

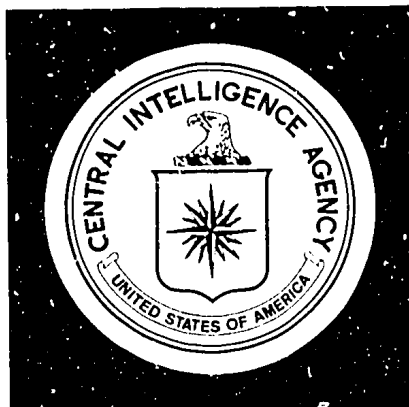
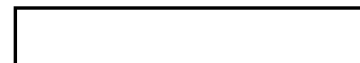
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Zaire: Shaba Comes Back

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ZAIRE : SHABA comes back



Less than two weeks after independence, the new Republic of the Congo was faced with a cluster of serious problems—its army had mutinied, its European functionaries were leaving, and its richest province was on the brink of secession. On 11 July 1960, three days before the central government broke diplomatic relations with Brussels, the leader of that province—then called Katanga—proclaimed its independence and called for "close economic community" with Belgium. Under Moise Tshombe's direction the secession lasted 30 months, until UN military operations forced the breakaway regime to surrender.

Now, almost ten years after the end of that secession, the province (renamed Shaba, the Swahili word for copper, in January 1972) has lived down its past and is well on the way to being fully integrated into the Republic of Zaire. The authority of the central government is unchallenged—although sometimes resented—and is slowly making itself felt in even the remotest areas of the region. Domestic and foreign investment in Shaba's important mining industry has been rising steadily since 1969. The economic boom has been lessened somewhat, however, by a slump in world prices for copper, which provides the vast bulk of Shaba's (and Zaire's) exports.

AFRICANIZED NAMES

Republic of the Congo . . .	Republic of Zaire
Leopoldville	Kinshasa
Katanga	Shaba
Elizabethville	Lubumbashi
Albertville	Kalemie

These economic improvements are felt largely in the mining belt of southern Shaba. The rest of the province is still suffering from the disruptions brought on by the secession. Agricultural production is expanding only slowly, transportation and communications facilities continue to rust away, and social services are virtually non-existent. Survivors of the Simba revolt in 1964 have turned to petty banditry and prey on

the local populations along Lake Tanganyika, often in competition with the army troops sent to weed them out.

From Secession...

This independence is total. May God protect independent Katanga.

Moise Tshombe, 11 July 1960

The territory known as Shaba has always been a special case. Its vast mineral wealth earned it the status of a semi-autonomous enclave within the Belgian Congo. Through a complex system of holding companies and affiliates, private Belgian economic interests managed for years to keep administrative and political control of the area from falling into the hands of either Brussels or the colonial government at Leopoldville. In 1933, however, administrative control passed from the special provincial vice governor to the bureaucracy in Leopoldville. The move provoked a violent reaction from the area's Europeans who regarded Leopoldville as the symbol of administrative "megalomania" and financial irresponsibility.

Belgian and Congolese officials assumed that, after independence, the new Congolese Government would take control of the Katanga mining industry, crucial to the Congo's economic survival. Moise Tshombe and his powerful Katanga Confederation Party had close ties with the Belgian economic community and resisted such a take-over. Katangans—both native and European—distrusted Prime Minister Patrice Lumumba and his government and saw ample evidence of its inability to maintain order. Taking advantage of the mutiny of the Congo Army, the breakdown of central authority, and the outbreak of local disorders, Tshombe on 11 July 1960 raised the flag of secession. Belgium quickly sent in troops, ostensibly to protect European lives, but primarily to restore order and ensure the continuation of economic and administrative activities. The Congolese Government, in turn, requested military assistance from the United Nations to counter Belgium's "aggression." Although Belgium quickly withdrew its troops upon

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the arrival of a UN peace-keeping force, it continued to give political and material support to the Tshombe regime.

With support from the United Kingdom and the Republic of South Africa as well, the Tshombe government was able to maintain political control and, above all, continue mining operations. Although the provincial government was "Africanized," Belgian technical assistance remained at a high level. Belgian personnel in Katanga remained at their posts, in sharp contrast to the mass exodus that took place throughout the rest of the Congo. With mineral production and sources of revenue thus intact, the Tshombe government was able to support extensive technical and administrative staffs plus a large army led by foreign mercenaries and Belgian advisers.

