

International Commercial Rivalries & the Zairian Copper Nationalisation of 1967

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Research on the international relations of the African continent has generally eschewed the phenomenon of rivalry among the advanced capitalist powers for commercial and political influence south of the Sahara. Most studies of Africa's international relations, especially from a critical perspective, have tended to emphasize the *unity* of the northern, capitalist powers in opposing challenges from third world countries. During the 1970s, research emphasized the efforts of multinational corporations and their home governments to prevent or undermine efforts at economic nationalism in third world countries. While such studies did recognize the potential for somewhat varied responses to rationalistic 'threats', there was a widespread assumption that the rich nations would exhibit a significant degree of unity in preserving international property rights and the free flow of capital. More recently, critical studies have emphasized the salience of the international financial community and the International Monetary Fund in reestablishing political and economic hegemony over peripheral areas, including Africa (Mohan & Zack-Williams, 1995).

Such approaches tend to overlook the phenomenon of conflict and competition among these powers. This article will examine the historical basis of international rivalries in Zaïre, focusing on the rise of General Mobutu's regime, primarily during the late 1960s. During this period, the United States was seeking to expand its commercial and political influence in Zaïre, generally at the expense of established European interests. The principal protagonist of the US was the former colonial power, Belgium. In essence, it will be argued, inter-capitalist rivalries in Zaïre were an inevitable outgrowth of decolonization. The European powers had always used colonialism as a method to maintain exclusive or quasi-exclusive trading and investment opportunities for home country interests and to exclude potential interlopers – such as the United States. During the 1960s, the US viewed the circumstances of decolonization as an opportunity for political and commercial expansion, sometimes at the expense of European interests. European-US conflicts, some of which continue to the present day, were the result. Historical conflicts such as these are highly relevant to understanding present-day international relations in Central Africa when once again, rivalries among the western powers – this time between the US and France – are apparent.

Historical Background

Zaire had long been regarded as a country of geopolitical importance and, indeed it was the location of one of the principal international crises of the period of decolonization, now remembered as 'the Congo Crisis' of 1960-63. During that crisis, Zaire underwent a highly complex civil war, which attracted extensive intervention from a wide range of countries including the United States, the USSR, Belgium, France, Britain, Portugal, and South Africa. It was also the location of one of the largest United Nations peacekeeping operations in history, and the most eminent figure in the history of the UN, Dag Hammarskjöld lost his life there (Weissman 1974; Kalb 1982; Mahoney 1983; James 1996). The principal corporate influence during the Congo Crisis was the large Belgian copper mining company Union Minière du Haut Katanga (UMHK). Union Minière was itself an affiliate of the Belgian holding company Société Générale de Belgique, then the largest financial institution in Belgium and one of the largest in Europe. During its history as a Belgian colony, Zaire had provided important economic advantages for the colonial companies, and for the Belgian economy more generally. UMHK's main activities in Zaire revolved around copper mining in the southeastern province of Shaba (then called Katanga). The company's copper mining operations were a classic colonial style 'concession' arrangement, with Union Minière controlling virtually the entirety of the Shaban economy.

During the turmoil of independence, which occurred in June 1960, UMHK officials were quite apprehensive that the conditions of anti-European nationalism, combined with violence and disorder, might threaten the security of their mining activities in Shaba. Accordingly, Union Minière organized a secessionist movement in Shaba and arranged for the province to leave Zaire and form an independent state, lasting from its creation in July 1960, until January 1963, when it was finally crushed during a military offensive by the United Nations military force. Shaba was reintegrated into Zaire. During its more than two years of existence, however, Shaba received considerable support from UMHK. Nominally the secessionist state was led by an African government, but it received most of its operating revenues from UMHK (Hempstone, 1962:46; Gérard-Libois, 1966; Cruise O'Brien, 1966). 'Order' was maintained by a force of white mercenaries (largely organized by UMHK) and Belgian paratroopers. Union Minière profited handsomely from its support of the Shaban government, and the colonial economic arrangements continued without significant interruption. The Shaba secession ceased in early 1963, but UMHK remained as the largest investor in the country and symbolized the old colonial economy. The company would become an obvious target of Zairian nationalists.

