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THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE MINING INDUSTRY IN MOROCCO UNDER THE FRENCH PROTECTORATE (1912-1956)

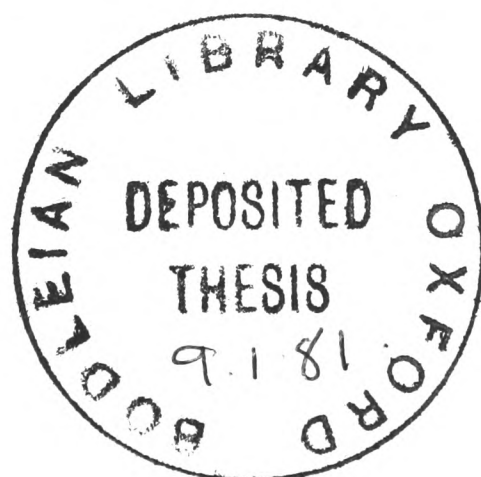
During the Protectorate period (1912-1956), the vast majority of Moroccan mines were privately owned. The investors were mainly French. This general picture is in agreement with the fact that Morocco was under the domination of France and consequently a privileged field for French investors.

However two major events do not fit into the above description. The first occurred in 1921 : the creation of the Office Chérifien des Phosphates, a public company which had the monopoly of the exploration and the exploitation of Moroccan phosphate. The second occurred in 1928 : the creation of the Bureau de Recherches et de Participations Minières, a public body which acquired one third of the only Moroccan coal mine, and obtained afterwards shares of several mines and directed oil exploration in Morocco.

In order to integrate these two events into the global development of the Moroccan mining industry it will be shown that these authoritarian measures on the part of the State were taken because it was necessary to find a way of bypassing the international constraints bearing on Morocco at the beginning of the Protectorate period.

European countries did not object to French domination over Morocco as long as French investments would not be favoured against those of other countries. Therefore the open-door regime was established in Morocco. In the twenties, the French Government and the Protectorate administration were increasingly worried by the growing influence of foreign investors and by the very slow rate of development of the Moroccan mining industry. Therefore, as French interests could not be favoured directly, because of the open-door regime, the only solution was to reinforce the power of the State.

From the thirties onwards, French investors were in a dominant position and no longer needed State intervention in order to protect them. Consequently, the role of the Bureau de Recherches et de Participations Minières was reduced to that of a public fund which only invested in those sectors which were not considered as profitable by private investors.



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The aim of this thesis is to link the evolution of the role of the State in Moroccan mining affairs with that of the political constraints bearing on both the French Government and the Résidence Générale.

At the end of the Protectorate period, the vast majority of Moroccan mines were owned by French private companies. This would have been logical if Morocco had been a French colony and consequently a privileged place for French investment. However, Morocco was a Protectorate and the European countries which had accepted French domination on Morocco had required that, despite French control, the open-door regime be established in Morocco. The main consequence was that French investment should not be favoured against those from the countries which had signed the international treaties on Morocco.

In 1912, France was compelled to accept such a state of affairs. However, after the First World War, the international situation had changed drastically. German interests were banned from Morocco and Great Britain agreed not to interfere in Moroccan questions, as long as lip-service was paid to the open-door regime.

Therefore, the French Government had to find a way to protect French interests and to turn Morocco into a profitable business as far as French companies were concerned, while respecting international treaties. The mining

industry, being the main Moroccan potential resource, was the chief concern of both the French Government and private circles.

As it was not possible for the Government to favour French investors directly, a way of by-passing international agreements was found by reinforcing the power of the Résidence Générale on mining affairs and then by using this power to protect French interests.

Such a mechanism had three main consequences :

- in 1921, the creation of the Office Chérifien des Phosphates, a public organization having the monopoly of exploration and exploitation of Moroccan phosphate.

- in 1928, the creation of the Bureau de Recherches et de Participations Minières, a public body whose aim was to encourage the mining industry. The B.R.P.M. took a one-third share in the capital of the only Moroccan coal mine, helped in defining coherent structures for oil exploration and also obtained shares of various ore mines.

- in 1929, the Moroccan mining legislation gave more power to the Résidence Générale, which became able to control the quality and the amount of work carried out by the holders of research and exploitation permits.

The last two examples clearly fall into the above analysis. The first one appears more difficult, as the nationalization of phosphate cannot be considered as a satisfactory decision for French private companies. It will be shown that the main reason for State control of Moroccan phosphate was to protect French interests and to preserve the French leading position on the phosphate world market. It will be seen that, in order to avoid foreign investors controlling Moroccan phosphate, there was no other solution than the nationalization of phosphate mines.

Once it has been demonstrated that State intervention in mining affairs was the direct consequence of the need to protect French interests in Morocco, it has to be shown that French investors, as soon as they were in a dominant position, no longer needed authoritarian measures on the part of the State. On the contrary, State control in mining affairs had to be reduced.

The second part of this thesis will demonstrate this point. It will be seen that, when the B.R.P.M. tried to extend its control over ore mines located in the Atlas mountains, private circles strongly opposed its policy as soon as they considered they were in a sufficiently strong position not to need protection any longer. At that time, the initiator of the policy of the B.R.P.M., Eirik Labonne, was forced to leave his post as Secrétaire Général du Protectorat, and the mining legislation began to be altered, step by step, in order to decrease the amount of State control on mining affairs.

Gradually, the B.R.P.M. was turned into a merely passive body which no longer interfered with the management of the mining companies of which it was a share-holder and whose only contribution to the development of the Moroccan mining industry was to invest in those sectors which were not considered as profitable by private investors, such as oil exploration.

A typical example of this change in the role of the State is its policy dealing with coal production during the Second World War. Since commercial relations between France and North Africa were stopped and the Jérada coal mine was the only important energy resource in North Africa, it was of prime importance to increase the production of coal as much as possible. The State urged the company to do so. However, this was unsuccessful, despite the fact that the B.R.P.M. owned one third of the shares. The company did not want to carry out

the important investments needed and waited until the State proposed to take over the management of the mine against a financial compensation which was extremely favourable to the private side. During the negotiations, the B.R.P.M. played no significant role and the State accepted the conditions imposed by the company. The role of the State was no longer to regulate mining activity.

The above analysis of the role of the State in the Moroccan mining industry goes against the prevailing opinions on the subject. It is usually considered that Moroccan phosphate was nationalized because of the will of Général Lyautey, who was Résident Général from 1912 to 1925 in order to develop the Moroccan economy on its own, as independently from the control of the French Government and Parliament as possible. This point of view is to be found not only in the literature concerning the Moroccan mining industry, which is very limited, but also when speaking to former civil servants and managers.

As far as the creation of the B.R.P.M. is concerned, its role in coal and oil exploration is always mentioned, but not its policy towards controlling ore mines, over which it was opposed by private interests. The few works written about it only deal with technical questions, and never with economic and political ones.

In order to substantiate the above analysis, it was therefore necessary to study the Archives of the Ministries and of the companies involved in the process. This had never been done, especially as far as the Archives of the French Ministry of Foreign Affairs are concerned, as the documents of the period in question were only recently opened for public consultation. Eirik Labonne's Archives, which are kept by his widow since his death, have also been extensively studied.

From the analysis of the documents and the letters contained in these Archives, it has been possible to go beyond purely technical questions and to include economic and political considerations which are at the centre of the decision-making process.

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LIST OF ABBREVIATIONS

1 - Organizations

B. R. P. M.	Bureau de Recherches et de Participations Minières
C. F. P.	Compagnie Française des Pétroles
C. F. P. M.	Compagnie Française des Pétroles du Maroc
C. N. A.	Charbonnages Nord Africains
C. R. A. M.	Compagnie Royale Asturienne des Mines
C. T. T.	Compagnie de Tifnout-Tiranimine
I. C. A.	International Cobalt Association
O. C. P.	Office Chérifien des Phosphates
O. M.	Ougrée-Marihayé
O. N. A.	Omnium Nord Africain
O. N. C. L.	Office National des Combustibles Liquides
S. A. C. E. M.	Société Anonyme Chérifienne d'Etudes Minières
S. C. C. D.	Société Chérifienne des Charbonnages de Djérada
S. C. P.	Société Chérifienne des Pétroles
S. M. A. G.	Société Minière de Bou Azzer et du Graara
S. O. P. E. M.	Société de Prospection et d'Etudes Minières au Maroc
U. M. M.	Union des Mines Marocaines

2 - Archives

A. C.	Archives Cockerill S. A.
A. C. H.	Archives Centre des Hautes Etudes Administratives sur l'Afrique et l'Asie Moderne
A. C. N. A.	Archives Charbonnages Nord Africains
A. D. M.	Archives Direction des Mines
A. E. F. O. M.	Archives Ecole de la France d'Outre-Mer
A. L.	Archives Eirik Labonne
A. M. A. E.	Archives Ministère des Affaires Etrangères
A. O. N. A.	Archives Omnium Nord Africain

FOREWORD

I would like to stress the fact that the choice of the subject of this thesis has been deeply influenced by my personal experience.

First, my interest in Morocco arose from the fact that I lived in this country from 1964 to 1969 in a permanent way, and then, from 1969 to 1974 for long periods (holidays, training periods).

Second, I studied for three years in the Ecole Nationale Supérieure de l'Industrie Métallurgique et des Mines (Nancy). During my second year, I spent two months in the Office Chérifien des Phosphates, studying the problems of the middle management. During my third year, the subject of my final "memoire" also dealt with the Office Chérifien des Phosphates.

This experience gave me the opportunity to acquire knowledge about the general characteristics of the Moroccan economy and of the mining industry in particular. Moreover, my position as a Frenchman living in a country which had recently become independent from France and was trying to adapt the economic infrastructure left by the French, led to an increasing interest in problems concerning the definition of national needs in opposition to purely economic criteria, and consequently in the role of the State in economic affairs.

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It is impossible to thank here all those who helped me during my research, allowing me to have access to Archives, or accepting to be interviewed.

However, I would like to mention the name of Madame Eirik Labonne, who accepted to show me the private Archives of her husband and invited me to stay at her house for one month. Without her help, this study would not have been possible.

I also wish to thank M. Sqalli, Secrétaire Général of the Moroccan Ministère de l'Energie et des Mines, who gave me access to the Archives of the Service des Mines.

In addition I would like to thank the Governing Body of Christ Church, which contributed to finance some of my travel expenses to Morocco, as well as my tutor, Dr. E.R. Owen, whose help has been unfailing.

CHAPTER I

INTRODUCTION

1 - The Moroccan mining industry

From a very general look at the overall picture of the Moroccan mining industry at the end of the Protectorate period (1956), three main characteristics may be distinguished :

- (1) The main Moroccan mineral resource, phosphate, was exploited by a State-owned company, the Office Chérifien des Phosphates (O.C.P.), created in 1921. The O.C.P. was the most important Moroccan company. It was the Government's main source of revenue and phosphate, both in volume and in value, was the main Moroccan export.

- (2) A public organization, the Bureau de Recherches et de Participations Minières (B.R.P.M.) was the major shareholder in companies searching for oil. It had a minority share in the capital of the only Moroccan coal mine and owned a shareholding in various companies exploiting Moroccan ore. Created in 1928, the B.R.P.M. constantly increased its share in the Moroccan energy-exploiting companies but played a less significant role in other sectors. It never interfered in the actual management of the mines, except in the case of coal.

- (3) The majority of the Moroccan ore mines were controlled by private companies, mainly French ones. The most important private company was the Omnium-Nord-Africain (O.N.A.), a subsidiary of the Banque de Paris et des Pays-Bas.

These three points do not give a coherent picture. One might have imagined that French occupation of Morocco would have turned Morocco into a privileged

field for French investors, all the more so as Moroccan mineral resources were extensive and not exploited before 1912. Therefore, the mere existence of the O.C.P. and of the B.R.P.M. seems illogical. The explanation which is usually given in order to explain this situation is that the State took authoritarian measures because of the presence in Rabat of Général Lyautey, who was Résident Général from 1912 to 1925, and of Eirik Labonne, who was Secrétaire Général from 1928 to 1931.

This thesis will go against this explanation and will aim at demonstrating that the O.C.P. and the B.R.P.M. were created as a consequence of the economic and political situations prevailing in 1921 and in 1928. It will be shown that both these events can be integrated in the general development of Moroccan economic history. In order to do so, it becomes necessary to analyze the constraints upon the French Government and the Moroccan Administration and the role they played, as determined by these constraints, both at a political and economical level.

2 - The Moroccan Protectorate

The first point to be studied is why Morocco was a French Protectorate. It will be shown that this apparently obvious point is really at the heart of this thesis and that the main characteristics of the role of the State in the Moroccan mining industry derive from the answer given to this problem.

Two questions have, therefore, to be answered : (1) why was Morocco a French Protectorate, and (2) why was it a Protectorate and not a colony? To achieve this, we must look at the main features of the struggle amongst European countries to conquer the Sherifian Empire.

a - The historical process

At the very end of the nineteenth century, almost the entire world was dominated by a few European countries. Most of Africa was shared between the two main colonial Empires of Great Britain and France. However, Morocco was an exception, still being an independent country. It was in fact protected by the greed of the larger European countries.

From a geographical point of view, three countries were deeply interested in Morocco :

- Great Britain, which controlled the straits of Gibraltar and wanted to avoid Tangiers' being occupied by another European country.
- France, which controlled the Eastern border of Morocco and considered Algeria as an integral part of French territory.
- Spain, which occupied several ports on the Mediterranean coast of Morocco and which had set its sights on the Northern part of Morocco.

In addition to these three countries, Germany was also very interested in Morocco, because it was desperately trying to build a colonial empire which would serve as a basis for its growing power in Europe. The fewer territories left to share, the greater the competition.

For quite some time, this was the chief guarantee of Moroccan independence, as the main aim of each European country was to ensure that none of the others could gain a definite advantage. Therefore a precarious equilibrium was maintained. Nevertheless, this situation could not last for long.

The imperialist pressure on Morocco was growing and led to a further deterioration in an already shaky economic and financial situation. After a series of international and bilateral agreements, it was finally agreed by all the European

powers that France should establish a Protectorate regime in Morocco. The details of this question, both internally (the decay of the Sultan's power) and externally (the increasing imperialist pressure) will be studied in Chapter II. Attention will now be concentrated on how the role of the State was affected by a Protectorate regime.

The first consequence was at the level of the relations between France and Morocco. The second result concerned relations between France and other European countries.

b - The relations between France and Morocco

Whereas, in a colony, the colonial power takes full control of all political and economic affairs, the State apparatus of the colonized country being a mere appendix of that of the colonial power, under a Protectorate regime, the former State is not completely destroyed and remains in charge in a certain number of fields.

In fact, it was easier for France to control Morocco if a certain façade was respected, in order to avoid offending the very strong Moroccan religious and nationalist feelings too openly. Therefore, since the Fez Treaty (1912), which established the French Protectorate in Morocco, the country had three different decision centres : (a) the French Government representing the 'protecting' power, (b) the Résidence Générale, i.e. the Protectorate administration, and (c) the Maghzen, i.e. the Moroccan administration.

However, the power of the local government was bound to be very weak. In fact, it was restricted to religious matters and justice amongst Moroccans. As far as economic questions were concerned, the Maghzen had absolutely no

power of decision. In fact, the Vizirs were not even informed of decisions and, although the Sultan signed Dahirs¹, this was merely a routine process. Moreover, very few Moroccans were involved in the modern economic sector which the French were developing.

Therefore, the Maghzen was not in a position to interfere with economic matters. The fact that Morocco was a Protectorate and not a colony did not derive from internal considerations, but from external ones.

c - The relations between France and other European countries

In real terms, Morocco became a Protectorate because of the extreme interest of the European imperialist countries in controlling it. They agreed that France could take control of Morocco, but only on the condition that economic freedom would be respected and that French investments would not be favoured above those of other European countries. For them, the Protectorate regime was a guarantee of the limitations of France's decision-making power in Moroccan affairs.

From an economic point of view, this led to the establishment of the open door regime, according to which no advantages could be given to French companies operating in Morocco. Therefore, it was not possible for the French Government to play on Customs duties, nor on the other economic factors which are used by colonial countries to favour their own nation's investors. In Morocco, the State's freedom of manoeuvre was very limited, contrary to Moon's opinion, who wrote, in 1926 :

'... presently Morocco is a French protectorate, a French

1. Moroccan laws.

colony, in which efficient French officials make sure that French investors receive their due'¹.

If Moon had written such a statement in 1940, he would have been perfectly right. In 1926, he was wrong. The key point of the problem is indeed to analyze how the State - both the French Government and the Résidence Générale - could act in order to favour French interests, despite the Protectorate treaty and the open-door regime.

The example of the mining legislation is a very typical one. At the beginning of the Protectorate, Moroccan mining legislation, which was the result of international negotiations, gave very little power to the State. This was a direct consequence of the open-door regime, as foreign countries feared that the State would use its control to favour French investors. As the Résidence Générale was not allowed to control mining activity, French companies were competing on the same level as foreign ones. The aim of the Résidence Générale was therefore to increase its control over Moroccan mining affairs, and, once this increased control had been gained, to use it to favour French interests.

The main hypothesis of this study is, therefore, that State intervention in the Moroccan mining industry aimed to avoid the international treaties which imposed the open-door regime. The analysis of the creation of the Office Chérifien des Phosphates and of the Bureau de Recherches et de Participations Minières will shed light on this process.

3 - A micro-economic point of view

a - The five constitutive factors

Each case to be dealt with in the following chapters centres on a particular

1. P.T.Moon, 'Why Europe Shouldered the White Man's Burden', in The Theory of Capitalist Imperialism, ed. D.K. Fieldhouse (London : Longman Group Ltd.), p.171.

mine . It is therefore logical to start from the level of the mine when analyzing the role of the State in the development of the Moroccan mining industry.

From the point of view of management theories, when analyzing the characteristics of a given organization, more and more emphasis is put on the influence of the environment, even when the purely internal structure is dealt with . Modern management theories criticize early writers such as those of the human relation movement

'for viewing human relations in a closed system and not for considering economic , political and other environmental forces' ¹ .

A mining company should therefore be considered an open system .

According to this line of thought, it is necessary to consider a mining company as a system transforming inputs into outputs . The input is the mineral bed, the output the extracted ore and the transforming device is composed of (a) human means of transformation, from the shop worker to the managing director, (b) mechanical means of transformation (machines, means of transportation) and (c) capital . It is therefore possible to divide a mining company into five components :

- mineral beds
- human means of transformation
- mechanical means of transformation
- capital
- market outlets

This division between five subsets can also be used when analyzing the

1 . Kast and Rosenzweig, Organization and Management, a System Approach (Tokyo : McGraw Hill-Kogakusha Ltd., 1970), p.82.

creation of a mining company, each of the partners present deriving their power from a measure of control over one or more of these components. They can acquire a share of the capital of the future company from the possession of research permits, from the ability to furnish a labour force or technicians, from control of the means of transformation or transportation, from furnishing a part of the capital, or from control over the market for the extracted ore. The five components generate five different kinds of power, from the balance of which the solution will eventually emerge.

The role of the State can therefore be analyzed according to these five components. There is nevertheless an overall role which is to ensure the security of men and goods. This is enforced by the means of law, the police or the army. In Morocco, the 'pacification', i.e. the control of the French over local tribes, was not completed until the beginning of the thirties, with Abdelkrim's defeat in the Rif and the submission of the last tribes in the Atlas. Even in the thirties, in the South of the country, there was a sort of joint control on the part of the *Officiers des Affaires Indigènes* and of the local chiefs, under the authority of El Glaoui, Pasha of Marrakech.

Outside the official point of view, which only mentioned the authority of the army as far as security was concerned, the Pasha and his vassals remained very strong and, because of important support from the *Résidence Générale*, they could evade the law very easily. Therefore, as far as security was concerned, there was a dichotomy between the central power of the *Résidence Générale* and the local one, in areas which were either not fully pacified or in which the pacification had been achieved through association between the French army and local chiefs¹. It will be seen that El Glaoui used his power to by-pass the

1. cf. Chapter II.

mining legislation and acquired numerous advantages in mines located in the area he controlled¹.

b - Mineral beds

Regarding the mineral beds, the influence of the State was very great and mainly derived from the necessity to enact mining legislation which would be the institutional framework for mining exploration and exploitation. The first Moroccan mining legislation was the result of international negotiation.²

It will be shown that the mining legislation was a direct consequence of the structure of the political and economic power. Between 1900 and 1912, the power was in the hands of several European countries. It will be shown that the legislation which was prepared during these years, and finally enacted in 1914, aimed at keeping an equilibrium between the various foreign interests.

Afterwards, according to the same principle, two cases can be distinguished:

- (1) the areas in which the French had full control, where there was a conflict between the open-door regime which had been installed by the Algeciras Act and the increasing pressure from French investors.

- (2) the military zones, where there was a conflict between the French and the local tribes, as the legislation recognized their traditional rights over certain mineral beds.

In both cases, the mining legislation was a mere translation in mining terms of the power structure in the area.

c - Human means of transformation

Here too, the State had a minimal role to play, the definition of a labour

1. cf. Chapter VI.

2. cf. Chapter III.

legislation, which again would also reflect the political and economic situation.

However, in the case of a colony, or a Protectorate, specific questions can be raised. The Moroccan political situation determined the social status of those who were working in the mine. The engineers were French, the foremen Spanish or Italian and the workers Moroccan. Therefore, social problems within mining companies did not take the form of class opposition but of racial differences. Any claim on the part of the workers was turned into a challenge to the French presence and local authorities were allowed to intervene in the internal problems of the company. In certain cases, the Contrôleur Civil, who represented the Protectorate in the area, acted as the Personnel Manager of the mine, helping in recruitment and maintaining order.

Here again, this active role of the Civil Service derives from the general social situation. Being a worker was less important than being a Moroccan, and being a civil servant, whose sphere of activity lay outside the company, less important than being French. This fact led to a feeling of solidarity which strengthened the European group against the local one. Especially after Lyautey's departure, this implied that, in the majority of cases, the Civil Service was not able to control the activities of the companies as far as personnel policy was concerned. Because the State had lost its power of control, the situation was no longer regulated, which led to a gradual increase in the natural contradictions of the system and to its final collapse. This phenomenon, which will be found in almost every area of this study, is one of the key-points in the analysis of the way in which the Protectorate's mining policy evolved.

Another point to be underlined, as far as the human means of transformation are concerned, is the situation in the military zones, where the workers were

still under the influence of the local chiefs, who could guarantee the recruitment of very peaceable workers if they could be persuaded to cooperate with the mining company by a formal recognition of their power and by more practical incentives.

d - Mechanical means of transformation

Apart from its classical role - fixing the level of import duties - the State's main field of influence was in transportation. In a new country where the mines were usually located in remote areas, the exploitability of the mine depended mainly on the transportation of the extracted mineral to the coast. As the construction of a road or railway line generally meant too great an investment for the mining company, State aid was the key factor. It will be seen that this played a crucial role in all Moroccan mining affairs.

e - Capital

For this subset, the position of the State was quite weak, because, in a capitalist economy, the State was not supposed to own a share of the capital of a company. On the contrary, the State had to negotiate in order to be allowed to do so. It had to demonstrate that it controlled important parts of the other subsets so that its participation could be justified¹.

f - Market outlets

The role of the State depended upon the customer for the extracted mineral. In the case of coal, the main users were North African, and particularly Moroccan industries. The leading role, therefore, was played by the Résidence Générale, as opposed to the French Government.

1. cf. Chapter V.

Cobalt was used by high-technology European industries. It was therefore the French Government which was interested in the cobalt market outlets. Similarly, the decision centre of the phosphate industry seems also to have been in Paris, phosphate users being the French farmers and the French fertilizer industries. In addition, the Algerian and Tunisian phosphate companies, which were extremely concerned with the birth of a very dangerous competitor, were obviously turning to the French Government and not to the Protectorate administration. The utmost importance of this factor will be seen in Chapter IV, dealing with the nationalization of Moroccan phosphate.

The division of a mining company into five subsets, with the addition of the 'security' factor, allows the role of the State in the development of the mining industry to be structured and it can be foreseen, from a very general hypothesis, what types of action will be taken by the State.

Two complementary roles of the State have already been noted :

- 1 - Its passive role of translating economic, political and social constraints in terms of mining policy .
- 2 - Its role in regulating the mining activity, in correcting the contradictions which had been generated by the economic system. This is a more active role .

The following study of several mining companies will help to define these two roles and to explain what circumstances made the State adopt one or the other.

4 - Methodology

a - Literature about the Moroccan mining industry

The vast majority of books which have been written about the Moroccan mining industry deal with geological factors. The only questions which are closely

related to the present study are :

- (1) the creation of the Office Chérifien des Phosphates, in a thesis by Roger Chapus¹, whose opinion will be analysed in Chapter IV.
- (2) the creation of the Bureau de Recherches et de Participations Minières, which has been studied by René Hoffherr and Paul Mauchaussé², top civil servants of that organization at the time of its creation .

Although extremely well documented, these books, and the following ones, present the disadvantage that they were written too close to the events which they describe.

- (3) the history of mining research in Morocco until 1930, by Pierre Despujols³, former head of the Service des Mines.
- (4) a technical analysis on the Moroccan mining industry by Louis Eyssautier⁴, former head of the Service des Mines.

Quite a few books on Moroccan economy have been written since the first days of the Protectorate and they generally include a chapter on the mining industry. However, the vast majority of them are either strictly descriptive or, especially

1. Roger Chapus, L'exploitation des phosphates au Maroc - L'Office Chérifien des Phosphates - Thèse pour le Doctorat - Université de Paris - Faculté de Droit (Paris : Ernest Sagot et Cie, 1928).
2. René Hoffherr and Paul Mauchaussé, Formules modernes d'organisation minière africaine (Maroc Français - Congo Belge) (Paris : Sirey, 1933).
René Hoffherr and Paul Mauchaussé, Charbon et pétrole en Afrique du Nord (Paris : Félix Alcan, 1935).
Paul Mauchaussé, L'évolution du régime minier au Maroc Français (Paris : Sirey, 1931).
3. Pierre Despujols, Historique des recherches minières au Maroc (Zone Française) des origines à 1930 (Rabat : Imprimerie Officielle, 1936).
4. Louis Eyssautier, L'industrie minière du Maroc (Zone Française) (Casablanca : Imprimerie Edita, 1952).

in the case of those which were published during the Protectorate period, apologetic towards French action in Morocco. It was therefore necessary to look for other sources of information.

b - Archives

All the Archives of the companies which are dealt with have been studied, in Morocco, in France and in Belgium¹. The only exception was that of the Office Chérifien des Phosphates, whose Archives were unavailable. In addition, the Archives of the Moroccan Direction des Mines et de la Géologie have been extensively used.

On the French side, most of the files concerning the Moroccan mining industry were destroyed during the Second World War, in order to prevent them from falling into the hands of the Germans. There is nothing left in the Ministry of Industry and the only records available in the Ministry of Foreign Affairs stop around 1922.

The Archives of the Centre des Hautes Etudes Administratives sur l'Afrique et l'Asie Moderne and of the Ecole de la France d'Outre-Mer have also been studied. However, they contained very little information about the role of the State in the evolution of the Moroccan mining industry.

c - Interviews

The other source of information was to interview those who held positions of responsibility in the mining affairs of Morocco. As the main part of this study deals with the period 1918-1932, very few of them are still alive. The following

1. The quotations have not been translated into English, because the style of the letters and documents is quite important for understanding the decision-making process.

list gives the names of the people who have been interviewed :

- Tayeb Ben Bou Azza, former Trade Union leader, Moroccan Ambassador in Lisbon.
- Jacques Bonjean, former head of the personnel department in Jérada.
- André Bouillot, former Directeur Général of the B.R.P.M..
- Pierre Despujols, former Chef du Service des Mines.
- Maurice Doumenc, former Directeur Général of the Charbonnages Nord Africains and Administrateur of O.N.A..
- Louis Eyssautier, former Chef du Service des Mines.
- René Hoffherr, former Secrétaire Général of the B.R.P.M..
- Mme Eirik Labonne, widow of Eirik Labonne, former Résident Général.
- M. Lavergne, Secrétaire Général of the Union des Mines Marocaines.
- Maurice Nataf, Administrateur of O.N.A..
- Louis Neltner, former geologist in Morocco.
- Général Spillman, former army officer in Morocco.

These interviews were useful not only for acquiring precise information about the mining industry but also for obtaining a better understanding of the atmosphere which prevailed at that time.

5 - Plan of study

The first point to be studied is clearly the development of the political and economic situation in Morocco during the Protectorate period, in order to justify the above analysis and to demonstrate the determinant influence of diplomatic considerations (Chapter II).

Next, the evolution of the mining legislation will be studied. The interest of such an analysis lies not only in the fact that it sets the basis of the whole deve-

lopment of mining exploration and exploitation, but also in so far as it illustrates the changes in the attitude of the State and allows them to be linked with the changes in its environment (Chapter III).

Chapter IV will explain why the Office Chérifien des Phosphates was created and how the nationalization of Moroccan phosphate can be integrated in the general evolution of the mining industry, and not considered, as it is generally, as an exception to that evolution.

The next three chapters will deal with the role of the Bureau de Recherches et de Participations Minières. Three phases will be distinguished :

- (a) Its birth and its success in the exploitation of Moroccan coal (Chapter V).
- (b) Its general failure as far as ore mines were concerned (Chapter VI).
- (c) The drastic change in its role from 1932 onwards, as it lost any control over the Moroccan mining industry and was turned into a mere investing fund for those businesses which were not considered profitable by private investors (Chapter VII).

The analysis of these three steps explain why the B.R.P.M. was created and, as in the case of the O.C.P., allows to integrate this event into the overall picture of the Moroccan mining industry.

In conclusion, the interest of this study is to give a comprehensive analysis of the evolution of the Moroccan mining industry, and particularly of the role of the State. It is therefore in direct opposition to the existing works on this subject, which are either purely technical and descriptive, or which put too much emphasis on the influence of individuals, such as Lyautey and Labonne, and consequently neglect the political and economic side of the picture.

CHAPTER II

THE POLITICAL AND ECONOMIC ENVIRONMENT

In the previous Chapter, two general attitudes of the State have been distinguished : the passive one, with the State merely codifying the socio-economic structure of the time, and the active one, with the State playing the role of a regulator of this structure. It is therefore necessary to analyze the political and economic environment of the mining companies which will be studied. In fact, one of the main points of this thesis is to integrate into the Moroccan economic and political history a certain number of events concerning the mining industry which are usually considered as exceptions or as consequences of personal decisions of particular civil servants.

The aim of this chapter is not to give a complete and exhaustive description of Moroccan history from 1912 to 1956, but only to point out the main events and the main trends which were of some influence in the evolution of the mining industry and more specifically in the role of the State in the Moroccan economic development¹.

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1. For a more exhaustive study of the history of the Protectorate period, one may refer to the following books :
 - (1) Albert Ayache, Le Maroc - Bilan d'une colonisation (Paris: Editions Sociales, 1956). This book is certainly the best-documented work on the Moroccan economy from 1912 to 1956.
 - (2) Charles-André Julien, Le Maroc face aux Impérialismes (Paris: Editions Jeune Afrique, 1978). Although written in a polemic style and dealing more with politics than with economics, the part of this book which concerns the Protectorate period (Chapters III to XII) sheds light on the motivations of the French when ruling Morocco.
 - (3) Jean Brignon et al., Histoire du Maroc (Paris: Hatier and Casablanca: Librairie Nationale, 1967). A neutral analysis which can be considered as a useful summary of the History of Morocco.

/ continued over

The main point of this chapter is to indicate the distribution of power amongst the various political and economic partners.

Four periods will be distinguished. The analysis of the first one (1830-1912) will explain why Morocco lost its independence and will study the increasing external pressure on Morocco by European powers (section 1). This will illustrate the strengths and weaknesses of the French position regarding Morocco and eventually the limitations of its power when it took control of the country in 1912.

Such an historical description is necessary to understand the dual status of Morocco during the second period (1912-1925). On the one hand, there was a powerful French administration, and, on the other, it was necessary for France to maintain an equilibrium between foreign interests and to respect international treaties according to which French investors should not be shown favouritism, the open-door regime being the main principle of Moroccan economic development (section 2).

It will be seen that, during the third period (1925-1940), the Protectorate

Continuation of footnote number 1 on page 17.

- (4) Stéphane Bernard, Le conflit Franco-Marocain- 1943-1956 (Bruxelles: Institut de Sociologie de l'Université Libre de Bruxelles, 1963). A very well-documented analysis of the last period of the Protectorate, from a sociological point of view.

- (5) Hervé Bleuchot, Les Libéraux Français au Maroc (1947-1955) (Paris: Editions de l'Université de Provence, 1973). A study of the various types of reactions of the French living in Morocco to the emergence of the nationalist movement.

- (6) Robin Bidwell, Morocco under colonial rule - French Administration of Tribal Areas (1912-1956) (London: Frank Cass, 1973). Although it only refers to French policy in part of the country, this book is very useful for judging the policy followed by the French during the Protectorate period.

- (7) Abdallah Laroui, L'histoire du Maghreb, un essai de synthèse (Paris: François Maspero, 1975). A Moroccan's point of view on the colonization of his country.

status became a mere façade, Morocco being more and more assimilated as a colony and its economy a mere appendix of the French one (section 3).

Finally, the last section will briefly describe how France lost control of the Moroccan situation, as the nationalist movements grew stronger and stronger (section 4).

1 - International pressure on Morocco (1830-1912)

The main limitation on the French Government's power over Moroccan economic affairs derived from the fact that Morocco was a Protectorate and not a colony and that international treaties imposed the open-door regime in Morocco. It is therefore necessary to analyze the process by which Morocco lost its independence and to study the balance of power between the European countries interested in Morocco.

a - The decay of the Sultan's power

Morocco remained independent for a longer period of time than other North-African and African countries. Since the Eighth Century, several dynasties had succeeded in building a country which resisted foreign invasion. Only a certain number of ports fell into the hands of the Spaniards on the Mediterranean coast and of the Portuguese on the Atlantic. Morocco also escaped Turkish domination.

At the time of Moulay Ismail (1672-1727), Morocco dealt with European countries on equal terms. However, while Europe was developing at a growing rate, the Moroccan economy, based essentially on trade, remained stagnant. During the French conquest of Algeria, Sultan Moulay Abd er Rahman (1822-1859) tried to back Abd el Kader but was defeated by the French in 1844. At the end of the Nineteenth Century, Moulay Hassan (1873-1894) did indeed try to modernize

his country with the help of Great Britain and France but his power over the Berber tribes became weaker and weaker. He was succeeded by his son Abdelaziz (1894-1908), only fourteen years of age. Until 1900, Grand Vizir Ba Ahmed governed the country and succeeded in maintaining a precarious equilibrium.

However, this came to an end with his death. Abdelaziz, weak and easily influenced, left the real power in the hands of corrupted ministers who placed him under the influence of foreign businessmen and adventurers who indulged his taste for modern inventions. Religious people, as well as the vast majority of the population, became increasingly shocked by the influence of Christians on the Sultan, who lost his prestige by his westernized way of life and his attempt to promulgate reforms which were highly unpopular.

As the economic situation further deteriorated, revolts became more and more frequent. Finally, Moulay Hafid, the Sultan's brother, led a revolt and, supported by traditional chiefs, was proclaimed Sultan in Marrakech in 1907. He entered Fez, the capital, in 1908, after defeating his brother's army.

The country was disintegrating quickly. In 1912, Moulay Hafid, having lost control over the majority of the Moroccan tribes, was forced to sign the Protectorate Treaty in Fez and abdicated in favour of his brother, Moulay Youssef (1912-1927).

This brief description of the internal situation in Morocco before 1912 is, however, quite one-sided. It is usually put forward in order to justify the French occupation, which was supposed to bring culture and civilization to a backward country which had fallen into medieval-type anarchy. In fact, the Moroccan social and economic structures were not adapted to modern economic development.

However, it is certain that the European powers encouraged the decay of the Sultan's power in order to conquer Morocco more easily, when the time was right.

b - The struggle between European powers

The loss of the Moroccan sovereignty was the result of a complex process in which the main European nations were involved and in which all the components of the imperialist process played a role : diplomacy, financial and military policies . The beginning of this process can be dated at 1830, when the French defeated the Turks and conquered Algiers . On the threshold of Morocco, an expanding colonial power was succeeding the decadent Turkish Empire .

Emir Abdelkader, leader of the Algerian resistance, tried to gain the support of Morocco against France, but the Moroccans were defeated in 1844 . Tangiers and Essaouira were bombed by the French and the Tangiers Treaty (10 September 1844) forced Morocco to neutrality . The military weakness of Morocco had been clearly demonstrated .

Very symptomatic too of the increasing pressure on Morocco was the occupation of Tetuan by the Spaniards . This led to the Ceuta Treaty (1860), which gave small territorial advantages to Spain and imposed on Morocco the payment of a war debt of 105 million Francs (gold) . In order to be able to pay, Morocco asked for a loan from British private banks . This loan, with high interest, was guaranteed by Moroccan Custom duties and was the first step towards commercial and financial dependence .

The second stage in this process was a series of commercial treaties giving increasing advantages to European powers . The first was signed with

Great Britain in 1856, establishing absolute free trade and abolishing the Sultan's monopolies. This agreement, reinforcing the commercial preponderance of Great Britain in Morocco, was to be followed by commercial treaties with Spain (1861) and with France (1863). Great Britain and France were seizing every opportunity to acquire financial and commercial advantages, while Spanish ambitions were hindered by Spain's weak economic situation.

The Sultan's only hope was to play European powers against each other in order to try to safeguard the independence of his country. He tried to find support from Great Britain which could play the role of a referee between potential French and Spanish territorial claims. Great Britain took advantage of the situation.

'L'apparent désintéressement (de la Grande-Bretagne) lui valut une influence prépondérante qu'elle mit au service de ses intérêts économiques'¹.

Still trying to modernize his country while maintaining a precarious equilibrium between European powers, Moulay Hassan encouraged the holding of an international conference in Madrid in 1880, in which all countries with a representative in Morocco participated, i.e. France, Germany, Austro-Hungary, Belgium, Denmark, Spain, Great Britain, Italy, Netherlands, Portugal, Sweden and the U.S.A.. The Madrid Conference generalized the advantages which had been already given to a certain number of these countries. It was actually the first comprehensive step towards foreign control over Morocco. Economic power was gradually taken from the Sultan's hands.

Moroccan international trade increased very quickly. Its total value grew from 15 million Francs in 1848 to 85 million Francs in 1883. The trade balance

1. Ayache, p.50.

was very unfavourable to Morocco. In 1900, the first partner, Great Britain, was selling for 22 million Francs and buying for only 12.7 million Francs. The second, France, was selling for 10.4 million Francs and buying for 9 million Francs¹. Although Moulay Hassan benefitted from this situation and modernized his army, his successor Abdelaziz gradually lost control of the situation after 1900.

c - The French strategy

With Ba Ahmed's death the last obstacle to foreign ambitions disappeared. France soon increased its pressure both at the diplomatic and financial levels.

