

# THE SPARK



A SOCIALIST WEEKLY OF THE AFRICAN REVOLUTION

No. 66

2d.

(Registered at the G. P. O. as a newspaper)

FRIDAY, MARCH 13, 1964

## WHY THE SEVEN-YEAR

### EDITORIAL

### OUR TASK (1) LABOUR

GHANA has launched the Seven-Year Development Plan covering the period 1963/64 to 1969/70. In effect, Ghana is now fully wedded to economic growth under the conditions of economic planning. We can say for short that Ghana has now given full effect to its determination to take the socialist path of development. It is only socialist economy which accepts planning. Capitalist economy develops spontaneously amidst competition and anarchy. It does not develop through planning.

Throughout the plan one fact stands out clearly: Labour has got a very vital role to play. Osagyefo the President devoted 400 words of his speech on the Plan to the vital role the workers of Ghana must play in the execution of the Plan.

The Plan envisages large-scale work to establish many industrial projects and enterprises and to complete the Volta Dam. The President has always emphasised the need for basic industrialisation:

"As long as we are unable to make our own machine tools, the instruments for the manufacture of all the myriad commodities, large and small, we at present import, we shall continue to be at the mercy of outside sources of supply. We shall continue to be economically dependent, and all talk of socialist progress will be so much chatter." This means that in the coming seven years, the productivity of labour must increase and the rate of growth of production must be accelerated to help us fulfil our target. The present situation therefore places an onerous burden on the shoulders of the workers of Ghana and throws a challenge to the trade union movement of this country.

In a country dedicated to socialism, the role of trade unions is closely related to the fundamental problems of increased industrial and agricultural output and raising labour productivity. That is why a socialist country gives full encouragement and incentive to creative work and creative attitude to labour.

There is a popular saying in socialist countries that to the worker, "development plans are regarded as directives and their fulfilment binding." A socialist victory is the victory of the worker. Under socialism he works for himself and his own society. Every achievement in production helps to improve his standard. In a capitalist society he works for the betterment of the capitalist class.

Under socialism the worker is the custodian of state property. He is not only a watchdog against saboteurs, he fights against those who tend to slow down progress. He knows that progress means increased productivity which in turn is a condition precedent to a fuller life for the entire people.

At every stage in the march to socialism the state in turn ensures that every progress made is towards the betterment of the worker.

The challenge which the development plan offers the workers of Ghana calls for a new type of trade union leaders. They must appreciate that the present stage demands a fundamental change in their attitude and conception to the whole socialist revolution.

They must rely more on force of example and less on pontifical repetition of slogans. They must lead more by persuasion and honest dealing and

## D-PLAN

THE Seven-Year Development Plan is now officially launched by Osagyefo the President. It provides for the investment of a total of £1,016 million within the Seven-Year period 1964—1970. Its broad aim is to create the material and cultural foundations that can support a socialist society in which every Ghanaian will enjoy a modern standard of living in his home supplemented by an advanced level of public services outside.

This Seven-Year Development Plan should be seen as the first of a series (one telescoping into the other) designed to transform our national economy within the short period of time from what it is into what we want it to be. This view of the Seven-Year Plan demands that we know not only where we start from but also whither we are heading.

The starting point is the colonial economy left behind by imperialism. The principal features of that economy are its lopsidedness, over-dependence and ability to provide only a meagre life at subsistence level for the broad masses.

Our goal we have already chosen in the national referendum just concluded. It is a socialist society in which every citizen shall have the opportunity, backed up by the requisite material conditions, for the enjoyment of a full and contented life.

### STEADY AND RISING INCOMES

However, the happiness of the entire people in a socialist society can be built only upon the foundation of a sound, a balanced, and an expanding economy. Such an economy must be able to provide steady and rising incomes for every able bodied person of working age. It must adequately provide for the care and

sustenance of the infirm and the aged. It must be strong enough to bear the burdens of a high level of social services for all.

This Seven-Year Development Plan, like those that will come after it, is designed to move us away from the narrowly based and over-dependent semi-colonial economy of today to a dynamic, broadly based and steadily expanding economy, which is the material foundation of a socialist society.

Look at it from another angle. We have voted for the greatest happiness of all. But this happiness will be real and lasting only when linked with the enjoyment of goods and services created in plenty. And it is the creation of this plenty in order to sustain the socialist way of life that is the basic objective of the Seven-Year Development Plan.

A note of caution must be sounded here. While we resolutely pursue this goal

less by dictation and intrigues. They must dwell more on the practical implications of the development plan and the general policies of the Government and less on highbrow polemics.

We have chosen socialism which provides stable development. It has inexhaustible dynamism and the capacity of development at a great tempo, without class conflict and in accordance with its own laws of development. Knowledge and mastery of these laws, which provide the essence of planned development, will produce a truly man-made social system.

The worker looks to the promised bliss of the socialist millennium. He knows that under socialism the downtrodden are going to be raised. There shall be no more unemployment and uninteresting jobs, no more deprivation and lack of chances, but a fair deal. Everything is going to be put right.

His greedy ears listen to what we say every day. Let us all to the plough put our shoulders. Let the smiles on our faces reflect the glowing warmth of our quenchless faith and hope in WORK and HAPPINESS.

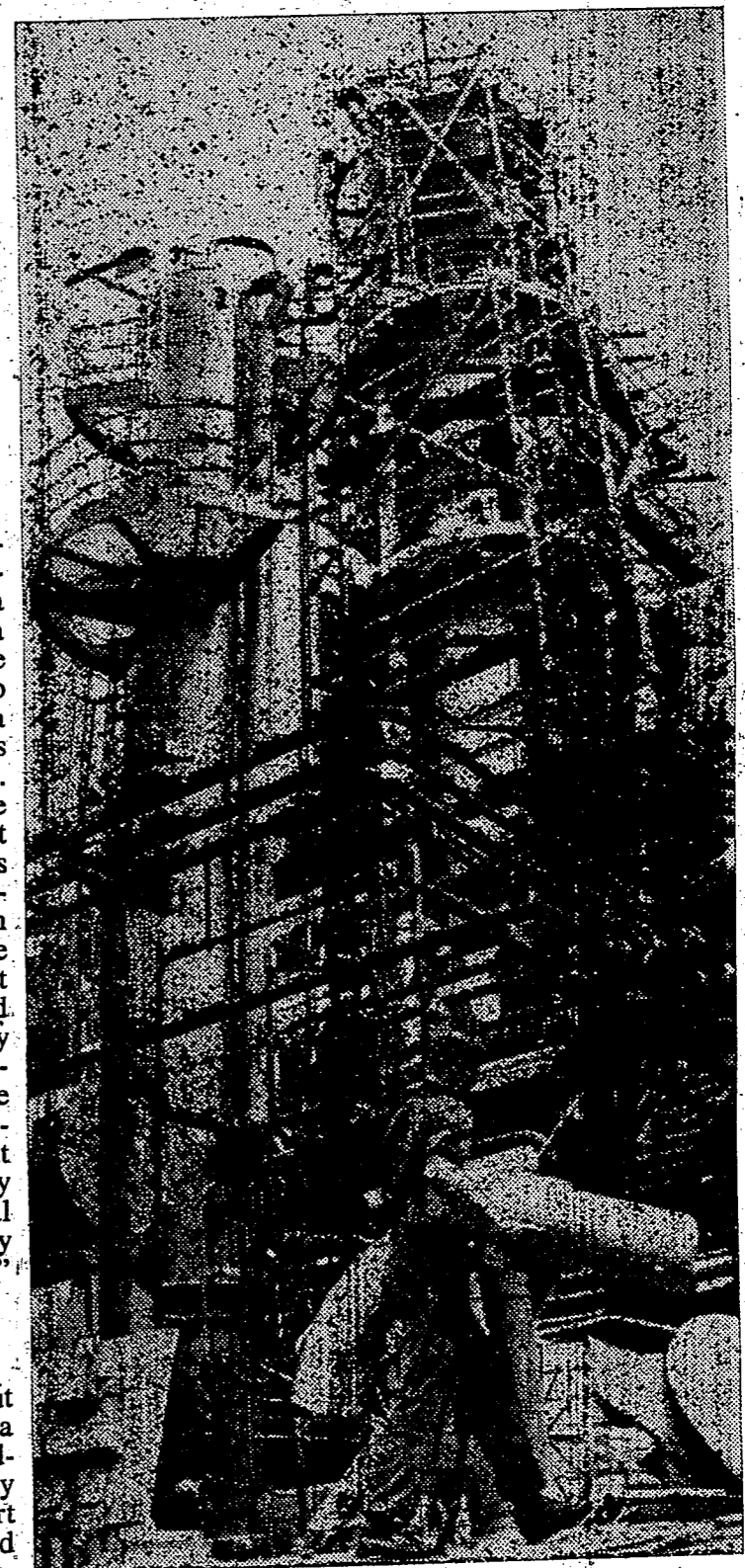
of a balanced and expanding economy that can provide the material basis of a decent life for all, we, as a nation, must at the same time make sure that we do not fall backwards into a new and even more invidious form of economic slavery. In addition, we must make quite certain that we do not generate economic trends that would create difficulties in our co-operation with sister African states in the economic field. We must plan in way to help forward African economic unity within the context of African political union. In the words of Osagyefo the President, "this development must proceed in such a way as to promote our national independence and the unity of the African continent."

### THE CARDINAL CONCEPTS

It has been pointed out that our chosen goal is a socialist society. In the advance towards this society our entire national effort shall be mobilised by and channelled through the Convention People's Party. This too is our conscious choice. Now, the Party, it will be remembered, adopted its socialist programme of "Work and Happiness" at the July 1962 Congress in Kumasi. What then, it may be asked, are the cardinal concepts that make up our socialist policy for economic reconstruction?

Briefly, these are three: Firstly, the economy must assure a high standard of living for each citizen by providing him with gainful employment. We must find work for every person who can work and at the same time make sure that his earnings are adequate to provide a rising living standard for him and his family. In short, the security and stability of family life will be based primarily on safeguarding the earning ability of the bread-winner. Secondly, the entire resources of our society must be used to satisfy only those ends that are socially desirable. For example, public want and private affluence should never be co-existent. The resources of society must be consciously utilised

Continued on page 7

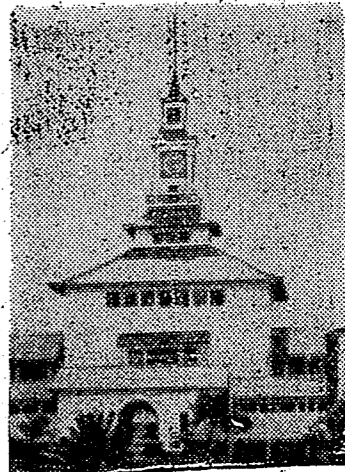


### WHO IS THE TREACHEROUS ONE?

"THE SPARK" is informed from London that there is a new and spreading opinion in Britain that the University of Ghana will find it hard to recruit academic staff from that country in future.

According to the report, this situation is the result of a letter sent from high places in the University to London "explaining" the political risks involved in accepting a teaching post in the University of Ghana. According to the report, the letter suggests that academic staff may lose their tenure on security grounds.

It is our belief that



any such letter coming from the University would be disloyal in the extreme and is on moral grounds impeachable. Perhaps the Vice-Chancellor of the University will issue a statement on the issue.

—THE EDITOR

# THE SEVEN-YEAR DEVELOPMENT PLAN

by Kwame Nkrumah

**OUR SEVEN-YEAR DEVELOPMENT PLAN WHICH, WHEN COMPLETED, WILL BRING GHANA TO THE THRESHOLD OF A MODERN STATE BASED ON A HIGHLY ORGANISED AND EFFICIENT AGRICULTURAL AND INDUSTRIAL PROGRAMME.**

The main tasks of the Plan are **FIRSTLY**, to speed up the rate of growth of our national economy. **SECONDLY**, it is to enable us to embark upon the socialist transformation of our economy through the rapid development of the State and co-operative sectors. **THIRDLY**, it is our aim, by this Plan, to eradicate completely the colonial structure of our economy.

When the Convention People's Party came to power in 1946, the pace of development was so slow and confused that we decided to speed it up by attempting to implement in five years, the programme of reconstruction designed by the colonial administration to take place over a period of ten years. This programme was not a development plan. It was a collection of various individual projects that had to be built in preparation for future planning.

At the conclusion of this first programme, it became necessary to pause for two years in order to consolidate our position. By the time we reached the stage of implementing the next phase of our programme, it had already become quite clear to us that the only real solution to the reconstruction of Ghana lay, in the long run, in the adoption of a socialist and co-operative programme for industry, and mechanisation and diversification of our agriculture. Our plans in this regard lay in the Volta River Project, about which I will have more to say later on.

