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THE ECONOMIC EVOLUTION OF GHANA
1890 - 1970

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GEOGRAPHICAL DATAS:

The Republic of Ghana, situated between the 4th and 11th North parallel has a total area of 238,000 square kilometres. The equatorial forest zone covers about 1/5 of the country, the Ashanti triangle being situated to the south-west around Kumasi. Rainfall is quite heavy (2.150 millimetres in the Axim region) and occurs during 2 seasons, one from March to July and the other from October to November. Temperature varies little throughout the country, the average maxima temperature being around 32° at Kumasi and that of the minima being not less than 20° in January. Humidity is quite high (with a minimum of 75% at noon). It is the most important region of the country, its wealth being based mainly on cocoa with timber, **bananas**, pineapples and oilpalms as subsidiary products. Tubers are the main food crops. More than 3/5 of the country, to the north of the forest zone belong to the former French Sudan and has a single rainy summer season (average annual rainfall at Tamale: 1 metre). Its non-commercialized agriculture is based on the cultivation of millet, stockbreeding being a secondary occupation. The eastern part of the coast where Accra, the capital, is situated, is relatively dry: less than 750 millimetres of rainfall annually spread over 2 seasons. The temperature varies very little, even less so than in the forest zone: monthly temperatures in Accra: summer minimum is 22° and winter mximum is 32°. The degree of humidity is hardly ever less than 65% at noon. Stockbreeding is possible in the area and agriculture consists of cereals (millet, corn, rice) and tubers. The whole of Ghana, except for the south-western forest area, is drained by the White and Balck Volta Rivers.

The country is divided into 9 regions: to the south, there are the district of Accra, the Eastern, Central, Western, Ashanti, Brong Ahafo and Volta provinces, inhabited by Akan peoples in the West

(Ashanti, Abren, Fanti: 44% of the population), Ga peoples on the coast (8% of the population) and Ewes in the East (3% of the population). In the North, the Northern and Upper provinces are inhabited by Gendjas, Dagombas and Mamprusi (35% of the population). The South is to a large extent christian (43% of the total population of the country) with the exception of large rural minorities of Ashantis, who are animists, like most of the population in the North (38% of the population. The muslim minority is confined to the trade sector in the towns (12% of the population). The non-African population is insignificant: about 17,000 people (2,000 in 1920 and 7,000 in 1948). The African population 8.8 millions in 1968 - is one of the most dense in Africa: 38 inhabitants per square kilometre.

THE ECONOMIC DEVELOPMENT OF THE COLONIAL GOLD COAST.

No doubt, the Gold Coast was for a long time the richest British colony of Black Africa. Like Senegal, it was one of the first West African colonies to be developed. Cocoa, which is at the basis of the country's wealth, was first grown at the beginning of the century, the average output being about 2,000 tons a year. This increased rapidly to reach 230,000 tons between the years 1925 and 1930. Szereszewski has made an excellent study of the launching of colonial development between 1891 and 1911.^{1/} By 1914, the Gold Coast had already developed the main economic and social structures which have been retained up to the present time. In 20 years the exports of products from "non-traditional" activities increased more than fourfold (4.1 times), imported consumer goods rose from 15% to 28% of total consumer goods, capital formation was 23 times larger, just as savings were 10 times their original figure. The structure of imports altered considerably: the share of traditional products (alcoholic drinks, textiles, tobacco and miscellaneous goods) forming part of the trade, fell

^{1/} The main results are shown in Table I below, reproduced from I.R. SZERESZEWSKI: "Structural changes in the Economy of Ghana, 1891-1911", London, 1967.

from 85% to 67% of total imports. Cocoa production growths between 1900 and 1915 were successively 30%, 20% and 10% per annum for each five-year period. The real G.D.P. and per capital growth rates were 1.8% and 0.9% per annum respectively during the decade 1891-1901. In the following decade, they were respectively 3.5% and 2.6% per annum. Excluding the traditional production, the real growth of G.D.P. alone were respectively 6% and 8% a year. This is "the Ivory Coast miracle" occurring sixty years earlier. This rapid growth continued during the twenties, then slowed down; and between 1930 and 1960, cocoa production remained stagnant at about 230,000 tons. Growth picked up again during the last 10 years (1957-67) at the rate of 6% a year to give an average output of 405,000 tons during the last five year period of 1965-70. But in recent years, the growth has again slowed down considerably and the average 10% increase a year during 1957-62 is followed by an increase of only 1.2% per annum during the following five years. This substantial development has resulted in a spectacular increase in population as well as in revenue. Population increased from 1.6 million inhabitants in 1890 to 2.4 millions in 1920 (since then, there has been an additional 400,000 people from British Togoland). The population increased further from 6.7 millions in 1960 to 8.8 in 1968 giving, for the country, demographic growth rates (1.4% a year between 1890 and 1920; 1.6% from 1920 to 1948; 3.5% since) which are 20 or 30 years ahead of those of most other countries of the continent. The per capita income growth having been 1.8% a year between 1890 and 1914 and 1.5% between 1910 and 1960, the Gross Domestic Product increased from 40 million pounds, at the 1960 value in 1890 to 120 millions in 1920 and to 500 millions in 1960. Thus Ghana started off at the beginning of the century with an average per capita income that most of the French speaking countries are recording today (70 dollars at the 1960 value) thus reaching, as early as 1925-30, a level comparable to that of the Ivory Coast around 1960. In West Africa, Senegal alone presents such an early stage of development.

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Launched early and financed entirely by the colony, the material and human infrastructure has endowed the country with important resources. The "plan" established by Governor Guggisberg (1920-30) raised the level of investments in infrastructure - mainly: roads, railways and ports - to 7% of the gross domestic product of that period. Implemented only partially, the plan was, however, brought to completion (in addition to important social investments) in the course of the second colonial plan - the ten-year plan of 1950-60 converted to a five-year plan in 1951 by N'Krumah's first government, and followed by a "Consolidation Plan" for the period 1957-59. The level of education, measured as a percentage of the population attending school, increased from 4% in 1948 to 21% in 1960 (50 to 60% in the southern towns) 20 to 50% in the plantation areas and less than 10% in the north). The number of primary school pupils increased from 144,000 in 1950 to 928,000 in 1963, that of junior schools, from 60,000 to 223,000, and that of secondary schools, from less than 3,000 to 28,000. The percentage of the urban population (towns of more than 5,000 inhabitants) increased from 4% in 1890 to 8% in 1920, and from 23% in 1960 to 30% in 1968. As early as 1960 Ghana had 16 towns of more than 15,000 inhabitants and 55 of between 5,000 and 15,000.

