

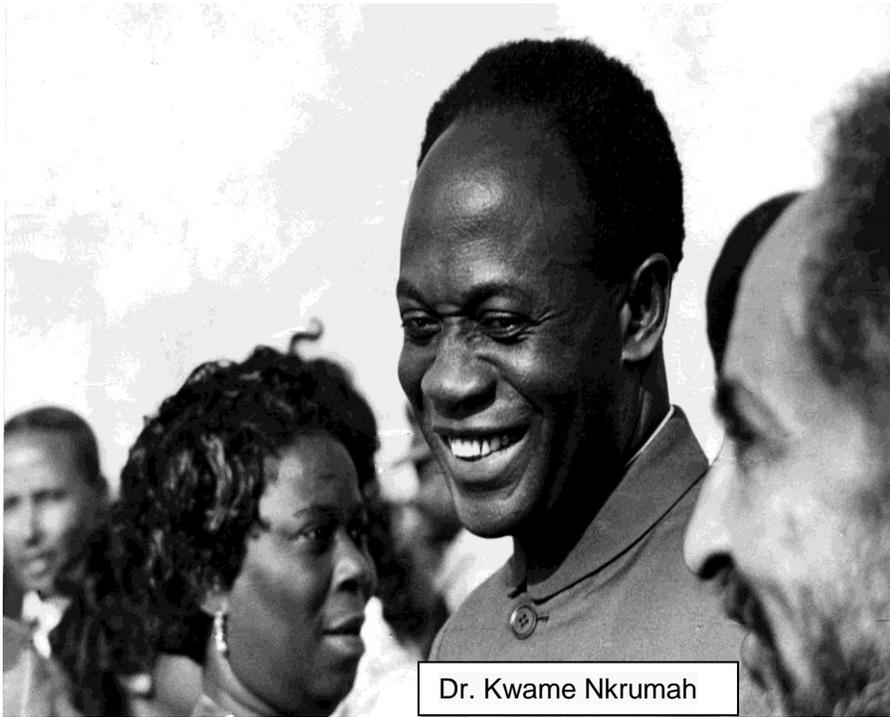
## THE FALLACY OF BRITAIN LEAVING HUGE SUMS OF MONEY FOR KWAME NKRUMAH'S GOVERNMENT

2015 Republic Day Special!!!

By Kwame Botwe-Asamoah, Ph.D.

### Introduction.

There is a fallacy being spewed by naïve individuals and functional illiterates that the British colonial government left huge sums of money for Kwame Nkrumah, which he wasted. Often some of these Nkrumah's haters cite figures from cynical sources on the internet as their reference point. Sadly, their abhorrence of Nkrumah, and by extension



Dr. Kwame Nkrumah

the electorate, makes it impossible for them to conceive the fact that the African-centered fiscal policies of the Kwame Nkrumah internal self-government generated the revenue for the Gold Coast, part of which was used to finance the Five-Year Development Plan from 1951 to 1955. As this discourse will show, whatever money that was “left” at the time of Ghana's independence was, in fact, Nkrumah's internal self-government's creation from 1951 to 1956. But in order to dismiss the notion as baseless that the British colonial government left huge sums of

money for Kwame Nkrumah, it will be worth the efforts to briefly interrogate the rudiments of colonialism.

### Colonialism.

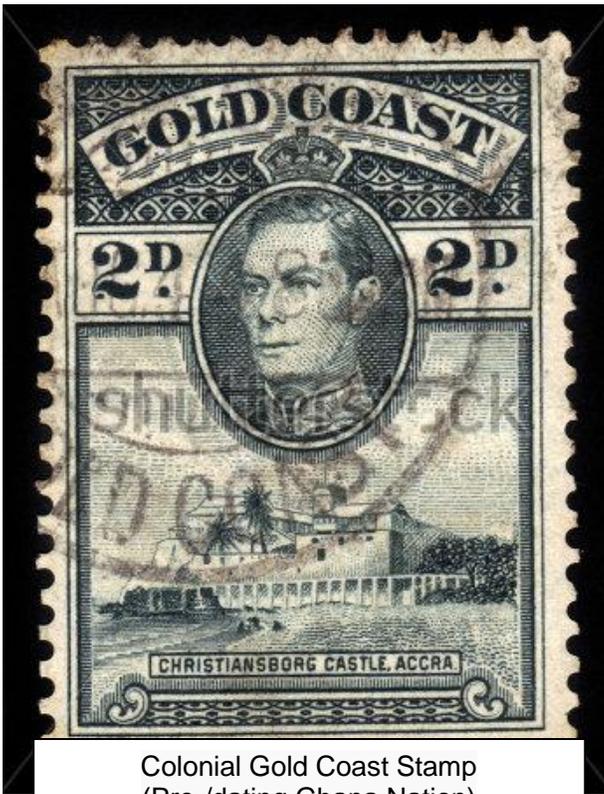
Colonialism was a racist as well as evil system by which the metropolis (such as Britain) bonded its colonies to itself by political ties with the primary aim of promoting Britain's own economic interest. Thus the dominant reason for the scramble and partitioning of Africa at the Berlin Conference in 1884-85 was for economic exploitation. The three main features for the colonization of Africa as the then Premier of France, Jules Ferry, articulated in 1885 were: 1.) to have free access to raw materials of the colonies; 2) to