However, UMHK faced other forms of opposition as well. Specifically, there had always been a series of multinational companies, predominantly though not exclusively based in the US, which sought access to lucrative investment opportunities in Zaire. One most of the most politically salient US investors was the New York diamond merchant Maurice Tempelsman, who ran his family-owned firm Leon Tempelsman and Son (*Fortune*, 1982). During the 1950s, Tempelsman foresaw, much earlier than most businessmen, that decolonization of Africa was inevitable and, from his standpoint, quite desirable, since it opened up new opportunities for his firm to expand its diamond trading activities and also into new areas, such as copper mining. Well before independence, during the 1950s, Tempelsman had toured Africa and courted emerging African leaders throughout the continent. He also assiduously cultivated political figures in the United States, especially from the liberal wing of the Democratic Party. During the 1950s and 1960s he developed close connections with

such figures as Adlai Stevenson (who functioned as Tempelsman's attorney for at least five years), John F. Kennedy, Theodore Sorensen, and Robert McNamara. He also managed to work closely with officials from the State Department and the Central Intelligence Agency and, in his spare time, raised considerable sums for Democratic office-seekers. Tempelsman played the role of the quintessential 'enlightened' business figure. According to a US diplomat: 'I am told that Leon Tempelsman and Son is a progressive-minded company with an ability, demonstrated elsewhere in Africa, to accommodate itself to the changed and changing Africa' (Neher, 1971).

Predictably enough, Tempelsman's activities evoked considerable suspicion among Belgian financial circles in UMHK and elsewhere. The Belgians believed (probably with some justification) that Tempelsman sought to use his political connections to expand his business activities into Zaïre – at the expense of Belgian interests. It should also be noted that Tempelsman was certainly not the only US business figure who sought to expand his activities in Africa. There was a range of additional US interests, mostly in oil, mining, and finance, who (like Tempelsman) sought to invest in Africa and often were impeded from doing so by European companies with close ties to the respective colonial administrations (Gibbs, 1995). Beginning in World War II, there were persistent complaints from a range of American companies that European interests in Zaïre (and throughout sub-Saharan Africa) were blocking US investors or seeking to limit their activities. A significant group of US companies actively welcomed the prospect of African decolonization during the early 1960s, and the prospects for new investments that independence offered. During the period of the Congo Crisis, there was prolonged tension, as American companies sought to exploit the opportunities offered by the international crisis, in order to expand their investments in Zaïre, and as Belgian interests attempted to resist these efforts (Ibid).

Another key participant in the nationalization was, of course, General Mobutu Sese Seko himself. General Mobutu had a long history of connections to the United States. In 1959, while a student in Belgium, Mobutu was recruited by the Central Intelligence Agency and began a long career as a CIA operative. With substantial sums of money and advice supplied by the Agency, Mobutu would play a key role during the intrigues of the Congo Crisis (US Senate, 1975). Years later, former CIA Director William Colby would boast about Agency support for Mobutu as one of the most important successes in the history of the CIA (see *Harpers*, September, 1984:36). General Mobutu was favoured by the CIA and in 1963, two Agency officers made the following comments in an interview:

Mobutu ... is pro-West and pro-US ... He is as solid as any man we have in [Zaïre] and he might conceivably lead a military government ... He might even direct a coup (Lefever, 1963).

In 1965, Mobutu directed a coup, with CIA backing, and established himself as dictator (see sources in Gibbs, 1996). Though officials now express considerable sensitivity on this point, there can be no doubt that US support played a key role in creating Mobutu as a effective political figure.

By 1967, the *New York Times* commented that 'Americans play a predominant role in [Zaïre], despite continuing Belgian influence.' Moreover, US 'Embassy officials are in almost constant touch with the [Zaïrian] President and key Cabinet ministers. Neither the Belgians nor the French have comparable access' (*New York Times*, 3 August 1967). Despite the impressive US political influence in Zaïre, it was Belgian companies,

especially UMHK and its affiliates in the Société Générale group that dominated the Zaïrian economy. UMHK retained its exclusive control of the valuable Shaba copper mines, which were the mainstay of Zaïre's economy, and other Belgian companies (mostly those in the Société Générale group) dominated other important sectors. A bloc of US investors, led by Tempelsman, sought to alter this arrangement and to weaken Belgian dominance and, as we shall see, such efforts were supported by the American government.

The decolonization of Zaïre thus created a power vacuum that the United States was able to exploit to expand its influence. The United States had, after all supplanted traditional European spheres of influence in the Far East, South America, and to some extent the Persian Gulf; it would only be a matter of time before US influence would also expand into Central Africa. While the cold war aspects of the Congo crisis have long been recognized (correctly) as major motivating factors for US policy, there was another, somewhat subtler conflict taking place between the United States and its NATO allies, especially Belgium. The western powers did engage in cooperative efforts to achieve certain collectively shared goals – keeping Soviet influence out of the region for example – but such cooperation did not preclude the possibility of intense and sometimes acrimonious competition for power *among* the allies.