The development of the southern region led to important internal migration as well as immigration from abroad. The latter (in a roughly equal proportion of 1/3 each from French Togo, Upper Volta and Nigeria) has provided the country with more than a quarter of its present population. Internal migration reduced the population in the north from 25% of the total population in 1890 to 16% in 1968. These inflows, which have been decisive for the development of the crop economy and for urbanization, have resulted in a thorough intermingling of the population which has caused "tribalism" to disappear entirely. This is no doubt a unique situation in West Africa, a situation which can be found only in Ghana and Senegal. People certainly do not ignore their ethnic origin, but it no longer interferes in their political life. The foreigners have of course gradually adapted themselves to the ways of the people of Ghana and adopted Ghanaian nationality. By 1960, 830,000 out of the 1.5 million foreigners

had done so, of which there were 490,000 men and 340,000 women - 34% of Togolese origin, 24% from Upper Volta and 23% from Nigeria. Out of the 830,000 foreigners, 550,000 were born outside Ghana and 280,000 in the country itself. The foreign population has, from 1940 onwards, made an important contribution to the development of the cocoa industry (and of the town). Up to 1940 it was particularly the internal migrations which had played a significant role, when people from the north started to settle definitely in the south. Thus in 1960 the population of foreign origin in the south amounted to 275,000: 90,000 in Accra, 100,000 in Ashanti and 85,000 in the Brong region. 160,000 came from the North, 95,000 from the Volta region (northern part of the Volta river) and 20,000 from the East (non cocoa growing region).

Since the fifties, however, development appeared to have reached a ceiling and further development was faced with serious problems.^{1/} Around 1960, the country's economy strongly revealed the structural defects peculiar to under-development: 1) - unequal productivity from one sector to another (value added varying between 50 and 150 pounds per unit of labour in the agricultural sector and between 500 and 1,000 pounds in the modern industrial and commercial sectors:^{1/} 2) - weak economic links between the sectors 3) - heavy dependence on foreign capital in the trade sector as well as for public finances and balance of payments, the latter two being subject to frequent crises.

The available physical assets are relatively large (contrary to preconceived ideas with regard to under developed countries). In fact, the per capita figure is as large as for Japan. If the country is not capable of an internally initiated and self-sustained growth, that is, of true development, it is because of the externally orientated production. This foreign domination leads to the transfer abroad, of the potential

^{1/} See Polly Hill: The Gold Coast Cocoa farmers, Oxford 1956

surplus which these physical assets could produce. This transfer involves the repatriation of profits in the form of "visibles" as well as the surplus accruing to the foreign country from favourable terms of trade.

At the same time regional imbalances, despite immigration from the North to the South, have become quite marked. Thus there was a lack of balance in the distribution of available capital, the national average of which was quite high (188 pounds per head in 1960, that is, nearly 40% of the per capita income). This distribution, at the time, amounted to only 38 pounds per person in the North as against 185 pounds in the plantation region of the South, towns not included. There was also inequality in the distribution of the national product which, in 1960, was 30 pounds per head in the North, 70 pounds in the plantation regions and 170 pounds in the towns.

Agriculture was of the advanced colonial type. Consumption of the peasants' own output represented only 30% of total rural consumption although it provided most of the basic calories needed and consists of 70% tubers (plantains, cassava and yams) and 50% cereals (millet, corn and rice). The cocoa economy has provided the basis for a structure of social classes. Small planters who did not employ paid workers, provided only 20% of the output. They owned about 850,000 acres (an average of 11 acres per family). On the other hand, 80% of the output came from 30,000 plantations belonging to rich landowners who employed a large number of paid workers (90,000 seasonal workers) and from a peculiar form of "metayage" (by which 180,000 "abusa" and "abunes" received a third and a half of the crop respectively). Capitalistic plantations - of very different sizes - covered an area of 3,370,000 acres.^{1/}

^{1/} See Polly Hill : The Gold Coast Cocoa Farmers, Oxford 1956.

Ghana's wealth is derived from exports other than that of cocoa. There is timber, export of which has increased from 2.7 million cubic feet in 1945 to 3.7 millions in 1960. This is proceeding at a very alarming rate for the future of timber production. Gold - from which the name of the colony was derived - was found by Europeans as early as 1471 and provides employment for 35,000 miners. It forms 10 to 12% of total exports, this percentage being shared more or less equally between private British companies and a State Corporation. Diamond, exploited since 1919, provides 3,100,000 carats (half of which are craftsmen's products. Finally, there is the manganese deposit at N'Suta, exploited since 1916 by an Anglo-American company which, at one time, had made the colony the third largest producer in the world. However, the output of manganese is, at present, falling (450,000 tons).

As the rapid progress in urban development was not followed by real industrialization, unemployment had, as early as 1960, reached a level of 20% of the male, urban, labour force. Non agricultural activities however, provided 980,000 jobs out of which 492,000 were held by wage-earners (189,000 in the public sector). At the same time, the mining industry offered 48,000 jobs; industry and handicraft, 235,000; the building industry, 89,000; transport, 68,000; trade, 371,000 (mainly women) and services, 169,000. Industrial development is confined to the traditional colonial range of products manufactured in 1,700 establishments employing more than 10 workers (50,000 workers in all. Regional participation in industrial production remains very low. In 1960, it was 3.9% in the Accra area; 2.5% in the Western and Ashanti provinces. Accra remains above all an administrative and commercial centre. Services provide 59% of the national income; administration 10%; construction, 25% and industry, only 4%.

FROM COLONISATION TO INDEPENDENCE 1948-1957.

The contemporary political history of Ghana ^{1/} started with the strikes and demonstrations of February 1948. Up to that time, British

^{1/} See Bob Fitch and Many Oppenheimer: Ghana and of an illusion, Monthly Review, Juilang, 1966.

colonial policy had been very successful. It had brought into existence, a new class of capitalistic planters originating from the former hierarchy of Ashanti chiefs. Political life was reduced to intrigues within the "lobby" system of the planters and anglicized intellectuals living in the coastal area and who had grouped themselves into the United Gold Coast Convention Party. The workers' strike of 1948 shook the foundation of these rotten political structures. Kwame N'Krumah, appointed Secretary General of the UGCC on his return from Britain in 1947, broke away from the former leaders and founded, in 1949, the Gold Coast Convention People's Party (CPP). To give strength to his party, he appealed to the "committee of young people", made up of civil servants belonging to the lower middle class, men such as Gbedemah and Kojo Botsio who were in conflict with the traditional chiefs as well as with the British administrators. The programme of political activities remained very limited ((the africanization of the administration" and self-government) and no serious attempts were made to collaborate with the trade unions. The second spontaneous uprising, the general strike of January 1950, brought no changes in the relationship between the CPP and the mass movements. But Great Britain acknowledged the warning and granted autonomy. The elections of 1951 ensured, with the establishment of the first N'Krumah government, a gradual evolution towards independence, which was granted on March 6, 1957, making Ghana the first independent country of colonial Black Africa.

The years between 1951 and 1957 are characterized by a very close collaboration between the CPP and Great Britain. On the economic front, there was only one project which concerned the further development of the traditional types of infrastructure which was financed by the surplus funds of the Cocoa Marketing Board. This policy led to a deterioration in the balance of payments and in the state of the public finances which usually showed a surplus balance (the annual average surplus from 1952 to 1956 was 20 million pounds). In 1957, there was a budget deficit for the first time and since 1956, an external deficit of about 14 millions was recorded.

instead of the usual surplus (an average of 17 millions a year between 1950 and 1955). But thanks to the foreign reserves of the country, prices remained remarkably stable, the price index increasing by only 19 points between 1954 and 1961.

