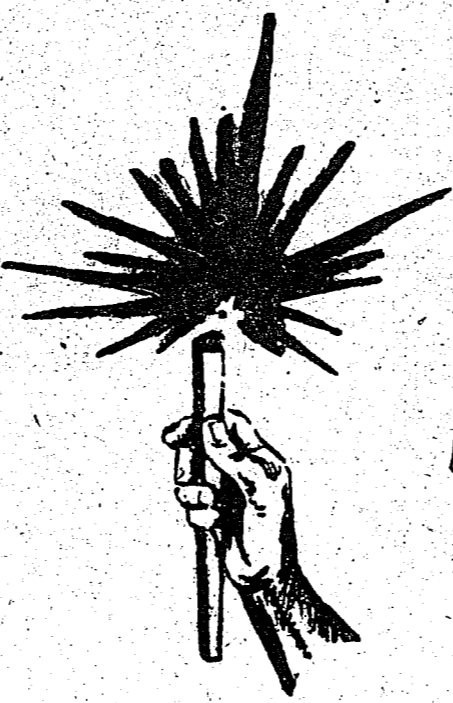


**IN THIS ISSUE**

Julius Sago suggests some ways to solve Ghana's present Economic Problems (See page 3)

# THE SPARK



Notes of The Week	2
Vatican and 20th Century	4
U.S. Neo-Colonialism Plunders Latin America	5
Consolidate our Gains	6

A SOCIALIST WEEKLY OF THE AFRICAN REVOLUTION  
(Registered at the G.P.O. as a Newspaper)

FRIDAY, SEPTEMBER 17, 1965

No. 144 2p.

# KWAME NKRUMAH

SEPTEMBER 21st is the 56th anniversary of Kwame Nkrumah's birth. This date is installed in our national calendar as Founder's Day, in honour of the man who founded our Party, the Convention People's Party, and our independent Republic of Ghana.

Every worker on this paper, from Editor to youngest messenger, sends him, the founder of *The Spark*, sincere congratulations and wishes him yet more strength for the carrying forward of his great work.

Since we celebrated Kwame Nkrumah's birthday last year, his philosophical work and his practical political leadership in Ghana, the African continent and in the field of international politics have become yet more widely recognised.

The country of which he is the founder has continued to develop and grow towards its noble goal of socialism, in the African continent the advance to unity takes on a new impetus and in international affairs the President has emerged yet more widely recognised as a force for liberation and peace.

Kwame Nkrumah has made decisive contributions in the three important fields of the African revolution.

**THEORETICIAN**

He has enriched the theory and practice of scientific socialism; he has led Ghana to independence and charted the way forward to a new socialist society, and he has contributed to the total liberation of our continent, the culmination of which will be Continental Union Government.

In the introduction to his latest published work *Consciencism* he writes, "... there were the vast numbers of ordinary Africans, who animated by a lively national consciousness, sought knowledge as an instrument of national emancipation and integrity (Bold ours, Ed.) This is not to say that these Africans overlooked the purely cultural value of

their studies. But in order that their cultural acquisition should be valuable, they needed to be capable of appreciating it as free men."

This short paragraph gives a valuable indication of the motivation of a real revolutionary leader. He sees that knowledge is to be acquired, not for its own sake, delightful and stimulating though it is, but as a tool to be used for the total liberation of mankind from oppression, poverty and ignorance.

**KNOWLEDGE**

This knowledge is not to be accumulated facts and theories, but it is to be a systematic body of knowledge to be applied to the real, the actual, the specific situation in which we find ourselves.

It is this scientific approach to politics, philosophy, cultures and the tasks of liberation, which has ensured that Kwame Nkrumah himself has continued to grapple with every new stage of the struggle as it has unfolded and has led Ghana through the most complex situations while never losing his sense of direction.

Continuously involved in action, he has nevertheless drawn the lessons of his experience and enriched revolutionary science in his various works which we know as Nkrumaism.

Kwame Nkrumah never fails to stress the essential unity of theory and practice in the true spirit of revolutionary scientific socialism.

Not only has Ghana been able to develop in spite of great difficulties because of this principle, but the world wide anti-imperialist and revolutionary movement has been enriched in its practice and theory.

Kwame Nkrumah, sought knowledge not for his own advantage but as a means of leading his people to full freedom.

He saw in scientific socialism a dynamic philosophy, which not only explains the world but sets out to change it. "For the third category of colonial student



(i.e. like himself, Editor) it was especially impossible to read the works of Marx and Engels as desiccated abstract philosophies having no bearing on our colonial situation. During my stay in America the conviction

was firmly created in me that a great deal of their thought could assist us in the fight against colonialism. I learnt to see the philosophical systems in the context of the social milieu which produced

them." The ten years spent in the United States in study, in earning a living, in taking part in the politics of Africa, albeit abroad, were obviously an important stage in his life.

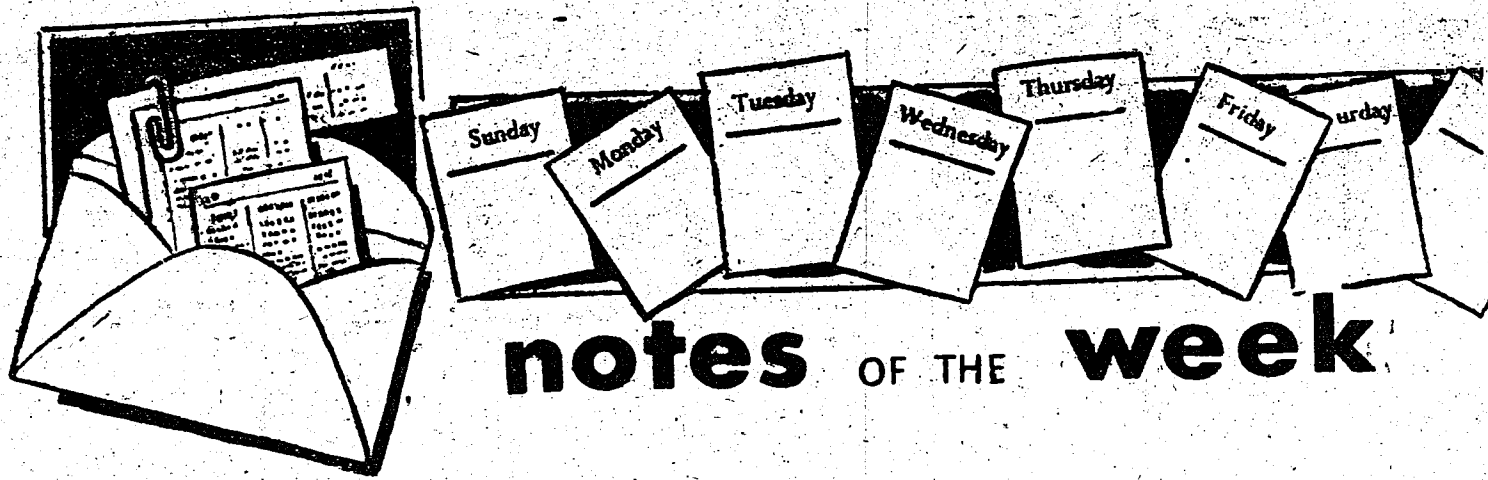
It was, too, a very important stage of world history. When Kwame Nkrumah left the Gold Coast in 1935, the threat of the Second World War loomed on

(Continued on page 4)

**Memorable Dates**

- BORN: 21st September, 1909
- 1927: Entered Government Training College, Achimota, Accra
- 1930: Completed Achimota.
- 1935: Left for U.S.A. for further studies.
- 1939: Graduated from Lincoln University with B.A.
- 1942: Graduated from Lincoln University with B.Th. Graduated from University of Pennsylvania with M.Sc.
- 1943: Graduated from University of Pennsylvania with M.A.
- 1945: Left New York for London. Enrolled at Gray's Inn and at London School of Economics. West African National Secretariat founded and Joint Secretary with late George Padmore Fifth Pan-African Congress in Manchester, England.
- 1947: Wrote "Towards Colonial Freedom" but no publisher was willing to handle it. Arrived back in the Gold Coast and took up appointment as Secretary of United Gold Coast Convention (UGCC).
- 1948: The "Big Six" of the U.G.C.C. arrested and detained. Founded Accra Evening News.
- 1949: Convention People's Party founded after crisis in the leadership and strategy of U.G.C.C.
- 1950: Positive Action launched. Arrested and jailed.
- 1951: Released from prison to assume post of Leader of Government Business.
- 1956: The Motion of Destiny" — Independence Motion tabled in the National Assembly.
- 1957: Ghana Independence. Published "Ghana", Autobiography on Independence Day.
- 1958: First Conference of Independent African States in Accra. All African Peoples' Conference in Accra.
- 1960: Became President of Ghana Republic. Published "I Speak of Freedom", a collection of his speeches.
- 1961: Casablanca Charter and Ghana-Guinea-Mali Union.
- 1962: Kulungugu Bomb incident. Published "Towards Colonial Freedom".