On the diplomatic side, France signed a series of secret treaties with all potential opponents :

- (1) In 1902 with Italy, which agreed to leave Morocco to France if it could act freely in Libya.

- (2) In 1904 with Great Britain, which agreed to Morocco's being under French influence if France did not oppose British policy in Egypt.

- (3) In 1904 and 1905 with Spain, which recognized the predominance of French interests in return for Spanish occupation of the North of Morocco and the Western Sahara.

On the financial side, France took advantage of Moroccan bankruptcy to increase its control on the Sultan. In 1903, a loan of 22.5 million Francs was granted, with an interest rate of 6%. France, Great Britain and Spain each contributed one third. Of these 22.5 million Francs, the Sultan only obtained 13.5, the other 9 being the banks' commission. The fact that this loan was an international one was a direct consequence of the Moroccan diplomatic situation in 1903.

1. Ayache, p.54.

In 1904, the French position was already stronger. Therefore, at that time, a group of French banks under the leadership of the Banque de Paris et des Pays-Bas granted a loan of 62.5 million Francs at 5%. The Sultan was to receive only 48 million Francs, which were used to pay off the 1903 loan¹.

Since 1903, French companies and banks had been reinforcing their presence in Morocco. The main ones were (a) Schneider, which created a Moroccan subsidiary, the Compagnie Marocaine, and (b) the Banque de Paris et des Pays-Bas, which gradually increased its control on financial matters.

The main opposition to France came from Germany, which was trying to build a colonial empire which would match its growing power in Europe. William II came to Tangiers in 1905, and strongly opposed the increasing French control over Morocco. On the economic level, German interests were developing very quickly, especially in the Souss² where the Mannesmann Brothers acquired huge mining concessions³.

Despite this opposition, France, strengthened by Great Britain's support, obtained extra advantages in 1906, during the Algeciras Conference, which included all the countries which had attended the Madrid Conference, except Denmark and Norway, and with the addition of Russia. The Conference ended with the signing of the Algeciras Act, by which Morocco virtually became an international Protectorate.

The Algeciras Act was two-sided. On the one hand, it protected the interests of all the foreign countries which had signed it but, on the other hand, it recog-

1. Ayache, p. 64.

2. The Agadir area

3. cf. Chapter III, p. 51.

nized the special role of France :

' Les puissances reconnaissent l'intérêt spécial de la France au Maroc et la chargent avec le concours de l'Espagne du soin de représenter la civilisation européenne dans l'Empire' ¹.

The Algeciras Act established in Morocco the open-door regime and the principle of economic freedom :

' (L'action des grandes puissances doit tendre à assurer) l'ordre, la paix et la sécurité moyennant l'introduction de réformes basées sur le triple principe de la souveraineté de Sa Majesté le Sultan, de l'intégrité de ses Etats et de la liberté économique sans aucune inégalité' ².

From a practical point of view, the main projects of reform were to organize a police force, a modern system of taxes and customs and to carry out public works. Reference was made to the need for a modern mining legislation³. It was decided to create a Banque d'Etat, with an initial capital of 15.4 million Francs, divided into fourteen equal shares, one for each country which signed plus two for the consortium of banks which issued the 1904 loan. These two parts, plus the French share, were in the hands of the Banque de Paris et des Pays-Bas. The Banque d'Etat which performed all the current operations of a private bank, was the official issuing house.

Despite the references to the Sultan's authority, it was clear that these reforms could only be undertaken if a foreign country could take control of Morocco. France was just waiting for a pretext for military intervention.

In 1907, a French man was killed in Marrakech and France used this

1. Preamble

2. Preamble

3. cf. Chapter III, p. 51.

opportunity to occupy Oujda. A few months later, nine European workers were killed in Casablanca and the French Army bombed and occupied Casablanca. The new Sultan Moulay Hafid was absolutely powerless.

On the international scene, in 1909, France and Germany tried to reach an agreement which would be based on purely economic grounds, by planning to establish a French-German condominium in Morocco for exploiting the country. As far as mining questions were concerned, this led to the association of the Mannesmann Brothers with Schneider to create the Union Minière¹. However, this project of agreement was not realistic, as only one of these countries would have military control over Morocco, and therefore a very important advantage over the other.

In 1910, a new loan of 100 million Francs was granted to Morocco and used to pay off the debts Abdelaziz had left.

Moulay Hafid had completely lost his financial autonomy and control over Customs, taxes and ports which were in the hands of a consortium of banks. In view of his weakness, tribes marched in revolt on Fez. The French troops took this opportunity to march on Fez in their own turn. Germany reacted strongly by sending the boat 'Panther' to Agadir in July 1910. France and Germany were on the verge of war but an agreement was signed between both countries on 4 November 1911, with Germany allowing France to act freely in Morocco and receiving in exchange part of the French Congo.

This was the final move in a process which had lasted for twelve years. Moulay Hafid signed the Fez Treaty on 30 March 1912, under which Morocco became a French Protectorate. The countries which had signed the Algeciras

1. cf. Chapter III, p. 51.

Act agreed to the Fez Treaty.

The two main lines of this treaty were that France was responsible for Morocco in all international affairs and had to establish a new administration in addition to the Moroccan one. However, although Morocco was a Protectorate, and not a colony, and although the Sultan's prestige was formally preserved, the real power was in the hands of the French :

'Le Gouvernement de la République Française et Sa Majesté le Sultan sont d'accord pour instituer, au Maroc, un nouveau régime comportant des réformes administratives, judiciaires, scolaires, économiques, financières et militaires que le Gouvernement Français jugera utile d'introduire sur le territoire marocain'¹.

In fact, apart from religious affairs and justice between Moroccan citizens, the Sultan had absolutely no power. He had to sign the Dahirs before they were published, but neither he nor the Moroccan Vizirs had any opportunity to discuss them beforehand.

As a consequence of the balance of power between European powers before 1912, the Protectorate system had been chosen because these countries would not have agreed to Morocco's being turned into a French colony. Economic equality was to be the dominant principle. In theory, France was not allowed to favour French interests over those of the other countries which had signed the Algeciras Act.

2 - Lyautey's period (1912-1925)

The personality of the first Résident Général, Général Lyautey, was an important factor in Moroccan development from 1912 to 1925. It is in fact usually

1. Fez Treaty - Article 1.

thought that he, himself, determined the main characteristics of that period because of his generous ideas about the role of France as a protector and not as an exploiter. It is therefore necessary to examine Lyautey's motives and his way of handling Moroccan affairs.

a - Général Lyautey

Lyautey was born in 1854 in Nancy. His family, which produced several army officers, belonged to the grande bourgeoisie and he was educated amongst the bourgeoisie and the aristocracy from Lorraine. After Saint-Cyr¹, he became a cavalry officer. The main part of his career was spent in the colonies. He went to Indo-China in 1894, where he served under Général Gallieni, at that time Governor of Tonkin. Gallieni had a determining influence on Lyautey as he taught him his colonization methods which were a combination of military and diplomatic actions : the conquest of a new territory should go together with increasing security, participation of the national elite in decisions and economic development. Lyautey followed Gallieni to Madagascar. In 1903, he was sent to Algeria, near the Moroccan border. In 1907, he occupied Oujda and the surrounding area. After the Fez Treaty, he became Résident Général. He was to stay in Morocco until 1925, except for the period from December 1916 to March 1917, when he returned to France as Minister of War.

No better choice could have been made as a first Résident Général. From a theoretical point of view, Gallieni's doctrine perfectly matched the Protectorate system. In addition, Lyautey was opposed to the Republican system and admired monarchy. Since he disliked the French parliamentary intrigues, he

1. Top French military school.

was certainly more at ease in the Sherifian Empire and always laid extreme emphasis on the Sultan's prestige. Respectful of Moroccan culture, he was, and remains, respected, even by the nationalist leaders of the Arab world.

For Chekib Arslam, for instance, Lyautey was

'un ennemi qui ne commet pas d'actes indignes
(il) est au point de vue indigène le plus dangereux
Français que le Nord d'Afrique ait connu parce que
le plus sage. Il savait par sa sagesse calmer les
Arabes : il les attirait par tous les moyens vers la
France ; il ménageait leur amour-propre
Lyautey tua l'indépendance du Maroc, mais sans
l'humilier'¹.

During the thirteen years of his stay in Morocco, Lyautey never departed from his attitude of respecting the Fez Treaty. In 1920, he reaffirmed that

' (La notion de Protectorat) est celle d'un pays gardant
ses institutions, un gouvernement et s'administrant lui-
même avec ses organes propres sous le contrôle d'une
puissance européenne ... Ce qui domine et caractérise
cette conception, c'est la formule contrôle, opposée à
la formule administration directe'².

However, without denying Lyautey's strong influence in Morocco, it should be stressed that Morocco was a Protectorate because of the historical process resulting from the evolution of the balance of power between European countries and that it was therefore necessary to preserve the façade of a certain form of Moroccan independence and to respect the Algeciras Act. The Sultan was still, nominally, the head of the country and the French were, in theory, only his technical advisers. These facts were quite outside Lyautey's control and determined the attitude of the Résidence Générale, at least during the first period of the Protectorate, when the international pressure on France was still high. Lyautey's merit was that he understood and felt deeply this need

1. Bidwell, p.22.

2. Circulaire du 18 Novembre 1920, quoted in Ayache, p.81.

to maintain such a façade .

In order to illustrate both Lyautey's methods and the consequences of the Fez Treaty, it is necessary to describe the main tasks and achievements of the Protectorate administration during the years 1912-1925. These tasks were :

- (a) to create a modern administration
- (b) to organize military control over the country
- (c) to encourage the economic development of Morocco.

Study of these factors will also lead to a better understanding of the development of the role of the State in the mining industry .

b - The Protectorate administrative structure

According to the Fez Treaty, a French administration was installed which was supposed to work in association with the Moroccan one . The structure of this administration remained approximately the same during the whole Protectorate period.

The capital was transferred from Fez to Rabat, in order to isolate the Sultan from traditional and religious circles and to be near the coast, in a safer position from a strategic point of view .

At the head of the French administration the Résident Général enjoyed extensive authority. He was the representative of France in Morocco. He was nominated by the French Government. He was head of the Civil Service and the sole initiator of laws. He promulgated decrees signed by the Sultan and presented the Moroccan officials, including the Vizirs, to the Sultan. During crisis periods and when he was an army officer, he was also in charge of the armed forces .

He was also the head of the French colony. Therefore he held in his hands the legislative, executive and legal power and, at times, the military power as well.

The Résident Général was under the authority of the French Ministry of Foreign Affairs, and was assisted by a diplomat, the Ministre Plénipotentiaire Délégué à la Résidence, who deputised when he was absent.

The third person in the hierarchy was the Secrétaire Général du Protectorat, who centralized all administrative and civil affairs, and under certain circumstances, stood in for the Ministre Délégué. The Secrétaire Général played a central part in the Protectorate's economic activities. He was chairman of the Boards of the main public organizations.

The civil service was divided into several Directions. The term Ministry was not used in order to avoid the image of a direct administration, but the Directeurs were more powerful than the French Ministers, as there was no parliamentary control. These Directions were divided into two groups.

The first one, consisting of the political Directions, was under the direct authority of the Résident Général. The most important of them was the Direction de l'Intérieur, which was responsible for central and local administration. This Direction gradually became extremely powerful, as opposed to the Résidents Généraux who, after Lyautey, stayed in Morocco for a relatively short time, and often had little knowledge of the country's internal situation.

The Direction des Affaires Chérifiennes controlled the Vizirs, ensured liaison between the Maghzen and the Résidence Générale and submitted the projects for Dahirs to the Sultan and those for decrees to the Grand Vizir.

The second group of Directions was under the authority of the Secrétaire Général. They were technical departments. Nine of them were in operation at the end of the Protectorate, the most important of which were the Direction des Finances, the Direction de l'Agriculture and the Direction des Travaux Publics. The Service des Mines was under the authority of the Direction des Travaux Publics.

The Protectorate administration centralized all the power, the Moroccan Vizirs being isolated from any important decision.

c - The 'pacification' of Morocco

As seen in Chapter I, the role of the State in mining questions partly derived from the fact it was responsible for security in those areas where prospectors were carrying out research work. It is therefore important to analyze how the French army controlled Moroccan territory and what the limitations of this control were.

According to the official terminology, the French did not conquer Morocco, they pacified it. Robin Bidwell stigmatises this attitude by quoting the newspaper 'L'Afrique Française' in which was written, in March 1935 : ' La France a été très généreuse vis-à-vis du Maroc. Elle a défendu ce pays contre les convoitises étrangères'¹.

Effective control of the plains was gained very quickly and three civil zones were created (Oujda, Rabat and Casablanca). In the mountains and in the South of the Atlas, mostly inhabited by Berber tribes, it was much more difficult to establish French authority. Three military zones were created (Meknès, Fez and Marrakech). In these territories the Affaires Indigènes officers controlled both

1. Bidwell, p.3.

the armed forces and the civil administration. They had full power in the zones for which they were responsible :

'Ils coordonnaient l'action des services néo-chérifiens de leurs territoires, s'occupaient d'agriculture et d'hydraulique, de santé publique et d'hygiène, de ravitaillement'¹.

The Affaires Indigènes officers often had extensive knowledge of the tribes and were able to use both force and persuasion to 'pacify' new areas, according to Lyautey's directives. Their position was very important indeed and it will be seen that they played an important role in mining questions, when the mine was located in a military zone².

Lyautey succeeded in applying Galliéni's methods, despite very limited means. At the beginning of the First World War, Lyautey was told by the French Government to bring the vast majority of his troops back to France and to retreat to the coasts, which were easier to defend. Lyautey strongly opposed this decision and finally convinced Paris that if the French retreated after only two years of occupation, they would lose their prestige and Morocco would once again fall into anarchy and would certainly be lost for France. Therefore, with limited forces, Lyautey went on extending French control.

In unsettled areas, he had reinforced his power by alliances with certain important caïds. This policy, which was to have crucial consequences on the whole development of Moroccan history, culminated in the special links which were established between the Protectorate and the Pasha of Marrakech, Si Thami El Glaoui.

The Atlas mountains were controlled by three main caïds: El Glaoui, El

1. Ayache, p. 93.

2. cf. Chapter VI.

Mtouggi and El Goundafi. The first one, because of the support he had given to the Sultan in the late Nineteenth Century, became increasingly important in the mountains and in the Marrakech area. Clever, ambitious and unscrupulous, he soon realized the importance of an alliance with the French, which enabled him to reinforce his control over the Berber tribes and to benefit from the modernization of the country. He began by giving the French military support and helping them to control the Atlas mountains. Later he extended his activities to every field, giving houses in Marrakech to the French civil servants, making lavish gifts to important personalities, organizing receptions, acting as an intermediary between French businessmen and local people¹. However, Lyautey's policy of collaboration with El Glaoui, which was in fact the only solution if he wanted to extend French control over Morocco, had the disadvantage of reinforcing El Glaoui's feudal and corrupt power and of initiating a policy of collaboration with the Berbers against the Arabs. This policy, which culminated after Lyautey's departure, was aimed at setting the Berbers and the Arabs against each other².

Therefore, although the French succeeded in controlling the vast majority of the Moroccan territory, despite limited means, they had to acknowledge El Glaoui's power in all areas located to the South of Marrakech. Moreover, the Résidence Générale relied on the Pasha of Marrakech and, consequently, had to accept his conditions and protect his interests. Chapter VI will give an example of that situation, by studying the question of the Bou Azzer cobalt mine.

d - Economic development

Lyautey's aim was to develop the Moroccan economy quickly and to put it on a sound footing. In order to achieve this goal, he favoured the realization

1. cf. Chapter VI.

2. cf. section 3, p.40.

of large-scale projects, realizing that it was a top priority to undertake infrastructure projects which would hasten the future growth of the economy.

He put special emphasis on the development of a communication network - railways, roads - which was needed both for military and civil purposes. He insisted on a quick development of the port of Casablanca, indispensable both for importing the goods needed for the development of the country and for exporting its products.

It is very typical that Lyautey's main interest in the phosphate question was not the actual exploitation of this resource but the extra impulse that the discovery of a huge phosphate bed would give to the building of the port of Casablanca. He definitely favoured the nationalization of the phosphate mine when he realized that it was the solution which would lead to the most rapid exploitation of the bed, and therefore would hasten the construction of the railway line between Oued-Zem and Casablanca, and the development of the port¹.

In order to realize these projects, he encouraged private investments. Since his primary goal was the economic development of Morocco, and not the protection of French interests, he did not want to 'garder tout le gâteau pour les Français'².

However, during the period when Lyautey was Résident Général, the power of French companies based in Morocco increased considerably. This was the case, for instance, of the Banque de Paris et des Pays-Bas and of its subsidiaries. Before the War, this group controlled 21% of the shares of the Banque d'Etat. After the War, it obtained the shares of Germany, Austria and Russia, increasing its holding to 43%. After a conflict with the Banque d'Algérie, which already had the privilege

1. cf. Chapter IV.

2. Interview Spillmann.

of issuing money in Algeria and Tunisia and wanted to extend its influence to Morocco, the Banque d'Etat established itself as the Moroccan national bank¹.

While the financial and industrial sectors were the main concern of French-based investors, that of the majority of the new French settlers in Morocco was agriculture. On this matter too, Lyautey's influence proved to be very important, his attitude being quite in line with the role he thought France - and the French - was to play in Morocco. He tried to preserve the interests of the local people by reducing the amount of land which was sold, at very low prices, to new French settlers. For instance, the average area given to new settlers was around 10,000 hectares per year during the period 1916-1924, when Lyautey was Résident Général. It was around 28,000 hectares in 1925 and 34,000 hectares in 1926, after his departure².

e - Morocco in 1925

The preceding section has described Lyautey's attempt to orientate Moroccan economic development. However, from the early twenties, the Moroccan situation evolved very rapidly from a Protectorate to a colonial status, in opposition to Lyautey's ideas. Since this change is at the very centre of the development of the role of the State in economic affairs, it is necessary to try to analyze the reasons why it occurred at that particular moment. This was the result of a combination of factors :

- after the First World War, European countries accepted more easily the fact that France should extend its domination over Morocco.

1. Ayache, p.107.

2. Lucien-Graux, Le Maroc économique (Paris : Librairie Ancienne Honoré Champion, 1928), p.58.

- the number of French settlers in Morocco was constantly increasing and they were asking the Résidence Générale and the French Government to protect their interests, to allow them to play a more important role in Moroccan political life - which was against the terms of the Fez Treaty - and to centre economic activity around them.

- Moroccan-based investors were putting more and more emphasis on the development of small-scale and profitable projects, aiming at the creation of French-controlled light industrial and commercial sectors.

- French-based investors had the same goals, but on a larger scale.

- the civil service was developing quickly too, exclusively employing French employees who tried to copy the French administration, therefore increasing the trend towards direct control on Moroccan affairs.

- the French Government and Parliament were gradually forgetting the terms of the Protectorate Treaty and considered that Morocco had already cost enough money both for military control and for infrastructure projects, and should now become a profitable investment.

These various trends were opposed to Lyautey's policy and were all directed towards greater French control over Moroccan political and economic activities. It is, in fact, logical that these factors emerged in the beginning of the twenties, that is to say at the real start of Moroccan economic development, as the first ten years of the Protectorate period had been devoted to the conquest of Morocco. During this period, the First World War was an additional element in the delaying of the start of economic development.

At the end of his stay, Lyautey realized that he no longer controlled the situation and resigned, in 1925. In a letter to Briand, Minister of Foreign Affairs,

he noted that

'Les organisations militaires, les doctrines, les méthodes, les programmes instaurés actuellement au Maroc, l'ont été en dehors de moi, sans que j'aie eu à donner mon avis, ou contre mes avis'¹.

The first of Lyautey's mistakes, and at the same time evidence of his greatness, was to believe that the façade which had been built because of external pressure was a reality. The second one was to use methods which helped to put the worm into the fruit : association with Berber chiefs, development of an all-powerful administration, insufficient control over the methods of private companies. However, once he had left Morocco, he became useful again, references to his name being made at every opportunity to cover the more and more obvious reality : the fact that Morocco was a French colony. In fact, Morocco was not an exception. The same process occurred in other countries under a Protectorate status, such as Tunisia for instance.

3 - Morocco : a French colony (1925-1940)

a - Reinforcement of French control

The fact that Lyautey had been forced to leave put his successors in a weak position. They were thus faced with a powerful administration and private investors whose aim was, for the most part, to maximize short term profit, Morocco being considered as a mere appendix of France.

The trend towards full French control over all sectors of political and economic activity became more apparent. Under both of his successors - Théodore Steeg (1925-1929) and Lucien Saint (1929-1933) - Lyautey's policy was drastically altered.

1. Benoit-Méchin, Lyautey l'Africain ou le rêve immolé (Lausanne : Clairefontaine, 1966), p.268.

As regards agriculture, the Résidence Générale encouraged large-scale settlement by French farmers, allowing them the most profitable pieces of land, thus destroying the fragile equilibrium of Moroccan agriculture by creating a competition the local farmers were not able to sustain. The priority became production for export rather than for local consumption.

In industry, the power of French companies became greater and greater. Industrial activity was centred on short-term profit. Speculation increased¹. In mining exploration, for instance, research permits were generally used to speculate and rarely led to serious research work.

Steeg created an assembly representing French agricultural and industrial interests. This assembly soon became a powerful decision centre, without the agreement of which the Résidence Générale could hardly act. Steeg and Saint were ambitious politicians who, unlike Lyautey, considered their stay in Rabat as a step in their political careers. They lacked a sense of responsibility² and were therefore open to influence by private interests. The French administration fell into short sighted bureaucracy. The real power began to shift from the Résidence Générale to circles representing French interests.

In fact, the only period when the Civil Service tried to control the situation was when Eirik Labonne was Secrétaire Général du Protectorat (1928-1931).

' (Après Lyautey) la seule phase originalement constructive fut celle ... où Labonne assura le secrétariat général de la Résidence (en dotant l'Etat chérifien des organismes qui le faisaient maître de la recherche et de l'exploitation des ressources essentielles'³.

1. cf. Chapter V, p. 155.

2. Bidwell, p. 219.

3. Général Buis, Fanfares as quoted in Julien, p. 135.

This assessment of the State's control over exploration and exploitation of mineral resources is indeed too optimistic¹ but the judgement about Labonne is exact. This period will be studied in detail in Chapters V and VI, with the analysis of the creation of the Bureau de Recherches et de Participation Minières and of Labonne's role in this process. It will also be seen why the 1928-1931 period was an exception to the general development of the Moroccan economy. Apart from this short "period of fever", the Résidence Générale continued to refer to Lyautey's principles, while turning Morocco into a colony. Education of Moroccans was not developed. The civil service did not admit a single one of them to a post of responsibility, and a class of "petits blancs" developed, reinforcing their shaky social status by an attitude of contempt towards the local people. The Berber policy was very typical of this attitude. It is necessary to analyze it more closely, as it had an important influence on mining questions and on the policy of the Bureau de Recherches et de Participations Minières around 1930.

b - The Berber policy

The Berbers were the original population of Morocco. Morocco was invaded by the Arabs in the Eighth Century. Despite this conquest, Berber tribes retained partial independence, especially in the mountains, and never lost some of their special characteristics, such as their own language and legal system.

Consequently, the French thought of reinforcing their power by an alliance with the Berbers against the Arabs who were considered as invaders, on the same level as the French - with the difference that France was bringing culture

1. cf. Chapters VI and VII.

civilization, peace and dignity. This was in complete contradiction to the Fez Treaty which stated that

'(Le nouveau) régime sauvegardera la situation religieuse, le respect et le prestige traditionnel du Sultan ...¹. Le Gouvernement de la République prend l'engagement de prêter un constant appui à Sa Majesté Chérifienne: contre tout danger qui menacerait sa personne ou son trône ...²

There were three main reasons for this attitude:

- (a) from a strategic point of view, dividing the Moroccans into antagonistic groups meant that they could be governed more easily.
- (b) politically speaking, this was the result of the association with El Glaoui which had been initiated by Lyautey.
- (c) on the social side, the vast majority of French people living in Morocco believed that Arabs were lazy and unreliable, and that Berbers, on the contrary, were intelligent, hard-working and adaptable.

As for the Arab and Berber aptitude for work, this opinion was contested by Lazarev and Pascon who studied the mining towns of the Office Chérifien des Phosphates³. They demonstrated that the Arabs who were working in Khouribga - the main production centre of the O. C. P. - were from local tribes living in areas surrounding the town. They were working to supplement their income and therefore stopped once they had accumulated enough money.

1. Article 1.

2. Article 3.

3. Grigori Lazarev and Paul Pascon, Gestion des Villages Miniers, 1959, Typescript lent by the author.

The Berbers on the other hand, were usually from the Souss, and left their homes in order to make as much money as possible. Hence their hard work.

The difference in productivity can therefore be explained by a difference in motivation and not by ethnic considerations. Lazarev and Pascon have found no significant differences in productivity according to the ethnic origin of the workers.

From a more general point of view, the fact of reducing a difference in productivity to a question of motivation rather than race, is indeed very important. Someone studying shopkeepers in Britain today might conclude that the Indians are more hard-working than the British, and that this is due to ethnic considerations.

On 16 May 1930, a Dahir was promulgated, deciding that Berbers would no longer be subject to Koranic law. In civil matters, justice would be given by the Jemaa (local assemblies) and in penal affairs, French law would be applied.

This proved to be a huge political mistake since, instead of dividing Moroccans, the Dahir strengthened the awakening opposition and united the Moroccans against the French. It was feared, in Moroccan religious circles, that the French would try to convert the Berbers to Catholicism. Demonstrations were staged all over the country and political opposition began to be organized, with the Comité d'Action Marocaine and a growing trend towards considering the new Sultan, Sidi Mohammed ben Youssef (1927-1961), as the symbol of the nationalist movement. The Sultan, who was only eighteen when acceding to the Throne, and had been chosen by Steeg because of his youth and

inexperience, gradually understood the size of the movement. However, isolated from his country and kept apart from political affairs, very quiet and loyal to the French, he had a very reserved attitude until the end of the Second World War.

In 1934, nationalist movements did not ask for independence, but for the strict application of the Fez Treaty. Under that pressure, the main parts of the Berber Dahir were repealed. However the Protectorate did not change its policy of control on economic and social matters. The Front Populaire raised hopes amongst the Moroccan nationalits, but its fall was followed by a severe repression.

4 - The end of the Protectorate (1940-1956)

a - The War

With the nomination of Général Noguès as Résident Général in 1936, certain characteristics of Lyautey's period seemed to reappear. Having served under Lyautey's authority at the beginning of the Protectorate period and after the First World War, Noguès tried to follow Lyautey's methods. From a formal point of view. He succeeded in establishing good relations with the Sultan. However, this remained a mere façade which was unable to mask the reality of the situation.

The Sultan, together with the vast majority of Moroccans, had a very loyal attitude towards France. However, the brutal defeat of the French Army put an end to the prestige of the 'protecting' power. Noguès, like most Frenchmen established in Morocco, supported the Vichy regime, and tried to oppose the

Allied landing in Morocco (1942). In June 1943, Noguès was dismissed by Général de Gaulle who nominated Gabriel Puaux (1943-1946), who adopted a very strict attitude against nationalism. However, since 1943, the nationalist movements were developing quickly. In June, Mohammed V had met President Roosevelt in Anfa and had been encouraged by him towards independence. In December 1943, the Istiqlal Party was founded and became the centre of the popular demands for independence.

b - Eirik Labonne, Résident Général (1946-1947)

The nomination of Eirik Labonne as Résident Général in March 1946 was an encouraging decision. Labonne, who had been Secrétaire Général du Protectorat from 1928 to 1931, and had left his effect on the economic development of the country, knew Morocco perfectly well and was certainly one of the few French diplomats who had a chance of success in the difficult task of creating a new basis for relations between Morocco and France. The striking fact about Labonne is that all historians show an extreme admiration towards him. Charles-André Julien, who criticizes at length all the Résidents Généraux, including Lyautey, recognizes that Labonne was

'(un) proconsul hors pair, ... (un) serviteur de l'Etat de haute classe (à qui) on n'a pas rendu pleine justice... partout où il passa, ce visionnaire montra une lucidité singulière'¹.

Labonne wanted to apply measures which could have created a new climate between the French and the nationalist movements. He began by liberating nationalist leaders who had been in exile or in jail for years.

He proposed a programme of reforms based on (a) the creation of mixed

1. Le Maroc face aux impérialismes, pp. 134-35.

companies, where public money would participate with French and Moroccan private capital, (b) the industrialization of Morocco and (c) the modernization of traditional agriculture.

On the other hand, he tried to break the power of the Civil Service, which opposed progressive decisions, strongly favoured strict control from France over all Moroccan affairs and was very powerful, because of the support of the French colony.

However, such a programme met the opposition of both the Moroccans and the French.

The nationalists already wanted full independence and considered Labonne's plan as a way to link Morocco more closely to France. On the contrary, the vast majority of the French saw in Labonne's propositions a dangerous attack against their privileges.

Labonne might have succeeded if he had been firmly backed by a strong French Government. This was not the case and his action was bound to fail.

In April 1947, several hundred Moroccans were killed in Casablanca by Senegalese soldiers. Mohammed V, in a speech in Tangiers a few days later, made lengthy references to Islam and to the Arab League but none to France. This was the end of Labonne's experience. He was called back to Paris and succeeded by Général Juin. Labonne's failure was the sign that the French Government had lost control of the Moroccan situation.

c - The path to Independence

From 1947 to 1956 the history of Morocco is that of a vicious circle of repressions and nationalist outbursts. The Résidence Générale was controlled by Juin who was Résident Général from 1947 to 1951 but who remained very

powerful in all Moroccan affairs until 1956. Having grown up in Algeria, Juin had the prejudices of those colonials who thought they knew the Arabs' attitude towards life. He pointed out to Edgar Faure that:

"J'ai voulu ... vous exprimer l'angoisse
que j'éprouve devant certaines tendances
au compromis toujours interprétées comme
faiblesse en Pays d'Islam"¹.

Believing in a firm hand, he considered himself to be independent from the French Ministry of Foreign Affairs and took every possible step to break both the Sultan and the nationalist movements. He deliberately ignored the Fez Treaty. He wanted to turn the Sultan into a puppet and, in order to reach this goal, he reinforced the alliance between the French and Berber caïds under El Glaoui's leadership. Faced with Mohammed V's more and more favourable attitude towards the nationalist movements, Juin planned to replace him by a more docile Sultan.

This was finally achieved under his successor, Général Guillaume (1951-1954). In August 1953, Mohammed V was deposed in favour of Mohammed Ben Arafa, a very old man, completely out of touch with political matters. Mohammed V was sent to Madagascar, despite strong opposition from the whole country which united to request his return to the throne. After that, the situation was irreversible.

Accusations were made against France in the United Nations, groups of French liberals were formed both in France and in Morocco, but the French Government was powerless. In 1954, Mendès-France, as Prime Minister,

1. Maréchal Juin, Le Maghreb en feu (Paris; Plon, 1957), p. 189.

solved the Indo-Chinese and Tunisian questions but his government fell before he had time to examine the Moroccan problem¹.

During his brief stay in the Résidence Générale, Gilbert Granval tried, unsuccessfully, to create new bases for cooperation between France and Morocco. It was too late however, and the French Government was not able to make any important decision.

Faced with the deterioration of the situation, Ben Arafa resigned on 1 October 1955 and Mohammed V returned to Morocco. Independence was granted on 3 March 1956.

5 - Conclusion

This brief description of the Protectorate period allows to point out a certain number of facts which will prove to be of determinant importance in the analysis of the evolution of the role of the State in Moroccan mining affairs.

Firstly there are the constraints imposed on the French Government and on the Résidence Générale by the Algéciras Act and by the Fez Treaty, which established the open-door regime in Morocco.

Secondly, and in opposition, there are the various steps taken by the French Government and by the Résidence Générale to increase French control on Morocco, ignoring as much as possible the diplomatic constraints.

It has been seen that, after Lyautey's departure, France succeeded in turning Morocco into a colony. From the point of view of Moroccan economic

1. Félix Nataf, L'Indépendance du Maroc, (Paris: Plon, 1975).

development, this meant that Morocco was to follow the same path as other countries under colonial status; development of the economic infrastructure, export-oriented agriculture, privileged field of investment for the nationals of the Metropole. This also meant very little State intervention in economic affairs in general.

However, the Moroccan mining industry, which was from far the main economic sector, did not follow such a pattern. The State had the leading role in the development of Moroccan energy resources and the phosphate mines were nationalized.

The following chapters will examine how it is possible to understand this specific attitude of the State in mining affairs and to link the State's decisions to the general evolution of the Moroccan situation.

CHAPTER III

THE EVOLUTION OF THE MINING LEGISLATION

Under any circumstances, the more obvious part of the role of the State in the mining industry is the mining legislation. The State must establish the rules of the game or, better, must codify them. Therefore the first point to be examined in this study is the evolution of the mining legislation in Morocco during the Protectorate period.

Such a study is of course very necessary, as constant references to the legislation will be made in the course of the following chapters, when dealing with a particular mining problem. However, this chapter is not a mere introduction to more precise case studies. Its main aim is to explain the evolution of the mining legislation and to link it with that of the balance of power (a) among the various economic partners in Morocco and (b) among the countries which had interests in Morocco.

It will be shown that the Protectorate had virtually no power on mining questions during the first years of the French occupation. This was a direct consequence of the Algeciras Act: foreign powers feared that the Protectorate would use such a power to favour French interests. Afterwards, when it became widely recognised that Morocco was, in real terms, a French colony, the mining legislation gave more power to the State.

On the other hand it will be shown how private interests succeeded in opposing such a reinforcement of the role of the State when it became harmful to them.

The influence of both of these pressures, external and internal, will illustrate the fact that it is not the State which decides the main

characteristics of the mining legislation, but that it merely translates into mining terms the prevailing balance of power between the various interests which are concerned.

In addition, this chapter will give a brief description of the main features of the Moroccan mining industry from 1912 to 1956, as it is not possible to distinguish the theory - the legislation - from the practice - the mining production. This will make it possible to place more accurately the more precise events which will be dealt with in the following chapters.

1 - The situation before 1914

a - The pre-1914 legislation projects

Before the establishment of European mining legislation by the Protectorate, Moroccan customary law operated in Morocco. As far as mining was concerned, the main characteristic of this law was to make a distinction between (1) the visible mines - salt, pitch, naphta, sulphur, antimony, millstone - which could be exploited by anybody, being common property like air and water and (2) the other mines which were owned by the Imam or, in other words, the Sultan. However, despite more or less legendary reports about the fabulous richness of the Moroccan underground¹, very few mines were actually exploited.

Important things began to happen around 1900, when it became clear that European countries would soon control Moroccan economy.

1. Pierre Despujols, Historique des Recherches Minières au Maroc, pp. 3-14. Interesting survey of Moroccan mines and of the metals used in Morocco, according to Herodotus, Plato, El Bekri and Léon l'Africain.

Mineral resources being thought of as a potentially very profitable business, it was soon felt necessary to create a modern legislation.

In 1906, Article 112 of the Algeciras Act stated that a new mining legislation had to be installed in Morocco and that it would have to use foreign mining laws as a pattern.

At that time two main groups were competing for the control of as many mining beds as possible: the Morokko Minen Syndikat, led by the Mannesmann Brothers, representing German interests, and the Union des Mines Marocaines (U.M.M.) with a majority of French interests.

The Mannesmann Brothers were very active, making superficial mining research on very large areas, mainly in the South of Morocco. In order to give a legal ground to their discoveries, they negotiated with the Sultan and a so-called mining law was passed in October 1908.

From a legal point of view, this law was not valid, because it was never published and never sent to the representative of the other European countries. However, this lack of legal grounds was not the main reason of the Mannesmann's failure to control Moroccan mines. In the mean time, the Union des Mines Marocaines had succeeded in regrouping under its leadership the main mining companies of the countries which had signed the Algeciras Act. In 1912 the repartition of its capital was as follows:

- French group	67.8%	
- German group (including Krupp)	19.4%	
- British group	6.8%	
- Others	6%	1

The U. M. M. position was very strong, as its structure reflected

1. Despujols, p. 19.

perfectly the external political situation, even including German interests.

By means of diplomatic negotiations, it was agreed by France, Great-Britain, Spain and Germany that the project of a new mining legislation should be studied. In 1910, a project was examined among these countries during a meeting held in Paris.

In 1911, the Franco-German agreement about Morocco once again stipulated that mining legislation should be created. This was however rather unrealistic while Morocco was still an independant country. Military and political occupation was needed in order to enforce mining legislation. This became the duty of France after the Fez Treaty.

Despite the fact that France had taken control of Morocco, the new legislation still had to be agreed by Spain, Germany and Great-Britain. Once approved by these countries, it was finally published by Dahir, on 19 January 1914¹.

b - The Arbitration Commission

As the 1914 Dahir could not have a retrospective effect, another Dahir was issued on the same day, in order to create legislation to solve the problems resulting from mining disputes which had arisen before the promulgation of the new mining law².

This Dahir created an Arbitration Commission composed of a referee nominated by the king of Norway among the Norwegian magistrates or former magistrates, a member nominated by the Maghzen and a member nominated by each of the powers whose nationals would be the eventual

1. Bulletin Officiel du Maroc, n° 66, 30 January 1914.

2. Bulletin Officiel du Maroc, n° 66, 30 January 1914.

applicants¹. The goal of the Commission was to decide ultimately whether the research and exploitation rights claimed by deed or act before the publication of the 1914 Dahir were legally valid and, if not, whether and to what degree an indemnity could be charged to the Maghzen to cover the costs incurred in the acquisition of the rights claimed.

The most important task of the Arbitration Commission was to grant research and exploitation permits to those who could prove that they held mining rights.

'La Commission décidera également si et jusqu'à quel point pour des raisons d'équité, il y a lieu d'accorder des permis de recherche ou des permis d'exploitation aux personnes ou sociétés qui se prévaudraient de faits et circonstances antérieurs à la publication du dahir chérifien sur les mines, par exemple de la possession de gîtes ou gisements, de travaux ou installations d'utilité minière, exécutés dans le périmètre sollicité, de la propriété de tout ou partie des terrains du même périmètre acquis pour obtenir des droits miniers'².

The Commission had also to judge between possible competition for the same bed. As far as the French Zone was concerned, 290 requests were put forward to the Commission. Amongst them, 142 were German, 100 French, 18 British, 10 Dutch and 20 came from various other countries. From the 142 German requests, 122 came from the Mannesmann Brothers, who were still referring to the so-called 1908 Dahir and were asking for hundreds of thousands of hectares.

The Commission stopped its activities at the end of July 1914, because of the War, and began again in the Spring of 1919 and worked until June 1922. In the French zone, the Commission established 33 research permits (14 French, 13 German and 6 for various other countries).

