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Meeting Summary

The French Oil Industry and the Corps des Mines in Africa

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The French Oil Industry and the Corps des Mines in Africa:

Douglas Yates researches and writes about the African oil industry. He has published a number of books on Gabon; the last exploring the nature of the country as a rentier state. Most recently he has written a book researching the history of the French oil industry in Africa, *The French Oil Industry and the Corps des Mines in Africa*. The research is based on interviews with business journalists and scholars. Whilst his initial preconceptions of the French oil industry in Africa were overwhelmingly negative, the author has revised this view in light of the research. Mr Yates explained that at the outset of his research, his preconception, as an American, was that the oil industry originated in the US. In fact the French oil industry dates back to the 1700s.

French oil was until recent decades dominated by the 'Corps des Mines', a group of high ranking civil servants who graduated from the École Polytechnique on the outskirts of Paris. The Corps was highly selective, taking only the highest ranking graduates of the school and therefore the country. École Polytechnique specialized in training students for engineering careers in a number of industries including the railways, coal power, nuclear and oil. The Corps also had strong military links; it was founded by Napoleon, and students were required to do national service and fight in France's wars (notably, members are often wearing the military uniform of the Corps in their photos).

This book reveals how the Corps shaped the French oil industry and aims to go beyond what is normally generalised as 'the French' role in Africa's oil, by investigating the role of individuals. The first part of the book examines how the French oil industry was originally composed of many small family firms. Two examples were the Le Bel Family of Pechelbronn, and Henri Desmarais, whose firm refined petroleum until the 1960s. Both firms were too small to compete with US giants and were eventually absorbed by Total. Another problem that family firms faced was the need to produce an heir to pass on the company to. Conrad Schlumberger's is the only family oil company still surviving. He invented the world's first sub-surface x-ray surveys and the company still sells this service.

The second part of the book looks at France's national oil champions, which emerged as a result of the changes brought about by the world wars and the fact that family owned firms were too small to compete individually. Jean Bichelonne, who became Minister of Industrial Production during the Vichy era, was the man who founded ELF: the company has subsequently tried to play down that it was founded under occupation. Notably, Bichelonne filled this national enterprise with École Polytechnique graduates. Pierre Angot,

who graduated as the number two student from the École Polytechnique, was one such recruit. He was considered to be a heroic figure, who died waging 'administrative resistance' during the occupation. Similarly, Jules Meny was an oil man who, having been mistakenly identified as Jewish, died in a concentration camp. Ernest Mercier, a hero of the First World War, founded Compagnie Française de Pétrole (CFP), created the first electricity monopoly in Paris, and promoted the idea of a national mission which French industrial enterprises should support. It is interesting to note that none of these men gained great personal wealth from these ventures, unlike American oil men. Their ambition was not driven by personal gain but rather, they were driven by a sense of national duty to serve what were now national oil enterprises, and they retired on civil service pensions. Fighting in the wars also gave this generation a sense of patriotism which future generations did not have.

By the end of the Second World War the Corps des Mines had become closely entwined with the French aristocracy. Victor de Metz was instrumental in creating an aristocratic corporate elite, and rebuilt Total as a national enterprise following the war (the company had been accused of collaboration by the UK). Initially the focus of the French oil industry was largely in the Middle East, and in particular Iraq, with only peripheral interests in North Africa.

Pierre Guillaumat was the most important individual of the Corps des Mines, and was the archetypal 'soldier-engineer'. He fought in the war, and then joined De Gaulle's intelligence service. He was a genius, becoming simultaneously the head of France's nuclear, oil, gas and electricity bodies. When Algeria nationalised its oil industry, Guillaumat transplanted the French oil teams and engineers to Guinea, along with its spies and mercenaries.

Andre Torolot was an infamous individual and was the man responsible for establishing ELF in the Congo. René Granier de Lilliac was a student of the École Polytechnique, but interrupted his studies to fight in the war. He spent much of the war in a German concentration camp, and later returned to France to finish his studies. He was designated heir of the company by de Metz, who liked the fact that Granier de Lilliac was a member of the aristocracy, and eventually became president of CFP.

Albin Chalandon was an economic liberal, and importantly, had not been educated at the Grande École. He successfully mounted a well publicised effort to break the control of the Corps on the French oil industry, though he was later punished politically for this. François-Xavier Ortoli, raised in French Indochina and a former EU Commissioner, was brought in as an outsider to

run Total. Michel Pecquer worked on France's uranium enrichment, and placed Andre Torolot in control of French oil in Africa. Serge Tchuruk, having married a Polish woman, was forbidden from working in the French oil industry during the cold war, when oil and gas in France had the equivalent status of a defence industry. Instead Tchuruk left for the US where he worked for Mobil, later returning to work for Total and being influential in reshaping the company. Following the ELF scandal Loïk Le Floch-Prigent was brought in to the company along with Philippe Jaffré, to uncover the details of the scandal. Thierry Desmarest became the director of the company.