On the political front as well, no structural reform was planned either with respect to the Economic system (unrestricted movement of foreign capital, strict adherence to the sterling zone, etc.) nor with regard to the social system (situation of agricultural workers and "metayers" in the plantation regions). Nor was there any project for the industrialization and development of the private sector. The ideology of the time, formulated by George Padmore, a West Indian and personal friend of N'Krumah, is summed up in these three terms: "Africanization of the administration, Pan-Africanism and Anticommunism".

INDEPENDENT GHANA: THE FIRST PERIOD OF N'KRUMAH'S ADMINISTRATION, 1957-1961

Independence did not bring any immediate change in the policy practised at the time. From 1957 to 1961, acting on the advice of the Jamaican economist, Arthur Lewis, Ghana called upon foreign capitalists to invest in the country. The government confined its activities to furthering the development of the infrastructure and although the volume of investments increased from 15% of the gross domestic product in 1955 to 21% in 1962, infrastructure absorbed this increase entirely. The result was a moderate growth (around 1.5% per capita in real terms), a gradual increase in public deficit (reaching 37 millions in 1961) and in the balance of payments (53 millions in 1961). The deterioration in the price of cocoa from 1954 onwards, emphasized this turn for the worse. With respect to private foreign capital, the inflow was insignificant despite the favourable conditions offered, since highly lucrative investment possibilities had already been exhausted by colonial development. The liberal economic policy was a complete failure: the years 1957-61 will stand out in Ghanaian history as a period of complete waste of the country's foreign reserves without any improvement whatever in the productive capacity of the country.

On the political front, the failure was no less evident. The regime brought upon itself a strong opposition both from the right and from the left. The opposition from the right came from the agromercantile group of planters, dissatisfied with the policy of the Marketing Board, whose purchase prices they considered to be too low. Ghana's accumulation of foreign reserves, a tangible support for the dollar against the pound sterling, was considered to be against the national interests. The government's creation of the Cocoa Purchasing Company, a branch of the Marketing Board, to which it granted the monopoly for the purchase of cocoa, put an end to the operations of the small African groups acting as intermediaries between the planters and the Marketing Board. This policy - a continuation of that of the colonial period - by destroying the nucleus of local bourgeoisie without opposing British interest, put the right-wing opposition, led by Danquah, in the curious position of "defending national interest" against the alliance between the CPP and Britain. The left, whose main strength lay with the Trade Union Congress, was yet to be contended with. Authorized in 1941, the TUC came into existence following an "apolitical" period (1941-47) and, from 1948 onwards, became a radical movement. Anthony Woode, Pobe Binay, Turkson Ocran, Nyemitei, the workers' Marxist leaders, have, since 1953, been exposed to the attempts of the government to integrate the trade unions with the regime. In 1953, the nomination of John Tettegah, coming from a moderate trade union to replace Ocran, a Marxist worker, as leader of the TUC and the latter's adhesion to the CISL were the outstanding events of the time.

In 1958, the TUC was reconstituted under the law and compulsorily brought under the control of the regime. Nevertheless, the dissatisfaction of the workers as a result of the fall in real wages (the index falling from 100 in 1939 to 89 in 1963) reached its peak in September 1961 and took the form of strikes (in the port of Takoradi and at Kumasi) these being ruthlessly broken up by J. Tettegah. At the same time, regressive actions were taken against the right. After the exile of its leader, K.A. Busia, (in 1958) and the arrest of the parliamentary members of the opposition, the regime evolved towards the one-party system.

In the course of the years 1955-62 the investment rate gradually rose from 15% to 21% of the GDP, but the investments went to the "traditional" sector. Between 46% and 55% of the investments went into construction, 20% to 23% for public works, 9% to 18% for the transport system and only 7% to 14% for other uses (directly productive). Public investments carried out between 1951 and 1959 amounted to a total of 118 million Ghanaian pounds, of which 50 millions were spent on the administrative and social services, 36 millions on transport and communications, 4.4 millions on power resources as against only 5.5 and 7.6 millions for industry and agriculture respectively. Besides, the world demand for cocoa no longer ensured a high, spontaneous growth. Cocoa was largely consumed by the Western world (80% of world consumption was in Western Europe, North America and the South Sea islands as against 10% in Eastern Europe and 10% in the Third World) and the world demand for cocoa had an income elasticity of less than unity. In addition, the world system organized, here as elsewhere "a surplus production" and developed competition between the countries of the Third World. Ghana, which for a long time more or less had a monopoly for the cocoa market, supplied between 1958 and 1961, only 34% of world production (against 39% between 1934 and 1938) whereas Nigeria increased its production from 14% to 16%, the Cameroon from 3% to 6%, the Ivory Coast from 6% to 7%. On the other hand, the output of Brazil, an old producer like Ghana, fell from 17% to 14%, while a number of scattered, small producers supplied 23% of world output (against 19% before the war). The surplus production brought about a slump in prices and the western consumer countries successfully opposed the organization of the market at the conference organized by the FAO in 1963.

Henceforth, a "miracle" was no longer to be expected. Stagnation led to a rapidly increasing deficit in external payments. Ghana's export elasticity in relation to the products of the developed countries was less than unity (about 0.7), whereas its import elasticity in relation

to its GDP was higher than 1 (about 1.2). The structure of imports provides an explanation for this. Consumer goods, for which there was no locally produced substitute, formed the bulk of the imports (about 50%). In addition, the inadequacy of commercialized food production (which reflects - the externally-oriented nature of the agriculture) necessitated increasing imports of wheat, rice, etc.. Further the development of light industries involved increasing imports of raw materials, power and semi-finished products (35% of the imports) as well as capital goods (15% of the imports). It has been estimated that the income of the cocoa planters determined 60% of the import demand; public expenditure, 20%; and investments, 20%. However, both current public and capital expenditures increased rapidly under the pressure of social needs and the in-built expanding pressure of bureaucracy.

The deficit in the trade balance was in turn, made worse by that of other items in the balance of payments: the negative balance of current public expenditure (embassies, etc...) and private expenditure (travels, tourism) increased from 5 million Ghanaian pounds in 1950 to about 10 millions in 1960, while private capital inflow and public foreign aid remained around 5 millions and the transfer of visible surplus gradually increased from 15 millions around 1950 to 30 millions around 1960.

The deficit in public finances was due simply to the inflexible nature of the tax system, the tax rate having more or less reached its ceiling. From 1955 to 1962 the GDP increased by 60%, while receipts from taxes rose by only 55%.

Such a trend contained the seeds of an inflation which, however, was held back for quite some time through the liquidation of the country's foreign assets. The Central Bank, which in 1957 replaced the West African Currency Board continued, until 1960, to operate according to the very liberal rules of the Sterling Exchange. The price rise, although still very moderate, was borne by the workers. The real wage index, with 1939 as base year, stood at 104 in 1958 but fell to 89 in 1963.

