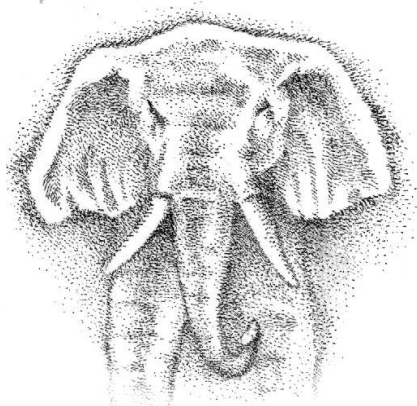

The Second Issue

The problems of Katanga continued from the end of 1961 into 1962. There were more local clashes with the United Nations and with the tribes battling against Katanga; meanwhile Tshombé and his government continued to press for the recognition of Katanga's independence against growing opposition. While there was increased pressure on Katanga to end secession, throughout 1961 the Katangan government continued to operate as if independence would continue forever. In November 1961 a decision was made to introduce a second series of bank notes and Ministerial Decree No. 50/385 of 28 November 1961 authorized the new issue. The decision to issue a new series of bank notes was in part due to the realization that the notes of the original issue were not satisfactory from a technical point of view. The bank notes of the second issue were manufactured by the noted security printer 'Johan Enschede en Zonen' of the Netherlands and satisfactorily achieved the desired technical specifications of modern bank notes of that era. The new notes were printed on quality paper which had imbedded colour fibres, a security thread and the watermark of the head of an elephant. The printing on the front of the notes is done partly by lithography and partly by intaglio printing. The printing on the back of the 1000-franc notes is both intaglio and lithographic, but for the 500- and 100-franc notes the back is printed entirely by lithography.



The watermark used on the notes of the second issue.

The first note of the second series to be issued was the 1000-franc note, which was released on Monday 26 February 1962. Predominantly blue, the illustration on the front of the note is of a woman, with a baby on her back, harvesting cotton, while in the distance is another woman carrying a calabash of water on her head. On the back of the note is a rosette, or wheel, of African masks and spears which is reminiscent of a globe of the world. On both the front and back of the note is a white area which is left clear to allow easy viewing of the watermark. On the back, below the area containing the watermark, can be found the following warning in French, which any counterfeiter would have to reproduce:

'Penal Code — Article 117 — Persons who have fraudulently counterfeited or falsified bank notes that are legal tender in Katanga or a foreign country, or who have introduced or issued such counterfeit or falsified notes in Katanga are liable to imprisonment of five to twenty years and a fine of five thousand to twenty thousand francs. Penal Code — Article 117.'

On the front of the note are two serial numbers which have a two character prefix followed by a six digit number. The serial numbers are printed in red ink, despite the decree authorizing their issue stating that they would be printed in black ink (see page 74). Unlike the notes of the first series, only the serial numbers are added in the final print run, with the place of issue, the date of issue and the signatures now part of the printed design. The place of issue is 'Elisabethville', the date of issue is '26 February 1962', and the signatures of Mr. Placide Kitambala and Mr. Mwilambwe appear on behalf of the Board of Directors. Mr. Kitambala was one of the three members of the Bank's Board of Directors and, while the position held by Mr. Mwilambwe is not known, he has been identified as an employee of the Bank.

When the 1000-franc notes were introduced, there was some misunderstanding amongst some members of the public as to the status of the old notes, as some people believed that another exchange was required and queues of the local population formed at the banks to swap their notes of the first issue for notes of the second issue. Consequently, assurances were made to the public that the notes of each issue would circulate concurrently, while those of the first issue would be slowly withdrawn.

There was evidently some criticism made by the Congolese of the introduction of a new series of notes in Katanga so soon after the initial issue. The criticism probably indicated that Katanga was not acting in the spirit of the Kitona Declaration of 21 December 1961, nor the negotiations for reintegration, by introducing new bank notes which could only serve to confirm Katanga's resolve for continued independence. The following reply to the criticism was stated in a memorandum to Mr. Adoula, the Prime Minister of the Congo, from the Katangan delegation negotiating with the Congolese government for the reintegration of Katanga:

‘The new currency which has just come into circulation does not constitute in any shape or form the slightest manoeuvring. This currency had already been planned to replace the one bearing the effigy of President Tshombé. Moreover, the use of several monetary systems in a country in no way rules out the unity of the country.’ (*L’Essor du Katanga*, 28 February 1962.)

The second note to be introduced in the second issue was the 500-franc note and it appears to have been introduced on 17 April 1962 (although the notice announcing its introduction did not appear in *L’Essor du Katanga* until 25 April). Smaller than the 1000-franc note, the dominant colour of this note is purple, with a grey-brown background. Technical features which were introduced in the 1000-franc note were continued in the 500-franc note, with the exception of the printing on the back of the note, where only lithographic printing is used, and the change in serial number prefix, where only one character is used. While the design on the back of the note is similar to the 1000-franc note, the illustration on the front of the note is different, depicting a man sitting in front of a primitive furnace, from which flows a stream of copper which is being guided to a mould in the sand to create a ‘Katanga cross’ or ‘croisette’. (For a description of the process of manufacturing a ‘croisette’, see Appendix 4.)

The third note to be released was the 100-franc note and it was introduced on 18 May 1962. Predominantly green and slightly smaller than the 500-franc note, it shares the style and features of the two higher denomination notes of this series, although the serial number prefix returns to the two characters used by the 1000-franc note. The illustration on the front of the note is of a woman harvesting maize, and the design on the back is similar to the back of the 1000- and 500-franc notes—although it too is printed only by lithography.

