we do not think the use of force can solve the Rhodesian crisis. We do not think the African states can successfully resort to the use of force to bring Ian Smith's government down. It's entirely a matter for the British government." Two points emerged from the NLC's pronouncements on Rhodesia. The NLC sought to carry out its commitment on the issue, exclusively within the framework of the OAU, the Commonwealth and the UN, where it would go along with the majority decisions. Secondly, while Rhodesia was Britain's responsibility and military action directly by African states, as advocated by Nkrumah, was totally rejected, the position was adopted that the fulfilment of Britain's responsibility in Rhodesia needed tactical pressures by the African states to compel it to take effective measures, including use of force.

18 Dennis Austin, "Why not Surrenders to Ian Smith", Round Table, vol. LVI, 1966, p. 239.
Beyond its commitment, how did the NLC's role in the Commonwealth reflect the continuity or a change in Ghana's stand on Rhodesia? Britain was to face the African states and other leaders in the conference of Commonwealth Prime Ministers to be held in July 1966 in London. The conference was crucial in the context of British Prime Minister Harold Wilson's commitment at Lagos in January 1966 to put an end to the Rhodesian rebellion. Since the economic sanctions had failed, it was expected that Wilson would be sought to be pressurized into more effective action in Rhodesia. Judging the mood, Premier Lee Kuan Yew of Singapore had earlier predicted: "I hate to think what the next conference will be like if the Smith's regime has not been brought down. Feelings and tempers will be very different." Britain was, thus, under increasing pressure from the African states. Sir Albert Margai, the Prime Minister of Sierra Leone, had urged Britain to use force in Rhodesia. President Kenneth Kaunda of Zambia had decided not to attend the conference personally and threatened to withdraw from the Commonwealth if effective measures including use of force were not undertaken by the British Government. In the face of these pressures, Wilson appealed for the postponement

20 Noting the crucial nature of the conference, the West Africa commented: "In Lagos last January the African states of the Commonwealth gave Mr Wilson breathing space to deal with the Rhodesian problem. Implied in his understanding was the assumption that although sanctions appeared to be having very little effect in January, July would tell a different story. What can Mr Wilson tell the Commonwealth heads next month?" West Africa, 27 August 1966, p. 1961.

21 Straits Time, 16 June 1966.

of the conference from July to September 1966. Whereas Zambia, Uganda, Kenya, Sierra Leone and India opposed the postponement, Ghana supported Britain. This led Kaunda to state that "Britain had organised other Commonwealth members into accepting the postponement but they have no ability to organize me to remain within that organisation". Ghana's support to Wilson assured that the recent changes in the West Africa were favourable to Britain.

The conference was held between 6 and 15 September 1966. Ghana was represented by J.W.K. Harley, Vice-Chairman of the NLC, and the delegation included Dr. K.A. Busia (who was to be the Prime Minister of Ghana in 1969). Arriving for the conference, Harley stated at a press conference:

"We are in London with open minds, our only preconceived position being to join our colleagues from other countries of the Commonwealth in the patient search for solutions to our common problems. We hope that Commonwealth leaders will succeed in creating the climate for successful settlement of some of the great issues of our time... world peace, racial equality and economic plenty for all people are problems which must be solved...the Commonwealth comprising peoples of all races and colours is a force for peace and racial harmony."

Referring to Ghana's stand on Rhodesia, Harley stated:

"Ghans will demand an assurance that Britain does not grant independence to the minority government in Rhodesia, African countries do not seriously quarrel with Britain in its claims that the crisis in Rhodesia was its responsibility to settle. What most of us are concerned about is first how Britain proposes to settle the crisis and secondly the sort of settlement that it envisages..."
Solution to the Rhodesian issue would only be found if we work together. Ghana's presence at this conference affirms its faith in the Commonwealth and its desire to continue to play a constructive and worth while role in this association. 24

