has abolished all representation for Africans in the government, and hope to push them back to tribalism through Bantustans.

How ironic that the Nationalists should light "the torch of civilisation"—they who have extinguished all the lights of liberty and civilisation in our country!

And how fitting that they should say they will stress the "cultural and sporting aspects" of the life of the non-European during the festival; there is nothing else to stress. Unless they wish to stress the people's poverty? the restrictions on them in every walk of life?

There is nothing golden about the 50 years of Union, nothing of which we can be proud. The decision of Congresses not to participate in the Festival, but to organise counter-demonstrations is unquestionably correct. This follows a fine tradition, established b ythe Inter-denominational Ministers' Federation since 1946, of observing Union Day as a National Day of Prayer. We can take as *our* slogan "Ex Unitate Vires," and draw strength for the liberation struggle. Only when we have wiped out the blot of the 1910 Constitution, shall we truly be able to build a *Union* of South Africa.

AFRICA'S ECONOMIC PATH

A Review of Ghana's Second Development Plan

By D. DHLAMINI

AFRICA today strides forward towards emancipation. Colonialism is being driven out in more and more parts of the Continent. But as the administration of African territories passes out of colonial control into the hands of the people, new problems arise. Formal independance by itself is not enough. It is the essential pre-condition for the development of Africa and the release of its unused or wasted assets of manpower and resources, but by itself it does not answer the needs of the newAfrica.

The newly-independent states in Africa face formidable tasks; they must find ways to overcome the lack of basic development, the terrible poverty and ignorance which are part of the heritage of imperialism. Without political emancipation the people cannot advance beyond a most limited extent, but once having achieved it a second revolution must take place:

an economic and an agrarian revolution. There are huge gaps in living standards and economic development which colonialism has imposed, and large-scale, imaginative and dynamic planning is needed to bridge these gaps and to complete the process of political independence by winning economic independence from imperialism as well.

The purpose of economic planning is to intensify those processes which will bring about a much more rapid growth in incomes, employment and improved living standards. To bring this about the economy must be re-directed, away from dependence on foreign trade and towards increased dependence or internal trade. This is the crucial action that is needed. This implies the provision of an economic basis for more rapid internal circulation of commodities, that is, the growth of a new home market, of the people employed on skilled work at higher incomes; the gearing of production for a widening internal market, to satisfy the rising needs of the people; the linking of town and country in a mutual exchange of goods and services so that each process of exchange can yield an economic surplus.

Such surpluses will in turn provide the sources of internal investment and sorely needed capital. Possibly this line of attack on African poverty will require capital loans from abroad in the initial stages. It would certainly make the process of economic re-direction considerably simpler and easier. But this is not a critical point.

To "link town and country" (that is, to create a self-generating internal market) is a formidable problem for colonial Africa. A large section of the population is engaged in agriculture at a subsistence level, with no opportunity of expanding farming. The monetary sectors of African agriculture are largely in the hands of European settlers or merchants. Production is geared, not towards the peoples' requirements, but to those of the export trade and metropolitican countries.

But the problem is not beyond solution. Basic reforms are necessary in land distribution, agricultural organisation and marketing methods. China, and to a limited extent, India, are making a break-through from a subsistence to a market agriculture by these methods.

At the present, surpluses from export trade from colonial countries, including those which have recently secured their political independence, are accumulated abroad. This is the essence of contemporary colonial exploitation, and it goes without saying that the "development plans" trotted out by colonial powers for their dependencies have the aim of making this exploitation more effective.

Africa today is not without its development plans. It is now the fashion of colonial powers, particularly Britain, to describe their activities in the colonies in terms of expenditure on some "development plan." In fact, these plans amount to no more than efforts to improve colonial export trade by enlarging the economic facilities available; that is, to enlarge that sector of the colonial economies still largely in control of capitalist enterprises in the European metropolitan countries.

For instance, an extension of communications and transport assists the exploitation of natural resources for the benefit of the export trade. While

Ghana — Planned Expenditure

£ Million

	First and Consolidated Plan	Second Plan 1959—64	Projects for immediate implementation
Agricultural and National Resources	7.6	24.7	10.4
Industry and Trade	5.5	24.5	14.0
Electricity	4.4	8.7	7.0
Communications	35.9	53.0	28.7
Local Government	6.0	18.8	9.2
Education	17.4	27.8	14.1
Information and Broadcasting	1.1	2.7	1.7
Health, Sanitation and Water	15.0	43.6	19.6
Housing	7.8	17.0	7.0
Police and Prisons	2.9	7.7	4.8
Miscellaneous	13.5	13.6	7.7
	117.5	242.4	124.4

there are no planned efforts to lessen dependence on that export trade by increasing the size of the indigenous market and the savings of the people.