1. Article 1.

2. Article 2.

However the international situation had changed drastically. After the Treaty of Versailles, Germany and Austria were excluded from the benefits of the Algeciras Act. According to Article 144 of that Treaty, the Commission gave compensation for six of the German research permits, which were put to tender for the benefit of the Protectorate. It was not possible to settle the case of the seven others because they were in an area which was not fully controlled by the French and where mining research was forbidden. The compensation was going to be very small. Amongst the twenty research permits owned by non-German groups, about ten proved to have found interesting beds.

Three main conclusions can be drawn from this brief description of the Commission activities:

a - The small number of research permits given, compared with the number of requests (11%), which proves the very light legal grounds of the vast majority of the requests.

b - The fact that the Commission decided not to give any exploitation permits, proving that no serious work had been made on the beds before 1914.

c - The very small proportion of beds which later on proved to be of interest (3%), which proves the lack of scientific grounds for the research carried out before 1914.

Therefore, it is possible to consider that, in 1914, Morocco was a completely new field for mining activities. The 1914 Dahir is the first important step to be studied.

2 - The 19 January 1914 Dahir

a - International influence

As it has been stated in section 1, and despite Mauchaussé's opinion,

according to which the Sultan was allowed to promulgate and to modify the Moroccan mining legislation without the consent of the countries which had signed the Algeciras Act¹, the main characteristic of the 1914 Dahir was the constraint due to diplomatic pressure.

From a legal point of view, it has been seen that this Dahir was the consequence of the Algeciras Act². However, in real terms, more important was the fact that French occupation of Morocco was still very recent (1912). Therefore, international pressure was quite high, especially on the part of the Germans, for the open-door regime to be installed in Morocco, rather than a situation which would favour French interests.

In that respect, it is important too to note the influence of Lyautey, who was keen to respect international treaties³.

As a result of this situation, the 1914 Dahir was bound to be very vague and non-committal. The power of the Protectorate in mining affairs was also bound to be very weak, as it was feared that the Civil Service would favour French interests.

According to the Algeciras Act, the new mining legislation was to be inspired by existing foreign mining laws. The first question to be dealt with was that of ownership of the mines.

It was not possible to accept the British principle according to which the mine belonged to the land-owner. The official reason for rejecting this idea was that land-ownership was not well defined in Morocco. In fact, if such a principle had been adopted, the local Moroccans would have owned the vast majority of the mines. This was not the purpose of the French

1. Mauchaussé, L'évolution du Régime Minier, p.33.

2. Article 122.

3. cf. Chapter II - p.29.

occupation.

It was therefore necessary to separate land-ownership from the ownership of the substrata. The basic principle which was adopted was that of State ownership, the State granting research and exploitation permits, and then concessions, to mining companies. In addition, the other basic rule was that priority was to be given to the first who had regularly asked for authorisation to carry out research work.

b - Definition of mines and quarries

Despite the fact that the State ownership was the basis of the new mining legislation, no explicit mention of it was made in the 1914 Dahir, in order not to appear to give too much power to the Civil Service. Ambiguity was preferred to what could have been thought as an attempt to break the open-door regime.

The Dahir began with a list of all the substances which were considered to be extracted from mines. The main ones were coal, all metallic minerals, nitrates, phosphate and salt. There was no separation between categories, because of the insufficient knowledge of Moroccan mining resources. Permits were necessary to carry out research and to exploit the mines.

On the other hand, quarries were defined as the sites of all other substances, i.e. those which were not extracted from mines. The quarries were left to the disposal of the land owners. However, contrary to French mining legislation but similar to the Tunisian and Algerian laws, phosphate was considered to be extracted from mines and not from quarries.

c - The traditional Berber common law

The 1914 Dahir provided for protection of the traditional common law.

'Les permis de recherche et d'exploitation accordés en vertu du présent dahir ne peuvent faire obstacle aux droits coutumiers dont jouiraient les indigènes, pour l'extraction de certaines substances'.¹

This article, taken in accordance with the spirit of the Algeciras Act and of the Fez Treaty remained unchanged in the subsequent mining laws and proved later on to be very useful for private groups to bypass the legislation, because of agreements they signed with Berber chiefs, giving away their so-called traditional rights to them for certain beds. By that means these groups could exploit mines in areas which were closed to mining activity².

d - The case of phosphate

Following other colonial mining laws, for instance that of Tunisia, the 1914 Dahir made a special case for phosphate whereby research permits could not be followed by exploitation permits for phosphate and nitrate, neither for rock salt nor other associated salts within the same bed, nor for springs nor subterranean salt water.

These substances could only be exploited by public tender within the perimeter and for a specific time, as indicated in the documents for each tender. The explorers holding research permits for a reserved area who had discovered new phosphate or nitrate beds within their area, and had demonstrated the exploitability of such beds, would have the right to one fifth of the special royalty per ton paid by the winner of the tender. This would run for fifteen years from the date when they were officially decla-

1. Article 5.

2. This point will be examined in detail in Chapter VI, dealing with cobalt and manganese mines in the Atlas.

red discoverers of the bed. However, the explorers would not have any right to compensation whatever delay there might be for the tender procedure. Moreover, they could not put forward any claim concerning the drawing up of the tender specifications¹.

The questions arising from the discovery of phosphate were to be the most important ones in the history of the Moroccan mining industry and the above legislation was not going to be applied, as it will be seen in Chapter IV, which deals with the creation of the Office Chérifien des Phosphates.

e - Exclusion of civil servants

Civil servants were excluded from owning mining rights. This point of the legislation was to remain unchanged in subsequent mining laws:

'Les fonctionnaires, agents et employés civils et militaires qui sont au service du Gouvernement chérifien ou du Gouvernement français au Maroc, à quelque classe qu'ils appartiennent, ainsi que leurs conjoints, ascendants et descendants et les conjoints de ces derniers, ne peuvent, dans la zone française de Notre Empire, obtenir directement ou indirectement le droit de rechercher ou d'exploiter les mines, ni devenir mandataires ou représentants des intéressés dans ces affaires'².

However, it will be seen in Chapter VI that this Article was not strictly enforced. El Glaoui, Pasha of Marrakech, and therefore a civil servant of the Maghzen, had important interests in mining companies exploiting mineral beds in the area he controlled and indeed played a leading role in all mining affairs in the Atlas.

1. Article 51.

2. Article 9.

f - Research permits

The general principle for granting a research permit was to give it to the first applicant¹. Research permits were valid for three years and not renewable². However it was stated that, in the case of a delay or interruption which would be beyond their control, the obligations of the interested parties towards the Maghzen would be suspended for the duration of the delay. In consequence, the research permit holders could, in that case, extend their permits to cover the delay³. This regulation about research permits was much too strict and not adapted to the Moroccan economic situation. It was absolutely impossible to demonstrate, in only three years, that a bed was exploitable, in a country which had no basic infrastructure, which was not completely under French control and where machines and specialised workers were extremely difficult to find.

The fact that the Service des Mines could extend the length of the validity of the research permit was not a satisfactory procedure, as it was difficult to assess on what grounds such a decision should be taken and to find out with certainty that delays were not the fault of the research permit holders.

Therefore, as soon as the first research permits expired, in 1921, the above regulation was changed by a Dahir⁴. It was then stated that those mining research permits which were likely to be transformed into exploitation permits could be renewed for a period of two years¹.

1. Article 11.

2. Article 18.

3. Article 6.

4. 27 August 1921 - Bulletin Officiel du Maroc, n° 463, 6 September 1921.

This did not solve the problem but merely postponed it for two years. In fact, two years later, the whole mining legislation was changed and became very different on this matter².

g - Exploitation permits

Exploitation permits could only be obtained by research permit holders³. They were granted by a Dahir⁴ which gave the right to carry out all work necessary for the exploitation of the substances⁵.

The 1914 Dahir did not give any other detail concerning the attribution of the exploitation permit. There was no mention of the need for the applicant to have proved the exploitability of the bed. There was no limit of validity. Hence the exploitation permit as defined in the 1914 Dahir looked like what was normally called a concession.

These ambiguities were all of great significance. The first Moroccan mining legislation was, in many respects, a mere outline which left in the dark such important points as the conditions of the granting of exploitation permits and deciding their duration. In fact, it was more concerned with establishing the basis of a modern Moroccan mining legislation - ownership of the mines, classification of the mineral substances, common law, and so on - than with determining details which were bound to be drastically

1. Article 1.

2. cf. section 3, p. 63.

3. Article 24.

4. Article 23.

5. Article 30.

altered by foreseeable events: (1) a large increase in the knowledge of Moroccan mineral resources due to more systematic search of the Moroccan underground on the part of both private companies and of the Service des Mines and (2) the unavoidable settlement of diplomatic questions on Morocco, depending on the evolution of the balance of power between European countries.

It can even be thought that the responsible French civil servants who negotiated with other European countries the basis of the new Moroccan mining legislation thought it wise not to discuss the matter too deeply, hoping to change it considerably afterwards, when the power of France over Morocco would be more widely recognised and when they would be more free to establish the legislation they wanted, without having to negotiate with foreign countries.

h - Mining taxes

The system of mining taxes was very complicated. Taxes for a research permit were two centimes per hectare per year, with a minimum of 300 Frs per year¹. There was a tax of 500 Frs for transferring from a research permit to an exploitation permit². As far as exploitation permits were concerned: (1) for iron and combustibles, there was a tax of one franc per hectare for the first year, of two francs per hectare for the second and of 2.5 francs per hectare for the third year, (2) for other minerals, the tax was of 1.5 franc per hectare for the first year, 2.5 francs for the second and 3.5 francs per hectare from the third year³.

1. Article 19.

2. Article 29.

3. cf. Figures 3 and 4 - pp. 76-77.

Any increase was forbidden for seven years¹.

For Customs, there was a tax of 3% ad valorem on exports, except for gold, for which the tax was 10%. Any increase was forbidden for ten years.

These taxes were very light, in order to encourage mining research and exploitation. The fact that they were frozen for a very long period directly derived from the open-door regime.

i - The impact of the 1914 Dahir

The first Moroccan mining legislation had a short life: five years, if the War period is excluded, during which no declaration of discovery was allowed. In fact, its preparation lasted longer than the period when it was in application.

It has been noted that its lack of clarity arose from the fact that it was the result of diplomatic negotiations which had to find a minimum basis of agreement. However, real problems were to arise in 1923, at the end of the two years prolongation of the research permits which had been provided by the 1921 Dahir.

The crucial point was that the 1914 Dahir did not say anything about the conditions under which exploitation permits were to be given to those already holding research permits. It would not have been sensible to issue them automatically, because the vast majority of research permit holders were not really seriously exploring the beds. Moreover they were usually not able to exploit it, because research permits were just a means of speculation. In fact, because of the very low taxes on these permits and of the lack of control from the part of the Service des Mines over the areas

1. Articles 32 and 59.

covered by these permits, a real patchwork of research permits prohibited rational research works, both from a technical and from a financial point of view.

'Ces damiers compliqués constituent le domaine rêvé des barreaux de gisement pour lesquels valoriser un titre minier consiste seulement à attendre le plus longtemps possible l'occasion favorable de céder leurs droits exclusifs au plus offrant'¹.

It was therefore not possible to grant exploitation permits without some sort of investigation of the intention of the applicant. The power of the Service des Mines had to be reinforced. In 1923, this had become possible, as French control on Morocco was more and more widely recognised by other European countries.

3 - The 15 September 1923 Dahir

As has been seen above, the main aim of the 1923 Dahir was to allow the Service des Mines to increase its control on research permit holders. However, if the amount of external constraints had decreased, that of the internal ones had become greater and stronger: private interests were already very powerful in Morocco and, because of that, the control from the Service des Mines would remain very weak and therefore inefficient. Hence, the reasons for the inefficiencies of the 1914 and 1923 Dahirs were quite different. In the case of the 1914 Dahir, the main reason was diplomatic pressures due to the international political situation and, for the second, internal economic considerations.

1. Hoffherr et Mauchaussé, Charbon et Pétrole, p. 140.

a - Definition of mines and quarries

This time, mines were divided into five categories (1: coal, 2: metals, 3: nitrates and salts, 4: oil, 5: phosphate)¹. In contrast to the 1914 Dahir, it was now clearly stated that the mines were owned by the State², which gave more legal grounds for a potential power of the Service des Mines and proved that the mining legislation was at that time more independant of external constraints.

The traditional common law remained in the same terms as in the previous Dahir and the phosphate question was solved³.

b - Research permits

Research permits were still valid for three years⁴ but they could be renewed for three years in the case of first, second and third category beds. A permit covering fourth category beds could be renewed twice, each time for two years⁵. However, research permits of that category were only renewable if the applicant could prove that, over the entire area covered by his permits, he had drilled a given depth which was determined by the Dahir⁶. The Dahir gave a detailed list of work to be done. However, such a list was bound to be inefficient, as it was in fact impossible to either draw up a complete list of all the necessary works or to determine

1. Article 2.

2. Article 5.

3. cf. Chapter IV.

4. Article 32.

5. Article 35.

6. Article 37.

the exact extent of exploration. Each mine had specific characteristics which were impossible to codify.

The imprecision of such criteria forced the Service des Mines to be rather arbitrary and therefore to be too weak, which brought back the problems of the 1914 Dahir.

c - Exploitation permits

Everything was very detailed and complicated. A distinction was made between exploitation permits and concessions. An exploitation permit granted the exclusive right to exploit the mineral substances of a given category within a specified area. It could only be obtained by someone holding a current research permit which, for fourth category beds, met the conditions covering a first renewal¹. Therefore, except for beds of the fourth category, no proof of exploitability was needed.

The exploitation permits were valid for five years² and renewable for a further five years³.

The third and last step of mining exploitation was the concession, which correspond to the exploitation permit defined by the 1914 Dahir. The holder of an exploitation permit who wished to obtain a concession had to submit a request and to prove that during the period of validity of his exploitation permit, and within the area on which he had mining rights, he had diligently exploited a mineral bed of the category stipulated by the permit⁴.

1. Article 46.

2. Article 60.

3. Article 67.

4. Article 66.

The duration of the mining concessions was seventy five years for mines of the first three categories and thirty years for those of the fourth category. The concessions could be renewed by Dahir for twenty five years if the owner of the concession could prove that he had carried out sufficient work¹

Once again the main failure of the mining legislation was that, despite its complexity, it was unable to control the way in which exploitation permits were granted. In fact, there was very little it could do to counteract the wrong attitude of the research or exploitation permit-holders. There was no real way to avoid speculation on mining rights.

d - Mining taxes

For research permits, there was a tax of 500 Francs per year for mines of the first, second and third categories, and of 1,000 Francs per year for mines of the fourth category². For renewed research permits, the taxes were doubled. For transferring from a research permit to an exploitation permit, there was a tax of 2,000 Francs³.

Afterwards, both for an exploitation permit and for a concession, taxes were of one Franc per hectare for the first year, two Francs per hectare for the second and three for the third. This was for mines of the first, second and third categories. For mines of the fourth category, these taxes doubled.

Customs taxes on exports were 3% ad valorem until 31 December 1924 and 5% thereafter. It will be seen in section 4⁴ that, if inflation is taken

1. Article 82.

2. Articles 26 and 32.

3. Article 48.

4. cf. Figure 3 and 4 - pp. 76-77.

into account, the mining taxes enforced by the 1923 Dahir on mining permits were lower than the former ones. The only noticeable increase was that of export taxes but, at that date, it remained rather theoretical as very little mineral was actually extracted from the Moroccan soil.

Such low taxes, which were meant to encourage mining research, were in fact essentially helpful to those who wanted to acquire as many permits as possible with the single purpose of speculation.

e - Prospection permits

Two Arrêtés Viziriels¹ created prospection permits a few years after the publication of the 1923 Dahir. Holders of these permits could prospect areas which although not open to mining research were declared open for prospection.

Despite the law, explorers had been working on areas closed to mining research. As, in real terms, it was not possible to forbid such work, the law had to recognise this and to find a way to exercise more control over them. To this end, prospection permits were created to replace the former system of discovery declaration. The discovery declaration was a unilateral declaration on the part of the explorer who simply informed the Service des Mines in writing of his discovery. In contrast, a prospection permit had to be requested by the explorer and officially granted by the Service des Mines.

The two main differences between a prospection and a research permit were

1. 1 July 1924 and 2 November 1926

- a) that they could be granted for areas which were not open to research permits
- b) that surface taxes on prospection permits were even less than on research permits.

Such a decision had been taken to encourage research and gradually to open up the areas concerned. It allowed the Service des Mines to keep a firmer hand on prospectors' activities.

f - The impact of the 1923 Dahir

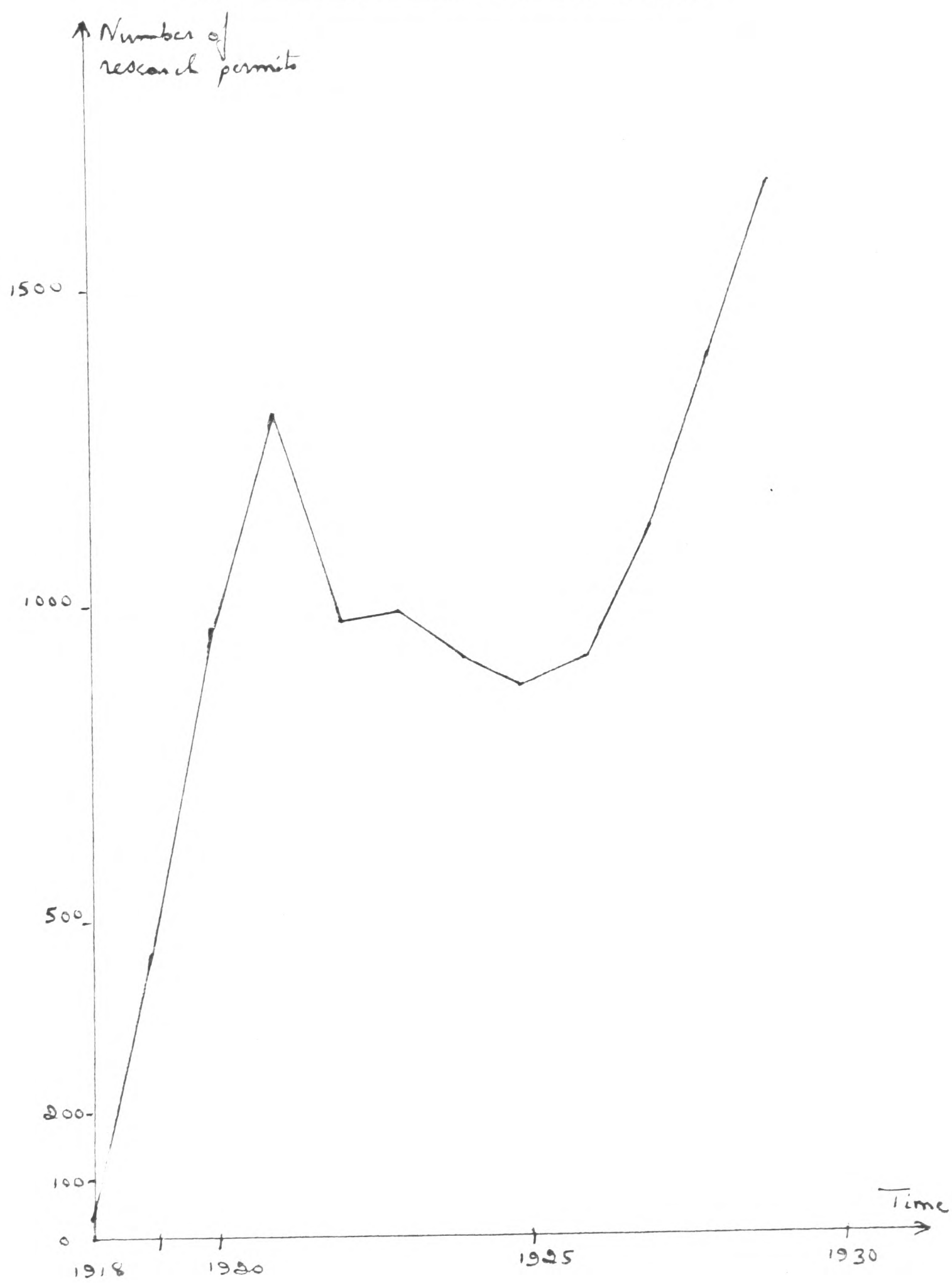
Like the 1914 Dahir, the 1923 Dahir failed to solve the problems of the Moroccan mining industry. The best proof of the weakness of the first mining laws is the comparison between the number of research permits granted from 1919 to 1929 and the actual production of the mining industry. As far as research permits were concerned, there was a constant and important increase in their number, apart from a certain slackening between 1922 and 1925, mainly due to the creation of the intermediary stage of the exploitation permit and also to the excessive number of permits which had previously been requested¹.

This situation would have been perfect if the majority of the research permit holders had carried out serious research and if the production had followed. However, despite the increasingly widely recognized abundance of mineral beds in Morocco, the start of mining exploitation was indeed very slow. In 1929, after seventeen years of French occupation, the situation was as shown in the following table² which compares the 1929 production with that of 1955 for the more important minerals

1. cf Figure 1, p. 69.

2. cf. p. 70.

FIGURE 1
NUMBER OF VALID RESEARCH PERMITS



(Source : Archives of the Direction des Mines)

TABLE 2

COMPARISON OF MOROCCAN MINERAL PRODUCTIONS BETWEEN 1929 AND 1955 (IN TONS)

	<u>COAL</u>	<u>PHOSPHATES</u>	<u>OIL</u>	<u>LEAD</u>	<u>ZINC</u>	<u>MANGANESE</u>	<u>COBALT</u>	<u>IRON</u>
1929 Production (1)	0	1,694,400	40	5,328	2,059	13,150	0	0
1955 Production (2)	467,000	5,328,855	102,456	122,052	78,033	371,541	371,541	3,097,400
(1)/(2)%	0	32	0	4	3	4	0	0

(Source : Archives of the Direction des Mines)

which were to be found in Morocco. Even if it is not possible to take these figures at face value because mining research is a long time process, such a comparison is a good indication of the slowness of mining research.

Research permits were mainly a means of speculation, as when the 1914 Dahir was in force. The most striking point of this table is that the only mine which was giving good results was the phosphate one, i.e. the one that had been removed from the framework of the ordinary mining law¹ and which was exploited by the State.

Therefore, the 1923 Dahir had failed in its purpose to develop mining research and exploitation because it was impossible for the Service des Mines to enforce authoritarian measures on private companies.

Too strict an application of the open-door regime and too weak a control from the part of the State had led to a situation which was harmful for everybody, and particularly for private companies themselves. Moroccan mining industry had to be developed by private interests. This was indeed the only possible solution, both from an economic and a political point of view. However the legislative frame should have given more power to the Protectorate, in order to allow a smooth development of mining industry and to avoid speculation. A sort of regulating process ought to have been created, in order to put into the hands of the Protectorate the means of enforcing a more rational policy.

This inadequacy is all the more strange as Lyautey and Lantenois were the instigators of this legislation and were the ones who played

1. cf. Chapter IV.

a considerable role in the nationalization of phosphate¹. In that matter, they had proved that they had a very clear insight into the situation and would be able to take suitable measures to solve the problem, even when they were outside the frame of the law. In addition, in real terms, phosphate was not more important than all the other Moroccan mines put together. A more adaptable legislation would have generated much bigger and much quicker profits for French industry, for France and for Morocco, as phosphate did. However, if the matter was of similar importance, an essential element was lacking: a crisis. No event as dramatic as that which led to the creation of the Office Chérifien des Phosphates occurred until 1928 within the Moroccan mining industry.

It took a long time for the State to realize that the existing situation was leading to a dead end. This is the key factor: for a decision to be taken by the State, not only is it necessary to have well informed and competent people but also a major crisis is needed to force the system to come to a decision.

4 - The 1 November 1929 Dahir

Such a crisis became more and more obvious for the Protectorate authorities around 1928. The first important factor was that Morocco was not for France a profitable investment. The main sector which had been developed was agriculture, the products of which were dangerous competitors for those of the agriculture of the Metropole. Other sectors had therefore to be urgently developed. The second important factor was that Moroccan underground was not exploited, except for

1. cf. Chapter IV.

phosphate. The reasons for this situation have been examined in the previous section. These two factors will be analysed at greater length in Chapter V, when dealing with the creation of the Bureau de Recherches et de Participations Minières, which is intimately linked with the problem of coal.

As far as the evolution of the mining legislation was concerned, the result of such a crisis was a second attempt from the part of the Protectorate to exercise more control over private companies. This led to the promulgation of the 1 November 1929 Dahir which will now be analysed.

a - Research permits

A trend towards simplification appeared. Research permits were still valid for three years¹ and could be extended for four years² if enough research work had been carried out. Nevertheless an important point was added: any exceptionally interesting work that the permit holder had carried out on permits for areas surrounding that area for which a permit was to be renewed would be taken into consideration for the renewal of the permit, if such work might add further information concerning the mine for which the permit renewal was requested³. This allowed the explorers to have a more rational programme of research. In addition, the duties of the research permit holder were defined in a stricter way. Every permit holder was obliged to explore and to discover the characteristics of the beds covered by his permit. Work had to begin within a year of the permit being issued and had to be continued. All useful

-
1. Article 32.
 2. Article 36.
 3. Article 36.

information had to be given by the permit holder to the Head of the Service des Mines who could, if the work was insufficient, withdraw the permit once the holder had been summoned to present his comments¹.

This extra power given to the Service des Mines could have been quite efficient if used against speculators.

b - Concessions

In that case too, the 1929 Dahir was much simpler than the 1923 one. The intermediary stage of the exploitation permit was cut out, the research permit leading directly to a concession. The concession granted the exclusive right to exploit the mineral substances within a given category and perimeter. It could only be obtained by the holder of a renewed research permit². The duration of the mining concession was fixed at seventy five years for mines belonging to the three first categories and at fifty years for those of the fourth category. The concession could be renewed by dahir for a period of twenty five years if the concession holder had carried out sufficient work³.

c - Mining taxes

Mining taxes remained very low and the taxation system was much simpler. There was a tax of 3,000 Frs when a research permit was asked for, a tax of 6,000 Frs when it was renewed, a tax of 3,000 Frs when transferring from a research permit to a concession

1. Article 35.

2. Article 45.

3. Article 55.

and then a tax of 5,000 Frs per year during the entire length of the concession.

Customs duties were of 5% ad valorem on exported minerals.

In order to understand the real evolution of mining taxes, it is necessary to compare the rates enforced by the three first Moroccan mining laws. The situation is summed up by the following diagram¹, which gives the amount of taxes to be paid for a surface of sixteen km², which was the usual size of a mining permit.

In order to compare these figures, they must be up dated, by multiplying the 1914 figures by six and the 1923 ones by 1.75, according to the coefficients given by Mauchaussé². The results are shown on the following diagram³.

If inflation is taken into account, taxes, which were already very low in 1914, decreased considerably in 1923 and still further in 1929. Apart from this decrease, it is interesting to note that the tax system changed in 1929. Instead of increasing taxes gradually, it worked more like a series of barriers, taxes being demanded for the first year of the research permit, then when it was renewed and again when it was transformed into a concession. This new system had both the advantage of being simple and of discouraging speculators before they requested a mining permit. Here again it is possible to witness the main characteristics of the 1929 Dahir: encouragement of research, because of the low taxes, and greater control by the

1. cf. p. 76.

2. Mauchaussé, L'évolution du Régime Minier, p. 334.

3. cf. Figures 3 and 4 - pp. 76-77.

FIGURE 3

EVOLUTION OF MINING TAXES

Figure a (Fms)

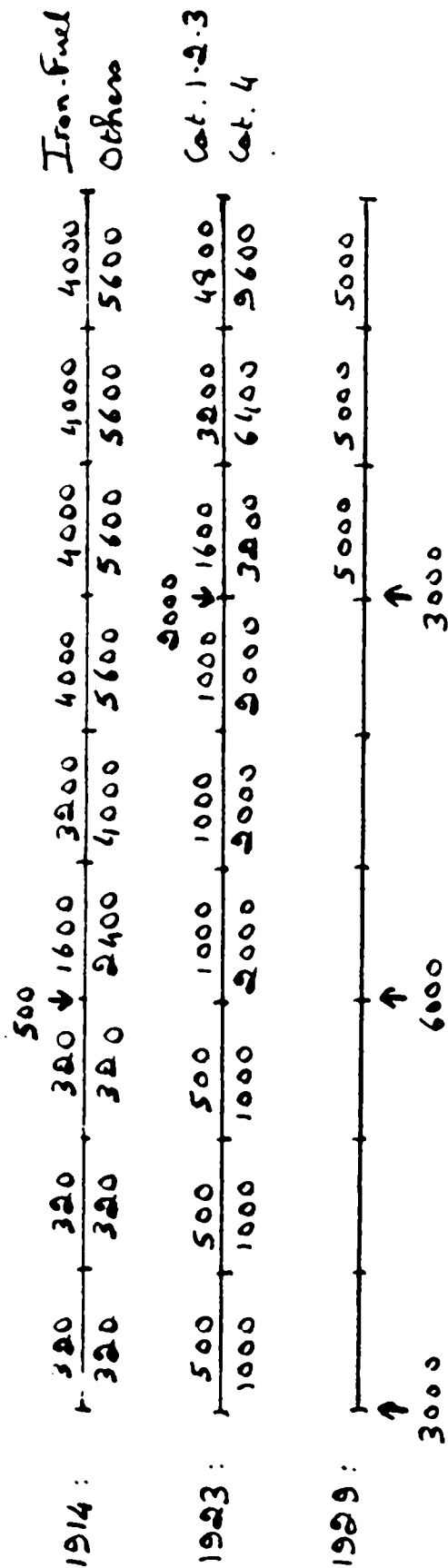


Figure b (1000 Fms)

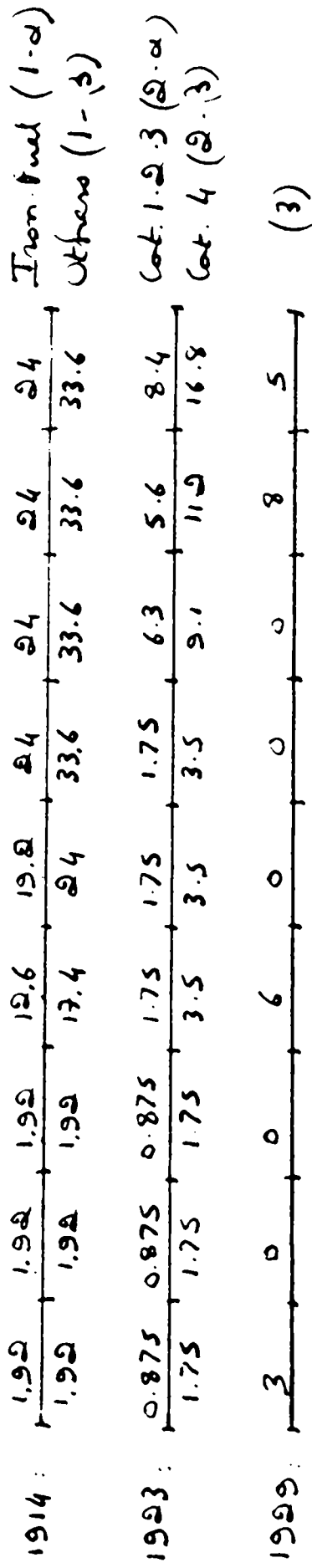
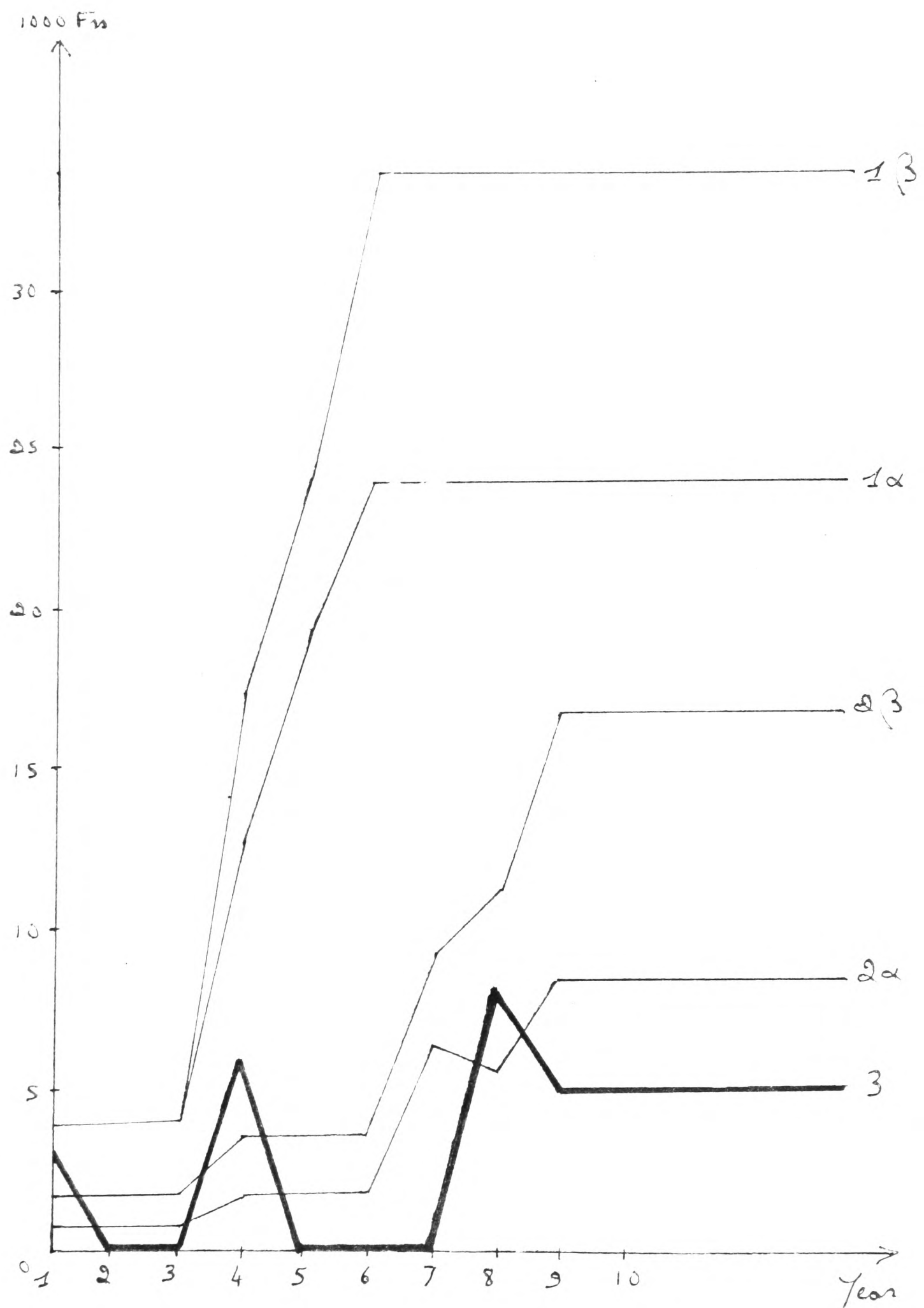


FIGURE 4
EVOLUTION OF MINING TAXES



Protectorate to ensure the seriousness of the prospectors, because of the barrier system.

5 - The evolution of the role of the State

Before examining the post-1929 period and the impact of the 1929 Dahir, the evolution of the role of the State as it appears from the three first Moroccan mining laws has now to be studied. The case of phosphate will be looked at in Chapter IV.

In the 1914 Dahir, the possibility of State exploitation was only mentioned for quarries. The Protectorate had the right to exploit, or to have exploited, privately-owned quarries, in accordance with the regulations for quarries and for temporary exploitation, given that the work it did would be of general interest¹.

In the 1923 Dahir, the possibility of intervention by the State was extended to mines. It was stated that the Protectorate could promulgate Dahirs which would designate areas on which, within the rights already granted, the right to research and to exploit mines of a given category could only be obtained by the means of a tender procedure. Dahirs could also authorise State owned organizations to request research permits and mining concessions, within the terms and conditions of the 1923 Dahir².

In the 1929 Dahir, there was an addition to the above article to the effect that the Protectorate could issue Dahirs which would designate areas on which the exploitation of a given mineral would be reserved to the State³.

1. 1914 Dahir-Article 3.

2. 1923 Dahir-Article 7.

3. 1929 Dahir-Article 7.

This meant that there was therefore a constant trend towards a greater influence by the State in mining affairs. In real terms, however, until 1929, very few permits were going to be requested by State owned organizations.

In the three dahirs, it was possible for the State to extend the validity of mining rights if there had been a lapse or an interruption which was not due to the researcher or to the exploiter¹.

From 1923 on, it was noted that only the administrative authority could estimate the limit and the contents of permits and concessions and, in the case of a dispute, only this authority could interpret the legalities of the mining rights². In that case too the main trend was towards greater control on the part of the State. Another illuminating point is that of what happened when the exploiter decided to give up his rights.

If, in the 1914 Dahir, a tender was issued and, after two attempts at three months intervals, the mine had not been allocated, the permit was annulled by dahir. The Service des Mines had then to give instructions for the limits to be lifted and the area became available again, as if there had never been a mine. However, the previous permit holder could remove all equipment and installations from the site but this had to be done within a maximum period of six months. If not, the equipment and the installations automatically became the property of the Protectorate³.

In the 1923 Dahir, a tender was also issued, with the following

-
1. 1914 Dahir-Article 6 - 1923 Dahir-Article 13 - 1929 Dahir-Article 13.
 2. 1923 Dahir-Article 23 - 1929 Dahir-Article 23.
 3. 1914 Dahir-Article 32.

conditions. If the permit carried valid rights, the profit of the tender was assigned for judicial distribution among those who held the rights, once the loans and the royalties had been paid off. The remainder went to the State. If the tender drew no bids, the permit was cancelled by dahir. The permits which carried no rights were also cancelled by dahir¹. As far as concessions were concerned, the mine returned freely to the State at the end of the concession period². When the concession expired or was cancelled, the buildings constructed on the land by the previous concession holder also became the property of the State, without compensation. Furthermore, when a concession expired or was cancelled, an Arrêté Viziriel could decide whether the equipment of the mine should be acquired in toto or in part by the State or by the new concession holder, on payment of a fair compensation to be fixed, failing an amicable agreement, by the tribunal³.

In the 1929 Dahir, everything was much simpler. On expiry, the concession returned to the State free from all charges, including the buildings⁴.

In that case too the position of the State was much stronger.

Another important article of the 1929 Dahir was the obligation for the concession holder to maintain the mine in an exploitable condition. If the exploitation of a mine was suspended or delayed for a legitimate reason, the concession holder was obliged by the Directeur Général des Travaux Publics to resume or to increase the works

1. 1923 Dahir-Article 65.

2. 1923 Dahir-Article 82.

3. 1923 Dahir-Article 89.

4. 1929 Dahir-Article 56.

within a period which could not be less than six months. If the concession holder failed to confirm, within the time specified, that he had resumed working and that he was able to continue his work, the concession could be withdrawn from him by dahir¹. In this case, a tender was issued and the State could, during the month following the tender, exercise its right of pre-emption. If the tender remained unanswered, a dahir cancelled the concession or decided that the mine should return to the State, free from all charges including the buildings². In addition, if the concession holder renounced his concession, it was cancelled or returned to the State, free of charge³.

