REPUBLIC OF GHANA

THE BUDGET STATEMENT

AND

ECONOMIC POLICY OF THE GOVERNMENT OF GHANA

FOR THE FINANCIAL YEAR

1969-70

Presented to Parliament

On

Tuesday, 17th February,

By

HON. KWAME PEPRAH

Minister of Finance

BUDGET STATEMENT

1969–70

Members of the National Liberation Council

L
fi
C
tl
F
N
is
L
pu
of
w
w
re
pr
in
tic
fo
It
th
ex

Pr

its
fo
of
wa
me
res
wo
ecc
vol
ma

1969–70 BUDGET STATEMENT READ BY MR. J. H. MENSAH, COMMISSIONER FOR FINANCE, ON TUESDAY, 15th JULY, 1969

FELLOW CITIZENS AND FRIENDS,

It is a great honour to me to introduce on behalf of the National Liberation Council and the Government of Ghana the budget for the financial year 1969–70. This is the last time that the National Liberation Council will present a budget to the country. It is a portent of the changes that are ahead of us that while my predecessor as Commissioner for Finance, Brigadier A. A. Afrifa, was a soldier and a member of the National Liberation Council, I am a civilian Commissioner. This budget is not simply meant as a transition between the period of the National Liberation Council and that of the next civilian Government. Indeed, its proposals are destined to continue in operation well into the first year of office of the next government. The problems to which they are addressed will persist. Many pressing problems must be tackled and many changes will have to be worked for. While the National Liberation Council remains in office, it is responsible for the good government and the progress of the country. This is therefore not a standstill budget. It is intended to carry one stage further, the policies that the National Liberation Council has pursued in the last three years, and also to lay the foundation for the future policies of whichever party comes into power. It is our hope that the measures which we have decided to introduce in this budget will command general support and will be continued and extended by our successors.

THE STATE OF THE ECONOMY

Production and Foreign Trade

2. The time-table which the National Liberation Council adopted for its programme of economic reform on coming into office in 1966 called for the initial period of emergency measures to be succeeded by a period of consolidation lasting till the end of 1967. This consolidation period was brought to a close in the middle of 1968 when the Two-Year Development Programme of development was introduced. The Plan aimed at the resumption of economic expansion under conditions which, it was hoped, would avoid the re-emergence of serious imbalance in the domestic economy and in the external payments of the country. In 1968, the total volume of economic activity in Ghana, increased by 5 per cent. This was made up of an increase of just under 3 per cent in private consumption

and about 20 per cent in the expenditure of government on the provision of public services. In contrast to these, the volume of investments recorded only a modest rise of 2 per cent in the year.

3. To provide for this increase of 5 per cent in the total demand of the country for resources to meet private consumption, the public services and new investments, the production of goods and services in the country registered an advance of just under 2½ per cent. Making adjustments for the portion of production in this country which belongs to foreigners, our gross national product, the total production of goods and services by our own people, rose by just 1.7 per cent during the year.

4. Normally, this imbalance between the growth of total demand and of current production during the same period would have been reflected in a sharp deterioration of our balance of payments. In the past year, however, the country has had a windfall. The physical volume of our exports failed to register any advance, owing to the disruption of cocoa shipments towards the end of 1968. But this very fact of a short crop in Ghana, coinciding with short crops in other West African countries, helped to raise cocoa prices to levels which were much higher than had been seen for some time. Our export income in cash terms was just around N¢100 million more in 1968 than it was in 1967. Consequently, even though the increased level of demand in the country necessitated a rise of as much as 12½ per cent in the volume of imported consumer goods, of equipment, and of raw materials, the balance of payments of this country recorded an improvement.

5. 1968 was the third consecutive year, in which the balance of Ghana's transactions with the rest of the world showed an improvement. The total deficit on our current balance of payments which had diminished from N¢129 million in 1966 to N¢87 million in 1967 was further reduced to N¢57 million in 1968.

6. The favourable movement in our terms of trade helped us to preserve a reasonable degree of economic stability in 1968 even though the volume of demand grew twice as fast as the volume of production in that year. Let me emphasise this fact—that our total current account on international transactions was in deficit in 1968 in spite of the favourable trends in the cocoa market. This year, we expect to benefit further from the continued buoyancy of the cocoa market. For the first time since the early 1960's, we expect to achieve an overall surplus on our current international transactions—barring any serious accidents in the cocoa market when the season starts. The question that we must face in our economic policy, and for which we must begin to prepare even while these good times last, is what will happen when, in the course of its traditional

cycle, the cocoa market begins to go down once again. Some of the measures for the coming financial year which I will outline presently are designed to answer that question.

Employment and Prices

7. The modest increase in the volume of economic transactions in Ghana in 1968 was not accompanied by any improvement in the employment situation. This problem of unemployment has proved to be one of the most intractable problems that the National Liberation Council has had to cope with. It is government's hope that some of the measures that are to be implemented in the coming year will begin to make an impact on the level of employment.

8. In the meantime, those Ghanaians who have been able to retain their jobs have obtained in the last 18 months various negotiated increases in pay. Taken together with the usual upward drift of wages and salaries, it can be said that the income levels of employed workers have at last begun to creep up on the cost of living.

9. The production of some local foodstuffs was disrupted by the same rains that interfered with the cocoa crop. This has had the result, for instance, that maize which should be selling for not more than N¢10 a bag has recently been selling for over N¢30 a bag in the Accra market. The supplies of those foodstuffs that come from the forest areas seem to have been relatively less affected. And the yam crop of 1968 has lasted longer into this year's off-season than it has been known to do in the past. All in all, food prices did not get out of hand last year in the way that was originally feared.

10. Supplies of imported goods have been maintained at levels somewhat higher than in the previous years and this has also helped to preserve a measure of price stability. Even so, the cost of living in Ghana for 1968 as a whole increased by another 8 per cent. This trend has continued into the first half of 1969, and constitutes a factor that cannot but be given the most serious consideration in formulating our economic policies for the coming year.

The Economic Policies of the N.L.C.

11. As this is the last time that the National Liberation Council will propose a comprehensive set of economic policies in a budget to this nation, perhaps you will permit me a brief backward glance at the performance of the government during the 3½ years that it has been in office (*see* Table 1).

12. The first objective of the National Liberation Council when it came into office in 1966 was to bring some semblance of order into the balance of payments which was in a state of chaos. Imports have since then been reduced partly by holding down the level of domestic employment, and hence of demand of imports, partly by physical controls on imports, and most notably by the devaluation of the Cedi in July, 1967 which raised sharply the prices of imported goods on the local markets.