have ready made markets for the sale of manufactured goods of the colonizing countries, and 3) to use the colonies as fields for investment of surplus capital. Rooted in neo-mercantilism, the European monarchies and their private deputized agents confined themselves to grabbing territories outside Europe “on such lines as would attract the most possible precious metals to” themselves. In so doing, those agents seized and/or captured lands rich in minerals resources, from the Americas to Asia. In the case of the Gold Coast, the British passed enactments (e.g., “The Foreign Jurisdiction Act of 1890) that allowed the Crown to seize lands through dubious treaties, grants, usages, and other means. Thus, the Act of 1890 allowed the British monarchy and its agents to secure “direct or indirect ownership, control and possession of the land”. In short order, “The Act” led to extortions and forced concessions, control, and exploitation of rich mineral resources. From the Gold Coast, the British exported the minerals and other resources to

feed British industries (mills and other industrial plants), then exported back to the Gold Coast finished goods and products to sell to the People of the Gold Coast (Kwame Nkrumah, “Towards Colonial Freedom”). This method of trade led to a serious “imbalance of trade,” whereby more monies and resources were siphoned out of the Gold Coast as long as the Gold Coast remained a British “colony”, than were invested in the Gold Coast for the benefit of its Peoples.

Even the limited infrastructure such as the railway lines in the Gold Coast (starting from Sekondi in 1898 reaching Tarkwa in 1901, Obuasi in 1902 and ending in Kumasi in 1903) were laid down to transport minerals and timber from areas of production to Takoradi harbour. Social services, such as the Ridge Hospital was built to cater for the European expatriates in Accra. And the scanty health centers in other areas like the mining communities and Sekondi-Takoradi harbor vicinity were set up to facilitate exploitation. In other words, social services were put in place for Africans whose labor was directly producing surplus for export to

the metropolis. Even so, a rubber plantation at Fisher (named after the British settler-owner Holland-Fischer) in East Akyem Abuakwa, where bundles of processed raw rubber were sent weekly to Takoradi for export to England, had no health center, school, public lavatory and other basic amenities. (The rubber plantation is about two miles away from my hometown Ettokrom). The underlying “exploitation without responsibility” thrust of the British colonialism can be seen when, in 1943, forty-one Africans were killed in the Obuasi gold mine disaster without adequate compensation; as it happened, “the capitalist offered only 3 pounds to the dependents of each of these men as compensation” (Walter Rodney, “How Europe Underdeveloped Africa”).



Colonial Gold Coast Stamp  
(Pre-/dating Ghana Nation)

In the Gold Coast, the European trading companies, notably UAC, Cadbury and Fry, John Holt, CFOA, SCOA, A.G. Leventis, G.B Ollivant exploited Africans by controlling both the price paid for farmers' cocoa beans and the price of imported goods from Europe (Walter Rodney). The price of imported goods from Europe either doubled or tripled. Profits accruing from this one-sided export and import trade were retained by Britain. It was for this and other reasons that the British Colonial Government suppressed and/or criminalized indigenous productions. For example, the colonial government criminalized the locally distilled gin (akpeteshi) by characterizing it "illicit gin." At Kwabeng in Akyem Abuakwa, a man in the 1930s, our elders told us, was arrested by the colonial police and prosecuted at the colonial court in Koforidua for making a bicycle with bamboo sticks.