These measures, which enforced stricter control from the State on mining industry, were somewhat theoretical, as the actual exploitation of the Moroccan underground had not really begun, at the time of the publication of the 1929 Dahir.

Much more important was the possibility which was given to the State to control market outlets, even when the minerals concerned were extracted from privately owned mines. It was stated that the dahirs which granted exploitations permits and concessions could contain clauses stipulating the supply of products needed by the country. These same dahirs could confer upon the State the right to buy back the permits and concessions covering the mines, as well as the buildings, and also the stocks, on payment of compensation calculated on the total value of the articles taken, including the value of the purchase of the mines, as if it were a private sale.

1. 1929 Dahir-Article 59.

2. 1929 Dahir-Article 60.

3. 1929 Dahir-Article 61.

This compensation would be fixed judicially if there were no amicable agreement¹.

The use of this Dahir will be studied in the analysis of the Bureau de Gérance of the Jérada coal mine, during the Second World War². In any case, a considerable amount of power could derive from this Article, because it was very general and vague. Almost any mineral could be considered as needed by the country. This trend towards greater control from the State has to be considered in conjunction with the creation of the Bureau de Recherches et de Participations Minières³.

6 - The post-1929 period

In every aspect of the mining legislation a greater control by the State on the activity of mining permit holders was noticeable when analysing the 1929 Dahir. Serious exploration and exploitation of the beds were encouraged. Barriers were used against speculation. Nevertheless the 1929 Dahir came at just the wrong moment. Because of the World depression, metal prices were falling drastically on the world market, leading to a sharp decrease in the Moroccan mining production which was just beginning. If phosphate is excluded, the total amount of minerals exported fell from 11,628 tons in 1927 to 8,013 tons in 1929 and to as low as 4,091 tons during the first ten months of 1930⁴.

Companies exerted greater and greater pressure on the Government

1. 1929 Dahir-Article 89.

2. cf. Chapter VII.

3. cf. Chapter V.

4. Hoffherr et Mauchaussé, Formules Modernes, p. 198.

to ease the situation. However there were no real measures the Government could have taken, either in France or in Morocco. All decisions were bound to have very marginal effects. On the one hand they could deal with taxes, which were already very low, and, on the other hand, they could ease the control of the work which was actually carried out by the mining companies. Such measures were not to have a big impact on the production.

Indeed, measures were taken to reduce both the taxes and the control, thus completely destroying the essence of the 1929 Dahir before it really began to have any influence on the mining industry. From the point of view of the mining legislation, the attempt of the State to control mining companies would be very short-lived. This evolution will now be described.

a - Mining taxes

On 7 May 1932, a dahir cut by half the taxes on renewed research permits and all taxes on exploitation permits until the end of the year. These measures were extended until the end of 1933¹. Taxes on the issue of research permits were cut by half until the end of 1933 by a dahir on 14 June 1933. All these measures were then prolonged until the end of 1937². The taxes on the transfer of permits which had been issued under the 1923 Dahir were also halved³. The same cuts were made for concessions⁴ and this measure was also extended until the end of 1937.

1. Dahir 26 November 1932.

2. Dahirs 25 November 1933, 1 November 1934, 21 October 1935 and 1 December 1936.

3. Dahir 25 June 1935.

4. Dahir 21 October 1935.

These laws would not be worthy of mention if this collection of dahirs were not typical of the very short term effect of all these decisions and of the lack of a coherent policy from the Civil Service. In fact, there could be a partial excuse for this as one cannot expect any Government to have a long term policy when faced with a crisis as important as that of 1929.

More curious is the fact that these decisions were dealing with secondary matters. One wonders what was the effect of halving the already very low taxes on research and exploitation. The prevailing feeling was that private interests took the opportunity of the crisis to reduce the influence of the State on mining affairs.

b - Export taxes

In the matter of export taxes on minerals there seems to be the same confusion. Following a law which suppressed export taxes on all products made in Morocco¹, a dahir taken on the same day reduced export taxes from 5% to 3% on minerals of the second category until 31 March 1932. A few weeks later, these taxes were suspended for minerals of the first category and for some of the second category, as, for instance, iron, manganese, copper, lead, zinc and antimony². These measures were extended until the end of 1933. Then two products were added to the list: cobalt and molybdenum³. All these measures were extended until the end of 1937⁴.

As in the case of surface taxes, these measures, taken without

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1. Dahir 16 March 1931.
 2. Dahirs 29 March 1932 and 18 May 1932.
 3. Dahir 26 January 1933.
 4. Dahirs 18 December 1933, 27 December 1934, 19 November 1935 and 1 December 1936.

due thought, had a very small impact indeed, because export taxes were already very low and because the decrease was of no significance in comparison with the fall in prices due to the crisis. Another surprising point was the fact that, at that time, Morocco was not exporting these minerals in noticeable quantities. As Dubois noted: 'En somme, de 1932 à 1938, on a suspendu une taxe à l'exportation frappant des entreprises qui n'exportaient pas'¹.

c - Control on the works

The decrease in the control on the works carried out by the research permit holders was certainly more fundamental. On 10 September 1934, a dahir allowed a prolongation of three years on those permits which had been issued under the 1923 Dahir, without any control of work done, and with very low taxes. This was a clear return to an extension of the validity of the permits without any control. On 1 December 1936, a dahir allowed research permits issued under the 1929 Dahir to obtain a one year extension, merely on demand. On 10 December 1937, a dahir gave one more year. As far as exploitation permits were concerned, an extra year was also given, again, merely on demand². All these measures were absolutely in contradiction to the 1929 Dahir. Here again Dubois is absolutely right when noting:

'Nous pouvons dire que toutes ces mesures libérales n'auraient pas été graves si elles avaient gardé un caractère exceptionnel de mesures de temps de crise: mais on sait que les mauvaises habitudes se prennent vite, et, par malheur, la seconde guerre mondiale conduira à les maintenir en

1. Gérard Dubois, "Evolution de la législation minière au Maroc Français," Annales des Mines, No. 2 (1952), 19-42.

2. Dahir 1 December 1936.

grande partie. On conçoit donc qu'il sera très difficile, lors même du retour à une économie à peu près normale, de revenir à un régime plus autoritaire et on peut déjà prévoir quel précédent désastreux aura été le libéralisme excessif de cette période'¹.

d - Conclusion

The 1929 Dahir, which was the second attempt to control mining activity, failed, as did the 1923 Dahir. It has been seen that the main economic reason for this failure was the 1929 crisis. However, this was not a sufficient reason for the incoherence of the mining policy in the thirties. There was clearly an extra factor: the increasing influence of companies on the Résidence Générale. The study of the Atlas metallic mines² and of the evolution of the role of the Protectorate in the Jérada coal bed³ will illustrate this point which is at the very centre of this thesis. In fact, mining companies took the opportunity of the crisis to destroy a mining law which was too constraining. This was in accordance with the general evolution in Morocco. Lyautey had left in 1925 and the short stay of Labonne as Secrétaire Général du Protectorat was over too⁴. Private interests were free to develop without any constraint. Once again this freedom was working against the development of the mining industry and therefore against mining companies themselves.

The situation was going to continue until the end of the Protectorate.

1. Dubois, p.31.

2. cf. Chapter VI.

3. cf. Chapter VII.

4. cf. Chapter VI.

'L'inadaptation la plus criante de la législation en vigueur était le taux des taxes minières et des forfaits de dépense, qui apparaissait en 1945 absolument dérisoire et le premier moyen de lutter contre l'accaparement était de les relever notablement.

Les taxes d'institution et de renouvellement apparaissaient tellement faibles que personne n'hésitait plus à se rendre titulaire d'un nombre de permis dits "de couverture" aussi grand qu'il jugeait utile et qu'on arrivait ainsi à une énorme inflation des titres miniers en validité.

A la fin de 1949, étaient en validité 1.031 permis de prospection, 3.079 permis de recherche, 362 permis d'exploitation et 41 concessions, qui ensemble auraient représenté, s'ils n'avaient pas en partie chevauché les uns sur les autres, une superficie totale de soixante-douze mille deux cents kilomètres carrés, soit presque un sixième de la superficie totale du pays.

Quant aux forfaits de dépense, ils étaient devenus ridicules, le taux de quinze mille francs par an et par permis ne représentant même pas le salaire d'un manoeuvre¹.

7 - Conclusion

If exception is made of phosphate, from a legislative point of view, the whole process which has been described above was a vicious circle. The State proved unable to take real measures to impose some control on private mining companies.

This situation can be summed up in the following way.

International pressures led to the 1914 Dahir which, because of these pressures, was rudimentary and unclear. Therefore the 1923 Dahir was issued, putting forward so weak a control on explorers that it was not suitable for the mining development of Morocco. These difficulties, added to those of the French economy, led to the 1929 Dahir, which was more authoritarian. As a reaction to this increase in State control and because of the economic crisis, private companies insisted on a return to a much

1. Dubois, p.39.

weaker legislation, from 1931 onwards.

Therefore the only periods when a certain amount of State control was enforced were (a) 1919-1920, when Moroccan phosphate was nationalized, and (b) 1929-1930, when the 1929 Dahir was promulgated and when the Bureau de Recherches et de Participations Minières was created, in order to control vast sectors of mining industry.

Attention should therefore be focussed on these two periods. The following chapters will explain the reasons for these exceptions and how these events can be integrated into the general stream of the evolution of the Moroccan mining industry.

CHAPTER IV

THE CREATION OF THE OFFICE CHERIFIEN DES PHOSPHATES

The creation of the Office Chérifien des Phosphates (O.C.P.) in 1920, was the most important single event in the history of the Moroccan mining industry. This stems from two facts: (1) phosphate was by far the largest Moroccan mineral resource, and (2) the Office Chérifien des Phosphates was, during the whole period of the Protectorate, the only public Moroccan mining company. Looking at the general character of the Moroccan economy and the main trends of the mining legislation, the fact that phosphate was nationalized is extremely surprising. The aim of this chapter is to explain the reasons why such a measure was taken.

Firstly, the literature on the subject will be examined (section 1). It will be shown that the general belief is that the decision to nationalize phosphate mines was made by Général Lyautey, his aim being to develop the Moroccan economy as quickly as possible, and to make it financially independent from France.

The analysis of the phosphate question will be divided into four stages, illustrating the way in which the State gradually increased its control. The first step was to decide on stricter control of the private owners of research permits (section 2); the second one was to create a State monopoly for phosphate research (section 3); the third to give up the tender procedure for indirect State control, which would mean that the actual management of the phosphate mine should be in the hands of a private company but that the Protectorate should own the mine, taking the risks and receiving the profits (section 4).

The final step was the creation of the Office Chérifien des Phosphates, a company directly controlled by the Protectorate (section 5).

Section 6 will analyze the various reactions to the nationalization of phosphates and the violent campaign which arose after the decision.

After having briefly described the beginning of the exploitation of the phosphate mine (section 7), the role of the various decision makers will be analyzed (section 8).

1 - The general opinion on the subject

It is usually thought that the decision to nationalize Moroccan phosphate was made by Lyautey. The main reason which is given was his desire to develop Morocco on a solid basis, to use the profits from phosphate exploitation in the Moroccan budget and therefore to become less subject to the control of the French Government and Parliament.

For instance, Jean Guillemin¹, in analysing the structure of the Office Chérifien des Phosphates from a legal point of view, pointed out that

'ce qui compte c'est la mise en valeur du pays, et sa mise en valeur pour le protectorat et au bénéfice du protectorat. C'est cette idée qui, selon nous, est à la base de la création de l'Office Chérifien des Phosphates'².

In order to prove this, he referred to one of the preambles of the Dahir nationalizing phosphates:

1. Jean Guillemin, l'Office Chérifien des Phosphates du Maroc, Thèse pour le Doctorat, Université de Caen, Faculté de Droit (Caen: Imprimerie Caennaise, 1928).

2. Guillemin, p. 19.

'(Considérant) qu'il est nécessaire d'organiser (l'exploitation des gisements de phosphates) de manière à satisfaire à des convenances d'intérêt général dont l'Etat seul peut être juge'.

However, Guillemin added that it should be understood that the general interests referred to were those of the Protectorate, not those of France¹. In order to further establish this analysis of the reasons for the nationalization of the Moroccan phosphates, he also pointed to the independence of the Moroccan Civil Service.

'Nous savons trop, par ailleurs, combien le Général Lyautey, Résident Général et chef de l'Administration Marocaine se souciait peu de l'opinion publique, voire parlementaire. L'éloignement du Maroc faisait enfin que son Administration quasi-indépendante s'en souciait assez peu également'².

He noted too that:

'Le proconsul de génie qu'était le futur Maréchal Lyautey, peu enclin à se courber aux contrôles parlementaires, devait vouloir retrouver par ces services industriels, un peu d'élasticité budgétaire qu'il estimait indispensable dans un pays neuf comme le Maroc'³.

He also referred to 'les idées plus ou moins autoritaires voire proconsulaires du Résident Général de l'époque'⁴.

1. Guillemin, p. 13.

2. Guillemin, p. 12.

3. Guillemin, p. 28.

4. Guillemin, p. 18.

Therefore, according to Guillemin, the decision to nationalize phosphate mines was taken by Lyautey in order to strengthen the country and avoid French parliamentary influence as much as possible. The creation of the O.C.P. would be a kind of economic coup. This chapter will aim at proving that Guillemin's analysis is wrong.

Another, more detailed, analysis of the decision was made by Mauchaussé¹ who distinguished three reasons for the nationalization of phosphates. Firstly, there was the pressure on the French Government from those in French agriculture who wanted cheap phosphates and were afraid that the Compagnie de Gafsa - the main Tunisian phosphate company - would control Moroccan phosphates and thus create a virtual North African monopoly on phosphates. Secondly, there was the need to protect French interests and prevent foreign companies from controlling Moroccan phosphates. Finally, the third reason Mauchaussé gave was that the Résidence Générale wanted to annexe any major resources to provide a source of revenue, as noted by Guillemin.

Mauchaussé pointed out that three different governments had had to be convinced: the French, the Résidence Générale and the Maghzen, and, in addition, the French Parliament. Mauchaussé was right in underlining the importance of the role of the French Government but definitely wrong in underlining that of the Maghzen. However he had to obey the official rule according to which Morocco was a Protectorate, not a colony. Nevertheless, despite the above analysis, Mauchaussé himself stressed the importance of the role played by Lyautey, in one of the books he wrote in collaboration with

1. Paul Mauchaussé, L'évolution du Régime Minier au Maroc Français (Paris: Librairie Sirey, 1931) pp. 90-94.

René Hoffherr:

'Lyautey se résolut, au mépris des protestations et des suspicions les plus diverses, à ouvrir une brèche des plus sérieuses dans la réglementation de 1914'¹.

Another important study of the O.C.P. has been made by Roger Chapus².

He strongly disagreed with the view that phosphate had been nationalized in order to keep foreign interests out.

'Entre le 4 août 1919 et le 27 Janvier 1920, le gouvernement du Protectorat devait - sous des influences que nous ignorons - changer brusquement d'avis. On a donné comme motif officieux de cette volte-face le fait que l'Acte général d'Algéciras nous obligeant à tenir les étrangers sur un pied d'égalité avec nos nationaux, l'adjudication des gisements de phosphates aurait dû leur être ouverte. Nous ne craignons pas de dire que cette raison ne valait rien. Sous le régime de la loi du 21 avril 1810 sur les mines les étrangers ne pouvaient-ils pas en France même acquérir des concessions minières?'³.

It was not really logical to compare French and Moroccan mining legislation. Although in France, foreign companies were legally allowed to obtain mining rights, in practice the Government could make it very difficult for them to do so. In Morocco, because of the Algéciras Act and the Fez Treaty, it was the duty of the Résidence Générale to make sure that all competitors should be on equal terms. The position of both governments was therefore quite different. Moreover, the French Government had the opportunity of playing

1. Hoffherr et Mauchaussé, Charbon et pétrole, p. 144.

2. Roger Chapus, L'exploitation des phosphates au Maroc. L'Office Chérifien des Phosphates Thèse pour le Doctorat - Université de Paris. Faculté de Droit (Paris: Ernest Sagot et Cie, 1928).

3. Chapus, pp. 51-52.

on various economic factors, such as Customs duties or Government aid, in order to favour French companies if it wanted a particular bed to remain in French hands. This was not the case in Morocco, again because of the Algeciras Act. The means used by the Résidence Générale in order to favour French interests in Morocco had to be much more subtle and well concealed, if diplomatic problems were to be avoided.

Roger Chapus gave two reasons for the nationalization of phosphates. The first one was from the fiscal point of view:

'En réalité, comme le laissent du reste entendre les annexes du projet de loi d'emprunt de 1920, c'est pour des raisons purement fiscales que l'Etat Chérifien s'est décidé à se réserver l'exploitation des phosphates ... On estime qu'il valait mieux, au lieu de partager les bénéfices avec un concessionnaire, les garder entièrement pour l'Etat ...'¹

The second point was more ideological:

'(L'O. C. P.) est l'une des applications - et peut-être celle qui a le mieux réussi - des doctrines nouvelles sur les offices industriels. Depuis la fin de la guerre en effet, sous l'influence des idées socialistes et syndicalistes, on a cru à la possibilité de créer une forme nouvelle d'organisation de la production qui, intermédiaire entre le monopole d'Etat et l'exploitation industrielle privée, participerait des avantages des uns et des autres'².

Chapus noted similar examples in France, such as the Office National Industriel de l'Azote, the mines of the Sarre and of the Potasse d'Alsace. He clearly stated his opposition to such organizations:

1. Chapus, p. 61.

2. Chapus, p. 2.

'Nous estimons qu'au point de vue d'un intérêt politique intérieur, il aurait mieux valu éviter de faire au Maroc du socialisme d'Etat'¹.

It will be shown that neither the fiscal nor the ideological points Chapus mentioned played an important role in the nationalization process.

The books quoted above dealt with the mining question. However, in almost every work concerned with Moroccan economics, there is a short study of the Office Chérifien des Phosphates and reference is made to the utmost importance of Général Lyautey in the decision making process. This view is also commonly expressed by the vast majority of those who held, or who still hold, responsibility in the Moroccan mining industry².

However, the fact that Lyautey was the main decision maker seems illogical. It has been shown in Chapter II³ that Lyautey had always been favourable to private interests and that, in no area, did he ever encourage State intervention in economic matters. Moreover, it is difficult to believe, as Guillemin did, that Lyautey made a sort of economic coup. It is one thing to dislike parliamentary procedure and quite another to take a decision which, it was clear, would upset the world phosphate market and create international problems for France since it contravened the Algeciras Act. Furthermore, the whole future of the most important Moroccan resource would have been at stake. Such a decision is more likely to have been taken in Paris than in Rabat. The idea that Lyautey did not play the role he is thought to have played is confirmed by Eirik Labonne's opinion.

1. Chapus, p. 59.

2. Interview Bouillot and interview Despujols for instance.

3. cf. p. 35

'La paternité de l'affaire (de la création de l'Office Chérifien des Phosphates) est un problème que j'ai étudié depuis ma venue ici avec une minutieuse passion. Songer, quel problème? Chercher savoir qui? Qui a eu la conception, la volonté? Et plus encore, psychologiquement, la conscience. De loin, de Paris, je ne doutais pas que cet acte fut le fait d'un seul et d'un bougre'¹.

He found, by analysing documents to which he had access in the Résidence Générale, that there was not only one decision maker but that at least a dozen civil servants could have participated actively in the decision. Trying to discover who really provided the impetus, Labonne eliminated a certain number of them.

'Cependant, il en restait trois ou quatre, parmi lesquels je rencontrais toujours un homme pivot. Un mot de vous a troublé profondément ma conviction, peu à peu assise et rarement contredite... Ce pivot, m'avez vous dit, était hésitant'².

The "pivot" to whom Labonne referred was most certainly Lyautey. Nevertheless, whoever he may have been, Labonne's letter proves that the matter is far from simple and that things are not as obvious as they appear.

Lantenois's claim to have been at the centre of the decision process also confuses the situation. Lantenois was the adviser of the Protectorate for mining questions. On 20 June 1929, he wrote to Joyant, who was at that time Directeur Général des Travaux Publics in Morocco, to ask for an increase in the allowance he received from the Protectorate. Wanting to prove that such an increase was highly justified, he stressed the utmost importance of his contribution to

1. AL-Labonne to Joyant-19 December 1928.

2. AL-Ibid.

the creation of the Office Chérifien des Phosphates: he was the first to understand the problem, to realize the vast size of Moroccan phosphate beds, to advise that Tunisian and Algerian phosphate companies should be protected and Moroccan mining legislation modified. Lantenois claimed to be the link between Rabat and Paris, between diplomats and technicians. He stated that he was the one who had finally put forward the best solution: nationalization¹.

Although this kind of statement should be treated critically, especially in such a context, there is certainly at least some truth to Lantenois's claim. Had Lyautey been universally recognized as the prime mover, Lantenois would not have been so foolhardy as to write in this way to a senior Moroccan civil servant who was already in Morocco at the time of the creation of the Office Chérifien des Phosphates. There is no doubt that Lantenois's position was quite important.

The question of the creation of the Office Chérifien des Phosphates will now be examined by analyzing the letters exchanged between the potential decision makers².

2 - State control on phosphate research

The presence of phosphate in Morocco was mentioned for the first time

1. AL-Lantenois to Joyant-20 June 1929.

2. The main source used is the Archives of the French Ministry of Foreign Affairs - Series M-49-4, which consists of three files. In the following footnotes, no series numbers are given, for the sake of simplicity. Only references such as AMAE-I-6, will be given, 'I' being the number of the file and '6' that of the page. The complete footnote would have been AMAE-M-49-4-I, p.6.

by Abel Brives in 1908 in a report to the Académie des Sciences¹. This led to no further research until the first official declaration of discovery, in 1912, by Combelas, a former employee of the Compagnie de Gafsa, the major Tunisian phosphate company. The bed discovered by Combelas was located in the Oued-Zem area, to the north of the Atlas mountains, in the same area mentioned by Brives.

In 1913, a few other declarations of discovery were made to the Service des Mines. The majority of them, including Combelas's, were regrouped a few months later under the name of Busset².

When the Arbitration Commission, the body responsible for determining all mining rights previous to the 1914 Dahir³, began its activities, four requests were made:

- that of Busset
- two isolated French requests
- one from the Morokko Minen Syndikat⁴.

The last three requests had little chance to be taken into consideration, because the areas which were concerned were not really interesting. In opposition, Busset's claim was very serious. The Service des Mines recognized that 'il est certain que M. Combelas ... est l'inventeur du gîte d'El Boroudj'⁵. Busset asked for permits on 78,000 hectares, which included the phosphate bed.

1. Despujols, Historique des Recherches Minières au Maroc, p. 72.

2. Despujols, p. 73.

3. cf. Chapter III - p. 52.

4. AMAE-I-14 to 19 - n° 1067 - 16 January 1919.

5. AMAE - Ibid.

Moreover, he was entitled to ask the Arbitration Commission for exploitation permits, as his declaration had been made before the publication of the 1914 Dahir.

After 1914, the situation was entirely different. As has been seen in Chapter III, the 1914 Dahir created research permits for phosphate, but no exploitation permits. Exploiting companies would be chosen by means of a tender¹.

Under the new mining law, Busset requested and obtained twenty research permits, for an area in the West of Oued-Zem. However, he did not carry out serious research in the areas he controlled, waiting for the decision of the Arbitration Commission.

At the end of 1916, Lyautey asked the Service des Mines to begin research work for phosphate in the Oued Zem area. The work was carried out under the direction of Savry, Chef du Service des Mines, and of Commandant Bursaux, former manager of the Compagnie de Gafsa². In 1918, eighty thousand Francs of the Moroccan budget were allocated for phosphate research³.

It was soon recognized that the phosphate bed was extremely important, both in size and in quality. It became clear that the Moroccan phosphate bed would at least equal in size the Algerian and Tunisian beds.

This awoke the interest of Clementel, French Minister of Commerce, Industry, Post and Telegraphs, who wrote to Lyautey to ask him about the Moroccan phosphate beds⁴. Lyautey replied that the bed was very important

1. cf. p. 57.

2. Despujols, p. 75.

3. AMAE-I-11-n° 1961-13 December 1918.

4. AMAE-I-5-Lyautey to Clementel-Rabat-7 May 1918.

indeed but not fully recognized and advised caution in estimating the reserves¹. In his letter, Lyautey did not mention the way these beds should be exploited. Clementel was the first one to take this problem into consideration, advising Lyautey to take authoritarian measures:

'Je serais d'avis de conserver intégralement cette richesse pour le Maroc. Il est très important qu'une matière aussi essentielle à l'agriculture puisse être exploitée et répartie suivant un programme basé uniquement sur le développement de notre production agricole. C'est en réalité une véritable part de la puissance publique qu'il ne convient pas d'alliéner. Je me permets de vous donner cette indication parce qu'elle correspond à un programme économique que je me suis toujours efforcé de réaliser comme le plus conforme aux intérêts du pays et que je serais heureux personnellement de voir appliquer au magnifique domaine dont vous avez la charge'².

When advising that Moroccan phosphate should be exploited according to a programme based on agricultural production, Clementel was clearly speaking of French agriculture, because (a) as the French Minister of Commerce, he was concerned with the providing of phosphate for French agriculture, and (b) Moroccan agriculture was not sufficiently developed to need large quantities of phosphate. Moreover, when he spoke later on of the economic programme he had always been keen to realize, he meant the economic development of France. Therefore his point of view was that Moroccan phosphate should remain under the control of the Protectorate, in order to satisfy the needs of French agriculture.

However, Clementel neglected the fact that Morocco was a Protectorate,

1. AMAE-Ibid.

2. AMAE-I-1-Clementel to Lyautey-Paris-10 June 1918-n° 1292 SG.

and that the Algeciras Act and the Fez Treaty imposed on it the open-door regime.

Therefore, the first move to contravene the 1914 Dahir came from Clementel and not from Lyautey. A further proof of this can be found in Lyautey's answer to Clementel's second letter. He first agreed with Clementel about economic development:

'Je suis entièrement d'accord avec les opinions que vous m'avez exprimées; j'estime comme vous qu'une matière minérale aussi essentielle à l'agriculture doit être l'objet d'une exploitation conforme au programme d'ensemble du développement économique et agricole du pays. Cette règle ne sera pas perdue de vue quand se posera la question de la mise en exploitation ...'¹

However, after these very general considerations, Lyautey came to the central point, that of diplomatic and legal constraints:

'Je tiens au surplus à vous signaler que nous ne sommes pas au Maroc entièrement libres de déterminer le régime auquel soumettre nos mines; sans parler des traités internationaux et des principes d'égalité économique qui s'imposent au Protectorat, la question minière est régie par le règlement édicté en 1914, auquel nous ne saurions apporter de modification sans l'assentiment exprès du Département des Affaires Etrangères. Il y a là une limitation de notre liberté de décision que je ne pouvais pas passer sous silence ...'².

Lyautey was therefore clearly opposed to the solution Clementel had proposed. This is quite typical of Lyautey's personality. On the one hand his main

1. AMAE-I-2-Lyautey to Clementel-Rabat-25 July 1918.

2. AMAE-Ibid.

concern was Moroccan economic development. Phosphates being one of the key factors of such a development, Lyautey wanted quick, well-organized and profitable exploitation. From that point of view, he was certainly not opposed to some sort of centralized decision-making process. On the other hand, however, he was abiding by the fact that Morocco was a Protectorate and acknowledging the need to respect international treaties. Moreover, as shown in Chapter II¹, he had always depended on private interests in order to develop the Moroccan economy. The fact that Lyautey and Clementel worked for different Ministries also explains their diverging opinions. Clementel spoke from the viewpoint of economic rationality. The French Ministry of Foreign Affairs spoke in terms of mining legislation and international treaties.

During the second half of 1918, news of the importance of the Moroccan phosphate beds became more widespread. The Ministry of Foreign Affairs asked Lyautey for the results of the research and

'sous quelle forme et dans quelles conditions vous envisagez la mise en valeur d'une richesse qui est représentée comme considérable'².

It stated that

'la question des phosphates d'El Boroudj... préoccupe vivement certains éléments du monde de l'agriculture et de l'industrie métropolitaine'³.

In his answer, Lyautey pointed out that all the information he gave was highly confidential, because the more the news spread, the more research permits would be requested and greater shares in the profits of the discovery

1. cf. p. 35.

2. AMAE -I-11-n°1961-13 December 1918.

3. AMAE-Ibid.

might have to be paid once the bed was exploited¹.

Referring to a report from the Service des Mines², he summed up the various claims on the phosphate bed. He pointed out that Busset's claims³ were extremely annoying and that it was necessary to prevent him from being granted exploitation permits by the Arbitration commission⁴.

It was suggested that, although Combélas has discovered the phosphate bed, no serious works had been carried out and that, therefore, the exploitability of the bed had been proved neither by Combélas nor by Busset. This could be a good reason to refuse him the right to exploit the bed for his sole profit. The Service des Mines proposed to give him compensation or, if it could not be avoided, a small share of the royalties⁵.

Even if Busset's claim was rejected by the Arbitration Commission, he could still ask for a share of the royalties, because of the twenty research permits he had acquired after the promulgation of the 1914 Dahir. On this point, the position of the Service des Mines was that Busset was not entitled to do so, because the phosphate bed covered by these permits was the same one which had been previously discovered. There was therefore no real new discovery⁶.

1. AMAE-I-12-n°82-22 January 1919.

2. AMAE-I-14 to 19 n°1067-16 January 1919.

3. cf. p.98.

4. AMAE-Ibid.

5. AMAE-Ibid.

6. AMAE-Ibid.

The position of the Résidence Générale was clear: the tender procedure was a very good solution for the Protectorate. Its goal was to try to dismiss the claims of those who discovered the bed, in order to avoid paying them a share of the royalties.

Another point was very worrying for the Résidence Générale. No serious research was being made on the bed by the holders of research permits. As a general rule in Morocco, the possession of a research permit was a way to speculate, rather than to conduct actual research¹.

As far as the exploitation of the bed was concerned, the Service des Mines reaffirmed that it was necessary to refer to Article 51 of the 1914 Dahir², that is to say to the tender procedure. It stated that such a solution was very satisfactory indeed for the State³. There was no mention of Clementel's point of view, either on the part of the Service des Mines, or of Lyautey. The only concern of the Résident Général and of his services was to minimize the rights which the research permit owners could claim and to speed up research on the bed. This was a very sensible point of view in order to protect the interests of the Protectorate.

In the mean time, as had been stated by the Ministry of Foreign Affairs⁴, more and more industrial groups were interested in the Moroccan phosphate bed. Amongst the more important ones were Saint-Gobain, the Compagnie des produits chimiques de l'Ouest, the Société d'Etudes, led by Hersent, the

1. cf. Chapter III-p. 62.

2. cf. Chapter III-p. 57.

3. AMAE-Ibid.

4. cf. p. 102.

Société de Chatillon-Commentry-Fourcham and, above all, the Compagnie de Gafsa¹.

The position of the Tunisian phosphate company is easily understandable. It had a leading role in the world phosphate market and it was becoming more and more obvious that the Moroccan beds were larger and could produce phosphate of a much higher quality than theirs.

Other Tunisian phosphate companies shared the same point of view. Significantly, the President of the Board of Directors of the Société des Phosphates Tunisiens protested to the Ministry of Foreign Affairs, on 19 March 1919, because he had heard that the Moroccan phosphate bed was going to be leased to a private company without any previous competition². The reply was that this was quite incorrect and that a tender would take place, as stated in Article 51 of the mining legislation³.

In Rabat, nobody had yet departed from the idea of a tender. On 31 May 1919, Lyautey sent a telegram to the Ministry of Foreign Affairs to ask for an engineer to come to Rabat to study the specifications of the tender⁴.

This confirms Lyautey's position. On the one hand, he was very concerned with exploitation of the phosphate bed. He wanted research to be done efficiently and everything to go as quickly as possible in order that Morocco might develop at the fastest possible rate. On the other hand, however, Clementel's advice had been completely forgotten.

1. AMAE-Ibid.

2. AMAE-I-25-Paris-19 March 1919.

3. AMAE-I-28-2 April 1919.

4. AMAE-I-30-n°289-31 May 1919.

Yet, for reasons quite different from Clémentel's, the Résidence Générale was going to take the first authoritarian measure on phosphate. On 28 July 1919, an Arrêté Viziriel was published, reinforcing the control of the Protectorate over phosphate research¹. The preambles of this Arrêté Viziriel explained very clearly the reasons which had led the Service des Mines to increase this control.

'Considérant qu'il est conforme à la lettre et à l'esprit du Dahir que le Protectorat s'attache à mettre en évidence, aux yeux des personnes qualifiées, la valeur industrielle des gisements de phosphates, afin d'en tirer le meilleur parti possible au point de vue de l'intérêt financier du Protectorat; qu'il importe, en conséquence, de préciser les conditions dans lesquelles doivent être entrepris et poursuivis sur ces gisements les travaux de recherches susceptibles d'aboutir à la mise en adjudication des gisements et de déterminer les conditions dans lesquelles peuvent être autorisées, au moment que l'Administration juge opportun, les visites de ces travaux faites par des personnes désireuses de prendre part, le cas échéant, à l'adjudication des gisements ...'

In theory, the Service des Mines had important powers over those who held research permits:

'Indépendamment des travaux que le permissionnaire peut entreprendre de sa propre initiative, conformément à l'article 17 du Dahir, l'Administration pourra prescrire tous travaux qu'elle estimera utiles pour la mise en évidence de la valeur industrielle des gisements. L'explorateur devra exécuter, sans retard, tous les travaux de cette nature qui auront été prescrits par le Chef du Service des Mines ... Faute par l'explorateur d'entreprendre les travaux prescrits par le Chef du Service des Mines,

1. Bulletin Officiel du Maroc-n°353-28 July 1919.

l'Administration pourra, après une mise en demeure restée sans effet, pourvoir elle-même aux travaux de recherches prescrits qu'elle estimerait urgents¹.

En cas de mauvaise volonté caractérisée de l'explorateur, le Directeur Général des Travaux Publics pourra, après une mise en demeure, décider que les travaux de recherches seront, jusqu'à nouvel ordre, exclusivement exécutés par l'Administration, au lieu et place de l'explorateur².

Finally, after authorising the explorer to ask for his investments to be refunded at the time of the tender³, the Arrêté Viziriel reaffirmed that exploitation of phosphate was forbidden before the tender had taken place⁴.

In addition, to protect both the Administration and the future exploiting company, it was stated that, in order to claim rights through discovery, it was necessary to have found a new bed⁵. This last point was clearly an attempt to circumvent the second of Busset's claims, which was based on his research permits. However, the most important fact to be stressed about this Arrêté Viziriel is that it was only meant to speed up research.

The Résidence Générale was forced to take such a measure because the situation was giving increasing cause for concern. Since the reopening of the registry of the Service des Mines, at the end of the war, only thirty three research permits for phosphate had been granted:

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1. Article 7.
 2. Article 8.
 3. Article 10.
 4. Article 5.
 5. Article 12.

(a) twenty, West of Oued-Zem, to M. Busset, who only began research work in January 1919, and (b) thirteen, between Oued-Zem and El Boroudj, to another group, which had not undertaken any work¹.

However, if a tender was to take place, intensive work had to be done in order to prove the richness of the bed. The financial situation of the Protectorate was the central question. The more research undertaken, the more well-known the bed would be, and thus the amounts offered by private companies competing for the future tender would be correspondingly higher.

It was therefore necessary for the Service des Mines to ensure that research was actually being carried out by those holding research permits and, if this was not the case, to enforce it or carry the work out itself.

Lyautey pointed out that:

'Il fallait, tout d'abord, concilier le respect du règlement minier, dont les prescriptions ne doivent pas être éludées, avec les nécessités pratiques que comporte la mise en adjudication des phosphates'².

This sums up exactly Lyautey's position on the problem of the exploitation of the phosphate bed.

It has been seen in the above section that the publication of the Arrêté Viziriel had been decided by Lyautey in order to hasten research into phosphate. Therefore, in August 1919, Clementel's point of view had not been taken into consideration by the Résidence Générale. Lyautey was still only thinking of preparing the tender on the best possible terms for the Protectorate.

1. AMAE-I-31 to 37-Lyautey to Ministry of Foreign Affairs-n°857-30 July 1919.

2. AMAE-Ibid.

3 - Phosphate research reserved for the State

Theoretically speaking, the Arrêté Viziriel was a very logical measure. However its practical limitations were soon to appear.

The man who was at the centre of the decision making process was Honoré Lantenois, who was in the privileged position of being both a specialist on mining questions - he was Ingénieur au Corps des Mines, Inspecteur Général des Mines - and the adviser of the Protectorate for mining affairs and therefore receptive to diplomatic arguments.

The basis of his position was to follow the 1914 Dahir and to issue an international tender for the exploitation of Moroccan phosphate¹. However in trying to work out how the tender should be organized², his analysis focused on the malfunctions of the existing system. He criticized the fact that the 1914 Dahir imposed on the future company a payment of a fixed royalty per ton, and the need to produce a minimum quantity per year³. He noted that if such a system was adopted, it could be very harmful for the future company because the existing price of phosphate was very high and in the event of a falling price the company could not pay the royalty and still compete with Tunisian companies. In order to protect the future company from such fluctuations in the phosphate price, Lantenois suggested a different system. He thought that the State should share the risks with the concession holder and should consequently participate in the profits of the company.

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1. AMAE-I-38-Lantenois to de Beaumarchais, responsible for Moroccan questions in the Departement of Political Affairs of the Ministry of Foreign Affairs-6 August 1918.
 2. AMAE-I-39-Lantenois to de Peretti, Directeur des Affaires Politiques, Ministry of Foreign Affairs-Paris-6 August 1919.
 3. AMAE-I-41 to 45-Note de Lantenois for the Ministry of Foreign Affairs-6 August 1919.

More important and more fundamental problems were soon to arise but this was the first time that, outside the Ministry of Industry, modification of the legislation on phosphate was considered and that there was any talk of significant State intervention.

In the meantime, the French Ministry of Industry - renamed, after the War, the Ministry of Industrial Reconstruction - was still urging for a solution which would preserve French national interests. Loucheur, Clementel's successor, took exactly the same position as his predecessor. Stating in a letter to the Ministry of Foreign Affairs, that:

'Il m'a été dit que le Traité de Paix nous obligeait à maintenir le régime de l'adjudication pour toutes les concessions de mines'¹.

he asked for urgent confirmation, reaffirming that

'Je dois, en effet, vous rendre attentif à ce que des précautions spéciales doivent être prises pour la dation en concession des mines de phosphates. Il me semble que nous devons nous efforcer de trouver une solution conforme à nos intérêts nationaux'².