## COMPREHENSIVE ECONOMIC PLAN

This Seven-Year Development Plan which I now lay before you is therefore the first really integrated and comprehensive economic plan ever drawn up for Ghana's development after a thorough examination of our needs and resources. The plan is designed to give effect to the Party's Programme of Work and Happiness which has already been accepted by the country. It also embodies a long view of the path which should lead to a self-sustaining economy, based on socialist production and distribution, and an economy balanced between industry and agriculture, providing a sufficiency of food for the people, and supporting secondary industries based on the products of our agriculture. In other words, an economy founded securely on the basis of socialist production and distribution.

Our aim, under this Plan, is to build in Ghana a socialist State which accepts full responsibility for promoting the well-being of the masses.

Our national wealth must be built up and used in such a way that economic power shall not be allowed to exploit the worker in town or village, but be used for the supreme welfare and happiness of our people. The people, through the State, shall have an effective share in the economy of the country and an effective control over it.

A socialist Ghana must also secure for every citizen, at the earliest possible date, an adequate level of education and nutrition and a satisfactory standard of clothing, housing and leisure.

The Party has always proclaimed socialism as the objective of our social, industrial and economic programmes. Socialism, however, will continue to remain a slogan until industrialisation is achieved. Socialism demands a very different kind of planning and economic structure from the type that was evolved by the colonial administration.

This is why in 1961 we set up a Planning Commission and charged it with the responsibility for drawing up this Development Plan which I present to you today as an instalment in the process by which we hope to turn Ghana into the sort of country we envisage.

A socialist State cannot come by itself, nor can it be established by the formulation of plans. Socialism has to be worked for and even sacrificed for. Socialism, which is aimed at the emancipation of the people from exploitation, has to be built by the people. It is the expression of the people whose Government accepts responsibility for promoting their welfare to the fullest possible extent.

In this endeavour, we shall expect from each citizen a maximum contribution to the national economy according to his ability and training. It is only in proportion to the contribution which each of us makes to the work of the Nation that we can expect to share in the material gains which the socialist development of the economy will make possible.

## A MIXED ECONOMY

In order to accomplish our objectives, we have decided that the economy of Ghana will for some time to come remain a mixed economy in which a vigorous public and co-operative sector will operate along with the private sector. Let me make it clear that our socialist objectives demand that the public and co-operative sector of the productive economy should expand at the maximum possible rate, especially in those strategic areas of production upon which the economy of the country essentially depends.

We are determined that the economic independence of Ghana shall be achieved and maintained so as to avoid the social antagonisms resulting from the unequal distribution of economic power. We are equally determined to ensure that

the operation of a mixed economy leads to the socialist transformation we envisage, and not to the defeat of our socialist aims. It is essential, therefore, that we should remind ourselves at all times of the necessity:

**firstly, to promote to the maximum the development of State and co-operative sectors; secondly, to regulate the pattern of State investment in order to give the highest priority to productive investment, and thirdly, to determine and direct the forms and conditions of foreign investment, in order to safeguard our socialist policy and national independence.**

In this way, we shall ensure that the growth rate of the public and co-operative sector of our economy will exceed the growth rate of the private sector, particularly in industry and agriculture.

## MANY ESTABLISHMENTS

As you know, we have already established many industrial projects and enterprises, as a means of securing our economic independence and assisting in the national control of the economy. I must make it clear that these State Enterprises were not set up to lose money at the expense of the tax payers. Like all business undertakings, they are expected to maintain themselves efficiently, and to show profits. Such profits should be sufficient to build up capital for further investment as well as to finance a large proportion of the public services which it is the responsibility of the State to provide.

In every socialist country, state enterprises provide the bulk of State revenues, and we intend to follow the same pattern here. Our State enterprises will be set yearly financial and production targets so that they may work towards definite objectives and goals and thereby give every stimulus to operate efficiently and profitably.

Hence, the managers of our State enterprises, and those in charge of our State organisations and apparatus should be men trained in management; honest and dedicated men; men with integrity; men who are incorruptible.

When we have succeeded in establishing these principles, Government will then be in a position to lower taxes progressively, to lessen steadily the burden of taxation on the people and eventually to abolish many of them altogether.

I have set up a State Management Committee to bring these ideas to life and to help in building up strong, well managed, efficient and profitable State enterprises.

I intend, however, that the State Management Committee shall do more than that: I want to ensure

that the people of this country are fully informed of Government's intentions and plans, particularly with regard to industrialisation and agriculture.

The people have every right to be fully informed in order that they may know what our objectives are, what progress we are making and how Government funds are being spent in the interest of this country's economy development.

I am convinced that with this knowledge will come that understanding which will give our people the necessary stimulus to do all they can to help achieve our objectives for work and happiness and accelerated development.

Foreign investment as the private sector of our industrial development can play an important role in our economy. It has a valuable contribution to make to our economy and to the attainment of certain specific objectives. Among these will be production of consumer goods, the local processing of Ghanaian raw material and utilisation of Ghana's natural resources in those lines of economic activity where a large volume of investment is required.

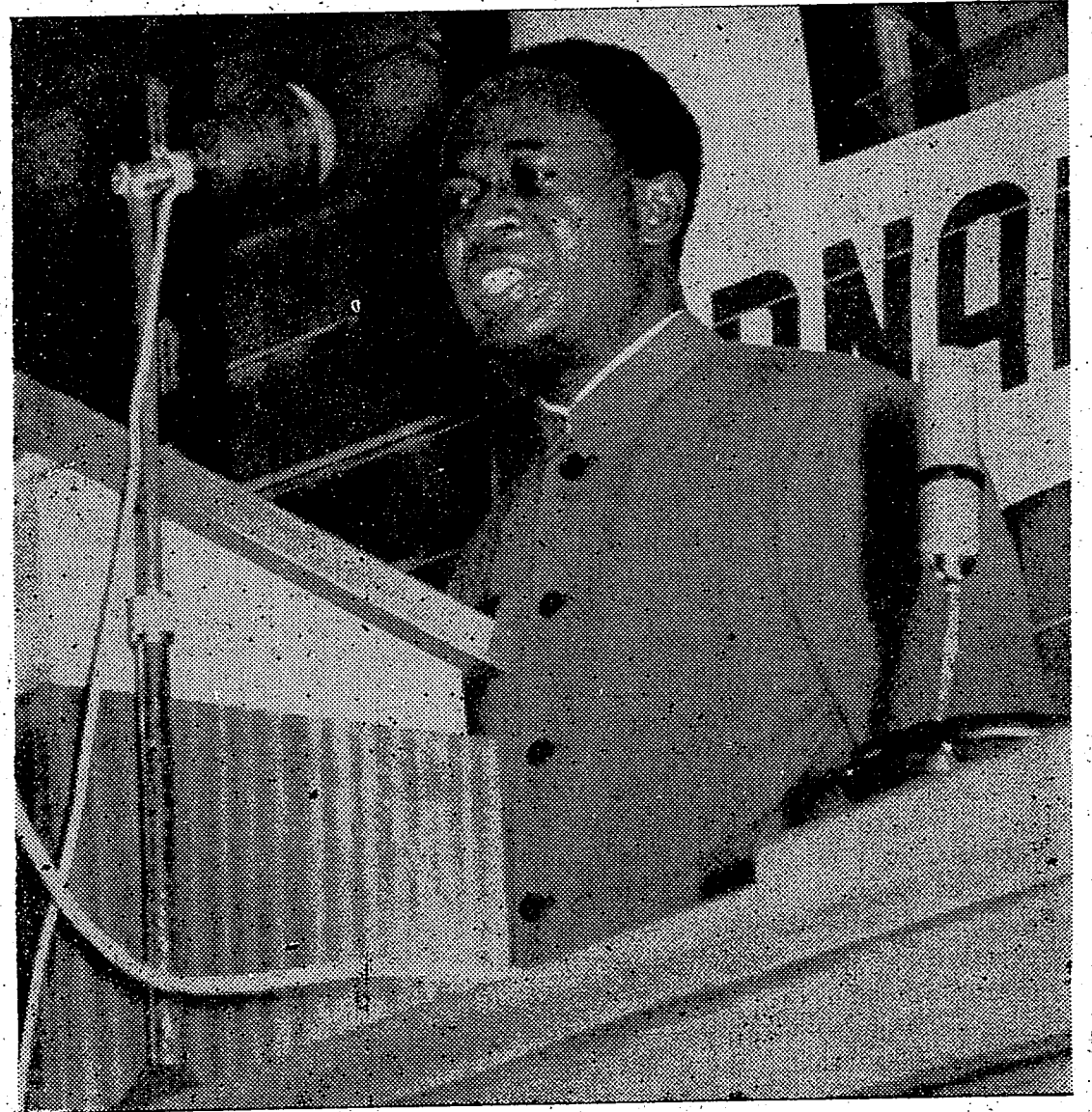
We expect, however, that such investments will not be operated so as to exploit our people. On the contrary, we expect such enterprises to assist in the expansion of the economy of the country in line with our general objectives. Foreign investment enterprises will contribute personal initiative, managerial ability and technical skills towards the development of the country. They will also further the growth of similar initiative, ability, technical skills and habits of saving among Ghanaians.

## FOREIGN INVESTORS WELCOMED

We welcome foreign investors in a spirit of partnership. They can earn their profits here, provided they leave us an agreed portion for promoting the welfare and happiness of our people as a whole as against the greedy ambitions of the few. From what we get out of this partnership, we hope to be able to expand the health services for our people, to feed and house them well, to give them more and better educational institutions and to see to it that they have a rising standard of living. This in a nutshell is what we expect from our socialist objectives.

In pursuing these objectives, we shall exert our efforts towards the maximum extension of the public sector within the productive economy. As I have said, within this framework we do not intend or desire to limit private investment.

Our Government has always insisted that the operations of all economic enterprises in Ghana should conform to the national economic objectives and be subject to the rules and regulations which are made in pursuance of our socialist policies. Our experience has been that foreign investors have been willing to invest in Ghana so long as the limits within which they can work are fair and clear-



ly defined, and we shall continue to consult with them in order to ensure that co-operation is as full as possible.

Ghana's economy, particularly at the present stage, has room for all the investment capital which is likely to be provided by foreign investors, by the Central and Local Governments and by individual Ghanaians.

In this respect, I believe that there are a considerable number of individual Ghanaians who are in a position materially to assist in finding the necessary capital for the Seven-Year Development Plan.

One of the worst features of colonialism was that it produced an unbalanced economy in which there was little room for investment of the profits which were made by expatriate firms. In colonial days it was natural that profits made in Ghana should be invested abroad. To-day the situation is entirely different. An investor who lays out his money wisely in Ghana is likely to make a larger profit than if he invested it in a more developed country. Nevertheless, old habits of investment persist and there are a considerable number of Ghanaians who still maintain their savings in foreign investments and in property outside Ghana.

**EXCHANGE CONTROL LAWS**  
Under our Exchange Control laws it is, of course, illegal for Ghanaians to have property abroad without having declared this to the appropriate authorities. This aspect of our law is not always understood. The Government has decided, therefore, not to penalise any Ghanaian firm or individual who, within the next three months, repatriates foreign holdings of money to Ghana, or who declares ownership of foreign property.

A thorough investigation is afoot to discover the extent of holdings of foreign exchange and properties by Ghanaians, and those who do not take advantage of this offer but continue to conceal their foreign assets, must expect, after the three months period of grace, to be subject to the full rigours of the law.

The Seven-Year Development makes provision for a maximum volume of investment from all sources. We intend that the State should retain control of the strategic branches of the economy, including public utilities, raw materials and heavy industry. The state will also participate in light industry and consumer goods in which the rates of return on capital should be highest. We intend also that those industries which provide the basic living needs of the people shall be State-owned, in order to prevent any exploitation.

Let me now turn to the specific proposals of the Seven-Year Plan. In the next seven years, it is proposed that there will be a total expenditure of one-thousand-and-a-half-million pounds, that is, over a billion pounds, sterling, on development projects in the Plan. Of this total, it is intended that four-hundred-eighty-six million pounds should be provided by the Central Government. Foreign investors, individual Ghanaians, Local Authorities and the Co-operative sector are expected to invest about four-hundred-forty million pounds. We also hope that individual Ghanaians will contribute nearly one-hundred million pounds worth of direct labour in the construction of buildings, in community development and in the extension of their farms.

The total government investment will be four-hundred-and-eighty-six million pounds.

**A GOOD OFFER**

Investment throughout the Seven-Year Plan period will average one-hundred-and-thirty million pounds a year. Of this, approximately one half, or sixty-eight million pounds a year, will be invested by Government, and the rest by private enterprises.

