

The Renaissance Of Corporate Paternalism: Ashanti Goldfields Corporation In The Gold Coast, 1945 -46

Stephanie Decker, The University of Liverpool, School of History

sdecker@liv.ac.uk

I

After the end of the Second World War Britain found itself economically more dependent on its empire than ever before. In the face of the nationalist challenge, modernizing the colonies developed from an economic necessity of the metropolis into the new imperial self-justification of continued rule. Mobilizing labour was an integral part of the new social and economic policies, and “even small working classes could threaten the narrow channels of colonial commerce.” Fred Cooper comments in an article on the problematic character of strikes in colonial Africa in the 1940s and 1950s, which he describes as ‘mass urban events’ due to the fluidity of the category ‘worker’ at a time when most labour was still casual and people drifted in and out of jobs.¹

British and French colonial governments all over Africa reacted to this rising problem by aiming to create a compact working class through the introduction of social services, trade unions, steady employment, family wage and better and more controlled housing set apart from other urbanities.² Colonial governments attempted to create a shortcut and impose a negotiation machinery, health and welfare services in an attempt of ultimately creating a social structure similar to the Western world.

While the firms and the administration appeared to agree on the analysis of the situation, their interest and hence the action they would take were different. In the case of Ashanti Goldfields Corporation Ltd. (AGC), one of the largest British gold mining companies, in Obuasi in the Gold Coast, this different outlook on how to tackle problems of efficiency and control clearly existed. Nevertheless, the firm would sometimes decide to pre-empt or duplicate administrative actions. The necessity to establish a working relationship with labour was a dominant factor in the decision-making on both sides. As Cooper concludes in his article, Europeans were trying to create an Africa that they could understand, and which ultimately allowed them to continue to interact with it, politically, socially and economically, without having to rule it.³ In a book focusing on failed state craft, James Scott argues along similar lines that large organisations aim to make social structures ‘legible’, that is to simplify, standardise and document them, in an attempt to control more efficiently.⁴

II

When the new chairman of AGC, Major-General Sir Edward Spears⁵, visited Obuasi for the first time in the winter of 1945, the entire mine ground to a halt in a strike that the local management had no prior notice of. Management assumed that the goal were higher wages, as seemed to have been the case with previous work stoppages. They had, however, no intelligence or official demands from the workers. This situation deeply perturbed Spears, who believed that supervising Europeans had to know what their subordinates thought and did.⁶

"There is a possibility that there is an organisation we know nothing about, operating amongst our boys under distant influences. [...] we should not miss the opportunity we have to-day

¹ Frederick Cooper, ‘From Free Labor to Family Allowances: Labor and African Society in Colonial Discourse’, *American Ethnologist*, 16,4 (1989) 745 –765 (746, 752).

² Cooper, ‘Free Labor’, 753.

³ Cooper, ‘Free Labor’, 758. The original reads: “[...] an intellectual process that made it possible to imagine an Africa that Europeans could understand, with which they could interact, but which they did not rule.”

⁴ James Campbell Scott, *Seeing like a State. How certain schemes to improve the human condition have failed* (New Haven, Yale University Press, 1998).

⁵ Spears was well-connected in Whitehall, and fits the description of a gentlemanly capitalist, as defined by Peter Cain and Antony Hopkins, *British Imperialism I & II* (London: Longmans, 1993).

⁶ “Minutes of Conference at Chairman’s Office“, Obuasi, 30.11.45, p. 4, GL, Ms 14171, Mines Correspondence Inward, v.98: Jul –Dec 1945.

when the mind of the African is still very receptive and friendly, and work by hostile subversive elements might do us an incalculable amount of harm."⁷

This quotation highlights three major issues: the influence of the fear of communism on companies' decision-making, the question of how to exert the right kind of influence on the 'friendly Africans' and the total disbelief that any form of indigenous organisation could be possible or indeed preferable to imported western notions. This paper will be concerned particularly with the latter two points and their importance within the new corporate paternalism that the AGC began to develop under the chairmanship of Spears.⁸

The strike marked a new departure in corporate labour policy: within the volatile environment of a nationalising colony that had become part of the great modernizing experiment of the British Empire, the company began a quest for the hearts and minds of its African employees. This took two directions in Obuasi: welfare and the organisation of workers' representations.