Ghana's delegation at the conference, according to this statement, was to ask and pursue Britain for an assurance on "no independence before majority rule in Rhodesia". It was not to pressurize Wilson through adopting such tactics as Zambia and Sierra Leone that threatened to boycott the conference if Britain did not concede mandatory sanctions or use of force against Rhodesia. Asked at the press conference whether Ghana would leave the Commonwealth if Britain failed to give a guarantee against recognition of Rhodesia, Harley's reply was: "Ghana will go with the majority at the conference". Ghana's presence at the conference was to establish a goodwill for the organization and to signal a positive attitude towards Britain avoiding any stand that could possibly make Ghana controversial or embarrass the host. The NLC had expressed its commitment on a relevant African issue without translating it into a forceful policy posture. That was what distinguished the NLC from Nkrumah. West Africa described the difference in the following words:

Under Nkrumah Ghana considered Rhodesia a responsibility of Britain but also tried to dictate the possible way of solving the problem. "Under NLC Ghana considered

24 Ghanaian Times, 5 September 1966. Dr. K.A. Busia had also stated at a press conference: "We are prepared to accept the British approach as based on sincerity but we would like a reappraisal of that policy from the point of view of what has been achieved...if you still maintain that sanctions can work then you will have to take steps to see that they do so." Ibid., 7 September 1966.
Rhodesia a purely British problem and thought it capable enough to deal with it". 25

The discussions in the conference sessions revolved around three major issues related to Rhodesia--an assurance from Britain on no independence before a majority rule (NIBMAR), the mandatory sanctions or use of force. Except the first, no other demands was conceded as such. The need for action was accepted by Britain over Rhodesia as also a commitment to a settlement in accordance with the Six Principles. As a result of the conference, Britain was permitted to enter into negotiations with the Rhodesian regime to reach a settlement which would establish majority rule ultimately. The success of the conference lay in the fact that the Commonwealth survived disintegration. The differences among the African states had reduced the chance of a concerted pressure on Britain. Ghana made its stand clear while adopting a vague and thus, a weak policy, revealing that it was essentially uninterested in the Rhodesian issue and that it accorded a higher priority to Ghana's bilateral relations with Britain.

The NLC supported the British efforts on a Rhodesian settlement throughout 1966-69 when Wilson undertook talks with Ian Smith. At the time of the conference of Commonwealth Prime Ministers convened on 6-15 January 1969, in London, there were


26 *The Times* commented: "The member-states attending the conference were divided into ideologues and pragmatists". Ghana's delegation, according to the newspaper, was among the pragmatists and acting in the national interests of Ghana. *The Times*, 16 September 1966.
three major issues before the conference—Rhodesia, the civil war in Nigeria and the immigration policy. While preparing for the conference, the British Government took enough precautions along with Australia and New Zealand not to spend too much of time to discuss the problem of Rhodesia. The NLC extended its support to Britain. As *West Africa* reported:

> It was the officials of Ghana, that included Ghana's commissioner of External Affairs PD Anin and Ghana's High Commission to UK Seth Anthony, who tried to influence the officials considering the agenda to decide that Rhodesia should not take precedence over the general survey of international affairs. 27

Even when the discussion began on Rhodesia, Ghana's chief delegate Harley abstained from participating in the debate. On the issue of the Nigerian civil war, the NLC viewed it is entirely an internal matter of Nigeria and was opposed to its being raised in any form at the conference.

The issues that interested the NLC most at the conference were those of economic cooperation with the Commonwealth framework. Harley had taken the initiative to propose the establishment of a Commonwealth Development Fund for the purpose of aiding the developing states. He criticised the existing aid policy and stated:

> A study should be made into the possibility of aid by the donor Commonwealth countries setting aside loan repayments received from developing Commonwealth countries and ploughing them back into these countries as new aid. Such a policy results merely in the outflow of the capital rather than inflow rendering the aid meaningless. 30

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28 *Times of India* (New Delhi), 10 January 1969.
29 *Ghanaian Times*, 9 January 1969.
Harley had also asked Britain in the conference to guarantee a minimum price for Ghana's cocoa for the young state's financial stability. Neither of the proposals met with any success as Britain did not find wider interest in them and Ghana had no means to influence Britain to act. The NLC, through such proposals, indicated that Commonwealth was not meant to merely consider the political issues and that instead the forum must be used to tackle fundamental economic and financial problems which countries like Ghana were facing. It was primarily due to its preoccupation with internal economic problems that the NLC considered issues like Rhodesia as secondary and concentrated on promoting its relations with Britain.