There were only three denominations issued in this series (1000, 500 and 100 francs) and it appears that at the time the decision was taken to introduce these notes, in November 1961, only the higher denomination notes were needed. It is probable that the decision to introduce more high denomination notes, but no lower denomination notes, was due in part to the loss of purchasing power of the Katangan franc and the consequential lack of need for smaller denominations.

In August 1961 the United Nations troops forcibly repatriated a number of Belgians working in Katanga and a number of these were staff of the National Bank of Katanga. Mr. van Roey was one of the officials specifically targeted, but he managed to evade the deportation order—as did a number of the more senior officials in the Katangan administration. However, the loss of many skilled staff started to take a toll on the economy of Katanga, with the remaining staff of the National Bank being unable to enforce currency regulations, overlooking payments and being incapable of completing some administrative duties. Problems with the economy were to some degree exacerbated by the laws which required all foreign exchange in Katanga to be kept within the control of the National Bank—an authority which was losing its effectiveness. These difficulties, along with

pressures brought to bear through war and secession, meant that confidence in the Katangan franc began to decline.

Within a short time the Katangan franc became worth only a fraction of its nominal exchange value. By the end of 1962, 50 Katangan francs could buy only 8 to 10 Belgian francs, whereas the official exchange rate was one Katangan franc to one Belgian franc. The following chart is built from details reported in *Pick's Currency Year Book* for 1961, 1962 and 1963, and shows the failing strength of the Katangan franc.

	31 March 1961	31 March 1962	31 December 1962
Official rate (KF to \$US)	50.00	50.00	50.00
Transferable Franc *	50.00	50.00	50.00
Commercial Franc §	50.00	90.00	112.50
Blocked Franc ‡	60.00	120.00	150.00
Black Market Franc	63.50	130.00	175.00

* Resulting from deposits of foreign currencies in Katangan banks.

§ Resulting from foreign trade transactions. Transferable with licence.

‡ Resulting from non-commercial transactions of non-residents, or transfer of assets of former residents, or of certain foreign corporations operating in Katanga prior to 30 June 1960.

Because a number of currencies were circulating in Katanga during the period of independence (such as American dollars, Belgian francs and Congolese francs—as well as Katangan francs), it soon became apparent that more Katangan francs were needed to make a purchase than was necessary with other currencies. With the failure of the Katangan franc to hold its purchasing power, it is possible that the reason only high denomination notes were released in the second issue is that these were all that were required. The fact that the 1000-franc notes were issued first, followed by the 500-franc notes and then the 100-franc notes, tends to support this suggestion.

Although the notes of the second issue have a superior appearance to the notes of the first issue, there is one intriguing aspect to the design of the notes in the second series—that being the disappearance of the portrait of Moïse Tshombé. The lack of Tshombé's portrait is a mystery, as the penchant for leaders to have their likeness adorn their national currency has become widespread in Africa—although at this point in history precedents were not well established. One possibility for dispensing with the portrait of Moïse Tshombé could be due to concern that he may have been captured or killed during the struggle to maintain independence and, if that occurred, the Katangans would have had to issue new notes with the new leader depicted and incur the associated costs.

Support for this theory comes from the fact that Tshombé was in fact held prisoner for just under two months by Kasavubu, and doubts must have been held for his safety. In April 1961 Tshombé had attended a conference at Coquilhatville, at which the future of the Congo was being discussed. After a few days, Tshombé realized that little of the discussions supported the stand made by Katanga and previously agreed to by all parties at a conference held at Tananarive, so he attempted to leave the conference. Realizing the importance of gaining Tshombé's co-operation, Kasavubu refused to let him go and placed him under arrest. The charges levied against Tshombé were sedition, counterfeiting currency and misappropriation of Government property. The charge of counterfeiting was raised because of the introduction of Katanga's own currency by Tshombé's government. The matter of the two currencies (the Congolese franc and the Katangan franc) had been a sore point with the Léopoldville government for some time. While the second currency existed they saw barriers to reconciliation and they believed that Tshombé had repudiated his intention to withdraw the currency under an agreement made at the conference in Tananarive.

Under constant appeal by Kasavubu to change his stance, Tshombé was finally released in late June after he had signed an agreement to support, and to co-operate in, the formation of a new

parliament for the Congo. On his return to Katanga, the agreement was conveniently forgotten and the battle to maintain independence continued. However, Tshombé had been absent for two months, and it would not have been difficult for the Katangans to see that Tshombé's arrest could easily have resulted in his prolonged incarceration or his death. The second possibility was well substantiated by the example of Patrice Lumumba's arrest and his subsequent death.

Another possibility is that the strong European influences (who were probably involved in ordering the new bank notes) saw the possibility of Tshombé's downfall and subsequently ensured that the new designs would not maintain the portrait of the head of state. After all, it was the state of Katanga which was important to the Belgians and British, not the puppet government or its leaders.

Specimen notes of the second issue were prepared by the printer, with the identifying features being an overprint and special serial numbers. The overprint appears in the centre on both the front and back of the note and consists of the word 'SPECIMEN' printed in red at an angle, sloping from the top left to the bottom right. The serial numbers on the specimen notes consist of a serial number prefix of 'ZZ', followed by six zeroes on the 100- and 500-franc notes and seven zeroes on the 1000-franc note.

7. 100 Francs



Date issued: 18 May 1962.

Dates on notes: 18 May 1962; 15 August 1962; 15 September 1962; and 14 January 1963.

Place of issue: Elisabethville.

Signatures: Mr. Placide Kitambala and Mr. Mwilambwe.

Watermark: Head of an elephant.

Size: 136 mm x 65 mm.

Printer: Johan Enschede en Zonen.

Front: Woman harvesting maize.

Back: Rosette of masks and spears.

Colours: Front—Green and burgundy intaglio printing; Green, brown, burgundy and red lithographic printing.

Back—Green, brown, burgundy and red lithographic printing.