As in the case of Clementel's letter to Lyautey³, it is clear that when Loucheur spoke of national interests, he meant those of the French. Like Clementel, he was concerned with the providing of phosphate for the French agriculture, with the equilibrium of the French commercial balance and with the future of the French controlled phosphate mines in Tunisia and Algeria.

1. AMAE-I-48-Loucheur to Ministry of Foreign Affairs-n°6862 1/M-23 September 1919.

2. AMAE-Ibid.

3. cf. p.100.

The Ministry of Foreign Affairs gave him the same answer he had given to Clementel: 'Tant que l'Acte d'Algéciras sera en vigueur, les mines de phosphates devront être mises en adjudication'¹. After the War the allies had agreed that the benefit of the Algeciras Act be withdrawn from Germany, on condition that France reaffirmed the open-door regime in Morocco. Therefore, the Ministry of Foreign Affairs stated that nothing could be done before the Algeciras Act was abolished².

The Ministry of Foreign Affairs submitted a new idea to Loucheur, in order to by-pass foreign interests:

'En ce qui concerne la question des phosphates, il semble qu'il soit de notre intérêt de les adjuger dans le plus bref délai possible. Une adjudication immédiate ou quasi-immédiate ne rencontrerait en effet très vraisemblablement que des soumissionnaires français'³.

This was indeed highly risky and problematic. Finally, reaffirming its position, the Ministry of Foreign Affairs promised to inform the Ministry of Industrial Reconstruction, as soon as the tender procedure was ready.

Each time the Ministry of Foreign Affairs was asked about the exploitation of Moroccan phosphate, its answer was that an international tender had to take place. Such an answer was given, for instance, to Député Ernest Lafont.⁴ Lafont's interest in phosphate questions stemmed from the fact that his constituency was in the Loire region, an important agricultural area.

1. AMAE-I-49-n°339-Ministry of Foreign Affairs to Loucheur-4 October 1919.

2. AMAE-Ibid.

3. AMAE-Ibid.

4. AMAE-I-50-14 October 1919.

Moreover, M. de Lapradelle, legal adviser of the Sous-Direction d'Afrique in the Ministry of Foreign Affairs, advised against modification, in any respect, of the 1914 mining legislation, as this law had been issued as a result of an international agreement between the countries which had signed the Algeciras Act¹.

In the meantime, Lantenois was working on a project aiming at issuing rules for tender which would be as favourable to the Protectorate as possible.

In October 1919, he proposed the promulgation of a new Dahir modifying the Moroccan legislation on phosphate².

Lantenois's project was two-sided. Firstly, it dealt with phosphate research. He pointed out that the Moroccan Service des Mines had carried out the vast majority of the research work and that private research permit holders had never been seriously concerned with proving the richness of the bed. Lantenois noted that, despite the 28 July 1919 Arrêté Viziriel, the Service des Mines had not been able to make them carry out any work and he proposed a more drastic solution: phosphate research should be reserved for the Protectorate.

The second point in Lantenois's project dealt with the technical aspects of the tender. He suggested that the conditions be altered.

'Il a paru nécessaire de prévoir la participation éventuelle du Protectorat aux bénéfices et de laisser l'Administration libre de choisir le système d'adjudication qui lui paraîtra le mieux convenir pour tirer le plus grand parti possible des gisements au point de vue fiscal et assurer en même temps à l'ent reprise le développement maximum qu'on est en droit d'en attendre'³.

1. AMAE-I-52 -October 1919.

2. AMAE-I-59 to 61-Note de Lantenois-10 October 1919.

3. AMAE-Ibid.

Lantenais's idea was to present to tender a unique package which would justify the very important investment the future company would have to make. After that, but not immediately, another package could be put to tender.

'Il est nécessaire de se tenir entre deux écueils ... (1) créer un monopole absolu des phosphates marocains en faveur de la société adjudicatrice ... (2) dresser contre cette société une entreprise concurrente au lendemain du jour ou la première adjudication aura lieu'¹.

Therefore the tender problem was becoming increasingly complex: to the problem of the financial interest of the Protectorat was now added that of the size of the bed to be put to tender. Lantenais ended by counselling care and firm control.

'Le Protectorat doit être absolument maître de ces gisements de phosphate et ne pas être incité à les mettre en adjudication pour des considérations d'ordre tout-à-fait secondaire mais qui peuvent devenir pressantes, telles que celles de l'intérêt direct qu'auront certains explorateurs à se faire attribuer le bénéfice d'inventeur et à pousser l'Administration à procéder à de nouvelles adjudications, voire même dans des conditions déraisonnables'².

A very important point about Lantenais's project was that it would make the first tender deal with a huge and very rich phosphate bed. However, Lantenais was still sticking to the idea of an international tender.

Therefore the Ministry of Foreign Affairs was trapped between the need to follow International Treaties and that of preserving the interests of France

1. AMAE-Ibid.

2. AMAE-Ibid.

and of the Protectorate. At the same time, it considered it urgent to act as quickly as possible in order to avoid too many foreign companies competing for the future tender, but it felt it was also necessary to take very careful decisions, as a single wrong move could lead to foreign control of the Moroccan phosphate bed.

It was also necessary to clarify and to make more precise the 1914 Dahir, which did not deal with such important problems as the size of the bed which should be put to tender or with the content of the tender itself: should it include the railway from Oued-Zem to the sea or the building of a phosphate port in Casablanca?

Up to October 1919, the only point which had been clearly demonstrated was that the tender procedure was a very risky system, as far as the protection of French national interests was concerned.

Lantenois's project did not solve this crucial question but had the merit of being more precise than the 1914 Dahir. The Ministry of Foreign Affairs agreed on it. The project was sent to Loucheur for his advice, which was urgently needed, as it was still thought that the quicker the State acted, the fewer foreign companies would have time to compete for the tender. The Ministry of Foreign Affairs mentioned again, in its letter to Loucheur, that

'Les traités en vigueur ne permettent pas au gouvernement français de réserver d'une manière quelconque à des Français l'exploitation des phosphates marocains'¹.

At the same time, the Ministry sent the Dahir project to Lyautey²,

1. AMAE-I-70-29 October 1919.

2. AMAE-I-71 to 82 - 30 October 1919

explaining that phosphate research had to be reserved for the State because permit holders were not taking sufficient action and that, if research was too superficial, the Protectorate would lose out. It confirmed the inefficiency of the Arrêté Viziriel. The Ministry pointed out that the change in the tender conditions was due to technical considerations regarding (a) the common use, by both the future company and the State, of the railway to be built between the phosphate bed and Casablanca, (b) the financing of the port of Casablanca, to which the company would have to contribute, and (c) the royalties to the Protectorate and a possible share of benefits for the State. The note from the Ministry ended by diplomatic considerations:

'On retire, il est vrai, aux particuliers le droit de recherches des phosphates et celui de la participation aux redevances qui en découle, mais on le retire à tous sans acception de nationalité et pour des motifs d'utilité générale analogues à ceux dont se sont inspirés divers états et notamment la Hollande et la Prusse, quand ils ont modifié récemment leur législation minière pour se réserver le monopole, non seulement de la prospection mais encore de l'exploitation des minerais de fer ou des houilles'¹.

The comparison between Holland and Prussia on the one hand and Morocco on the other was indeed highly risky, the former being independent countries, as opposed to Morocco, which was bound by the Algeciras Act. In addition, it would have been difficult to convince foreign countries that the fact of preventing the general exploration of Moroccan phosphate beds was not in contradiction with the Algeciras Act, as the Protectorate administration, which was supposed

1. AMAE-Ibid.

to control the exploration of phosphate, was likely to favour French interests.

It has been seen in Chapter III,¹ that the 1914 Dahir had given very little power to the Service des Mines, in order to avoid such a situation.

On the other hand, it is worth noting that the Ministry of Foreign Affairs made it clear that exploration only was reserved to the State.

The complete Dahir project was as follows:

'Dahir modifiant le Dahir du 19 Janvier 1914,

Article 1: Le Dahir du 19 Janvier 1914 est modifié comme il est dit ci-après.

Article 2: La recherche des phosphates est faite par le Maghzen.

Article 3: L'adjudication publique prévue pour les phosphates et autres substances minérales dénommées par l'Article 51 du Dahir du 19 Janvier 1914 se fait dans les périmètres et pour une durée définie par le cahier des charges de chaque adjudication.

Le Cahier des charges détermine:

1 - Les conditions dans lesquelles l'adjudication doit établir et affecter nécessairement au service public les ouvrages de viabilité et de navigation constituant des dépendances de l'entreprise. Le Maghzen pourra racheter ces ouvrages dans des conditions déterminées par le cahier des charges.

2 - Le concours financier que doit fournir l'adjudicataire pour l'exécution d'ouvrages du même genre, entrepris par le Maghzen, à raison de leur intérêt général et qui intéressent directement l'entreprise.

3 - Les redevances qui viennent s'ajouter à la redevance fixée par hectare et à la redevance ad valorem fixées aux titres III et IV et qui peuvent comprendre un ou plusieurs éléments ci-après; redevances à la tonne extraite ou exportée, redevance fixe forfaitaire, participation aux bénéfices. Le cahier des charges fixe celui de ceux des éléments ci-dessous qui servent de base à l'adjudication.

L'adjudicataire doit dans les conditions et le délai déterminés par le cahier des charges se substituer une Société Anonyme marocaine ayant pour objet exclusif l'entreprise définie par le cahier

1. cf. p. 55.

des charges de l'adjudication.

Article 4: Les droits des explorateurs pouvant exister avant la mise en vigueur du présent Dahir et qui résulteraient de l'Article 51 ancien du Dahir du 19 Janvier 1914 sont maintenus'¹.

This Dahir project, although never to be published, as will be seen in the next section, is very important in the analysis of the decision-making process concerning the phosphate question. The Protectorate's control was quite noticeably extended, in order to ensure quick and efficient development of the Moroccan economy as a whole. The position of the future company and of other sectors of the economy was clarified. Section 1 of Article 3 mainly concerned the railway line between Oued-Zem and Casablanca and Section 2 the port of Casablanca itself. Section 3 of the same article certainly aimed at preserving the interest of the State but also, as Lantenois pointed out, the success of the company itself. Although research was reserved for the State it was nevertheless a costly activity. The role of the State was merely to channel private activity.

Despite formal agreement concerning the Dahir project, Loucheur was still concerned with the protection of French interests:

'Il me paraît infiniment désirable que la France puisse conserver sous quelque forme le contrôle de la production de phosphate, un des sous-produits qui lui permettent par voie d'échange de s'assurer les matières premières qui lui font défaut'².

1. AMAE-Ibid.

2. AMAE-I-85 and 86-Loucheur to the Ministry of Foreign Affairs - n° 1478-Paris-11 November 1919.

In the above letter, Loucheur expressed more clearly his main concern: the furnishing of raw materials to France, phosphate being important for the equilibrium of the commercial balance, as France was already in a leading position on the phosphate world market, because of the Algerian and Tunisian beds.

He added that, if it was necessary to be careful because of potential international problems,

'Il est au moins essentiel que le cahier des charges de l'adjudication apporte le maximum de garanties compatibles avec le statut du Maroc et je ne saurais trop insister sur ce point'¹.

On 18 November, the Ministry of Foreign Affairs sent a telegram to Lyautey asking him to publish the Dahir now that Loucheur had given his agreement².

Meanwhile, both the French agricultural circles and the North African phosphate companies were concerned about the problem. Ernest Lafont again asked Loucheur what was happening³ and the Président of the Société des Phosphates Tunisiens, having heard of an imminent tender, to include work on the railway and the port of Casablanca, asked the Ministry of Foreign Affairs not to proceed too quickly, as a three months delay was the strict minimum if any company was to be allowed to present a serious offer⁴.

The new Dahir was about to be published. Certainly Loucheur had

1. AMAE-Ibid.

2. AMAE-I-88 - Telegram n° 684 - 18 November 1919.

3. AMAE-I-84-Lafont to Loucheur-November 1919.

4. AMAE-I-90 and 91-Paris-22 November 1919.

strong reservations about it and it could be seen that the tender was not going to be easy to prepare. The Algeciras Act had to be respected and the interest of France to be taken into consideration. Care had to be taken neither to give too large a bed to the company, thus creating a phosphate monopoly in Morocco, nor, on the other hand, to give so small a bed that the future company could not survive against competition. Phosphate had to be as cheap as possible in order to please the French farmers, but taxes on phosphate had to be as high as possible for the benefit of the Protectorate and to avoid too much competition for Tunisian and Algerian phosphate companies. Finally, the company was to be used to hasten Moroccan economic development by creating a new railway and participating in the construction of the port of Casablanca. Such were the problems to be solved.

4 - Indirect State control

Loucheur was not convinced by the diplomatic objections and, at the end of November, sounded the alarm by writing in very energetic terms to the Minister of Foreign Affairs:

'Je considère cette question comme de la plus haute gravité pour la France. Je vous demande de la revoir avec moi... Je demande instamment que rien de définitif ne soit fait avant que nous ayons pu nous entretenir'¹.

Therefore, between 11 and 29 November 1919, Loucheur had decided that, despite the objections of the Ministry of Foreign Affairs, based on diplomatic considerations, it was absolutely necessary to protect French interests and to find a solution which would enable France to maintain control over Moroccan

1. AMAE-I-92-n° 8107 1/M-Paris-29 November 1919.

phosphate.

It seems likely that he came to the conclusion that, if he let things go according to the decisions of the Ministry of Foreign Affairs, there was no effective way to ensure French control over Moroccan phosphate.

From that date on, the situation changed drastically. The Ministry of Foreign Affairs immediately sent a telegram to Lyautey in order to stop the publication of the new Dahir, if it was still possible, and a second, more general telegram, a few hours later:

'Veuillez surseoir jusqu'à nouvel avis à toute communication au public relative à l'adjudication des phosphates' ¹.

In addition, Loucheur was told that nothing would be done without his agreement, that Moroccan phosphate would remain French and that a commission would be created under the presidency of Loucheur².

For the first time the question was clear. The key point was that foreign interests had to be barred from phosphate exploitation in Morocco.

It is important to note (a) the central role played by Loucheur in the new formulation of the problem of Moroccan phosphate and (b) the fact that the heart of the matter was French control over Moroccan phosphate, and not a direct will to nationalize them. If the final aim of the process was clear, the method to reach it was not yet decided.

The task of determining a suitable method was going to be Lantenois's. In a letter to de Peretti, he examined the new situation.

1. AMAE-I-94-Telegram n° 722-2 December 1919-10.30 p. m.
2. AMAE-I-98-Ministry of Foreign Affairs to Loucheur-n° 423-5 December 1919.

'Je me reconnais incapable d'écarter les étrangers de l'adjudication au moyen des clauses du Cahier des Charges. Du moment que les étrangers veulent se porter à l'adjudication toutes les ficelles se briseront'¹

This was all the more true as foreign competitors would benefit from exchange rates which were very unfavourable to French investors.

Lantenais also pointed out that it was necessary to ensure that the activities of the future Moroccan company would not affect the Algerian and Tunisian phosphate companies too seriously.

In a report to the Ministry of Foreign Affairs², Lantenais first examined the various solutions which would preserve French interests while adhering to the tender procedure. Having described the characteristics of the bed and reaffirmed, in the light of recent research, that it was very rich and that the exploitation would generate extremely high profits, he stated that the tender procedure was very favourable towards the Protectorate but very dangerous for Algeria and Tunisia. In addition, it was more and more evident that foreign groups were highly interested, either consumer countries like Great Britain or producer countries like the United States of America. Lantenais then drew up a list of possible solutions:

- 1 - To include in the tender documents an article limiting the Moroccan share of the phosphate market (for instance 40% of African phosphates). However, it would be difficult to work this out and it would create diplomatic problems.
- 2 - To conceive a system of State participation in the profit sharing which

1. AMAE- I- 99 and 100 - 5 December 1919.

2. AMAE- I- 101 to 111 - 4 December 1919.

would be so complicated that foreign companies would be discouraged.

Lantenais noted that 'le procédé est barbare et incertain'¹.

3 - To place a considerable tax on each ton of extracted ore, in order to protect Tunisian and Algerian phosphate. However such a measure would also favour phosphate from Florida. Lantenais concluded that 'somme toute, on gâche volontairement l'affaire'².

4 - To conceive a system of taxes which could be revised with the agreement of the Protectorate and of the exploiting company.

After this series of rather awkward propositions, Lantenais concluded very reluctantly:

'Au point de complication où nous sommes, l'idée de l'exploitation des gisements de phosphates par l'Etat marocain apparaît à l'esprit comme le moyen suprême de dénouer une situation qui menace de devenir quasi-inextricable. J'ai effleuré cette idée dans plusieurs conversations particulières et j'ai été surpris de constater combien elle paraissait acceptable à des personnes du monde industriel et administratif réfractaires, en général, au principe de l'exploitation par l'Etat. Je pense que les personnes avec qui je me suis entretenu de cette question on été émues du grave problème national que soulève l'adjudication des phosphates marocains'³.

It could not have been put more clearly. Lantenais was proposing the solution of indirect State control, that is to say that a private company would be asked to undertake the actual management of the mine, but that the State would take the risks and reap the benefits.

1. AMAE-Ibid.

2. AMAE-Ibid.

3. AMAE-Ibid.

However, Lantenois pointed out that he had strong reservations, from a theoretical point of view.

'(L'Etat) arrivera à ses fins en confiant l'exploitation du gisement à une régie intéressée dont le bénéfice principal consistera en une prime de bonne gestion. C'est ainsi que procéderait un riche particulier soucieux de faire valoir son bien. Ainsi également peut agir l'Administration. L'objection que l'on peut élever contre cette méthode est celle que soulevèrent toutes les exploitations dites d'Etat. Il est à craindre que l'Administration Marocaine n'agisse pas avec toute la sagesse, toute la prudence et toute la fermeté désirables. Des conditions inattendues peuvent en effet mêler à la gestion de l'entreprise et seront susceptibles d'entraver son développement. Ces considérations sont telles que, pour mon compte personnel, je n'hésiterais pas à préférer le système d'adjudication à celui de l'exploitation par l'Etat, n'étaient les inconvénients graves signalés plus haut ... '1.

Therefore Lantenois suggested a Dahir project nationalizing Moroccan phosphate. He advised that exploitation should begin on a small scale, that the railway project should be studied and then that a loan be issued. He concluded:

'J'ai tenu en somme à exposer les deux solutions possibles de la question des phosphates marocains qui sont (1) l'adjudication sous certaines conditions et (2) l'exploitation des phosphates par l'Etat. Elles ont toutes deux leurs avantages et leurs inconvénients. Le danger qui apparaît le plus grave est à l'heure présente, la main-mise possible de l'étranger sur les phosphates marocains et dans des conditions telles que la prospérité des

1. AMAE-Ibid.

exploitations de phosphates algériennes et tunisiennes peut se trouver sévèrement compromise. Comment conjurer ce danger? C'est le problème qu'il faut avant toutes choses s'attacher à régler'¹.

This document is central to the analysis of the nationalization of phosphate. It shows that this measure was taken neither for fiscal reasons with a background of 'State socialism' as argued by Chapus, nor instigated by Lyautey. It shows that State intervention was a mere consequence of the need to protect French interests in the matter.

However, even if Lantenois's project was to prevail within the Ministry of Foreign Affairs, foreign countries still had to be reassured that the nationalization of Moroccan phosphate was not really a break in the open door regime. Lantenois advised that it should be explained to Great Britain and to the U.S.A. that France had to take such a step because of fiscal considerations. He claimed that this would solve the diplomatic problem and added that the fiscal argument 'renferme une sérieuse part de vérité'.² He also advised that other Powers be told that this was a special situation which did not come under Article 112 of the Algeciras Act, pointing out that Prussia and Holland had taken similar action over some of their mineral beds. The comparison was nevertheless not very exact, as neither Prussia nor Holland were under the regime of a Protectorate.

In the meantime, the Ministry of Foreign Affairs did not make public its decision. Reference was still made to the open-door regime for the countries

1. AMAE-Ibid.

2. AMAE-Ibid.

which had signed the Algeciras Act. The Ministry of Foreign Affairs replied to those who asked for news about Moroccan phosphates in a very jesuitical style. This may be seen in the Ministry's reply to the President of the Board of Directors of the Société des Phosphates Tunisiens:

'Si cette adjudication a lieu, le temps nécessaire sera laissé aux soumissionnaires éventuels pour leur permettre d'agir en toute connaissance de cause'¹.

The Ministry of Foreign Affairs opened diplomatic talks to test the reaction of foreign countries to possible nationalization of phosphate². Lantenois travelled to Morocco to see the situation on the spot and to ask for Lyautey's opinion³.

The idea of State control continued, expressed sometimes in the very picturesque language which emerges when nationalistic arguments are concerned:

'Si l'exploitation des gisements de phosphate au Maroc reste soumise à des adjudications ouvertes à tout venant, il est à craindre que des intérêts étrangers ne cherchent, par voie de surenchères, à en devenir maître. C'est favoriser la concurrence des appétits exotiques au détriment d'une industrie essentiellement française; c'est rendre les fabricants français tributaires directs ou indirects d'exploitants étrangers ou cosmopolites; c'est entraîner fatalement à l'accaparement et à la spéculation, pour le plus grand préjudice du bon développement de la production nationale'⁴.

At the very end of 1919, Lyautey thoroughly examined the situation with Lantenois. They agreed that nationalization was indeed the best solution.

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1. AMAE-I-115-8 December 1919.
 2. AMAE-I-117 Lantenois to de Peretti - 17 December 1919.
 3. AMAE-Ibid.
 4. AMAE-I-119 to 129-Note sur le régime légal des phosphates au Maroc-unsigned-12 December 1919.

Lyautey added his personal point of view, insisting on speed of action, not only on phosphate, but also, and especially, regarding the Oued-Zem-Casablanca railway and the port of Casablanca¹. This is well in accordance with Lyautey's general goal to develop Moroccan economy by every means available and, at all costs, to create a modern country².

Therefore, all interested parties, both in Paris and in Rabat, agreed on rejecting the tender procedure. A Dahir was finally published, on 3 February 1920:

'Considérant qu'il y a lieu de prendre des mesures pour que la reconnaissance et l'étude des gisements de phosphates s'opèrent à l'avenir de façon aussi méthodique que possible; que d'autre part, en raison de l'importance que présente, pour le développement agricole et commercial du Maroc, l'exploitation des gisements susdits, il est nécessaire de l'organiser de manière à satisfaire à des convenances d'intérêt général dont l'Etat seul peut être juge; que, pour ces motifs, il convient de réserver au seul Makhzen tant la recherche des phosphates que leur exploitation; a décrété ce qui suit:
Article premier - L'Article 51 du Dahir du 19 Janvier 1914 est, en ce qui concerne les phosphates, modifié comme il suit:
Article 2 - La recherche et l'exploitation des phosphates sont exclusivement réservées au Makhzen.
Article 3 - Il sera tenu compte des droits des explorateurs qui auraient été acquis avant la mise en vigueur du présent Dahir, en application des dispositions de l'article 51 du Dahir du 19 Janvier 1914³.

The official reasons given in the Dahir were extremely dubious. The combination of research and exploitation was to re-occur in future diplomatic

1. AMAE-I-141 Lantenois to De Peretti-Rabat - 31 December 1919.

2. cf. Chapter II - p. 34.

3. Bulletin Officiel du Maroc-n°380.

negotiations. The point about Moroccan agriculture did not make sense, since the Moroccan need for superphosphates was very small. The commercial point was weak too, as the commercial interests of the Protectorate would have been preserved anyway, even if there had been a tender. Finally, the last point about the 'convenances d'intérêt général dont l'Etat seul peut être juge' was so vague and general that it could have been applied to any important matter, permitting the nationalization of any sector.

It must also be noted that the interests of Morocco were always spoken of. Obviously, those of France could not be mentioned, because of the Algéiras Act.

5 - The Office Chérifien des Phosphates: a direct State controlled company

The biggest step had been taken. However, at the beginning of 1920, the prevailing trend was in favour of indirect State control, the exploitation of the mine being given by the State to a private company. It is significant that the President of the Board of Directors of the Banque Industrielle de l'Afrique du Nord offered his services to the Ministry of Foreign Affairs, on 24 January, that is to say before the promulgation of the Dahir of nationalization. He had heard that Moroccan phosphate was to be exploited under the regime of indirect State control and wanted his company to be designated. For that purpose he gave references¹.

However Lyautey, when he announced publication of the nationalization Dahir to the Ministry of Foreign Affairs, expressed his strong opposition to the principle of indirect State control.

1. AMAE-I-154-24 January 1920.

'Je ne puis d'autre part que faire toutes mes réserves et exprimer mon étonnement touchant la décision prise au sujet du mode d'exploitation des gisements phosphatiers'¹.

Saying that Lantenois had agreed with him on the need for direct State control, he thought that this was the best solution both for speed and diplomatic reasons. He referred to the precedent of the Moroccan railway which was not yet settled after ten years of negotiation with private companies.

Lyautey's point of view on the phosphate question was clearly expressed by Joyant, Directeur Adjoint des Travaux Publics, who was to play a very important role in Moroccan mining affairs². The title itself of Joyant's note was explicit: 'Note au sujet de l'exploitation des phosphates et de l'outillage économique du Maroc'³. After having stated that

'Je considère comme acquis que l'on renonce à l'adjudication et que l'exploitation des phosphates sera assurée soit par une régie d'Etat, soit par une régie co-intéressée, confiée par l'Etat, à une société fermière choisie par lui'

Joyant examined the choice between direct or indirect State control. He thought that direct State control was preferable because lengthy negotiations would be unnecessary, whereas indirect State control would mean that there would be several competitors and this would certainly lead to long delays. He advised that a loan of 500 million francs should be requested for the phosphate mine, the railway and the port.

1. AMAE-I-156-Telegram-29 January 1920.

2. cf. Chapter V and VI.

3. AMAE-I-130 to 139-Rabat-7 January 1920.

Like Lyautey, he considered that the goal of France was to industrialize Morocco. For this, phosphate was a means, not an end.

However, the Ministry of Foreign Affairs still disagreed on direct State control, considering the State unable to exploit the mine in a suitable way:

'Sans doute cette exploitation ne saurait faire l'objet d'une régie directe; on ne voit guère l'Etat assumant lui-même la conduite d'une entreprise qui est au premier chef, commerciale et industrielle... Il y faut l'initiative et la liberté d'allures auxquelles une administration ne saurait prétendre'¹.

The Ministry pointed out that the advantage of choosing indirect State control was that it would help to finance exploitation. It thought that, if protests arose from foreign countries because a French company had been chosen for management, it could be replied that a managing company was not a concession-holder. It only received a subsidy, whilst the State fixed prices and taxes, received the benefits and took the risks². This was a very optimistic point of view, because it was not at all sure that foreign countries were going to accept such a decision. In fact it was suggested by the Ministry that this information should not be disclosed, the diplomatic situation at that time being unfavourable to discussion of this topic³. It was hoped that the question of State control would be settled by the end of the year 1920.

Loucheur was contacted and he agreed with the solution of indirect State

1. AMAE-I-143 to 150-Note sur l'exploitation par le Makhzen des gisements de phosphate-unsigned-9 January 1920.

2. AMAE-Ibid.

3. AMAE-Ibid.

control¹, which proves that his opposition to the tender procedure was motivated neither by a secret opposition to private interests nor by a desire for public exploitation, as Chapus stated.

However Lyautey's point of view was to prevail. At the beginning of February, Lantenois had definitely made up his mind in favour of direct State control². Aware of the problems created by direct State intervention in industrial affairs and believing that, in general, it tended to be counter-productive, he nevertheless favoured such a solution for Morocco. The main reason he put forward was that, contrary to what happened in Europe, the Protectorate would not have to face social problems which posed insurmountable problems for public firms. In Lantenois's opinion, diplomatic considerations also played an important role. He thought it better to avoid indirect State control, as the choice of a French managing company would have aggravated diplomatic problems.

His point of view was finally adopted and, according to Lyautey's wish, the solution of direct State control was decided upon. The Ministry of Foreign Affairs gave its assent to Lyautey³. However the decision was not revealed until August 1920, when the Dahir creating the Office Chérifien des Phosphates was published. This Dahir of 7 August 1920⁴ outlined the general characteristics of the Office Chérifien des Phosphates:

'Il est créé sous le nom d'"Office Chérifien

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1. AMAE-I-152-Loucheur to Ministry of Foreign Affairs-17 January 1920.
 2. AMAE-I-163-Note au sujet de l'exploitation des phosphates-2 February 1920.
 3. AMAE-I-199-Telegram-5 February 1920.
 4. Bulletin Officiel du Maroc n° 407-10 August 1920.

des Phosphates" une régie d'Etat chargée de l'exploration, des aménagements et de l'exploitation des phosphates du Maroc¹.

L'Office jouit de la personnalité civile. Il est géré par un Directeur Général sous le contrôle d'un Conseil d'Administration.

Le Directeur Général est chargé de l'exécution des explorations et aménagements et des opérations de l'exploitation technique et commerciale².

L'Office s'administre lui-même et fait directement toutes ses opérations financières suivant des règles qui seront ultérieurement fixées par arrêté viziriel³.

A curious fact which lends support to the above analysis of the nationalization process is that a small sentence was added to the introductory part of the Dahir. When speaking as usual of 'Notre Majesté Chérifienne', the following words were added: 'Après s'être assurée de l'assentiment du Gouvernement Français'.

Therefore, after two years, the final decision was to conform to Clementel's wish, formulated on 10 June 1918.

However, the problem was not completely solved. Between February and August 1920 all kinds of opposition were to emerge, some against nationalization, others against direct State control and finally quite a few against nothing in particular, fed by the strangest rumours, very few people being aware of the real motivations of both the French Government and the Résidence Générale.

6 - The reactions to the decision

The previous sections have analysed the series of decisions which led to

1. Article 1.

2. Article 2.

3. Article 5.

the nationalization of Moroccan phosphate. This study has been mainly concerned with the reactions of both the French Government and the Résidence Générale. In order to examine the position of the external groups which were interested in the question, it is now necessary to look at the reactions of these groups following the February and August Dahirs. Special attention will be paid to the hysterical campaign which arose in the Press (section a), to the attitude of French agricultural circles (section b) to the reaction of foreign countries (section c) and to the position of Tunisian phosphate companies (section d).

a - The campaign in the Press

The campaign began in 'Le Petit Marocain de Casablanca' on 6 February 1920, that is to say just after the publication of the nationalization Dahir. It was feared that this Dahir 'n'apporte du trouble dans l'exploitation et qu'il ait même d'autre répercussion'¹. This statement typifies the attitude of the vast majority of newspapers. Just after the publication of the Dahir, the author of this article, knowing nothing about the situation, was opposed to the decision. However he did not know why. He thought that the measure was a sign of State intervention in industrial affairs and that it was therefore harmful.

On 8 February, 'La Presse Marocaine', which was no better informed, was more lyrical:

'Remarquez bien que le nouveau Dahir reste muet sur les nitrates. Evidemment les nitrates ne sont pas encore reconnus et le Maghzen qui aime le travail tout fait ne saurait prendre en charge un enfant qui n'est pas né. Travaillez, prenez de la peine, et vos droits d'inventeurs vous seront peut-être réservés; quant aux promesses qui vous ont été faites par Dahir, vous savez bien que nous vivons

1. AMAE-I-200.

au pays des Illusions et des Songes ...'

Needless to say, this article was completely irrelevant, both from the question of nitrates and from the interests of those who had worked on the phosphate bed. However, strangest rumours arose, often originating from agricultural circles and reinforced by the Press. For instance, on 26 April, 'Le Petit Marocain' wrote that Darblay, Député for Loiret, had said, in front of the Congrès Fédéral des Agriculteurs du Centre, that

'On a découvert récemment au Maroc des gisements importants de phosphates. Pour les mettre en exploitation il est indispensable de construire une voie ferrée de 60 km seulement (sic). Un groupe financier anglo-italien a offert de faire les travaux nécessaires, à son profit naturellement. Or, sans qu'aucun groupe français ait été consulté, le privilège lui a été accordé. Le résultat est que nos cultivateurs se priveront de phosphates ou les achèteront très cher aux Anglais et aux Italiens.'

However, according to this article, there was a slight hope of safeguarding French interests: the Quai d'Orsay had been contacted.

In 'Le Matin', on 27 April, Louis Forest commented on the same piece of news:

'La nouvelle est-elle vraie? Je n'ose la prendre à mon compte; mais si elle a seulement un petit bout de début de commencement d'exactitude, ouvrons les yeux. Il s'agit d'un cadeau de 900 milliards ... Il faudrait ... de l'Intelligence ...'.

Denials were published in 'La Liberté' on 27 April and in 'La Dépêche Coloniale' on 29 April. However, on the same day, an article in 'Le Matin' noted that neither Darblay nor Rendu, another Député for an agricultural area, were fully satisfied with these denials and that conversations had indeed taken

place with an Anglo-Italian group. The title of the article was 'La plus grande richesse d'Europe'. It stated that 'la France possède là, au Maroc, la plus grande richesse du vieux continent en quoi que ce soit'. The author's geographical knowledge was as empty as his knowledge of the actual negotiations.

The main conclusion to draw from these rather appalling reactions is that the opposition from the Press was based on ideological considerations. Even if the true facts were not known, State intervention in industry was always considered an evil.

b - The reactions of agricultural circles

The vast majority of newspaper articles were based on 'information' coming from French agricultural circles. However these groups had a privileged place for complaining: Parliament. In April 1920, the Assemblée Nationale asked the Ministry of Foreign Affairs to explain its position on phosphate to the agricultural commission¹. De Beaumarchais spoke to the Chamber on 21 April and set forth both the international and financial reasons for the nationalization of phosphate. He added that 'Le Maghzen ne pourra, en droit, consentir des avantages spéciaux aux agriculteurs français'².

Some of the members of the Commission, such as Rendu, were not satisfied at all with such a statement.

'(Rendu) avait fait part à la Commission de son désir de voir les agriculteurs français

1. AMAE-I-251-17 April 1920.

2. AMAE-I-259-Note de de Beaumarchais.

posséder les gisements sous une forme à déterminer et contrôler les prix (et qui) a paru très déçu et sa déception a été partagée par plusieurs membres de la Commission'¹.

On the contrary, some of the Députés had a very rigid idea of what constituted an international agreement. De Beaumarchais reported that one of them had asked him whether the possibility of dividing the phosphate beds between allied or neutral countries had been considered. The answer was obviously negative².

Then the question of Moroccan phosphate went to the Sénat, where the main problem was still the defence of French farmers.

'La Commission (de l'Agriculture du Sénat) redoute, en particulier, que sous couvert d'une exploitation directe faite par le Maghzen, des compagnies phosphatières françaises ou même étrangères puissent acquérir une prépondérance absolue sur la vente de ces phosphates'³.

Meline, the President of the Agricultural Commission of the Senat, proposed a drastic solution: to abolish the Algeciras Act and to give special advantages to French agriculture

'La commission a donc l'honneur de vous demander d'adopter pour les phosphates du Maroc une solution analogue à celle envisagée pour la potasse d'Alsace, à savoir de réserver aux Agriculteurs un droit de propriété et de contrôle leur permettant de défendre utilement leurs intérêts'⁴.

1. AMAE-Ibid.

2. AMAE-Ibid.

3. AMAE-I-272-Président de la Commission de l'Agriculture du Sénat to Ministry of Foreign Affairs-29 April 1920.

4. AMAE-Ibid.

He could also have advised that the Fez Treaty be replaced by a strict colonial status for Morocco.

The Sénat was to receive the same answer from the Ministry of Foreign Affairs as the Assemblée Nationale. French farmers arrived too late in the battle and had no real means of putting pressure on the Government. Parliamentary agitation was of no use. In fact, the prevailing situation was more favourable to French farmers than if Moroccan phosphate were controlled by a foreign company or by the Compagnie de Gafsa, because the farmers' needs were more likely to be taken into consideration by the French Government and the Résidence Générale than by any private company.

In 1921, the question was almost settled. One last attempt to save something from the situation was that of the President of the Union Centrale des Syndicats d'Agriculteurs de France, who proposed that a seat on the Board of Directors of the O.C.P. be given to French farmers¹. Lyautey replied that it was no time to think of such a thing². Finally when, on 13 August 1921, an Arrêté Viziriel decided the composition of the Board of Directors, the French farmers were forgotten:

'Article Premier - Le Conseil d'Administration de l'Office Chérifien des Phosphates comprend onze membres et il est ainsi composé:
Le Secrétaire Général du Protectorat, président;
Les Directeurs Généraux des Finances, des Travaux Publics et de l'Agriculture;
Commerce et Industrie;
L'Inspecteur Général Conseiller Technique du Protectorat pour les Mines;

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1. AMAE-II-230-Président de l'U. C. S. A. F. to Ministry of Foreign Affairs-16 April 1921.
 2. AMAE-II-240-Lyautey to Ministry of Foreign Affairs-20 May 1921.

Le Directeur Général de l'Office;
 L'Ingénieur en Chef du contrôle des
 chemins de fer;
 Quatre représentants de l'Agriculture,
 du Commerce et de l'Industrie.
 Article 2 - Les représentants de l'Agricul-
 ture, du Commerce et de l'Industrie
 sont nommés chaque année par Arrêté
 Viziriel, après présentation par chacune
 des sections française et indigène du
 Conseil Supérieur de l'Agriculture et
 du Conseil Supérieur du Commerce et
 de l'Industrie d'une liste de trois
 membres¹.

The President of the Rabat Chamber of Agriculture was to be the
 representative on agriculture².

In February 1922, however, Queuille, Rapporteur for the Agricultural
 Budget, was still proposing a high price for phosphate exported to foreign
 countries and a low one for phosphate exported to France³. On 3 March
 1922, he intervened in the Assemblée Nationale:

'Je voudrais faire livrer à l'agriculture
 française les phosphates naturels et les
 phosphates transformés à un prix inférieur
 à celui qui sera pratiqué sur les marchés
 étrangers⁴.

Such an attempt was to fail again because of the international agreements
 concerning Morocco. Therefore, French farmers did not succeed either in
 controlling the Moroccan phosphate beds, or in obtaining cheaper phosphate.

1. Bulletin Officiel du Maroc-n° 460-16 August 1921.
2. Bulletin Officiel du Maroc-n° 466-27 September 1921.
3. AMAE-III-5-Queuille to Président du Conseil, Ministre des Affaires
 Etrangères -9 February 1922.
4. AMAE-III-18 to 23-Chambre des Députés.

c - The reactions of foreign countries

On the diplomatic scene everything was to be much easier than might have been expected. Protests were purely formal. The only country which could have created serious difficulties for France was Great-Britain. On 10 March 1920, the British Embassy protested, but not very convincingly:

'Since the decree of 19th January, 1914 was drawn up as the result of an international agreement, His Majesty's Government is unable to admit that the previous regulations on the subject can be modified or superceded by such a unilateral decision and without the previous consent of His Majesty's Government who was a party to that agreement'

In reply the Embassy was told that, like Holland and Prussia with some of their mineral beds,

'Le Gouvernement Chérifien est parfaitement fondé à se réserver comme il l'a déjà fait pour les mines de sel, la recherche et l'exploitation des phosphates'².