The answer invariably given when these criticism are made is that the "obstacles" to the economic development of black Africa are "many and formidable." The imperialists speak of the debilitating characteristics of the African soil and climate; the predominance of the subsistence sector; the lack of an appropriate infra-structure of transport and communications; the absence of what the *Economist* recently called "a large, dynamic white settlement"; of the extended family system, and so on. They make the prospect of rapid economic change look bleak, even impossible.

Even when the colonialists concede the need for breaking the economic stagnation and poverty that characterises life and labour in colonial Africa (and this they seldom do), the y continue to emphasise the necessity for having as little economic planning and organised guidance as possible. Instead, they rely on foreign trade to remain the dominant stimulus to economic change, and to enable the "objective laws of economic change" to fashion that transformation of black Africa into a money economy in their own harsh way. Sometimes they recognise that scope exists for a certain amount of diverse employment in some African territories; some processing of domestically produced primary goods, or the local manufacture of some consumer goods. And this is all.

It is against this background that we examine the "Second Development Plan, 1959—1964", issued by the Government of Ghana. The plan came into effect in July. It envisages a total expenditure of some £242 million, of which half is for specific projects to be immediately implemented. This is to be compared to the 8-year "First and Consolidated Plan" started in 1951 and involving an expenditure of about £118 million.

The report on the current Plan reveals little on the likely impact of the intended capital expenditure on incomes, employment and export. This alone makes it difficult to ascertain the economic aims of the Ghana Government. It seems that the Plan was formulated rather to create a suitable environment for the attraction of private capital in the future; for if the Plan intends anything, it is essentially in the direction of infrastructure and social investments — transport, communications, harbour facilities, schools, etc.

There is some recognition of the compelling need for industrialisation, to vary the employment opportunities in the country. But this recognition is not supported by any new State initiatives, lest this, in the view of the Ghana planners, would antagonise foreign investors.

There is welcome emphasis on agricultural research to increase yields, but little is intended in the more crucial matters of agricultural organisation, co-operation and marketing.

What in fact the Plan amounts to is to list those functions which the modern State is in any case expected to undertake, and narrate the costs involved.

The predominance of agriculture and particularly of cocoa farming is both a source of strength and weakness to the Ghana economy. Two-thirds of the population are engaged in farming, and contribute an equivalent share of the national income, and possible more in export earnings. Ghana nevertheless starts off its planning activities from a position of relative advantage. There is no white settler population accumulating capital outside the national framework as is the case in Kenya and elsewhere. More than that, the present Ghana Government has inherited a system of cocoa marketing and export which makes economic transition considerably easier. In 1947 the British Colonial authorities established a central government agency to market the export of cocoa. The surplus from this system accrues to the Cocoa Marketing Board, and becomes available for financing some of the projects in the Plan.

But Ghana's agriculture is not dynamic; foodstuffs are produced largely in smallholdings for subsistence, and cocoa, the main crop, is grown for export. There is little in this to stimulate agricultural development and farm incomes.

The Plan envisages "six priorities" for agriculture in the next five years: to raise yields on the cocoa farms; to establish rubber and bana estates for the export trade; to establish the "foundations of a cattle industry; to raise the yields of cereals; to bring the Volta Fool Plain under irrigation; and finally to promote the use of fertilisers. These priorities do not involve any qualitative change in agricultural organisation. New farming industries are limited to experimental and demonstration farms. The incentive for new settlements for the production of bananas and rubber will be state subsidies. The cost of all these efforts amount to £24.7 millions, of which £10.4 million is earmarked for definite projects.

These efforts can contribute to an increase in agricultural output. But to what extent can that increase be mobilised over the next few years to finance not only the Plan, but further developments on the agricultural front? This is an important weakness in the Plan. There is little recognition of the fundamental role of agricultural co-operation, marketing and agricultural savings and loan banks in bringing about the agricultural revolution in Ghana.