While things were fairly settled in the mining belt, unrest flared elsewhere in Katanga. For example, the Tshombe regime was unable to suppress a large-scale revolt by the Baluba in North Katanga. In response, mercenary-led Katangan gendarmes carried out a reign of terror from which the area has not fully recovered. In the South, Tshombe carried out a ruthless and systematic purge of all political opposition.

...to Integration

We are ready to proclaim before the world that the Katanga secession is ended.

Moise Tshombe, 14 January 1963

The Tshombe government finally collapsed in January 1963, following a series of highly successful military operations by the central government and the UN. Faced with an imminent march on Elizabethville, the provincial capital, Tshombe struck his colors and shortly thereafter went into temporary exile in Spain. A smooth reintegration of the province into the republic was held back by mutual suspicion and bitterness between Leopoldville and Katanga. The central government, under the leadership of Prime Minister Cyrille Adoula, feared that Tshombe would be able to rally his supporters and make a new bid for power.

Even the return of Tshombe in the summer of 1964 for a brief sojourn as prime minister at President Kasavubu's request did little to lift the pressure against Katanga. Tshombe, realizing that his presence in Leopoldville provoked fears of a "Katangan take-over" among old-line Congolese politicians, bent over backwards not to show any favoritism toward his home province. He called for national unity and stated repeatedly that secession was a thing of the past. Tshombe notwithstanding, Congolese officials, bureaucrats, and the army were more intent on revenge than rehabilitation. With the exception of the southern mining belt, the province was virtually ignored. Katangans were treated as pariahs; local politicians were jailed or kept under preventive detention. Central government officials and military personnel assigned to Katanga were given free rein to run the province, and the government closed its eyes to their excesses.

Political Rehabilitation

President Mobutu's seizure of power in November 1965 did little at first to change the situation. Then a gradual shift in the central government's attitude toward Katanga began. The turning point came in 1967 when Mobutu completed his nationalization of the Belgian copper mines, and Katangans refused, to the evident surprise and delight of the central government, to support an abortive invasion by foreign mercenaries from Angola.

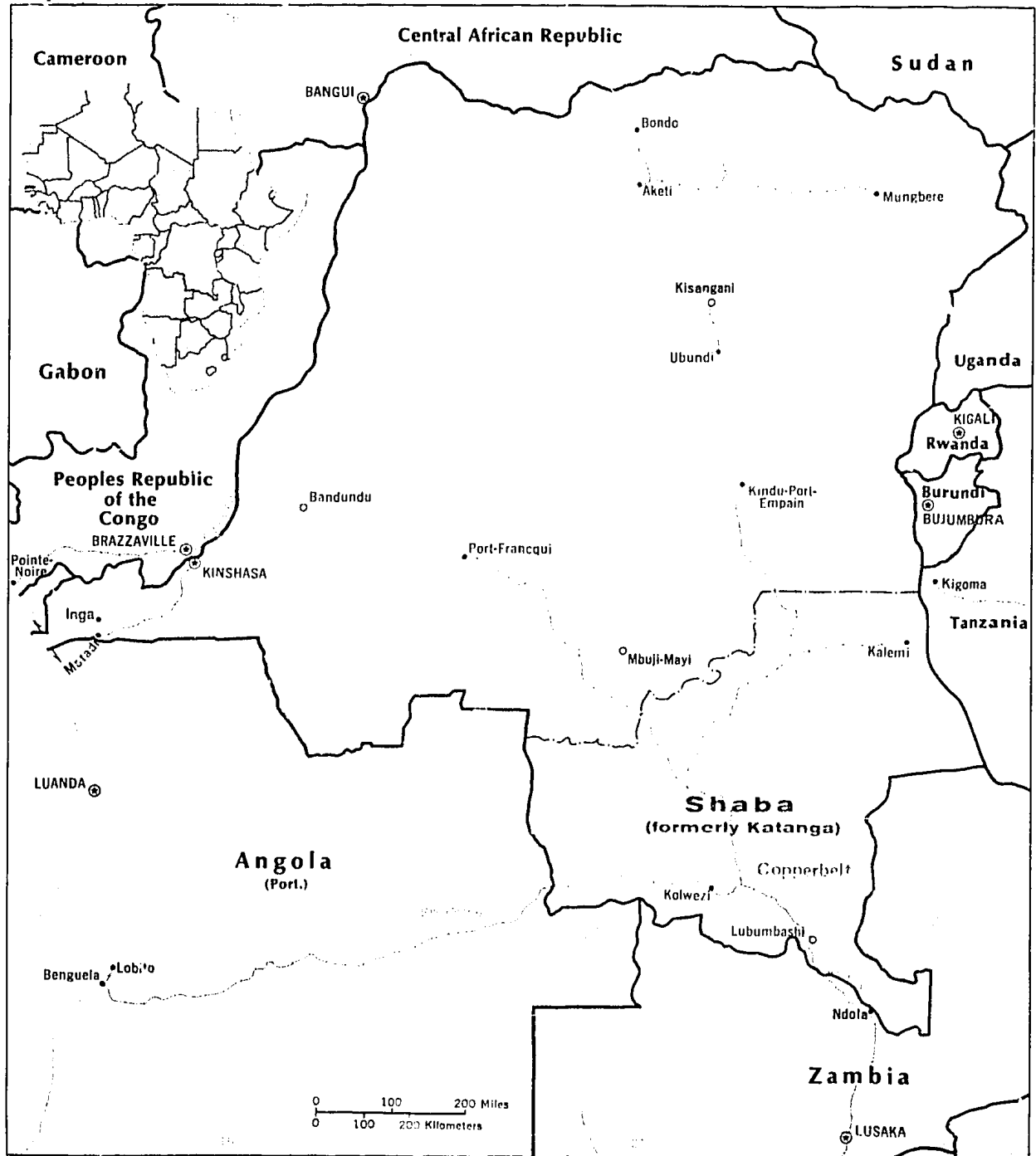
Moreover, in 1967 President Mobutu established a countrywide official political party, the Popular Movement of the Revolution. This act brought to an end his two-year moratorium on political activity which he regarded as having been at the heart of the Congo's instability. The party, besides being designed to bolster Mobutu's authority, served also to absorb former political leaders, including those from Katanga, who were considered to be ready for rehabilitation. Katanga got its fair share of appointments to the party's political bureau and regional organizations.