At the time of the coup, Britain was the foreign country with the closest links with Ghana. It accounted for 17 per cent of Ghana's exports and 26 per cent of her imports. There was an estimated investment of £70 million of British private capital in Ghana. Besides technical, military and educational facilities and assistance, Britain had also contributed £4 million to the Volta River Project. In 1966, Britain was the single largest creditor to Ghana having given £68 million (or 78 per cent of the total debt) in supplier credits offered by British private firms and guaranteed by FOGS. Repayment of half of this amount fell due in 1966 along with the debt service of £12 million owed to British private firms. For the NLC, salvaging Ghana from its economic problems, thus dictated speedy restoration of good relations with Britain.

There was a wide recognition of these policy changes in Britain. Among these were the NLC's efforts to reduce the expenditure of the state by closing down a large number of state-run enterprises and corporations and develop the private sector, both indigenous and with foreign collaboration. The military rulers sent out the message of a whole package of altered policy perspectives by dropping the radical postures of the deposed regime, breaking relations with the east European states and adopting low-key position on issues like Rhodesia. All these steps were taken with a view to saving Ghana from economic insolvency and winning back the confidence of the west European countries and, as a consequence, their aid assistance and, most importantly, a favourable turnover on debts. Thus the NLC's justification of its policies as promoting the national interests of Ghana.

The 'handsome gestures' from Ghana for restoring diplomatic relations quickly after the coup elicited appreciation in Britain. But there was no response to the appeals of the new leadership for emergency relief to Ghana. Pointing to the deteriorating conditions of the army, General Ankrah requested the British Government to provide for clothing and other material for Ghana's armed forces. The plea was turned down on the ground that "Britain is not in a position to meet the cost of Ghana's request". As to the request of Ghana for rescheduling the

32 The acting High Commissioner of Britain Joseph Miles complimented the NLC on restoring diplomatic relations with his country. Ghanaian Times, 4 March 1966.

33 Instead, Britain asked the NLC to use £ 4 million loan granted to Volta River Project and which is "now in the pipeline to use elsewhere". West Africa, 13 August 1966, p. 906.
debts, the British Government simply referred it to the IMF. The change of regime in Ghana was welcomed in Britain and so were the NLC's efforts to reorient its domestic and foreign policies; but Britain's own aid and investments and a rescheduling of debts as relief measures to Ghana were determined by its own economic considerations, which included the condition of its economy in the 1960s. Faced with deficits in budgets and the balance of payments and a mounting burden of foreign liabilities, Britain had launched its own austerity programme, Anthony Greenwood, the British Minister for Overseas Development, announced in the House of Commons in early March that the amount Britain spent on overseas aid was frozen at the level of £225 million for the next four years. By implication, according to West Africa, this meant that "the schemes planned for the economic development of the Commonwealth countries may have to be curtailed".

The NLC's basic objective of attracting new aid and assistance as well as securing favourable terms on Ghana's debts, while it established creditworthiness through changed policies, suffered a serious setback when countered by Britain's own economic problems and policies pursued in her own national interests. Under these circumstances, Britain offered a total grant of only £5 million along with £646,000 in the form of


technical assistance to Ghana during 1966-69. The direct British investment, in spite of a favourable politico-economic environment, remained static at £2.3 million from 1966-69 and in absolute terms declined from its peak level of £8.2 million in 1965.

Britain's austerity economic measures not only affected the flow of aid and investment but also led to a hardened attitude towards Ghana's debt problem. Ghana's total external debt amounted to £220.95 million out of which £182.33 million was in supplier credits. Of this £182.33 million, Britain's share was £68 million. Ghana succeeded in getting 80 per cent of the total debt rescheduled with its 13 creditors under the aegis of the IMF at the end of 1966. The rate of interest on the deferred principal was left to the individual creditor-countries to be settled through bilateral negotiations. Britain concluded such an agreement with Ghana on 27 February 1967.

The important feature of the Britain's supplier credits was that it had been provided to the Ghana Government by the private British firms and guaranteed by OECD implying that the government stood surety for these credits. Of the total supplier credits by the Drevici group of firms provided

36 *Ghana Economic Survey* (Accra, 1970). The £5 million loan was interest-free, as it was intended to bring British goods and services to Ghana.