THE SOCIALISM OF THE N'KRUMAH PERIOD (1962-1966)

The economic and political crisis of 1961 brought about a search for new solutions by the N'Krumah regime, in 1962. The Second Five-Year Plan 1959-64, similar in strategy to the preceding one, was abandoned following the President's visit to the USSR. Instead, a Seven-Year Plan 1963-70 was worked out with provisions for a reduction in infrastructure investments from 80% to 63% as compared to the second plan, and for an increase in government investment in industry and agriculture from 20% to 37%.^{1/} However, these projects brought hesitations as well as opposition by the machinery of bureaucracy. By the time the regime collapsed in 1966, the only achievements were: 150 industrial projects (out of 600 planned), often badly conceived; bureaucratic State Corporations increased in number; foreign controls (exchange control, the control of import licences, etc) were strengthened in theory but turned out to be inefficient in practice due to corruption. Although the projects carried out were of a limited number, they enabled the industrial production of the country to double in four years, the value added in the processing industry having increased at the rate of 15% a year at constant prices with more than 75,000 workers in the industrial and mining enterprises, each employing more than 10 workers, Ghana was far ahead of the French-speaking West African countries, even those better placed for development, such as Senegal and the Ivory Coast. On the other hand, industrialization was largely carried out with government funds rather than with foreign capital. In fact, government's contribution to industrial production increased from 27% in 1963 to 43% in 1967. Further, the management of industry, unlike that of the French-speaking countries, was mainly ensured by Ghanaian nationals. In addition Ghana was the only country to have tried establishing a heavy industry involving metallurgy, machinery and chemicals.

^{1/} See Bob Fitch and Many oppenheimer - op.cit.

The Ghanaian difficulties and failure were due as much to the categorical refusal of the other West African countries to coordinate their industrialization with that of Ghana, as to internal corruption and misdirections.

The most important achievement of the period was that of the Volta River dam. The project dating back to 1925, was taken up after the war but was once again abandoned. When the difficulties of obtaining aluminium supplies from Britain were overcome, the project led to agreements being concluded with the American firm Kaiser and the IBRD in 1957 and 1960. Completed in 1965 the cost of the project amounted to 75 million pounds for the dam itself, the power station and Tema harbour, half of the project being financed by the Ghanaian government and half with a loan from the IBRD, whereas the aluminium refinery was financed by VALCO. The Volta dam project was severely criticized when it turned out that it had only a mild effect on the country's economy (with respect to public finances as well as the balance of payments) and for the favourable terms granted to Valco by the Ghanaian government which had committed itself to providing the company with electricity at cost price. The project enabled the production of 80 to 135,000 tons of aluminium and, from 1967, 1.6 billions of kilowatt-hours, providing Southern Ghana with cheap and practically unlimited quantity of electricity, which is an exceptional case in this part of the world. In 1968, agreements were reached with Togo and Dahomey to supply them with electricity from Akosombo. But the direct effects of the project on the country's growth were not substantial : 1,600 jobs were created, 8 million Ghanaian pounds of value added were induced directly or indirectly (mainly through taxation and the activities in Tema harbour) and 13 million pounds of positive contributions were made to the balance of payments. Although the lake of Akosombo made intensive fishing possible, (the production was estimated at 3 million pounds) the irrigation project enabled only a modest development of the irrigated lands at a very high additional cost. An additional investment of 26 million pounds was required, in order to give a production of 30,000 tons of rice on the Accra plains. Besides,

the lake was badly situated geographically and was of little interest for the development of transport.

This incongruous economic policy increased public deficit by about 40 million New Cedis a year between 1960 and 1965 (in February 1967 the New Cedi replaced the Cedi, created in July 1965, and which at the time, was worth 1.40 dollars). From 1961 the inflationary credits granted to public enterprises by the Ghana Commercial Bank, added their weight to the already existing source of inflation. The foreign reserves having been exhausted, the foreign deficit (30 millions of New Cedis a year between 1960 and 1965) could only be covered by increasing, short-term external debts. At the same time inflation, which so far had been held back, broke out (an increase in the cost of living of 48% between 1963 and 1966), followed by a disruption of the markets (black market, running-down of stocks, etc...).

In fact, from 1961 to 1967, the actual growth remained very low at 2.4%, which was less than the population growth. The investment efforts were maintained at a very high level until 1965, and public current expenditure increased rapidly (more than 10% a year at constant prices). This considerably reduced private consumption, which led to a fall of about 25% where real average per capita consumption was concerned. This fall in living standard affected the urban masses, particularly the lower strata of the working population, while the bureaucrats indulged in corruption and gave themselves a higher living standard. Together with the increase in unemployment, (salaried jobs increased by only 2% in five years whereas the urban population increased by at least 25%) the fall in living standard widened the gap between the regime and the people and prepared the ground for a successful coup d'etat.

As the price of cocoa on the "world market" was still very low and exports were at a standstill, the government decided to "redirect" its foreign trade towards the Eastern countries whose share in the Ghana trade increased from 0 to 10%. This new policy, however, brought no solution,

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as these countries paid the same prices as those ruling on the so called "world market".

Withing six years, current expenditure of the civil service increased 1.4 times. Government expenditure on administrative equipment and public enterprises as well as the current subsidies paid to deficit spending enterprises, all increased 3.5 times. But the inelasticity of the fiscal system (revenue only increasing pari passu with the GDP at current prices) compelled the government to finance its increasing deficit by borrowing externally and, in particular, on the domestic market, sometimes by means of "forced" loans. These borrowings, which at first stood at the low level of around 15 million New Cedis in 1960, rose to more than 100 millions by the time the regime ended. The result was that interest and amortization payments on the public debt absorbed an increasing part of the receipts from taxes: 17% at the end of the regime as against 4% in 1960. The public debt, which was negligible in 1960, represented more than 60% of the GDP at the end of 1967. The foreign debt alone represented more than 30% of the GDP at the end of the regime, 70% of which was high cost, medium term, credits for supplies, a fact which made the situation considerably worse. The internal debt itself reached its ceiling, as all the funds invested abroad (particularly the Post Office Saving Bank funds invested in Great Britain) were brought back into the country between 1963 and 1965. The result in fact was bankruptcy.

On the political level, the right-wing opposition continued to assist itself. For a short time in 1957, it was a single, though heterogeneous group known as the United Party. Otherwise, it was split up into the Ghana Congress Party (a small group of rich traders and anglicized intellectuals in Accra), the Northern People's Party (a lobby of Northern chiefs), the Togolese opposition led by Apaloo and Kodzo Ayeche (based on the solidarity of the Ewes and backed by the dissatisfied cocoa planters who were forced to sell their products to the Marketing Board at 72 shillings, while their brothers in ex-French Togo were paid 200 shillings)

and the National Liberation Movement, which formed the main body of the opposition. The latter started in Kumasi and was led by Danquah, Busia and Bafour Osie Akoto, and rallied the planters, Ashanti chiefs and anglicized intellectuals who were dissatisfied with the policy of the Marketing Board and the State's monopolies in trade. N'Krumah never tried to fight this opposition but instead, appealed for support to the agricultural workers who were always badly organized and to the urban workers, themselves victims of the inflation. Ghana's foreign policy, based on "Pan-Africanism" (emphasized in 1959-60 by the theoretical Guinea-Ghan-Mali Union and the adherence to the Casablanca group) tended towards the "left", a fact revealed by her intervention in the Congo in 1960-61, the troubles with her Ivory Coast and Togolese neighbours, and her attitudes at the UN, etc. Although the policy was "popular", it never made up for the internal dissatisfaction. Likewise, the one party system never acquired any real consistency and the party ideology, occasionally formulated in socialistic terms, was becoming more and more mystifying (the Osagyefo cult of "conscience", the Redeemer - N'Krumah, etc....).