The national election campaign in late 1970 gave the central government, through the party,

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Republic of Zaire



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its first major opportunity to reach rural Congolese, many of whom had only minimal contact with the government since the collapse of the Belgian administrative system in 1960. In Katanga, as well as other regions of the country, party officials stumped the countryside seeking to instill a degree of political consciousness in a heretofore largely apathetic population. Although Mobutu and the party-approved regional slate for the national legislature ran unopposed, a heavy voter turnout pointed to a new-found party ability to mobilize people, if nothing else.

Since then, the party has concentrated on swallowing up the village and tribal structures that provided governmental services during the secession and its aftermath, and on transferring regional and tribal alliances to the central government. Success has been uneven, because tribal loyalties are strong and the central government is viewed with deep suspicion. Nevertheless, the government has enjoyed a measure of success in enlisting the support of tribal chiefs, even those who once supported the secession. The government has even managed to line up the brothers of Moise Tshombe and well-known associates like Godefroid Munongo, minister of interior and security chief of the secessionist regime. The latter was appointed to a government job by Mobutu in 1971.

The tendency toward regionalism, a major problem throughout the country's history, has been weakened now that all important governmental posts throughout the country, and particularly in the province, are Mobutu appointees. They are not natives of the region in which they serve and owe their primary loyalty to Mobutu and the central government. The capital keeps a watch for signs of corruption and mismanagement, though the watch is not always kept with even-handed dedication. The heavy influx of civilian and military personnel from the central government, while useful for Mobutu, has also increased the chances for political clashes. In early 1972, for example, a three-way political feud developed among the provincial governor, the mayor of the capital city, and the area army commander. The feud gave rise to a tangled snarl

of accusations and counter-accusations and eventually resulted in the dismissal of the mayor on grounds of mismanagement and corruption. Despite the charges, the real reason was that the mayor came out second best in a personality clash with the governor.

The governor's victory was not very long lived. Shortly after the mayor's dismissal, the governor himself, regarded by Zairian and foreign observers alike as one of the country's best administrators, was recalled to Kinshasa for "grave failures" in the performance of his duties. In September 1972 he was sentenced to a one-year prison term for "anti-revolutionary acts," specifically for spreading "malicious rumors" about Guinean President Sekou Toure at a time when Mobutu was trying to improve Zairian-Guinean relations. The new governor, taking his cue from the fate of his predecessor, is keeping his head down.