(Continued on page 2)



# notes OF THE week

**AS we go to press the outcome of the clash between London and Salisbury regarding the appointment of a Rhodesian envoy in Lisbon remains undecided.**

Mr. Ian Smith's racist regime, which already has a diplomatic representative in Pretoria, capital of Verwoerd's apartheid republic, wants to appoint Mr Harry Reedman as its representative in Lisbon, capital of Salazar's fascist dictatorship.

Close relations, animated by a common fear of and hostility to the African freedom movement, already exist between Rhodesia and the Portuguese authorities in neighbouring Angola and Mozambique.

Direct relations between Salisbury and Lisbon would further weld this all-white "Belt of Steel" across the southern tip of the African continent.

But Britain maintains that she alone is responsible for Rhodesia's external affairs, and that Mr. Reedman cannot have diplomatic status because he has no letters of accreditation from the Queen.

He must, says the British Foreign Office, be attached to the British Embassy and operate under the supervision of the British Ambassador.

Such a prospect is not to the liking of Salisbury, and so far Ian Smith has stood firm in his demand for full diplomatic status for his man in Lisbon.

Portugal has great sympathy with the Rhodesian settler regime and would very much like to satisfy its diplomatic ambitions. On the other hand, while it has no particular liking for aspects of British policy, it

hesitates to give open offence.

So Portuguese Foreign Minister, Dr. Nogueira led British Ambassador Sir Archibald Ross to believe that Mr. Reedman would have no diplomatic status. Then, to mollify ruffled feelings in Salisbury, Portugal issued a denial that any such assurance had been given.

For Britain to recognise Rhodesia's right to have a diplomatic envoy in Portugal would be a big step towards recognition of Rhodesia's claim for independence under white minority rule. There must be no climb-down by London.

This is all the more vital in view of reports from Rhodesia speaking of a new wave of rumours regarding the possibility of an imminent declaration of independence by the settler regime.

What such independence would mean for the African majority was clearly indicated by Mr. Smith when he refused to rule out the possibility of the introduction of a full-scale apartheid regime on the South African model.

"I have been asked to give an undertaking that Rhodesia will not adopt apartheid. I will not give such an undertaking because time will tell which of the policies such as that practised north of us or in South Africa is the best," he said.

What Mr. Smith ingeniously describes as the policy "practised north of us"—that is, in Zambia—is that of African majority rule. Mr. Smith has frequently rejected any such possibility for Rhodesia—indeed, his whole policy is designed to prevent any such eventuality.

Mr. Smith has already chosen apartheid.

that it is Washington's insistence on the exclusion of the National Liberation Front from participation in any settlement that is the obstacle to peace.

"No less important", the report goes on, "is that neither the present Saigon Government, nor any foreseeable successor, could cope with negotiations or with any post-negotiation

situation that fell short of the ideal"—that is, the total exclusion of the National Liberation Front from a political role in South Vietnam's "foreseeable future."

In plain English, this means that the U.S.-backed Saigon puppet government has no popular support and could not exist without U.S. bayonets.

## Blow For Unity

**THE meeting of the Co-ordinating Committee of African Unions in the Field of Mass Communication which took place in Accra this weekend, was a most welcome event.**

This was welcome for a number of reasons. The first reason is that this signals the recognition by the Organisation of African Unity of the very great importance of the work of African journalists in the field of radio, television and newspaper publishing.

Every year increasing numbers of Africa's population are learning to read, the numbers of publications, increased. Radio and television networks are being extended over the whole of the continent. The battle of ideas is intensifying.

It is vitally important, therefore, that the Organisation of African Unity should in a bold and decisive way, move into this field, laying down standards to which every African journalist can be expected to conform.

The standards should not be rigid or exclusive but should lay down the minimum demand that every African journalist is expected to serve the cause of the total liberation of the continent and the ideals of African Unity.

In addition we obviously expect the further development of professional standards and competence.

The Organisation of African Unity will be well advised to assist all those organisations and institutions which work to combine these two important aims. It will pay rich dividends in the political quality and professional level of our workers in the field of Mass Communication.

The second reason for welcoming the meeting of CAMI is a more general one.

Perhaps with the imminence of the meeting of the Heads of State, there might have been a tendency to relax, to "wait and see" what

comes out of the Summit before the various Commissions or sections launched out onto further work.

The journalists have shown, by their practical action, that they recognise that this is no time for raising up. It is now that every effort needs to be made to develop and strengthen every field of work of the Organisation of African Unity.

The Heads of State level, is already firmly established, and will, we are confident, go on to new strengths. It is also at the lower levels of African Unity, that attention needs to be given simultaneously.

African Unity is not a Governmental concept, or perhaps it would be more accurate to say that the Governmental concept can only be realised if, in every other field of activity, the aspiration for unity finds its reflection.

The Trade Unions, the professional organisations, the organisations of women and youth, educationalists, and artists, all help to make the Organisation come alive, help it to be meaningful for the masses of the people, and in turn, the Organisation draws its great strength from their active support.

The journalists are to be warmly congratulated on their work and on showing the awareness of the need to strengthen the Organisation of African Unity at all levels.

CAMI has now completed one part of its work, namely the formulation of standards, the drawing up of recommendations on training and the problems of telecommunications in Africa.

We are confident that its task of winning the journalists for the practical realisation of the great ideals of African Unity will be undertaken with yet more vigour and confidence. In turn the journalists will go on to play a yet more active part to ensure the success of the forthcoming summit meeting and all that this great gathering stands for.

## MEMORABLE DATES

(Continued from page 1)

1962: World Without the Bomb Assembly in Accra. Won the Lenin Peace Prize African Freedom Fighters' Conference in Accra.

1963: Addis Ababa Summit Conference and birth of Charter of Organisation of African Unity. Published his book "Africa Must Unite".

1964: Escaped neo-colonialist agents' bullets unhurt. Published "Consciencism"—Philosophy and Ideology of decolonisation and development with particular reference to the African Revolution. Cairo Summit Concrete proposals for Union Government of Africa.

1965: Re-elected President of the Republic of Ghana. Opened Ghana's First Socialist Parliament, the Afro-Asian Peoples' Solidarity Conference, Winneba. Invitation to Heads of States to meet in Accra, October, for Summit Conference.



3RD AUGUST:

**GHANA:** Addressing the National Assembly in Accra today, President Kwame Nkrumah declared that unless the People's Republic of China is seated in the Security Council and the United Nations General Assembly the world organisation would be frustrated in all its endeavours.

\* A three-man Malian delegation, flew back home today after a four-day visit to Ghana. The delegation was led by Mr. Cisse Aly, Deputy Minister of Justice.

**MAURITANIA:** The Mauritania Republic has broken off diplomatic relations with the Taiwan regime and has recognised the People's Republic of China as the sole legal Government of the Chinese people. The Taiwan Charge d'Affairs in Nouackchott, Mr. Dawoud Ting was asked to leave the country today and the first People's Republic of China's ambassador is to arrive in Nouackchott to assume duties the same day.

**KENYA:** The Kenya Federation of Labour and the Kenya African Workers Congress, will be dissolved in sweeping changes in trade union structure. They will be replaced by one joint body to be called the Central Organisation of Trade Unions, it was announced in Nairobi today.

\* Kenya's assistant Education Minister has described five students who recently returned home from training in Soviet Universities as a good investment.

**MALAWI:** Dr. Hastings Banda, Malawi Premier has deposed a local chief and his deputy and expelled four officials of the ruling Malawi Congress Party, it was announced in Blantyre today.

**TANZANIA:** Tanzania's first post-independence general elections will be held on September 21 and 26, it was announced in Dar-es-Salaam today.

**ALGERIA:** The family of the Ex-President Ben Bella, has had no direct news from him since his arrest, his lawyers said, in Paris today. But Algerian official reports say that Ben Bella is in good health.

**SOUTH AFRICA:** A resolution calling upon the British Government to support measures through the U.N. for economic sanctions against apartheid South Africa will be tabled at the annual conference of the British Labour Party which will be held from September 22 to October 1 in Blackpool.

**4TH AUGUST:**  
U.A.R.: Presidents Abdel Nasser of the U.A.R. and Joseph Broz Tito of Yugoslavia, have in a joint communique praised the efforts of the O.A.U. aimed at strengthening the Unity and solidarity of African countries in the struggle for emancipation and development. They also called for an urgent halt to American bombing on North Vietnam and said the Vietnamese issue seriously endangered world peace.

**ALGERIA:** The clandestine Algerian "Organisation for Popular Resistance" has accused the new Algerian Revolutionary regime for planning to hold the Afro-Asian summit conference in Algiers in November, in order to extract an international guarantee for its dictatorial regime, Reuter reports.

**CONGO (Leopoldville):** In an interview with the Tunisian weekly "L'Action" the former Congolese Premier, Cyrille Adoula has said that he believed that it was the role of the Organisation of African Unity to find an acceptable solution to the Congolese problem.

**TOGO:** The Togolese Minister of Commerce and Industry,

Mr. Jean Agbamegan has said in a statement issued in Lome today that, Japan has become Togo's second supplier after France, but the balance of trade is heavily against his country.