Economic Nationalism and Business Conflict

General Mobutu thus came to power in 1965 in the midst of significant and sometimes intense rivalries among various international interests. Mobutu's rise to power also coincided with a global tendency, among third world leaders in Africa and elsewhere, to demonstrate their assertiveness vis-à-vis multinational capital. Economic nationalism, in short, was becoming fashionable. And Mobutu had some specific reasons of his own for pursuing economic nationalism: he had risen to power with strong western (especially US) support and was accordingly tainted, so that in some circles his credentials as a bona fide African nationalist were suspect. In short, Mobutu had excellent reasons for pursuing nationalistic policies after his seizure of power, and the most obvious target of his new-found nationalism, almost inevitably, would be the UMHK and other Belgian companies from the Société Générale group. In the process of formulating his policies, Mobutu consulted extensively with the business interests that were rivals of UMHK, and these interests had their own reasons for opposing Belgian dominance in Zaïre.

The most important (or certainly the most ambitious) of the business opponents of UMHK was Maurice Tempelsman. Mobutu and Tempelsman were, in fact, well acquainted, having first met in 1959 (Young & Turner 1985:251). Beginning in 1966, Tempelsman began to work as an unpaid consultant to Mobutu, analyzing various schemes through which Mobutu could diminish Zaïre's economic dependence on Union Minière. Declassified State Department documents from this period describe a close relationship between Tempelsman and Mobutu, with Tempelsman's role described as 'technical adviser' to the Zaïrian government' (Department of State [DOS], 1). According to declassified US embassy accounts, Tempelsman was also seeking to advance his own interests: 'Tempelsman will undertake study at no cost to [the Zaïrian government] naturally with view having his firm participate [in the] marketing of minerals' (DOS, 2). Tempelsman recommended that the Zaïrian government should establish a parastatal company to market copper outside of UMHK channels – and Tempelsman saw an opportunity for his own company to play a role in the proposed marketing scheme' (Ibid; see also Department of State, 1966b).

Mobutu, though heavily reliant on Tempelsman's counsel, sought far bolder measures, and his actions went well beyond those recommended by Tempelsman. He began to use highly inflammatory rhetoric against Belgium and, more specifically, against Union Minière. On 7 June 1966, Mobutu passed legislation through the (now subservient) national legislature, giving the Zaïrian government effective authority to nationalize foreign companies. Though vaguely worded, the legislation was interpreted by the State Department as 'an accurate gauge of the current nationalist mood' in the country (DOS, 3). During the following months, there was a series of confrontations punctuated by direct threats from the Zaïrian government, aimed at the Belgian business community. On 17 December 1966, Mobutu declared that UMHK was operating like a 'state within a state' and noted a series of alleged transgressions by the Belgian company, including violation of export licensing laws and substantially underpaying of taxes on copper exports (*Keesings*, 7-14 January 1967:21807-8). Mobutu demanded that UMHK move its headquarters to Zaïre and undertake a series of other changes in corporate policy, or face expropriation.

As the controversy escalated, on 1 January 1967 Mobutu officially nationalized UMHK, and its extensive assets were taken over. The Brussels newspaper *La Libre Belgique* termed the act 'a real declaration of war against Belgian interests' (1-2 January 1967). UMHK immediately undertook a series of actions to retaliate, the most important of which was a refusal to market Zaïre's copper. Since Zaïre had no real capacity to undertake international marketing on its own, this threat was highly effective. In addition, the Zaïrians lacked the engineering and technical personnel needed to operate the mines on their own, especially while Belgian technicians were leaving Zaïre en masse (with UMHK's encouragement) (*Keesings*, 7-14 January 1967:21808). Due to Belgian retaliation, Zaïre's copper exports effectively ceased, and the country was rapidly exhausting its reserves of hard currency. The Zaïrian government feebly attempted to keep the copper industry running, by creating a new, state-owned company called GECOMIN (Société Générale Congolaise des Minerais; subsequently GECAMINES, Société Générale des Carrières et Mines du Zaïre) to operate the mines without the Belgians; this proved impossible, given the lack of trained managers, engineers, and technicians in the country. Zaïre also lacked the experience and overseas contacts necessary to market the copper.

The nationalization evoked almost universal disapproval from major capitalist countries. For all of their differences, the western powers and private companies were still capable of concerted action, when their collective interests were threatened. The nationalization – which had been undertaken without any offer of compensation – clearly violated the accepted norms of international business activity, and even Tempelsman opposed the measure. The International Association for the Promotion and Protection of Private Foreign Investments was incensed and one of their American directors, the politically-connected New York attorney Arthur H Dean, later wrote to the State Department, and stated that if sustained, the nationalization 'would constitute a major departure from established principles of international law.' Dean (1967) went on to describe the nationalization as a threat to international investment in general:

[It could] encourage similar acts in other countries in Africa and elsewhere where there are both very substantial American investments and management control over very important raw materials essential to the economy of the free world. The result would be gravely detrimental to the continuing receipt of material now being imported into the United States or into the free world, to the US business investments abroad, and to the economic and

political progress of all less developed nations, particularly in Africa, where confidence in the investment climate is essential.