The French Government, having opted for direct State control, was in quite a strong position. In February 1921, the British Government announced that it no longer contested the 27 January 1920 Dahir³.

d - The reactions of the Tunisian phosphate companies

Of more importance were the reactions of the Tunisian phosphate companies. Constrasting deeply with the useless agitation of the Press and of the agricultural lobby, their attitude was surprisingly calm and cooperative when the February Dahir was promulgated.

1. AMAE-I-230-10 March 1920.

2. AMAE-I-237-Ministry of Foreign Affairs to British Embassy in Paris-22 March 1920.

3. AMAE-II-147-French Embassy in London to Ministry of Foreign Affairs-2 February 1921.

Léon de Nervo's point of view was enlightening. He was Administrateur-Délégué of the Compagnie des Minerais de Fer Magnétique de Mokta-el-Hadid, the leading company of a group which included Schneider, Mirabaud, the Compagnie Algérienne and the Société Française d'Etudes et d'Entreprises. This group controlled the Compagnie des Phosphates de Gafsa and had been interested in phosphate research in Morocco for a long time, with the aim of eventually exploiting it. At the time of the publication of the February Dahir, it had already invested in Morocco and was thinking of creating a company specializing in phosphate research in Morocco. In mid-February, a meeting was held between de Nervo and Lantenois, during which de Nervo adopted a very understanding attitude indeed towards the decision which had just been taken about phosphate.

'(M. de Nervo) a parfaitement compris les inconvénients qui pourraient résulter de l'attribution qui serait faite à la Société d'une sorte d'entreprise générale de recherche de phosphate au Maroc sous l'empire du nouveau Dahir'¹.

So Mokta-el-Hadid agreed to do nothing for the time being, and to cooperate with the Protectorate. In fact, its chances of controlling the Moroccan phosphate bed were higher because, in real terms, foreign companies were no longer in the competition. This explains de Nervo's very understanding attitude.

In the meantime the Résident Général in Tunis was strongly defending the interests of Tunisian companies before the Ministry of Foreign Affairs:

'La Conférence (Consultative) m'a demandé

1. AMAE-I-209-Lantenois to de Peretti-Paris-18 February 1920.

d'appeler votre haute attention sur les graves conséquences qui résulteraient de toute convention de concession de phosphates marocains qui ne tiendraient pas compte des exploitations tunisiennes¹.

He asked for a common phosphate policy for the whole of North Africa, with legislative unity. His fears were understandable: Tunisia was the second largest phosphate producer after the U.S.A., with a share of one third of the World Market. Tunisian phosphate companies wanted a fair equilibrium between Morocco, Algeria and Tunisia.

At that time however, everything seemed to be going very well for them. Rumours were spreading about their eventual control of Moroccan phosphate. On 27 February, Léon Levy, President of the Comité de Direction de la Société Civile de Recherches pour les Phosphates du Maroc, wrote to the Ministry of Foreign Affairs to protest in the name of his group, which included important French companies, against a so-called decision to give to Mokta-el-Hadid all phosphate research in Morocco. He noted that this would create a virtual North African monopoly in favour of the Compagnie de Gafsa². He was told that this was not so.

In April, Léon de Nervo presented his group to the Ministry of Foreign Affairs, referring to the company's activities in Tunisia (Gafsa) and in Morocco (Schneider was building the port of Casablanca and Mokta had various mining interests). He stressed how active they would be in researching and exploiting phosphate under the direction of the State, reminding the Ministry

1. AMAE-I-216-23 February 1920.

2. AMAE-I-221-27 February 1920.

of how cooperative the group had been a few months earlier¹.

This discussion on the role of Tunisian phosphate companies in the exploitation of Moroccan phosphate culminated in the debates on the phosphate question in the Assemblée Nationale, on 17 June 1920. Millerand, Président du Conseil, Ministre des Affaires Etrangères, confirmed that no discussions had taken place with any Anglo-Italian group. Barthe, quoting the Rapporteur, Calary de Lamazière, said:

'C'est à la régie directe que l'on doit s'en tenir et la formule de cette régie doit être nettement autonome en même temps que strictement industrielle. Il ne s'agit pas de créer une sorte de monopole d'Etat dont les résultats figureront tant en recettes et en produits, qu'en dépenses dans le budget général du Maroc mais bien de mettre sur pied un organisme ayant ses finances propres, son administration distincte et son service technique assuré par des spécialistes que ne seront pas des fonctionnaires².

After an altercation between Boussenot and Blum about the ability of civil servants to rule an industrial firm, the latter expressed his concern about the possibility of Gafsa controlling Moroccan phosphates and suggested a more drastic solution:

'Nous redoutons une absorption de cette soi-disant régie du Maroc par les grandes entreprises phosphatières d'Algérie et de Tunisie, alors que la solution que tout le monde souhaite serait l'inverse, c'est-à-dire l'absorption des concessions actuelles

1. AMAE-I-240-15 April 1920.

2. Journal Officiel de la République Française-18 June 1920.

d'Algérie et de Tunisie dans un service public d'engrais qui serait lui-même en rapport avec l'exploitation en régie des phosphates tunisiens¹.

This drew applause from the extreme Left.

At that date, it became more and more openly admitted that Moroccan phosphate was going to be exploited under the direct control of the State. The hopes of the Tunisian companies of controlling the Moroccan beds were vanishing.

One of the last attempts against direct State control was made, on 9 July 1920, by Alfred Le Chatelier, Professeur au Collège de France, who proposed to Lyautey the creation of a 'Régie Nationale des Phosphates' which would be a vast consortium including financiers, French farmers, Algerian and Tunisian phosphate companies and some British interests². This was very unrealistic indeed. The suggestion was rejected as dangerous from a financial point of view, heterogenous, incompatible with the Algeciras Act and aiming at creating in Morocco a State within a State³.

The Dahir creating the Office Chérifien des Phosphates was soon to be published, putting an end to the various campaigns against the nationalization of Moroccan phosphate.

7 - The beginning of the exploitation

From August 1920 onwards, things were to happen very quickly. The O. C. P. was created on 4 August. Beaugé, Ingénieur en Chef in Gafsa, agreed to become

1. Journal Officiel- Ibid.

2. AMAE-II-49 to 54-9 July 1920.

3. AMAE-II-55 to 63 Note de Lantenois-20 July 1920.

Directeur Général of the O. C. P.. He was nominated officially by an Arrêté Viziriel on 20 September 1920¹. The installations needed for the exploitation of phosphate in the Oued-Zem area were declared to be of public utility by a Dahir on 25 September² and a decree by the President of the Republic authorized a credit of 36 million francs as initial capital for the O. C. P.³.

In the meantime, Tunisian companies were still trying to defend their interests and to keep their share of the phosphate market. Lucien Saint, Résident Général in Tunis, asked again for the creation of an economic pool of North African phosphate companies⁴. The only remaining problem was therefore to co-ordinate North African production. A conference was proposed by Marcel Hubert, Député⁵, and took place in Paris, in the Ministry of Public Works, from 1 to 3 March 1921 with representatives of the various French Ministries, Lantenois, the three Directeurs Généraux des Travaux Publics of Algeria, Tunisia and Morocco, and Beaugé. Its conclusion was to wait and see:

'1 - La production phosphatière de l'Afrique du Nord pourra être assez facilement absorbée par la consommation européenne jusqu'à vers 1925, date où le Maroc, grâce à la mise en service de la voie normale, pourra développer

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1. Bulletin Officiel du Maroc-n° 414-28 September 1920.
 2. Bulletin Officiel du Maroc-n° 414-28 September 1920.
 3. Bulletin Officiel du Maroc-n° 425-14 December 1920-Décret du 11 Novembre 1920.
 4. AMAE-II-141 to 145-Lucien Saint to Ministry of Foreign Affairs-28 January 1921.
 5. AMAE-II-83-Note pour le Secrétaire Général du Protectorat.

très rapidement sa production. Une crise de surproduction se produira entre 1925 et 1930, s'il n'y est pas paré.

2 - Il paraît peu recommandable de préparer l'exploitation de gisements nouveaux algériens et tunisiens dont les produits interviendraient sur le marché précisément à l'époque où la crise de surproduction est à craindre ...

3 - Il serait prématuré de chercher à provoquer une entente au sujet des prix entre les producteurs Nord-Africains.

4 - ... L'établissement ou la modification des taxes de sortie serait à soumettre à l'examen d'une commission constituée par la Métropole¹.

In fact, the only hopes for Algerian and Tunisians phosphate companies to retain their shares of the world market was for the French Government to intervene in order to maintain equilibrium. If not, North African phosphate production would be governed by purely economic factors. As the Moroccan beds were richer and more important than the Tunisian ones, this meant, in the long term, the decline of the Tunisian position in the world market.

On 28 July 1921, Lyautey triumphantly announced to the Ministry of Foreign Affairs that a boat carrying three hundred tons of phosphate had left Casablanca for Marseilles.

The first meeting of the Board of Directors of the O.C.P. was held on 4 October 1921 and began by a description of events which was somewhat biased in favour of Lyautey:

'C'est (la formule de l'exploitation par les soins d'un office d'Etat autonome) qui fut adoptée en définitive, avec l'approbation du Gouvernement Français auprès de qui l'esprit

1. AMAE-II-191 to 202-Note sur la Conférence des Phosphates.

de décision et la haute autorité du Maréchal Lyautey firent prévaloir une solution de nature à écarter les compétiteurs ...¹.

There followed the traditional remark about cooperation with the local people which, in this case, usefully masked the fact that the decision had been taken exclusively in order to protect French interests:

Le Gouvernement a tenu, par la désignation de notables indigènes, à marquer l'intérêt qu'il porte à associer les protégés de la France dans l'oeuvre de relèvement économique du Maroc².

In 1921, 8,181 tons of phosphate were exported from Morocco. This was only a token but proves that work was advancing at a very good pace.

Private companies wanting to exploit Moroccan phosphate, began to shift their attention from the Oued-Zem bed to other beds in Morocco. Léon Levy suggested to Poincaré, Président du Conseil and Minister of Foreign Affairs, that other beds should be exploited³. These beds might be managed differently from the Oued-Zem one, he thought. He referred to an interesting point made by Aguillon, Inspecteur Général des Mines, former Vice-President of the French Conseil Général des Mines, who quoted Article 52 of the 1914 Dahir. This Article made provision for the Protectorate to give mining concessions to companies which would agree to undertake public works. Aguillon noted that this article referred only to Title III of the Dahir, and not to Title IV, which concerned phosphate but that this was not important because the latter Title had been

1. AMAE-II-270 et seq ..

2. AMAE-Ibid.

3. AMAE-III-127-2 February 1923.

abrogated by the 1920 Dahir. In his opinion, this would allow the nationalization Dahir to be by-passed and mining concessions to be given to French phosphate companies. However, this rather specious point was not to be taken into consideration. Lyautey noted that no other phosphate beds were going to be exploited in Morocco¹. The latter would not please French agriculturalists who wanted Moroccan phosphate production to increase as much as possible in order to decrease prices. They had to wait until the thirties, when the Louis-Gentil bed² began to be exploited.

Therefore, in 1923, the problem of Moroccan phosphate had been settled. Moroccan phosphate production was increasing rapidly³, giving a definite denial to those who feared that direct State control would lead automatically to bureaucratic red tape and inefficiency.

8 - Conclusion

What is most obvious from the above analysis of the creation of the Office Chérifien des Phosphates is that the decision making process was much more complicated than is usually thought. Four stages may be distinguished, as shown: (1) control of research for phosphate, (2) research reserved for the Protectorate, (3) indirect State control and (4) direct State control. At each stage there were different factors and different decision makers, the decision centre shifting from Rabat (step 1) to Paris (steps 2 and 3) and then back to Rabat (step 4).

1. AMAE-III-143-Lyautey to Ministry of Foreign Affairs-3 March 1923.

2. Now called Youssoufia.

3. cf. Table p. 5.

TABLE 5
MOROCCAN PHOSPHATE PRODUCTION (1922-1930)

<u>Year</u>	<u>Tons .</u>
1922	79, 189
1923	190, 505
1924	429, 998
1925	711, 887
1926	870, 642
1927	1, 183, 311
1928	1, 323, 293
1929	1, 591, 933
1930	1, 760, 812

(Source: Archives de la Direction des Mines)

As for who had the clearest insight into the situation and the most important influence on its evolution, there is no doubt that it was both the Ministers of Industry, Clémentel and Loucheur. This is not to minimize Lyautey's influence but to correct the widespread idea according to which he was responsible for nationalizing Moroccan phosphate. In fact, Lyautey exerted a strong influence by pressing for a quick and efficient solution. His sole aim was to develop the Moroccan economy. Therefore, for him, phosphate was a means and not an end. This explains why he was the one who decided to publish the Arrêté Viziriel of 22 July 1919 (step 1) and why he played an important role in the choice of direct State control instead of indirect State control (step 4).

The motivations of Clémentel and Loucheur were different. They wanted France to control the distribution of phosphate. This question of market outlets was of prime importance, for three reasons.

(a) Phosphate was one of the very few mineral resources for which France had a leading position. Before the discovery of Moroccan phosphate beds, the first world producer was the U.S.A. but they were also the main consumer and French North Africa was the first world exporter. If a foreign group had taken control of Moroccan phosphate it would have put an end to this French supremacy which was of prime importance if France was to be able to acquire the other minerals which it lacked.

(b) Another factor of importance was that French agriculture needed cheap phosphate in order to remain competitive. This was much easier to obtain if the French Government had control of the Moroccan beds.

(c) Finally, it was necessary to protect Tunisian and Algerian phosphate

companies against the potentially very dangerous Moroccan competitor.

Moroccan beds were richer and bigger than the other North African ones and companies such as the Compagnie de Gafsa were afraid of losing their leading position.

Therefore, because of these opposing constraints, the first thing to be avoided was the bed falling into foreign hands. The Minister of Industry was in the best position to realize the necessity of this. He was not hampered like the Ministry which was officially in charge of the decision - the Ministry of Foreign Affairs - whose main concern was not to create diplomatic problems by breaking the Algeciras Act. Due to all these considerations, the Ministry of Foreign Affairs had to play a passive role, stressing the need to obey the law and to respect Treaties, whilst the Ministry of Industry played an active role, in order to preserve the interests of France. Once again it was not a question of competence. Both partners had different tasks and therefore different motivations. This division of tasks was to give special importance to Lantenois's position, as he shared both points of view.

As far as the five components described in Chapter I are concerned, the above analysis has shown that the only component which was of importance was markets outlets. It has been seen that no one had real rights over the phosphate bed. Neither human nor mechanical means of transformation were decisive factors. Capital was not very important either, because the phosphate bed was known to be extremely profitable and everyone was quite willing to invest. There were so many potential sources of capital that no one could gain any real power from the

will to invest in the exploration of the exploitation of Moroccan phosphate.

Finally, Table 6¹ sums up the decision-making process and the main motivations of the decision makers.

1. cf. p. 151.

TABLE 6

THE DECISION-MAKING PROCESS

Decisions	Control of research	Research reserved for the State	Indirect State control	Direct State control
Date of the decision	16-1-19	18-11-19	22-11-19	5-2-20
Date of enforcement	22-7-19	no	27-1-20	20-8-20
Decision maker	Lyautey	Lantennois	Clémentel Loucheur	Lyautey
Motivations	Moroccan economic development	Efficiency	Protection of French interests	Speed Diplomacy

CHAPTER V

THE DISCOVERY OF COAL

THE CREATION OF THE BUREAU DE

RECHERCHES ET DE PARTICIPATIONS MINIERES

The creation of the Office Chérifien des Phosphates was a very special case in the whole development of the Moroccan mining industry. Indeed it was the only nationalization which took place during the Protectorate period. The case of coal appears much more important in terms of the analysis of the role of the State in the mining industry. This is because the discovery of coal was one of the main factors which led to the creation of the Bureau de Recherches et de Participations Minières (B. R. P. M.), a public organization the role of which will be of prime importance and its evolution quite symptomatic of the changes in the balance of power between the State and private companies.

When looking at the literature on the Moroccan mining industry¹, it has been seen that the creation of the B. R. P. M. has been analysed by René Hoffherr and Paul Mauchaussé. As these two were participating in the decision process, they were very well documented. However their work deeply suffered from the fact that, as civil servants, they were unwilling to publish details which would shed too clear a light on the process.

This chapter is centred on the discovery of coal in Jérada² and on the analysis of the reactions of both the French Government and the Résidence

1. cf. Chapter I-p. 13.

2. Apart from quotations, the modern spelling 'Jérada' will be used instead of the old one 'Djérada'.

Générale. The study of the creation of the Société Chérifienne des Charbonnages de Djérada (S. C. C. D.) is one of the best examples of the problems generated by the 1923 mining legislation¹. From another point of view, it will be an opportunity to examine Eirik Labonne's influence in mining affairs, and his very active way of solving problems which appeared to be beyond the grasp of the Service des Mines. Interest will be centred on the analysis of the factors which allowed Labonne to take authoritarian measures and to fight successfully the opposition of private companies to the creation of a public organization which would control part of the research and of the exploitation of Moroccan mining resources.

In order to demonstrate this, the first section of this chapter will deal with the general economic situation in Morocco in 1928, explaining the stagnation of the economy in general and of the mining industry in particular. Then, the personality of Eirik Labonne will be analysed (section 2), in order to answer the numerous accusations which have been directed against him. It will be shown that, for him, the creation of the B. R. P. M. was in no way a socialist measure and that the basis of his thought was to encourage and to rationalize private activity.

Then, the question of coal will be dealt with, describing the extreme surprise caused by the discovery of the Jérada coal bed, which was contrary to the general belief in the total absence of energy resources in North Africa. This partly explains the passive attitude of the French and Moroccan mining authorities (section 3). Section 4 will analyse the gradual organization

1. cf. Chapter III-p. 68.

of a new system of decisions in the Résidence Générale, at the centre of which was Eirik Labonne. Then the question of the Marrakech coal bed will be described (section 5). This bed, which was not to be exploited because it was soon proved to be non-profitable, played an important role in the evolution of the position of the Protectorate and permits the analysis of how the idea of creating the B. R. P. M. emerged.

It will be shown in section 6 that the civil servants were divided into two groups, those who favoured the nationalization of coal and those, around Labonne, who only envisaged a participation of the State, in collaboration with private companies. The latter solution finally prevailed, under the advice of the Ministry of Foreign Affairs, and the B. R. P. M. was created (section 7).

Once this decision had been taken, the Résidence Générale could negotiate with private companies about the exploitation of the Jérada coal bed (sections 8 and 9). Finally the influence of the B. R. P. M. on coal problems and the reactions of the private sectors will be analysed from a more theoretical point of view (section 10).

The following analysis illustrates the role of the B. R. P. M. which was first considered by private interests as a dangerous tool in the hands of the Protectorate, and which finally proved to be the only means of solving the problems created by the Moroccan mining legislation and of bringing the research permit holders to an agreement. Interest will be centred also on how Ougrée-Marihaye, the Belgian company which owned the majority of the research permits in the Jérada area, succeeded in defending its interests in an environment which was hostile for two reasons: a tendency to State intervention and the potential advantage of French companies, which were 'at home'.

1 - The economic situation in 1928

In 1928, the situation of the Moroccan economy was quite worrying both for the French Government and for private circles. On the one hand, the development had not been as quick as it should have been and, on the other, the orientation of the economy did not at all fit the needs of France. It will be seen now why this situation created the need for a new development and specifically for a new departure for the Moroccan mining industry¹.

a - General economic factors

In 1928, the only sector of the Moroccan economy which really was being expanded was agriculture. Moreover, since the beginning of the French occupation, everything was based on cereals.

'94⁰⁰/₁₀₀ des superficies cultivées sont ensemencées en céréales, et toute l'économie marocaine oscille ainsi au hasard des perspectives d'abondance et de disette des récoltes, si bien que ce rythme saccadé retentit sur toute la vie sociale et fiscale du pays².

Being an export-oriented agriculture, it was very dependent on the fluctuation of the world market. From a French point of view, the fact that 1,800,000 quintals³ of Moroccan corn were allowed into France every year created a growing discontent among the French farmers, who opposed this competition from North Africa.

1. The following analysis being limited to those points which are of immediate interest for understanding the evolution of the role of the State, more detailed facts about the Moroccan economic history can be found in the following books: (1) Albert Ayache, Le Maroc - Bilan d'une colonisation, (Paris: Editions Sociales, 1956), (2) Charles-André Julien, Le Maroc face aux impérialismes - 1415-1956, (Paris: Editions Jeune Afrique, 1978) and (3) Jean Brignon et al., Histoire du Maroc, (Paris: Hatier et Casablanca: Librairie Nationale, 1967).
2. Hoffherr et Mauchaussé, Formules Modernes d'Organisation Minière Africaine, p. 66.
3. 1 quintal = 100 kilograms.

'Le monde agricole métropolitain manifeste bruyamment ses anxiétés. Les Céréaliers imposent des contingents restrictifs, les viticulteurs exigent des aménagements synonymes d'exclusion et la puissance de leurs protestations, débordant l'économie, gagne le politique'¹.

Therefore it was necessary to try to develop the Moroccan economy to complement the French economy rather than to compete with it.

Apart from agriculture, capital invested in Morocco was at that time channelled towards quick profit, on a speculative basis. Heavy investments in industry were dangerously lacking. Speculation on land and building in Casablanca was very representative of this situation.

'Il y a des exemples de mêmes lots objets dans la même journée de plusieurs ventes, les intermédiaires se réglant entre eux les différences de cours'².

It was urgent to channel capital towards a more stable activity and to put emphasis on the long term.

b - Mining factors

Moreover, in order to allow a quicker development of Moroccan industry, there was an urgent need to find new energy resources in Morocco. All the coal which was consumed in Morocco was imported and this had important consequences on the balance of trade. It was therefore necessary to hasten the search for coal and oil by all possible means.

Because of this, the mining industry was the key factor of the Moroccan economic development. However, the picture presented by the Moroccan

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1. E. Jussiaume, Réflexions sur l'économie africaine, (Paris: Librairie C. Klincksieck, 1932), p.5. Jussiaume was the penname of Eirik Labonne.
 2. Hoffherr et Mauchaussé, Formules modernes, p.62.

mining industry was not at all encouraging. It has been seen in Chapter III that mining production was very small, except for phosphate, which was the only sector in which the State had intervened. This was to give rise to arguments in favour of a stronger control by the Protectorate on the mining industry.

As in agriculture, the mining industry was developing on a strictly speculative basis.

'(En 1928) éclatait le contraste entre les milliers de permis de recherches hâtivement distribués dans l'automatisme du régime de la "priorité à la demande" placé par les dahirs de Janvier 1914 et de Septembre 1923 à la base de la charte minière du Maroc moderne, et l'évidente insuffisance des résultats obtenus, des exploitations effectives, en dehors de celle des phosphates exceptionnellement réservés à l'Etat par un dahir de janvier 1920'¹.

In fact, two types of people or groups asked for research permits. On the one hand there were individuals and companies who were not specialists in mining research or exploitation and who often acted from France without any knowledge of Morocco. They speculated on mining sites, on the basis of so-called proofs brought to them by explorers who were quite often far from being geologists or even from working according to scientific principles. The aim of these groups was not actually to work the mine but to wait, hoping that when others proved the existence of a near-by bed, then they could sell their own rights to the highest bidder.

On the other hand, there were groups, sometimes specialists in the mining industry, sometimes not, which had the definite aim of exploiting the beds. They were nevertheless paralyzed by competition from speculators.

1. Le B.R.P.M. - 1929-1953 - published by the B.R.P.M. for its 25th anniversary.

Section 3, dealing with the discovery of coal in Jérada, will illustrate this situation. At the time a mineral bed was proved to be workable, it was divided among several companies who had no alternative but to become united. They were however very reluctant to do so. They did not want to invest without a guarantee that they would be able to control the whole bed and this caused endless delays.

The Protectorate was also worried at the increasing influence of foreign groups in the Moroccan mining industry. Apart from phosphate, the main mines were under the control of foreign companies, as the Compagnie Royale Asturienne des Mines or Ougrée-Marihaye, for instance. The State was tied by the Algeciras Act, which forbade the giving of advantages to French companies. On the other hand it was not possible to act as in the case of phosphate. Both for diplomatic and for economic reasons, the nationalization of other mines was unthinkable. A more subtle solution had to be found. In that respect, the influence of Eirik Labonne proved to be a determining factor.

2 - Eirik Labonne

Without any doubt, Eirik Labonne was the civil servant who had the most important influence on the development of the Moroccan mining industry during the Protectorate period. In 1928, he was Secrétaire Général du Protectorat and took under his direct responsibility all economic affairs and especially mining matters. As he was at the very centre of the questions which will be examined in this and the next chapter, it is worth analyzing this motivations.

Born in 1888, he was at an early age drawn towards foreign policy on the one hand - at 17 he was war correspondent during the war between Russia and Japan - and towards energy problems on the other. Returning from Russia, he went through Persia and witnessed the struggle between Great Britain and Russia to obtain control of the Persian oil, and realized that the control of energy resources was the key to modern economic development.

Entering the diplomatic service in 1912, he was sent to Russia in 1917 where he was able to watch the development of the revolution and was deeply impressed by the emergence of a new economic system. From then on, his attention was focused on the role the State could play in the development of a modern economy.

He stayed in Moscow until 1919, went back there again in 1925 and stayed till 1928, as Conseiller. Then he was posted to Morocco. In his new post, for the first time, he had the opportunity to put his ideas into practice, being in the position of a decision maker and not of an observer, as in Russia. He knew he had the power to create something.

Comparing Soviet Union and Morocco, he noted

'Pour moi, entre Moscou et cette Afrique neuve, tout est contraste. De travail personnel: là-bas, effort tout entier d'attention, d'analyse, ici d'action violente; contraste aussi des faits et des choses: toutes proportions respectées, deux édifices nouveaux à construire; là-bas l'extraordinaire mélange du socialisme doctrinal et du soviétisme effectif de la race; ici un exemple type de la liberté économique privée conjuguée à l'action et à l'intervention la plus active de l'Etat'¹.

The aim of his economic thoughts was to create a symbiosis between private interests and the State. In his opinion, Morocco was a **privileged**

1. AL-Letter to -Rabat-26 May 1929.

Demonstrating that State intervention was an absolute necessity in a capitalist economy, he referred to President Hoover:

'Mon élection affirme une fois de plus la volonté du peuple américain de ne pas voir instaurer dans le domaine des affaires le monopole de l'Etat au détriment de l'entreprise privée organisée. Mais, nous avons dû établir une discrimination entre la réglementation des industries productrices d'articles de commerce d'une part, la réglementation des services d'intérêt général d'autre part. Pour les premières, nos lois encouragent une concurrence indispensable; mais pour ce qui concerne les autres, nous établissons de fait un monopole en restreignant la concurrence, nous devons donc réglementer leur fonctionnement et leurs prix. L'application stricte des lois édictées pour ces deux groupes d'industrie est à la base de l'intérêt et de la liberté de toute notre nation; elle est aussi indispensable à la stabilité et à la prospérité du monde des affaires qu'à la protection des intérêts du peuple en général¹.

Labonne's views on the role of the State in economic affairs were upheld by Caillaux's opinion, according to which there was only one field which the State should not enter, the commercial one. For the others - production, transportation, and so on - the State was as able as private companies to set up an efficient organization. Caillaux thought too that it was a duty of the State to maintain an equilibrium between the various factors involved².

Labonne developed his ideas about economic progress in a book, *Réflexions sur l'Economie Africaine*, written in 1932 under the pen name of E. Jussiaume. Starting from the fact that Europe was a declining power in comparison with the U.S.A. and the U.S.S.R., he believed that the only hope was closely to tie European and African economies.

1. AL-Ibid.

2. AL-Ibid.

field for such an attempt. What was important for Labonne was the possibility of a positive action.

'Pays neuf, presque dégagé de la politique pure, c'est-à-dire de l'impure et dégoutante paralysie des mysticismes verbeux et veules, de l'influence parlementaire, des freins et de l'ambiance du contrôle administratif et, en général, de l'esprit de contrôle, ce pays réalise, aussi bien et mieux qu'une colonie anglaise, le self government. A côté de l'épanouissement des affaires privées, des sociétés, d'une frénétique, glorieuse et impudique spéculation, l'Etat est resté puissant'¹.

From such a statement, it is clear that Labonne did not want to implement socialist measures in Morocco. He knew that both from a political and from an economic point of view this was absolutely impossible. In his opinion, the role of the State was to encourage private activity. His only mistake was to overestimate the power of the Protectorate. Indeed the political struggle was not as acute as in France and the control from the French Parliament was more remote but the influence of groups representing private circles was very strong and was soon to oppose Labonne's policy.

Despite the fact that he had been deeply influenced by the Soviet experience, his model of action was far from being a communist one. For instance, he quoted Rathenau:

'L'organisation économique moderne ne peut être chose privée, mais affaire de la collectivité..... Irrecevables sont les formules toutes faites de la nécessité de la libre concurrence absolue et de l'incapacité industrielle de l'Etat... . Cette défiance envers l'Etat, dont le moindre contact contaminerait toute entreprise, n'est qu'une défiance envers nous-mêmes, comme si les traditions d'égoïsme et d'indifférence pour la chose publique étaient immuables'².

1. AL-Ibid.

2. AL-Ibid.

Demonstrating that State intervention was an absolute necessity in a capitalist economy, he referred to President Hoover:

'Mon élection affirme une fois de plus la volonté du peuple américain de ne pas voir instaurer dans le domaine des affaires le monopole de l'Etat au détriment de l'entreprise privée organisée. Mais, nous avons dû établir une discrimination entre la réglementation des industries productrices d'articles de commerce d'une part, la réglementation des services d'intérêt général d'autre part. Pour les premières, nos lois encouragent une concurrence indispensable; mais pour ce qui concerne les autres, nous établissons de fait un monopole en restreignant la concurrence, nous devons donc réglementer leur fonctionnement et leurs prix. L'application stricte des lois édictées pour ces deux groupes d'industrie est à la base de l'intérêt et de la liberté de toute notre nation; elle est aussi indispensable à la stabilité et à la prospérité du monde des affaires qu'à la protection des intérêts du peuple en général¹.

Labonne's views on the role of the State in economic affairs were upheld by Caillaux's opinion, according to which there was only one field which the State should not enter, the commercial one. For the others - production, transportation, and so on - the State was as able as private companies to set up an efficient organization. Caillaux thought too that it was a duty of the State to maintain an equilibrium between the various factors involved².

Labonne developed his ideas about economic progress in a book, *Réflexions sur l'Economie Africaine*, written in 1932 under the pen name of E. Jussiaume. Starting from the fact that Europe was a declining power in comparison with the U.S.A. and the U.S.S.R., he believed that the only hope was closely to tie European and African economies.

1. AL-Ibid.

2. AL-Ibid.

Aware of the agricultural problems in North Africa, he saw the need to develop the mining industry.

'En dehors de l'extraordinaire réussite de l'exploitation d'Etat des phosphates, le Maroc n'exploitait en 1927 que huit mille tonnes de minerais divers pour une valeur de huit millions et demi de francs, chiffres infimes eu égard à la minéralisation universellement connue du pays'¹.

He wanted to encourage the mining industry according to the following rules:

'(1) respect de la législation minière libérale
(2) favoriser les recherches minières (3) assurer le respect des exigences de la Défense Nationale et des droits supérieurs de la collectivité'².

Far from wanting to deprive private companies of possible profits, he referred to Leo XIII and to 'Rerum Novarum', stressing the organizational duties of the State. Here again Labonne stressed the fact that the purpose of the State intervention was to regulate and to encourage private activity. He quoted a Sous Secrétaire d'Etat à l'Economie Nationale:

'L'Etat et son représentant le Gouvernement doit intervenir, de propos délibéré, en régulateur des phénomènes économiques, en animateur des entreprises, en conciliateur et en arbitre des intérêts contradictoires. Est-ce donc l'avènement ou déjà le triomphe de l'Etatisme? Il s'agit de tout autre chose. Il s'agit, pour l'ensemble des intéressés, de tracer des cadres nouveaux, dans lesquels évoluent désormais, avec le minimum de péril pour les collectivités, l'initiative et la concurrence. Il s'agit de substituer un ordre rationnel, un accord concerté au libre déchaînement des forces antagoniques, de remédier à la brutalité cruelle des vicissitudes de la vie économique, d'obtenir, en vue

1. Jussiaume, pp. 73-74.

2. Jussiaume, pp. 74-76.

d'un intérêt commun et supérieur, des renoncements et des sacrifices.....¹.

In order to fulfil such a role, the State had to be very strong. It had to be in a position to bargain with private companies and to make clear to them that it had something to offer.

From a global point of view, Labonne had the same aim as Lyautey, the economic development of Morocco. However, contrary to Lyautey, Labonne saw the danger of giving total freedom to private interests, whose main aim was to make profits in Morocco and to bring the money back to France, concentrating on short term gains.

'En toute affaire, il faut des capitaux pour partir. Mais l'éternelle question se pose de savoir où va la rente. En tant de pays, de colonies surtout, en Tunisie par exemple, après les premiers bienfaits de la période des investissements, l'expatriation des revenus, insidieuse et inaperçue, provoque ses naturels effets de langueur et d'épuisement'².

From such an analysis of the situation, Labonne clearly defined his purpose:

'Avant moi, l'oeuvre magnifique des phosphates a été accomplie qui laisse intégralement dans le pays une rente d'un demi-milliard de francs. A mon tour, j'espère être assez heureux pour apporter une pierre à l'édifice'³.

It is important to note that Labonne pointed out that the money from the exploitation of phosphate remained in Morocco and said nothing about the fact that it was public money. This clearly shows what was for him the order of priority.

His attention was focused on mineral resources, as the first industrial sector to be developed. In this he remained constant during the whole of his

1. Jussiaume, pp. 24-25.

2. AL-Ibid.

3. AL-Ibid.

career. During his stay in Morocco, from 1928 to 1931, he created the B. R. P. M. and initiated an active policy of the State in mining affairs. He was finally dismissed in 1931 by the Résident Général, Lucien Saint, because of the intrigues of some private mining companies¹. However, mining questions remained an obsession during his whole life. When he was Résident Général in Tunis (1938-1940), he dealt with mining affairs. When he became Ambassador in U.S.S.R. (1940-1941), he was particularly interested in the huge mining resources of that country. While Résident Général in Rabat (1946-1947), he encouraged the rationalization of coal exploitation in Jérad². Afterwards, he was nominated Conseiller Diplomatique du Gouvernement and worked on the economic organization of the Union Française project. He was the initiator of the search for oil in the Sahara, despite the advice of the vast majority of mining specialists who did not believe in the existence of oil in that part of the world. In 1957, he was nominated Vice-President of the Conseil des Mines, which is a quite unusual office for a diplomat, and he continued working on the question of the Algerian oil, hoping to find new bases of cooperation between France and its African colonies or former colonies.

It has been seen in Chapter II² that the historians and the economists who studied Labonne's achievements recognised his outstanding influence. Bidwell, however, has an unfair judgement of Labonne:

1. cf. Chapter VI.

2. cf. Chapter VII.

3. cf. p. 39.

'After Lyautey there was no leader with his eyes upon any distant horizon or with any original view on the future. Perhaps Labonne had the long-term welfare of the Moroccan people at heart, but his goal was a cold, technological paradise'¹.

Indeed, in contrast with Lyautey who was a charismatic leader, Labonne was a technocrat, but a technocrat with an extremely broad view, who was very aware of economic and political matters and whose grasp of Moroccan affairs was certainly much more realistic than the nineteenth century attitude of Lyautey.

3 - The discovery of coal in Jérada

The conjunction of the economic situation described in the first section, and of the presence of Eirik Labonne as Secrétaire Général soon led to a drastic change in the role of the Protectorate in mining affairs. The first field of action was going to be coal, the exploitation of which was all the more important because Morocco and France lacked energy resources.

At the beginning of the century, amongst specialists in mining problems in North Africa, it was considered as a dogma that there was no coal in that part of the world. Therefore, the discovery by Louis Gentil, in 1908, of carboniferous outcrops, in the East of Morocco, near Jérada, did not lead to further research for coal in this area².

On 20 April 1914, Octave Llabador published in the 'Echo d'Oran' an article describing the Jérada bed, locating it with precision, and stating

1. Robin Bidwell, Morocco under colonial Rule, p. 191.

2. Hoffherr et Mauchaussé, Formules Modernes, p. 155.

Harroy decided to undertake a geological survey of the Jérada area. Two geologists, Brichant and Lavrentief, were sent to Morocco in February 1928. They began a geological survey and concluded that a coal bed did exist in that area. On 6 March, Lavrentief asked the Service des Mines of Oujda for two research permits for coal in the name of O.M.. They were granted on 20 April. During that time the two geologists went on exploring the area and, on 19 April, asked for two other research permits.

This discovery was of prime importance, as it destroyed the universal prejudice described above. However there was no sure certainty that the coal bed was exploitable. It was necessary to prove that it was sufficiently big, that the layers were large enough and that the coal was of good quality. Therefore high investments were needed in order to undertake more systematic research. O.M. was conscious of the difficulty of the task.

'Nous pensons qu'avant d'entrer dans la période d'exploitation il faudra encore de nombreuses et coûteuses recherches que seules de puissantes sociétés entreprendront en groupant leurs efforts si elles sont assurées de pouvoir profiter des résultats de leurs travaux'¹.

This was a good reason to reinforce the unity of the Syndicat d'Etudes Minières au Maroc Oriental.

O.M. was also aware of strong potential competition.

'Pour ne pas émouvoir l'opinion publique et nous permettre de faire établir la légitimité de nos droits sans soulever d'oppositions, nous avons jugé opportun d'arrêter les susdits travaux (ceux qui apportent des résultats encourageants) et même de les camoufler. Par ailleurs, nous continuons les recherches aux endroits où les résultats n'ont pas, jusqu'à ce jour,

1. AC-Van Hoegaerden to Morard, Administrateur-Directeur de la S.A. des Hauts-Fourneaux de la Chiers-Liège-13 November 1928.

de façon aussi évidente, confirmé nos espoirs'¹.

These precautions were useless. The news spread with extreme rapidity amongst the mining companies, resulting in a rush for research permits for coal in the Jérada area. The following table sums up the situation (March to September 1928).

The whole Jérada area was covered with research permits for coal, constituting an inextricable network. This is the best example of the situation created by the 1923 Dahir, according to which permits were delivered automatically, the only criterion being the priority of the demand.

Facing this feverish activity in private circles, the Protectorate Administration was very slow indeed to react, dominated by administrative routine on the one hand and by its scepticism about coal on the other. The Service des Mines of Rabat was only informed of the discovery on 21 April by a letter from Lannoy, Ingénieur Subdivisionnaire in Oujda².

On 25 April, Maitre-Devallon, acting Directeur Général des Travaux Publics, informed the Résident Général and the Ministre Plénipotentiaire orally of the news³. At the end of April, Despujols, Chef du Service des Mines, went to Jérada. He was followed by Lantenois, the Protectorate adviser for mining affairs.