THE COUP D'ETAT OF FEBRUARY 1966 AND THE SUCCESSION:

The coup d'etat on the 24th of February 1966, organized by General Ankrah during the President's visit to Peking, did not meet with any resistance, neither from the CPP which was dissolved by decree (despite its 500,000 members !) nor from the administrative body, supporting the National Liberation Council made up of pro-English officers. Constitutional deliberations lasted throughout 1968-69. The resignation in April 1969 of General Ankrah, who admitted corruption, paved the way for a return to civilian rule. In August 1969 a Legislative Assembly was elected on the basis of a multi-party system, but N'Krumah's opposition party was banned. The new constitution, proclaimed in October 1969, laid down a two-tier system of government. Dr. Busia was nominated Prime Minister, but as no agreement had been reached with regard to the Head of State, a "provisional presidential commission", headed by General Alfred Afrifa, exercised the presidential duties. The obvious pro-western policy of Dr. Busia brought forth interest-free loans of 1.5 million dollars from the IBRD and a very generous debt-rescheduling agreement with regard to China's debt to the United States, Great Britain and France.

The new regime dedicated itself to a liberal economic policy influenced by the IMF, the IBRD and the United States, which was characterized by the devaluation of the New Cedi in July 1967 (1 New Cedi = 0.98 dollars) together with a wage restraint, the removal of the foreign control system and the return to private hands of a large number of public enterprises sold to foreign companies, etc. The consequences of this policy are at present dubious: the deficit in public finances remains as important as in the past, despite the "austerity" measures adopted. Far from renewing faith in the new regime, the sudden freeze in public investments and the abandonment of the industrialization policy, worsened the stagnation of the economy. In spite of the guarantees offered by the regime there was not much foreign capital inflow into Ghana, where "profitable" investment opportunities likely to be of interest to foreign investors were exhausted long ago. The economic standstill, even more remains than at the time of N'Krumah, led to a fall in tax revenues from 282 million New Cedis in 1965 to 240 millions in 1966-67. The budgetary deficit increased from 77 million N.C. in 1965 to 101 millions in 1968. Although price increases were slowing down, the wage freeze led to a continuous fall in living standard and consequently to renewed trade union activities which, in March 1969, ended in violent strikes, brutally suppressed by the army.

A partial equilibrium was thus obtained in foreign trade, though at a very heavy cost and with serious consequences for the future. With the overthrow of N'Krumah, the boycott of Ghanaian cocoa on the "world market" luckily came to an end, and the price of cocoa increased more than two-fold in 2 years. Simultaneously, the stop to investments and the deflationary policy of reducing real wages resulted in a fall of 20% in imports in 2 years. The trade balance which had been showing a deficit up to 1966, gave a surplus of 50 million N.C. in 1968.

PROBLEMS AND PROSPECTS.

The misfortune of Ghana is that its "economic miracle" that is, a spontaneous growth of agricultural products for exports is already a thing of the past, unlike that of the Ivory Coast, which is now taking place. Ghana can thus no longer retain such illusions. Her only alternative to a stagnation of the economy is an internally initiated development. But this type of development necessarily comes up against obstacles of a social nature such as the hostility of the leading agricultural class where development and wealth was based on the integration of colonial trade into the world market. N'Krumah's mistake was not that he went too far but rather that he did not go far enough. He tried to confront the mercantile class with an urban bureaucracy without really trying to obtain popular support. It has turned out that bureaucracy, a product of colonization, has betrayed his regime, after having alienated him from the masses, through its extravagances and corruption. In any case, steady and irreversible progress would have been difficult, as the climate of international opinion had already isolated N'Krumah's Government within the continent. His Pan-Africanism had been qualified as "agressive" by his neighbours and yet it would have been the only way to start solving the actual problems of development, which unfortunately have not yet claimed the attention of Ghana's neighbours (except Senegal).

As the regime which followed is bound on the same bureaucracy that N'Krumah had established and on the agromercantile class of cocoa planters, it is incapable of solving any of the problems of modern Ghana. Short of considerable international support (the raising of cocoa prices) it is only just able to maintain its foreign trade in equilibrium. This equilibrium is however, of a regressive nature and leaves no scope for growth and progress.

The international system is only interested in maintaining this equilibrium in "foreign trade" which of course implies a heavy impost on the potential surplus of the Ghanaian economy. The balance of payments

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reveals a part of this tax in the form of private transfers, investment income and a considerable part of the "current services" (which consists of profit transfers, very often in a disguised form) and amounting to about 100 million New Cedis, or 6% of the GDP. This estimate is no doubt lower than the actual figure. It is based on the assumption that the balance of payments is always "correct", that is, there exists a perfect system of control and that fraudulent transfers (false import invoices, "declared" profits of foreign companies which are artificially underestimated, etc...). The proportion of 6% is less than the visible transfers representing the level of import in the French-speaking West African countries where it amounts to about 10% (Ivory Coast and Senegal). This is explained by the more developed structure of economic control in Ghana: it is known that in the French-speaking countries the drain resulting from the activities of the large number of white people belonging to the small bourgeoisie is added to that of the big companies. In Ghana a local bourgeoisie replaces this white bourgeoisie found elsewhere. On the other hand the invisible drain is considerable in Ghana. On the assumption that labour productivity is the same but that in the Ghana export sector, labour is paid only half the price it fetches in the developed countries (whereby we have unfavourable terms of trade), the real drain due to the international system would amount to 350 million New Cedis for a GDP revalued at 2,000 N.C. or 17% thereof. This is the key to the stagnation of the Ghanaian economy, to its inability to develop despite its high level of investment characterized by a per capita level of available capital equal to that of Japan.

TABLE I

GOLD COAST: The launching of colonial development
1891-1911 - Estimate of growths

<u>Aggregates</u> (000 £ value 1911)	<u>1891</u>	<u>1901</u>	<u>1911</u>
G.D.P.	11,148	13,411	19,467
+ Imports	908	2,127	3,610
- Exports	872	740	3,612
	<u>11,184</u>	<u>14,798</u>	<u>19,465</u>
<u>Private consumption</u>			
Traditional	9,200	10,000	11,100
Imported products	1,595	2,741	4,310
<u>Public consumption</u>			
	150	490	635
<u>Gross capital formation</u>	239	1,567	3,420
<u>Population</u> (000 people)			
Colony	907	990	1,064
Ashanti	314	342	392
Northern territories	<u>429</u>	<u>468</u>	<u>544</u>
Total	1,650	1,800	2,000

TABLE I (Contd.)

<u>Exports</u> (000 £ current)	1891	1901	1911
Palmoil and palms	283	268	305
Rubber	199	104	219
Wood	22	55	139
Gold	88	22	1,058
Colanuts	2	35	93
Cocoa	0	43	1,613
Miscellaneous	53	22	44
	647	519	3,471
<u>Imports c.i.f.</u> (000 current £)			
Consumption goods	583	1,215	2,365
Capital goods	30	171	347
Currency	54	195	560
Intermediate goods for consumption	19	160	193
Others	69	82	148
Total	755	1,823	3,613

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TABLE I (Contd.)

