

UN report accuses Western companies of looting Congo

Chris Talbot

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An investigation carried out by a team of experts on behalf of the United Nations shows how the four year old war in the Congo has enabled the large-scale and systematic robbery of the country's mineral wealth.

Rival groups of local politicians, military leaders and criminal elements are engaged in mining operations that use forced labour, child soldiers as well as indiscriminate killing and brutalising of the local populations that is reminiscent of the colonial rule of King Leopold of Belgium a century ago. None of the looting operations could be carried out without the collaboration and financial backing of Western companies that deal in rare metals, gems and other resources.

The report gives details of the activities carried out in the Democratic Republic of Congo (DRC), including some in conjunction with its military backers from Zimbabwe, as well as by the various groups acting in Congo with military support either from Rwanda or Uganda. Whilst the latter countries entered the war as allies, the report explains how they fought each other over diamond mining, with the key city of Kisangani ending up under Rwandan control.

Although only a few examples are given of how billions of dollars from the illegal sale of diamonds, gold, coltan (columbite-tantalite—the rare mineral used in the manufacture of mobile phones, laptops, which can fetch as much as \$400 a kilogram), cobalt, etc. end up in the accounts of Western multinationals, the report lists 85 companies based in the United States, Europe and South Africa that are said to be breaking OECD “ethical guidelines.” They include names such as Anglo American, Barclays Bank and De Beers from Britain, Bayer A.G. from Germany and America Mineral Fields and Cabot Corporation from the US.

One of the key businessmen in DRC mining is the Belgian George Forrest. He is said to have “strong backing from some political quarters in Belgium,” although he was accused in a Belgian diplomatic cable seen by the investigators of running a “strategy of attrition” in the mining sector. Forrest operates in partnership with the US based OM Group and is said to run “one of the most profitable mining operations” in the DRC, which provides “the most marginal benefit” for the state mining corporation. It has access to a copper and cobalt stockpile in the Katanga region containing over 3,000 tons of

the rare metal germanium, widely used in the electronics industry, and said to be worth more than \$2 billion.

Bribing local officials to obtain mining licences and export permits is a normal procedure in gaining access to mineral exploitation. The UN investigators state that they have “extensive documentation” showing how First Quantum Minerals of Canada offered a down payment of \$100 million to the DRC government to gain access to mineral concessions, as well as “cash payments and shares held in trust” to government ministers and officials, including the national security minister, the director of the National Intelligence Agency and the director of the state mining company.

Zimbabwean businessman John Bredenkamp is another key operator in the DRC, said by the report to be “experienced in setting up clandestine companies and sanctions-busting operations.” He has investments in a company said to “represent British Aerospace, Dornier of France and Augusta of Italy in Africa,” as well as controlling another company that supplies logistics to the Zimbabwean army.

Examples are given in the report of “commercial chains” linking the looting of minerals by local officials and soldiers with Western companies. A joint venture between the DRC government and the Zimbabwean military elite called Minerals Business Company (MBC) is said to use Zimbabwe's influence to avoid paying licensing fees. MBC sells diamonds to the US firm Flashes of Color, the Swiss-based Ibryn & Associates, and Belgian-based companies Abadiam, Jewel Impex, Komal Gems and Diagem.

Another commercial chain relates to coltan from the Rwandan controlled eastern region of the Congo. A local concessionary, Eagle Wings Resources International, is a subsidiary of Trinitech International Inc. of the US. Eagle Wings is said not to “fulfil its full responsibilities to the public treasury” in the locality and to collaborate with the Rwandan army to “receive privileged access to coltan sites and captive labour.”

Some of the proceeds from Eagle Wings are sold to H.C. Starck, a subsidiary of the German transnational Bayer AG. Starck has repeatedly denied obtaining coltan from the Congo, but the UN team showed that consignments were routed through a company in Mozambique which provided false

documents, then via South Africa to H.C.Starck in Thailand. A report from a key processing facility, Ningxia Non-Ferrous Metals Smeltery of China, seen by the UN investigators notes that 50 percent of the coltan it purchases originates in Central Africa—i.e. primarily from mining under control of the “Congo desk” of the Rwandan army that pay no taxes and use what the UN report describes as “a variety of forced labour regimes.” There is said to be widespread use of prisoners brought into the Congo from Rwanda as indentured labour.