We continue to look to the outside world to contribute to our national development. We expect the more advanced and industrialised countries to facilitate our trade in primary commodities and manufactured goods so that we can finance the bulk of our development out of our own resources and earnings.

We hope that where necessary, the Government of Ghana will be able to borrow money on reasonable terms for essential and productive projects. Let me say again that we welcome foreign investors to come and invest in Ghana's progress. We offer them every assistance, substantial material benefits, and the advantages of coherent long term economic strategy which will give them plenty of scope for planning and development. At the same time, we expect them to reinvest an adequate share of their profits in the further progress, both of Ghana and of themselves.

In order to be able to manage these new investments as well as our existing capital with the maximum of efficiency, the country needs a well-trained labour force under competent management. In this sense, the educational programme under the Plan is crucial to the success of the whole Plan. It is directed towards giving education in Ghana a new and more practical orientation and making it available to all who can profit by it.

Continued on page 3

# Ghana's Agriculture, Industry and Education to be expanded

Continued from page 2

In order to make real economic progress, Ghana must adopt an improved technology in all lines of production. We look to the educational system and educational institutions to equip our people with the latest advancements in industrial and agricultural technology. We expect our Academy of Science and our research organisations to adapt this technology to the conditions of Ghana. And we look to the Managers of our enterprises to adopt the technology which is developed, and to foster skills by a maximum programme of "on the job" training.

The development of Ghana has hitherto not been sufficiently balanced between different parts of the country. It is the deliberate policy of this Plan to correct this imbalance. Naturally we must develop in each part of the country the type of economic activity to which it is best suited by reason of natural resources and geographical location. But a special effort has to be made in order to ensure that the rate of progress in the less favoured parts of the country is even greater than the rate of progress in those sections which have hitherto been more favoured. It is only by this means that we can achieve a more harmonious national development.

## MAJOR SCHEMES

In the present Plan period it is proposed to pay special attention to the modernising of agriculture in the savannah areas of the Northern and Upper Regions. It is hoped through secondary industries based on agricultural raw materials, to turn the Northern areas into major sources of food supplies for the whole country. In this regard, the Government has recognised the importance of irrigation and water conservation in the country and has already initiated far-reaching plans for major schemes of irrigation and water consolidation.

The backbone of Ghana's agriculture has always been its farmers who, par-

ticularly in recent years, have made a fine contribution to the economy and expressed their patriotism in a number of unselfish ways. The developments the Government is proposing in the areas of State and co-operative farming will bring them a share of the local facilities they have so long been denied. More than this: they will have the opportunity also to share in the up-to-date techniques of farming that must be employed if greater yields and diversity of crops are to be accelerated.

I want our farmers to understand that the State Farms and Co-operative enterprises are not being encouraged as alternatives to peasant farming. The interest of individual peasant farmers will not be made subservient to those of the State farms and Co-operatives. We need the efforts of our individual farmers more than ever, along with our State farms and Co-operatives if we are to achieve, at an increased pace, the agricultural targets we have set. We look to our individual peasant farmers for the enlargement of investment in our agriculture.

## GOOD LIVING STANDARDS

As I have stressed time and again, the revolution taking place in Ghana, is chiefly a revolution of the workers and the tillers of the land. A vital phase of this revolution is the implementation of the Seven-Year Development Plan which aims at the total exploitation of all sections of our economy to raise the standard of living of the people of Ghana. I am happy that the workers have demonstrated their complete dedication to our revolutionary cause.

Upon the attainment of independence, the Party, as the conscious political vanguard of the Trade Union Movement, worked with the Trade Unions and created a new and more effective structure of the Trades Union Congress. Government supported the desire of the workers for this new Trade Union structure.

Thus, we were able to create in our labour and industrial laws conditions for

resolving quickly and expeditiously the problems of our working population. Thus, also, the workers accepted the responsibility to contribute to the economic and social reconstruction of our economy.

In the State sector of our economy, the workers employed in our State Corporations will be afforded full and equal opportunities for participating in the planning and execution of our industrial projects. It is only in this way that the workers will closely identify themselves with the attainment of the economic and social objectives of our new society and will thus equate their own welfare with the prosperity of the country. Such new working relationships will enable the workers to acquire the sense of complete belonging and full participation and they will no longer consider themselves as working for colonialist exploiters. I have given instructions that some of our State enterprises be

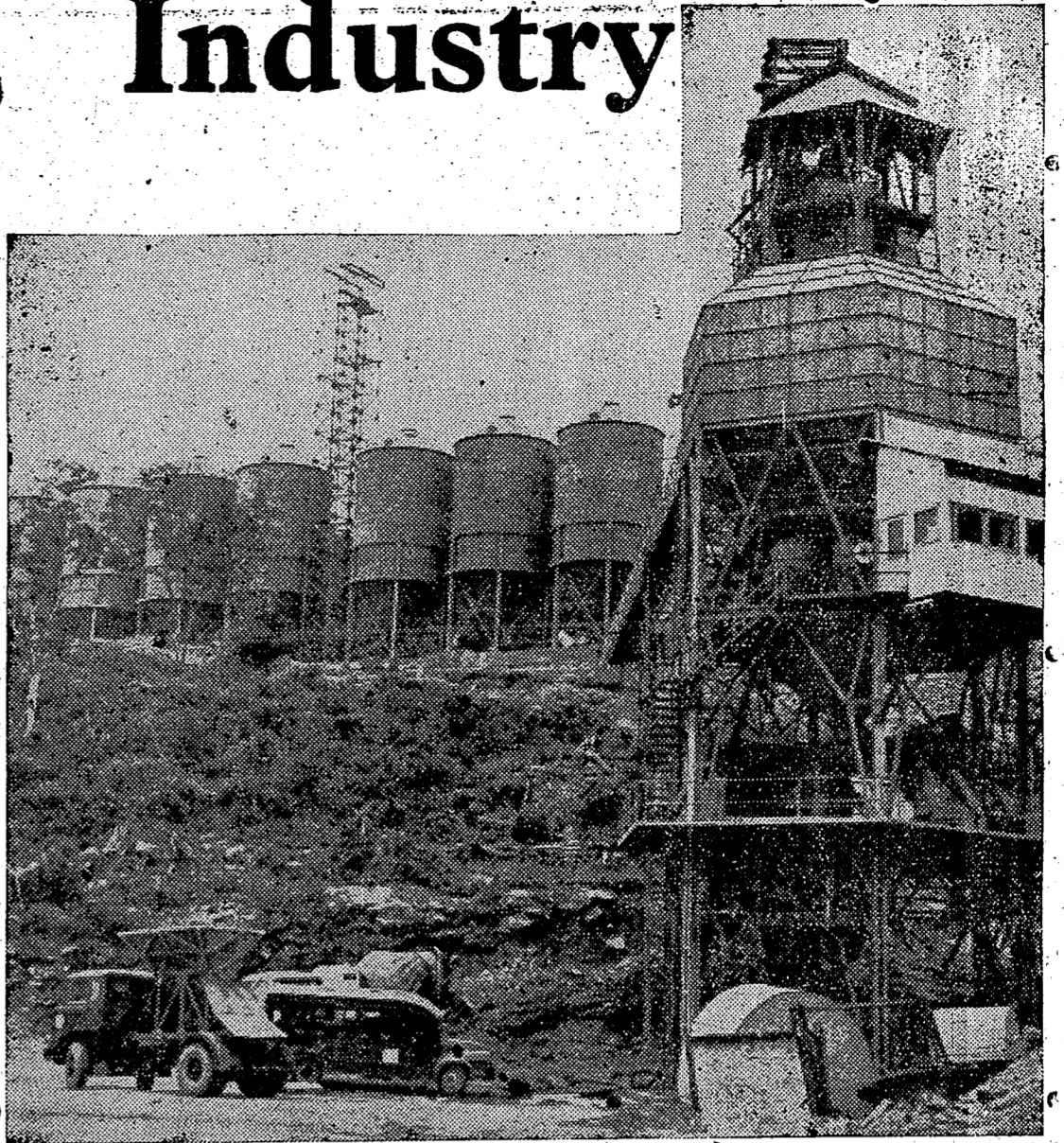
the part they ought to play and are drawn into full consultation in the execution of our Plan.

I call upon all workers, farmers and peasants of our country to accept this challenge and fulfil the hopes and aspirations of our people.

When I spoke at the opening of the Unilever Soap Factory at Tema on the 24th August 1963, I said, among other things, that in order to pay tribute to the importance of labour in the development of Ghana, the Government has decided to institute a special Order to be known as the "Order of the Black Star of Labour". Details of this Order, which will rank among the highest honours of the State, have now been worked out and all classes of labour will qualify for this Order. It is my confident expectation that this award will provide ample incentive to all workers, and that every worker of the nation will make it his ambition to qualify for the title of Worker of the Year.

## CHEAP ELECTRICITY

I am happy to inform the House that on present estimates, it is confidently expected that the Volta River Project will begin to generate electrical power by September, 1965. On that



ced by the Ghana Government; but the American and British Governments have joined in the financing of it, together with the World Bank, and we have had the most helpful and fruitful collaboration with American enterprise in the shape

African countries.

The Plan we are launching today relates to projects and developments which we wish to see take place in Ghana. It grieves me that we in Ghana who so strongly advocate the unity of the African continent, should be forced to take so narrow a view of planning. I have advocated for closer union of Africa times without number. I have emphasised the need for a continental union Government for Africa as the only solution to Africa's ills and problems. Since the Addis Ababa Conference, it has been made abundantly clear that artificial borders which we inherited from the colonial powers should be made obsolete and unnecessary. While we wait for the setting up of a Union Government for Africa, we must begin immediately to harmonize our plans for Africa's total development. For example, I see no reason why the independent African States should not, with advantage to each other, join together in an economic union and draw up together a joint Development Plan which will give us greater scope and flexibility to our mutual advantage. By the same token, I see no reason why the independent African States should not have common shipping and air lines in the interest of improved services and economy. With such rationalisation of our economic policies, we could have common objectives and thus eliminate the unnecessary competition and frontier barriers and disputes.

As every day passes, it is becoming clearer and clearer that it is only the establishment of a Union Government of Africa which can save our separate States not only from neo-colonialism, but from imperialism itself. We in Ghana are determined to make our whole-hearted contribution towards this objective.

We are prepared to make whatever further provisions may be required to enable us to play our part in the achievement and consolidation of African Unity. Recent events in East Africa and in other parts of Africa have shown how urgent is the need for the establishment of a central machinery for dealing with the serious political and economic questions confronting us in Africa today.

The object of the Seven-Year Development Plan which I have outlined to you is to modernise our agriculture and develop our industry as a basis of our socialist society. I, for my part, am determined that the Plan shall succeed. Its success must rest on the support of each and every one of you and on the devotion and hard work of the officials, Heads of Corporations and Enterprises, whose duty it will be to translate the Plan into action. In the Seven years ahead, all our energies must be concentrated on its implementation.