<u>Consumption of imported goods</u> (000 current £)	<u>1891</u>	<u>1901</u>	<u>1911</u>
Alcoholic drinks	406	699	1,113
Textiles	470	778	1,414
Tobacco	48	82	203
Miscellaneous	<u>194</u>	<u>767</u>	<u>1,580</u>
Total	1,118	2,326	4,310
 <u>Capital formation</u>			
Constuctions	76	652	800
Equipment	46	241	490
Cocoa plantations	3	127	1,573
Currencies	<u>54</u>	<u>195</u>	<u>560</u>
Total	179	1,215	3,423

Source: R. Szereszewski, structural changes in the Economy of Ghana 1891-1911, London 1965

TABLE 2 - GHANA

<u>Cocoa Exports (000 tons)</u>		<u>annual averages</u>	
1900 - 04	2	1935-39	272
1905 - 09	11	1940-44	191
1910 - 14	41	1945-49	229
1915 - 19	97	1950-54	231
1920 - 24	168	1955-59	229
1925 - 29	224	1960-64	380
1930 - 34	225	1965-1969	405

TABLE 3 - GHANA

Population, urbanization internal migrations and immigration

	<u>1890</u>	<u>1910</u>	<u>1920</u>	<u>1948</u>	<u>1960</u>	<u>1968</u>
<u>Population (millions)</u>						
North (1)	0.4	0.5	0.7	1.1	1.3	1.4
South (1)	1.2	1.5	2.1	3.3	5.4	7.4
Total	1.6	2.0	2.8	4.4	6.7	8.8
<u>Urban Population</u>						
(000 people) (2)	60	120	220	570	1,600	2,600
%	4%	6%	8%	13%	23%	30%
<u>Origin (millions)</u>						
Ghanaian (3)	1.6	2.0	2.8	3.9	5.2	6.5
Foreign	0	0	0	0.5	1.5	2.3
<u>Migration from the North to the South</u>						
-(millions) (4)	0.0	0.0	0.1	0.2	0.6	1.0
<u>Non-African foreigners</u>						
(units)	-	-	2,000	"	7,000	17,000

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- (1) North: Northern Territories: South + Colony and Ashanti
 - (2) Towns of more than 5,000 inhabitants. In 1960 Accra had 338,000 inhabitants, Kumasi 181,000, Takoradi - Sekondi 76,000, Cape Coast 41,000 and Koforidua 35,000. The only important town in the north, Tamale, has 40,000 inhabitants.
 - (3) The natural growth of the Ghanaian population having gradually reached 2.6% in 1968, the difference is due to immigration from abroad.
 - (4) Population of Northern origin settled in the South.

TABLE 4 - GHANA

Structure of the economy in 1960

1. Sectorial distribution of manpower and production in 1960

	Jobs (000)	Production (millions)	Value added G. £.)	Value added per job (G.P.)
Agriculture	1553	141	140	90
Timber industry	13	14	13	1031
Mining	48	27	22	467
Industries, handicraft	28	29	9	332
Construction	89	66	43	479
Services	830	254	192	232
Total	2,561	531	421	164

2. Distribution of intermediate consumption 1960

a) - Structure of intermediate consumption (1)

	Local input as % of output	Imported input
Agriculture	0.0	0.3
Cocoa	1.5	-
Forestry	2.4	1.4
Mining	9.6	7.3
Industries, handicraft	41.6	22.7
Electricity	37.5	16.7
Construction	15.9	18.4
Services	7.1	7.2

b) - Structure of final demand (2)

Destination of output	Local input	Imports	Indirect Taxes	Total
Exports	78	1	21	100
Private consumption	75	20	5	100
Public "	90	10	-	100
Capital formation	67	32	1	100

Source: A study of contemporary Ghana by Omaboe, Nenstad and Birmingham, London 1966, 2 vols.

- (1) Agriculture supplies 29% of the output, the secondary sector, 23% and the tertiary sector, 48%. The sectors consuming a large share of local input (industry, electricity) are insignificant. They provide 5.5% of total national output.
- (2) Composition as a percentage of output, work being considered as local input.

TABLE 4 (Contd.)

3 - <u>Available capital</u>	<u>1955</u>	<u>1960</u>
	(million G. £.)	
General equipment machinery	135	186
Means of transport, aircrafts, ships	21	34
Infrastructure, construction	371	567
Cocoa plantations	238	361
Other rural equipment	<u>14</u>	<u>17</u>
Total	779	1,164
G.D.P.	355	476
Capital coefficient	2.2	2.7
Per capita capital stock (G.£)	131	188

TABLE 5 - GHANA - Regional distribution of the activitya) Regional distribution of production, capital, consumption and manpower

	Surface (in square miles 000)	Population 1960 (000)	Density (per sq.miles)	G.D.P.	Capital	Capital cocoa plantation (millions) G.f. at 1960 value	per capita consumption (shillings) urban/rural		Manpower excluding agricul., forestry, fishing (% of labour force)
<u>South</u>									
Accra Area	1.0	492	497	87	376	-	338	-	87
Western									
Western	9.5	626	66	94	232	73	228	187	42
Central	3.7	751	205						
Eastern	7.8	1094	141	58	130	62	226	195	41
Volta	8.0	777	97	34	59	26	183	211	38
Ashanti	9.7	1109	114	75	220	125	292	221	38
Brong-Ahafo	14.9	588	39	36	97	75	211	262	20
<u>North</u>									
Northern	27.1	532	20	39	49	-	135	84	14
Upper	10.5	757	72						
TOTAL	92.1	6,727	73	421	1,164	361	250	168	38

b) Share of cocoa in the regional production

Regions	Share	Area planted (000 acres)	Male workers in the cocoa industry
Brong Ahafo	27%	1,003	70,000
Ashanti	21%	1,580	113,000
Eastern	14%	549	74,000
Volta	10%	348	34,000
Western-Central	10%	741	81,000
Total		4,224	374,000

Source: A study of contemporary Ghana

TABLE 6: Distribution of Manpower in 1960

a) Non-agricultural manpower (in urban and rural areas in thousands)

	Men	Women	Total
Mining	45	2	48
Industries, handicraft	136	98	235
Construction	86	2	89
Transport and communication	67	1	68
Trade	95	275	371
Services	137	31	169
TOTAL	566	409	980

b) Qualification of manpower, 1960 (000)

Technicians and professionals	60
Workers: skilled and semi-skilled	395
miners	33
transportworkers	52
employees in the services sector	54
Administrators, employees	56
Sales-staff	346
TOTAL	1000
Of which, self-employed	490
Wage earners in the	
public sector	189
private sector	303

Source: A study of contemporary Ghana.