13. You all know that government has sought additional relief from the pressures on the country's balance of payments by negotiation with our creditor countries for a rescheduling of the time-table for the repayment of the load of short-term debt which it inherited. Government has been repaying these debts according to agreed schedules, and intends to honour all accruing obligations. Measures have also been taken to clear up the backlog of commercial debts which had piled up in the years before the National Liberation Council came into power. The remittances of dividends by foreign companies operating in Ghana, and of the sums required by foreign workers who are resident in Ghana to meet their overseas obligations, have been liberalised and assured.

14. The last group of economic policy measures of the National Liberation Council which I would like to mention particularly, are the steps that have been taken to build up a comprehensive set of supporting institutions to assist Ghana's agriculture. We now have a fairly complete complex of government institutions for rendering advice and support to the farming community.

15. A related objective of the policies of the National Liberation Council, side by side with its balance of payments policies, has been to restore budgetary stability, and hence to reduce the pressure on domestic resources and on the price levels which was exerted by the constant large deficits on government budgets in the previous years. In this regard, you will recall that last February, it became necessary to introduce supplementary measures in a mid-term budget both to restrain further the rise in government expenditures and to raise additional taxation.

16. The Government has sought, while operating these short-term measures which have curtailed demand, to liberalise at the same time the conditions of imports, especially of the imports of raw materials, equipment and spare parts. It has been hoped by these measures to facilitate a rapid expansion of local industrial production and agriculture.

17. The effect of these measures is an economy in which economic growth is beginning to emerge without the feverish heat of galloping money supply and uncontrolled inflation; an economy that can now attempt to step up its tempo without running immediately into a state of external

insolvency. As I have said, these gains are not yet firmly consolidated: internal and external equilibrium could be quickly undermined again by unwise policies or by untoward accidents in foreign trade. But the Government which will succeed the National Liberation Council can at least start from a situation that could form the basis for steady economic advance without constant crises.

TABLE I

ECONOMIC ACTIVITY IN GHANA 1965–68

	At Market Prices				At Constant Prices 1960				
	NC Million Provisional								
Supply of Resources	**1965**	**1966**	**1967**	**1968**	**1965**	**1966**	**1967**	**1968**	%
Domestic Production ..	1,608	1,793	1,790	2,049	1,112	1,113	1,142	1,169	2.4
Imports	376	285	292	358	350	277	233	262	+12.5
	1,984	2,078	2,082	2,407	1,462	1,390	1,375	1,431	
Use of Resources									
Private Consumption ..	1,255	1,337	1,286	1,448	722	689	724	744	3
Public Consumption ..	205	261	308	348	165	172	193	232	20
Fixed Investment ..	271	246	226	241	250	207	162	165	2
Change in Stocks ..	+1	+15	+6	—	–9	16	7	—	
Exports	252	219	257	370	334	306	289	290	
	1,984	2,078	2,082	2,407	1,462	1,390	1,375	1,431	
External Balance ..	–124	–66	–35	+12	–16	+29	+56	+28	

Agriculture

18. The primacy of agriculture in our economic policies is based on the facts of life in this country, and has been reaffirmed often enough in the past not to need any further reassertion. The important question is what government has done, or helped the farmers to do for themselves; and what Government proposes to do in the future. Since 1966 an ever-increasing proportion of Government's development effort has been devoted to agriculture. We have established in Ghana, a comprehensive set of government institutions to help the farmer with advice, with water, with mechanical services for land cultivation and land clearing, with the supply of seedlings and other planting material, insecticides and fertilizers, and with the marketing of his crop. In the coming year N₵12.3 million out of the development budget will be allocated to agriculture to support these activities.

19. Government has also set up a number of expert panels to promote the production of certain new farm products and some older staples which are insufficiently produced. These include particularly maize, rice, cotton, and kenaf. The organisation for the marketing of tobacco has also been strengthened. Government will provide the necessary funds for the work of these institutions

20. While continuing to expand its traditional activities in aid of agriculture, Government has decided this year to make a start on two innovations in agricultural policy which we hope will have a significant impact especially on the food supplies of Ghana. Firstly, Government has decided that the time has come when more of those Ghanaians who have professional training in agriculture should be encouraged to establish themselves directly on the land as against doing government jobs which are connected with agriculture. A high proportion of the graduates in agriculture from the institutions of higher education will this year be diverted into farming. It has been decided that Public Officers who wish to leave government service, even temporarily, to engage in farming will be encouraged to do so on very generous terms.

21. As you are aware, Government has before now tried to educate the illiterate farming communities in modern agricultural practices through its extension services and other agencies. Government has also tried to encourage the youth to stay on the land or to return to it, in particular through the farm settlement schemes. Efforts are still being made to put more agricultural teaching into the content of education in middle schools and secondary schools. The departure which we are now proposing is that the mature, trained agriculturists should also return to the land. The details of the scheme for enabling civil servants to obtain release from

Government service in order to run farms will be announced in a short while by the Ministry of Agriculture. Provision has also been made in the budget to supply loan funds to a total of N¢0.5 million for the use of these farmers who, we hope, will be able to bring modern methods of farming more rapidly to our countryside.

22. The second departure which we are proposing is to spread farming more widely among the better-educated and the better-paid members of the community who live in the urban areas, many of them as workers in the government service. We would like members of the government, civil servants, teachers, trade unionists, traders and industrial workers—indeed, everybody, who has some time to spare, the willingness to learn, and a little money to invest—to establish their own farms or at least their own garden plots. It is our hope that within a few years it will become established practice for the members of the urban middle class to have a personal stake in our agricultural economy. We hope that our successors in office will not only confirm this policy, but perhaps even make it obligatory for certain classes of public servants to become farmers. We think that this will not only be good for the development of agriculture, but that it will also help in the consolidation of a stable and democratic community. The people in urban areas who take decisions for this country should learn far more than they now tend to do about the country, the real Ghana which they are running, through personal participation in the problems and fortunes of the majority of Ghanaians.

23. This movement is not being launched simply by exhortation. Government will provide the direct services required to promote it. Credit will be made readily available for agricultural investment. A company is being established jointly by government and the banking institutions to supply, on an efficient commercial basis, seed, seedlings, fertilizers and other agricultural requisites. Government will transfer to this company some of the existing seed multiplication farms of the Ministry of Agriculture complete with the necessary farming equipment. Management which is experienced in the production of high quality planting material is being procured to run this enterprise. It is intended to run this as a normal commercial profitable enterprise in the same way as similar farms are run in other parts of the world. But government will stand ready to support this venture financially and in all other reasonable ways until it is well established.