As well, to suggest that the Britain left huge sums of money for Nkrumah's government meant that the British Government contributed to the expenditure of the British Colonial Government. This is also a fallacy. In the Gold Coast colony, as elsewhere, the British colonial government raised its own money from various forms of taxes and revenues

(such as house/property tax, poll/head tax and income tax) imposed on the exploited African workers, farmers and others for the maintenance of the colonial administration, (including the Provincial and District Commissioners and their civil servants). Otherwise, why would Ofori Atta I, during the WWI, give "eloquent proof of his loyalty to the Empire" by "contributing large sums of money to cover the cost of an aeroplane" (Jarle Simensen, "Commoners, Chiefs, and Colonial Government, British Policy, and Local Policies in Akim Abuakwa,



Colonial Gold Coast Soldiers Marching (Pre-/dating Ghana Nation)

Ghana, Under Colonial Rule"). In addition to recruiting soldiers, and as part of its commitment to the British "World War II Fund," the Akyem Abuakwa State Council generated revenue from cocoa export to finance the Akyem Abuakwa contingent of the British Volunteer Royal Force put together to repel the Italian military occupation in East Africa (Kwame Botwe-Asamoah, "Kwame Nkrumah's Politico-Cultural Thought and Policies"). Also, the Asante "chiefs" made financial contributions toward three British warplanes. For his part, "the Chief of Adanse alone gave £1,000, 00 toward a third aeroplane that Ashanti contributed as its gifts for the prosecution of the war" (K. A. Busia, "The Position of the Chief in the Modern Political System of Ashanti").

### **The collapse of the British Economy after Second World War.**

In the aftermath of the Second World War, the British economy collapsed for several reasons. First, because its industrial plants were entirely converted to war production, and partly due to the severe destruction caused by the war, Britain was unable to produce enough goods for its citizens. In this case, Britain imported more goods than they could pay for with exports. Second, war time needs also led to huge losses of merchant

shipping to submarines. Third, the destruction created the need to borrow loans for massive house building after the war. Fourth, because of the destruction of factories and machines, Britain lost much of its productive capacity, which resulted in accumulation of massive external debts—particularly to the USA. Fifth, due to the conscription for the war, massive unemployment affected socio-economic life in Britain. As such, recruitment and training of workers were disrupted, thereby having a long-term adverse effects on the quality of British workmanship and management. Finally, war time efforts also had an adverse effect on Britain’s balance of trade, leading to inflation. It was because of these and other devastations of the war in other European countries that led to the Bretton Woods Conference in 1944 (see W. K. Hancock, and M. G. Gowing, “British War Economy” and Michael J. Hogan, “The Marshal Plan: America, Britain and the reconstruction of Western Europe 1947-1952”).

Therefore the British colonial government in the Gold Coast (now the Republic of Ghana) was not a philanthropic organization to have invested in the raw materials (cocoa, gold, diamonds, manganese, timber and others) and returned the profits to the Gold Coast, let alone leaving huge surpluses for Kwame Nkrumah to “waste.”



Sir William Arthur Lewis, official [Nobel Prize](#) photo

### **The 1951-1955 Kwame Nkrumah Fiscal Policies and Five Year Development Plan.**

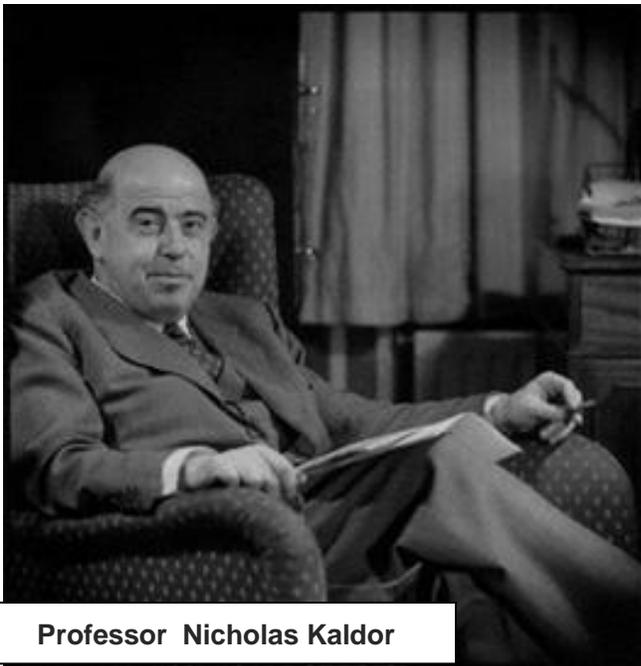
In his address on the eve of Ghana’s independence, Nkrumah pointed out that “when spending £124 million during the course of the” Five Year Development Plan, the CPP internal self-government “had received £1 ½ million in aid from Colonial Development and Welfare Funds. It was not a large proposition and we had in return made our contribution to the gold and dollar resources of the sterling.” He illuminated:

The Gold Coast has contributed, on an average, 25% of the net dollar earnings of the British colonial territories, and, taking into account our contribution of around £9 million a year in gold, in the five years from 1951 to 1955 in which the CPP have been in power, the Gold Coast contributed a net positive balance of £150 million to the gold and dollar reserves of the sterling area. It will be seen therefore, that though the Gold Coast is small and, by Western standards, not a very wealthy country, it has made a significant contribution to maintaining the stability of the sterling area. (Kwame Nkrumah, “I Speak of Freedom”).

At the time of Ghana’s independence, “Nkrumah had **left \$500 million of reserves**, accumulated during the colonial period (from 1951 to 1956), in long-term low interest British securities” (Richard D. Mahoney, “J.F.K. Ordeal in African”). A major portion of

these reserves resulted from the Kwame Nkrumah internal self-government's nationalization of the cocoa industry in the Gold Coast Cocoa Marketing Board (GCCMB) Ordinance (Amendment) of 1951, thereby making "cocoa revenue [a] common national property." It should be noted that in reaction to the 1951 Gold Coast Cocoa Marketing Board Amendment, Dr. J. B. Danquah vehemently opposed the nationalization, saying that "funds of the GCCMB were not 'profits' accruing to government" (Kwame Ninsin, "The Nkrumah Government and the Opposition on the Nation State: Unity vs. Fragmentation"). (Interestingly, the British Labour Governments of 1945–1951 enacted a political program based on John Keynes's economic theory of collectivism, comprising nationalization of industries and state direction of the economy). But "this great source of productive investment (**\$500 million**) was unavailable (to Nkrumah's post-independence government) in 1959" (Mahoney, "J.F.K. Ordeal in African").

The above notwithstanding, the CPP government maintained a budget surplus and a positive balance of external trade from 1951 to 1955. In 1953-54, for example, 10% of the gross national product was saved. Thus "the Government put aside for public development £1 out of every £10 worth of wealth produced." During the same period,



**Professor Nicholas Kaldor**

"the corresponding figure for public saving in the United Kingdom was just over 3% of the gross national product," while that of "the United States was just under 2%" (Nkrumah, "I Speak of Freedom").

By its judicious fiscal policies between 1951 and 1955, Nkrumah's internal-self government raised the national income from £20 million to £65 million per annum, while expenditure rose from £14 million to £52 million. Besides, the government redeemed its external debts, whilst the country's assets from all sources amounted to nearly £100 million by 1955 (Nkrumah, "I Speak of Freedom,"). From these investments and savings (including dividends derived

from the mining industry between 1952 to 1955), Nkrumah's internal self-government designed its Five Year Development Plan and embarked on developmental projects (without outside loans). They included: compulsory elementary school education, construction of secondary schools, teacher training colleges, technical institutes (all under the Accelerated Development Plan for Education), hospitals, nursing and midwifery schools, public health program and centres, roads and railways, the Adomi Bridge, Tema Harbour, tarring of Accra to Kumasi and Accra to Takoradi roads, Kumase College of Technology and the present University of Ghana campus. For example, attendance of the

teacher training colleges, nursing and midwifery schools, Kumasi College of Technology (now KNUST) and the University of the Gold Coast were free with stipend.

*(As a child in 1952, I saw the conversion of the feeder road from Accra to Kumase via Ettokrom to a tarred road covered with bitumen for the first time; and, my age group had fun stepping on the freshly sticky bitumen in the evenings).*

Prof. Adu Boahen authenticated the Nkrumah internal self-government's outstanding achievements in the 1950s in Basil Davidson's documentary, "The Rise of African Independence," when he said: "The 1950s, to me, were the most important, the most fascinating period, the period of independence..... This was a period when far more was achieved between 1951 and 1954; [I] saw a pace of development in this country, which has never [been] seen."

