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NLK-76-144 ✓

CENTRAL INTELLIGENCE AGENCY #1

16
14 November 1961

SUBJECT: SNIE 64.1-61: PROSPECTS FOR GHANA

THE PROBLEM

the
To estimate Ghana's present situation and/prospects for
political stability and foreign policy orientation over the
next year or so.

CONCLUSIONS

1. Nkrumah remains the pivotal factor in Ghana. Considering
himself the messianic deliverer of his country, he has used author-
itarian means to reinforce his personal control at home and con-
tinues political adventures abroad to promote his claim to be
Pan-Africa's leading figure. (Paras. 7-8)

2. However, challenges to his political position have re-
cently developed and Ghana faces severe economic problems. As a
result of dissension within the ruling Convention Peoples' Party

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(CPP) Nkrumah has replaced many of the moderate figures in the government. The more radical elements are now in positions of importance in government and will continue to be so in the immediate future. He has also imprisoned large numbers of critics outside the party. These moves, plus unpopular steps the government has taken to alleviate Ghana's economic troubles, have increased the number but weakened the power of his opposition.

(Paras. 13-15)

3. We believe Nkrumah will be successful in suppressing any elements within or without the CPP which might challenge his pre-eminence at least over the next year or so. But the internal strains will remain and may erupt into sporadic disorders. We believe that he will retain the support of the army and the police during the period of this estimate. If he should be assassinated, an all-out struggle for power would be almost certain. (Paras. 17-20)

4. Ghana's economic problems arise principally out of the fall of the price of cocoa, coupled with the continuing use of income and reserves for development projects, extravagances at home and sizable expenditures and adventures in other African countries. Nkrumah is not likely willingly to reduce

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any of these activities but will probably not be able through his attempted forced savings and austerity measures to mobilize sufficient internal resources to finance them. He will look to foreign aid to fill the gap. (Paras. 21-24)

5. We do not believe that President Nkrumah has decided to align himself completely with the Bloc. The Bloc has been assiduous in cultivating Nkrumah, recognizing in him an invaluable instrument for furthering its ambitions in Africa. Assistance in the way of credits, barter agreements, offers of training, etc., has already been supplied. Nkrumah and the extreme radicals among his followers are attracted by the apparent success of the Communists in promoting rapid economic development, and their avowed anticolonialism. He almost certainly believes that he can use the Bloc to further his own objectives without becoming inextricably committed to the Communists. Nevertheless, Nkrumah will probably try to maintain a Western presence in Ghana to offset the Bloc, and improve his prospects for aid from both sides. As a consequence of the interplay of these attitudes, we believe that for the immediate future there will be both the appearance and the fact of a close congruence between Bloc and Ghanaian actions and policies. (Paras. 8-11, 29)

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6. Nkrumah's leftist policies and positions will probably increase the difficulties of his obtaining private or governmental investment and aid from the West. If this trend is aggravated by the West's refusal to honor what is in his view a commitment to finance the Volta River project, Nkrumah will almost certainly react violently and turn even more to the Bloc. Even should the Volta project be backed by the US, we do not believe that Nkrumah will significantly change the present policies of his regime. We believe that he will continue his attempts to reduce the dominating influence which private Western interests have in many sectors of the Ghanaian economy and will continue to develop close economic and political relations with the Bloc. (Para. 25)

DISCUSSION

7. The pivotal factor in Ghana is Kwame Nkrumah. Essentially vain and egocentric, Nkrumah sees himself as a messianic leader -- he likes to be known as the Osagyefo, or Deliverer -- and is intolerant of any opposition. He was the pre-eminent

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leader when Ghana became independent in 1957 and has since then moved vigorously and with increasingly authoritarian means to consolidate his political control. He has tried to make himself the leader of Pan-Africanism, the principal spokesman of anti-colonialism and of opposition to European efforts to retain influence in Africa, efforts which his brand of radical nationalist calls "neo-colonialism." In addition to being much the most important factor in Ghana, he remains a powerful figure in the African nationalist movements. His increasingly close relations with the Communist Bloc and the mounting political and economic difficulties in Ghana now raise serious questions about his future and that of Ghana itself.

A. Nkrumah's General Goals and Policies

8. Nkrumah constantly states that his basic aims are the independence and unity of all Africa. Like most Africans, he considers colonialism to be peculiar to Western European and American policy. Nkrumah believes that the African states should adopt a policy of nonalignment in the East-West struggle and that the Cold War affords Africa an opportunity to obtain support and assistance from both sides without commitment to either.