On 27 May, the Résident Général wrote to the Minister of Foreign Affairs a letter concerning the creation of a railway line in the East of

1. AC-Note sur les activités de la Mission au Maroc-Ougrée-13 October 1928.

2. AL-Note de Labonne sur l'historique de Jérada-Rabat-30 July 1928.

3. AL-Ibid.

TABLE 7
DEMANDS FOR RESEARCH PERMITS IN JERADA

<u>Date of the demand</u>	<u>Name of the company</u>	<u>Number of permits</u>
6 March	Ougrée-Marihay	2
19 April	Ougrée-Marihay	2
25 April	Compagnie Minière du M'Zaita	2
2 May	Compagnie Métallurgique et Minière Franco-Marocaine	3
5 May	Compagnie Mokta-el-Hadid	4
7 May	Compagnie Royale Asturienne des Mines	3
7 May	Compagnie Mokta-el-Hadid	1
10 May	Compagnie Mokta-el-Hadid	1
21 May	Ougrée-Marihay	2
25 May	Ougrée-Marihay	4
26 May	Compagnie Royale Asturienne des Mines	1
29 May	Ougrée-Marihay	3
1 June	Penarroja	2
2 June	Compagnie Royale Asturienne des Mines	2
27 June	Compagnie Royale Asturienne des Mines	5
28 June	Compagnie Mokta-el-Hadid	6
12 July	Compagnie Mokta-el-Hadid	1
23 July	Ougrée-Marihay	6
30 July	Compagnie des Chemins de Fer du Maroc	2
7 August	Compagnie Royale Asturienne des Mines	2
12 September	Cie Métallurgique et Minière Franco-Marocaine	1
18 September	Ougrée-Marihay	10
28 September	Cie Métallurgique et Minière Franco-Marocaine	1
		—
		66

(Source: Archives Eirik Labonne)

Morocco and incidentally informed him that coal might have been discovered in the Oujda area¹.

At that time, every single private company which was interested in Moroccan mining questions had already asked for research permits in the J  rada area. However the Direction G  n  rale des Travaux Publics did not depart from its very passive attitude. Considering the initiative to be in the hands of private companies, it noted that all those who had research permits in the area were serious, and limited its action to informing them that measures would be taken against them if they did not carry out serious research².

Sticking to a purely legal position, Despujols consulted Lantenois and Delpit, the Directeur G  n  ral des Travaux Publics who was ill in France, to enquire whether it were possible to refuse research permits for coal, as the rush for them was growing in J  rada. Their answer was that it was legally impossible³. And so, matters continued. This passive attitude is even criticized by Hoffherr and Mauchauss  , who are usually very careful to avoid judging their former colleagues of the Service des Mines.

'Quant au Service des Mines, d'ailleurs sceptique sur la valeur de la d  couverte dont t  moignaient ces indications, il devait tarder pr  s de cinq mois pour attirer l'attention du gouvernement sur la port  e possible de la "course aux permis de charbon" d  clanch  e sur toute la r  gion au Sud d'Oujda, couvrant toute une zone longue de quatre vingt kilom  tres et profonde de quinze    vingt'⁴.

It was not until June that the Protectorate began to react, under the impulse of Eirik Labonne, who had just arrived in Rabat.

1. AL-Ibid.

2. AL-Maitre-Devallon to Steeg-Rabat-29 May 1928.

3. AL-Lantenois to Steeg-1 August 1928.

4. Hoffherr et Mauchauss  , Formules Modernes, p. 156.

4 - The reaction of the Protectorate

It has been seen in section 2 that Labonne was deeply interested in the mining industry and particularly in the problem of energy resources. For the first time in his career, a few weeks after his arrival in the Résidence Générale, he was able to put into practice his ideas about the role of the State in the economic development of a new country.

However, the situation was not simple. The post of Secrétaire Général du Protectorat was indeed important, being at the centre of economic questions in the Protectorate Civil Service, but his predecessors had never really interfered with the technical departments, retaining their more passive role of coordination. Labonne had to change that, to create a team which would help him to overcome the sleepy routine of the Service des Mines.

For everybody in the Résidence, the month of June was a period of reflection, as far as the problem of the Jérada coal was concerned. The only positive measure which was taken was to stop delivering research permits for coal in Jérada, in order to try to stabilize the situation. However this was no more than a passive reaction and this measure had been taken too late. In the mean time, Labonne began to organize and to convince people. He explained to Steeg that the interest of France could lead to authoritarian measures on the part of the Protectorate. 'Vous vous souvenez de ce crépuscule dominical de Juin où je me faisais l'avocat de cette cause difficile'¹.

He was going against the general principle of non-intervention of the State in economic matters. This was a very difficult task indeed, as Steeg was

1. AL-Labonne to Steeg-Rabat-1 August 1928.

mainly concerned with making a smooth political career, secretly dreaming of becoming President of the Republic.

Gradually, Labonne reinforced his power and accumulated data about the Jérada coal bed. He sent Beaugé, Directeur Général of the O. C. P. to Jérada at the beginning of July. Beaugé's opinion was that the bed could be exploitable. He noted too that O. M. alone was doing serious research¹.

Labonne's action was centred in Rabat. No information was sent to the Ministry of Foreign Affairs, on the pretext that the Résident Général would go to Paris in mid-July and would explain the situation at that time, when sufficient data had been collected. In fact, Labonne recognized that this silence was planned: 'J'ai voulu éviter de poser prématurément ou dans un sens ce problème qui n'est plus technique ou pratique mais bien politique'².

In fact, Labonne wanted to strengthen his point of view in the Résidence Générale before alarming Paris, which could have ordered measures dictated by the French political situation and not suitable for the economic development of Morocco. Already his aim was to organize a stricter control by the State on Moroccan mining affairs, according to a global plan which was to be defined later on. In order to do that, it was necessary to analyze at length the actual circumstances. In 1928, there were no real means by which the State could control - or become associated with - private companies. The very principle of the mining legislation worked against such a purpose. Therefore any hasty decision had to be avoided.

Indeed there had been a project of publishing a new mining law

1. AL-Labonne to Steeg-Rabat-18 July 1928.

2. AL-Labonne to de Saint-Quentin-Rabat-17 July 1928.

which would have given more power to the State than the 1923 Dahir did. However the Résidence thought it had been buried in the Ministry of Foreign Affairs¹. This proves that, even before the arrival of Labonne in Morocco the situation of the mining industry was considered to be critical. Only the will to carry out drastic measures was lacking.

The only possible organ of State intervention was the O. C. P.. Planning its potential role in the exploitation of minerals other than phosphate, a dahir was published on 5 July 1928:

'L'Office pourra, avec l'autorisation du Gouvernement Chérifien, prendre des participations dans les entreprises marocaines d'intérêt général pour l'ensemble du pays'.

On 12 July, a few days before Steeg's departure for France, a meeting concerning coal was held, with all the Directors and Lantenois, who had been asked to come to Rabat. The latest news from Jérada was that O.M. was intensifying its research and that the coal reserves were around 50 to 60 million tons². Steeg went to Paris with this encouraging information.

Labonne's ideas of State participation would certainly have had many more difficulties to overcome if the French Government had not violently reacted when hearing from Steeg about the situation in Jérada. Poincaré, Prime Minister, and Briand, Minister of Foreign Affairs, noted angrily that it was not logical that the French colonial policy, which represented high sacrifices in terms of men and money, should have as its only consequence, huge benefits for private companies³.

1. AL-Steeg to Labonne-Paris-21 July 1928.

2. AL-Note de Labonne sur l'historique de Jérada-30 July 1928.

3. AL-Steeg to Labonne-Paris-21 and 27 July 1928.

This point of view was based on three main reasons:

(1) a political one: the Government was under pressure from the Left, in the Parliament.

(2) a legal one: neither Poincaré nor Briand was fully aware of the Moroccan mining legislation, based on the priority of the demand. Both were thinking in terms of the French mining legislation.

(3) a nationalist one: O.M. was not a French company and there was therefore no political danger in opposing it. On the contrary, French political opinion was to be very satisfied by such an attempt from the Government to protect French interests.

A letter was sent immediately by Briand to the Résidence Générale:

'Ces mines qui constituent pour le Maroc et pour l'Etat une véritable fortune et qui aurait dû, semble-t-il, être exploitées au moins sous la forme de régie intéressée, auraient, dans des conditions trop précipitées, fait l'objet de permis de recherches attribués par le Service des Mines à une série de grandes sociétés minières Si les renseignements qui m'ont été donnés correspondent à la réalité, il est certain qu'une affaire de ce genre est susceptible de provoquer de vives et légitimes protestations'¹.

This was the typical language of a politician, but very strong in comparison with the ordinary style of the Quai d'Orsay.

Therefore, the Service des Mines was directly accused. It was reproached for not having informed the Résident Général. In fact, it could not have been otherwise, as the Service des Mines was only concerned with the legal aspect of the mining industry and was completely out of touch with economic matters.

1. AL-Briand to Steeg-n° 1281 -Paris-25 July 1928.

Moreover, it was discovered that the project of a new mining legislation lay unfinished in Rabat¹. In addition, it was pointed out that instead of advising that the interest of the State be safeguarded, Lantenois had contacted a French company, Mokta-el-Hadid, as a potential competitor to O.M.², placing the State in an even more difficult position.

The Service des Mines was disqualified in Steeg's opinion:

'Comment M. Delpit (who was the former Directeur Général des Travaux Publics and who had died a few months ago), prévenu, ne nous a-t-il pas consulté ou averti? Comment n'a-t-il pas pris l'initiative de provoquer immédiatement comme il l'avait fait en d'autres occasions une demande de permis de l'O.C.P.? Pourquoi n'a-t-il pas donné suite au dahir qu'il avait préparé et sur lequel l'accord était complet depuis Juillet 1927? Quelle a été l'influence exercée par M. Lantenois?'³.

There was a quite simple answer to Steeg's question: administrative inertia, reinforced by the Moroccan economic and political situation utterly dominated by private interests.

The Résident Général's suspicion of the Direction Générale des Travaux Publics brought the power of decision into Labonne's hands. Steeg asked him to control all research permit demands, none of them being valid without his signature⁴.

Labonne noticed however that this was a visa, not a veto: the mining legislation still existed and the power of the State was still virtually in-existent. Until July 1928, the discovery of coal in Jérada and the strong reaction

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1. AL-Steeg to Labonne-Paris-21 July 1928.
 2. AL-Steeg to Labonne-Paris-29 July 1928.
 3. AL-Steeg to Labonne-Paris-10 August 1928.
 4. AL-Steeg to Labonne-Paris-29 July 1928.

of the French Government had had only one consequence, to reinforce Labonne's power in the Résidence Générale.

5 - The discovery of coal in Marrakech

Such was the general context in which the discovery of a coal bed in the Marrakech region occurred. Labonne was now sufficiently powerful to act, and he did so, with extreme energy, using methods which were not always perfectly legal.

On 17 July, Gaston Desvages, who was associated with Abraham Corcos, a trader in Marrakech, and with Moral, mining engineer, asked for four research permits for coal near Marrakech. Three were granted, one was not valid, for administration reasons.

On 23 July, Forey, Ingénieur des Mines in Marrakech, phoned to Savry, acting Chef du Service des Mines, to tell him the news and to inform him that he personally had seen some coal on the land covered by these permits. This time, everything moved very quickly in the Résidence Générale, despite the absence of the Résident Général, the Directeur Général des Travaux Publics, the Chef du Service des Mines and the Directeur Général of the O. C. P..

On the same day, Picard, acting Directeur Général des Travaux Publics, was informed and went to see Labonne, who sent a note to Lenhardt, acting Directeur Général of the O. C. P. :

L'O. C. P. sera invité à préparer d'extrême urgence, par tous les moyens à sa disposition et par ceux à la disposition du Service des Mines, de la Direction Générale des Travaux Publics et de tous autres services, le dépôt de quinze demandes de permis de recherche (autour de ceux de Desvages)¹.

1. AL-Note de Labonne sur la découverte et l'acquisition du gisement le charbon de Marrakech-July, August and September 1928.

According to the 1923 Dahir, the maximum number of research permits which could be asked for by a single person or organisation in the same area was fifteen.

The next day, the O. C. P. had asked for the fifteen permits.

The day after, Picard and Labonne tried to rationalize the situation, in order to find a legal ground for such an action. Picard noted that, on a geological map established by the Service des Mines in June and July 1927, the presence of coal had already been mentioned and that therefore

'L'Etat se trouvait donc dans la situation d'un industriel ayant fait, à fonds perdus, des frais considérables de recherches géologiques, et pouvant, grâce à la découverte fortuite d'un tiers, en tirer immédiatement parti. Il était naturel qu'il fit, sans plus tarder, ce qu'aurait fait cet industriel à sa place'¹.

On the same day, Labonne informed Steeg that everything had been done to control this potential coal bed. On 31 July, Lenhardt visited the bed and concluded that it was not at all sure that the bed was interesting from an economic point of view. Labonne insisted on going on, saying that it was necessary to act as if it were an important coal bed and to avoid what happened in Jérada. The decision was taken to act as quickly as possible and to buy the research permits owned by Desvages.

On 2 August, Desvages went to the Service des Mines of Marrakech to ask for another permit and was very surprised to see that the O. C. P. had asked for fifteen permits for coal in the very area where he was working .

In the mean time, Labonne, Savry and Lenhardt decided that these

1. AL-Ibid.

fifteen permits were not enough to be sure of covering the whole of the coal bed and to prevent a potential extension of the land controlled by Desvages. As the O. C. P. could not ask for these permits, it was decided that a certain number of people employed by the O. C. P. would ask for permits, in their own names, but for the benefit of the company.

On 8 August, twenty permits were requested in that way. On 9 August, Desvages, who wanted to ask for another two permits was told that the area was already covered by research permits. He said: 'Je ne croyais pas qu'autant de personnes eussent connaissance du charbon dans la région'¹ and seemed ready to negotiate with the Résidence Générale. On 11 and 16 August, more permits were asked for by O. C. P. employees and, on 17 August, the work was completed, the areas covered by Desvages's permits were completely surrounded by those controlled by the O. C. P.,

Desvages was contacted by Picard and Lenhardt and went to see Labonne in Rabat on 27 August. Desvages began by saying that he had been working for two years, investing a lot of money. Labonne answered that he, Desvages, had only five and a half permits for areas surrounded by land covered by the seventy five permits belonging to the O. C. P. and that therefore he could neither exploit the bed, nor sell the permits to a private company which would realize the situation. He added ingenuously: 'Mais l'Etat n'entend en aucune façon user de contrainte'². He proposed to give Desvages 100,000 Frs which were an indemnity, and therefore not negotiable, and to recognize a possible association in the benefits of the mine.

1. AL-Ibid.

2. AL-Ibid.

The day after, Desvages, Maral and Corcos were back in Labonne's office. The discussion began again on the same points and turned quickly into bargaining. The prospectors wanted 300,000 Francs, then they went down to 200,000 Francs and finally accepted the 100,000 Francs proposed to them the day before. In addition Labonne suggested they could eventually participate in the profits, that they might be recruited for coal research in Morocco, if it were possible, and also that they be given 10,000 Francs for each main discovery of an exploitable coal bed in the country. Finally an agreement was reached after an epic discussion between Labonne and the prospectors, Labonne saying that they could eventually receive a decoration and each of them pointing out his high merits and asking for the Légion d'Honneur, while Labonne was thinking of the Ouissam Alaouite¹ or of the Mérite Agricole²...

On 4 September, Picard and Lenhardt went to Marrakech to finalize the agreement.

After more systematic research, it was finally proved that the bed was not exploitable. All these efforts were in vain and Desvages and his colleagues had, as a matter of fact, done good business. Nevertheless the fact that this negotiation had no real consequence as far as the mining production was concerned is not of prime importance. The interest of the events related above lies in the fact that, for the first time since the creation of the O.C.P., the Protectorate took an active role in the development of the mining industry. A few months after his arrival in Rabat, Labonne had

1. A Moroccan decoration.

2. AL-Ibid.

complete control of those departments of the Résidence Générale which were concerned with the mining industry.

Very important too was the use the Protectorate could make of its control of the Marrakech coal bed during its future negotiations with O.M. This was a decisive psychological factor, proving the determination of the State to intervene in mining affairs and its ability to participate in industrial matters. At the beginning of September, private companies were fully aware that something had changed in the Résidence Générale.

From the point of view of the method which had been used by the Résidence, two points are worth noting: (a) the impossibility of acting legally if urgent measures were to be taken, and (b) the role of the O.C.P., which was the only public mining organization and therefore the only tool in the hands of the Protectorate.

6 - The two projects of the Résidence Générale

Alongside the above negotiation about the Marrakech coal bed, a more theoretical fight was happening in the Résidence Générale, concerning the position to adopt regarding the Jérada coal bed. Two projects were in competition. The first one had been put forward by Branly, Directeur Général des Finances, who proposed to adopt the system of indirect State control. His analysis was based on two factors. On the one hand, from a political point of view, it was necessary for French North Africa to have its own energy resources, as, in case of war, it could be isolated from France. In the case of Jérada

'un gisement important en quantité et médiocre
en qualité exige donc l'intervention de l'Etat
qui peut, seul, faire les sacrifices nécessaires

à sa mise en valeur dans l'intérêt de la
Défense Nationale¹.

Actually just such a situation came about in 1940 and Branly's analysis proved to be right². On the other hand, from an economic point of view, Branly thought that only the State could take into account the more general interest. Even if the coal exploitation was not profitable by itself, this would provide work for the railway line, would distribute salaries, would contribute to the balance of payments and therefore would favour Moroccan economic activity.

For these reasons, Branly advised the creation of a company which would be indirectly controlled by the State. 90% of its capital would belong to the State and 10% to the permit holders. The capital furnished by private companies would be guaranteed by the State. The company would sell the extracted coal to a commercial company controlled by French capital. Branly thought that this solution could be accepted by private companies, as they would get part of the profit, without the risk, which would be taken by the State.

Labonne had a quite different project, putting forward an association between the O.C.P. and O.M.. He proposed the creation of a company to which O.M. would bring the permits, the machines which were already in Jêrada and the benefit of its work, while the O.C.P. would bring the guarantee that the Protectorate would grant the concession, the right to occupy lands belonging to the State, its help in building roads and railway lines, privileges for customs duties and help for recruiting labour force³.

1. AL-Branly-Note on Jêrada-6 August 1928.

2. cf. Chapter VII.

3. AL-Labonne to Steeg-19 August 1928.

The capital of the company would be divided in two parts:

1/4 of shares A and 3/4 of shares B. Shares A would have 10 votes while shares B had 1. The repartition would be as follows:

- shares A	O.C.P. : 60%	-	O.M. : 40%
- shares B	O.C.P. : 50%	-	O.M. : 50%

The board of directors would have six members, three being designated by the O.C.P. and three by O.M.. The chairman of the new company would be the chairman of the O.C.P. but the Administrateur Délégué would be one of the three members designated by O.M..

The basis of Labonne's idea was public control on the one hand and private management on the other, thus conforming to the principle of his economic policy¹.

Both Branly and Labonne favoured State intervention. They were faced with two heads of Government (Poincaré and Steeg), who were very hesitant, for political reasons², an expert in mining affairs (Lantenois) who favoured private enterprise³ and the Service des Mines which was 'dépassé par les événements'⁴. Remaining in their respective positions, Branly and Labonne were both fighting to increase State control, the former in Paris, the latter in Rabat.

In Paris, Branly exposed his point of view to Poincaré, Briand, Berthelot (Secrétaire Général du Ministère des Affaires Etrangères) and Saint-Quentin, who were increasingly concerned.

'Briand prévenu a été fort impressionné par
l'exposé des faits ainsi d'ailleurs que Poincaré,
qui a convoqué le Résident Général pour hier

1. cf. section 2.

2. AL-Branly to Labonne-Paris-7 August 1928.

3. AL-Ibid.

4. AL-Labonne to Steeg-Rabat-18 August 1928.

soir... Lantenois accroché à des considérations techniques dont il masque peut-être ses véritables sentiments pourrait se trouver demain très en retard sur les événements'¹.

In fact, Steeg was gradually more in favour of the idea of State intervention².

In Rabat, Labonne began creating a more efficient structure for decision-making, around Picard and Beaugé. In mid-August, the situation progressed a little, Labonne being now convinced that the State ought to have the majority of the shares.

'(Picard), à la considération de la valeur respective des apports des deux parties, a estimé que nous devons exiger la majorité'³.

Then, a third proposition emerged, for a short period of time.

It was to use the Banque de Paris et des Pays-Bas as an intermediary between O.M. and the Protectorate, because the bank had important links with two members of the O.M. Board of Directors, and particularly with Noulens, former Minister, Ambassadeur de France, who represented O.M. during the negotiations which took place in France. This proposition, which was contrary to the aim of the Résidence Générale, was not accepted.

After a time, Labonne's idea gradually prevailed. Indeed it benefited from the influence of the French Government on Steeg, who became so involved that he wrote

'Je voudrais arriver auprès de (Noulens) comme auprès des dissidents Marocains, offrant d'une main gauche un morceau de sucre et tenant de ma main droite une trique solide mal dissimulée derrière mon dos'⁴.

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1. AL-Branly to Labonne-Paris-27 July 1928.
 2. AL-Branly to Labonne-Paris-3 August 1928.
 3. AL-Labonne to Branly-Rabat-20 August 1928.
 4. AL-Steeg to Labonne-Paris-3 August 1928.

The Protectorate top civil servants agreed on the principle of State intervention and Steeg was ready to accept anything which would please the French Government, so the decision centre switched to Paris, where all the parties had gathered. On 12 October, there was a meeting about Jérada in the Ministry of Foreign Affairs, Saint Quentin being the chairman, with Labonne, Lantenois, Branly, Joyant and representatives of all the ministries involved. Three solutions were examined. The first was derived from Branly's ideas: to apply to coal the identical measures which applied to phosphate, that is to say nationalisation, with indemnities to O.M.. The second was to let O.M. carry out research for three years and then to refuse to renew the permits and to nationalise the coal bed. The third solution was to promote an association between the State and O.M., as suggested by Labonne¹.

The second solution was immediately rejected, as contrary to the principles of the Protectorate. It would have been unfair, indeed, and would have certainly, in the long term, discouraged mining research in Morocco, private companies being unwilling to work for the sole benefit of the State.

The first solution was also rejected, on Picard's advice² and above all on Poincaré's³, because it would have been a long and difficult task to determine the amount of indemnities to give to O.M., as the exact value of the bed was not known. This would have led to hard and endless

1. AL-Ministry of Foreign Affairs to Steeg-n° 1746-Paris
27 October 1928.

2. AL-Picard to Labonne-31 August 1928.

3. AL-Poincaré to Briand-Paris-31 October 1928.

negotiations and would have been quite costly for the State. Therefore the advice of the commission was to follow Labonne's idea. However it was carefully noted that this measure only applied to the present circumstances and should not be treated as a precedent by the State towards growing participation in the mining industry.

Therefore, about six months after the astonishing news of the discovery of coal in Morocco, the State, both French and Moroccan, had reached a common policy of participation in the coal industry. Labonne had imposed his ideas. However, for him, it was only a first step, he was looking for State participation in all Moroccan mines.

The second step followed quickly. Beaugé, the Directeur Général of the O.C.P. had not been present at the discussions in Rabat. He returned from his leave in September, and, despite his complete agreement with Labonne's views about State intervention in mining affairs, he refused to let the O.C.P. act in this matter in the name of the State¹. Quite rightly, he thought that the O.C.P. should not become involved in any business other than that directly related to phosphate. In the face of this opposition, there was no other solution but to create a new organisation which would be in charge of the interests of the Protectorate for minerals other than phosphate. The idea was favoured even by Lantenois:

'Je m'associe complètement aux vues du
Gouvernement Marocain relatives à l'intérêt
que présente la création d'un Bureau d'Etudes
et de Participations Minières constituant un
organisme spécial distinct du Service des
Mines et de l'O.C.P.'².

1. AL-Desvages to Labonne-Marrakech-25 September 1928.

2. AL-Lantenois to Labonne-Rabat-29 November 1928.

Such was the process which led to the formation of an active agent in the hands of the Protectorate, the Bureau de Recherches et de Participations Minières (B. R. P. M.). One can even wonder whether Beaugé's opposition to the participation of the O. C. P. had not been planned between him and Labonne in order to give grounds for the creation of an organisation whose aims would be much larger and which would better suite Labonne's ideas about the role of the State in mining affairs.

7 - The Bureau de Recherches et de Participations Minières

Once Lantenois and Steeg had been convinced, the project could go ahead quickly. The last details were settled on 19 November during a meeting, of all those who had responsibilities in the matter¹. It was unanimously agreed that special interest should be paid to coal and oil, for strategic reasons. It was stated that private companies should not be left alone to decide the exploitation policy of these resources. Looking exclusively for profit, they would at times oppose general interest. This was all the more crucial as the coal market was in a critical situation of over-production and companies could be tempted to control coal beds and to close them in order to avoid competition. The participants concluded that it was necessary to control the companies exploiting coal and oil but to respect private enterprise and to leave the exploitation in private hands. These were the guide lines of the new organisation. This situation was summed up by Steeg when he officially announced the creation of the B. R. P. M. :

1. AL-Compte-Rendu de la réunion du 19 Novembre 1928 concernant les recherches minières.

'L'état présent et les perspectives de prospection comme d'exploitation des combustibles liquides et solides nous font un devoir (d'aller au delà de l'ancienne législation minière). Sous l'effet d'influences qui dépassent de loin l'horizon marocain, ces éléments vitaux de la défense nationale et de l'activité économique du pays restent négligés. J'ai donc décidé la constitution d'un organisme spécial, destiné à donner une impulsion beaucoup plus forte aux recherches et à rendre possible un effort de l'Etat, parallèlement à ceux de l'industrie privée ou en association avec elle, et exactement avec les mêmes droits comme avec les mêmes obligations'¹.

From such a statement, everything seemed clear and easy.... However, Steeg's task was not so simple. He had to convince private companies that the B. R. P. M. was not a threat to them. The Dahir was signed on 15 December 1928 and Eirik Labonne himself could not really believe that he had finally won the game².

It is worth quoting the main parts of the 15 December 1928 Dahir, creating the B. R. P. M..

'Il est institué à Rabat un "Bureau de Recherches et de Participations Minières" doté de la personnalité civile.

Le Bureau est autorisé à entreprendre toutes études et recherches de gisements miniers; il peut prendre ou acquérir des permis de recherches avec tous les droits y afférents, conformément à l'article 7 du dahir portant règlement minier, à l'exception toutefois des permis afférents aux mines classées en 2ème et 3ème catégories par l'article 2 dudit dahir. Il est autorisé à prendre des participations dans tous groupements ou sociétés ayant pour objet l'étude, la recherche ou l'exploitation, au Maroc, de mines de toutes catégories³.

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1. Hoffherr et Mauchaussé, Formules Modernes, p. 74.
 2. Interview Madame Eirik Labonne.
 3. Article 1.

Le Bureau est administré par un conseil composé des cinq membres suivants:

- 1 - Le Secrétaire Général du Protectorat, président;
- 2 - Le Directeur Général des Finances;
- 3 - Le Directeur Général des Travaux Publics;
- 4 - L'Inspecteur Général des Mines, Conseiller Technique du Protectorat;
- 5 - Un spécialiste des questions minières désigné par les quatre membres précédents¹.

Le bureau est géré par un directeur qui est chargé des opérations administratives et commerciales que comporte la gestion du bureau. Il représente le bureau vis-à-vis de l'administration et des particuliers². Le budget du bureau est alimenté:

- 1 - Par des subventions ou par des avances remboursables,
- 2 - Par des bénéfices provenant de ses opérations³.

It was now possible for the Protectorate to negotiate with private companies, and particularly with O.M., by the means of the B.R.P.M., which was to act on the same level as they did. Moreover, Labonne as chairman of the new organisation, was now the direct negotiator for the State in mining affairs.

8 - The negotiations with Ougrée-Marihaye

While the Résidence Générale was organizing these new structures, with negotiations with O.M. about the Jérada bed as its first goal, mining experts from the Service des Mines and from France were still very sceptical about the exploitability of the coal bed. Nelter, Ingénieur au Corps des Mines, who was in Morocco to make geological prospections, went to Jérada in September and concluded that the bed was not exploitable⁴.

1 Article 2.

2. Article 3.

3. Article 4.

4. AL-Nelter to Labonne-Rabat-2 October 1928.

Even more worrying was the conclusion of Pierre Termier, Inspecteur Général des Mines, Member of the Institut, Directeur du Service de la Carte Géologique de France, who concluded a long report about the Jérada bed by saying

'Les recherches n'ont amené la découverte
d'aucune couche exploitable de combustible
Je crois qu'il n'y a aucune chance de trouver
mieux dans (cette) partie du bassin houiller ...¹

Termier was one of the very top French experts on the matter

In the same month, it was learnt that O.M. was increasing its investments in Jérada and had recruited workers and engineers in order to intensify its research Labonne's animosity against the French Corps des Mines was quite understandable.

In the mean time, O.M. set out its policy. It was conscious of the disadvantage of not being a French company and, by the means of the Syndicat d'Etudes Minières au Maroc Oriental organized a whole network of influential people in order to counteract this inconvenience. It even succeeded in turning the problem around.

'Les personnalités et Sociétés qui constituent le Syndicat possèdent toutes capacités techniques et financières. De plus, ces personnalités, si elles sont en grosse majorité françaises, comprennent aussi des notabilités belges, ce qui, au point de vue situation internationale, constitue un Groupe en harmonie avec le statut du Protectorat. Nous sommes d'ailleurs prêts à accepter, pour la Société d'exploitation, les suggestions que le Ministère des Affaires Etrangères pourrait nous faire et notamment celles relatives à la nationalité de la Société².

Ougrée-Marihaye was also aware of the projects of State

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1. AL-Rapport de Pierre Termier-Rabat-8 December 1928-p.
 2. AC-Note du Syndicat au sujet du bassin houiller de Jérada-Paris-15 November 1928- It is interesting to note that this document is an exact copy of a note made in Ougrée by the mining department of O.M. This clearly shows where the decisions were taken and that the Syndicat was a mere façade.

participation, and possible nationalization, which were under discussion in the Résidence Générale and in Paris. However it could nevertheless gain advantages from an agreement with the Protectorate, firstly for technical reasons, as the State could help in research and exploitation, and secondly it could strengthen O.M.'s position versus the other research permit holders in the area. Being in a strong position because of the seriousness of its work and despite understandable reluctance to negotiate with a public organisation, O.M. never disagreed with the principle of a participation of the B.R.P.M. in the future company which would exploit the coal bed.

'Nous nous proposons de fonder, pour l'exploitation du bassin houiller de Djérada, une société anonyme au capital de 18 million de francs, dont 15 seraient souscrits en espèces et 3 million de francs d'actions entièrement libérées seraient remis au Gouvernement Chérifien. Le Syndicat serait rémunéré par l'octroi de 6.000 parts de fondateur, sans désignation de valeur, et recevrait Frs 3.000.000 argent, en remboursement de ses débours'¹.

These propositions were presented to Steeg by Noulens as early as 10 December 1928, Noulens asking for the concession in exchange for a maximum of 20% of the shares for the State². The positions were clear and the bargaining process could begin. 20% were proposed by O.M. and the B.R.P.M. wanted 51% minimum. The proposal from O.M. was violently rejected by Labonne, who considered this was a mere 'backshish... un petit morceau de sucre'³. Further contacts were made by Noulens,

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1. AC-Note du Syndicat sur la situation des pour-parlers au sujet de la mise en valeur du gisement houiller de Djérada-21 February 1929.
 2. AL-Noulens to Steeg-Paris-10 December 1928.
 3. AL-Labonne to de Saint-Quentin-Rabat-26 December 1928.

strengthened by his political and financial connections. He acted both in Paris and in Rabat, preparing the situation for Harroy¹.

At the end of January, O.M. went a step further. Contrary to the vast majority of French mining companies, which were strongly opposed to the B.R.P.M.², O.M. realized the benefit of being associated with an organization which could offer numerous advantages in the search and in the exploitation of Moroccan mining resources. It proposed to the B.R.P.M. a very wide association which would last ten years and would be concerned with all research regarding minerals (coal, oil, metallic minerals,....) in the East of Morocco. The capital of this association would be divided equally between the B.R.P.M. and O.M.. In addition

'L'Association se propose de favoriser la constitution de sociétés dans le but de valoriser les résultats de ses recherches'³.

For energy resources, the B.R.P.M. would have 70 to 80% of the capital of these companies, O.M. having at least 20%. For all other minerals, O.M. would have a minimum of 80% and the B.R.P.M. a maximum of 20%. This was indeed very clever on the part of O.M., which, if this agreement were signed by the B.R.P.M., would have a position of quasi-monopoly for all mines in the East of Morocco. O.M. was generously leaving the B.R.P.M. control of new coal mines or oil beds, the discovery of which was hypothetical and keeping control of the ore mines, which always needed less investments and generally became profitable much more quickly.

1. AC-Note du Syndicat-21 February 1929.

2. cf section 10.

3. AL-Note sur le projet d'association O.M. -B.R.P.M. -Article IV- 30 January 1929.

Labonne understood that perfectly and answered Noulens that the B.R.P.M. did not intend to constitute a unique group for research and exploitation for any mineral in Morocco but to participate in the creation of several companies. He added that if, on a particular project, O.M. could show its knowledge of the bed and its ability to undertake research and exploitation, then the B.R.P.M. would be ready to consider its proposition¹.

After Noulens' political introduction, Harroy arrived in Rabat on 5 March. He first contacted Mège, O.M. representative in Rabat and noted that

'nous avons affaire à un fonctionnaire élevé
dans le Sérail et à qui la compréhension
industrielle des engagements manque totalement'².

Then he asked Labonne to meet him. The meeting was fixed for the next morning but, on the evening of the 5th, Labonne phoned him, asking whether he could come to the Résidence Générale immediately, so that they could have the whole evening to discuss of the problems³. Harroy's main concern was to be sure that the Protectorate would give the exploitation permits and then the concession. He spoke of the importance of the investments that O.M. had already made in Jérada (2 million Francs) and said that, in order to go on investing, O.M. needed some insurance from the State. He added that it was not possible to prove the exploitability of each research permit and that the Jérada bed should be considered as a single entity. Work carried out on a given site covered by a specific

1. AL-Labonne to Noulens-February 1929.

2. ACNA-Harroy to Ougrée-Rabat-5 March 1929.

3. ACNA-Ibid.

research permit should prove the exploitability of the surrounding areas¹.

This was the first point of bargaining, in favour of O.M.. If the Protectorate was interested in the progress of the research, it had to give the exploitation permits, in order to allow O.M. to make further investments.

Labonne answered that the Protectorate attitude was favourable to O.M. and that a financial contribution for research in Jérada had already been proposed to Noulens by the Protectorate. Labonne wanted proofs of the exploitability of the bed before granting the exploitation permits, because they gave important power to the company. He also put forward that many other companies owned research permits in Jérada and that the Protectorate was encouraging them to carry out active research². This was one of the strong points in favour of the Protectorate which wanted to increase competition between private companies in order to make them work harder.

The second point in favour of the Protectorate was that the help of the State could profit the future exploiting company, as far as the building of a railway from Jérada to the coast and the use of the port of Nemours (Algeria) were concerned. He added that

'par la suite, l'exploitation peut dépendre
de facteurs dans lesquels le Gouvernement
se trouvera nécessairement partie:
tarification, main d'oeuvre, circulation,
débouchés, etc'³.

Having made his point so clearly, he told Harroy that the B.R.P.M. could accept a minority participation and would in any case leave the management

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1. AL-Rapport sur la visite de MM. Harroy et Mège-Rabat-6 March 1929.
 2. AL-Ibid.
 3. AL-Ibid.

of the mine to O.M.. Pointing out that the B.R.P.M. was not an administrative organisation but a purely commercial one, he asked for 40% of the shares, half of them being given freely to the B.R.P.M.. He then rejected Noulens' project of global association between the B.R.P.M. and O.M., saying that

'Ce serait nettement contraire à l'esprit de la législation minière marocaine qui est libérale et pas davantage conforme aux intentions du Gouvernement Chérifien qui ne vise pas au monopole'¹.

A good example of the atmosphere of the talks is the report Harroy sent to Ougrée just after his visit to Labonne.

'Du long entretien que j'ai eu et qui, je me hâte de le dire, a été très cordial, et a affleuré toutes les questions minières au Maroc, je tire les conclusions suivantes: Monsieur Labonne reste toujours animé du désir de pousser par tous les moyens et même contre tous les obstacles, le développement économique du Maroc: il m'a cité des chiffres et des délais de mise en service des chemins de fer Oudjda-Berguent, Oudjda-Nemours qui m'ont laissé rêveur, bien que j'ai sous les yeux les avancements très rapides réalisés sur le tronçon Oudjda-Djérada. En prenant la Présidence du Bureau de Recherches, Monsieur Labonne lui insufflera son énergie et son activité'².

It clearly appeared to Harroy that Labonne's policy was not a threat to private companies but, on the contrary, an incentive. In broader terms, Harroy reported that

'Monsieur Labonne m'a confirmé que nous n'avions aucun crainte à avoir, que nous aurions le permis d'exploitation et ipso-facto la concession dès que nous aurons prouvé l'exploitabilité du gîte; les efforts que nous

1. A L-Ibid.

2. ACNA-Harroy to Ougrée-Rabat-5 March 1929.

avons faits pour mettre en valeur ce gisement sont hautement appréciés par le Protectorat et nous placent dans une situation d'autant plus privilégiée que nous avons été les seuls à faire cet effort'¹.

Harroy was more sceptical about the intentions of the Protectorate when offering financial help to O.M. for intensifying research in Jérada. He wanted to remain as independant as possible until a final agreement had been reached. Harroy ended his letter by summing up the negotiations with Labonne concerning oil research, in which O.M. was also interested, and finally announced that Labonne would soon go to Jérada.

The positions of both partners were clear. O.M. wanted the exploitation permits and then the concession, in order to rid itself of potential competitors, and it agreed to negotiate with the B.R.P.M.. On the other hand, the B.R.P.M. wanted to hasten research works, while leaving the control of the future exploiting company in the hand of O.M.. Both parties had made a very practical analysis of the situation. The striking fact is the business-like attitude of Eirik Labonne, who deliberately went out of the bureaucratic and administrative way of looking at economic factors and preferred to consider himself, in the negotiations, as a mere partner trying to maximize his profit. That is why the principle of the agreement did not create any problem. On this basis, the aim of O.M. was to obtain as big a share of the capital of the future company as possible and that of the B.R.P.M. was to acquire as many advantages as it could, the only limit being that its share of the capital should not be more than 50%, in order to leave the actual management of the mine to O.M..

1. ACNA-Ibid.

While Harroy was negotiating in Rabat, Noulens was acting in Paris for O.M.. His general feeling about the negotiations was the same as Harroy's.