37 *Net Outflow of British Direct Investment to Ghana 1962-69*

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38 *Ghanaian Times*, 28 February 1967.
£ 15 million and Parkinson Howard £ 19 million. The agreement on rescheduling these debts, signed between Britain and Ghana, covered £ 25 million due until the end of 1968 under credits with one to twelve years' maturity. In line with the contracts concluded before 24 February 1966 on the supply of goods and services to Ghana, according to the agreement, 20 per cent of the debt was to be paid by the end of 1968 and the repayment of the remaining 80 per cent spread over eight years from mid-1971 beginning with an interest of 2.7 per cent that would continue in increasing amounts until mid-1979. The only respite that NLC could secure as a result of this agreement was that only 20 per cent was to be paid on the due date in 1968 and that, for rest of the loan, it got an extension by eight years but with an increasing rate of interest over this period. An important question was raised by *West Africa* with regard to advancing such large medium-term credits to Ghana at a time when it was perfectly plain that the country was heading for bankruptcy. But it was clarified that the firms would not lose money, as the ECGD guaranteed the credits. Thus there was a close collaboration between the government and the firms. It was the primary responsibility of the government in pursuit of national interest to encourage British firms to expand their economic activity and profits. The British rulers had kept similar

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39 *West Africa*, 4 March 1967, p. 315. A similar agreement on rescheduling Ghana's medium-term debts amount to £ 18 million to UK creditors, falling due between 1 January 1969 to 30 June 1972, was signed in London in January 1969. The interest rate fixed since the beginning was 6 per cent. *West Africa*,

40 Ibid., 6 June 1966, p. 645.
interests intact in the agreement of 1967. The rate of interest worked out on the deferred principal actually went up to 8 per cent which was the highest among all the bilateral agreements concluded with Ghana. The favourable BLC postures in economic and foreign policies failed to prevail against the economic interests of the donor nation.

The NLC, while accepting its liability to pay debts without any review of these contracts, forfeited its bargaining power for better terms. Its own vulnerability rendered its favourable policy stand ineffective in securing a better deal. As Legon Observer pointed out:

Our clear mistake is that we have told the entire world that we are bankrupt, that we are desperate for relief...in today's world - of power politics, it is not persuasion but pressure that works. For that we have lost the initiative. For countries like Britain priority is to their interests which shall determine their policies. 41

The British Government denied any direct capital investment, refused to offer any substantial aid, was not liberal in its debt settlement, and instead it encouraged the British private firms to penetrate into Ghana's economy. Following the policy of curtailing the public sector, the NLC sought to hand over state corporations and enterprises to the private sector. Out of 50 corporations, seven were sold exclusively to the foreign firms and eleven were to be run with foreign collaboration. 42 British firms succeeded in taking over most of them. Such enterprises as the Steel Works Corporation and the

42 Daily Graphic, 3 August 1967.
Ghana Diamond Corporation, which were under the state monopoly, were handed over to the Parkinson Howard and the CAST. Under the deposed regime, these enterprises had been established with credits from the same firms which, under the NLC, took over even their ownership.

The main efforts of the British firms in Ghana, was thus, to regulate the existing investment while taking over the management of many enterprises. It was with this end in view that they had provided credits to the private sector instead of bringing in new investments. Similarly the British firms had secured a large number of contracts in various sectors of Ghana's economy and governmental services. The Accra Water Supply and Electricity Corporation also went to the Parkinson Howard. Another firm, the Taylor and Woodrow Building Construction Corporation got a specific contract for constructing the new premises of the Bank of West Africa Ltd. and Shelvoke and Drewary Ltd. of Leichworth a contract for clearing Accra streets. The Agriculture and Industrial Development Ltd., a subsidiary of the Overseas Land Development Corporation, won the contract from the Ghana Government to develop agricultural land in the country.

Similarly, for governmental purchases, British firms were the main suppliers. Ghana's Ministry of Defence appointed the John Bolts Exports Ltd. as its exclusive purchase office for handling shipment of stores and equipment ordered to its armed forces.