III

"Because if the Corporation demands loyalty under my Chairmanship in my view the Corporation must be loyal in return to all employees. Protect them and develop schemes which will make for their welfare."⁹

Overall welfare measures fell into similar categories as governmental efforts: health, education and housing. However, in the case of AGC, probably the most prominent involvement in their workers' lives was in the field of nutrition.

In January 1946 AGC started to issue a twice daily hot cocoa ration, which quickly proved a popular measure. This was soon extended into 'canteens', selling food at cost prices.¹⁰ What miners ate became a management concern:

"We cannot expect long hours from men so badly fed."¹¹

Productivity and health issues were probably at the base of this. Workers' health became increasingly important for the AGC, sometimes prompted by the considerations and actions of the colonial government.

The firm had had a hospital on the grounds of the mine catering for pregnant African wives and now introduced post-natal care as well, while at the same time discharging the last African women from light jobs such as clearing away small stones.¹² This seems in line with official attempts to create a family structure where the man works and the wife raises children. This euro-centric view did not easily fit to African notions where – often multiple – wives would lead a far more economically independent lifestyle by earning their own income as market women and petty traders. To make this European family ideal possible, it was necessary to pay a 'family wage', which usually outstripped real productivity.¹³ As early as 1946 this tendency is visible in the wage increases at the Obuasi mine.

⁷ Spears to JH Batty, President AGC, London, 25.11.45, GL, Ms 14171, v. 98.

⁸ However, the fear of communism is part of the context of decolonisation and influenced AGC's attempts to insulate their workers from these external factors. On policing decolonisation and the fear of communism see RF Holland (ed.), *Emergencies and Disorder in European Empires after 1945* (London: Frank Cass, 1994).

⁹ "Minutes of Conference at Chairman's Office", Obuasi, 30.11.45, p. 4, GL Ms 14171, v. 98.

¹⁰ By April the same year, AGC was offering its employees a wide variety of dishes, introduced large outside eating areas and a voucher-purchase system. Cf. Major FL Dickson, Welfare Officer, to Gale, "Progress Report for April 1946", 1.5.46; and mine captain to Gale, "Report on underground workings for December 1945", Obuasi, 3.1.46, p. 5, both: GL, Ms 14171, v.99: Jan –Jul 1946.

¹¹ First quotation: Gale to Manager & Secretary, 23.1.46; second quotation: „Report of conference“, 14.12.45, both: GL Ms 14171, v.99.

¹² On post-natal care: Spears to Gale, 19.12.46, GL Ms 14170, Mines Correspondence Outwards, v. 84: Jul –Dec 1946.

¹³ Cf. here Cooper, 'Free Labor', 755 –756.

Table 1: African wages and productivity, 1945 -46

Wages	August 1945	April 1946	August 1946
<i>Tons per worker</i>	2.30	2.87	2.47
<i>Change in %*</i>	n/a	+ 24.8	- 13.9 (total + 7.4)
<i>Aver. Wage+</i>	64/1d	65/9d	71/5d
<i>Change in %*</i>	n/a	+ 1.9	+ 8.5 (total + 11.6)

* rounded to first decimal + In pounds: £3.20, £3.29, £3.57

Source: AGC “Statement showing comparison in Native Wages – August 1945 to August 1946”, GL, Ms 14170, v.84.

Other health concerns did not seem to grow out of a similar unity of mind between company and administration, but are clearly prompted by fear of legislation, such as in the case of silicosis. This led to increased health checks with potential new employees weeded out if they showed signs of pulmonary disease.¹⁴

The main problem however was that it remained unclear if tuberculosis and other pulmonary diseases, including silicosis, were actually caused by mining, or if they followed from the poor physical condition that migrants arrived in or inadequate housing in Obuasi. This realisation that the general health of workers was poor was probably partly responsible for the improvements in nutrition and health care that the AGC made in an effort to comply with official demands.