24. It has also been decided to establish a company to provide mechanised cultivation services more cheaply and more efficiently to the farming community than can be done by government agencies. This company will be allocated initially up to 150 tractors in good working condition and complete with implements. It will have maintenance facilities right

in its areas of operation and it will be fitted out in every way necessary to provide a complete land preparation and cultivation service to farmers when they require it, in the way they require it, and in such manner as to pay its way.

25. Government has also decided that in order to further encourage agricultural expansion, special tax concessions should be granted to all corporate enterprises and individuals in respect of their earnings from the production, the processing and the marketing of local food. Such individuals will not pay any taxes on their incomes from farming during the first five years from the commencement of their farming enterprises. Limited liability companies which are engaged in the food producing industry will also be exempted from all company taxes for five years from the commencement of production. In addition they will be able to carry over their initial losses into whatever period after the five years as would be required to write off such losses against their tax liabilities. These concessions are additional to the capital allowances which farming enterprises will enjoy at the same rate as investors in other sectors of the economy.

Fishing

26. Ghana's capacity to develop into a major fishing nation has already been demonstrated. Despite this, the country still continues to depend upon imports for a considerable part of its fish supplies, and at this very moment fish is rather scarce and very expensive in the market.

27. It has been decided by government to place substantial resources in the coming year behind the further expansion of our fishing industry. The objective is that this country should not only become self-sufficient in fish supplies, but should be able to develop a sizeable export trade in fish. A loan has already been obtained from the I.D.A., the soft-loan affiliate of the World Bank, to enable the Ghana Boat Yards Corporation to build many more of the medium-sized boats which are suitable for operation by local fishermen. These boats will be made available on credit terms which the fishermen will be able to afford.

28. An allocation has also been made in the budget to enable the Agricultural Development Bank to grant credits to the larger-scale fishing enterprises for the acquisition of trawlers and other fishing equipment.

29. It is the hope of government that both the small fishermen and the big companies in the fishing industry will be able to take advantage of these financial provisions in order to improve their businesses. Fishing firms which are able to export fish will also benefit from the concessions to exporters which I will announce presently. I wish to appeal to everybody in the fishing industry to assist the country, since the country is

doing so much to assist them. Fish that is caught by Ghanaian vessels should be landed here in order to supply the local market which is almost always inadequately supplied. The proceeds of fish which has to be sold in foreign countries for one reason or other, should be expeditiously repatriated to this country.

Forestry

30. The timber industry is now beginning to respond to the incentives and advantages offered to it by government in the last three years, especially by way of assistance in modernising its capital equipment and through the devaluation of the Cedi in 1967. Timber production has picked up rapidly and now inadequate transport facilities on the railway lines and in the harbours have become the major bottleneck on our timber export industry.

31. For years, government has tried to persuade the timber and building industries to make greater use of our timber resources outside the narrow range of prime species which they have traditionally exploited. Government's appeals have not made nearly enough impact on the industry. This year we have decided to try some financial inducement. With immediate effect, all timber of the secondary species which are extracted from the forests of Ghana will pay only two-thirds of the charges levied by the railways for their transportation from any point in Ghana to a harbour for export, or to a sawmill or processing factory or to local markets. Corresponding arrangements will be made for the payment of equivalent subsidies to timber of the prescribed species which are delivered by other means for domestic consumption with a view to lowering their market prices. A schedule of the species of timber which will benefit from these concessions and those which are not eligible for concessions will be published shortly by the Ministry of Agriculture.

32. Regulations will be introduced in the form of mandatory instructions to compel public agencies to use secondary species of timber for certain prescribed purposes in the construction and furnishing of public buildings. It is the hope of government that those who are responsible for managing the public construction programmes will make an extraordinary effort to overcome all the inconveniences that may be associated with using these unfamiliar woods.

Agricultural Credit

33. You will have noticed from what I have said that government is once again embarking on the provision of massive amounts of credit to enterprises and individuals in the agricultural and fishing industries. We are doing this fully aware of the risks involved. The history of the Cocoa Purchasing Company, United Ghana Farmers Co-operative Council

and other institutions which were set up to defraud government of large sums of money in the name of assisting farmers with credit is still fresh in the memories of all Ghanaians. Government is not laying out all this new money in a programme of charity. Those who attempt to defraud the State in this Sector will be met with the most stern reprisals.

34. Agricultural credit will not be made available merely for the asking. Those who wish to borrow for investment in farming and fishing should be able to satisfy the banking institutions to whom government will largely entrust the management of these funds of the soundness of the projects which they are proposing. They will have to stake a reasonable amount of their own money in these projects. They will have to demonstrate their ability to utilise credit profitably. As a general policy, these institutions will help new farming businesses to grow steadily, rather than handing out large sums of money all at once to people who want to make a start in the necessarily long-term business of farming. They will also employ whatever means seem to them reasonable to assure the collection of the repayments on these loans. They will have the support of the full force of government in enforcing financial probity in the use of agricultural credit.

35. Government is further emboldened to embark on this fresh injection of capital funds into agriculture because, side by side with the cases of unchecked corruption and fraud which we have experienced in some credit schemes in the past, we have also known in this country many successful systems of agricultural credit. Private firms have risked millions of pounds in former years on our farmers, especially our cocoa farmers year after year, and they have not been disappointed. The Co-operative Bank, in the years before it fell under political interference, was one of the most successful financial institutions in this country. These cases of success were founded on the genuine honesty of the average farmer in using credit and repaying loans. It is only when the lending agencies have used their operations for political or fraudulent purposes, and have clearly made it understood that the loans were not meant to be repaid, that rural credit has turned out to be bad business.

Industry

36. In the three years since the National Liberation Council took office, the emphasis in industrial policy has been to encourage the fullest utilisation of the existing industrial capacity, to stimulate new investments in the private sector of industry, and meanwhile to plan for a resumption of rapid industrial expansion at a future date. The measures which I will presently announce in the field of our foreign trade will represent a further instalment in the prosecution of the first two lines of policy.