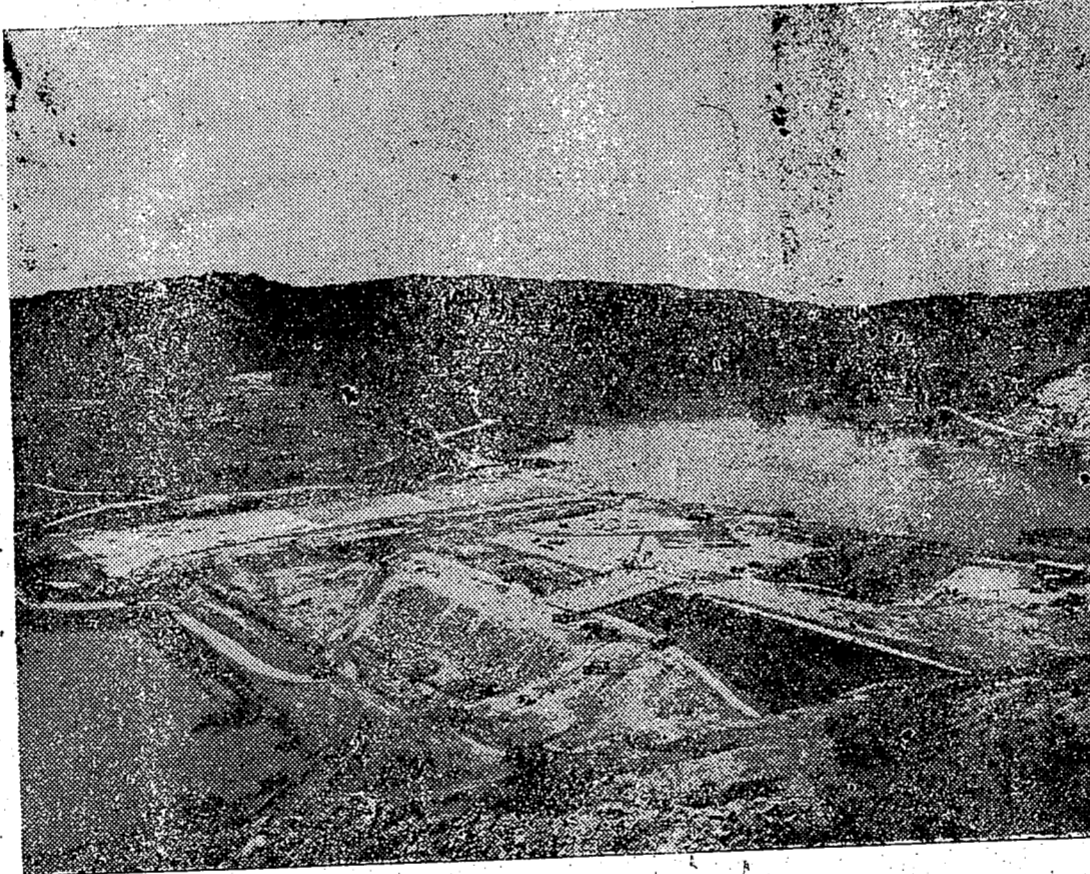
## AN EFFECTIVE GOVERNMENTAL MACHINERY

It has long been apparent that the administrative machinery which we inherited was not designed for a country working within the framework of an overall plan, and in which the activities of individual agencies of the nation are directed to clearly defined goals of development. An effective reform of the governmental machinery is therefore needed if the Seven-Year Plan is not to falter on the inadequacies of administration. The first task in this regard will be to attune more closely the policies and actions of every agency or organ of Government to the overall national policy as defined in the Seven-Year Plan.

I have caused to be published with the Seven-Year Plan a guide to its implementation. This guide should be studied most carefully by Members of this House, by the Party and Government officials, Managers of State Enterprises, the farmers organisation, the Trades Union Congress and all those who will be concerned with the implementation of the Plan.

I have, earlier this month, established several organisations whose responsibility it will be to see to the rapid execution of the Plan. These are, firstly, the NATIONAL PLANNING COMMISSION, through which the people will be associated with the Plan, and which will be enlarged to include Ministers, representatives of Corporations and organisations and integral wings of the Party.

Continued on page 6



handed over completely to the workers who will manage them for themselves on behalf of the State.

The success of this Seven-Year Development Plan will only be attained if the enthusiasm of our workers is mobilized and they know

date, we shall come to the end of one phase of our cherished goal and usher in the beginning of a new and more exciting endeavour to utilise the vast electric power which will be at the country's disposal for the enrichment of our economy and our people; Completion of the Volta Project will enable us to develop the industrial potential of Ghana. Indeed, the possibilities for our agriculture and industry will be revolutionised. First and foremost the Volta Project will increase by nearly 500 per cent the installed electrical capacity of the country. Nearly one half of this new capacity will be taken up by the aluminium smelter in Tema. But there will be an ample reserve of power for other users, and Ghana will have liberated herself decisively from the possibility of power shortage becoming again a brake on the rate of economic progress.

I would like in this context to point out the degree to which the Volta Scheme fits into our chosen combination of a mixed economy with socialist and co-operative goals. A major part of the Scheme is being financed by the Kaiser group of

industries.

Meanwhile, our Italian contractors, Impregilo, have achieved the remarkable feat of taking one year off the time of construction of the dam. Throughout the scheme, we have worked together in the greatest harmony. I regard this great scheme as an example of the way in which careful and proper planning together with foreign investment, public control and participation, and the devoted labours of the people can revolutionise the economic base of society.

The achievement has a significance far beyond Ghana's frontiers.

## OUR CONTRIBUTION TO AFRICA

It is only by strengthening our economy in this way that we can make an effective contribution to our brothers in Africa and the political unification of our continent. In this endeavour, the Seven-Year Plan makes provision for the undertaking of joint enterprises in individual fields of industry and also for the harmonisation of our total programme of economic development with that of other



# BONN STABS AFRICA

## Kulturabkommen zwischen der Bundesrepublik Deutschland und der Republik Südafrika

## Kulturele Ooreenkoms tussen die Federale Republiek van Duitsland en die Republiek van Suid-Afrika

## Cultural Agreement between the Federal Republic of Germany and the Republic of South Africa

Die Bundesrepublik Deutschland und die Republik Südafrika, in dem Bestreben, eine freundschaftliche Zusammenarbeit auf kulturellem Gebiet zu pflegen und dadurch das gegenseitige Verständnis zwischen beiden Völkern zu fördern, haben folgendes vereinbart:

Die Federale Republik van Duitsland en die Republiek van Suid-Afrika, in die strewing om vriendskaplike samewerking op kulturele gebied aan te moedig en daarby die onderlinge verstandhouding tussen hulle onderskeie volke te bevorder, het soos volg ooreengekom:

The Federal Republic of Germany and the Republic of South Africa, endeavouring to promote friendly co-operation in the field of cultural affairs and, thereby, to further mutual understanding between their respective peoples, have agreed as follows:

### Artikel 1

Die Vertragsparteien werden be-  
strebt sein,

- den Austausch von Hochschul-  
lehrern, Dozenten, Lehrern, For-  
schern, Studenten, Journalisten  
und anderen empfohlenen Per-  
sonen;
- die Zusammenarbeit zwischen  
wissenschaftlichen und kulturel-  
len Einrichtungen und Zusammen-  
schlüssen beider Länder;
- gegenseitige Besuche ausgewähl-  
ter Einzelpersonen und Personen-  
gruppen zur Förderung der kul-  
turellen Zusammenarbeit;
- die Zusammenarbeit zwischen an-  
erkannten Jugendorganisationen  
beider Länder

zu erleichtern.

### Artikel 2

Die Vertragsparteien werden bemüht  
sein, sich gegenseitig dabei zu un-  
terstützen, ihren Völkern die Kenntnis  
der Kultur des anderen Landes zu ver-  
mitteln, und dies insbesondere durch:

- Bücher (unter Einschluss von  
Lehrbüchern), Zeitschriften und  
Veröffentlichungen;
- Vorträge;
- Konzerte;
- Kunst- und sonstige Ausstellun-  
gen;
- Theatervorführungen;
- Ton- und Fernsehfunk, Filme und  
andere technische Ausdrucks-  
und Verbreitungsmittel;

### Artikel 1

Die Vertragsluitende Partye stel  
hulle ten doel om die volgende te  
bevorder:

- die uitruiling van universiteits-  
personeel, lektore, onderwysers,  
navorsers, studente, joernaliste  
en ander goedgekeurde persone;
- samerwerking tussen wetenskap-  
like en kulturele inrigtings en  
verenigings in die twee lande;
- wedersydse besoeke van uitge-  
soekte individue en groepe per-  
sone met die doel om kulturele  
samerwerking te bevorder;
- samerwerking tussen erkende  
jeugorganisasies in die twee  
lande.

### Artikel 2

Die Vertragsluitende Partye moet  
wederkerig behulpzaam wees om die  
kultuur van die een land beter bekend  
te maak in die ander land, in die be-  
sonder deur middel van:

- boeke (insluitende handboeke),  
tydskrifte en publikasies;
- lesings;
- konserter;
- kuns- en ander uitstallings;
- toneelopvoerings;
- radio, televisie, films en ander  
tegniese uitdrukkings- en kom-  
munikasiehulpmiddels;

### Article 1

The Contracting Parties shall strive  
to facilitate:

- the interchange of university  
staff, lecturers, teachers, research  
workers, students, journalists  
and other approved persons;
- co-operation between scientific  
and cultural institutions and so-  
cieties of the two countries;
- mutual visits of selected indivi-  
duals and groups of persons  
with a view to promoting cul-  
tural co-operation;
- co-operation between recognized  
youth organisations of the two  
countries.

### Article 2

The Contracting Parties shall endea-  
vour to assist each other in imparting  
to their peoples knowledge of the cul-  
ture of the other country, particularly  
by means of:

- books (including text-books),  
magazines and publications;
- Lectures;
- concerts;
- art and other exhibitions;
- theatrical performances;
- radio, television, films and other  
technical means of expression  
and communication;

Nr. 1 — Tag der Ausgabe: Bonn, den 11. Januar 1964

15

(g) Zusammenarbeit auf dem Gebiet  
der geschichtlichen Forschung und  
der Benutzung von Archiven.

### Artikel 3

Die Vertragsparteien werden be-  
müht sein, Mittel bereitzustellen, um  
Staatsangehörigen des anderen Landes  
Stipendien zu gewähren, die eine Fort-  
setzung ihrer Studien oder die Durch-  
führung von Forschungsarbeiten (oder  
eine technische Ausbildung) an einer  
anerkannten Hochschule (oder son-  
stigen geeigneten Einrichtung) des  
eigenen Landes ermöglichen.

### Artikel 4

(1) Die Vertragsparteien werden be-  
müht sein, die Einrichtung von Lehr-  
stühlen, von Stellen für Dozenten und  
Assistenten sowie von Lehrgängen für  
die Landessprache, die Kultur, Literatur  
und Geschichte des anderen Landes an  
ihren Hochschulen und sonstigen Lehr-  
anstalten zu fördern.

(2) Die Vertragsparteien begrüßen  
jede Unterstützung, die der Verwirk-  
lichung der Ziele dieses Abkommens  
durch private Organisationen und Ein-  
richtungen wie Schulen, Forschungs-  
institute, bibliographische Stellen, Aus-  
kunftsstellen und kulturelle Vereini-  
gungen gewährt wird.

(3) Die Vertragsparteien sind dar-  
über einig, daß sich die Bezeichnung  
„Landessprache“ in bezug auf die  
Republik Südafrika sowohl auf Eng-  
lisch als auch auf Afrikaans bezieht.

Um das Studium und die Erforschung  
von Afrikaans zu fördern, wird sich  
die Regierung der Bundesrepublik  
Deutschland für den Austausch geeig-  
neter Dozenten (oder Fachdozenten)  
einsetzen.

### Artikel 5

Jede Vertragspartei wird in Erwä-  
gung ziehen, inwieweit und unter wel-  
chen Bedingungen akademische Grade,  
Diplome und Zeugnisse des einen Lan-  
des als den entsprechenden akademischen  
Graden, Diplomen und Zeugnissen  
des anderen Landes für akademische  
Zwecke gleichwertig anerkannt werden  
können.

### Artikel 6

(1) Zur Erteilung von Anregungen  
und Empfehlungen und zur Beratung  
der Vertragsparteien wird ein Stän-  
diger Gemischter Deutsch-Südafrikani-  
scher Ausschuss gebildet. Der Gemischte  
Ausschuss besteht aus zwei Abteilun-  
gen, einer deutschen am Sitz der  
Bundesregierung und einer südafrika-  
nischen Abteilung mit Sitz in Pretoria.

(2) Jede Abteilung besteht aus einem  
Vorsitzenden sowie zwei deutschen und

(g) samewerking op die gebied van  
geskiedenisnavorsing en die be-  
nutting van argiewe.

### Artikel 3

Die Vertragsluitende Partye moet  
hulle beywer om fondse te bewillig  
vir die beskikbaarstelling van beurse  
aan burgers van die ander land om  
hulle in staat te stel om hulle studies  
voort te sit of navorsingswerk te on-  
derneem (of tegniese opleiding te ont-  
vang) aan 'n erkende universiteit (of  
ander geskikte inrigting) in die eie  
land.

### Artikel 4

(1) Die Vertragsluitende Partye  
moet hulle beywer vir die instelling  
aan hulle universiteite en ander op-  
voedkundige inrigtings van leerstoele,  
universiteitsonderwysposte van lek-  
tore en instruktore en van kursusse  
vir die taal, kultuur, letterkunde, en  
geskiedenis van die ander Verdrag-  
luitende Partye.

(2) Die Vertragsluitende Partye ver-  
welkom enige ondersteuning wat deur  
private organisasies en inrigtings, soos  
skole, navorsingsinstitute, bibliogra-  
fiese en inligtingsentrums en kulturele  
verenigings, verleen kan word om die  
doel van hierdie Ooreenkoms te ver-  
wesenlik.

(3) Die Vertragsluitende Partye  
gaan akkoord dat ten opsigte van die  
Republiek van Suid-Afrika, die uit-  
drukking „amptelike taal“ op sowel  
Afrikaans as Engels betrekking het.

Die Federale Republiek van Duits-  
land moet, om die bestudering en na-  
vorsing van Afrikaans te bevorder,  
die uitruiling van geskikte lektore (of  
onderwysers) in Afrikaans aanmoedig.