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43 *Ghanaian Times*, 27 September 1966.
44 *Daily Graphic*, 4 February 1968.
The Euro-Exports Ltd. secured contracts worth £105 million from the Ministry of Health and Education for their entire medical supplies including three universities in Ghana. The Wilkin became the fullfledged participants in Ghana's economy controlling industrial manufacturing enterprises and stepping up their commercial activities while obtaining the largest share of the government's services and purchases.

The efforts of the British firms to control various sectors of Ghana's economy and the NLC's policy of encouraging foreign collaboration created resentment among indigenous business and commercial groups. The NLC had invited foreign participation overlooking the interests of the indigenous businessmen whose requests to hand them the management of many state enterprises were turned down while foreign firms were preferred for the task. The NLC's own commitment to encourage the private sector in the name of economic nationalism contravened its actions. The Ghanaians, who after the coup expected a proper share in their economy, were denied it. An organised protest reaction against the NLC's move for foreign collaboration emerged in Ghana and crystallised among others, on the issue of the Lonroho's activity. The press in Ghana also joined the issue on the side of Ghana's business groups. In October 1968, the Lonroho group of companies with its headquarters at London

46 Ibid., 8 October 1967, p. 1399.

47 The first quota of quarterly import licences gave a major share of £1,342,000 to the expatriate British firms. Daily Graphic, 18 November 1966.

48 The Managing Director of the State Laundries Corporation requested the NLC to hand over the enterprise to him. The request was turned down. Daily Graphic, 13 July 1966.
bought the entire shares of the Ashanti Gold Fields Company which had a hundred year lease coming to an end in 1968. The occasion was used by the local business and chiefs, who petitioned to the NLC not to review the lease to Lonrho and urged the government to take over the gold mines. Ghana's gold-mine workers also made the same appeal to the NLC and even resorted to a strike in March 1969 where, in a clash with the police, two workers died. In spite of opposition from various sections of society, the Government did not relent. The case was finalised in favour of Lonrho on 19 April 1969. Meanwhile, the Lonrho had brought its Kingsway Store from the United Africa Co. and established a brewery in Kamasi making a bid to ease out other foreign firms from competition to establish its own monopoly in Ghana's economy. This was in particularly striking contravention of the NLC's commitment to develop the indigenous private sector.

The overall pattern of exports and imports between Ghana and Britain during the NLC's tenure continued to be unfavourable to Ghana. Only in 1966 exports from Britain to Ghana declined in comparison to its imports from Ghana. This was mainly due to

49 Ibid., 13 September 1968.
50 Ibid.
51 *Ghanaian Times* wrote: "Ghana has easily forgotten these difficult years. With the efforts, sacrifice and hardships that have been infected into the State Gold Mining Corp. by Ghanaians...when things are beginning to take shape it would be very sad error indeed if the government asked a private firm like Lonrho to participate or take over the management of SGMC...We would have thrown away a vital economic item to foreign domination." 6 February 1969.
52 Whereas the Lonrho was to have complete controller over Gold mines in terms of management and shares, Ghana Government was to get an annual amount of ₵600,000 and to have 20 per cent of shares in the company. *Ghanaian Times*, 21 April 1969.
severe cuts in the Government's expenditure resulting in the fall of imports and the subsequent rise in the cocoa price and larger purchases in the London market. In the 1967-69, the British exports to Ghana steadily rose, compared to its imports from Ghana. After 1966, despite the NLC's policy posture to appease Britain, Ghana was more closely tied to Britain. Its economy was under British firms control; debts, though extended, had been multiplied due to the enhanced rates of interest; and Ghana was importing more goods and services from Britain.

Besides Britain NLC showed great keenness in promoting Ghana's economic and trade links with other members of the Commonwealth. In that direction NLC's success in terms of

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Source: Commonwealth Trade 1970

Table 2

Proportion of Intra Commonwealth to Total Trade 1956-68 (percentage)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Britain</td>
<td>39</td>
<td>35</td>
<td>29</td>
<td>22</td>
<td>42</td>
<td>35</td>
<td>30</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Ghana</td>
<td>33</td>
<td>26</td>
<td>20</td>
<td>27</td>
<td>54</td>
<td>43</td>
<td>36</td>
<td>39</td>
<td></td>
</tr>
</tbody>
</table>

Source: Commonwealth Trade 1968
cultivating meaningful contacts, was however, confined to Canada.