With regard to housing, however, the mining company followed primarily its own agenda, although it seemed to be in perfect unison with administrative suggestions. The government did not favour African owned housing, and the labour officer IG Jones, formerly a Welsh trade unionist, on visiting Obuasi, remarked that housing of employees should be the responsibility of the state or the employer “if real social development of the people is our aim and desire”. AGC’s concerns were rather different in that they wanted to “build a new African village and bring the senior Africans more within the orbit of the Europeans.” This was compounded by fears that Obuasi could pass out of AGC’s control, as increasing numbers of migrants not employed by the company arrived. The ideal creation according to the principals was a new Port Sunlight, which would provide not only healthier living conditions but also ample leisure activities and be attractive.¹⁵

Overall, the aim of these new welfare measures was clearly an increase in indirect control of labour. Workers’ health, what they ate and where they lived was to be placed under the supervision of the firm to ensure good relations with a developmental government, a continuous rise in efficiency and a sense of loyalty and increasing closeness of employees to the AGC. The mention of Port Sunlight emphasises the importance of corporate paternalism, a European concept of late 19th and early 20th century, which casts the enlightened firm’s principal into the role of a father figure to his workers. This is reflected in the language used by AGC’s managers, who regularly referred to the employees as their ‘boys’.¹⁶

IV

“[...] the Labour Officer who came here was kind enough to explain that his native officials, the Unions, were not in favour of our strike for the simple reason that the unions are not yet organised. The policy was to go ahead of the unions and thus make them unnecessary and

¹⁴ On fear of silicosis legislation: Manager & Secretary to Gale, 26.2.46, GL, Ms 14170, v. 82: Jul –Dec 1945. Chairman Spears even suggested that all labour be weighed periodically and any abnormal loss of weight should be followed up by a thorough examination. He suggested moreover that the medical officer would occasionally watch the men leave the mine and, if some looked ill, to investigate further. Cf. “Report of Medical Conference”, Obuasi, 7.12.45, p. 3 –4, GL, Ms 14171, v.98.

¹⁵ First quotation: IG Jones, “Report by Labour Officer”, March 1945, p. 21, GL, Ms 14171, v. 97: Jan –Jun 1945. Second quotation: “Report of Meeting held in Chairman’s Office”, 27.11.45, GOL, Ms 14171, v.98. Port Sunlight was the model village that William Hesketh Lever, later Lord Leverhulme, the founder of Lever Brothers, later Unilever, built in Liverpool. The town provided small picturesque houses surrounded by green gardens in the direct vicinity of Lever’s art collection and his soap factory and was long considered a model of paternalistic industrial care.

¹⁶ See for example quotation on page 2.

redundant. The line to take was to work, as far as possible, away from terms of increments into the question of welfare. Try to get value for money and there are other ways of effecting this than by more wages all the time.”¹⁷

This statement neatly summarizes AGC’s labour policy that was born during the 1945 strike. It places much of the mine’s welfare measures into a context of keeping wages down; however, fiscal considerations can hardly provide a comprehensive explanation, as there is no evidence in the files that the costs of both approaches had ever been calculated and it is doubtful that extensive welfare provisions would have come cheaply. Nevertheless, sources imply that Africans tended to work towards a monthly target, which, once reached, meant they would not work for the rest of the month.¹⁸ Thus it did make economic sense for AGC to try and increase work efficiency by other means than pay incentives, making this an explanation that cannot entirely be ignored.

More importantly, it comments on AGC’s relation to the budding unions and the attempt to keep them out by creating departmental committees as a means to communicate with organised labour opinion. While this followed a suggestion by Spears personally, it is likely that the failure of the labour officer to end the strike, or even contact its leaders, was partly responsible for the corporation attempting to establish labour relations by different means.

The Mines’ Employees Union distanced itself publicly from the organisers of the AGC strike.

“We must be thankful to God that the source of the Obuasi strike [...] was after careful investigations not traced to the evil machinations of this Union and therefore was not involved. You will be pleased to hear that the deputation [of the union to Obuasi, *SD*] did its work by helping to quell down the boisterous strike of 7,000 workmen who were without a leader.”¹⁹

Little quelling down was actually done; the strike ended after Spears had personally addressed the workers.²⁰ Neither the labour officer nor the AGC head boys, nor indeed the police, had had any success in convincing the strikers to return to work previously. However, neither the union nor the corporation ever acknowledged that the strikers had their own forms of indigenous organisation with adequate potential to mobilize 7000 men and sufficient linkages to the local community to ensure their support.²¹

Introducing worker committees would inevitably bring the AGC into conflict with the government policy of fostering trade unions. Management thought that this meant placing a weapon into the hands of workers which they did not comprehend and thus preferred committees.²²

“[...] the object of which are to ascertain, inter alia, the views and feelings of employees on matters affecting their general welfare, and, particularly, to establish a closer liaison between our African and European Employees which it is hoped will, in turn, create a sounder co-operative atmosphere and a healthier feeling generally.”²³

¹⁷ “Report of Conference”, 14.12.45, GL, Ms 14171, v. 99.