Only 10 per cent. of the total cost of the Plan is allotted to "industry and trade"—and this is the most unsatisfactory part of the entire Plan. There is a good reason for this. The Ghana government faces an inescapable dilemma. Any economic plan should take direct initiative in promoting the creation of an industrial base, and so bring about a more desirable balance to the economic structure. But such initiative can and will antagonise the flow of private capital from abroad, as well as private domestic enterprise. And this the Ghana Government appears reluctant to do. The report on the Plan declares that "specially high priority will be given within the next five years to promoting the establishment of not less than 600 factories producing a range of over 100 products." There is little information as to how this will be done, who is take the initiatice, and what the products will be. The Plan outlines the industries which will be reserved for pure state participation, but these are confined to the normal public utility enterprises (electricity, railways) and to cocoa exports. Apart from this, the entry of the State in manufacturing activity will be "where the financial participation of the Government is sought by private enterprise in order to establish a new industry."

To depend on foreign private capital to industrialise Ghana is, to say the least, to wait for a very long time. And this must be so, for at least one reason. Given the absence of any startling local endeavour to break the frozen state of the Ghana economy, foreign capital, in so far as it comes in, will fit into the pattern of investment which past capital inflows have established, that is, their entry will be main confined to extractive and similar industries to meet the raw material requirements of the capital exporting country. This indeed has been a vital factor in establishing the colonial structure of Ghana's economy in the past.

The gamut of the Second Development Plan remains the creation of a suitable infra-structure of transport, communications and power supply. Here the expected cost of investment may be as large as £153 million, including the anticipated expenditure on the Volta River project. This project has been fundamental to Dr. Nkrumah's understanding of Ghana's economic requirements. He continues to espouse it, in spite of many reports that the project would be unduly costly at the present time. Basically, the purpose of harnessing the Volta River at Ajena is to provide power for the exploitation of the large-scale bauxite deposits some 200 miles away. The creation of a considerable aluminium industry with full smelting facilities and having an annual capacity of 210,000 tons for export may decisively remove Ghana's dependence on cocoa as the principal source of revenue, employment and foreign exchange—so it is argued. At the same time a huge artificial lake, over 3,000 square miles—would be formed. This in turn could open up possibilities for an inland fisheries industry, water transport and irrigation.

The cost of the project has been put at between £200 and 300 million, and Dr. Nkrumah has tried hard to interest the major aluminium companies in the United States and Canada, but with little success. Under the present Plan the project has been revised and now involves the mere preparation of the dam site.

There is no doubt the Volta River project can have a powerful impact on the structure of Ghana. The impact will be cumulative—the availability of power on this scale can enable the rapid growth of a number of ancillary industries attached to aluminium smelting, and in time provide the creation of basic industries, particularly iron and steel. In view of these implactions, particularly the condition of aluminium smelting in Ghana itself, we can understand why the United States, dictated by major aluminium monopolies, is far from keen on providing the capital assistance for the project.

Under the Plan, the economic infra-structure in other fields will continue apace. Roads, bridges, airports, posts and tele-communications, railways, harbours and other transport facilities, will absorb a fairly substantial part of the expenditures, and the projects for immediate implementation under this head will cost £28.7 million in the next five years. While these are important in themselves, they are not in balance with the relatively meagre planned expenditures and efforts in *direct* economic development. It is evident that the industrialisation and economic diversification of Ghana is not to be attempted in this decade, and that what the Government hopes is that the creation of a suitable atmosphere of infra-structure economies will attract the flow of private capital funds from abroad in the future.

The Ghana authorities justify this policy in terms of the scarcity of resources to finance all-round development. The Plan states that the expected available funds over the 5 years will amount to no more than £90 million as against the cost of the total plan of £242 million.

But had the Plan been formulated with a view to sharpening the internal commodity circulation process with appropriate State organs to mobilise the surpluses that would inevitably arise, as well as to check the seepage of this surplus to countries abroad, then a fairly significant part of any such plan can become self-financing.

We looked to the first independent Black African state for a recognition that the pace of the political evolution in Africa demands something ambitious. For this country must extricate itself from the shackles of a colonial-type of economy. Without this, Africa's place in the world economy will be more effectively sealed in the current pattern of international specialisation.

The problems are enormous, but to depend on international private investment is not to solve these problems. It will only tie Ghana more permanently into the colonial system of production and trade.

In this sense, the caution and limited employment of direct State initiative to enlarge the productive basis of the economy under public control appears unjustified.