**NIGERIA:** Nigeria's Workers and Farmers Party has called on Nigerians to reject the committee set up last week by the Federal Premier, Alhaji Tafawa Balewa to review the country's constitution. In a statement issued in Lagos, the Party said an all Nigeria People's Conference should be convened to review the constitution.

**GHANA:** Mr. S. G. Joku, Senior Lecturer at the Kwame Nkrumah Ideological Institute, Winneba, has warned the Ghanaian Youths against reading cheap propaganda publications meant to give them an impressive but false picture of the capitalist society. He was addressing Western Region district officers of the Young Pioneers Movement during their re-orientational course at the Institute.

**5TH AUGUST:**  
**DAHOMEY:** The Council of the Entente States has decided to open discussions with President Kwame Nkrumah on the forthcoming October Summit Conference of the O.A.U. President Sourou Migan Apithy of Dahomey Dahomey has said in Cotonou.

**GHANA:** The Zambian High Commissioner in Ghana has praised the CPP and the Government for raising the leaving standards for the people of Ghana since independence.

**6TH AUGUST:**  
**CONGO (Leopoldville):** The Congo (Leopoldville) Parliament has been summoned to an extraordinary session on September 20, the new Interior Minister, Mr. Victor Neudaka announced.

**ALGERIA:** The Algerian Embassy in Accra, Ghana, has declared that the new Algerian Revolutionary Council has never asked for any recognition from any country.

**ALGERIA:** Twenty countries including Ghana are taking part in the second International Fair opened in Algiers by the head of the Algerian Government, Colonel Houari Boumedienne.

**BASUTOLAND:** The apartheid Prime Minister of Basutoland, Chief Leabua Jonathan returned home by air today from London after a five-day of talks with the British Government over his country's independence next year.

**SOUTHERN RHODESIA:** The Rhodesian newspaper, "Sunday Mail" in a report by its political correspondent said Britain's Prime Minister, Mr. Harold Wilson, has been

informed that no matter what his government says, Rhodesia's diplomatic envoy in Lisbon Mr. Harry Reedman will be completely independent.

**ZAMBIA:** President Kenneth Kaunda of Zambia today opening the 15th Session of the regional conference of the World Health Organisation in Lusaka's Evelyn College of Further Education has said that Africa's four major enemies are hunger, poverty ignorance and disease, which he described as the unholy quartet. He said if Africa routed any one of them, the other three would be in retreat.

**7TH AUGUST:**  
**GHANA:** President Kwame Nkrumah of Ghana has made an earnest appeal to Lal Bahadur Shastri, the Indian Premier and President Ayub Khan of Pakistan to end the fighting over Kashmir and solve peacefully, the dispute leading to the raging armed conflict.

**ALGERIA:** The Chinese Vice-Premier and Foreign Minister Mr. Chen Yi has stated in Damascus, Syria today, that the forthcoming Afro-Asian Summit due in Algeria was to put a halt to American imperialist aggression.

**MALAWI:** A Malawi Member of Parliament Mr. N. Mwambungu, was hit several times by gunfire when an armed gang attacked his home and burned it to ground. It was officially announced in Zomba today.

**U.A.R.:** The Soviet Union announced that it was ready to stop all underground nuclear tests without delay on the basis of a U.A.R.'s proposal to the 17-nation Disarmament Conference in Geneva, Switzerland today.

**8TH AUGUST:**  
**ZAMBIA:** Mr. James Skinner, Zambian Attorney-General has said in Lusaka today that he had directed the police not to prosecute three men arrested for possessing arms near the bearder with the Congo (Leo.). According to reports the men were arrested yesterday at Kapiri Mposhe about 100 miles north of Zambia.

**SOUTHERN RHODESIA:** Ian Smith, leader of the minority racist regime of Southern Rhodesia apologised in Salisbury today to an African Parliamentarian in the All White Rhodesian Parliament for having called the African dishonest during a parliamentary debate.

**TANZANIA:** More than 400 Tanzanian families whose homes are threatened by the rising waters of Lake Victoria are to be rehoused under a 600,000 Cedis loan, the Tanzanian Minister for Housing Mr. Austin Shaba, announced in Dar-es-Salaam today.

**MOZAMBIQUE:** The Mozambique Liberation Front stated today in Dar-es-Salaam, Tanzania that its troops had shot down one Portuguese aircraft and killed 22 Portuguese soldiers during clashes last month.

## FACTS NOT WORDS

"MUTUAL confidence and friendly co-operation between states do not originate from words, but from deeds. They are created by concrete facts.

"And it is a fact that the United States intends to give West Germany access to the control of nuclear weapons, contrary to the vital interests of Poland and the interests of peace.

"It is also a fact that the United States has not yet made any statement regarding the inviolability of Poland's Western border on the Odra and

Neissa rivers. This cannot but stimulate those in West Germany, led by the Bonn Government, who want a revision of Germany's frontier and who make territorial claims against Poland.

"Can these facts create confidence in United States policy among the Polish people? West German militarism is an ally of the United States. For Poland, it has been and will for ever continue to be a dangerous enemy."

Wladislaw Gomułka, Secretary, Polish United Workers' Party.

# In search of a new Economic Policy

by Julius Sago

**GHANA'S decision to build a socialist society is the will of the people. In the drive to build this new society, sacrifices will be demanded of the people. This is inevitable. However it must be emphasised that the people will make sacrifices willingly only to the extent that they see these sacrifices as measures for building socialism, not for gratifying the demands of vested interests.**

Now that the political infrastructure has been largely built, our advance to a socialist society will revolve around the battle of economic construction, though economic changes invariably involve political clashes. The fate of socialism in Ghana will depend on the outcome of the struggle now raging around economic construction.

In order to guarantee that this struggle on the economic front ends in victory for socialism, it is of great importance that we never forget the nature of our economy today. Our economy at the present time is neither capitalist nor socialist. It contains strands of both economic systems.

Our duty is to contain the capitalist strands while accelerating the growth of the socialist strands. In time, the outcome will be a socialist economy. To lose sight of this fundamental fact is to get caught up in a web of activity without achieving a real breakthrough.

Our economy today faces severe strains. Prices have risen. Rate of growth of the national gross output is still below what we plan for. Consumer spending power has outgrown the supply of consumer goods. Our foreign exchange position is unfavourable as the result of the catastrophic fall in the world cocoa prices and swelling bill on outgoing payments of all kinds.

## STRATEGY

These difficulties naturally force a change of tactics on us. But must this change in tactics over-reach itself and become a change in strategy? There is the need to be absolutely clear on this.

Everybody is agreed on the need and even the urgency of a change in our economic tactics. But there can be no gainsaying the fact that certain interests would like these changes in economic measures to lead to a change in our economic strategy.

In short, these interests want solutions to our current economic problems that would pave the way for the ultimate abandonment of socialism. If we lose sight of this fact, then we have missed the whole point of our struggle against imperialism.

Our economic advance hinges on three key factors—the extent to which we can finance our economic projects out of our own resources; assistance from the socialist countries; aid from international finance capital. Our assignment is to combine these three factors in such a way as to permit a realisation of our socialist goals.

The importance of readjustments in economic tactics is the key note of that part of the President's address to the National Assembly last month that deals with the national economy.

While admitting the need for such changes, the Presi-

dent emphasises that there can be no change in our economic strategy. It is useful to quote him again. The relevant portion of the address reads:—

"Mr. Speaker, let me state here and now that under no circumstances will we allow those who now control and manipulate world prices of cocoa to alter, hamper or curtail our programme of industrial and agricultural development, and the expansion of our educational and other social services.

"The implementation of our Seven-Year Development Plan will proceed. Neither the machinations of monopolists in the cocoa trade, nor the obstacles placed in our path by those who seek to control foreign currencies and credits, will cause us to slacken or halt our pace of development.

"If more sacrifices of luxuries are required, we shall make them. If greater efficiency must be reached in our present production, we shall reach it. But our development will go on."

## FISCAL MEASURES

There is no doubt that the President here reflects the innermost desires and the determination of this nation and its people. All that is needed now is a realistic re-cast of economic and fiscal measures to tide us over our current difficulties but keep our ship of state firmly on course to socialism.

The statement made to the National Assembly last week by the Minister of Finance when introducing the "Little Budget" for the last quarter of fiscal year 1965 reveals some fluidity in views about what the necessary economic adjustments should be.

This state of affairs sets the stage for bargaining, sometimes astute, sometimes bordering on blackmail, at other times plain horse trading. And our economic administrators should be made to know, if they do not already know this, that naivety in such circumstances can be fatal.

Broadly, two views are currently canvassed. One plumbs for greater reliance on private foreign capital. The other insists on greater self-reliance, i.e. making our own sacrifices the cornerstone of our economic construction. This should not be interpreted to mean that these views are mutually self-exclusive in all respects. There are elements of the one in the other.

But, before we go further with the suggested solutions, what precisely is the state of our national economy today?

## ECONOMY GROWTH

The rate of growth of the national economy (rate of expansion of gross national product) is lower than the planned rate (4.5% as against planned 5.5%). This is the case despite a big expansion in governmental spending, the greater part of which goes into non-productive projects (infrastructure and social services).