37. As regards industrial re-expansion, let me emphasise that Government has never believed in the false opposition that some would seek to place between industrial and agricultural development. While we are taking all the measures which I have already outlined to further stimulate our agriculture, there are many compelling reasons, some of them well known to everybody, why we should pursue the industrial development of Ghana. There is one particular field of industry in which the time for action is now ripe and for which special provision is being made in this year's budget. This is the bauxite and alumina industries, whose early development we need to complement the massive investment that has already taken place in the aluminium smelting industry in Ghana. You are all aware, that the absence of facilities for the manufacture of alumina out of our own bauxite deposits has been a stumbling block to our deriving really substantial returns from the existence of the Tema smelter and from the huge investments which have been made in the Akosombo dam.

38. Since 1964, studies have been carried out on the possibilities of exploiting our own bauxite deposits, which have always been known to be available in substantial quantities, and thereby of completing the chain of development of the aluminium industry in Ghana. While a number of technical problems remain to be solved, it has now been firmly established that a bauxite mine and alumina industry would be economically feasible. By the nature of these industries a large volume of production is required in order to make this project really profitable. This means that Ghana will almost certainly have to find customers for bauxite and alumina over and above the demand that can be expected from the Tema smelter, whose consumption of alumina will total around three hundred thousand tons a year.

39. In order to ensure that this industry will in fact be established in the near future, and that the country will have an adequate participation in it, government has decided to mobilise some of our own resources to invest in it. For this purpose, this year's budget contains a provision of N₵0.5 million. This money will be placed into an investment account. With the further contributions which we hope it will be possible to provide in succeeding budgets it should be possible to mobilise a substantial amount of local capital for this industry which will mean so much to the total economy and especially to our exports.

40. The Government of Ghana's industrial enterprises are not as yet the source of financial strength which we have been expecting them to become for so many years. On balance, their net contribution to the budget of 1969–70 will be negative. But steps are being taken, and some progress has already been made, on three lines of improvement which

it is absolutely essential to bring about. The first is that these enterprises shall have a more adequate accounting system and shall account more regularly and diligently to the nation with whose money they have been entrusted.

41. Secondly, the State ought to be able to expect from these industries a much higher level of management performance, resulting in greater profitability. Thirdly, arrangements are being made to ensure that these enterprises will get into the habit of regularly paying over to the State a reasonable return on the moneys invested in them. During the coming year reforms along these lines will be further pursued. It is our hope that the next government will maintain the programme of improvement which the National Liberation Council has initiated and will not allow these State enterprises to lapse once again into a state of indiscipline and inefficiency.

Road Construction and Maintenance

42. During the past financial year, the greatest part of the attention of the P.W.D. has had to be concentrated on repairing the after effects of the extraordinary rains of last year. All the main highways, some of which were disrupted at the height of the flood, have been re-opened and made reasonably safe for traffic. More radical rehabilitation is in progress, including in particular, work on the Kumasi–Tamale road in the sector where it passes through the Mampong escarpment and work on the Nsawam–Bunso road which had become virtually impassable.

43. These rains re-emphasised the importance of the programme to provide alternative lines of communication between the North and the South of the country supplementary to the main Accra–Kumasi–Tamale road. The western link to Tamale through Techiman and Kintampo has been under reconstruction for some years. It is now open to heavy traffic. Financial arrangements are being made to complete the final stages of the work so as to make this a first class trunk road between the North and the South. Work has been completed on the Dodi Papase–Bimbila road. A ferry will now be installed across the River Oti near Bimbila to make this an alternative all-weather route from Accra to Tamale by the East.

44. Some former road links have been interrupted by the formation of the Volta Lake. Four new ferries have been procured to run cross-lake services to Kwadjokrom, Adawso and Dumbai.

45. Work on the Ho to Denu, Kumasi to Bibiani and Navrongo to Paga roads continued during 1968–69, and it is hoped that this work will be completed during this financial year.

37. As regards industrial re-expansion, let me emphasise that Government has never believed in the false opposition that some would seek to place between industrial and agricultural development. While we are taking all the measures which I have already outlined to further stimulate our agriculture, there are many compelling reasons, some of them well known to everybody, why we should pursue the industrial development of Ghana. There is one particular field of industry in which the time for action is now ripe and for which special provision is being made in this year's budget. This is the bauxite and alumina industries, whose early development we need to complement the massive investment that has already taken place in the aluminium smelting industry in Ghana. You are all aware, that the absence of facilities for the manufacture of alumina out of our own bauxite deposits has been a stumbling block to our deriving really substantial returns from the existence of the Tema smelter and from the huge investments which have been made in the Akosombo dam.

38. Since 1964, studies have been carried out on the possibilities of exploiting our own bauxite deposits, which have always been known to be available in substantial quantities, and thereby of completing the chain of development of the aluminium industry in Ghana. While a number of technical problems remain to be solved, it has now been firmly established that a bauxite mine and alumina industry would be economically feasible. By the nature of these industries a large volume of production is required in order to make this project really profitable. This means that Ghana will almost certainly have to find customers for bauxite and alumina over and above the demand that can be expected from the Tema smelter, whose consumption of alumina will total around three hundred thousand tons a year.

39. In order to ensure that this industry will in fact be established in the near future, and that the country will have an adequate participation in it, government has decided to mobilise some of our own resources to invest in it. For this purpose, this year's budget contains a provision of N¢0.5 million. This money will be placed into an investment account. With the further contributions which we hope it will be possible to provide in succeeding budgets it should be possible to mobilise a substantial amount of local capital for this industry which will mean so much to the total economy and especially to our exports.

40. The Government of Ghana's industrial enterprises are not as yet the source of financial strength which we have been expecting them to become for so many years. On balance, their net contribution to the budget of 1969–70 will be negative. But steps are being taken, and some progress has already been made, on three lines of improvement which

it is absolutely essential to bring about. The first is that these enterprises shall have a more adequate accounting system and shall account more regularly and diligently to the nation with whose money they have been entrusted.

41. Secondly, the State ought to be able to expect from these industries a much higher level of management performance, resulting in greater profitability. Thirdly, arrangements are being made to ensure that these enterprises will get into the habit of regularly paying over to the State a reasonable return on the moneys invested in them. During the coming year reforms along these lines will be further pursued. It is our hope that the next government will maintain the programme of improvement which the National Liberation Council has initiated and will not allow these State enterprises to lapse once again into a state of indiscipline and inefficiency.

Road Construction and Maintenance

42. During the past financial year, the greatest part of the attention of the P.W.D. has had to be concentrated on repairing the after effects of the extraordinary rains of last year. All the main highways, some of which were disrupted at the height of the flood, have been re-opened and made reasonably safe for traffic. More radical rehabilitation is in progress, including in particular, work on the Kumasi–Tamale road in the sector where it passes through the Mampong escarpment and work on the Nsawam–Bunso road which had become virtually impassable.