Some US diplomats, especially those in the US Embassy in Belgium, also expressed disapproval of the nationalization (DOS, 4; see also DOS, 5)

There was, therefore, a brief split between the United States and Mobutu, but this lasted less than two weeks. Tempelsman immediately traveled to Zaïre and pressured Mobutu to moderate his stance and to offer compensation, at least in principle and to hire an internationally recognized attorney to help settle the matter. Tempelsman closely coordinated activities with US officials, notably William Blake, the US Embassy's *chargé d'affaires* and the highest ranking US diplomat in Zaïre at the time. A declassified US government document noted that Tempelsman 'felt that he and Blake were making progress in persuading Mobutu to seek redress through legal channels.' The cable also noted the close collaboration with the US Embassy: 'He [Tempelsman] was full of praise for Blake, who in turn said that he was making progress in persuading the [Zairian government] to accept the "Tempelsman plan"' (Department of State, 1996a). This plan, now favoured by both Tempelsman and the US government, was to have the Zairian government accept that UMHK deserved some compensation for their seized assets.

By the middle of January, Mobutu essentially accepted Tempelsman's advice. Mobutu agreed to conduct negotiations with UMHK; crucially, he accepted in principle that compensation should be forthcoming (*Keesings*, 6-13 May 1967:22019). Zaïre's period of international isolation – during which American officials and private interests briefly distanced themselves from Mobutu – effectively ended only two weeks after the nationalization took place. At the US Embassy, Blake stated that Mobutu had proven so conciliatory that 'there [is] not much more we can ask him to do.' Blake also noted concessions made by Mobutu and opined that 'UM[HK] is now a major obstacle to reaching *modus vivendi*' (DOS, 6). Many US Officials believed that the Zairians had legitimate grievances against the Belgian companies (DOS, 7). Even the US Embassy in Brussels, which had long shown sympathy for UMHK's position, now sided with Mobutu (DOS, 8). Indeed, many US officials privately believed that UMHK had been paying too little to the Zairian government and was failing to accommodate itself to the reality of African nationalism (Cohen, 1988).

Let us pause momentarily to consider the significance of these facts. The theme of this article has been the competitive and often antagonistic relations among the capitalist powers and their respective private interests for access to investment opportunities. However, it cannot be denied that these interests, when faced with a common threat posed by excessive economic nationalism, are able to set aside their differences. And in the above instance, Mobutu had clearly overstepped the bounds of 'legitimate' nationalism when he went so far as to nationalize the Belgian property, an act that was viewed as a negative precedent and a threat to multinational investments generally. When Mobutu moderated his position and offered compensation, however, the United States then supported his more moderate effort at economic nationalism – which was aimed against Belgian foreign investments, not foreign investment in general.

Mobutu's problems were nevertheless far from over. The newly state-owned copper company, GECOMIN, simply lacked the ability operate the mines, in light of the mass departure of Belgian technical personnel. Moreover, UMHK organized an international boycott of Zairian copper, and Zaïre was deprived of its principal source of

foreign exchange. General Mobutu still had one major asset: US government officials, who expressed considerable support for Mobutu's position *vis-à-vis* the Belgian interests. This sympathy for the Zaïrian position in the investment dispute was repeatedly expressed in US cable traffic. Under Secretary of State Nicholas Katzenbach, the number two figure in State was reported as agreeing that 'Union Minière position is indeed rigid'; another official urged US opposition to UMHK and stated 'we would find it increasingly embarrassing to be identified even indirectly with [the Belgian company]', and a third noted that UMHK 'probably deserves a good bit of' the Zaïrians' criticisms (DOS, 9; Brown, 1967; DOS, 10). Mobutu, no doubt appreciative of this support, praised US policy and carefully distinguished it from that of Belgium (DOS, 11).

The US government also sought to organize assistance to Mobutu by urging the formation of an international consortium to help Mobutu manage copper mining activities – without UMHK – and to reestablish marketing networks. State Department documents from this period repeatedly emphasized the need to 'internationalize' Zaïrian copper, by bringing in investors, including some traditional rivals of the UMHK group. It should not come as a surprise that certain US business interests endorsed this call for internationalization of Zaïrian copper. Maurice Tempelsman retained his ambitions of expanding his activities in Zaïre, and the feud offered him new opportunities for commercial access to Zaïre. Above all, Tempelsman sought to ingratiate himself with the key figure in Zaïre, Mobutu. Though Tempelsman was by far the most active of the US business interests, behind him stood a wide range of interests that had long sought to break into Central African mining, as well as other sectors, but had felt impeded by the dominance of the UMHK/Société Générale.