The war’s impact

As well as providing much new information on the scramble for the Congo’s resources, the UN report gives some idea of the impact of the war on the population. It points out that the previous estimate for deaths due to the war, either directly through military attacks or indirectly through disease and malnutrition in the five eastern provinces of the Congo, was 2.5 million. That figure was for the period from August 1998 to April 2001. Assuming, as is likely, that the horrific conditions in the region have continued that would mean in excess of 3.5 million deaths today. The report suggests that in areas affected by the conflict the mortality rate for children under five years is as high as 35 percent.

In the areas occupied by Rwanda the UN has already estimated that 1.5 million people were displaced in March 2001. The present report explains how the Rwandan army, as well as the Rwandan-backed rebels, seize food and property from local inhabitants. Public infrastructure has been devastated and the Secretary General of the DRC in Goma requisitioned all revenue generated by public utilities and parastatals. Water purification for Kisangani and Bukavu stopped through lack of chemicals and power stations closed through lack of repair. The Catholic Church has protested “thefts, torture, extortions, rapes and piracy on Lake Tanganyika,” carried out by the military. NGO’s have reported groups of women being taken hostage and subject to sexual abuse, as well as children being forced to work in the mines and conscripted into the armies.

A similar catalogue of horrors is reported in the Ugandan occupied areas. The Ugandan army has trained the militia of a tribal group, the Hema, creating widespread conflict with another tribal grouping, the Lendu, who have also armed themselves. The UN report local young men all joining militias with no alternative source of food or medicine. “Children are killed, adult victims are eviscerated, women are raped, property stolen, houses burnt, churches demolished and whatever infrastructure exists is laid waste.”

A collapse of already limited public services is also reported in the DRC-Zimbabwe controlled areas. In Kasai Oriental four out of five water production plants don’t function and the fifth, in the diamond centre of Mbuji Mayi, runs at 20 percent capacity. A similar position holds in Kasai Occidental. The report states this is due to the diversion of state funds, often through fraud. Taxes have increased, allegedly to pay for the

war, yet soldiers are largely unpaid and live by thieving and pillaging from the local population. In the South Katanga area deaths are increasing from malaria and dysentery. Medical facilities are non-existent and medical professionals are unpaid. The impact is acute on children, with 12 percent of all children under five dying each year.

Much of the UN report is given over to detailing the “elite networks” operating in the three areas controlled by the DRC government and Zimbabwe, Rwanda and Uganda respectively. In each case a small number of politicians, administrators, and military leaders “monopolise production, commerce and fiscal functions” and maintain their activities “through control of the military or other security forces that they use to intimidate, threaten violence or carry out selected acts of violence.” Air transport, arms deals and other transactions are carried out through “organised or transnational criminal groups.”

Although supposedly carried out with a view to imposing an end to the war in the Congo with an agreement backed by the US and other Western governments, the UN investigation exposes the sham nature of a peace process that has dragged on now for more than two years.

Under Western pressure Zimbabwe, Rwanda and Uganda are withdrawing at least some of their forces. Uganda has trained local militia to replace the official army. “There will be little change in the control that Ugandans exercise over trade flows and economic resources”, states the report. Rwanda has replaced local officials with Rwandan nationals, the local currency was replaced with Rwandan currency, and the Rwandan army battalions that control mining will no longer wear their official uniforms and a significant number of Rwandan soldiers will be integrated into the local DRC militia. The Zimbabwean armed forces have set up new companies and contractual arrangements with the DRC, with a “private Zimbabwean military company” set up to guard Zimbabwe’s economic assets.

The UN report concludes, despite vain hopes that the West will halt the looting of the Congo, that “the necessary networks have already become deeply embedded to ensure that the illegal exploitation continues, independent of the physical presence of the foreign armies.”



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