The reflection of this fact in state finance has been recurrent budget deficits. In the past four years, budget deficits have reached £193 million. These deficits have been financed £8m. through ways and means and £50m. by bank credit (one third from the Bank of Ghana and two thirds from the commercial banks).

The rest has come by way of borrowing. In other words, the budget deficits have been met principally

by way of inflationary and non-inflationary borrowing.

A result of this approach to the financing of the budget deficits has been a sharp increase in the volume of money in circulation. By the end of 1964 the physical supply of money had gone up 26% on the amount at the end of 1961!

This big increase in the physical supply of money alongside a slow rate of growth of the gross national product and a contraction in the volume of imports forced upon us by a drop in our earnings of foreign exchange and our desire to spend more of our foreign earnings on industrial equipment has meant a general rise in prices of consumer goods. This rise in prices has gone up not only for luxuries but even more so for necessities, including food.

A second factor that has imposed severe strain on our foreign exchange earnings is loan servicing. As a result of our rather tight foreign exchange reserve, we have tended to bridge the gap between our export earnings and the value of imports by way of suppliers' credits.

These credits are of only 3 to 5 years duration, with high rates of interest 5% to 6½%. Repayment of principal and interests in 1965 alone on all such loans contracted up to December 1964 reaches the high total of a little over £18m, which is one-sixth of our total earnings of foreign exchange in the year. Our foreign exchange earnings now run at about £110m. a year.

Thus we arrive at our present position characterised by severe pressure on foreign exchange, scarcity of the right kind of investment capital and price inflation.

Now, our commitment to expanded industrial and agricultural production at home in order to meet rising demand and provide expanding employment opportunities for our people forces on us a policy of expanded investment in the productive sector.

## INVESTMENTS

But, it must be remembered, more investments would expand consumer spending power at home because they bring into being new enterprises and permit a fuller utilisation of existing productive capacity.

Our economic problem therefore reduces to this: to increase productive investments and simultaneously combat inflation and ease the strain on our foreign exchange resources. These three things—expanded investments in the productive sector, drastic deflation and reduced strain on foreign exchange earnings—are the strands of the new economic policy demanded by our present situation.

It is against this background that we must consider the alternative policies now being canvassed and studied.

The first view on what steps are needed could be labelled the orthodox view of classical economics. It is the capitalist view. And it makes reliance on private foreign investments the bedrock of its recommendations. The elements that make up this classical capitalist approach are:—

1. a balanced budget i.e. government spending should be covered by tax revenue, domestic borrowing from non-bank sources and long-term foreign borrowing. Suppliers' credits should be re-negotiated for long-term loans and eventually replaced

ed by private foreign investments;

2. a cut in domestic demand including a cut in cocoa producer prices; restriction of bank credit specially to public enterprises; a further raising of prices of home produced goods;

3. a liberal attitude to foreign private investments to be reflected in freer repatriation of funds, a tax policy more favourable to private business, a freer and more efficient handling of import licences, an end to discrimination against non-Ghanaian shipping, a recast of bilateral and barter arrangements.

Shorn of all its technical language, this view boils down to the demand that the Ghana Government should put its limited resources into financing the infrastructure of economic growth and social services, keep public enterprises at the present level (indeed cut down a bit on what exists as part of a rationalisation drive!) and entrust further expansion in the productive sector of the economy to private, mostly foreign, capital.

## ARGUMENTS

There are several strong arguments against this view. I shall here deal with only two.

The great reliance on suppliers' credits to finance economic development is an unstable policy for economic development, in the long-run, in a developing country; it imposes an unbearable strain on the economy. This is common ground. However, we fail to see how a shift from suppliers' credits (i.e. short and medium-term foreign borrowing) to long-term foreign borrowing can be a final solution to the foreign exchange problem.

Surely this will be seen as a final solution only by those who subscribe to the view that the productive sectors of developing economies the world over should be dominated by international finance capital. In other words, by those who see economic imperialism as a permanent feature of the contemporary world.

Surely only those who benefit from imperialism can subscribe to this viewpoint. Ghana cannot. In any case, her people have said so through their Party and Government.

The second argument against the classical free enterprise view is that it does not solve the problems with which it is faced, even in the short-run. The big claim for it is that if we adopt a more "liberal attitude" to private foreign investments, the strain on our foreign exchange would be eased.

## CLASSICAL VIEW

The other claim that a high rate of all-round economic development would be achieved we can ignore as a claim often made but nowhere achieved. Ghana will be no exception in this regard. The fact that the dominance of private foreign investment and eco-

economic independence are incompatible is too obvious to require comment.

At the moment, repayments of principal and interests on suppliers' credit contracted up to December 1964 amount to some £20m. a year. In addition, a further £8m go out as profits repatriations on existing foreign investments in Ghana. This makes up a total drain of £28m., to be met in foreign currency, some 25 per cent of our total foreign exchange earnings.

If we can re-negotiate the suppliers' credits, that is turn them into long-term credits, we merely reduce the size of annual repayments on these credits while lengthening the period of repayment.

We do not get rid of the repayment problem. Even if we get the most favourable terms possible—a doubling of the repayment period and a slightly lower interest rate—we shall still have to find some £10m on the existing repayments figure of £20m.

## SUPPLIERS' CREDIT

But this £10m. margin gained would be completely wiped out by increased payments resulting from other demands made by the classical viewpoint. A liberalisation of repayments policy on existing foreign investments in Ghana will push up our payments bill.

So will tax relief on private investments; so will an end to discrimination against non-Ghanaian shipping. Added to all this, there will be additional repatriation of profits arising from the increased inflow of private foreign investments, which is a cardinal point in this classical view.

It should be noted that we have not allowed for increases in imports which will result from a relaxation, however slight, on import control. We have also left out of the reckoning the worsening of our trade balances with the sterling area, Japan and the European Economic Community as a result of the policy of bringing in more industrial raw materials and spares for a full utilisation of existing productive capacity. (Most existing plants and equipment are supplied from these areas.)

Our calculation is that what we gain on foreign exchange by converting the existing short and medium-term suppliers' credits into long-term loans is negated by the demand for a "more liberal attitude" to private foreign investments.

This does not mean that re-negotiation of the existing suppliers' credits is not needed. It however means that such re-negotiation need not and should not be tried to a freer hand for private foreign investment.

Unfortunately, it seems that the latter is being made a condition for the former. Herein lies the economic blackmail, carefully covered up in what looks much like horse trading:—

The alternative policy (the socialist viewpoint) concentrates its remedies for our current economic problems on three fronts. These are:

1. production. An increase in production

through a fuller utilisation of existing productive capacity and new investment programmes in agriculture, industry, forestry, fishing and mining. This expanded investment programme should be met principally through a shift in emphasis in government spending (increase of productive investments from 35 per cent to 55 per cent of budget expenditure by 1966 and gradually to 65 per cent by 1970); and through financing new investments out of capital formation here at home. A secondary source of investment fund is long-term foreign loans and investments.

2. attack on consumer spending. This is to be achieved through a cut in cocoa producer prices (already done with consent of our cocoa farmers and to their eternal glory); reduction in money supply; restriction and scrutiny of credits, especially bank credit, to both the public and private sectors; increased contribution by the public to revenue and savings (national insurance, voluntary savings drive, steeper purchase tax, higher import duties and excise, and what has so far not been tried—a turnover tax that seeks to equate supply of consumer goods to the demand.)

3. equilibrium in foreign exchange transactions. This is to be attained through stricter control over invisible payments especially payments on shipping and insurance premiums: a cut in or pegging of the volume of consumer import; a cut in the volume of repatriated profits (note that this could be reconciled with a more liberal tax policy towards private enterprise); re-negotiation of existing suppliers' credits for long-term loans; review of bilateral and termination of barter agreements. These measures could be supplemented with a drive to sell more in Africa, the sterling area and Japan, plus a world-wide striving for commodity price agreements.

This stringent economic policy has to be carefully husbanded. We can ill afford losses or inefficiency due to diffusion in taking or in implementing economic decisions. The situation calls for the setting up of a permanent economic general staff at the service of the President all the time.

This body should not be connected with economic administration, though it could seat a few top economic executives. The initiation, feasibility study, pre-financing and phasing of projects should be agreed by it.

## GREEN LIGHT

The commitment of public finances to projects should await the green light from this body. This economic general staff need not be larger than twelve experts—economists, statisticians, financiers and such like specialists.

There is every hope that this alternative policy will solve our problems. It will most certainly keep us on

the road to socialism.

It will impose hardships on our people. But these hardships will be compensated by increased employment opportunities and the knowledge that our sacrifices are in truth opening the door to economic independence.

The weak point in this policy is the re-negotiation of existing suppliers' credits. The bulk of these credits has been made available to us by international finance capital which can no longer conceal the fact that it is making the grant to it of a freer hand in our economy a condition for such re-negotiation.

It is here that the socialist countries could help us outflank the positions of international finance capital. How can this be done? By a prompt cancellation of barter agreements and a review of bilateral agreements to make these more favourable to, Ghana at least during the life of the current 7-Year Plan.