Tempelsman used his considerable influence with General Mobutu and urged the general to appoint an internationally recognized attorney to represent Zaïre in its dispute with the Belgian interests. Mobutu complied with the suggestion and, on 25 January 1967, it was announced that Theodore Sorensen of the reputable New York law firm Paul, Weiss, Rifkind, Wharton, and Garrison, would represent the Zaïrian government (*Christian Science Monitor*, 25 January 1967). Mobutu's decision to select Sorensen was especially significant since Sorensen was a former advisor to the Kennedy administration and retained influence in diplomatic circles. It should be noted that Sorensen was also Tempelsman's attorney (indeed, it was Tempelsman who first 'suggested Ted Sorensen' to the Zaïrians, according to a US embassy cable (Department of State, 1966a)). During the next several months, Sorensen worked assiduously to settle the dispute between Zaïre and the Belgian interests. It also seems likely that Sorensen's involvement in the affair augmented the role of the United States government, given Sorensen's impressive political connections. The State Department cables strongly imply extensive coordination among Tempelsman, Sorensen, and the US embassy in Kinshasa.

The entry of Sorensen appears to have augmented Tempelsman's own influence in settling the investment dispute; Tempelsman sought to use this influence to organize an international consortium of mining companies to run the Zaïrian copper mines in place of the Belgians. This consortium began to take shape by the middle of January 1967 (*Times*, 31 January 1967; *Keesings*, 6-13 May 1967: 2018). The proposed consortium was to provide technical expertise to the Zaïrians to enable them to operate the mines and to market the copper. The main sponsor appears to have been Banque Lambert as well as the Tempelsman firm. The Lambert firm was in fact

another Belgian company, and an old rival of Union Minière (*African Recorder*, 26 February-11 March 1967: 1575). Lambert was known for 'an enlightened record', according to the *Economist* (11 February 1967) and for its more positive attitude toward Mobutu's regime. The firm also was known to have been somewhat distant from Belgian colonial rule in Africa. Tempelsman, for his part, played the leading role in building international support for the consortium (DOS, 13-17). Several prominent mining companies expressed interest in joining: Roan Selection Trust (British), Newmont Mining (American), Pennaroya (French), and the Anglo-American Corporation of South Africa. Tempelsman was offering his 'good offices [to] secure eventual advantages for himself', according to a US embassy cable (DOS, 12)

A main objective of the consortium plan was to 'fill the vacuum' left by the temporarily departed UMHK (*Times*, 31 January 1967). The *Financial Times* (24 January 1967) dryly observed: 'for every Belgian who really wanted to leave [the Zaïre copper sector] there may well be someone else willing to take their place'. US diplomats favoured the consortium plan; there was extensive maneuvering among US diplomats in Kinshasa and in Washington aimed at building support for the idea, while they opposed efforts by UMHK and its parent Société Générale de Belgique, to retain dominance. One cable claimed 'pure Société Générale solution does not offer stability', while according to another document: 'There is no question in our minds that international association formula preferable' to continued UMHK dominance (DOS, 18, 19). American diplomats, apparently with support from Tempelsman, also sought to isolate Union Minière within the international business community and encouraged several multinationals corporations, including Mobil Oil and Anglo-American to criticize the alleged 'intransigence' of Union Minière (DOS, 20-24; US Government, 1967a)

The proposed copper consortium was widely viewed as American-dominated, as well as an intrusion into what was regarded as a traditional Belgian sphere of influence (despite the participation of the Belgian Banque Lambert); the leading role played by Tempelsman in organizing the consortium, along with the connections between Tempelsman and US foreign policy tended to strengthen this perception. In contrast, Union Minière and the Belgian government representatives all strenuously opposed the consortium plan (DOS, 25, 26; US Government, 1967b). Periodically, the perceived American 'intrusion' into a European sphere of influence was noted in the press. The conservative daily *La Libre Belgique* (1 February 1967) made reference to the machinations of 'certain financial interests' which were seeking to undermine UMHK's position in Zaïre. The *Economist* (7 January 1967) noted, similarly, that Mobutu was

not the only opponent that the company [UMHK] faces. Behind him lurk as yet only dimly glimpsed, other foreign interests that could jump in to help him run the Union Minière mines. The name of an American company [Leon Tempelsman and Son?] that has long shown interest in that part of Africa has been mentioned.

From France, *Le Monde Diplomatique* provided the following assessment:

How will the crisis in [Belgian-Zairian] relations evolve? ... To answer this question one must know to what extent General Mobutu's American "bosses" are disposed to take the place of Belgium and to what extent they will be able to accomplish this (Chomé, 1966).