As a result of this sequence of events, many provincial leaders have been left with the uneasy feeling that the central government, dependent upon a president who often seems capricious and intemperate, may not be as stable as it appears. It certainly makes the central government more difficult to deal with. Local politicians, for example, were dumbfounded when Mobutu decided to change the name of the region in order to "Africanize" it, even though the old name, Katanga, is as African as the new one. Then, Mobutu's attacks early this year on the Catholic Church, which *inter alia* provides the bulk of the province's social services outside the mining belt, and party propaganda that attempts virtually to deify him add to the uneasiness of local officials. The feeling is general, but so far has evoked little more than resigned shrugs; it is not at this time likely to be translated into active opposition.

Another source of uncertainty is the conviction around that Kinshasa does not keep as tight a rein on the local army as it does on civilian officials. This is particularly true along Lake Tanganyika where survivors of the late 1964 Simba revolt carry on a low scale but irritating insurgency that is little more than banditry. The

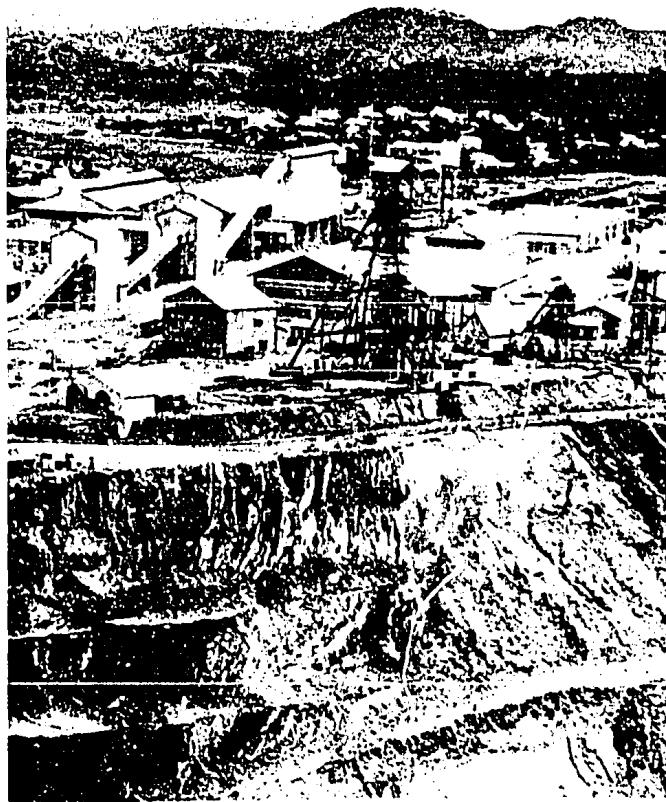
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unrest fostered by these dissident groups has been increased rather than abated by the abuses of ill-disciplined Zairian troops sent in to suppress the bandit rebels. In November 1972, army commander General Bumba recalled the sector's army commander and his staff and the commander of the lake guard to answer charges of exceeding their authority and mistreating civilians in the area of Kalemie. The sector commander's predecessor had been relieved of duty on similar charges five months earlier. Lack of discipline and a general contempt for civilians have long characterized the ranks of the army, however, and will not be eradicated by isolated disciplinary actions like this.

Economic Progress

The economic heart of Shaba is the mining belt. The belt provides about 80 percent of Zaire's exports and generates 45 percent of the

Copper Mine



central government's revenues, primarily from copper. At the time of independence, mining in the belt accounted for 75 percent of Zaire's entire mineral production. An extensive and well-developed rail and road network supported the mining operations, which employed one third of the province's 1.6 million people. Shaba also had the largest population of European technicians and administrators of any province, around 30,000. The industry was valued at \$236 million.

Since 1967 President Mobutu has sought to internationalize and diversify mining operations, not only as a means of finding additional capital but also to offset the pervasive Belgian presence throughout the industry. The government hopes that by 1976 domestic and foreign investment in mining and related activities will reach \$1 billion.