Also by prompt re-negotiation of existing suppliers' credits from socialist countries into long-term loans at very low rates of interest. The socialist countries could even give us a repayments holiday of up to 5 years or more on existing suppliers' credits.

## NEW PROJECTS

If we can get this accommodation from the socialist countries and supplement it by a greater reliance on our domestic resources and greater sacrifices by our people, if we are prepared as a last ditch stand to scale down temporarily on new economic projects, we shall be in a strong position to bargain with international finance capital.

We shall still need private foreign capital in the form of loans and investments. But we shall get this by paying for it, but without sacrificing our economic independence. As Lenin, the founder of the first socialist state in human history, put it when faced with an economic situation even graver than ours today:

"... the possibility of building up socialism depends entirely upon whether we shall be able, by paying a certain tribute to foreign capital during a certain transitional period, to safeguard our internal economic independence". (From an article published in Pravda, April 28, 1918).

Forty-six years later, Kwame Nkrumah, pioneering a socialist state, the first of its kind in emergent Africa, has come to the same conclusion. In his philosophical works published in 1964 we read:—

"... it is essential that a liberated territory should not bind her economy to that of the ousted rulers. The liberation of a people institutes principles which enjoin the recognition and destruction of imperialistic domination, whether it is political, economic, social or cultural. To destroy imperialist domination in these forms, political, economic, social and cultural action must always have reference to the needs and nature of the liberated territory, and it is from these needs and nature that the action must derive authenticity. Unless this self-reference is religiously maintained, a liberated territory will welcome with open arms the very foe which it has sought to destroy at cost of terrible suffering".

(Consciencism p. 103).

# Vatican And The 20th Century

HE recalled the former archaic Africa where people seemed to be immobile and meek, a world which seemed to have come to a standstill, and whose people, tied to the soil to vegetate on it, were scattered over vast tracts where the missionary took it for granted that he would find them living in the same state 5, 10, 20 years later.

Today, according to this Jesuit, things are changing rapidly: people are streaming towards the centres which at one time were inhabited almost exclusively by Europeans.

Tens of thousands of Africans, discarding traditions, emerging from their immobility were seeking work, losing the apathy typical of the unchanging, static village, were becoming accustomed to the new processes, to the new rhythm of the emerging industrial society.

Religious interests were therefore fading even when not rejected as the legacy of a situation that was no longer acceptable, and in the misery of the "bidonvilles", in the overcrowded shacks a new solidarity—as yet indefinite—was beginning to take shape on a new basis.

Fortified with a greater measure of independence, the delegates from the countries where they are missionaries, are also demanding a new approach to the problems of the newly-free peoples, an approach totally different from that of the prelates of the Curia, trained in the Latin and ceremonial tradition of the Vatican.

Steps are being taken in this direction, mainly through secular organisations which, incidentally, are financed by the United States. Missions of a new type are taking shape which, besides using the traditional means and drawing on their varied and rich experience, use the trade unions, semi-economic, linguistic and other organisations as a kind of confessional for Catholics, pan-Christians or simply for "all believers".

## ACTIVITIES

With Rome as the fulcrum for action, catholicism is being promoted in Africa and in Latin-America and also in parts of South-East Asia. Next year a centre for the co-ordination of activities on an international scale will be officially set up.

The last important document of the Ecumenical Council is "Schema 13", which was recently revised by the commission. It had been strongly criticised at the session by a British prelate who qualified it as "unclear, ambiguous, superficial and not worthy of the Council". "Schema 13" will undoubtedly be the epicentre of discussion at the final session of the Ecumenical Council.

The revised scheme now consists of an introduction and three parts. The first, "Man in the World of Today", corresponds in part with the introduction to the old schema (the so-called "Sign of the Times").

The second part "The Church and the Conditions of Human Existence", treats of atheism. The third part, devoted to the tasks of Christianity in our times, is divided into five parts: the dignity of marriage and the family; raising the cultural level in the world, economic and social life, political life and lastly the international community and peace.

This last point sparked off an extremely significant debate, specifically in connection with the demand that atomic, chemical and biological warfare be resolutely condemned.

"The threat of destruction hangs over mankind," said Maximos IV, patriarch of Antioch, who has now been made a cardinal. "We often speak about a just war, but what motives could morally justify destruction equivalent to a world cataclysm? Is it permissible to destroy civilisation and entire nations on the pretext of defending them?"

"... The Ecumenical Council," he stated, "should issue a clear and solemn declaration condemning nuclear, chemical or bacteriological warfare, whereas the schema, on the contrary, argues the case in platonic terms."

This proposal provoked an immediate reaction on the part of a U.S. speaker, who defended the possibility and the admissibility of conflicts in which "easily controlled" tactical atomic weapons could be used. It is worth noting that some American newspapers commenting on this speech by a "spiritual pastor" said it reflected the views of the Pentagon, rather than his own.

A keen debate developed on the subject of hunger in

Continuing our discussion of religion and its role today, we publish the last instalment of an article by the Italian Marxist, LIBERO PIERANTOZZI. We still invite readers' comments on the points raised in this and earlier articles.

the world, this tragic legacy of an unjust system which Roman Catholicism has more than once defended (Paul VI's appeal in New Delhi was partly promoted by this debate). One of the lay "listeners" present at the Council, Norris, President of the International Catholic Commission on Migration, said:

"In the unequal community of nations, a small group has grown excessively rich. Forming 16 per cent of the population of the world, this group owns 70 per cent of its wealth. It includes nations living on the northern shores of the Atlantic, which are traditionally Christian. The gap between the rich and the poor is rapidly widening. Living side by side in one and the same world community the rich are growing richer and the poor, poorer."

For millions of people, Norris continued, poverty

means an average life expectancy of 35 years; for millions of human beings living in such poverty death means deliverance. Norris was echoed by the bishops of the "third world", who are concerned about poverty, among them Zougrana, the new cardinal of Upper Volta and the Indian Thangalathil who spoke on behalf of 70 colleagues.

Finally, among the numerous other reasons for the polemic on "Schema No. 13" is the gap (noted by all) existing between the Catholic religion and the main trends in present-day culture, the critical impoverishment of Catholic culture.

Such is the price paid for the long years of obscurantism and crusades, superstition and anti-culture. It is therefore understandable that the primate of Belgium and other more circumspect prelates concerned with problems of culture are urging the Church to make a pro-

found study of the significant developments in modern culture, of the major ideological trends of our day, instead of anathematising them. Marxism, said Monsignor Guerra Campos, secretary of the Spanish episcopate, is

"not a vulgar form of materialism. It is atheistic because atheism is an integral part of its world outlook. It believes in the need for and adequacy of material reality, while religion and idealism thrust man beyond its confines, alienate him and hamper his liberation. This atheism is, therefore, not a denial, but an expression of humanism which has its own eschatology. It is necessary that we understand that denial of the transcendental as far as Marxists are concerned is not a fault but a virtue since it enables man to rediscover himself. This world outlook cannot be countered by polemics

or false praise alone. What is needed is a deep study of this world outlook so as to be able in the future to enter into a dialogue with Marxists which Paul VI in his encyclical 'Ecclesiam Suam' thinks is almost impossible."

From this brief illustration of the subject-matter discussed at the Ecumenical Council, and of developments in the Roman Catholic Church, it is evident that the progressive movement developing today is exerting an influence also on the aged, ossified structure of the Church which, this notwithstanding, unites half a billion people and is still influential in some decisive areas of the world.

The debate in the Ecumenical Council, which is by no means finished, once again calls in question many dogmas of catholicism and affects issues which are uppermost in the minds of millions, both believers and non-believers.

This struggle gives Marxists every reason for viewing with satisfaction some of their conclusions based on an analysis of the situation and confirmed by events; but more important still it enables them to make a profound study of developments in the light of the new reality which does not fit in to ready-made pat-

terns. The attention with which the Italian Communists followed the discussion in the supreme body of catholicism, was prompted not so much by purely cultural interests or historical curiosity as by a desire to find—sometimes in the curcible of polemics and clashes—that all-important and positive something that is crystallising and maturing among the Italian Catholic masses without whose participation the progressive development of our society is impossible, as the debate in the Ecumenical Council showed.

"We Communists," Luigi Longo, Secretary of the Italian Communist Party, said in an interview to the magazine *Stern*, last autumn, "have always rejected anti-clericalism, have curbed attempts to unleash a religious war in our country, our aim being to unite all working people in the common struggle for the democratic renovation of Italian society, differing on this issue even with our Socialist comrades and with the 'secular' parties."

"We believe that honest religious consciousness can make a contribution to the struggle which is the pivot of all our activity, to the struggle against the oppressive and brutal power of capitalist society."

## KWAME NKRUMAH

Founder of the State of Ghana

(Continued from page 1)

the horizon. Fascism was trampling on the lives of millions in Europe, Africa and Asia. The other imperialist states were busy resisting the growing demands for independence, but progressive forces appeared to be in retreat.

## DEFEAT

Ten years later, when Kwame Nkrumah went to Britain great changes had taken place. Fascism has suffered a decisive defeat, the Soviet Union had emerged as a world power, working class organisations had grown everywhere, imperialism was weakened.