For the most part, however, the European press eschewed explicit discussion of specific business rivalries – and made no mention whatsoever of Tempelsman –

presumably because such details would have been regarded as excessively provocative and would have impeded any future settlement. Instead, the European and (especially) the Belgian press expressed their frustration toward the US commercial intrusion through thinly veiled polemics against US foreign policy in Central Africa in general. The CIA role was often emphasized. According to *La Libre Belgique* (26 July 1966), 'It is no longer a secret, in diplomatic circles, that the CIA helped Mobutu take power.' A second article (3 August 1966) noted: 'The game becomes clearer every day: diverse and contradictory influences join together to lead Mobutu and provoke the rupture between Belgium and [Zaïre]. These influences include both the Eastern powers as well as the American secret services.' (It should be noted that there is no serious evidence that the 'eastern powers' played any role in these events, although there is clear evidence that the United States supported Mobutu.) These polemics serve to underscore the extent to which European, especially Belgian, interests were alienated from US policy in Central Africa.

Amidst all this controversy, the consortium was never established. Foreign multinationals expressed apprehension at the prospect of UMHK's wrath – especially when UMHK threatened to sue any company that marketed Zaïrian copper (DOS, 29). Many companies were also concerned about the technical difficulties of running the mines, without blueprints and other vital data that remained in the hands of UMHK. ~~It became clear that the consortium plan was unfeasible, and it was abandoned by~~ early February 1967 (DOS, 27, 28). The failure of the consortium was a setback for the US government, for Tempelsman, and especially for Mobutu. The Zaïrians had nationalized the copper mines, but they were unable to operate them without Belgian assistance, and they could not market the copper internationally, because of the UMHK-organized boycott. With the failure of the consortium plan, it also became clear that the Zaïrians could not entice other multinational companies to provide assistance and replace the Belgians.

On 27 January, a CIA document succinctly noted that Zaïre's 'foreign exchange reserves are gone' (CIA, 1967). Facing few options, Mobutu finally arranged a compromise with UMHK in February 1967. Specifically, Zaïre was permitted to own the copper mines through the GECOMIN parastatal company, but UMHK was to manage and operate the mines. Technically the resulting agreement did not involve UMHK but a newly established company called Société Générale des Minerais (SGM); this new company was generally recognized as a proxy for Union Minière. Both American officials and private sector businessmen expressed dissatisfaction with the arrangement. According to a US embassy cable:

Question of duration [of the copper] contract is very delicate matter. From political point of view shorter time period seems much preferable. Would imagine that any internationalization of Zaïrian copper operations will be frozen out for duration of [the contract] ... A brief [UMHK] interlude to buy time for organizing some sort of international group would be more advisable (DOS, 18).

Numerous US cables reiterated the pressing need to bring in 'international' – presumably American – participation into the Zaïrian copper sector. Tempelsman, predictably, also sought internationalization. The 1967 nationalization thus triggered an extended period of conflict among international business interests, all seeking to gain or maintain access to Zaïrian raw materials.

Union Minière continued to distrust Mobutu and regarded the makeshift management contract as a necessary evil and a temporary measure. It is also probable that the

Belgian interests hoped for new leadership in Zaïre, to replace the now distrusted Mobutu. Mobutu continued to face hostility from the Belgian company and, in July 1967, he faced an additional threat: white mercenary units, who had participated in the earlier Shaba secession and had remained in Zaïre, staged an uprising in the region of Kisangani. The mercenaries sought to overthrow Mobutu and to replace him with Moïse Tshombe, the former Shaba leader who was then living in Europe. Tshombe was directly encouraging the uprising, and he publicly boasted that he would overthrow Mobutu's regime. A full account of the mercenary uprising would go beyond the scope of this article, but we will note one important feature: there is circumstantial evidence suggesting that the uprising was supported and possibly even orchestrated by Union Minière. Many of the mercenaries had longstanding connections to the Belgian company, and Tshombe himself was considered strongly pro-Belgian. American diplomats and journalists suspected UMHK support for the mercenary rebellion, which was viewed as an act of vengeance for Mobutu's nationalistic policies. In an interview Herman J. Cohen (who had been a foreign service officer in Zaïre during the late 1960s) stated that he believed UMHK supported and financed the mercenary rebellion (Cohen, 1988; see also *New York Times*, 10 October 1967).