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9. Nkrumah's relationship to the Bloc and communism is a complicated one. The Ghanaian President has characterized himself as a "Christian Marxist" who believes that state socialism provides the best means of rapidly overcoming Africa's economic and social backwardness. On the other hand, he has indicated frequently that no ideology -- Western or Communist -- can be transplanted to Africa without reinterpretation and substantial change. We believe that Nkrumah feels a closer sense of identification with the seeming dynamism and revolutionary spirit of communism than with what he holds to be the essential conservatism of the West. Furthermore, he feels that Bloc objectives in Africa are at the moment more in tune with his own than are those of the West. He believes that he can use the Bloc, and the support the Bloc gives him, for his own purposes without compromising his liberty of action and without becoming inextricably tied to the world Communist movement.

10. We believe that the Communist Bloc, cognizant of his propensities and seeing him as a valuable instrument for furthering its own designs in Africa, is making a strong effort to flatter and encourage him/ to give him diplomatic and material support. Many of his short-term objectives parallel theirs, e.g., the subversion of some African governments, the ouster of the remains of

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Western colonial power. As a consequence of the interplay of these attitudes, we believe that for the immediate future there will be both the appearance and the fact of a close congruence between Bloc and Ghanaian actions and policies.

11. We do not feel, however, that Nkrumah wishes to eliminate all Western presence in Africa. While vague in defining the type of relationship which should exist, he apparently feels the West can continue to make valuable contributions in such fields as education and technical assistance. He feels strongly that the West must learn to treat Africans as equals and to accept African judgments of their own needs. Thus, while the Communists will increasingly exploit Nkrumah's vanity and ambitions, we believe that, pursuant to his policy of trying to play off opposing forces against each other, he will seek to retain a Western presence in Ghana. The main danger is that he and Ghana will become so dependent on the Bloc as to be virtually under its control.

12. At the heart of Nkrumah's pan-African hopes and aspirations is the formation of a "United States of Africa," a political union of all the independent states, in which he would be the leader and guiding spirit. He has found his pretensions to be the spokesman for Africa increasingly challenged by other leaders

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as newer nations have emerged. Furthermore, his plans for Pan-African political union have not met with much response in the newer nations which tend instead to emphasize economic and social cooperation between politically independent states. His hopes for a federal relationship between Ghana and the Congo foundered with the death of Lumumba. Within the Casablanca group, he has found rival aspirations instead of unity of purpose. Even the vaunted Ghana-Guinea-Mali Union has failed to acquire any firm political substance; Ghana's partners, while quick to accept Nkrumah's financial aid, have been chary of relinquishing any element of their sovereignty.*

B. Political Situation in Ghana

13. Since 1957, the ruling Convention People's Party (CPP) and its affiliated labor and youth organizations have been regarded by many African leaders as providing the very model of a monolithic political system in Africa. However, recently a group of radical leftists prominent in the Trades Union Congress (TUC) and in youth groups and other organizations linked with the CPP

* See NIE 60/70-2-61, "The Probable Interrelationships of the Independent African States," dated 31 August 1961, SECRET.

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has become increasingly assertive. It has denounced old guard leaders like Gbedemah and Botsio for their alleged lack of concern for the welfare of the Ghanaian people and demanded closer ties with the Bloc and the rapid creation of a truly socialist state in Ghana. While careful to exempt Nkrumah himself from censure, the radicals have been critical of the old line leaders' accumulation of wealth while in public office. The latter have reacted vigorously to these charges and, while not opposing socialist goals for Ghana, have counterattacked by making clear their opposition to rapid nationalization of private enterprise, to the desire of the extreme radicals to break existing ties with West, and to the development of too heavy reliance upon the Bloc for financial and other forms of assistance.

14. In the face of this threat to CPP unity, Nkrumah has reorganized his Cabinet, abolishing some ministerial positions, reassigning personnel and reducing the power of moderates in the party. The more radical elements are now in positions of greater importance in government and will continue to be so in the immediate future. At the same, more responsibility has been given to the senior civil servants who will probably serve as a moderating influence in the government. However, we believe that Nkrumah will maintain his policy of juggling various personalities

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within the CPP to insure that no figure or segment of opinion emerges capable of competing with him for popularity or for power. He will continue to insist upon unhesitating support for his own policies -- however self-contradictory they may appear at times -- and will force critics out of position of authority, no matter whether extreme radicals or moderates.