The colonial working class too had grown and was taking part through its Trade Union Organisations in the formation of the World Federation of Trade Unions (it was only at a later stage that the I.C.F.T.U. broke away); the balance of world forces was changing.

In this new situation, the Fifth Pan African Congress held in Manchester, at which Kwame Nkrumah was joint secretary, was to be one of the most significant ever held.

It was for this Congress that Nkrumah wrote 'Towards Colonial Freedom'. It was not im-

mediately published but it reveals that Kwame Nkrumah has already learned that the roots of Imperialism were economic and that the working people of the colonies were its first victims. This recognition has enabled him to identify imperialism in all its various forms and manifestations, as we shall see when his new work on Neo-colonialism appears.

From this basic clarity all else flows.

## HIS RETURN

Returning to the Gold Coast in 1947, Nkrumah developed a new Party based on the new emergent forces in the colony, who would be able to carry forward the fight for independence, uninterrupted to socialism.

He says in 'Towards Colonial Freedom': "... organisation must root itself and secure its basis and strength in the labour movement, the farmers (the workers and peasantry) and the youth".

It is here that we see another important revolutionary quality, Kwame Nkrumah's self identification with the working class and the working farmers.

Many academic intellectuals who merely observe politics never

taking an active part in them, sneer at the belief that the most powerful force for social change and for the winning of socialism is the working class in alliance with all other working people. They are mortified by the idea that workers with little formal education are the leading force in history. They then point to the class origins of Marx, of Engels, of Lenin, and they stop there, ignoring the modern phenomenon of the worker intellectual.

The important thing here, is not so much the class origin of the particular individual, but the social forces with which he identifies himself. Kwame Nkrumah identifies himself continuously with the interests of the working people.

## WORKER

It is an interesting commentary on the stupidity and snobbery of some journalists, that a recent issue of *Time* magazine, sneers at Kwame Nkrumah because he has been a worker, when he was studying and earning a living in the United States. We on the contrary are sure, that Kwame Nkrumah is proud of having been a worker and no doubt feels that his political understanding was enriched by his experiences.

Four outstanding works, *Towards Colonial Freedom*, *I Speak of Freedom*, *Africa Must Unite and Consciencism* are the results of 20 years of struggle, activity and thought. The new book on neo-colonialism will in turn carry the fight against imperialism and for African unity to new heights.

## AFRICAN UNITY

Since the winning of independence in 1957, Ghana has been able to make a qualitatively new contribution to African unity. Nkrumah saw the winning of independence for Ghana as a new stage in the struggle for continental freedom and unity and our country has been the scene of important conferences and gatherings of African organisations, coming together to co-ordinate their fight. Nkrumah said in his speech at the celebrations of our independence, "The independence of Ghana is meaningless unless it is linked with the total liberation of Africa."

The Afro-Asian Peoples Solidarity Conference at Winneba this year was a further development, linking Africa with the Asian continent, also a victim of imperialist oppression.

The Summit meeting in Accra will be another milestone in the growth

of our continent making of the final defeat of imperialism in all its forms and contributing to the peace of the world, a cause close to Nkrumah's heart.

The development of a scientific outlook, identity with the working masses everywhere, linked to hard work and courage are the hallmarks of the type of revolutionary leader which Kwame Nkrumah typifies.

## CONTRIBUTION

In *Consciencism* Kwame Nkrumah has formulated a philosophy with an active purpose to equip us ideologically to the de-colonisation of the African continent and for bringing about its full unity.

This great contribution to scientific socialism has already been widely acknowledged as a major contribution to the body of socialist ideas, not only in Africa, but generally throughout the socialist world. Here Kwame Nkrumah has faced the challenge posed to all scientific socialists, to apply its basic principles to the situation they actually work in. *Consciencism* does exactly that and will enrich the work of millions of fighters for unity, for liberation, and for socialism.

The most sincere tribute we can pay to Kwame Nkrumah on Founders Day will be seen in practical work and activity. Ghana is now engaged in the complete de-colonisation of its political, social, economic and cultural life. The Convention People's Party, the Assembly, the mass organisations of the people are working to solve new problems thrown up by our advance to socialism. If we study to get the same intellectual understanding of social change the same emotional identification with all those struggling for a new life, the same devotion to duty that Nkrumah himself shows, we ourselves in our own way can make our contribution to the African revolution, to Unity and to Socialism.

## TRIBUTE

On Founder's Day we take the occasion to pay tribute to Kwame Nkrumah, trying to analyse the characteristics he shows as a revolutionary leader and philosopher. We are sure that he himself will receive as the best tribute to him on the occasion of his birthday, the pledge to follow his example in revolutionary socialist construction.

# How U. S. Neo-Colonialism Plunders Latin America

## But many countries seek more economic independence

**DURING** the two decades since the second world war the U.S. corporations have multiplied their plunder of Latin America's resources, intensified their exploitation of its people's labour, and more thoroughly subordinated the continent's entire economic, political, and cultural life.

In contrast with earlier periods, U.S. domination has faced only weak challenges from imperialist rivals. Since the Second World War the British role has been relatively small and diminishing. There has been some revival of West German investment and a little from other capitalist countries; and this may grow in the future. But as of now, it is probable that U.S. capital accounts for at least 75 per cent of all foreign investment in Latin America.

*U.S. investments have more than tripled between 1950 and 1963. The reported income on U.S. investments increased from \$513 million in 1950 (excluding Cuba) to \$900 million in 1960 and \$1,400 million in 1964.*

But there are enormous omissions. Without going into details, we can say that total profits taken out of Latin America by U.S. companies and the U.S. Government reached \$2,000 million in 1964, before even considering profits resulting from unequal terms of trade—which Latin American spokesmen have properly emphasised recently.

### PROFITS

The financial impact on Latin America is starkly etched by comparing these profits with the total receipts of Latin America from sales of goods and services to the United States. In 1963, these came to \$4,500 million, a little more in 1964. Thus almost half of what Latin America received was taken back as profits or related payments, leaving only a little more than half as purchasing power for Latin America.

Apologists claim that new investments provide the continent with a more than offsetting wherewithal. But U.S. new investments there in 1963 were only \$500 million, and in 1964 under \$1,000 million. Even allowing for international banking capital, the fresh capital came to less than half of the plundered wealth.

Moreover, most of the fresh capital is not at the disposal of Latin Americans, but of U.S. corporations operating there.

Finally, leading Latin American circles collaborating with these corporations have been shipping out upwards of \$500 million of flight capital yearly, wiping out the fresh inflow in terms of international reserves and purchasing power. Sharing in the exploitation of their own peoples, they prefer to deposit much of their share in the safe banks of the imperialist masters.

Latin America's huge losses of financial means and material wealth are reflected in persistent mass poverty, in an inadequate rate of economic development and the deformation of its structure, in chronic un-

employment, underemployment and rural hunger, in the notorious gulf in incomes and living standards between the small minority of rulers and the masses of workers and peasants.

It is interwoven with the complex dependence of Latin America on the United States:

*Trade dependence*, wherein 40-45 per cent for all foreign trade is with the U.S. and much of the remaining trade with the eastern hemisphere is controlled by U.S. corporations. Inter-trade among the Latin American countries remains a pitiful 8 per cent of the total.

*Financial dependence*, wherein much of the profits derived from the people's labour are taken out of the country so that Latin American governments characteristically beg for and depend on foreign funds for investment needs; increasing the profit outflow and tightening the net of dependency.

*Technical dependence*, wherein machines, processes, parts used in the Latin American industries are usually from the United States.

The U.S. Government, collaborating with its big corporations, never hesitates to use this dependence as a weapon against Latin America. It is always ready to cut off needed supplies, money, equipment, and know-how in order to get its way.

Cuba is a stark example of the ruthless U.S. attempt to destroy through industrial breakdown, hunger, and disease, the first Latin American country to go all the way in ending that dependence—as it is a vivid example of how even a small Latin American country can overcome that attack and build a new independent life in the world of today, where the mobilising ability of basic reforms and socialist construction, plus the solidarity of the entire socialist world, can defeat the economic assault of imperialism.

U.S. investments in Latin America have grown less rapidly than in other sections of the world, but this does not signify a lessened importance for Latin America. By 1950, the U.S.A. already had displaced imperialist rivals in most of this continent.

Since the Second World War there has been especially fast growing in U.S. investments in manufacturing, trade, and petroleum in Latin America. These three industry groups accounted for 27 per cent of the total in 1929, 51 per cent in 1950, and 70 per cent in 1963. Investment in mining declined relatively, while those in utilities and agriculture declined absolutely as well.

The relative decline in mining investments is partly a statistical effect, reflecting the premature writing off of capital for tax purposes, closing down of inefficient mines, and the exceptionally low cost at which the U.S. companies in post-war years have obtained concessions for some of the world's largest deposits of iron ore, bauxite, and sulphur.