The rebellion was crushed with direct US military support, including the supply of transport aircraft, during the summer of 1967. After the failure of the rebellion, UMHK executives and Belgian government officials appear to have resigned themselves to working with Mobutu. In the new climate of cordiality, Mobutu also made efforts to appease the Belgian interests. In July 1967, he broadened his government to include several Zaïrian politicians who were known for their pro-Belgian sympathies and, shortly thereafter, Mobutu made a state visit to Belgium to sign an economic cooperation agreement (*Africa Contemporary Record*, 1968/69:444). A *de facto* settlement thus emerged: the Zaïrian government continued to own the mines, through the GECOMIN parastatal company, while Union Minière, through its SGM subsidiary, managed the copper mines and then arranged for refining and marketing of the ore. This makeshift agreement – which generated considerable revenue for UMHK – began to appear permanent (and was eventually formalized in a general settlement in 1969 (Radman, 1978)). By 1968, Mobutu apparently gave up the idea of internationalizing the management of the copper industry, according to State Department documents (DOS, 30). The improved relations constituted a further setback for Tempelman. The internationalization of the SGM contract, long sought by Tempelman and the US Embassy, was never undertaken. A separate effort by Tempelman to find private sector investors to purchase stock in GECOMIN was also abandoned by 1968, when the company became fully state owned (*West Africa*, 22 June 1968). Not easily discouraged, Tempelman continued to explore investment opportunities in Zaïre.

Aftermath

The US government and Tempelman continued their efforts to internationalize the Zaïrian copper sector, and these efforts were finally successful in 1970. In that year, Tempelman organized an international consortium, involving US, French, South African, and Japanese capital to develop the new and highly valuable Tenke Fungurume copper seams. In essence, Tempelman found it impossible to invest in the existing copper mines in Shaba, so he sought to develop a new Tenke Fungurume seams, which were presumed to contain some of the highest grade copper in the world. Mobutu finally signed on with this consortium and rejected a rival, UMHK-led

consortium, which also sought to develop the new ore fields. Mobutu's decision in favour of the Tempelman-led group was undoubtedly influenced by US support during the 1967 nationalization, as well as intense lobbying by US officials, from the Kinshasa embassy and from Washington (Pachter, 1987:124; *Jeune Afrique*, August, 1970). The newly formed parastatal, the Societe Minière du Tenke Fungurume, also contained some Zaïrian equity.

The Tenke Fungurume project was an important turning point in the history of foreign investment in Zaïre, and it was a major psychological blow to Belgian commercial dominance. A former assistant to Tempelman later commented that the Belgians 'realized they had lost [Zaïre]' when the Tenke Fungurume deal was concluded (Garsin). The Belgian interests were also hurt by a series of subsequent nationalizations and 'Zaïrianization' schemes during the middle 1970s which fell heavily on Belgian interests. Substantial Belgian investments remained in the country (and remain to this day), but Belgian businesses became less dominant during this period; a substantial inflow of new foreign investments came in from numerous countries, led by the United States and France, which increasingly seemed to be replacing Belgium as the dominant powers in the country. In the area of foreign commercial loans, the principal form of investment during this period, the United States and France were the leading investors, with Belgium relegated to a distant third place by the end of the 1970s (Huybrechts et al., nd, 219). At the political level, US diplomats, intelligence officers, and business figures all gained considerable entree with Mobutu. France too made major efforts to augment its influence in Zaïre, which is of course, one of the largest francophone countries in the world.

Conclusion

The above account describes one of the major third world nationalization controversies of the period of the 1960s. In general, the 1960s and 1970s were marked by increasing demands from third world governments that foreign owned multinational investors had to share equity with host country nationals, purchase locally-manufactured inputs, employ host country personnel, and more generally contribute to peripheral industrialization efforts. Such policies produced a substantial social science literature, especially in the area of international relations. Most writing on this topic (of whatever ideological coloration) has generally assumed that core states, especially the US, would oppose third world economic nationalism. In his excellent study of economic nationalism and US foreign policy, Kenneth Rodman offers this observation:

US Outward investment policy sought to preserve the concession system under which multinational corporations ... owned overseas resources and had complete discretion over their disposition (Rodman, 1988:8).

To be sure, other studies qualify these conclusions somewhat and note that certain (generally more sophisticated) multinationals learned to accommodate themselves to this nationalistic regime, and that such companies often performed well under the new arrangements. Nevertheless, there is a widespread assumption that multinational corporations and their home governments tended to discourage nationalistic policies and sought, as Rodman notes, to preserve the concession style arrangements wherever possible.

The Zaïre case suggests another possibility: that business interests may welcome or even encourage nationalistic challenges to concession arrangements, since such

challenges can sometimes open new investment opportunities that would not otherwise have existed. In Zaïre, Tempelsman openly collaborated with Mobutu and encouraged efforts to reduce the traditional concession arrangements that Union Minière favoured. We have seen that, beginning in 1966, Tempelsman counseled Mobutu on various schemes to increase his independence from the Belgian company and identified himself closely with African nationalism. It is true that, with the initial nationalization decision in January 1967, Mobutu went too far and triggered a brief split with Tempelsman and with US interests more generally. However, this split was quickly repaired and, thereafter, Tempelsman and the US government made strenuous efforts to assist Mobutu in operating the copper industry, and actively sought to diminish Zaïre's dependency upon Union Minière. Tempelsman and US officials worked to organize an international consortium and encouraged other business interests to criticize Union Minière. The press coverage of this period, with periodic anti-American outbursts, attests to the international cleavages that resulted from these incidents.