### Artikel 5

Elke Vertragsluitende Partye moet  
oorweeg in watter mate en onder  
watter voorwaardes akademiese grade,  
diplomas en sertifikate van die een  
land vir akademiese doeleindes erken  
kan word as gelykwaardig met die  
ooreenstemmende akademiese grade,  
diplomas en sertifikate van die ander  
land.

### Artikel 6

(1) Ten einde aan die Verdragslui-  
tende Partye voorstelle en aanbeve-  
lings te doen en advies te verleen,  
word 'n Permanente Gemengde Duits-  
Suid-Afrikaanse Komitee saamgestel.  
Die Gemengde Komitee bestaan uit  
twee afdelings, naamlik 'n Duitse Af-  
deling by die setel van die Regering  
van die Federale Republiek van Duits-  
land, en 'n Suid-Afrikaanse Afdeling  
met setel te Pretoria.

(2) Elke Afdeling van die Komitee  
bestaan uit een voorsitter en twee

(g) co-operation in the field of  
historical research and utiliza-  
tion of archives.

### Article 3

The Contracting Parties shall endea-  
vour to appropriate funds from which  
to provide scholarships to nationals of  
the other country enabling them to  
continue their studies or to under-  
take research work (or undergo tech-  
nical training) at any recognized uni-  
versity (or other suitable institution)  
in the own country.

### Article 4

(1) The Contracting Parties shall en-  
deavour to promote the establishment  
at their universities and other insti-  
tutions of learning, of professorships,  
university teaching posts for lecturers  
and instructors, and of courses for the  
language, culture, literature, and his-  
tory of the country of the other Con-  
tracting Party.

(2) The Contracting Parties welcome  
any support given to the realization of  
the purposes of this Agreement by  
private organisations and institutions,  
such as schools, research institutes,  
bibliographic and information centres  
and cultural associations.

(3) The Contracting Parties agree  
that, with regard to the Republic of  
South Africa, the term "official lan-  
guage" shall refer to English as well  
as Afrikaans.

The Federal Republic of Germany,  
desiring to promote the study and re-  
search of Afrikaans in its country,  
shall encourage and work for the ex-  
change of suitable lecturers (or tea-  
chers) in Afrikaans.

### Article 5

Each Contracting Party shall con-  
sider to what extent and under which  
conditions academic degrees, diplomas  
and certificates of one country can be  
recognized to be equal, for academic  
purposes, to the corresponding acade-  
mic degrees, diplomas and certificates  
of the other country.

### Article 6

(1) In order to make suggestions  
and recommendations, and to advise  
the Contracting Parties, a Permanent  
Mixed German-South African Com-  
mittee shall be established. The Mixed  
Committee shall consist of two sec-  
tions, a German Section at the seat of  
the Government of the Federal Republic  
of Germany and a South African  
Section having its seat at Pretoria.

(2) Each Section of the Committee  
shall consist of one chairman as well

zwei südafrikanischen Mitgliedern. Der Vorsitzende in Deutschland ist ein deutscher, der in Pretoria ein südafrikanischer Staatsangehöriger.

(3) Vorsitzender und Mitglieder des Ausschusses werden für die Bundesrepublik Deutschland vom Bundesminister des Auswärtigen im Benehmen mit den beteiligten Bundesministern und den Kultusministern der Länder der Bundesrepublik Deutschland, für die Republik Südafrika vom Minister für Erziehung, Kunst und Wissenschaft ernannt.

(4) Die beiden Abteilungen des Ständigen Gemischten Ausschusses treten nach Bedarf, mindestens aber alle zwei Jahre an ihrem Sitz zusammen. Für die ordnungsmäßige Besetzung des Gesamtausschusses genügt es, wenn an den Sitzungen der einen Abteilung der Vorsitzende der anderen Abteilung oder ein von diesem zu bestimmendes Mitglied teilnimmt. Den Vorsitz führt jeweils der Vorsitzende der Abteilung, in deren Land die Sitzung stattfindet.

(5) Der Ständige Gemischte Ausschuss und jede Abteilung können Sachverständige als Berater hinzuziehen.

#### Artikel 7

Die Rechtsvorschriften der Vertragsparteien über Einreise, Aufenthalt und Ausreise von Ausländern werden durch dieses Abkommen nicht berührt.

#### Artikel 8

In diesem Abkommen bedeutet „Land“ auf deutscher Seite die Bundesrepublik Deutschland, auf seiten der Republik Südafrika die Republik Südafrika und das Gebiet Südwestafrika.

#### Artikel 9

Dieses Abkommen gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Republik Südafrika innerhalb von drei Monaten nach Inkrafttreten dieses Abkommens eine gegenteilige Erklärung abgibt.

#### Artikel 10

(1) Dieses Abkommen bedarf der Ratifikation; die Ratifikationsurkunden sollen so bald wie möglich in Bonn ausgetauscht werden.

Duitse en twee Suid-Afrikaanse lede. Die voorsitter in die Federale Republiek van Duitsland moet 'n Duitse burger wees terwyl die voorsitter in die Republiek van Suid-Afrika 'n Suid-Afrikaanse-burger moet wees.

(3) Die voorsitter en lede van die Komitee word namens die Federale Republiek van Duitsland deur die Federale Minister van Buitelandse Sake in oorleg met die belanghebbende Federale Ministers, en die Ministers van Onderwys, Kuns en Wetenskap van die „Länder“ van die Federale Republiek van Duitsland benoem, en namens die Republiek van Suid-Afrika deur die Minister van Onderwys, Kuns en Wetenskap.

(4) Die twee Afdelings van die Permanente Gemengde Komitee vergader by die een of ander van die twee setels wanneer nodig, dog, minstens een maal elke twee jaar. 'n Kworum van die volle Komitee vereis die teenwoordigheid, by 'n vergadering van een Afdeling, van die voorsitter van die ander Afdeling of 'n lid wat deur hom aangewys is. Die voorsitter van die Afdeling in wie se land die vergadering gehou word, tree as voorsitter op vergaderings van die Komitee op.

(5) Die Permanente Gemengde Komitee en elk van sy Afdelings mag deskundiges in 'n adviserende hoedanigheid koopteer.

#### Artikel 7

Niks in hierdie Ooreenkoms moet enigsins beskou word as 'n wysiging van die wette en regulasies van die Verdragsluitende Partye vir sover dit op die binnekoms, verblyf en vertrek van vreemdelinge betrekking het nie.

#### Artikel 8

Vir die doel van hierdie Ooreenkoms beteken die uitdrukking „land“ aan die Duitse kant die Federale Republiek van Duitsland en aan die Suid-Afrikaanse kant die Republiek van Suid-Afrika en die gebied Suidwes-Afrika.

#### Artikel 9

Hierdie Ooreenkoms het ook op Land Berlyn betrekking, mits die Regering van die Federale Republiek van Duitsland nie binne drie maande na die inwerkingtreding van hierdie Ooreenkoms 'n verklaring wat hiermee strydig is aan die Regering van die Republiek van Suid-Afrika gedoen het nie.

#### Artikel 10

(1) Hierdie Ooreenkoms moet bekragtig word, en die bekragtigings-oorkondes moet so spoedig moontlik te Bonn uitgeruil word.

as two German members and two South African members. The chairman in the Federal Republic of Germany shall be a German national; the chairman in Pretoria shall be a South African national.

(3) The chairman and the members of the Committee shall be nominated, on behalf of the Federal Republic of Germany, by the Federal Minister of Foreign Affairs in consultation with the interested Federal Ministers and the Ministers for Education, Arts and Science of the Länder of the Federal Republic of Germany, and, on behalf of the Republic of South Africa, by the Minister of Education, Arts and Science.

(4) The two Sections of the Permanent Mixed Committee shall convene at either of the two seats whenever necessary, at least, however, once every two years. A quorum of the full Committee shall be constituted by the presence, at the meeting of one Section, of the chairman of the other Section or a member designated by him. The meetings of the Committee shall be presided over by the chairman of the Section in whose country the meeting is held.

(5) The Permanent Mixed Committee and each of its Sections may co-opt experts in an advisory capacity.

#### Article 7

Nothing in this Agreement shall be deemed to modify in any way the laws and regulations of the Contracting Parties concerning entry, sojourn and departure of aliens.

#### Article 8

For the purpose of the present Agreement the term „country“ shall refer on the German side to the Federal Republic of Germany; on the South African side to the Republic of South Africa and the Territory of South West Africa.

#### Article 9

This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the Republic of South Africa within three months from the date of effect of this Agreement.

#### Article 10

(1) This Agreement shall be ratified, and the instruments of ratification shall be exchanged as soon as possible at Bonn.

(2) Dieses Abkommen tritt einen Monat nach Austausch der Ratifikationsurkunden in Kraft.

(3) Dieses Abkommen kann nach Ablauf von fünf Jahren nach seinem Inkrafttreten jederzeit schriftlich gekündigt werden; es tritt sechs Monate nach seiner Kündigung außer Kraft.

GESCHEHEN zu Kapstadt am 11. Juni 1962 in zwei Urschriften, jede in Deutsch, Afrikaans und Englisch, wobei jeder Wortlaut gleichermaßen verbindlich ist.

Für die Bundesrepublik Deutschland:

Karl Kuno Overbeck

Für die Republik Südafrika:

J. de Klerk

(2) Hierdie Ooreenkoms tree een maand vanaf die datum waarop die bekragtigingsoorkondes uitgeruil is in werking.

(3) Kennis van beëindiging van hierdie Ooreenkoms kan te eniger tyd, vyf jaar nadat dit in werking getree het, gegee word; die Ooreenkoms verval dan ses maande nadat kennis van beëindiging gegee is.

GETEKEN te Kaapstad op hede die 11de dag van Junie 1962 in duplo in Duits, Afrikaans en Engels, waarvan alle tekste ewe outentiek is.

Namens die Federale Republiek van Duitsland:

Karl Kuno Overbeck

Namens die Republiek van Suid-Afrika:

J. de Klerk

(2) This Agreement shall take effect one month from the date on which the instruments of ratification are exchanged.

(3) Notice in writing of the termination of this Agreement may be given at any time five years after it took effect; the Agreement shall then terminate six months after notice of termination has been given.

DONE at Capetown this 11th day of June, 1962 in duplicate in German, Afrikaans and English, all texts being equally authentic.

For the Federal Republic of Germany:

Karl Kuno Overbeck

For the Republic of South Africa:

J. de Klerk

*THE above document is a photostat copy of a cultural agreement between Federal Republic of Germany and Verwoerd's regime in South Africa. It appears in English, German and Afrikaans. The exchange of the instruments of ratification took place in Bonn on 25th November 1963 and the agreement came into force on 25th December 1963 and formally published in Bonn on 11th January 1964.*

*This document shows in stark nakedness the diabolical underground movement in which the Bonn government is involved against Africa.*

*Bonn has a vital stake in the maintenance of apartheid and white domination because West German investors are thriving on the cheap African labour inherent in the system of South Africa.*

*The Federal Republic of Germany is a party to the plot to enslave the African forever and as such is irrevocably committed to supporting the perpetual African enslavement in South Africa.*

*This document should create new attitude towards the Bonn government.*

*We recommend that Bonn should be attacked root-and-branch for this treacherous act.*

### Bekanntmachung über das Inkrafttreten des Kulturabkommens zwischen der Bundesrepublik Deutschland und der Republik Südafrika

Vom 4. Dezember 1963

In Kapstadt ist am 11. Juni 1962 das Kulturabkommen zwischen der Bundesrepublik Deutschland und der Republik Südafrika unterzeichnet worden.

Das Abkommen, das nach seinem Artikel 10 Abs. 2

am 25. Dezember 1963

in Kraft tritt, wird nachstehend veröffentlicht.

Die Ratifikationsurkunden sind in Bonn am 25. November 1963 ausgetauscht worden.

Bonn, den 4. Dezember 1963

Der Bundesminister des Auswärtigen  
In Vertretung  
Lahr

# CONTRACTORS AND MONEY-LENDERS WARNED

Continued from page 3

Secondly, the **STATE PLANNING COMMITTEE** which, under my Chairmanship, will be the key body for co-ordinating action and policy on the Plan, and for giving directions on its execution and implementation.

Thirdly, there is the **BUDGET COMMITTEE**, which will make recommendations for the policy of the annual budget.

Fourthly, the **FOREIGN EXCHANGE COMMITTEE**, which will make recommendations regarding the size of yearly imports and exports.

And lastly, there is the **STATE MANAGEMENT COMMITTEE** which will direct the operations and activities of State Corporations and State Enterprises in order to ensure their efficient and profitable management.