¹⁸ If this was really the case is unclear, but in a situation where few goods were imported due to a shortage of dollars within the sterling bloc, consumption was limited by supply, which would prove the point made by Jones, who inspected the AGC mine.

¹⁹ Mr K Sam, president of trade union, “The Conference of the Gold Coast Mines Employees Union held at Konongo. Presidential address ... March 22 –24, 1946”, *Ashanti Pioneer*, 2.4.46, GL, Ms 14171, v.99.

²⁰ He assured them that any complaints submitted after the return to work would be considered sympathetically Gale to Manager & Secretary, 10.12.45, GL, Ms 14171, v.98.

²¹ Indigenous forms of organisation, such as religious or village communities or dance and musical groups were not considered adequate vehicles to work out agreements, although these communities often had a much wider ranging social function than their names suggest. It is likely that the Obuasi strike that stopped all mine production for over two weeks was probably organised by ethnic or hometown associations, which demonstrates their organisational capabilities as well as how impenetrable they were to outsiders. For this argument see Cooper, ‘Free Labor’, p. 752.

²² Spears to Batty, 25.11.45, GL, Ms 14171, v. 98.

²³ Gale to Manager and Secretary, 14.1.46, GL, Ms 14171, v.99. The AGC viewed the committees as an insurance against trade unions: Manager and Secretary to Gale, 29.4.46, GL, Ms 14170, v.83: Jan –Jun 1946.

The committee delegates were to be selected by the managers, but in the future the workers would be allowed to vote.²⁴ Obviously, so the AGC argued, its management would only select men who really represented the views of the workers, as the system would otherwise fail.²⁵ Unsurprisingly, Jones was not in favour of these developments and made suggestions such as that workers' nominees had to be agreed with the labour department and that the subsequent ballot was to be supervised by an official. While both the department as well as the corporation were careful not to let the disagreement show, AGC's management was not prepared to accept such direct government involvement and Jones eventually had to back down.²⁶ Soon after, the mine seemed to reap the benefit of its new set-up: none of AGC's workers joined the national Engine Winders' Union strike in spring 1946.²⁷

The attempts of the mine and the department of labour to gain control of the workforce and to 'organise' them along Western lines is evident in the attempts to either rally miners behind their union or to gain their confidence through greater involvement in the departmental committees. While an indigenous organisation existed, it proved impossible for Europeans to understand and, therefore, work with it. The AGC decided to create an alternative Western structure in competition to the not very successful trade unions. This undermined the labour department's efforts, underscoring the struggle for control between government and company in developing a form of direct access to the workforce. Both aimed to achieve more 'legibility', as they had failed to contact the existing indigenous organisation. Both also wished to control labour, which led to those very different and competing visions of how to achieve social stability and productivity.

V

In this paper I aimed to show that while the introduction of welfare measures at AGC seemed to tie in neatly with governmental efforts in this direction, as presented in Fred Cooper's article, the underlying motivation was different. Cooper does not focus on companies or indeed trade unions, while I would maintain that both are of importance in understanding labour policies. Companies provided the location for labour dispute and welfare measures, and more: they followed their own agendas in substituting or contesting official plans, in attempting to form 'legibility', and hoping to achieve direct access to, and intimate involvement with, the African labour force – as did the colonial administration. Business did not simply mirror or execute governmental policies but attempted to spur the productivity and gain the loyalty of its workforce in their own ways.

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²⁴ "Report of conference", 14.12.45, GL, Ms 14171, v.99.

²⁵ Spears to OGR Williams, CO Labour department, 27.5.46, GL, Ms 14170, v.83.

²⁶ Gale to Spears, 25.5.46, GL, Ms 14171, v.99 and Williams to Spears, 24.5.46, GL, Ms 14170, v.83.

²⁷ Gale to Ashby, 25.3.46, GL, Ms 114171, v.99.

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