TABLE 7: GHANA

Industries - Structure in 1960 - Establishments employing more than 10 workers

Processing industries	Number of establishments	Value Added (000 G.c.)
Saw mills	149	4,763
Drinks and tobacco	473	4,090
Transport equipment	325	1,024
Chemicals	61	444
Printing	37	439
Food industries	106	421
Furniture	164	198
Non-ferrous minerals	56	180
Metals	51	118
Hides and plastics	16	109
Textiles	277	58
Miscellaneous	17	84
Total	1732	11,931
<u>Construction</u>	-	14,913
<u>Of which</u>	<u>Industries</u>	<u>Construction</u>
Government	72	3,663
State companies	1	
Private " } Public corporations	10,851	9,633
Partnership	492	199
Individual enterprises	516	1,418
Total	11,931	14,913

Source: A study of contemporary Ghana

TABLE 8 - GIANA - Economic changes 1950-62

a) Aggregates, national accounts

	<u>Current prices</u>				<u>(millions G. £)</u>			
	1955	1956	1957	1958	1959	1960	1951	1962
Private consumption	252	262	291	279	317	339	393	405
Public "	26	30	33	35	39	48	55	63
G.F.C.F.	52	56	56	55	75	96	104	96
Stocks	-	5	-6	-1	10	11	-14	-6
Exports	101	91	96	110	120	123	122	121
Imports	97	99	107	95	126	148	163	144
G.D.P.	334	345	363	383	435	469	497	535
			<u>Constant Prices 1960</u>		<u>(millions G.£)</u>			
Private consumption	278	282	298	288	317	339	364	335
Public "	37	38	40	40	42	48	53	60
G.F.C.F.	60	60	58	58	81	96	99	92
Stocks	-	5	-6	-1	10	11	-14	-6
Exports	86	95	107	94	109	123	137	151
Imports	106	104	109	97	126	148	163	140
G.D.P.	355	376	388	382	433	469	476	492

b) Price index of aggregates

	<u>1955</u>	<u>1960</u>	<u>1962</u>
Private consumption	91	100	121
Public "	70	100	105
G.F.C.F.	87	100	104
Exports	117	100	80
Imports	92	100	103
G.D.P.	94	100	109

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c) Actual expenditure and revenue of the central government (millions current G.£)

	<u>Revenue</u>	<u>Expenditure</u>	<u>Balance</u>
1952-53	42.5	24.8	+ 17.7
1953-54	47.6	32.3	+ 15.4
1954-55	77.3	30.5	+ 46.8
1955-56	60.3	42.4	+ 17.9
1956-57	46.6	39.7	+ 6.9
1957-58	44.6	43.7	+ 0.9
1958-59	49.2	48.7	+ 0.5
1959-60	58.3	56.7	+ 1.6
1960-61	66.5	72.6	- 6.1
1961-62	85.6	123.0	- 37.4
1962-63	90.8	125.2	- 34.4

d) Cocoa Marketing Board

	<u>Exports</u> (millions current G.£)	<u>Surplus</u> current G.£)	<u>Index of price paid</u> <u>to producers (1)</u>
1947-48	41.5	23.8	224
1948-49	37.5	12.5	341
1949-50	45.1	17.4	202
1950-51	70.3	19.0	268
1951-52	51.6	2.0	314
1952-53	57.1	4.6	276
1953-54	74.7	9.1	283
1954-55	77.5	5.9	267
1955-56	52.3	-1.8	295
1956-57	50.7	-7.5	290
1957-58	62.9	4.4	260
1958-59	70.9	6.0	252
1959-60	60.9	2.0	201
1960-61	71.6	-10.0	186

(1) Base year for the index: 1938-39 = 100 (index of current price paid to producers - retail price index).

e) Balance of payments

	<u>Trade balance</u>	<u>Balance of payments</u>	<u>Terms of Trade</u>
1950	+ 31.0	+ 20.1	158
1951	+ 34.6	+ 19.3	146
1952	+ 25.1	+ 11.5	158
1953	+ 20.8	+ 5.2	149
1954	+ 53.6	+ 40.7	100
1955	+ 17.0	+ 1.8	115
1956	+ 3.1	- 13.3	149
1957	+ 4.2	- 14.4	157
1958	+ 29.0	+ 10.8	112
1959	5.9	- 11.3	123
1960	- 2.7	- 33.5	153
1961	- 18.6	- 52.7	188
1962	3.4	- 28.3	198

(MILLIONS CURRENT G.£)

f) Monetary situation 1950 - 59 (millions current G. £)

Year	Currency in Circula- tion	Annual variation	A S S E T S			External assets outside the banking system (annual variations)		
			External assets of the bank- ing system	Credit to the economy	Treasury bills at the bank	Government	Marketing Board	Private
1950	32.6	-	-	-	-	+ 11.6	-	-
1951	38.6	+ 6.2	+ 1.2	+ 0.5	-	+ 4.4	+ 11.4	- 0.4
1952	39.5	+ 1.2	+ 5.8	+ 0.8	-	+ 4.2	- 2.4	+ 0.1
1953	43.6	+ 4.9	+ 2.5	- 0.7	-	+ 37.6	+ 4.9	- 3.5
1954	45.0	+ 2.0	+ 2.2	+ 0.6	+ 0.1	+ 7.7	+ 0.2	- 2.9
1955	41.8	+ 1.1	+ 3.9	+ 0.8	-	- 8.4	- 3.1	+ 2.3
1956	45.1	+ 4.1	+ 0.8	+ 1.7	- 0.1	- 14.3	- 11.3	+ 0.6
1957	45.9	+ 1.9	- 3.6	+ 0.9	-	+ 1.8	- 1.9	+ 1.4
1958	45.3	+ 0.7	+ 4.8	+ 1.6	+ 0.1	- 0.8	+ 2.4	+ 0.8
1959	50.4	+ 7.2	+ 3.5	+ 2.2	+ 0.1		- 14.9	+ 0.6

Source: Ghana Economic Surveys 1962-67

TABLE 9: Ghana - Economic changes 1961-68
Aggregates (million New Cedis) (1)

	<u>C u r r e n t P r i c e s</u>						
	1961	1962	1963	1964	1965	1966	1967
Private consumption	804	830	915	984	1255	1337	1286
Public "	110	122	138	160	205	261	308
G.F.C.F.	210	184	218	232	271	246	213
Stocks	-20	-12	- 8	14	1	15	6
Exports	244	240	234	244	252	219	265
Imports	326	270	290	283	376	285	300
G.D.P.	1022	1094	1208	1357	1608	1793	1778

	<u>Constant Prices - 1960</u>						
	1961	1962	1963	1964	1965	1966	1967
Private consumption	752	710	744	717	722	689	724
Public "	104	114	126	134	165	172	193
G.F.C.F.	200	182	216	221	250	207	162
Stocks	-20	-10	-8	+26	-9	+16	+7
Exports	276	324	308	271	334	306	289
Imports	322	282	312	272	350	277	233
G.D.P.	990	1038	1074	1097	1112	1113	1142

(1) Cedi created in July 1965 (1 Cedi = 1.17 dollars) and New Cedi in February 1967 (1 New Cedi = 1.40 dollar = 1.20 Cedi = 0.50 pound devalued in July 1967 (1 New Cedi = 0.93 dollar).

Source: Economic survey 1968.