The state-owned Gecamines (La Generale des Carrieres et des Mines du Zaire), established in 1967 to replace the Belgian-owned Union Miniere, is in the midst of a five-year development program designed to increase copper production, which reached 406,000 tons in 1971, by at least five percent a year. The program calls for an investment of \$100 million to be jointly financed by Gecamines, the Export-Import Bank, and the European Investment Bank.

The largest single foreign source of new investment has been and is Japan. In 1967 President Mobutu awarded a copper concession to a Japanese consortium led by the Nippon Mining Company. Operating through its Zairian affiliate, Sodimiza (Societe de Developpement Industriel et Minier du Zaire) the consortium hopes to produce about 50,000 tons of copper per year from two sites and is expected to begin work at a third site in the near future. Total Japanese investment is likely to reach \$200 million by 1975. At present, Sodimiza employs about 300 Japanese technicians and administrators, although this number is expected to decrease gradually as African technicians are trained.

An international consortium, led by Standard Oil of Indiana and including British, French, and Japanese interests, was awarded a concession

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by Gecamines in 1970 and hopes to be producing at least 150,000 tons of copper a year by 1976. By that time its total investment is expected to approach \$300 million.

Thus, the once-dominant Belgian presence has been drastically reduced. Brussels no longer participates directly in copper mining operations. Through a highly complex system of interlocking directorates and subsidiaries, Brussels does operate a number of small affiliates, such as a manganese mining operation near the Angolan border. Apart from these affiliates, Belgium no longer invests in the mining industry, although it continues to handle the international transportation and refining of ore from Gecamines. The 30,000 Belgian technicians and administrators who once made Shaba their private preserve have been cut to about 1,600.

Development of the mining industry has spurred development in related areas. Top priority is being given to the Inga-Shaba power project designed to meet the increasing power needs of Shaba's industrial growth. The government is studying bids for construction of a 1,000-mile-long transmission line between the Inga Dam near the mouth of the Congo River and the Shaba copperbelt. The line is expected to be completed by 1976 at a cost of \$300 million. General Electric, Westinghouse, and an Anglo-Belgian firm have expressed interest in the project. In addition, the government plans to spend about \$100 million expanding and modernizing the rail system that serves the mining areas. Japan has proposed construction of a rail line from Port Francqui to Kinshasa at an estimated cost of \$400 million. Completion of the project would provide a direct rail link between Shaba and the port of Matadi on the Congo River.

Not surprisingly, the rest of Shaba has been virtually orphaned by the central government. Kinshasa prefers to allocate the province's share of national resources to the mining belt. Agricultural production is rising very slowly. The widespread agricultural network that existed in northern Shaba was largely destroyed during the disorders of the secession and has not been restored.

Most of the area remains tied to self-supporting agriculture and barter economies. Transportation and communications facilities are slipping downhill since the rate of repair does not keep pace with the rate of decay. At present, the only bright spots outside the mining belt are a number of sizable cotton plantations in northern Shaba, and cattle ranching, which has been growing continuously since 1967.