On the NLC's appeal for emergency relief after the coup, Canada was the first country to offer £250,000 worth of flour and milk as gift to Ghana. During 1966-69, Canada also offered grants amounting to C$6 million on a long term basis. The most important joint project undertaken by Canada was to develop electricity distribution system from the Akorombo dam to the neighbouring states of Togo and Upper Volta. For the promotion of Ghanaian exports, Canada encouraged the system of the import of free goods from Ghana. As a result there was a net increase of 28 per cent in 1969 from that of 1966 in the import of free trade goods from Ghana with a corresponding decrease in the import of dutiable goods by 19 per cent. In spite of such goodwill gestures by Canada, the total export and import trade pattern was however adverse to Ghana's interests. Ghana's overall imports from Canada increased by 20 per cent in 1969 from that of 1965 whereas in comparative terms, Ghana's exports to Canada in the same period declined

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55 Canada offered loans of 750,000 Canadian dollars for transmission line and 5.83 million Canadian dollars for financing Akosombo power plant expansion. Repayment was to be made over 50 years. Daily Graphic, 25 July 1969.
by 5 per cent. The phenomenon is significant, considering that the value of Ghana's exports had increased by 18 per cent during this period and the NLC had strictly cut down on its imports, mainly of manufactured capital goods. On that account Canada appeared to be greater beneficiary in terms of selling its own goods rather than accepting Ghana's capitals.

The changes that the NLC effected in Ghana's economic and foreign policies had two underlying assumptions. First, they were considered to be in accordance with interests of Ghana's reconstruction and development; second, they were expected to help in appeasing those quarters, who had found Ghana's role under the previous regime controversial or even

56

Table 3

Ghana's Exports and Imports to Canada (§m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>7036</td>
<td>8400</td>
</tr>
<tr>
<td>1963</td>
<td>6533</td>
<td>5451</td>
</tr>
<tr>
<td>1964</td>
<td>7961</td>
<td>7333</td>
</tr>
<tr>
<td>1965</td>
<td>10158</td>
<td>5723</td>
</tr>
<tr>
<td>1966</td>
<td>10824</td>
<td>3994</td>
</tr>
<tr>
<td>1967</td>
<td>7950</td>
<td>4384</td>
</tr>
<tr>
<td>1968</td>
<td>11073</td>
<td>5075</td>
</tr>
<tr>
<td>1969</td>
<td>7549</td>
<td>5100</td>
</tr>
</tbody>
</table>

Table 4

Value of Dutiable & Free Imports from Ghana to Canada (§m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dutiable</th>
<th>Free</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>1,959</td>
<td>4,574</td>
<td>6,533</td>
</tr>
<tr>
<td>1964</td>
<td>2,283</td>
<td>5,676</td>
<td>7,959</td>
</tr>
<tr>
<td>1965</td>
<td>3,465</td>
<td>6,693</td>
<td>10,158</td>
</tr>
<tr>
<td>1966</td>
<td>1,992</td>
<td>5,958</td>
<td>7,950</td>
</tr>
<tr>
<td>1967</td>
<td>128</td>
<td>10,945</td>
<td>11,073</td>
</tr>
<tr>
<td>1968</td>
<td>162</td>
<td>7,387</td>
<td>7,549</td>
</tr>
</tbody>
</table>

Source: Canada Year Book 1970
detrimental to their interests and securing assistance from them in salvaging Ghana from its problems. The changes also reflected the leadership's own conviction and framework of values as it found itself heavily constrained and conditioned in terms of policy of choices because of the legacy of problems left by the deposed regime. Looked at from either point of view, the changes did not work. The NLC failed, in spite of its efforts to appease Britain, to attract British cooperation in solving Ghana's problems, specifically like debt or generally like development. The reason was twofold—Ghana's own marginal importance for Britain and the priority of latter's own national interests. The NLC's own vulnerability found evidence in its expressions of willingness to carry out the changes and their rationale. The tactic proved the more counterproductive for being tried at a time that dictated a prudent economic policy for the British Government. Its vulnerability, denied the NLC the capacity to negotiate and pressurise Britain to help solve Ghana's problems. It became a willing party to a policy that harmed the interest of her own nationals and strengthened an external hold on Ghana.