Throughout the nationalization crisis, General Mobutu used all the familiar radical, anti-imperialist rhetoric, but such rhetoric did not prevent him from collaborating with the US government and private sector interests in formulating and to some extent implementing his programmes. In the academic literature, it has been frequently assumed that economic nationalism represents conflict between first and third world countries. In this case, however there was another important aspect: Mobutu's actions in 1967 intensified conflict *among the first world countries* and, especially, among the economic interests within those countries, which all vied for privileged access to the Zaïrian ore fields. Tempelsman, in particular, sought to end or at least weaken the traditional concession system, not to preserve it.

With the general economic decline that Africa has undergone during the past twenty years, Zaïre's importance in international relations has, declined accordingly. It is easy to conclude that international rivalries such as the ones described above, are a thing of the past, with little relevance to the present era, especially as Africa is increasingly overshadowed by other areas, such as East Asia and Latin America, which offer greater security and higher rates of return. Such a conclusion is however, unwarranted, as Zaïre continues to attract foreign capital, apparently at an accelerating pace in recent months, even as the country's security deteriorates. Recently, there have been several major mining investments in Zaïre. Citing the 'rebirth' of the Zaïrian mining sector, a Swiss-Canadian group acquired the Tenke Fungurume copper and cobalt mines in 1996 (United Nations, 1996). In the same year, Stephen Metz, an analyst with the US Army War College emphasized the continuing strategic and economic importance of Zaïre's mineral resources, and added 'Among Africa's giants, none is more crucial than Zaïre' (*Africa Confidential*, 13 December 1996).

This discussion of international rivalries in Zaïre may be especially apposite for the present time. As this is being written, the Mobutu regime is undergoing what appears to be its final phase of collapse, due to its own deficiencies as well as the onslaught of Laurent Kabila's forces. These developments entail a well publicized feud between France and the United States over policy in Central Africa, with French officials extravagantly suggesting that the United States is attempting to dominate the region, to the exclusion of European interests. One need not accept such accusations at face value to see that there exists significant potential for disunity among the western powers regarding policy in Africa. This article has shown that such feuds have strong

historical precedents, and that the decolonization of sub-Saharan Africa, over thirty-five years ago, introduced important new cleavages into world politics that are still being felt. US-European conflicts, which have a long and fairly consistent history in Africa, are not easily understood within the familiar cold war or dependency categories to which we have become accustomed. Nevertheless, such conflicts play an important role in the international relations of Africa.

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Appendix: Department of State materials, released under the Freedom of Information Act (FOIA)

DOS 1: cable Lubumbashi 425, 15 Jan 1967; DOS 2: cable Kinshasa 180, 8 July 1966; DOS 3: Airgram, A-701, 9 June 1966; DOS 4: cable, Lubumbashi 382, 1 Jan 1967; DOS 5: cable Brussels 3094, 3 Jan 1967; DOS 6: cable, Kinshasa 4656, 23 Jan 1967; DOS 7: cable 129794, 2 Feb 1967; DOS 8: cable, Brussels 3493, 21 Jan 1967; DOS 9: telegram State 124858, 24 Jan 1967.

DOS 10: telegram Kinshasa 12543, 5 Nov 1968; DOS 11: telegram Kinshasa 5777, 13 Mar 1967; DOS 12: cable, Kinshasa 4482, 16 Jan 1967; DOS 13: cable, Brussels 3737, 2 Feb 1967; DOS 14: cable, Kinshasa 4609, 20 Jan 1967; DOS 15: cable, Kinshasa 4626, 30 Jan 1967; DOS 16: cable, Kinshasa 4454, 15 Jan 1967; DOS 17: cable, State 131059, 3 Feb 1967; DOS 18: cable, Lubumbashi 507, 10 Feb 1967; DOS 19: cable, Kinshasa 5074, 8 Feb 1967; DOS 20: cable, Kinshasa 4345, 10 Jan 1967.

DOS 21: cable, State 117193, 12 Jan 1967; DOS 22: cable Kinshasa 4267, 6 Jan 1967; DOS 23: cable London 5407, 10 Jan 1967; DOS 24: cable Kinshasa 4825, 30 Jan 1967; DOS 25: cable, Kinshasa 4998, 6 Feb 1967; DOS 26: cable, Brussels 3646, 28 Jan 1967; DOS 27: cable, Kinshasa 4857, 30 Jan 1967; DOS 28: cable State 128622, received 31 Jan 1967; DOS 29: cable, State 127410, 30 Jan 1967; DOS 30: Intelligence Note, 12 Mar 1968.

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