15. For the first time since leading his country to independence Nkrumah is also experiencing some drop in public popularity. Despite continued efforts to promote the cult of Nkrumahism, under which the name and face of the Osagyefo are kept constantly before the masses, the 1960 presidential balloting showed that Nkrumah's level of support in urban centers, where political sophistication and activity is greatest, was much lower than in rural areas. We believe that his popularity even within the latter sector has been adversely affected by the recent decline in income among cocoa farmers and the stringent tax and compulsory savings measures introduced to increase government revenues. The short-lived antigovernment strikes which broke out in September 1961 highlighted the general discontent. Nkrumah's popularity has also been damaged by the recent arrest of about 50 leading members of the opposition United Party (UP) and labor agitators.

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16. Other elements in Ghana which have reasons for opposing Nkrumah -- particularly tribal and ethnic groups -- appear to be politically neutralized at present. The Ashanti confederation lacks a strong political spokesman and Krobo Edusi, the only CPP stalwart who retains a fair number of Ashanti supporters, is likely to remain loyal to Nkrumah so long as the President finds an advantageous place for him in the government or in the party. We believe, however, that the Osagyefo may find the half million Ewes of southeastern Ghana increasingly troublesome. Many Ewes would support a movement to unify the Ewes in Ghana with those in Togo.

17. In general, however, we believe that Nkrumah's critics and opponents are too weak and internally divided to unseat him at the present time. In Ghana where, as in most of Africa, personal leadership is so important, we perceive no individual with the popular support needed to challenge Nkrumah successfully. Opponents have also been cowed by the threat of preventive detention and police suppression. Nevertheless, we believe that opposition to Nkrumah will continue, and that from time to time the Osagyefo may feel compelled to resort to stern and repressive measures. Should Nkrumah be assassinated, an all out struggle for control of.....

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the CPP would be almost certain, and opposition elements, e.g., the UP, the Ewes, might move to advance their own aspirations.

C. Loyalty of the Army and Police Services

18. In September, Nkrumah abruptly decided to terminate the appointment of British General Alexander as Chief of Staff and to request that a Military Mission replace the more than 200 British officers seconded to the 7,400-man Ghanaian Army. So long as British officers occupied senior command positions, the army was essentially a nonpolitical instrument of the civil government. The President, by removing the British officers, becoming Chairman of the General Staff, and personally appointing all senior commanders has brought the army into a more political context.

19. There have been indications of anti-Nkrumah sentiment among Ghanaian officers arising out of disagreement with his domestic policies, his costly adventures elsewhere in Africa, e.g., Guinea, and his increasing closeness to the Bloc. In the summer of 1961, Nkrumah decided to accept Soviet offers to train a substantial number of officers and technicians in the USSR. This move provoked some strong criticism, including

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opposition by a number of Ghanaian officers. The evidence is confused but it appears that, as a result of the opposition the Soviet offers provoked, they have accepted only in part. The number of cadets and technicians sent thus far is only a fraction of the Soviet offer and the term of training will be for one year instead of three. While the Ghanaian Army would probably welcome artillery and other equipment as recommended by a Soviet survey mission last spring, many officers would oppose the importation of Soviet advisers or training missions on a long term basis. We believe that Ghanaian cadets and officers will continue to be sent to the UK for training. The Minister of Defense has recently made inquiries about the possibility of sending trainees to the US.

20. We believe that Nkrumah will retain the support of the army and police over the period of this estimate and, thus, have the means to carry out repressive actions against his civilian opposition, if he decides that such measures are required. Over the longer term, however, the responsiveness of the army to Nkrumah may be less sure. This would be particularly true if the army was called upon to take severe action against internal dissidents, or tribes, or if Nkrumah

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were to try to increase Soviet influence in the armed services.

D. Economic Difficulties and Prospects

21. Nkrumah's domestic worries are further compounded by looming economic problems. The world price of cocoa, Ghana's principal foreign exchange earner, is at the lowest level in years. As a result, Ghana's foreign earnings have suffered a sharp decline. At the same time, increased import demands for consumption, and heavy foreign exchange expenditures by the government for economic development, have produced an adverse balance of payments. While Ghana had an official sterling reserves account of over \$150 million at the time of independence, less than \$90 million remains, of which all but \$3 million has been earmarked for specific purposes. Much of this reserve has been spent during the past two years in development schemes, some of which have been ill-advised, the construction of massive government buildings, and foreign commitments. Current indications are that Ghana's unearmarked sterling reserves will run out by mid-1962 if they continue to be used at the present rate.

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22. The government has introduced several fiscal measures to arrest the deterioration in Ghana's balance of payments position, to increase government revenue and to expand domestic production. Thus, to help finance the new \$136.7 million budget for 1961-1962, a series of precedent-breaking measures have been enacted which will widen the country's tax base, augment revenue through increased customs and excise duties, and require Ghanaian workers to join in a national compulsory savings program. However, the Ghanaian public has been totally unprepared for this new austerity program, and a substantial number of labor unions have expressed their discontent through a series of spontaneous and economically disruptive strikes.