43. These rains re-emphasised the importance of the programme to provide alternative lines of communication between the North and the South of the country supplementary to the main Accra–Kumasi–Tamale road. The western link to Tamale through Techiman and Kintampo has been under reconstruction for some years. It is now open to heavy traffic. Financial arrangements are being made to complete the final stages of the work so as to make this a first class trunk road between the North and the South. Work has been completed on the Dodi Papase–Bimbila road. A ferry will now be installed across the River Oti near Bimbila to make this an alternative all-weather route from Accra to Tamale by the East.

44. Some former road links have been interrupted by the formation of the Volta Lake. Four new ferries have been procured to run cross-lake services to Kwadjokrom, Adawso and Dumbai.

45. Work on the Ho to Denu, Kumasi to Bibiani and Navrongo to Paga roads continued during 1968–69, and it is hoped that this work will be completed during this financial year.

Road Maintenance

46. The heavy rains of the past year have lent renewed urgency to the efforts to keep the country's road network in a state of good repair by more regular and effective maintenance work. In the coming financial year, N₵2.7 million will be provided for road maintenance as compared to N₵2 million in 1968–69 not all of which was utilised. Public Works Department has already on order nearly N₵1.0 million worth of road maintenance equipment which will rectify most of the deficiency that has hampered this work in the past.

47. You have already heard of the plan to build a new system of highways, the so-called Golden Triangle, to provide faster and more modern communication between Accra, Kumasi and Takoradi. Until these new highways can be built, government considers it a matter of the highest priority that the existing roads should be completed, rehabilitated and improved. Steps towards drawing up a programme for this purpose and raising the financing for its execution have already been taken. If discussions proceed as now envisaged, it should be possible to launch a programme of trunk road improvements during this financial year.

48. It has been decided that between 35 and 40 per cent of the maintenance work that is to be carried out by the Public Works Department will be let out to Ghanaian contractors of proven efficiency and reliability. The aim is not only to secure a more rapid catching up with the arrears in maintenance work but also to try to reduce the cost of road maintenance in particular through closer supervision.

Feeder Roads

49. Government launched a programme of feeder road construction to provide all-weather connections between the principal market towns in the various distiicts and main trunk road system, starting with a pilot project of 150 miles in Eastern Region. The feeder road programme got into its stride with the letting out to tender of 500 miles of road distributed among all the regions. Within this coming financial year, all these 650 miles of secondary roads will be brought to completion.

50. The experience gained in these two first instalments of the feeder road programme is being used in drawing up the next phase which it is hoped will cover the construction of another 500 miles of road. Under the policy of decentralisation, responsibility for all aspects of the planning, the contracting-out, and the supervision of the programme will be progressively shifted to the regional authorities. With the help of the regional planning committees, the regional authorities will establish

priorities for the development of feeder roads in each region. This decentralisation of executive responsibility should not only secure more rapid execution of the programme but also greater economies with the co-operation of local contractors.

51. Since the feeder road programme was started a steep escalation of cost per mile has set in which, if unchecked, could threaten the whole programme. It is quite clear that government's intention of opening up reliable road connections between all the marketing centres in the country and the main population centres cannot be fulfilled if the cost of constructing a mile of secondary road remains at the level NȻ12,000 to which it has climbed in the last two years. Some of these increases are due to the poor performance of a number of contractors who were entrusted with part of this work. There are some contracts which have even had to be abandoned. On the basis of this experience, it is proposed to select about 40 of the most competent contractors to undertake the next phase of the feeder road programme.

Rural Development

52. In April this year the National Liberation Council established a separate Ministry of Rural Development—the first time that a government of Ghana has reflected our professed concern with problems of rural development in its own internal organisation. It is the hope of the Council that its successors in office will confirm this decision and enlarge the work of the Ministry of Rural Development through the years.

53. During this coming financial year it has been decided to inaugurate the work of the Ministry of Rural Development through a programme of village road construction which will be a complement to the feeder road programme. The country will not be able to derive the full benefit from this latter programme for secondary roads construction, or indeed from the net-work of trunk roads, until there are equally reliable road connections from the village and the farm gate to the secondary roads and on to the trunk roads. The rural communities have consistently demonstrated their willingness to help themselves in this matter. Most of the existing road mileage in the country is made up of very poor roads which are kept up by local communities and local councils and district authorities. An allocation of NȻ1.0 million has been included in the 1969–70 budget, for the programme of village road construction. This money is to be disbursed through the Community Development Section of the Ministry. It will be used to help village communities to procure construction material and also to supply them with the use of machinery and equipment to supplement the labour which the people themselves are willing to put into building their own

roads. It is expected that in the coming year, the Ministry of Rural Development will be able to tackle the construction of one thousand miles of village roads. Arrangements have already been made for the Ministry to procure the necessary equipment.

54. The Ministry is also entrusted with the carrying out of the one million new cedis programme of rural roads, the construction of which the Cocoa Marketing Board has undertaken to finance in order to assure the uninterrupted evacuation from the villages of cocoa and other agricultural produce in which it deals. Taken all together, the proposals in the coming financial year should make a significant impact in the field of rural communications. It is the intention to break the physical isolation from neighbouring communities and from marketing centres from which so many village communities have suffered in the past. If the programme is carried out expeditiously and efficiently, transport costs of locally produced foodstuffs should begin to turn visibly downwards. The Ministry of Rural Development has inherited a large staff of social workers and community development officers who are scattered in all parts of the country. It will fall to these officers to give the leadership and technical help which the rural communities will need in order to carry out this new programme. Their's is a heavy responsibility. It is the hope of Government that they will discharge it diligently and successfully.

Social Services

55. The country is now having to absorb the consequences of the decisions on educational policy that were taken years ago. The large numbers of children that were taken into primary schools in 1961 are now seeking admission to secondary schools. The expansion of secondary school admissions five years ago is making itself felt in the demand for Sixth form places. The pace of educational expansion in previous years was uncontrolled and often irrational. But these children are there; Government cannot break faith with them. At the same time, it is necessary to limit the rate at which Government will commit itself to further expenditures on education at the present time. The Ministry of Education has accordingly evolved policies for the control of educational expansion and for rationalisation, the details of which will be progressively announced and applied. In the meantime, the institutions of higher education have entered upon a period of consolidation—a period when the high standards already achieved will be pushed towards new levels of excellence and the pressure of student numbers will be reduced, while the staffs achieve more in the field of research.

56. The details of the expenditure estimates when they are published will also reveal the progress that it is intended to make in the field of health and other social services.