The decline in agricultural investments represented a forced yielding to revolutionary movements—nationalisation of all hold-

*U. S. economist VICTOR PERLO analyses the way U.S. Big Business is trying to maintain its domination of an awakening continent.*

ings in Cuba, many in Mexico, and a "voluntary" curtailment of direct farming operations by United Fruit in various countries.

But U.S. domination of Latin American agriculture has not been curtailed so much. Outside Cuba, it has merely shifted somewhat to control through trading and processing companies.

The tenfold rise in the value of U.S. investments in Latin American manufacturing and trade in the past quarter century is hailed by apologists as proof that the U.S.A. assists in the development of these countries, and of the need for foreign ownership as a vehicle for development.

Certainly, some of the manufacturing investments add to development; but probably less than the growth of industry that would be possible without the presence of U.S. private capital.

The essential situation is: no longer able to prevent the advance of Latin American industry, the U.S. monopolies strive to own the most profitable sectors and hold that advance within limits suitable for their continued overall economic domination.

Structurally, the U.S. investments are in light and secondary industry, and avoid creating a basic industrial foundation for Latin America.

Three industry groups accounted for 63 per cent of the sales of U.S. manufacturing operations in Latin America in 1963: chemicals (mainly drugs and pharmaceuticals) \$1,000 million; food products, \$940 million; and transportation equipment (mainly auto assembly), \$750 million.

By contrast sales of U.S. owned metallurgical installations were only \$195 million, and non-electrical machinery \$120 million.

U.S. manufacturing investments contribute little to easing the Latin American unemployment problem, or to creating a skilled working class and technical personnel. While paying the low prevailing wages, the U.S. companies introduce their own speed-up methods, cutting down labour requirements.

The high profit rate demanded by Latin American capitalists is well known, and sometimes even hypocritically attacked by U.S. officials.

*But the chief U.S. investors themselves boast that they make 40 per cent per year on their manufacturing capital in Latin America, as against 25 per cent for Latin American capitalists.*

U.S. trade investments have grown most rapidly since 1950 as Sears Roebuck, Woolworths, etc., displace the native merchants; while U.S. owned luxury establishments, often masquerading behind local names, cater to the swelling tourist trade and Latin American aristocracy.

Finally, there has been a major growth of U.S. financial investment in Latin America. The Chase Manhattan Bank (now, be it noted, also stepping up its

activities in Africa) bought up large interests in Venezuelan and Brazilian banking chains, and in 1964 bought control of Banco Continental in Lima, fourth largest in Peru, with 38 branches. With three more Chase branches planned for early 1965, it will have 20 branches in the Caribbean area.

The Bank of America opened up two Central American branches in 1964. Other top U.S. banks are expanding as rapidly.

But despite the pressure of U.S. neo-colonialism, a definite process of industrialisation has been occurring in Latin America, since the Second World War, uneven in time and place, but still notable.

Steel output rose from under a million tons in 1948 to two million in 1954 and over five million in 1964. Electricity and gas output increased 3½ times in these 16 years.

There were beginnings in output of basic chemicals and machinery, a substantial rise in output of construction materials and in building activity, a marked improvement in the highway network.

There has been uneven local progress in mechanisation, irrigation, and modernisation of agriculture.

In about half the countries, urban population has reached or is approaching 50 per cent of the total; including, unfortunately, flocks of hungry country people vainly hoping to find work in the cities.

By now Argentina, Mexico, and Brazil, for example, could be called semi-under-developed in the full sense of the word.

These fundamentally progressive changes got their impetus in the revolutionary struggles of many Latin American peoples during the 1930's and 1940's, the favourable opportunities for Latin American capital to develop while the imperialists were engaged in the Second World War, and the post-war example of rapid industrialisation of the whole family of socialist countries.

### FORCES

The main forces behind these trends have been the industry-oriented sections of the bourgeoisie and the politically advanced sections of the workers, middle class, and peasantry.

The latter groups especially fight for development of a state sector of basic industry as part of the struggle for liberation from imperialism.

These economic changes have altered the balance of political power in most Latin American countries. In them the dominant class is no longer the landed aristocracy, but the bourgeoisie.

U.S. imperialism adapts by striving to shift its strategic alliance to the bourgeoisie, to subordinate that class to its neo-colonialist objectives in exchange for support to the capitalists against their own working classes.

Its shift in alliance permits U.S. imperialism demagogically to endorse reform

slogans consistent with capitalist, but not with feudal-landlord domination—such as land reform.

But it retains the still significant landlord-clerical classes as an ultra-right reserve. Neither U.S. imperialism nor the pro-imperialist dominant sections of the Latin American bourgeoisie conduct a serious struggle against these classes.

The reforms are carried out only to trivial degree, except where forced by mass pressure, rather than by grants from the Alliance for Progress (ALPRO).

Not that the ALPRO is wholly devoid of content. Through its agencies the U.S. advances numerous small sums to new industrial enterprises (although some of them are U.S.-controlled); for irrigation and melioration projects which provide better opportunities for groups of peasants; for housing projects which will relieve the frightful slum conditions of the major Latin American cities for small segments of workers and employees.

*The object, no doubt, is to create some points of support for reactionary regimes among the masses, to ward off the mobilisation of revolutionary forces.*

The Cuban revolution stimulated anti-imperialist struggles throughout the continent. Progressive political changes occurred in some countries, and measures were taken to curb U.S. monopolies.

### SHOWDOWN

Fearing this trend, U.S. corporations made fewer new investments, and withdrew some old capital. Given the dependent economic relationship, this caused a slowdown in Latin American economic growth.

The ALPRO was organised in 1961 to try to contain and reserve these trends, and to create conditions for a new upsurge of U.S. monopoly dominated economic activity.

Verbal emphasis on reform and planning gave collaborationist forces slogans to place before the people as an alternative to really decisive actions, and as a cover for the break with Cuba.

But this did not stem the revolutionary tide, while the U.S. monopolies demanded more decisive action. In March 1963, a special committee of owners of companies which led in the plunder of Latin America issued a report demanding a change of emphasis.

They urged less chatter about reforms, decried concentration on loans to government enterprises, and insisted on priority to aiding and creating a better climate for U.S. private capital.

With Kennedy still alive, there followed counter-revolutionary coups in Ecuador and the Dominican Republic. During 1964, U.S. intervention became more brazen and achieved a series of successes, most notably the overthrow of

Goulart regime in Brazil.

Already the Graces, Rockefellers, and Cabots—members of all of these U.S. Big Business families were on the special committee—are responding to the more reactionary climate.

During the first nine months of 1964 the net outflow of U.S. direct investment capital to Latin America reached the highest rate since 1958—the year before the victory of the Cuban revolution.

One reflection of the contradictions between Latin American countries and the U.S. monopolies is the development of the public sector of industry.

This sector generally handles iron and steel and other heavy industries, electric power, and in some countries petroleum and various minerals and the processing thereof.

### NEW PLANNING

Even the reactionary Branco regime in Brazil has continued the existing government enterprises and proceeds with the takeover of U.S. utilities. The Argentine and Chilean governments have recently taken steps to increase the public sector at the expense of U.S. owned oil and mining enterprises. Generally subservient governments of Peru and Venezuela have set up small public enterprises in petroleum and metal processing.

Despite continuing dependent relations with U.S. imperialism, the public sector on the whole represents a stronghold of independent development. In Mexico, at any rate, it is an outstanding vehicle for progress in labour conditions, mass living and cultural standards and urban development.

Latin American countries are trying to develop a degree of independence from the U.S. through the Latin American Free Trade Association and the Central American Common Market.

Many have taken steps to build trade and commer-

cial relations with Socialist countries. These are still in their early stages, and their future development will be a significant index of the progress of independence trend in the continent.

Latin American countries are trying to develop their own shipping fleets for foreign trade, against bitter U.S. sabotage. Last year the Uruguayan Government provided economic incentives favouring use of its incipient maritime fleet.

The U.S. Government itself provides subsidies and incentives and tied-shipping measures to favour its merchant marine that are the most extravagant in the world.

Yet, in reprisal against the mild Uruguayan measure, the U.S. imposed a 10 per cent tax on all U.S. exports to Uruguay on Uruguayan ships. This was unanimously denounced by the Uruguayan press as unjust, illegal, and arbitrary.

Similarly, the Colombia Chamber of Representatives protested against the U.S., warning that it would cut off credits if the Grancolombiana merchant fleet entered the Latin American Association of Shipowners.

With such enormous differences among the Latin American countries, generalities about the whole continent are dangerous. Concerning the majority of these countries, however, it seems that the aggravated contradictions with U.S. imperialism resulting from its drive for intensified domination and plunder are outweighing the alleviations offered through the ALPRO.

Thus the monopolies are unlikely to be able to establish a long-lasting reactionary political stability.

Some countries may reduce the foreign grip, and achieve significant economic and social progress. Nor is it impossible that some will succeed in breaking away decisively from U.S. domination before too many years pass.



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## Our Comment:

# CONSOLIDATE THE GAINS OF OUR REVOLUTION

GHANA has in recent months been the target for a mounting campaign of smears and vilification in some sections of the Western press.

In its early stages, this campaign rested mainly on vicious personal attacks on Kwame Nkrumah and on allegations that Ghana had to all intents and purposes become a "police state".