TABLE 10: GHANA - Economic activities 1961-68

a) Index of foreign trade

	1961	1962	1963	1964	1965	1966	1967	1968
Volume of exports	101	106	100	101	124	103	95	"
Volume of cocoa exports	100	104	100	94	118	97	81	82
Volume of imports	105	88	100	94	114	101	95	"
Export price	104	98	100	108	84	84	100	131
Cocoa export price	102	95	100	106	85	78	118	167
Import price	103	103	100	99	105	94	107	"

b) Principal exports

	1964	1965	1966	1967
Cocoa - Beans (000 tons)	382	494	392	330
Cake (000 tons)	16	21	24	24
Butter (000 tons)	12	21	39	23
Timber - Gross (million cubic feet)	24.3	19.7	16.8	17.9
Sawn	8.9	8.1	7.2	6.7
Bauxite (000 tons)	264	283	306	296
Manganese "	498	568	589	445
Diamond (000 carats)	2569	3084	2000	1990
Gold (000 fine ounces)	831	783	690	767

c) Production of stock farming, fishing and forestry

	1964	1967
<u>Livestock</u>		
Cattle and oxen (000 heads)	504	552
Sheep and goats "	652	1058
<u>Fishing</u> (000 tons)	93	111
<u>Production of timber</u> (million cubic feet)	61.1	47.4

d) Industrial Production

1) Value added using 1962 prices as base (million N.C.)

	1963	1967	Index 1967 (1962 = 100)
Mining and quarrying	35.2	35.1	101.8
Processing industries	49.3	72.5	176.8
Electricity	4.9	12.6	332.6

TOTAL = 89.4 120.2 151.6

Public sector and semi-public sector (% of output) 27% 43% 230

2 - Value Added at current prices (million N.C.)

<u>Manufacturing industries</u>	<u>1963</u>	<u>1967</u>
Food industry, tobacco	21.7	35.3
Textiles, clothing	2.3	15.2
Timber, furniture, paper	14.1	16.8
Printing	2.8	4.4
Rubber, chemicals	4.6	9.0
Mineral - oil products	1.9	5.4
Metallurgy	0.3	5.2
Machinery	2.9	8.0
Miscellaneous	1.3	2.6
Total	52.0	102.2

<u>Construction (turnover)</u>		
Concrete building	86.8	76.9
Traditional buildings	15.8	21.9
Works	48.4	61.1

3 - Electricity millions Kwh

	<u>1963</u>	<u>1967</u>
Urban power generating stations	237.7	30.2
Mining	232.7	34.3
Volta Dam	-	1,495.4
Total	470.3	1,560.0

e) Salaried jobs

<u>Total salaried jobs (000 pers)</u>	<u>1962</u>	<u>1967</u>
Private sector	131	103
Public sector	225	257
Total	356	361

Establishments employing more than 10 workers

	<u>1965</u>		<u>1967</u>	
	<u>Public</u>	<u>Private</u>	<u>Public</u>	<u>Private</u>
Agriculture, fishing, forestry	49.6	6.3	45.5	3.5
Mining and quarrying	12.6	14.1	12.1	13.2
Industries	8.1	23.7	11.7	24.4
Construction	52.7	20.1	30.5	14.9
Energy, water	14.0	-	15.4	-
Trade	7.6	24.5	16.7	17.8
Transport and communication	24.4	5.9	22.2	5.3
Services	108.8	19.5	97.0	19.1
Total =	277.8	114.1	251.1	92.2

f) Price index

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Wholesale price	95	-	100	107	124	125	130	156
Cost of living	87	-	100	112	141	148	139	153

Source: Economic Survey 1968

TABLE 11 Public Finances

a) - Government budget - implementation -(million N.C.) (1)

	1960-61	1961-62	1962-63	1963-64 ⁽¹⁾	1965	1966	1966-67
<u>Current budget</u>							
1 = Revenue	144	194	164	255	282	230	240
2 • Current exp.	134	181	160	236	220	203	231
a) salaries	45	63	48	69	60	60	66
b) interest on the debt	3	5	5	14	14	19	22
c) subsidies	23	41	40	57	55	63	71
3 - Public savings	10	13	5	19	62	26	9
<u>Capital budget</u>							
1) <u>Revenue</u>							
Public savings and other capital re- sources	10	13	5	19	62	26	9
Voluntary contribution	5	6	4	-4	7	10	29
Internal loans	22	-	-	37	-	-	-
External "	12	74	107	107	101	111	77
Total resources	14	10	2	7	2	25	16
	63	104	139	167	174	173	132
2) <u>Expenditure</u>							
Admin. invest.	62	97	72	89	101	46	43
Invest. subsi- dies & capital loans	38	44	41	56	48	53	49
Debt amortiza- tion:							
Internal	3	1	3	36	17	54	38
External	-	7	-	-	8	-	-
TOTAL Expend.	73	149	116	181	174	153	130
3) Surplus of deficit of the Treasury							
	-10	-45	+23	-14	-	+20	+2

(1) 15 Months

b) Public finances: General results (million N.C.)

	<u>Revenue</u>	<u>Expenditure</u>	<u>Deficit</u>
1960-61	166	215	-49
1961-62	194	299	-105
1962-63	165	265	-100
1963-64	293	377	- 84
1965	284	361	- 77
1966	231	268	- 75
1966-67	241	301	- 59
1968	298	399	-101

c) Public debt: (million N.C.)

	<u>End 1960</u>	<u>End 1965</u>	<u>End 1967</u>
<u>External:</u>			
Long term	6.4	367	469
Short term	6.3	12	15
<u>Internal:</u>			
Long term	64.5	207	334
Short term	12.0	200	180
Total	89.2	786	998

d) Public external debt (million N.C., end 1967)

Credits for supplies	341
Loans earmarked for the Volta project	70
IMF Drawings	45
Government bonds held by foreigners	18
Various foreign loans	17
Total	484

Source: Economic Survey.

TABLE 12: Balance of Payments

a) 1961-66 (million N.C.)

	<u>Source: Economic Surveys</u>					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Exports	244	240	234	244	252	219
Foreign capital:						
Private	- 9	16	22	22	61	46
Public	94	33	39	36	36	36
Reduction of foreign assets (net)	16	17	34	-8	57	21
Total	345	306	329	294	406	321
Imports	326	270	290	283	376	285
Current private services and current public expend. (net)	46	42	38	41	47	41
Transferred surplus	-17	-6	1	-30	-17	-5

b) 1963-68 (million dollars)

	<u>Source: I. M. F.</u>					
	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
<u>Assets:</u>						
Private capital	31	31	86	49	31	20
Public "	55	50	49	49	19	25
Drawing in foreign assets	50	12	77	24	23	10
<u>Liabilities:</u>						
Trade deficit (1)	30	-	118	40	-19	-48
Current services	35	32	40	38	40	30
Investment income	25	19	27	20	24	32
Private transfers	33	45	40	30	45	40

(1) Minus sign signifies surplus

TABLE 13

Monetary situation (million current N.C.)

	1961	1962	1963	1964	1965	1966	1967	1968
Foreign assets	121	105	70	63	6	-15	-43 ⁽¹⁾	-56
Credit to the government	2	39	53	112	168	228	247 ⁽¹⁾	301
Credit to the economy	54	61	112	152	169	201	216	217
Total currency	146	163	173	242	240	248	241	256
Quasi money, miscellaneous	30	41	63	84	103	167	179	206

(1) of which 13 million N.C. counterpart to the devaluation (revaluation of foreign debt).

Source:

IMF