62. Secondly, firms which surrender to the Bank of Ghana foreign exchange in amounts greater in any given year than they surrendered in the previous year will be entitled to a bonus equivalent to 10 per cent of the additional foreign exchange which they surrender.

63. Thirdly, exporting firms will be entitled to the automatic restitution of the import licence utilised by them for the acquisition of raw materials used in the manufacture of goods for export. This restitution will be made with a minimum of administrative procedures. The Bank of Ghana will be able to give additional allocations of foreign exchange with which to replace such raw materials.

64. Fourthly, goods which are exported from Ghana are not supposed to pay local taxes of any sort. Firms which sell for export goods on which excise or sales taxes have been collected, or for the fabrication of which they have used raw materials that have already attracted customs duty, will be entitled on application to the refund of such taxes and customs duties. Hitherto, the procedures for claiming such refunds have been rather complicated, and many firms have not found it easy to get the draw-backs to which they are entitled. The law on this matter has been simplified and the administrative machinery has been streamlined. Manufacturers who submit claims for drawbacks on taxes and duties can be assured of rapid action and a generous approach on the part of government.

65. The above measures are all in addition to the other steps that government has taken to promote export trade. As you know, government has established an Export Company with the mission of selling made-in-Ghana goods abroad. This company will be given every facility, of a financial and administrative nature, for its work. In particular, it will have the fullest co-operation from all of Ghana's diplomatic missions abroad, including the Trade Missions which we maintain at certain centres. Government has also established an Export Promotion Council and intends to recruit soon for this body a high-powered Chief Executive to assist exporters with all their problems. Our institutions of business and management education will turn their attention increasingly to the training of salesmen for the business enterprises of this country.

66. Many of the manufacturing enterprises in Ghana are relatively inefficient and high-cost producers because of the low levels at which they operate in relation to their total capacities. This makes their products very expensive to Ghanaians—a fact which is among the most disappointing in our efforts at industrialisation. Owing to our balance of payments difficulties, we are not yet in a position to assure all these enterprises enough imports of raw materials to enable them to attain

higher rates of output. But if these firms can produce for export, and thus bring themselves nearer to full capacity operation, they will not only earn foreign exchange for the country, but they will also be able to reduce the prices of that portion of their output which they sell to the domestic market.

The Problem of External Debt

67. On coming into office in 1966, the National Liberation Council undertook to honour in full the international financial obligations of its predecessor government. In view of the known difficulties in the foreign exchange situation of the country, which had already led to a drastic curtailment of imports and a large backlog of arrears in meeting external financial liabilities, the National Liberation Council obtained the agreement of the creditor countries to make arrangements which would relieve the country of some of the load of debt service. The medium-term contractor debts of the country have been the subject of two rescheduling agreements, one in 1966 and one in 1968. Under these agreements, 80 per cent of the debts that fell due between 1st June, 1966 and 31st December, 1968 were agreed to be spread over a longer period averaging eight years and beginning in 1971.

68. Under the arrangements as they stand at the present time, Ghana is expected to pay over N¢20 million this year in respect of the medium-term debts that have been rescheduled, and to pay an average of about N¢25 million in the two years after that. These would be followed by average repayments of N¢38 million in the period 1972 to 1975. Since last year when debt repayments began to fall due again in substantial amounts, the budgetary and the balance of payments situation have come under increasing strain.

69. The measures that Government has taken in the last three years to release financial resources for debt repayments, and to reduce the inflationary pressures which arise from government deficits, are well known to you all. They have entailed denying ourselves many imported but essential goods. They have necessitated reductions in government expenditure, involving the retrenchment of labour. And they have meant the holding back of the development of the country practically throughout the entire period of office of the National Liberation Council. The devaluation of the cedi in 1967 was the most drastic measure taken to hold down the demand for imports and to encourage exports.

70. As a result of all these measures and events, Ghana's balance of payments position is today stronger than it has been for many years. But it is quite clear that given the most likely trends in our balance of

payments, we are highly unlikely in the near future to find room, in the amounts now envisaged, for meeting the debt service obligations as they now stand.

71. It has to be recognised now that the difficulties which we anticipated in trying to cope with the full burden of these debts were not local temporary difficulties. There are no reasonable economic forecasts on the basis of which it could be expected that this country could find the resources for debt service on a substantial scale without resort in the near future to internal measures severe beyond what is conceivable or humanly reasonable.

72. At the same time, the people of this country demand that the course of national progress should be resumed. As a Government, we must respond to this demand—and this goes for both the present government and any succeeding civilian government. Consequently, this year's budget is providing for a resumption of public sector development spending on a significant scale.

73. Up till now, we have been engaged on the rescheduling of our debts. This means that we have tried to get from the original contractors and others from whom these moneys were borrowed a little respite while maintaining the debts substantially intact as medium-term debts or suppliers' credits owed to the same contractors. We have obtained as much relief as can be expected along that road. Since we seem unlikely to be able to meet the kind of obligations that will remain even under the most generous terms of rescheduling, it has become necessary to try another approach.

74. In international practice, the best alternative which is open to us is to seek a refinancing of the debt service obligations. The difference between debt refinancing and debt rescheduling is that, with refinancing, Ghana would agree to meet the obligations to the various contractors and suppliers as they have been negotiated but the governments of those creditor countries will offer us longer terms credits with which to meet these obligations. I am obviously ruling out the alternatives of declaring a moratorium on debt repayments or requesting a cancellation of some of these debts. As I said before, the Government has undertaken to pay back, in full, these loans that were contracted by its predecessors.

75. The principles on which arrangements for the refinancing of these debts should be made are well established in international practice. The countries to which we owe these debts are all members of the O.E.C.D.—the Organisation of Economic Co-operation and Development. As such, they have subscribed to international understandings regarding the terms on which development assistance is to be extended

to poorer countries such as Ghana. If financial assistance from these countries had been granted to the previous regime in accordance with the norms of aid that had been established during that period, our total debt service liability for this year would amount to barely N₵10 million. These norms in the field of financial assistance have recently been further liberalised by agreement between the member countries of the O.E.C.D.

76. The proposal we are now making is that creditor countries should now grant us loans, on true aid terms, in order to enable the country to continue to meet its obligations to the institutions and private concerns to whom it owes money. Let me emphasise that such refinancing loans would never be spent on buying any consumer goods or investment goods for the use of anybody in this country. They would pass directly from the governments of these creditor countries to the firms and the individuals within their territory to whom Ghana owes money, as these debts become due for payment. Ghana would then, on a future date, transfer foreign exchange to these governments to repay the moneys which they would have advanced to us to pay debts owed to their own nationals.