I am sure that if these five bodies carry out their duties honestly and energetically, we shall achieve and even exceed our goals under this Plan. We might even complete the Plan ahead of schedule.

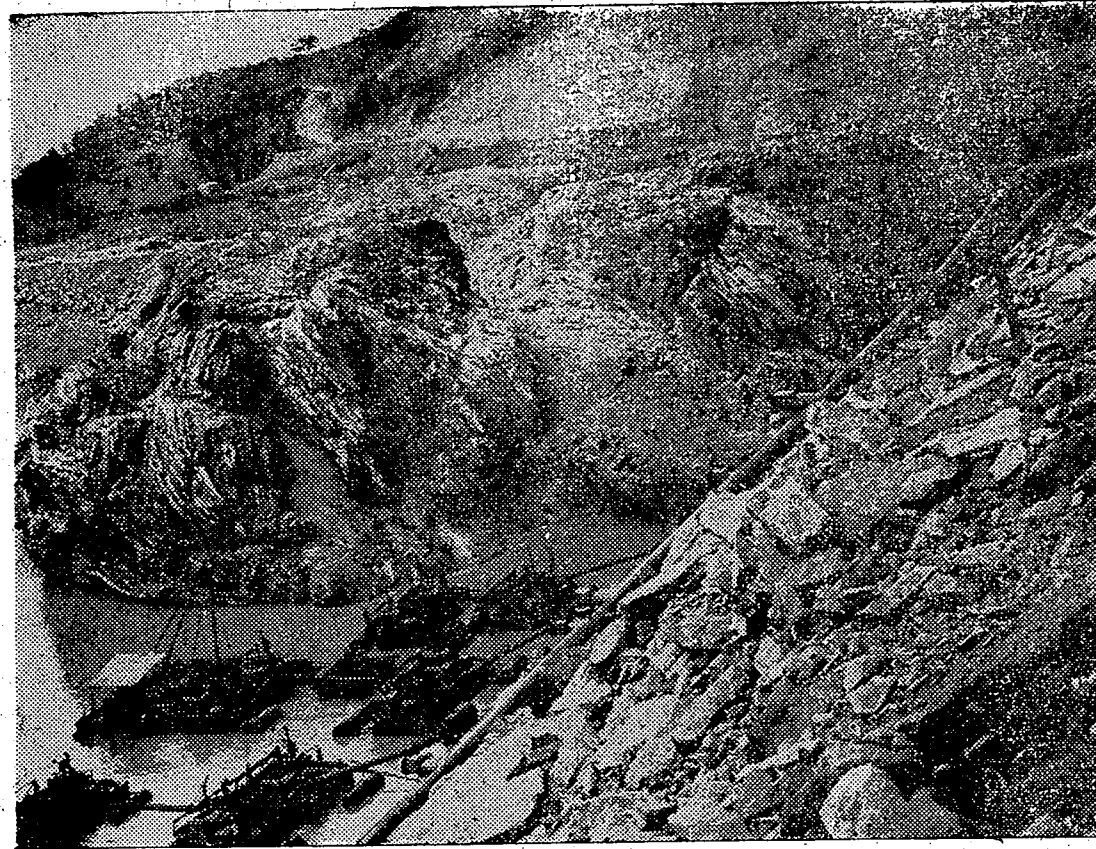
All our efforts should henceforth be directed to ensuring that everything is done to make this Plan a success. I am sure that all the people of this country are determined in their efforts to ensure that we achieve all our Plan objec-

trator shall offer or give or agree to give to any person in the service of the Government of Ghana any gift or consideration of any kind as an inducement or reward for doing, or forbearing to do, or for having done any act in relation to the obtaining or execution of any contract for the Government of Ghana, or for showing favour or disfavour to any person in relation to any other contract for the Government of Ghana.

We shall also see to it that no contractor shall enter into any contract with the Government of Ghana in connection with which a commission has been paid or agreed to be paid by him or on his behalf, or to his knowledge, unless before the contract is made, particulars of any such commission and of the terms and conditions of any agreement for the payment thereof have been disclosed in writing to a special committee to be appointed by me to represent the Government of Ghana.

## CONDITIONS

Any breach of these conditions shall entitle the Government to determine any contract, and recover from the contractor the amount of any loss which may have resulted from such determination and the amount or value of any such



to fulfilling these very legitimate desires of the people. The Volta project will provide us with abundant light and water. In addition, a whole programme of irrigation and water development is engaging our attention very seriously.

Housing, too, is one of our main preoccupations. We are at this moment in the last stages of formulating large-scale housing projects, which we hope to have ready soon. A factory for pre-fabricated concrete

specialist undertakings. There are some who have small capital savings which they consider they can profitably employ in businesses that will provide goods and services which are in public demand. Such small businessmen will be encouraged to operate enterprises provided they accept certain limitations as the Government will find it necessary to impose as to the size of the enterprise and the number of persons to be employed in their undertakings.

In this connection it is

necessary to distinguish between two types of business which have grown up within recent years. The first is the type which it is the Government's intention to encourage, that of the small business-man who employs his capital in an industry or trade with which he is familiar, and in so doing, fulfils a public need.

The second type is very different. It consists of that class of Ghanaian business which are modelled on the old type of colonial exploitation. Individuals who can command capital use their money not in productive endeavour, but by the purchase and re-sale, at high prices, of such commodities as fish, salt and other items of food and consumer goods which are in demand by the people. This type of business serves no social purpose and steps will be taken to see that our banking resources are not used to provide credit for this type of business.

## BOGUS AGENCIES

Even more harmful to the economy is yet another type of enterprise in which some Ghanaians have been participating. This consists of setting up what they describe as bogus agencies for foreign companies which are in fact nothing but organisations for distributing bribes and exerting improper pressures on behalf of foreign companies. It is the intention of the Government to carry out a wholesale investigation into the activities of these firms. They can do incalculable harm to our economy and they must be ruthlessly suppressed.

Initiative of Ghanaian businessmen will not be cramped, but we must take steps to see that it is channelled towards desirable social ends and is not expended in the exploitation of the community. The Government will encourage Ghanaian businessmen to join with each other in co-operative forms of organisation. In this way Ghanaian businessmen will be able to contribute actively in broadening the vitality of our economy and co-operation, and will provide a stronger form of organisation than can be achieved through individual small businesses.

We must also discourage anything that can threaten our socialist construction. For this reason, no Ghanaian will be allowed to take up shares in any enterprise under foreign investment. On the contrary, we shall encourage our people with savings to invest in the State sector and co-operative undertakings.

I know that among our Ghanaian businessmen, there are some who are ready and willing to turn their businesses into co-operative undertakings. Where well-run private enterprises are offered to and taken over by the State or co-operative undertakings, we hope that these businessmen will offer themselves as managers and administrators.

## QUICK AND EASY MONEY MAKERS

In the same way, I want to refer to money-lending which, along with other problems, has been left to us by colonialism. I know that many of those who are carrying on this business of lending money at criminal rates of interest are non-Ghanaians. But, unhappily, not a few of our own people have joined the ranks of those who make quick and easy money out of the difficulties and misery of others. Money-lending and usury are intolerable and inconsistent with the ideals of a socialist state. We should see to it that this practice is eliminated from our society.

I am sure that imbued with the spirit of the Party's programme of Work and Happiness, all those who are responsible for the interpretation and implementation of this Plan will do their work honestly and devotedly. It may be that in the course of the next seven years some of us will from time to time attempt to change the choice of emphasis that we have made and

try to direct proportionately more of our national resources into immediate welfare services and proportionately less into agriculture and industry. It will be the duty of those who are charged with the implementation of the Plan to ensure that these pressures are resisted. Otherwise we shall end up in the long run with an economy weak in its productive base and backward in its level of technology.

This Seven-Year Development Plan can only be accounted a success if by 1970—the year in which we conclude the Plan and the year in which we celebrate the Tenth Anniversary of our Republic—we can truly say that the productive base of the economy has been revolutionised and that the level of technology and productivity in Ghana is approaching modern standards over an adequate area of the national economy.

## THE TURNING POINT

1964, the year in which we launch the Seven-Year Development Plan, will be hailed as the turning point in the history of Ghana. In less than a year from now, we shall be generating electricity from the Volta River Project to feed our expanding factories throughout the country. The Kwame Nkrumah Steel Mill in Tema will soon be completed. Tema Harbour itself is already being extended to meet the needs of our expanding economy, and in Tema a growing number of industrial projects are already in production and more are being established. In this connection I want to mention, particularly, the Aluminium Smelter which will produce aluminium for domestic consumption and export, the Dry Dock and Ship Repair Yard—which will be one of the finest and biggest in Africa—and the Accra-Tema Freeway, which will provide fast and safe travelling between the capital and the port of Tema.

I can already see, in my mind's eye, a picture of Ghana as it will be by the end of the Plan period. I see a State with a strong and virile economy, its agriculture and industry buoyant and prosperous, an industrialised nation serving the needs of its people.

Let us therefore, as from to-day, move forward together, united in devotion and determination, to give of our best in the execution and implementation of this Seven-Year Plan.



tives and make our country a happy, progressive, prosperous and advanced nation. We must therefore ensure that State funds and resources are not frittered away uselessly or wastefully or that they find their way into private pockets.

## FAIR DISTRIBUTION OF CONTRACTS

We shall, in order to implement the Plan, be awarding a number of contracts to organisations both here and abroad; we shall also be entering into sales agreements as well as acquiring goods locally. I intend that all contracts, whether for the construction of factories or offices, or for any local purchase or sale, should be so safeguarded that our funds will be properly husbanded and utilised for Ghana's advancement and for the welfare and happiness of the people.

In order that our resources are not wasted by corruption practices and in order to prevent any attempts at personal greed and aggrandisement at the expense of the people and the State, steps will be taken to ensure that no contracts, consideration or commission

I have therefore directed that every contract for the supply of goods and services or for the execution of any Government projects shall embody clauses to give effect to this decision. These conditions are being made in the interest of the tax payer who ultimately has to find the money to pay for these gifts and bribes.

I want the world to know that we shall do everything to set our own house in order. I want all of us here in Ghana also to realise that nothing must be allowed to hamper our efforts to achieve our Plan objectives and that no individuals will be permitted to hamper that effort, to retard our advancement in any way or to grow rich by corrupt practices. Those who have ears to hear, let them hear. The progress, welfare and happiness of the masses is our supreme concern.

We know that the desire of people is to have enough to eat without spending too great a part of income upon food. They want a reasonably comfortable place to sleep; they want light, a ready supply of water, education for the growing children and future generation, adequate medical care and welfare services. Our present plan will go a long way

units is now under construction and will come into production sometime this year. When these plans are completed, we shall be able to put up low-cost housing to meet the needs of our working people at the rate of about two hundred houses a month. This should go a long way to offset this current pressing problem.

## CHEAP HOUSES FOR THE WORKERS

In transforming the many centres of over-crowded and insanitary housing that at present exist in some areas, we shall look carefully into the traditional community customs of our people and will, wherever it is feasible and possible, try to maintain such communities in their traditional locations, but with a newer and more pleasant look.

We would be hampering our advance to socialism if we were to encourage the growth of Ghanaian private capitalism in our midst. This would, of course, be in antipathy to our economic and social objectives.

There are some few among us who are seeking outlets for small enterprises. Such people we appreciate have initiative which it would be well to employ suitably in our so-



# THE DEVELOPMENT PLAN

WE are all aware of the long-term objectives set for our economy by our Government acting with a clear mandate from our united people. Our economic endeavours are to be directed towards converting the precariously based and semi-dependent economy bequeathed by departed colonialism into a broadly based, dynamic economy that can offer employment opportunities to our entire working population, sustain a high level of social services for all and enable Ghana to play a positive role in an African economic community as an industrial trading nation.

In pursuance of these long-term objectives, we need a series of economic plans one succeeding the other and each moving the whole national economy a step forward towards the declared goal. The present Seven-Year Development Plan, just launched, is one of such plans. It seeks to create the material basis for a socialist society through the labour of our own people. In the words of Osagyefo the President "the material basis of a socialist society can only be created by the labour of its people. This requires the highest sense of dedication on the part of all within the society".

The 7-Year Development Plan is based on five cardinal principles. The first is a high level of investment in the national economy especially in the direct production of wealth. Unlike earlier plans, it gives first place to expanding the production of consumer goods and industrial raw materials and gives second place to social services and the infrastructure. This must not be taken to mean the abandonment of social services and the infrastructure. Rather, it means that while all these sectors are expanding, the productive sector is expanding faster than either the social services or the infrastructure.