But the exceptional pace of development Prof. Adu Boahen spoke about did not only result from developmental and planned economy, but it was also due to Nkrumah's philosophy of self-determination and self-reliance (by taking over the country's natural resources). As a matter of fact, Nkrumah's holistic achievement (in the areas of educational, socio-economic and industrial developments) has been recorded as one of the fastest in a post-colonial history. Sad to say that these principles of self-determination, self-reliance and human-centered policies are what have been lacking in Ghana's public policies since the CIA sponsored military coup of February 24, 1966.

As the foregoing discourse has elucidated, the **\$500.00 million** or its equivalent in the British sterling in the British reserves at the time of Ghana's independence was the making of the Kwame Nkrumah internal self-government from 1951 to 1956.

(We should bear in mind that Kwame Nkrumah surrounded himself with some of the economic giants at the time as his advisors; they included [Sir Arthur Lewis](#), Nobel Memorial Prize in Economics and the Cambridge economist, [Prof. Nicholas Kaldor](#).)

In this respect, the claim of huge sums of money the British left for Kwame Nkrumah's post-independence regime is a fallacy and not supported by historical records or any economic fact.

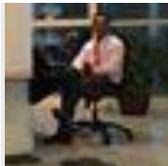
June 30, 2015.

# COMMENTS

11 comments

(11 - MODERNGHANA COMMENTS)

Social Ranking



[Kamal Issofa](#) · [Siddiq senior high school](#)

Nkrumah planned the take over with vim, he knew we were richer than the Europeans, else they wouldn't be in Gold Coast full of mosquitoes (Deadly Malaria:), he knew they had no resources, he knew we could manage our resources better than them. This is what is lacking in today's African leaders. They still think people we sacked years ago will help us become better, begging for grants, loans etc. forgetting that we still have all the resources. God Bless our Homeland Ghana.

· 3 · [July 2 at 7:06pm](#)



[Jeff-richard Kumah](#) · [University of Oslo](#)

Very educative masterpiece, we need to know these things. Not there kind of cheap politics that has pervaded the air waves.



[Frank Kassongo](#) · [Bredasdorp High School](#)

Interesting and informative piece. It is well articulated and clear, leaving no question/s but the hunger to read more...Africa owes more to Nkrumah legacy.



[Ackah Quarm](#) · [Regent University Ghana](#)

Please God give us Nkrumah, s type again. We will not misuse him.



[Sunu Doe](#) · [University of Ghana](#)

A very well written piece that speaks volumes of the amount of research that will go into such work and I must say it well contributes to the growing discourse of our national development and filling in gaps in the knowledge of our political history. Much as I may want to Agree with you that Nkrumah's contribution amid the period you note cannot underestimate the arguments that the British indeed did leave Ghana with so much money. I can liken your thesis to the now popular narrative of now the Kuffour government squandered and used all of Ghana resources or money for a want of a better expression and the counter claim by the supporters of his government that they had to create those resources from no where. Much as Nkrumah might have contributed, you paper forgets to included the concept of 'indirect rule' as was practiced by t... [See More](#)



[Samuel Cudjoe](#) · [Achimota School](#)

Indeed, Osagyefo Dr.kwame Nkrumah's place in history has been assured.He was indeed a philosopher who really understood the tactics of colonialism. A DE-classified CIA document showed that the 1966 coup was supported with \$18m US dollars. He foresaw all that is happening TODAY in Ghana and Africa and published them in his books. He will always be remembered.How i wish he was alive to take us to the promise land,the land flowing with milk and honey.



[Samuel Cudjoe](#) · [Achimota School](#)

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[Quobby Ami Sam](#) · [Graphics and Web Designer at Data publicity.](#)

If only a lot more Ghanaians will be true to their selves and stop spreading falseness, i know and believe that Dr. kwame Nkrumah, toils wont be in vain.....Well written master piece&!!



[Clement Adusei Poku](#) · [University of Pretoria](#)

God bless Ghana. This man was indeed far wiser than his generation.I pray that God gives us a leader like Nkrumah just one more time



[Akoli Penoukou](#) ·

Finally an intelligent piece to make the matter rest. Congratulations to Dr Botwe-Asamoah!