23. We believe that Nkrumah will probably try to press his program upon the workers and to insist that all sectors of the economy accept lower living standards over the next few years. However, he may be faced with slowdowns or work stoppages by primary producers, especially among cocoa farmers who insist that a drop in income below certain levels makes crop harvesting unprofitable. In such circumstances, Nkrumah might attempt to employ totalitarian police methods to restore production -- thus further weakening his popular base of support.

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We believe he would find such an effort unrewarding and he would seek greater external assistance so as to let him mitigate the austerity program.

24. Although Nkrumah could alleviate his financial problems somewhat by curtailing his expensive foreign expenditures in support of his African goals, we believe he will not do so. The Ghanaian Government probably will continue to draw down on its remaining sterling reserves and, at the same time, seek to finance its economic development programs by borrowing from abroad. Should Ghana's economic woes mount, Nkrumah could use funds of the Cocoa Marketing Board, unlock sterling area currency reserves, print unbacked currencies, and seek deferment of payments on debts. In addition, Ghana will expand its barter trading with the Bloc, exchanging cocoa, diamonds, and other products for Bloc goods, services, and credits. At present, Ghanaian ties with the Bloc remain limited; the country's economy is Western oriented and over 90 percent of Ghana's external trade is with the free world.

25. Nkrumah is counting heavily upon US aid to carry through in construction of the roughly \$400 million Volta hydroelectric and aluminum smelter complex. After more than

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four years of negotiation and several surveys, he firmly believes that the US has committed itself to go through with the project. We believe he is almost certain to react violently should the US withdraw at this stage, and will turn even more to the Bloc. He might take actions against US operations in Ghana, such as USIA, the Peace Corps, and the modest US technical assistance program. Even should the Volta project be backed by the US, we do not believe that Nkrumah will significantly change the present policies of his regime. We believe that he will continue his attempts to reduce the dominating influence which private Western interests have in many sectors of the Ghanaian economy and will continue to develop close economic and political relations with the Bloc.

E. Probable Foreign Policy Orientation

26. Nkrumah will continue his agitation for a free, unified, and socialist Africa which is able increasingly to exercise an influence in world affairs. To this end, he will almost certainly continue to extend financial aid to African allies, to extremist nationalist movements in the dependent territories, and to groups seeking to overthrow moderate African leaders. Nkrumah's greatest strength outside Ghana

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has been among these groups although he has had considerable difficulty in working out arrangements for cooperation with them. Nkrumah probably will seek to make recently acquired stocks of Bloc arms available to nationalist movements such as those in Angola and South Africa. In addition, he is likely to offer arms and other assistance to opponents of Togo's President Olympio and the Ivory Coast's President Houphouet-Boigny. He will almost certainly continue to meddle in Congolese politics, as well as in other trouble spots in Africa.

27. We believe that economic difficulties and political dissension within Ghana will not deflect Nkrumah from these endeavors. Indeed, they may impel him to intensify his efforts to secure African followers. Nkrumah is likely to cooperate even more closely with the Communist Bloc to achieve his foreign policy aims.

28. In general, it is unlikely that the Ghanaian President will meet with substantial success in broadening his influence among the leaders of newly independent African states. Nor do we believe that he will succeed in fashioning a federation out of the loose arrangement which is the Ghana-Guinea-Mali Union.

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The leaders of both Mali and Guinea already are strongly resisting Nkrumah's proddings to strengthen their ties through the creation of a joint Parliament and the issuance of a common currency. Cultural and linguistic factors, as well as personal rivalries, are all major obstacles. Nevertheless, ~~it is anticipated that~~ Nkrumah probably will continue to pressure other states to seek membership in the Union or otherwise align themselves with him.

29. We believe that the Ghanaian President hopes that neither his growing economic ties with the Communist Bloc nor his recent pro-Bloc statements will provoke a serious deterioration in Ghana's already troubled relations with the West. Nkrumah is likely to make additional efforts to reassure the US and the UK that he has not altered Ghana's neutralist foreign policy in favor of alignment with the Bloc. Nevertheless, we believe that Nkrumah's relations with the West will be subject to even more severe strains over the next several years, largely as a result of his flamboyant and unpredictable behavior, meddling in the affairs of other African states, and willingness to support the Communist Bloc on a variety of issues, some of which are of great sensitivity to the US and the UK.

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