It should however be pointed out that this new emphasis in the strategy of economic development has been made possible by the achievements of earlier development plans covering the period 1951-1963. These earlier plans gave priority to the creation of a high level of social services and to the provision of a strong infrastructure (roads, railways, ports, communications; power, water and sewerage, etc.) that can permit a rapid expansion of the productive capacity of the national economy.

## RISE IN PRODUCTIVE SECTOR ALLOCATIONS

It is helpful to illustrate this point. During the period 1951-1959, a total of £135.8 million was spent on development. Out of this total £56.7 million went into social services and £60.3 million into the infrastructure excluding £1.9 million spent on the Volta power project. During the same period, only £13.4 million was spent in the development of the productive sectors of the economy, namely industry, mining, agriculture, forestry and fishing combined. In other words, 90 per cent of total expenditure in the period 1951-1959 went to the non-productive sectors of the national economy while a little less than 10 per cent found its way into directly productive activity. These allocations were made in order to pave the way for the rapid expansion of the productive sector now being undertaken.

Under the new Seven-Year Plan, 62.7 per cent of available resources go into non-productive sectors compared with 90.1% in the previous plans. As much as

37.3 per cent will now go to stimulate the directly productive sectors as against 9.9% in the previous plans. As the plan progresses the balance will change more and more in favour of the directly productive sectors. Thus at the end of the 7-Year period, that is 1970, resources going into non-productive social services and the infrastructure should drop to 51.7 per cent of total investments, while allocations to the directly productive sectors rise to 48.3 per cent. It is envisaged that this trend will be continued in the next economic plan which should come into operation in 1971.

A close look at the investment pattern in the directly productive sectors reveals a carefully worked out priority schedule.

## HOME MANUFACTURED PRODUCTS ENCOURAGED

The premier position goes to the modernisation of agriculture aimed at production of food for the people and raw materials for industries. Then follows the processing of and manufacture of exportable products from our present range of raw material exports. The third place goes to the manufacture here at home of many of the consumer goods which at the moment are imported. The basic idea is to meet all our food requirement from local agricultural production.

This of course involves increased agricultural output which can be achieved only on the basis of a successful agricultural revolution.

The other cardinal principles on which the 7-Year Plan is based are:

- i. a high rate of earning of foreign currency through an increase in exports and a substantial cut in imports, especially of food;
- ii. the stimulation here at home of savings which can be directed into the productive sectors of the national economy;
- iii. the attraction into Ghana of both public and private foreign capital through the maintenance of conditions (legal, economic and political) that favour the inflow of foreign capital; and
- iv. the efficient management of government enterprises and services (including public administration) in order to build up a profitable public sector of the national economy which can then make substantial contributions to the overall growth of the economy and the expansion of social services.

To achieve these economic objectives, it is not enough that there be wise planning by the Government, even though this is essential to the attainment of the required degree of mobilisation of economic resources. Something more is demanded. Every citizen

whatever his station in life must play his part both as a producer and a consumer.

As a producer, each citizen must aim at a high degree of productivity. This involves working much harder. It involves an efficient use of work time.

In particular we must increase the level of efficiency in the public enterprises because the profits made in the government-controlled public sector are an important element in capital formation. In other words, the more efficiently a public enterprise is run, the better its chances of realising profits which go to finance new enterprises and thus provide gainful employment for many more people.

Look at it from another angle. Close attention must of necessity be paid to providing employment facilities.

Our labour force is growing. Our population is growing at the impressive rate of 2.6 per cent every year.

Compare this with .5 per cent annual population growth rate in a country like Britain. The official calculation is that by 1975, our economy must absorb some 70,000 additional workers every year. By comparison, jobs created in Ghana in the five year period 1955-1960 averaged only 21,000 a year. In other words, by 1975, we have to be creating nearly three times as many jobs as were created in 1960 in order to absorb our rapidly expanding labour force.

## STUPENDOUS ASSIGNMENT

This is a stupendous assignment which must nevertheless be fulfilled if we are to live up to our ideal of a socialist society providing opportunities for all. Viewed against such a background, inefficiency arising out of mismanagement, laziness or corruption in public enterprises and in public administration must be seen as a crime against the entire people. For such inefficiency deprives the State of the wherewithal for creating new jobs to absorb the idle hands.

Therefore it condemns many people to the penury and strictures of unemployment.

As consumers, we must learn to spend our incomes in a way that will not only give us maximum satisfaction as individuals but also help on the national effort towards economic growth. The plan envisages an economic growth rate of 5.5 per cent per annum. Allowing for a 2.6 per cent annual population growth rate, this leaves us with a real economic growth rate of 3 per cent. It is planned to raise this growth rate to at least 7% in succeeding economic plans.

The inescapable implication of all this is that we must step up the rate of savings here at home. The Plan suggests a rate of above 15 per cent per annum. In other words, as much as 15 per cent of the national income must be put away every year to finance economic expansion.

We can achieve this rate of savings only if we spend less, especially on luxuries. We must be prepared to tighten our belts and postpone to the future the consumption of many items which are not really essential to normal living.

In addition, we have got to change our tastes, switching consumption away from imported goods and on to locally produced substitutes. Thus, it is not enough to

cut down on luxuries and restrict our spending mainly to essentials in order to leave a margin of savings which could help in capital formation here at home. We must in addition switch from buying imported essentials to buying locally produced essentials. For example, we should buy local meat in preference to imported meat, local spirits and cigarettes in preference to the imported brands.

*These are changes which Government can bring about only indirectly through carefully calculated fiscal measures. But maximum result will be attained if the people themselves consciously and enthusiastically set out to prune their personal expenditures of all extravagances, including unproductive social habits. This is the way to help the two-pronged national drive for capital accumulation here at home and for a build-up of our foreign currency reserves.*

The situation requires something more. As a na-

tion, we must try to contain our demand for more social services. This does not mean that social services are to be abandoned. It only means that we must clamour only for social services which our resources can provide. Under the plan, an estimated £150.3 million will go to the provision of social services during the next Seven years. This is actually more than was spent on all development projects during the decade of the 1960's. The point here is that we cannot expect a limitless expansion of social services. For in the long-run these services are paid for out of what we produce. Hence it is necessary to expand the production of real wealth in order to make sure that existing social services are maintained and a reasonable expansion carried through from year to year.

The people cannot complain about this change in emphasis coming as it does from a Government which

has, in the past, given praiseworthy attention to the provision of social services. Between 1951 and 1961, primary school population rose from 154,350 to 481,500—an increase of 211.9 per cent. Middle school population rose from 66,175 to 160,000; secondary and technical schools from 3,559 to 19,143; teacher training from 1,916 to 4,552; and university population from 208 to 1,208.

In the same period, hospital beds rose from 2,368 to 6,155 and rural and urban clinics from one to thirty.

The same high level is maintained in other services. Class I roads have expanded from 1,398 miles in 1951 to 2,050 miles in 1961; post offices from 444 to 779; telephones from 7,383 to 25,488. Pipe-borne water was available to 986,000 people in 1951; by 1961 it had been made available to 2,146,100 people; and generated electrical power rose from 281,983,000 kw. in 1951 to 390,174,000 kw. in

1961.

Fortunately for us all, it is deeply ingrained in the psychology of the African to put away something today in order to provide for tomorrow. This is the frame of mind we must re-establish and nourish among our people. We must base our prosperity on our own resources. We cannot live like a nation of beggars whose prosperity is based on handouts from elsewhere. Such prosperity is temporary and illusory.

Rather, we must root our personal prosperity and the public services we enjoy on our own resources. Here we should all share Osagyefo's vision when he told the National Assembly: "I can already see, in my mind's eye, a picture of Ghana as it will be by the end of the Plan period. I see a state with a strong and virile economy, its agriculture and industry buoyant and prosperous, an industrialised nation serving the needs of its people".

## Why the Development Plan

continued from page 1

for the education and welfare of its citizens and for the continued expansion of the economy itself.

Thirdly, the Government must play a major and leading role in the economy. Gone are the days when government could be expected merely to hold the ring for rival economic groups driven only by the profit motive. Even the advanced capitalist countries of the world have begun to adjust themselves to this view. Failure to adhere to the view that government must play a leading role in developing and guiding the national economy means economic stagnation or a dependence almost indistinguishable from colonialism.

## GOVERNMENT'S PATTERN OF EXPENDITURE

Under such a mixed economy the Government's pattern of expenditure, because of its decisive effect on the rate of economic growth and on the level of economic activity, has to be guided by the following basic considerations:—

- i. Financial resources must be efficiently used to provide for employment opportunities through productive investment, that is the type of investment which will create more employment and through that more wealth. Such productive investments are to be made in the area of agriculture and industry.
- ii. The State must determine and direct the forms and conditions of private investment;
- iii. An adequate number of the projects chosen for state investment should be made up mostly of enterprises which yield high rates of return over a comparatively short period of time; the state must control all the strategic sectors of the economy;
- iv. State enterprises must be made to contribute

to public revenues within a reasonable time and not allowed to become permanent liabilities to the economy;

- v. Self-help among citizens must be encouraged to supplement the efforts of the State.

Perhaps we would get a clearer idea of what our government is trying to do if we look at economic development as both a long-term and a short-term process. In the long-term we must know precisely where we want to end up in a generation or two or even more. In the short-term we must know what concrete measures we have to take at any particular moment in order to assure the attainment of the long-term objectives. Seen in this light, short-term policies become the successive stages on the road to the long-term goals.

## PERSPECTIVE PLAN FOR DEVELOPMENT

The Government of Ghana, in the Seven-Year Development Plan now before the nation, has therefore clearly stated what it considers the long-term or perspective plan for Ghana's economic development. These are set out on page 5 of the Plan. They are:

- i. Ghana's economy must be so developed as to assure work for every Ghanaian willing to work. Such expansion should take place in the field of production and not in the multiplicity of administrative jobs;
- ii. The colonial economic structure of one primary export crop and the import of manufactured goods and even food must be completely and quickly altered;
- iii. The new structure of production to replace the inadequate colonial structure must enable Ghana play a full part in a Pan-African economic community.

- iv. Government's participation in the economy must be on a large enough scale to permit the implementation of socialist policies as regards the distribution and utilisation of the national income; and

- v. Ghana should be transformed into an industrial trading nation.

To achieve these long-term objectives, it is essential that expansion should take place primarily in the field of direct production; that there be high productivity in farming, and that a real agricultural revolution be carried through.

Furthermore, it is necessary to have a clear understanding of the correct sequence of development. The first stage of development (and this is the state covered by the present Seven-Year Plan) should aim at meeting from domestic sources the demand for staple consumer goods, for building materials and for basic wares like clothing, shoes, packed food, furniture and household utensils. During this state Ghana's new industrial labour force will be called upon to master the basic techniques of modern industrialism.

During this same first period, the semi-colonial structure of Ghana's foreign trade must be changed. The exports (cocoa, timber, minerals) must be increasingly processed in Ghana prior to export with the aim of reducing the ratio of raw materials in our exports.

The second stage of economic development (a stage to be covered by the later stages of this Plan and by subsequent plans) will be concerned with the creation of basic industries like ferrous and non-ferrous metals, chemicals, fertiliser and synthetics. A beginning should be made in creating the base for machine and heavy industries which should blossom out during the third stage of development.

The whole idea is to convert Ghana into an industrial trading nation drawing its strength from a modernised agriculture. Ghana's prosperity will thus depend on her meeting most of her requirements from domestic sources and producing a considerable surplus for overseas markets.

# The State Sector of the Plan

IN the past ten years Ghana has made considerable progress in two directions. Firstly, a high level of social services for all has been provided. Secondly, a firm infrastructure (roads, communications, railways, ports, power and water supplies, shipping) that can sustain rapid economic growth has been built up. During the period 1951-1959 while a total of £127.8 million (90.1 per cent of all Government expenditure) went to provide social services and create the infrastructure of economic growth, barely

£13.4 million (a mere 9.9 per cent of all Government expenditure) went into the productive sector of the national economy, namely, agriculture, industry, mining, forestry and fishing. As a result, we have expanded our social services and built up the infrastructure of economic growth in order to make possible a rapid expansion of the productive sector of our economy at a later stage.

We have now reached a stage when we have to expand the directly productive sector of our economy in order to maintain the existing level of social ser-

vices and the infrastructure and to achieve a steady expansion of these from year to year. For it is out of the fruits of the productive sector that a nation that places any premium on its independence can hope to maintain its social services and the infrastructure of economic growth. It is folly of the highest order—and one likely to lead to a new form of economic slavery—for a developing nation like ours to seek to maintain its social services and the infrastructure out of foreign loans and grants.