[Atto Plange](#) · [Fijai Secondary School, Sekondi, Ghana](#)

I like that

· [July 2 at 11:17am](#)

## **The Fallacy Of Britain Leaving Huge Sums Of Money For Nkrumah's Government**

The Fallacy Of Britain Leaving Huge Sums Of Money For Nkrumah's Government

### **Comment: History Reckons!**

**Author:**

Prof Lungu

**Date:**

2015-07-03 01:38:00

**Comment to:**

The Fallacy Of Britain Leaving Huge Sums Of Money

READ: "...In the Gold Coast, the European trading companies....exploited the Africans by controlling both the price paid for farmers' cocoa beans and the price of imported goods from Europe...The price of imported goods from Europe either doubled or tripled...the British Colonial Government suppressed and/or criminalized indigenous productions..locally distilled gin (akpeteshi)...a man in the 1930s...was arrested by the colonial police and prosecuted at the colonial court in Koforidua for making a bicycle with bamboo sticks.

WE SAY: That is really not the kind of government that will leave \$500 million in any account for the colonized in "Dark Africa".

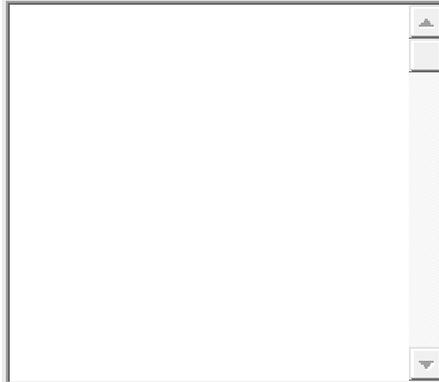
THEN THIS: "...The Gold Coast...contributed, on an average, 25% of the net dollar earnings of the British colonial territories...In the aftermath of the Second World War, the British economy collapsed ..."

WE SAY: That goes to prove the point we've made above! The British could not have left \$500 million to Ghanaian just 10 years after that war

FINALLY: "...Therefore the British colonial government in the Gold Coast...was not a philanthropic organization to have invested in the raw materials (cocoa, gold, diamonds, manganese, timber and others) and returned the profits to the Gold Coast, let alone leaving huge surpluses for Kwame Nkrumah to "waste."

WE SAY: Precisely!

Your Comment:



## Comment: RETHINKING THE FALLACY.....

**Author:**

Kwabena Akurang-Parry

**Date:**

2015-07-03 08:42:13

**Comment to:**

The Fallacy Of Britain Leaving Huge Sums Of Money

Revisionism can be bad history if it is not well-pruned. The Brits left money in the vaults of the Gold Coast/Ghana. Two key questions may be tackled. First is how much did the Brit leave behind? This is clouded in relativities because it is not only money in the bank, but other investments, etc. Second, is how Nkrumah applied the "leftover" money? I think the second issue is what should be problematized and clarified to make an incontrovertible conclusion that Nkrumah with all his faults did not squander the money at hand, but used it to develop Ghana. I figured this was what Kwame Botwe-Asamoah had set out to do but got lost in the academic plantation.

One often-used critical missile against Nkrumah is that he squandered about 200 million pounds that the British had accumulated for the Gold Coast. Sadly, critics of Nkrumah have not asked what the British used the wealth obtained from our gold, cocoa, timber, etc. to do for us in almost one hundred years of predatory colonial rule of political divisiveness, religio-cultural benightedness, and economic dependency. Nkrumah used whatever the Brits left behind to rectify some of these problems and by so doing rescued Ghanaians from the prison neocolonialism.

And yes, we may fault Nkrumah for generously putting our money in the chest of African liberation, but even then it came from a noble calling, not a thievery one, and in the end some Africans gained from it.

Combine all the economic achievements of the leaders of the post-Nkrumah era and they would not measure up to what Nkrumah achieved whether he squandered our monies or not. Framed in critical comparative perspectives what is happening in Ghana today makes Nkrumah a peerless leader. Due to the tyranny of time and space, just consider the Woyomizations, the saddled SADAs, the Akomfem in flight projects, the GYEEDAs, the Kufour Hotels, the Drill Ships, the NSCs, World Cup corruption, etc. and you would end up canonizing Nkrumah as the only sane, if not saintly leader that Ghana has had. Long Live Nkrumah!  
Long Live the CPP!

Your Comment:

Subject:

Your Name:

Post

(Courtesy [www.GhanaHero.com/Visions](http://www.GhanaHero.com/Visions))