77. The Government proposes to send round to the creditor countries, a mission to put this request before them and to invite them to discuss it with us. We hope that they will agree to meet our request and that negotiations can commence at an early date. But let me emphasise that should they prove unwilling to help Ghana in this way, we would be back face to face with a cruel dilemma which will involve a rethinking of our whole development strategy.

78. Why is it necessary, one may ask, to tackle this issue now? It is because the National Liberation Council wishes to hand over power to the next Government, having done everything within its reach to enable that Government to come into office with a reasonable chance of pursuing constructive policies of national development in accordance with the choices that the people would have expressed in the forthcoming elections. We ourselves would not feel that we had done the right thing if we left the new Government which came into office to inherit from the National Liberation Council obligations to meet debt repayment liabilities which we know ourselves to be beyond any possible repayment capacity of the country, and without having made, ourselves, a last effort to rectify this situation.

79. It should also be remembered that Ghana is as yet a poor country. We will need financial assistance for many years to come to help us in our development. Already, the World Bank has agreed to organise, on our behalf, a group of countries that would co-operate in financing the future development of this country. We cannot hope to borrow much

money under these arrangements, or under any other arrangements for development assistance, as long as our total debt servicing capacity in the near future continues to be so very heavily mortgaged to the repayment of our previous debts.

80. A refinancing of our existing obligations would not only relieve the budget of a burden which is proving impossible to sustain. It would also liberate for our own national development, and for the stimulation of our economy, some much-needed foreign exchange.

81. Our balance of payments programme for this year has had to be restricted in its import allocations below the level that we know would have been necessary to support a significant expansion of agricultural and industrial production. There is room for improvement in our foreign exchange management; there is also a great need for flexibility. In the hand-to-mouth situation in which we have operated so far, it has never been possible to assure traders of prompt payment of their claims, to allow foreign firms to transmit dividends promptly to their shareholders, or even to guarantee to foreign workers in this country the small sums that they need to meet their personal obligations, without constantly being in danger of default. The course of industrial production is frequently interrupted by our inability to assure the supply of raw materials and essential spares at the exact time when they are needed. It is necessary for the managers of our external finances to have some reserves with which to respond to the requirements of the economy promptly and securely.

82. In the final analysis the solution to our balance of payments predicament must be sought not in restricting imports and holding down the whole economy, but by earning more through exports so as to be able to buy the foreign goods that we need for our economic development as well as meet the claims of our creditors. The request which we are now making to these creditors is to assist the country over the hump—to permit us room to develop our economy and our exports so that eventually we can give full assurance to our creditors of our ability to repay.

GOVERNMENT FINANCES

1968–69 Budget

83. The budget for the 1968–69 financial year proposed total expenditures of N¢389.3 million on the current purchase of goods and services. Debt service liabilities were estimated at N¢40 million, including N¢32 million in respect of rescheduled overseas debt. These total estimated outlays of N¢429.3 million were expected to be just exactly

covered by ordinary revenues of N¢340.40 million and capital receipts of N¢88.9 million. From the very beginning of the financial year, government decided that the budget was too finely balanced for safety. Consequently, an all-round freeze of 10 per cent was imposed on the disbursement of the total recurrent allocation. Owing to the relatively large share of personal emoluments in the total recurrent budget—an average of 67 per cent throughout the whole civil service—and a decision not to reduce the army of government employees by any substantial numbers, the savings had to be found in the reduction of expenditures on office supplies and equipment, and a virtually total ban on expenditures on minor capital items.

84. Supplementary appropriations that were approved in the course of the year totalled N¢12.5 million and were accounted for entirely by unpaid bills arising from 1966–67 and by the provision of N¢4.8 million to the State Construction Corporation as capital contribution. Recurrent expenditures in the year were in the event kept down to a level about N¢21.0 million below the original estimates.

85. The latest information on revenues suggests that total receipts during 1968–69 on account of taxation amounted to N¢300.0 million. Taken together with drawings of N¢69.3 million on loan funds, the overall budget out-turn showed a N¢0.5 million deficit.

86. In the two previous financial years, 1966–67 and 1967–68 a large volume of arrears on government payments had accumulated. Government has decided on measures that will be taken to clear these debts which had come to constitute a serious brake on the smooth functioning of the monetary system.

87. In 1968–69, the rhythm of revenue collection was disrupted by the floods of the third quarter of 1968 which prevented the shipment of cocoa in the quantities that might have been expected. Government had to take measures to slow down many desirable development projects. Even so, unpaid bills began to pile up. Towards the end of the financial year efforts were made to pay off the major part of these arrears. At the present time, the arrears in the government account stand at a little over N¢14 million. If the revenue expectations in the coming months are fulfilled to a reasonable degree, the National Liberation Council should be able to hand over to its successor government a financial position that is in better shape than this country has known for many years (*see* Table II).

1969–70 Budget

88. For the financial year which has just begun, Government is proposing expenditures of N¢302.7 million on recurrent items and N¢122.6 million on development projects. Ordinary revenues, including

measures which I will announce presently, are expected to yield a total of N₵375.7 million. This means that for the coming year we will contribute out of our own resources, by way of a current account surplus, N₵73 million towards the development programme of N₵122.6 million. The estimated cash deficit of N₵49.6 million and the overseas debt service obligations which will amount to N₵43.4 million should be covered by expected capital receipts of N₵95.3 million. This latter includes the element of refinancing to which I have previously referred. The overall out-turn on the budget as it is now estimated implies that the year would end with a small surplus of N₵2.3 million.

89. The budget for 1969–70 shows certain increases over that of the previous year that deserve comment. Government's obligations on account of wages and salaries in the civil service will go up by N₵10.4 million on account of the proposals regarding new pay rates for public servants. I am authorised to reaffirm that improved rates of pay will be granted to civil servants with effect from the 1st April in accordance with the undertakings already given by Government. Excluding this item, recurrent expenditures are budgeted to increase by less than N₵8 million in the coming year. This is one of the lowest rates of increase in government recurrent spending in recent years, and is in fulfilment of the undertaking which the National Liberation Council had given, to hold in check the rise in Government's current spending.

90. In contrast to this, the provision for development expenditures in the coming year shows a substantial increase, reflecting the determination of the National Liberation Council to tackle seriously the implementation of the Two-Year Development Programme and to set the economy of Ghana on a path of steady but manageable expansion before handing over power. This is summarised in Table II.