## THE PRODUCTIVE SECTOR

Accordingly the basic feature of the new economic era on which we embark with the launching of

the Seven-Year Plan is to give priority to the expansion of the productive sector of our economy. In the words of Osagyefo the President: "The Plan is designed to give effect to the Party's Programme of Work and Happiness which has already been accepted by the country. It also embodies a long view of the path which should lead to a self-sustaining economy, based on socialist production and distribution, an economy balanced between industry and agriculture, providing a sufficiency of food for the people, and supporting secondary industries based on the products of our agriculture".

Today the nation is in a position to utilise its achievements in the past twelve

years to push forward rapidly in the field of economic development. This passage at page 28 of the Plan puts as follows:

"As a result of these (past) ten years of strenuous effort and sacrifice, Ghana has created the necessary pre-conditions for rapid economic development. Transport is adequate; a reasonable amount of manpower has been trained with which to make a start on economic development; energy and water will soon be available in more than ample quantities.

"The time has now come to make use of these facilities for a corresponding expansion of the real productive capacity of the economy. Fur-

ther development in the field of infrastructure must be by way of consolidating the gains already made. The principal concern during the next seven years must be with expanding production, incomes and employment. It is the firm resolve of Government to subordinate all other considerations to this overriding need for economic growth. It is only by building up a strong economy that Ghana can hope to maintain present levels of private consumption and public services and subsequently to raise them to those higher levels which modern technology has put within the grasp of humanity."

The starting point for any realistic approach to economic expansion must be an objective assessment of the economic problems of today. Summarily stated, Ghana's economic problems today are four. These are:—

1. Commodity deficiency, that is, we produce a smaller quantity of goods and services than we consume;
2. Employment deficiency, that is, we have a good number of able-bodied persons willing to work for whom we have to find jobs;
3. Internal financial deficit, that is, the taxable capacity of the community has fallen behind the requirements of Government for revenues with which to support an increasing scale of public services;
4. Balance of payments deficit, that is, our earnings of foreign currency have not been large enough to pay for our current purchases of goods and services from abroad.

## SPECIFIC OBJECTIVES

In line with these formidable problems, Government has decided on specific objectives to be fulfilled by the Seven-Year Development Plan. The first objective is to eliminate both the commodity and employment deficiencies. This is to be achieved through modernisation of agriculture and industrialisation. By gearing the structure of production in the country to meet our demands for goods and services, we shall supply practically all our needs and simultaneously provide jobs for our people. In this connection, it should be realised that by meeting our demands for goods and services by way of imports we are creating jobs for workers in other countries and to that extent we are throwing a corresponding labour force in our own country out of work or leaving them without work.

The second objective of the Plan is to eliminate the internal financial deficit. We shall achieve this as soon as we succeed in creating a large number of jobs for our own labour force. Once more jobs are created, a large number of persons can earn an income. Accordingly, more persons will then come under the tax net and the result will be a higher revenue accruing to Government out of which more and better social services (and more jobs) could be provided for the people.

The third objective of the Seven-Year Development Plan is to turn our present adverse balance of payments into a favourable ba-

lance of payments. We can achieve this by producing more at home and thereby meeting from domestic resources the demand hitherto met by way of imports.

In addition, we have to enhance the value of our exports partly by exporting more; partly by processing our raw materials before export in order to earn a higher market value for them than would be the case should they go out as unprocessed raw materials; and partly by making our exports competitive on world markets i.e. by raising the general efficiency of our production.

To achieve these objectives Government has decided to finance a considerable expansion of the public sector of our economy. By so doing, Government will not only make substantial contribution to direct production. It will also set both a pattern and a pace for the rest of the economy which the private sectors will be constrained to follow.

Under the Plan, Government proposes to invest a sum of £442 million on development projects in the public sector during the next seven years. In addition, another £34 million will be put into the completion of the Volta River Project. This brings the grand total of Government investment in the public sector to £476 million. This impressive figure works out at £68 million a year or some £10 per head of population per annum. Compare this with the figure of less than 8/- per head of population per annum rate of investment which the much vaunted association with the European Common Market brought the French-speaking African States during the five year period 1958 to 1962 inclusive!

## GOVERNMENT SPENDING

Under the new Plan there is a considerable increase in the volume of public expenditure over the period 1951-1962. The average expenditure per annum in the public sector was £15.5 million in the First Development Plan, £21.4 million in the Consolidated Plan, £50 million in the Second Development Plan and now £68 million under the Seven-Year Development Plan.

An important aspect of Government spending in the public sector is its spread among the three competing categories—production, social services and infrastructure. Under the earliest plan 88.8 per cent of all Government expenditure went to social services and the infrastructure while only 11.2 per cent went into direct production (agriculture and industry principally). In the second, the allocation was 79.7 per cent to social services and infrastructure and 20.3 per cent to direct production. As we know the proportion of expenditure that went into the non-productive sectors was nearer 90%. But under the current Seven-Year Plan, 62.7 per cent of Government's development expenditure will go to social services and infrastructure while 37.3 per cent go to direct production. Thus the proportion spent in direct production is steadily rising.

(TO BE CONTINUED)

## THE PRIVATE SECTOR OF THE PLAN

IT has been shown that Government means to bear the lion's share of the burden connected with financing the Seven-Year Development Plan. In addition to carrying the entire load in the provision of social services, in providing an adequate infrastructure for economic growth, in providing plentiful supply of cheap electrical power, Government is making considerable investments in direct production. In spite of all this, a major role has been allotted to private capital under the Seven-Year Development Plan.

A few figures will bring out the important part the private sector is called upon to play in the next Seven years. It should find the sum of £540 million for investment under the Plan. This is 53 per cent of total planned investment. To achieve this high level of investment, the plan expects £55 million a year from private savers, that is from Ghanaians and from foreigners and foreign companies now resident in Ghana; and another £8 million a year as new inflow of foreign capital. This is in addition to the £58 million already secured from foreign sources to finance the Valco aluminium smelter at Tema.

## MIXED ECONOMY

These figures illustrate the fact that our economy at both the beginning and the end of the Seven-Year Plan is and remains a mixed economy in which the public and private sectors co-exist and mutually complement and support each other to the benefit of the entire economy.

The Plan envisages a substantial rate of economic growth and the Government's stand on this important issue is made abundantly clear in the following statement at page 40 of the Plan:

"Government has consistently held the view that its socialist objectives are not incompatible with the existence of the further growth of a vigorous private sector in Ghana's economy... Government aims to create large public sector in the economy by intensifying its own productive investment rather than by hindering the operation and growth of private enterprise".

the private businessman is not merely tolerated but warmly welcomed, to our efforts at national economic reconstruction, it is useful to define the term 'private enterprise' as used in the Plan. It covers the following categories:—

1. Ghanaian private business;
2. Foreign private enterprises;
3. economic activity by local councils;
4. community development carried through by direct communal labour; and
5. investments of their private savings by individual citizens in personal projects.

In order to estimate private investment on the largest possible scale, Government has made a close study of the trends of private investment in recent years.

## PRIVATE CAPITAL

As regards private foreign investments, two distinct trends have been observed. Firstly, the long-established foreign commercial houses have withdrawn from internal trade at the retail level and from produce buying and tend to put their capital into manufacturing enterprises. Secondly, the newer foreign firms have tended to go into the construction industry, manufacturing and into saw-milling and wood working.

As regards Ghanaian private capital, the trend of investments has been into agriculture, small scale industrial establishments, housing and transport.

Under the Seven-Year Development Plan, there is no attempt to divert private capital away from its traditional fields of activity into new and unfamiliar grounds. The strategy is to encourage private Ghanaian capital to expand its scale of activity in its traditional spheres to induce an increase in the volume of foreign private investments which must increasingly go into manufacturing and primary enterprises including mining, forestry and fishing.

An important aspect of the plan for private investments is the clear demarcation between what is expected of foreign capital on the one hand and of local Ghanaian private capital on the other hand. This planned demarcation of spheres of influence eliminates undue overlapping and the consequent danger of one field of activity receiving too much investment while another is starved of much needed capital. Furthermore, it ensures that Ghanaian pri-

vate capital is not squeezed out by more powerful and better organised foreign private capital.

## AREAS OF DEVELOPMENT

Private Ghanaian capital is expected to go into the provision of housing, into the expansion of agriculture and into the development of small scale industries.

Investment in housing will be stimulated through assistance to private Ghanaian builders who are "ready to invest sizeable sums of their own money in housing" (p.47)

The strategy with agricultural expansion in the private sector is to provide a high level of supporting services (agricultural extension, seed distribution, irrigation, marketing, fertilisers, tractor services and agricultural credit) for the small Ghanaian farmers. The farmer is expected to utilise these comprehensive services to extend his acreage and simultaneously to increase the yield from his existing acreage. In other words, he must increase his agricultural output by way both of extensive and intensive farming.

In the industrial sphere, Ghanaian private capital will be encouraged through loans, partnership schemes, and provision of technical and managerial advice to set up small scale industrial establishments that supply many of the vital needs of the economy like repair and maintenance, food processing and production of household necessities.

Foreign private capital will play its role by using available foreign exchange to maximum advantage. This will be achieved by recasting traditional lines of commerce and by making certain that the "best available returns" are obtained "on the expenditure of foreign exchange." In addition, foreign private capital will help by entering the following fields:—

- i. the provision of technical services and managerial skills;
- ii. manufacturing, especially of clothing, shoes, house wares, packaged and processed foods;
- iii. mining, by increasing output of existing minerals (gold by 16.4%, manganese by 50.9%, bauxite by 39.9%, diamonds by 50.3%) and by undertaking exploitation of other minerals like limestone, clays, glass sand and rock salt;
- iv. increased prospecting for petroleum;
- v. local production of aluminium;

vi. development of the more sophisticated manufactures e.g. pumps, motors, electrical goods and machines.

It is one thing to tell private capital precisely where it is wanted and in what quantity. It is quite a different matter to get it to behave as planned. Here, in addition to admonition, persuasions and exhortations appealing to the profit motive, to an assured future and to patriotism, the Government has got to undertake certain measures that will have the effect of galvanising private effort on the required scale and into the desired channels. Some eight concrete steps are being taken to mobilise private capital resources at home and to attract private investments from abroad.

## CAPITAL INVESTMENT ACT

Firstly, under the new Capital Investment Act, special fiscal concessions and other privileges are provided for investors in those fields of enterprise which have been given a high priority under the Seven-Year Plan. In particular these are the production of consumer staples at home, processing of primary commodities and fabrication of manufactures therefrom for export, development of a building industry, expansion of agriculture, etc. For this purpose a Capital Investments Board has been set up.

Secondly, a National Investment Bank has been established to promote and finance productive enterprises that meet the requirements of the plan.

Thirdly, Government intends to enter the field of training skilled manpower and management for industry. This work will be carried out through the Office of the Planning Commission.

Fourthly, Government will give financial assistance to private investors who are prepared to finance housing development.

Fifthly, Government intends to launch small loans schemes to help farmers and fishermen. £4.5 millions are allotted to assistance for farmers while fishermen will benefit to the tune of £5.2 million during the plan period.

Sixth, the National Productivity Centre will be active in studying methods for raising productivity and making the results to such study available to business enterprises. The importance of increased productivity can be gauged from the fact that out of the 5.5% per annum rise in total national

production, only 3% per annum will come from an increase in the labour force. The remaining 2.5% per annum is to come by way of a higher output of labour and a more efficient use of capital.

Seventh, in order to make it easier for private investments and also to exert a conscious influence on the location of new industries, Government is providing modern and well-served industrial estates in towns like Accra, Tema, Takoradi and Kumasi.

Eighth, Government proposes to establish a Bureau of Standards whose job it will be to set up minimum standards to guide manufacturers. This organisation will, in addition, arrange testing facilities for those manufacturers who cannot provide their own.

The very carefully considered place of private enterprise in Ghana's economic reconstruction has been strongly stressed by Osagyefo the President. Speaking to the National Assembly on the aims of the Seven-Year Plan and the part private capital has to play in the fulfilment of the Plan, the President said:

"In pursuing these objectives we shall exert our efforts towards the maximum extension of the public sector within the productive economy. As I have said, within this framework we do not intend to or desire to limit private investment. Our Government has always insisted that the operations of all economic enterprises in Ghana should conform to the national economic objectives and be subject to the rules and regulations which are made in pursuance of our socialist policies. Our experience has been that foreign investors have been willing to invest in Ghana so long as the limits within which they can work are fair and clearly defined, and we shall continue to consult with them in order to ensure that co-operation is as full as possible. Ghana's economy, particularly at the present stage, has room for all the investment capital which is likely to be provided by foreign investors, by the Central and Local Governments, and by individual Ghanaians. In this respect, I believe that there are a considerable number of individual Ghanaians who are in a position materially to assist in finding the necessary capital for the Seven-Year Development Plan."