Economic Futures

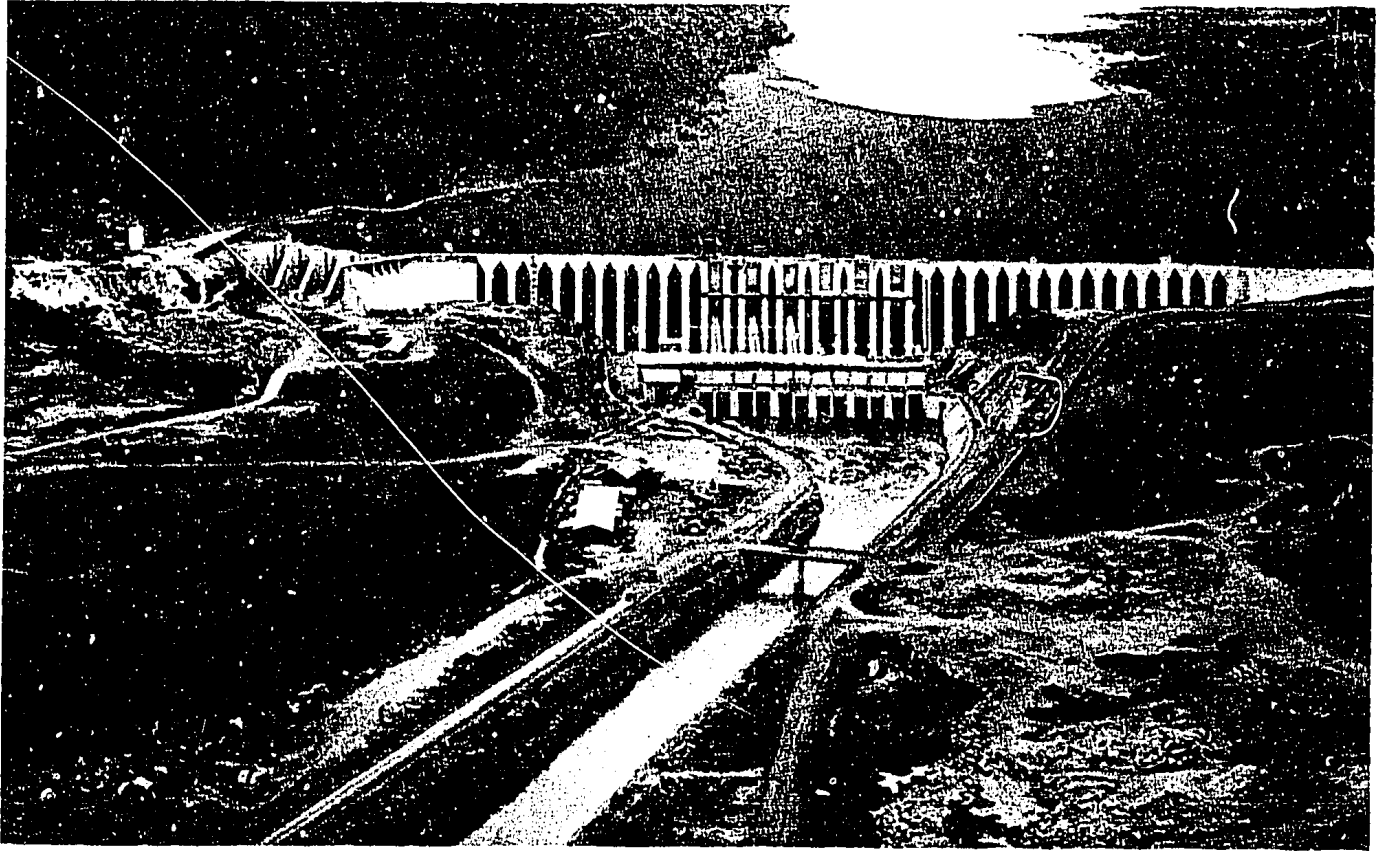
In the longer term, Shaba is likely to be caught between over-development of its mining industry and under-development of its other resources. Although copper production was expected to be up slightly last year, revenues were down sharply because of a decline in copper prices. Prospects for a resurgence in the world market do not appear good at the present time and this colors the economic outlook in Zaire. Zaire supplies only about six percent of the world's copper and will face stiff competition as it tries to increase that percentage.

Already, the government is finding it difficult to attract foreign investors to set up industrial plants that will draw on the Inga-Shaba project. Since there is a world surplus in those minerals like aluminum that Zaire would like to exploit and since prices for these minerals are low, potential investors have been reluctant to set up shop in Shaba. The mining industry is steadily becoming less and less profitable, but the government is doing little to develop alternate sources of income like agriculture and fishing.

Although the banditry and related arms smuggling in the Lake Tanganyika area, combined with the government's failure to maintain military discipline, has fostered instability in that area, it is more of a fragmented nuisance than a cohesive threat, and is not likely to spread beyond its present limits.

In spite of all these difficulties, there is a sense of confidence in the future of the mining belt, both in Kinshasa and Lubumbashi. Kinshasa's past indifference to Shaba's needs,

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Inga Dam

motivated by a belief that the province had to be punished for its secessionist transgressions, has been replaced by a desire to send capable and reasonable officials and civil servants into the province. The picture is marred by the occasional capriciousness of Mobutu or by intra-regional rivalries, and by a lack of attention to areas in Shaba outside the copper belt. In this part of

Shaba, most of the services normally provided by governmental agencies have to be supplied by religious missions, and development, left to local initiatives and resources, lags badly. Kinshasa is doing little in the way of building needed schools, clinics, and development projects. As a consequence, much of Shaba is left in the position of being in Zaire but not of it.

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