It reached its high point with the publication in the London Daily Express (and subsequently in a number of other Western periodicals) of a picture purporting to show ex-Opposition M.P.s in chains in a Ghana jail.

And so that there should be no doubt about the aims of the campaign's instigators, the publication of the photograph was accompanied by a call for the overthrow of Kwame Nkrumah.

But what was to have been their ace proved a joker—the photograph was a forgery, and the forgers and their accomplices were exposed.

There followed what the London Economist (24. 7. 65) described as "a ripple of anxiousness to be fair to Dr. Nkrumah"—a ripple not unreasonably attributed at least in part to Mr. Wilson's attempt to cash in on Kwame Nkrumah's reputation as a friend of peace in order to refurbish his own "peacemaker" image.

## EMPHASIS

But as the imperialist offensive against the national liberation movement throughout the world gathered momentum, so the attack on Ghana was resumed.

But the emphasis had shifted. Now the picture was of a country on the verge of economic bankruptcy and collapse as a result of a "spending spree" on what were usually termed "costly prestige projects".

Ghana was shown as going cap in hand first to individual Western countries and then to the International Monetary Fund in quest of hand-outs to replace the squandered patrimony bequeathed by a benevolent British imperialism.

This time the tone was set not by the shrill stridencies of the 'Daily Express', but by the more measured cadences of such "reputable" organs as 'The Economist' and

the 'Financial Times' which from issue to issue preached "Woe, woe" regarding all things Ghanaian.

But, though the bludgeon had been replaced by the scalpel, the aims remained the same:

1. to discredit Ghana and isolate her on the eve of the Accra Summit (this campaign was paralleled by others designed to influence every difference, real and imaginary between Ghana and her fellow-African states);

2. to discredit socialism in Africa in general and in Ghana in particular, and to take advantage of Ghana's temporary economic difficulties to divert her from the road to socialism and open the door to neo-colonialism.

## DETERMINATION

But the people of Ghana have made it clear that socialism is not negotiable. They are determined to build a society in which the means of production, distribution and exchange are owned by the people as a whole, and in which political power is in the hands of the people.

They re-affirmed this by returning unopposed the candidates of the C.P.P. to form what Kwame Nkrumah described as "Ghana's first parliamentary expression of a people's Socialist Democracy."

They know that the basic cause of Ghana's current economic difficulties is the dependence on one crop—cocoa—bequeathed by imperialism, and that the only solution lies through the fulfilment of the programme for the diversification of agriculture and industrialisation charted in the Seven-Year Development Plan.

## MINIMUM

Far from being "unrealistic" or "over-ambitious", as our ill-wishers assert, this Plan represents the minimum that must be achieved if we are to go forward to build a rich and prosperous socialist society enjoying genuine economic independence.

The recent visit of the International Monetary Fund mission was made the pretext for an intensification of the "economic war of nerves"

against Ghana.

The purpose of the visit was to discuss the possibility of "arranging for re-negotiation of Ghana's suppliers' credits so as to spread payments over longer periods and the setting up of an Aid to Ghana consortium in Washington under the auspices of the International Bank for Re-construction and Development to help in financing our Seven-Year Development Plan.

We in these columns both during and since the visit made it clear that while the people of Ghana are prepared to listen attentively to the advice of all who have the real interests of Ghana at heart, and who share our desire to see a prosperous Ghana enjoying genuine independence, they are not prepared to heed those who want to take advantage of temporary economic difficulties to undermine the basis of the society we are resolved to build.

Two weeks ago we called attention to speculation in some sections of the British press regarding the recommendations of the I.M.F. mission.

## SPECULATION

According to this speculation, the I.M.F. mission had recommended cuts in Ghana Airways, the pruning of the state corporations and cuts in spending on diplomatic missions and defence.

We declared that if these were indeed the mission's recommendations, then it was guilty of a gross impertinence and an unwarranted interference in Ghana's internal affairs.

The Finance Minister, Mr. Kwasi Amoako-Atta, has now made it clear that "nowhere in the report (of the I.M.F. mission—Ed.) was there any specific mention of Ghana Airways, diplomatic missions or defence spending".

The mission's preliminary recommendations, he told the National Assembly, "were not essentially different from those proposed by Osagyefo the President and the Central Committee of the Party before the arrival of the mission.

"These recommendations have therefore been accepted by the Government and action has already been initiated to implement them", he said.

Noting that the mis-



MR KWASI AMOAKO ATTA  
Minister of Finance

sion's report had observed that the Ghana economy is severely overstrained and had recommended a period of consolidation, Mr. Amoako-Atta underlined that "this in no way means stagnation. We have to ensure that industries we have set up or in the process of establishment are provided with the necessary tools to run efficiently.

The theme of consolidation was that posed by Kwame Nkrumah in his sessional address to the National Assembly last month when he declared:

"We must consolidate and integrate all our achievements

since independence within the framework of a socialist society.

"This calls for no departure from our stated policies regarding the role of private enterprises and foreign investment in our socialist economy.

"It, however, calls for greater vigilance against clandestine encroachment on those vital economic territories which we consider must be owned by the people.

"It also calls for greater honesty, efficiency and energy in dealing with the sectors of the economy owned by the people."

It is the duty of those entrusted with the management of the state enterprises to ensure that these enterprises not merely pay their way, but yield a profit.

There must be an end to the tendency, all too prevalent in some quarters, to see the state corporations as milk cows for the privately-owned branches of the economy, or as sources of well-paid jobs for incompetent administrators.

The lazy, the inefficient, the incompetent—not to speak of the corrupt and venal—must be smoked out.

In this task, and in the no-less-vital-important task of increasing production the trade union organisations have a vital role to play, for none know better than the workers whether or not a factory is functioning efficiently or not.

In the words of Kwame Nkrumah,

"Our trade unions must tackle the practical problems of increased industrial production, of increased productivity, of the organisation of production in the factories and on the farms.

"Our workers must take part in planning production at the factory level. They must take part in the implementation of such plans. They must enjoy some of the benefits accruing from the

fulfilment of the production plans...

"Our workers must study and solve the practical problems of production—how to economise and avoid waste, reduce production costs, raise labour productivity and maintain industrial discipline."

Each State factory, Kwame Nkrumah declared, must have a production committee on which both management and workers are represented.

Such committees will become key detachments in the battle to build socialism, the embodiments of working class power in our socialist democracy.

## DESTINATION

Through their trade unions and other organisations, the working people in the factories, on the docks, on the rail-sites and on the farms can unite to check the speculators and all who try to cash in on the current difficulties.

Let us now, then, consolidate what has been won, and clear the ground for the next advance. The way will not be easy, and may not be always straight. Nor is it charted, for we are the first to apply the principles of scientific socialism to African conditions.

But we shall reach our destination. We shall not be turned aside from the socialist path of development.

## The War Business

WASHINGTON Kaiser Jeep Corp., a subsidiary of Kaiser Industries Corp., received a \$57,700,708 contract to make Army trucks in South Bend, Ind.

Other defence contracts announced by the Pentagon:

A division of General Dynamics Corp., Rochester, N.Y. \$44,977,568 for automatic digital equipment for the Army.

Raytheon Co., Lexington, Mass. \$17,865,016 and \$2,102,733 for work on the Army's Hawk missile system.

A division of Hupf Corp., Canton, Ohio. \$126,109 for multi-

fuel truck engines for the Army. The concern said the order calls for an additional \$17,550,000 of work in the second year of the contract.

United Technology Center, Sunnyvale, Calif. \$10,500,000 for Air Force Solid-propellant Motors.

Link Group General Precision, Inc., Binghamton, N.Y. a division of General Precision Equipment Corp. \$8,716,809 for Navy training sets.

Southern Airways of Texas, Inc. \$773,686 Army helicopter pilot training and aircraft maintenance at Fort Walters, Texas.

Collins Radio Co., Dallas, \$4,195,000 for Air Force antenna systems.

Westinghouse Electric Corp., Pittsburgh, \$3,349,670 for Navy submarine equipment.

United Aircraft Corp., Norwalk, Conn. \$263,602 for spare parts for Air Force radar sets.

Thiokol Chemical Corp., Brigham City, Utah, \$3,195,000 for development of Air Force rocket motors.

North American Aviation, Inc., Anaheim, Calif. \$3,014,882 for spare parts for Navy aircraft navigation systems.

General Electric Co., \$2,167,960 for reconditioning Navy generator sets in Fitchburg, Mass.

Teletype Corp., Skokie, Ill. \$1,817,596 for Navy teletypewriter equipment.

American Electric, Inc., Paramount, Calif. \$1,787,436 for Air Force ordnance.

Cutler-Hammer, Long Island, \$1,703,840 for Air Force reconnaissance systems.

Dalmo Victor Co., Belmont, Calif. \$1,482,743 for Air Force chemical warfare detectors.

Sperry Rand Corp., \$1,320,000 for rental of data processing equipment for the Army in Utica, N.Y.

Day and Zimmerman, Inc., \$213,753 to make army ammunition items and components in Texarkana, Texas.

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