There was a distinct shift the attitudes of the postwar generation, with less interest in patriotism. Oil companies eventually ceased to be state-owned national champions and instead became run as private enterprises, with Total today run by a non-École graduate.

Questions and answers

Question: Your initial preconception when approaching this research was that French oil in Africa was 'evil'. What changed your view on this?

Answer: The speaker replied that he is still largely an anti-colonialist critic, but researching this book revealed that individuals had different motivations. Africa was very much a side show in France's competition with the US. The individuals involved were just oil men doing business and were not thinking about damaging Africa. In short, there was no nefarious plot hatched against African countries. The industry was driven by France's ambition for energy independence, and the consequences happened to be unfortunate for Africa.

Question: To what extent did you find that state secrets, intelligence, oil and individuals overlapped?

Answer: The most concrete link, which can be backed up with documentation was Pierre Guillaumat. He had strong influence with the government and created companies which also served as intelligence agencies. During the 1960s, 70s and 80s he was a famous industrial officer, but was also influential in the nuclear industry. Ortolan was another person who was involved in a wide range of activities and industries, including nuclear. France's industrial policy was often based on strategic rather than commercial goals.

Question: French dependence on nuclear energy makes uranium strategically important to the country. There are allegations that the coup in Niger in 1974 was instigated because of attempts to renegotiate uranium deals.

Answer: France gets 75 per cent of its power from nuclear energy, so it has a similar importance to oil. Niger and Gabon are the principle suppliers, and this is run by the Corps des Mines. Foucault's memoirs, though not necessarily completely reliable, are critical of many figures in the Corps.

Question: Could you give further details as to how these individual elites were connected by political processes. What was the significance of the crisis of the Fourth Republic and the establishment of the Fifth in the history of the oil industry? Why did de Gaulle keep two national oil champions instead of one? Finally, the collapse of ELF was not just about corruption, but was also about the shift in the attitude of the French state.

Answer: France was traumatized by its experiences in the First and Second World Wars, which it lost due to a technology gap with its competitors. In the post war years there was a strong impetus on not being dominated by the UK and US. Regarding the two national oil champions, one of the reasons they were not merged was that both had very different corporate cultures. CFP was created as a private enterprise, whereas ELF was a state instrument and more of a colonial tool than a company. It often lost money to pursue the national interest and bore many similarities to China's national oil company today. The personalities of the two companies also played a role; often they were competing head to head for oil in the Sahara. Ultimately, ELF became so scandalised that the state had to get rid of it, and the name was changed.

Question: More recently, corruption charges have been brought against African officials in British and French courts. Does this signify a change in foreign policy from one based solely on natural resources to one based on a liberal human rights view?

Answer: The French state has close connections with African dictators. However, civil society is emerging as an increasingly powerful player. The usual pattern in France is mutually reinforcing: NGOs bring charges, and then the state steps in at the last minute to force the charges to be dropped. So the state benefits by being seen as the 'saviour' of the elite while civil society organizations get to promote their agenda. In other words, whilst French

foreign policy may appear schizophrenic, such scandal serves the interests of the French state.

Question: Has there been a significant change in French foreign policy towards Gabon since the change of power?

Answer: During Omar Bongo's 42 years in power he managed to ruin the country. His son has undertaken some prestige projects but for the most part there has been continuity in rule. French companies are still playing the same role, and the country's education, military and finances are closely allied with France. France also gives Gabon diplomatic coverage internationally in return for their diplomatic support. With the increasing influence of China there is the possibility that this could change, as France is now operating in a more competitive market.

Question: Did the close links between technocrats in the oil industry and senior government figures insulate Africa from wider changes in French foreign policy?

Answer: The energy sector is technologically intensive and the technocrats involved operate outside of the political channels. Many have tried to tamper with foreign policy and failed. However, the importance of the oil industry is now waning, with the best graduates of the Corps des Mines now generally go into the technology and telecoms industries.

Question: Have any corrupt African leaders actually been brought to court in France?

Answer: There is a book out now on the charges against the Bongo family, political figures from the Congo, and Obiang of Equatorial Guinea. There is proven evidence of links to property ownership in France, but France is generally welcoming to these individuals. No one has yet been convicted.

Question: Could you say more about the role of France in the Angolan oil sector?

Answer: The deepwater phase in the 1980s first brought Angola to international attention, and once the cold war had ended there was more French involvement in the country. Total operates an offshore rig which is

almost completely isolated from the country; they simply pay money to the rulers via an overseas account. There was a recent 'Angola-gate' scandal in which arms were being provided through oil money. Those responsible were charged by a group of judges in France, but most of those judges were later sacked. Those implicated were charged but did not serve a sentence.

ABOUT THE SPEAKER

Douglas A. Yates has been researching and writing about the African oil industry for the past two decades. He has published several books on the subject, including *The Rentier State in Africa: Oil-Rent Dependency and Neo-Colonialism in the Republic of Gabon* and most recently *The Scramble for African Oil: Oppression, Corruption and War for Control of Africa's Natural Resources*. He teaches political science and international affairs at the American Graduate School in Paris and the American University of Paris.