TABLE II

TABLE II

GOVERNMENT FINANCES

1968–69 *Estimates*			1969–70 *Estimates*	
NȻ Million	*NȻ Million*		*NȻ Million*	*NȻ Million*
	328.44	1. Ordinary Revenue at Existing Rates of Taxation	366.84	
	11.96	*Add* Additional Revenue from new taxation	8.84	
	340.40			375.68
	284.70	2. Recurrent Expenditure, excluding External Debt Service		302.68
	55.70	3. Balance on Current Account		73.00
	104.60	4. Development Expenditure		122.56
	48.90	5. Cash Deficit		49.56
		6. Capital Receipts:		
64.90		Foreign Aid Sources	55.00	
—		Refinancing	12.00	
16.80		Social Security	16.80	
7.20	88.90	Non-Bank Borrowing	11.50	
	40.00			95.30
		7. Overall Surplus (–Deficit) on Current year's operations ..		45.74
		8. Debt Service (External)		43.40
22.00		Rescheduled Overseas Debts	17.00	
10.60		Rescheduled Overseas Debts (Local Payments)	5.00	
7.40		Non-rescheduled Overseas Debts	6.10	
—		I.M.F. Repurchases	15.30	
	0	9. Overall Surplus (–Deficit)		2.34

TAX PROPOSALS

91. For the coming financial year government has decided not to increase by any substantial amount the level of taxation paid by companies and individuals in Ghana. However, it is proposed to make some slight changes in the tax structure so as to emphasise the government's intention to give particular encouragement to certain sectors of the economy.

Withholding Tax

92. Three years ago, the National Liberation Council undertook to abolish within three years, the withholding tax. In the first year this tax was reduced from 20 per cent to 12½ per cent, and in the second year, to 7½ per cent. In this third and final year, the government proposes to honour its promise to abolish the remaining 7½ per cent of withholding tax.

Tax on Agricultural Enterprises

93. As I have already announced, it has been decided to exempt agricultural enterprises completely from the payment of income tax for a period of five years, beginning with their first year of operation.

Cocoa Duty

94. The yield of cocoa duty is now at a high level. But it is not likely that this situation can be maintained. The cocoa producing countries have not been able to obtain the consent of consuming countries to an international cocoa agreement. On the contrary, many of them are proceeding, or are being egged on, to increase their production rapidly, which can only redound to the benefit of the consuming countries. The high cocoa revenues could easily dissolve away, leaving the budget in a dangerously exposed condition. But the expenditure obligations of government are likely to prove more permanent.

Company Tax

95. It has accordingly been decided to introduce, even while the cocoa boom is on, certain temporary increases in taxation. These are designed to enable government to build some reserves now, and to maintain a reasonable degree of financial security when, at a later stage, the cocoa market takes another downward plunge. It has been decided that industrial concerns will continue to pay company tax at the prevailing rate of 50 per cent. However, it is proposed to make a temporary upward adjustment of 5 per cent in the rate of tax payable by commercial and mining companies. These companies will now pay tax at a rate of 55 per cent on their profits.

Customs Duties

96. Hitherto, machinery, including spare parts, have been exempted from import duties. In order to help to raise additional revenue for our developmental effort, it is proposed to levy a duty of 5 per cent *ad valorem* on these items. This impost however, does not apply to machinery for agriculture, horticulture and water supplies. This impost, like the increase in company tax proposed earlier, is temporary and it is the government's intention to remove it as soon as it is certain that the cocoa market has stabilised at a level at which enough tax revenues can be mobilised for the development effort without falling on other sectors such as commerce and mining.

97. As you all know, we now have in Ghana, two modern flour mills which between them can produce about 60,000 tons of flour—being the total of all Ghana's requirements for flour. The locally produced flour is already very popular on the market and, with the assurance that they will maintain internationally accepted standards of quality, Government has decided that no more flour will be imported. With the cessation of the importation of flour, Government is liable to lose the revenue from the duties which were formerly levied on this imported item. In order therefore to safeguard the revenue that would otherwise be lost, it is intended to impose a duty of 2Np per lb. on wheat. This new rate is to be compared with the existing rate of 4Np per lb. on flour. The new rate of duty on wheat should therefore not affect the existing controlled price of flour which is N¢12.90 per bag of 100 lb. The Ministry of Trade and Industries will issue new instructions on the controlled price for flour to protect consumers from unreasonable increases in prices.

98. Hitherto, the excise duty on locally produced footwear has been higher for the least expensive shoes, and this is considered inequitable. Accordingly, it has been decided to correct this anomaly. Excise duty on all locally produced footwear will now be 10 per cent.

Tax on Retailers

99. I would now like to turn to our retailers. During the year, a number of representations were made by several traders concerning the standard assessment of income tax applying to this important link in our distribution system. These representations have been carefully considered by Government, and it has been decided that the Standard Assessment Act should be amended, to exclude this class of traders. Instead, market traders will be required to register with the Commissioner of Income Tax who will raise assessment on their actual trading operations for the year rather than on an arbitrarily assessed volume. Traders will now pay a registration fee of N¢2 per year instead of the N¢10

formerly paid to the Comptroller of Customs and Excise. This is a concession which has been granted in the spirit of assisting our market women to improve their retail operations, and it is hoped that it will not be abused. Our market women are expected henceforth, to have proper accounts prepared on their operations and to submit regular returns to the Commissioner of Income Tax for the appropriate assessment to be made.

Estate Duty

100. There is one other piece of tax legislation which has proved very difficult and inconvenient to our people. This is the Estate Duty Act under which estates of deceased persons are subject to tax. The people's feelings about this piece of legislation are understandable because the law is not in keeping with our traditions. It has therefore been decided to repeal the Estate Duty Act.

Conclusion

101. Fellow citizens, I have laid before you the economic problems of this country and the measures which the National Liberation Council is proposing for tackling them. I have not hidden the difficulties from you. I hope that you will endorse the solutions which the government has put forward and join together as one man to help in carrying them out. We also need the help of our friends overseas to keep this country moving forward as it should. Above everything, let me repeat what I have said before about self-reliance. With the sacrifices which you have accepted, and the additional efforts which are now demanded of you, Government should be able to keep this country free, happy and hopeful of the future. The National Liberation Council is confident that the progress which it has achieved will be sustained. Let not this confidence be misplaced.

Good night.

MINISTRY OF FINANCE,
ACCRA.
15*th July*, 1969.

GPC/A54/15,000/7/69-70