'Je viens d'avoir un long entretien avec MM. Branly et Lantenois (Inspecteur Général des Mines). Tous deux m'ont donné l'impression d'être favorablement disposés pour notre Société. M. Lantenois notamment m'a dit expressément que sans aucun doute, la concession du gisement que nous avons découvert nous serait réservée, et que d'ailleurs l'Acte d'Algéciras nous donnait toutes garanties contre les abus du pouvoir régalien auxquels l'Etat pourrait se laisser entraîner sur le territoire Français, à l'égard de demandeurs en concession'¹.

Once again Lantenois was much more in favour of private interests than the Résidence Générale and even than the French Government which, when hearing the news of the discovery of coal in Jérada, did not pay attention at all to the Algeciras Act and to international treaties in general. However Lantenois knew the limitations of his power:

'Monsieur Lantenois, sur mon insistance à réclamer une situation définitive, au lieu du statut précaire que comportent les permis de recherches et d'exploitation, a envisagé la possibilité d'échanger, avec les représentants de la Résidence Générale, des lettres qui, sous le régime du permis d'exploitation nous garantiraient, en tant que futurs concessionnaires, contre tout risque d'éviction. Toutefois s'il souhaite cet engagement formel et est disposé à le recommander, il ne lui appartient ni de le prendre, ni de le décider'².

Finally, Noulens had the same feeling from his talks with Branly and Lantenois as Harroy had after the negotiations in Rabat.

1. ACNA-Noulens to Van Hoegaerden-Paris-11 March 1929.

2. ACNA-Ibid.

'Cette conversation m'a laissé l'impression que nous ne courrons aucun danger d'être écartés ni dans le présent, ni dans l'avenir. Je me suis également persuadé qu'il n'existe contre nous aucun parti-pris'¹.

The position of the Ministry of Foreign Affairs was therefore the same as that of the Résidence Générale. The main negotiations took place in Rabat during April, the O.M. delegation being led by Harroy. Despite an encouraging start, an agreement was difficult to reach. Until 25 April, everything remained uncertain and Harroy even thought the talks were going to break down². Refusing the proposition of O.M., which was to give the B.R.P.M. 16.7% of the shares, worth 3,000,000 Frs, all the founding shares being kept by the Syndicat, the Résidence Générale wanted to suppress these founding shares and to have the right of acquiring 20% of the shares, in addition to the free ones proposed by O.M.³.

After hard negotiations, O.M. succeeded in proving that it was necessary to maintain the founding shares in order to compensate the risk taken by those who initiated the search for coal. The Protectorate agreed to reduce its participation to 33%, 20% being free but pointed out that this was an absolute minimum. The Résidence Générale threatened to break up the negotiations if this was not accepted, and even mentioned the possibility of nationalizing the coal bed if O.M. would not accept these conditions.

At this point, O.M. proposed to give freely 3,000,000 Frs of shares to the B.R.P.M., plus the right to buy up to another 3,000,000 Frs, i.e., as a whole, 33% of the nominal capital.

1. ACNA-Ibid.

2. AC-Harroy to Van Hoegaerden-Rabat-25 April 1929.

3. AC-Ibid.

The Protectorate accepted, on the conditions that it also had 33% of the founding shares. This was to be accepted by O.M..

'Nos protestations les plus énergiques n'ont pu triompher de la décision de principe. Devant l'impossibilité d'échapper à cette obligation, compensée d'ailleurs par les facilités d'exploitation qu'on nous promettait, nous avons cédé après une vaine rupture des pourparlers'¹.

As agreed since the beginning of the talks, the technical and commercial management remained in the hands of O.M.. When O.M. asked for the shares of the initial capital to have a plural vote (twenty votes per share), in order to ensure to O.M. the management even if there were to be future increases of capital, the Protectorate accepted without demur.

This agreement was officially recognised by an exchange of letters between O.M. and the Résident Général. On 24 April 1929, O.M. wrote to Lucien Saint, who had succeeded to Steeg:

'Comme suite à nos communications du 30 Janvier relatives aux charbonnages de Djérada, nous avons l'honneur de vous remettre ci-joint au nom du Groupe Franco-Belge constitué sous les auspices de la Société Anonyme d'Ougrée-Marihay, des propositions nouvelles qui correspondent aux accords verbaux auxquels ont abouti nos derniers pourparlers. Ces propositions sont présentées à l'appui de la demande également jointe, tendant à la transformation en permis d'exploitation des permis de recherches de première catégorie aux Aouinets-Djérada, étant entendu, pour que nous puissions pousser les travaux d'extraction en pleine sécurité, qu'aux permis d'exploitation ainsi octroyés sera substitué sans charges nouvelles une concession du gisement à l'expiration du délai minimum prévu par les règlements en vigueur ou à intervenir.

Nous nous engageons à créer aussitôt après l'acceptation définitive des présentes propositions,

1. AC-Ibid.

la Société Chérifienne qui sera appelée à bénéficier immédiatement des permis d'exploitation et ultérieurement de la concession. Elle aura pour statuts rigoureusement conformes ceux que nous soumettons sous ce pli à votre approbation¹.

In his answer, Saint summed up the main points of the agreement.

J'ai l'honneur d'accuser réception de votre lettre en date du 24 Avril 1929 par laquelle vous présentez des propositions nouvelles relatives à l'octroi, au bénéfice de la Société Chérifienne des Charbonnages de Djérada, de permis d'exploitation et à une concession visant quinze permis de recherches de première catégorie institués au cours de l'année 1928, qui sont la propriété de la Société Anonyme d'Ougrée-Marihaye dans la région de Djebel Djérada. Le Gouvernement du Protectorat est disposé à donner son accord de principe à ces propositions et à prendre part à la constitution de la Société Chérifienne des Charbonnages de Djérada suivant les conditions fixées par le projet de statuts annexé à votre lettre. Il se propose de vous donner confirmation de cet accord de principe dans un délai de deux mois à dater de la présente lettre. En donnant cet accord de principe, le Gouvernement du Protectorat considère comme désirable de dégager l'esprit que traduisent les statuts de Société en formation et de marquer, dès l'origine, la volonté commune des deux parties fondatrices de garantir au Bureau Chérifien de Recherches et de Participations Minières, pendant toute la durée de la concession et en tout état de cause, la faculté d'obtenir et de conserver une part non inférieure à 33% et une représentation correspondante sans que cette proportion puisse être altérée, par l'effet d'aucune mesure directe ou indirecte. Je dois vous rappeler, par ailleurs, que la transformation en concession des permis d'exploitation détenus par la Société des Charbonnages de Djérada ne pourra être obtenue avant l'expiration des termes fixés par la loi minière chérifienne, mais je puis vous donner l'assurance que le Gouvernement du Protectorat

1. ACNA-Harroy to Saint-24 April 1929.

ne posera à ce moment d'autres conditions à l'octroi de la dite concession lorsqu'elle sera devenue légalement possible, que la stricte observance des clauses de l'accord visé par la présente lettre. Je vous serais reconnaissant de me marquer votre accord exprès et entier sur ces différents points¹.

These letters were the first step towards the creation of the new company. The remaining part of 1929 was spent in final negotiations on the basis defined in April and, finally, on 10 December 1929, the Société Chérifienne des Charbonnages de Djérada (S. C. C. D.) was constituted.

The object of the company was mining research, studies and exploitation within the limits of its permits and concessions in the Jérada area, and other connected operations. Its share capital was 18,000,000 Frs divided into 18,000 shares of 1,000 Frs. Each share carried twenty votes. There were also 6,000 founding shares.

Two thirds of the seats on the Board of Directors went to O.M., including Noulens, as Chairman, and Trasenster, the Chairman of the O.M. Board of Directors, as Vice-Chairman. Representing O.M. on the Board there was also Yves Le Troquer, former minister, administrator of the Société de Bou-Arfa, of the Société des Phosphates Tunisiens, of the Société des Hauts Fourneaux de la Chiers, and other representatives of the Syndicat.

The other third of the seats was reserved for the B. R. P. M.. Lantenois, Vice-Chairman of the Conseil Général des Mines de France, Beaugé, Directeur of the O. C. P., Migaux, Directeur of the B. R. P. M. and Hoffherr, representing the B. R. P. M., were ex officio members of the board.

1. ACNA-Saint to Harroy-25 April 1929.

It can be noted that O.M. thought it wise to give seat to influential French personalities, in order to ease future relations with the Résidence Générale and with the French Government. O.M. brought fifteen exploitation permits to the new company and all the benefit of the work that had already been carried out, in exchange for 4,000 founding shares and for the reimbursement of its expenses. For its part, the B.R.P.M. brought

'(a) le droit d'occupation des terrains domaniaux disponibles, situés dans les périmètres des permis apportés par Ougrée;
(b) le droit de raccordement de ces permis au chemin de fer Oujda-Bou-Arfa, construit à voie normale en considération de l'activité de la Société de Djérada'

in return for 3,000 shares and 2,000 founding shares¹.

At the time of its constitution, on 16 December 1929, the S.C.C.D. had twenty-nine research permits and fifteen exploitation permits².

9 - The negotiations with other companies

Despite the constitution of the S.C.C.D., the problem of the exploitation of the coal bed was not yet solved. The new company had to absorb in one way or another the permits owned by the other companies which wanted to extract from them the maximum profit, either in terms of money or of participation in the capital of the S.C.C.D..

The S.C.C.D. was in a very strong position, because of its agreement with the B.R.P.M. but its problem was to obtain the permits as quickly as possible.

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1. AC-Note sur la Société Anonyme Chérifienne des Charbonnages de Djérada-2 October 1935.
 2. ACNA-Rapport en vue de la demande d'une concession minière-undated.

On the other hand, while negotiating with O.M., the Protectorate wanted to push the other companies into making some research on their permits. The Service des Mines sent a note to all of them, telling them that, if they remained inactive, they would lose their rights¹. They all very quickly answered that they were going to work².

However they did nothing, waiting to negotiate their permits once O.M. had demonstrated that the mine could be profitable. This attitude upset Labonne.

'Figurez-vous que Mokta s'étant décidée enfin sous la pression incoercible de l'évidence à commencer quelques petits grattages, a trouvé à 14 mètres - je dis à 14 mètres - une couche d'anthracite massive de 70 centimètres'³.

Despite this inertia, negotiations were held between the companies and the B. R. P. M.. Two projects to create a company for the exploitation of coal in Jérada had appeared alongside that of the S. C. C. D.. On the one hand there was the Société Anonyme de Recherches des Charbonnages de Sidi-Messaoud, in order to associate Mokta-el-Hadid and the B. R. P. M.. On the other hand there was the Société des Charbonnages de Guefait, between the Compagnie Royale Asturienne des Mines and the B. R. P. M..

In order to oppose these projects, O.M. was trying to absorb the other permits. It first succeeded, very logically, with a Belgian Company,

1. AL-Note de Labonne sur Jérada-20 February 1929.

2. AL-Compagnie Minière du M'Zaita to Labonne-Rabat-5 February 1929 / Société Française des Mines du Maroc to Labonne-Rabat-6 February 1929 / Compagnie des Chemins de Fer du Maroc to Labonne-Rabat-9 February 1929 / Compagnie Royale Asturienne des Mines to Labonne-Rabat-11 February 1929.

3. AL-Labonne to Beaugé-Rabat-8 September 1929.

the Compagnie Royale Asturienne des Mines (C. R. A. M.) which brought its permits to the S. C. C. D.¹. The other companies (Mokta-el-Hadid, the Comptoir Métallurgique et Minier du Maroc and the Chemin de Fer du Maroc) formed a group in order to sign an agreement with the B. R. P. M.. However this attempt was bound to fail because (a) they had never undertaken any serious research, (b) the B. R. P. M. thought that the bed would be more easily profitable if exploited by a single company, and (c) O. M. did its best to prevent the emergence of competitors.

Therefore, under the advice of the B. R. P. M., this group began negotiations with the S. C. C. D. in order to regroup all research permit holders. The influence of Labonne in that process was clearly recognised by Harroy himself². After hard negotiations, all the research permits were absorbed by the S. C. C. D. through an increase in capital, on 29 November 1930, and by an enlargement of the Board of Directors. 36,000 new shares were issued, of 1,000 Frs each, each one giving the right for one vote only. 3,610 founding shares were also distributed.

As far as the Board of Directors was concerned, the C. R. A. M. got one seat, as well as the Compagnie des Chemins de Fer du Maroc, the Energie Electrique du Maroc and the Compagnie des Tréfileries et Laminoirs du Havre. The list of the new share holders is quite indicative of the dispersion of the permits which were finally acquired by the S. C. C. D. :

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1. AL-Rapport sur la session d'Automne de la Commission Minière-Rabat- 18 and 19 November 1929.
 2. AC-Harroy to Van Hoegaerden-Rabat-29 April 1930.

1 - O.M. gave nineteen research permits in return for 787 founding shares and reimbursement of its expenses.

2 - Mokta-el-Hadid gave thirteen research permits in return for ninety two founding shares, reimbursement of its expenses and preference subscription rights to 416 new shares.

3 - The Compagnie Métallurgique et Minière Franco-Marocaine gave five research permits in return for fifty founding shares, reimbursement of its expenses and preference subscription rights for 223 new shares.

4 - Pénarroya gave two research permits in return for ten founding shares, reimbursement and subscription rights for forty one shares.

5 - The C.R.A.M. gave fifteen research permits in return for 620 founding shares and reimbursement of its expenses.

6 - A group including the Chemins de Fer du Maroc, the Compagnie Générale du Maroc, the Energie Electrique du Maroc and the Chemins de Fer du Maroc Oriental, all of them subsidiaries of the Banque de Paris et des Pays-Bas, gave four research permits. In return (a) the Chemins de Fer du Maroc obtained 312 founding shares, reimbursement and the right to subscribe to 1,936 new shares, (b) the Energie Electrique du Maroc obtained ninety two founding shares and rights for 416 shares, (c) the Compagnie Générale du Maroc obtained 222 founding shares and rights to 997 new shares, and (d) the Chemins de Fer du Maroc Oriental obtained ninety two founding shares and rights for 416 new shares¹.

As agreed in April 1929, the B. R. P. M. still had one third of

1. AC-Note sur la Société Anonyme Chérifienne des Charbonnages de Djérada-Ougrée-2 October 1935.

the founding shares and one third of the votes. On the other hand, O.M. still retained the majority of the votes. For the first time in the history of the Moroccan mining industry, a public organisation was participating in a company controlled by private interests.

Labonne had succeeded in putting his ideas into practice.

10 - The role of the B. R. P. M.

a - The reactions to the creation of the B. R. P. M.

The above sections illustrate the role of the B. R. P. M. in the creation of the S. C. C. D.. By looking at the Dahir which gave birth to the B. R. P. M., it would have been impossible to determine the actual aim of this organization. In fact, there had been very varied reactions to its creation. Some were very favourable, as that of Pietri, Minister of Colonies, writing in the 'Revue des Vivants' in September 1930

'A travers le mécanisme minier, le gouvernement du Protectorat me paraît implanter dans la pratique une formule nouvelle, non plus de concurrence entre l'Etat et les initiatives privées, mais de collaboration confiante et de solidarité progressive entre les intérêts publics et les intérêts privés'¹.

On the contrary, the vast majority of private circles was opposed to the new organisation. For instance, the General Assembly of the Union Syndicale des Mines Marocaines stated in its report, at the end of 1929:

'Ni l'institution d'un office offrant à l'Etat Chérifien la faculté d'exploiter directement plusieurs catégories de gîtes, et d'intervenir comme associé dans l'exploitation de tous les autres, ni les restrictions à la liberté du chercheur, du permissionnaire et de l'exploitant,

1. Paul Mauchaussé, L'évolution du Régime Minier au Maroc Français, p. 3.

inscrites dans le dahir minier du 1er Novembre 1929, les contraintes qu'il édicte, l'extension quasi-illimitée des pouvoirs et attributions de l'Etat qu'il comporte, ne répondent à la doctrine traditionnelle du droit minier qui, guidant l'essor ordonné des exploitations de la Métropole et de l'Afrique du Nord, leur ont valu, en finale, force et durable prospérité¹.

The B. R. P. M. was indeed a potential threat to private interests and it would have been possible for it to control all Moroccan mineral beds, either by means of research and exploitation permits or by participating in mining companies, reducing the role of private capital to virtually nothing. It has been seen in section 2 that this was not the aim of Eirik Labonne, who was conscious that private capital was essential in order to develop the Moroccan mining industry.

The results of the long and difficult negotiations between the B. R. P. M. on the one hand, and the companies owning research permits in Jérada on the other, certainly contributed to convince private circles that the B. R. P. M. was not a threat to them. Significantly, the same Union Syndicale des Mines Marocaines which was so suspicious about it in 1929, wrote, on 25 February 1931.

'Animateur, organisateur, coordinateur d'énergies qui souhaitaient de s'employer utilement sans s'user à des compétitions irrationnelles, le Bureau l'est assurément: l'heureuse concentration de moyens vainement cherchée par plusieurs de vos compagnies et réalisée par ses soins, pour la mise en oeuvre des ressources houillères du Maroc Oriental appellerait, à elle seule, l'éloge².

1. Mauchaussé, p. 4.

2. Hoffherr et Mauchaussé, Charbon et Pétrole en Afrique du Nord, pp. 210-11.

It is quite certain that private companies alone, without the help of the B.R.P.M. would have had great difficulty in creating a single company for exploiting the Jérada coal. The price paid by the private side (one third of the capital of the S.C.C.D.) could not be considered as too high. Moreover, at the beginning of the thirties, it was becoming clear that coal exploitation in Jérada was not going to be very profitable, because the quality of the Jérada coal was not very good and because the coal layers were very thin. Therefore private sectors were more likely to accept a State participation in the exploitation of coal in Jérada. Moreover, in 1931, the attention of mining companies was centred on a much more delicate problem, that of the Atlas ore mines¹.

b - The reasons for the success of the B.R.P.M.

The B.R.P.M. had been created to deal with Moroccan energy resources and above all with the exploitation of coal in Jérada. After two years of negotiations on the latter questions, its success was clear. Apart from the role which had been played by Labonne, the importance of which has been emphasized in the above sections, this success was due to the conjunction of a series of factors which will now be examined, in the light of the five components of a mine, as described in Chapter I.

- Mineral beds - The control was shared between O.M. and several other companies and derived from the ownership of research permits.

- Human means of transformation - Once the bed had been proved exploitable, the main concern of O.M. was labour force.

1. cf. Chapter VI.

It foresaw that salaries would constitute 60 to 65% of the global cost of coal. This labour force would have to be brought to Jérada and to be trained. It would be necessary to create a town and to organize from nothing a social environment which would stabilize workers near the mine. All the infrastructures would have to be built: roads, electricity, water, schools, and so on.

In all these factors, the influence of the Résidence Générale was of prime importance. It could rent the necessary land, it could organize transportation of the workers, build roads, create markets to provide food and all goods needed by the new population. It could even encourage agriculture in the surrounding area.

Finally, as O.M. itself mentioned, the Protectorate could make sure that:

'Les lois sociales en vigueur en France
devraient être appliquées au Maroc Oriental
avec une tolérance bienveillante'¹.

- Mechanical means of transformation - For this factor the situation was identical. The vast majority of the items necessary for the mine (wood, explosives, machines, tools, oil) and for the population (cement, stone, food) would have to be imported and the Protectorate could agree to lower customs duties on these items. It could also give the mine land in order to plant trees which would provide wood for the mine.

Even more important was the problem of transportation. It was necessary to link Jérada to the railway Oujda-Berguent, to allow the transport of coal on this line and to equip a port for exporting it. In all these factors, the Protectorate could help the mine in lowering the cost of transportation.

1. AC-Rapport de voyage d'études au Maroc de MM. Beauvois, Perot et Harroy-April 1929.

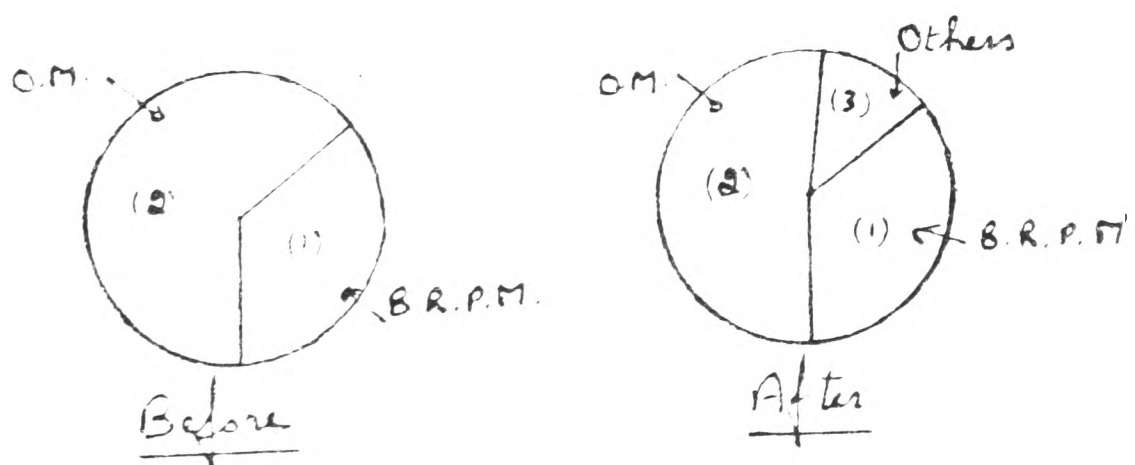
- Market outlets - Because of its overall influence on the Moroccan economic development, the Protectorate could try to promote industries which were high consumers of coal (cement factories, electricity power stations, for instance) and could also decide to buy from the Jérada mine all the coal which would be necessary for the Civil Service.

All these points, which were of importance for all mines, and even for all sectors of industry, were absolutely vital for a coal mine, which needed to employ more workers and to transport greater quantities of extracted ore than a metal mine. Therefore the Protectorate had control on all factors except mineral beds. This control was transferred to the B.R.P.M., which, by that means, got 33% of the shares. The Protectorate, through the intermediary of the B.R.P.M., sold its services and acted as a private company.

On the private side, the situation was as shown in the following diagram

FIGURE 8

REPARTITION OF THE SHARES OF THE S.C.C.D.



After the increase in capital, sector (3) was acquired by various private companies, because of their control on mineral beds . It was the price paid for speculation. This price had been paid by O.M. alone, the B.R.P.M. still owning 33% of the capital.

It has to be noted too that, since the beginning of the negotiations between O.M. and the B.R.P.M., Labonne had always insisted that the majority of the shares was to remain in private hands. Of course, during the talks, he mentioned that the mine might be nationalized, but it was only a tactical move and O.M. clearly understood it as such.

It could even be thought that a number of the protests against the B.R.P.M. on the part of private mining companies in 1929 and 1930 were not very sincere. Far-seeing business men could hardly have thought that the Protectorate or the French Government wanted to proceed towards nationalizing whole sectors of the Moroccan mining industry. Indeed, there was the precedent of the Office Chérifien des Phosphates but it has been seen in the preceding chapter that the real reason for the nationalisation of Moroccan phosphate was the protection of French interests and that the French Government took that measure because it was unavoidable. Even if, at the beginning of the thirties, this reason was not known and if the influence of Lyautey in the nationalization process was greatly exaggerated, it was clear that Lyautey's period of influence was over and that protection of private interests was the general aim of the policy of the Résidence Générale. Therefore, in well-informed circles, it is highly probable that it was known that the 1928 and 1929 Dahirs were only aiming to solve the inextricable problems which had been created by the 1923 mining legislation which was too weak.

Many factors would have prevented the Protectorate from taking measures towards the nationalisation of the coal mine:

- (1) the international pressure, based on the Algeciras Act and the open-door regime which was supposed to be the rule in Morocco.
- (2) the fact that O.M. was clearly the discoverer of the bed, as Louis Gentil's exploration had had no consequences for twenty years and had been completely forgotten.
- (3) the undoubted seriousness of the research works which had been carried out by O.M. in order to prove the exploitability of the Jérada bed.
- (4) the fact that O.M. was associated with a French Syndicat to which two former French Ministers belonged and which had very strong connections with French industrial circles.
- (5) the general attitude of top civil servants both in France and in Morocco, who were definitely not in favour of nationalizing whole sectors of the Moroccan industry.
- (6) the attitude of Eirik Labonne himself, who aimed for a strong and rapid development of the Moroccan industry, and especially of the mining sector, and who knew perfectly well that for such a development, private investments were essential. If the coal mine had been nationalized, further private investment would certainly have been discouraged, all the more so because the Jérada question provided the first opportunity for private companies to look at the policy of the B. R. P. M. and to judge by its attitude whether it was a threat or an incentive for them.

As it has been noted in Chapter III when analysing the evolution

of the mining legislation, the creation of the B. R. P. M. and its role in the constitution of the S. C. C. D. can be considered as a sort of convulsion of the economic system which was prevailing in Morocco before 1928. Insufficient control from the Protectorate on the activities of private companies had created a situation whose best illustration was the dispersion of research permits for coal in the J rada area. The superstructure of the system, that is to say the mining legislation, was no longer able to deal with the problem to solve the contradictions which had emerged. By a dialectical process, the B. R. P. M. was created and the 1929 Dahir promulgated. An authoritarian choice would have been to nationalise the J rada mine. It has been seen why this was not possible.

The only other efficient solution for the Protectorate was to put forward its control on certain crucial factors for the future company, and to make the B. R. P. M. bargain. It was only because the former system was not working in a satisfactory way that the Protectorate was able to transfer its power to the B. R. P. M. and to use it in an efficient way. It was because private companies were not able to sort out the J rada problem themselves that such a transfer became possible, with a resultant reduction of their power.

From this analysis, two problems emerge. The first one is whether the B. R. P. M. would be able to undertake similar actions with respect to other mines, particularly ore mines, which are generally more profitable, and less influenced by factors controlled by the State. The second problem is to examine the evolution of the role of the B. R. P. M. once the crisis it had helped to overcome was over.

The first problem will be dealt with in the following Chapter, dealing with the Atlas ore mines, and the second one in Chapter VII, which will look at the evolution of the B. R. P. M. policy with respect to energy resources.

CHAPTER VI

THE ATLAS ORE MINES

The preceding chapter has shown how and why the State, under the guidance of Eirik Labonne and because of a favourable conjunction of economic factors, succeeded in acquiring 33% of the Jérada coal mine. As already shown, Ougrée-Marihaye agreed to negotiate with the State almost from the start, and understood the benefits it could draw from such an association. However, such an attitude was not the rule amongst the French companies which were interested in Moroccan mining affairs. In fact the relative weakness of Ougrée-Marihaye, due to the fact that it was a Belgian company and to the high amount of investments which were needed in Jérada, helped towards this cooperation.

This chapter will analyze a very different problem, that of the Atlas ore mines. Three examples will be taken: two manganese mines and one cobalt one. The case of the first manganese mine, located in Imini, will show the effort of the B. R. P. M. to reach an agreement similar to that concluded with Ougrée-Marihaye about the Jérada coal bed, and its final success in obtaining a share of the capital and in regrouping private interests (section 1). The examples of both the other mines - manganese in Aoulouz and cobalt in Bou Azzer - will show the same attempt by the B. R. P. M. and the reaction of the private group which was concerned with these mines, the Omnium-Nord-Africain (O. N. A.), under the leadership of its chairman, Jean Epinat. After a description of the O. N. A. and a study of its various economic and political connections and a brief description of Epinat's business methods (section 2), the negotiations between the B. R. P. M. and the O. N. A. about the Aoulouz mine will be studied, up to their final

breakdown (section 3). Finally the case of Bou Azzer will be considered, pointing out the total success of the private group against the B. R. P. M., and the eventual dismissal of Eirik Labonne (section 4).

1 - The manganese mine of Imini

The problem of the manganese beds in the Atlas is certainly one of the more complex of Moroccan mining questions. Unlike the coal bed of Jérada where there were only two sources of power - the State and research permit holders - in the case of manganese the partners were quite numerous: the Protectorate, the local Berber chiefs, the prospectors, some private companies based in Morocco, French and foreign mining companies and French consumers of manganese.

In 1929, there were three known manganese beds in Morocco:

- (1) the Bou Arfa bed, in the East of Morocco, already exploited since the first World War and controlled by a Swedish company,
- (2) the Imini bed and (3) the Aoulouz bed, both of them located in the Atlas, in the area controlled by El Glaoui. They were known to be very rich, the only problem being the transportation of the extracted ore to the coast.

The Imini bed had been discovered in January 1918¹ by Busset, whose role as a phosphate prospector had already been mentioned². When he informed the Service des Mines of his discovery, he was informed that he had no

1. AL-Busset to Daum, Chef du Service des Mines-Casablanca-
31 January 1918.

2. cf. Chapter IV-p. 98.

right in the bed because (a) the area was closed to mining research¹ and (b) all mining affairs had been suspended until the end of the War². A few months later, preparing Daum's visit to the bed, Busset told him that manganese had been found over twenty kilometres, that the layer was one to three metres wide and that new beds had been discovered at fifty kilometres from the first one³. It was apparently not too difficult to carry out mining research in those parts which were designated as security areas. However Daum did not go to visit the bed and the question of manganese in the Atlas was dropped until ten years later.

This long silence was normal, from a legal point of view, the area being closed to mining research. However it was absolutely illogical for the Service des Mines to forbid research in an area which was fairly quiet and in any case where mining research was possible, if need be under the protection of a few soldiers. It was public knowledge that the bed existed and laws should be able to adapt the economic criteria. This aberration had only one consequence, the development of illegal research and the creation of a parallel power for those who could help the prospectors: the local chiefs, under El Glaoui's authority. In the absence of a mining policy on the part of the Protectorate, El Glaoui played the role of an unofficial Service des Mines, obviously for his own profit.

From 1918 to 1928, many Europeans went to study the bed, amongst M. de Jarente, prospector employed by El Glaoui, and M. Dauny, for

1. Dahir 13 May 1914.

2. Dahir 3 November 1914.

3. AL-Busset to Daum-Casablanca-24 September 1918.

Mokta-el-Hadid¹. Neither Busset, nor El Glaoui, nor Mokta-el-Hadid had any legal rights in the bed but, as time went on, it was more and more difficult to neglect their presence. Despujols, maintaining a purely legal point of view, proposed three times² that research on the Imini bed should be stopped³. The problem was that, although research was already forbidden, it still continued, despite the will of the Protectorate which could do nothing. In April 1928, an engineer of Mokta who was working on the bed for the Pasha was expelled by the French authorities. However in August, workers were still exploiting the bed. The Officier des Affaires Indigènes, who was responsible for the area told Caïd Si Hammou that this was forbidden but, in November, work was still going on⁴.

The Pasha and the Caïd, considering themselves the owners of the bed, had concluded an agreement with Mokta, attempting to present the Service des Mines with a fait accompli. The Caïd even forbade access to the bed to Neltner, who was working for the Service des Mines⁵. Both Despujols and Neltner advised the Directeur Général des Travaux Publics that the research should be stopped and a Dahir reserving all rights to the bed for the State should be promulgated. Neltner wrote in an official note: 'Après cela, on pourra attendre tranquillement avant d'entreprendre

1. AL-Note de Despujols, Chef du Service des Mines-Rabat-5 December 1928.

2. 21 February, 18 September, 5 December 1928.

3. AL-Ibid

4. AL-Note de Neltner sur Imini-Rabat-5 December 1928.

5. AL-Ibid.

les travaux de recherches proprement dits'¹. It is rare to witness such a combination of a lack of political sense - neglecting El Glaoui's power as well as that of the mining companies - and of a lack of economic sense - if there was a bed, and if it was reserved for the State, it was urgent to exploit it.

Lantenois's opinion was quite different, because he had foreseen the emergence of a very delicate political and administrative problem². Joyant's attitude was identical: having also noted the political aspect of the question, he suggested that the Service des Mines should undertake research for the State³.

Labonne took the opportunity of the emergence of the manganese question to try to reinforce the position of the B.R.P.M., so that it, and not the Service des Mines, might carry out the exploration. On the political aspect of the question, he advised the Résident Général:

'A l'égard du Pacha, nous trouverons sans doute une solution de concorde et de véritable efficacité dans une politique d'association, affirmant notre maîtrise régalienne et ménageant les intérêts qui doivent l'être par prudence'⁴.

From that date onwards the Protectorat adopted a very careful attitude. Its first move was to explain its position to El Glaoui, to whom Général Hure, Commandant de la Région de Marrakech, wrote that the mines were the property of the Makhzen, that the Imini area was a danger zone and that therefore no permits could be granted by the Service des Mines. He added that no

1. AL-Ibid.

2. AL-Note de Lantenois sur Imini-undated.

3. AL-Joyant to Labonne-8 December 1928.

4. AL-Labonne to Steeg-8 December 1928.

transactions which might have been made over the Imini bed would be counted¹. In order to soften this formal attitude, Hure explained to El Glaoui, in person, that he would nevertheless benefit from the bed in one way or another. El Glaoui assured him of his full cooperation².

Disregarding the opinion of the Service des Mines which he considered inapplicable in practical terms, Labonne proposed a fourfold plan:

- (1) preliminary research by the Protectorate;
- (2) the creation of a company in which French interests would be represented;
- (3) a gift of shares in the new company to El Glaoui;
- (4) reservation of 40% of the shares for the B. R. P. M., half of which would be free³.

Labonne's attitude was based on two considerations:

- (a) El Glaoui's power in the area. Until 1928, the Pasha controlled access to the bed for prospectors. He had made an agreement with the mining companies and had the power to create future difficulties, regarding transport, the labour force and political influence, for a new company which did not take his interests into consideration. Moreover French policy in Morocco generally tended towards alliances with Berber chiefs. Labonne's second consideration was (b) the fact that manganese was greatly needed by French industry, the French colonial empire lacking manganese resources.

1. AL-Hure to El Glaoui-Marrakech-15 December 1928.
 2. AL-Hure to Steeg-Marrakech-24 December 1928.
 3. AL-Note de Labonne sur le gisement de manganèse d'Imini-undated.

This problem of the manganese market was of prime importance: France imported roughly half a million tons per year, mainly from India, Russia, Gold Coast and Brazil. Manganese was an indispensable raw material for the steel industry and the main steel companies had formed a purchasing group - the Société du Manganèse, which imported 85% of the manganese entering France. The other 15% were bought by the Compagnie des Forges de la Marine et d'Homécourt.

Worried by the possibility of a cartel being formed by the manganese producing countries, the Société du Manganèse had always been interested in controlling manganese mines in the French colonies. It had already negotiated an agreement with the Société de Bou-Arfa, in which it owned 10% of the shares, in order to guarantee part of the French demand. However its main aim was to control completely the beds which had been recently discovered in the Atlas. Since 1927, it had been approaching the Protectorate, proposing its services for research and, afterwards, for exploitation. In particular, in 1927, the Société du Manganèse contacted Steeg, who answered that it was not yet the moment to intervene¹.

At the beginning of 1929, the situation had changed and the Société du Manganèse, in agreement with Marine-Homécourt, again began negotiations with the Protectorate, maintaining that they represented all French manganese consumers and that they ought to control the Imini bed, in order to safeguard the interests of France, and especially those of the French National Defence. As the Algeciras Act had now been more or less forgotten, this was a realistic attitude. The Société du Manganèse, which indirectly depended on the Comité des Forges - the Syndicat of French steel producers - pointed out that

1. AL-Note sur l'entretien de Saint avec les responsables de la Société du Manganèse-Paris-13 February 1929.

it was worried by the recent creation of the B. R. P. M..

It was feared that Bou Arfa, controlled by foreign interests, and the B. R. P. M., working for the Sherifien Government, could soon have the monopoly of Moroccan manganese¹.

On the other hand, Labonne's aim, as in the question of coal, was not to oppose private interests but to regroup French companies which were interested in manganese into a company which would give minority participation to the B. R. P. M.. Therefore an agreement between the Protectorate and the Société du Manganèse was quite possible, at least in principle.

The question of manganese, was even clearer than that of coal: nationalization would have been impossible, not so much because of the Algeciras Act, but because of the rights of Mokta, and because of the power of the Comité des Forges and El Glaoui's political influence. To issue a tender would also have been impossible because, by such a process, the bed could have fallen into foreign hands. In order to conciliate all the parties and to protect French interests, the Protectorate proposed to the Comité des Forges the creation of a company by the Société du Manganèse and Mokta, the aim of which would be to research the Imini bed. This new company would promise to offer one third of its shares to the B. R. P. M. when research had been completed. In exchange, the B. R. P. M. would help the company in every way and it would be given mining permits when the area was opened to mining research².

1. AL-Ibid.

2. AL-Note de Labonne sur le manganèse de l'Atlas-31 July 1929.

With some minor modifications, this project was accepted by the Comité des Forges and the Société Anonyme Chérifienne d'Etudes Minières (S.A.C.E.M.) was finally constituted, the main shareholders being the Société du Manganèse and Mokta. So Mokta eventually got satisfaction. Because of its claim on the discovery of the bed¹ and despite the lack of legal rights, Mokta benefitted from its research and from the agreement it had signed with El Glaoui.

The striking point about these negotiations between the B.R.P.M. and the most powerful group of French industrial companies - the Comité des Forges - is their relative simplicity. This was mainly due to the unity preserved by private interests, which suited the goals of the Protectorate exactly. The final agreement certainly did not conform to Moroccan mining legislation and did not follow the principles of the Algeciras Act, but it was quite an efficient solution for furthering the economic development of Morocco and safeguarding French interests, as the creation of the Office Chérifien des Phosphates had also been.

The negotiations over the second manganese bed, Aoulouz, were quite another matter. The crucial difference was that private interests were represented not by the all powerful Comité des Forges but by one man, Jean Epinat, whose aims were quite different and whose motivations and political and economic connections it is now necessary to analyze.

2 - The Omnium-Nord-Africain

Pursuing his goal of building a new country and of developing the Moroccan infrastructure, Général Lyautey, who had noticed the weakness

1. AL-Note de Mokta-undated.

of the Moroccan economy in terms of transport, asked whether it would not be possible to find someone from France who could be put in charge of developing the Moroccan bus system. After an extensive enquiry, the Protectorate found a suitable man in the person of Jean Epinat who was directing a transport company in the centre of France¹. His spirit of entrepreneurship and his dynamism pleased Lyautey.

On 24 November 1919, Epinat founded the Compagnie Générale des Transports et du Tourisme (C. T. M.), with an initial capital of five million francs and began to organize a bus system in the pacified zone of Morocco. The first years were difficult and, unable to meet such a large investment and on the verge of bankruptcy, Epinat asked the help of the Banque de Paris et des Pays-Bas, which agreed to lend him money². From a strictly legal point of view, the C. T. M. remained independent from the Banque de Paris, almost until the end of the Protectorate, but this financial help was the beginning of an association which was to make Epinat one of the most successful businessmen in Morocco.

In order to give an idea of the importance of the Banque de Paris et des Pays-Bas, which controlled the Banque du Maroc³, here is a non-exhaustive list of its main Moroccan subsidiaries: the Compagnie des Chemins de Fer du Maroc, the Energie Electrique du Maroc, controlling the Moroccan production of electricity, the Société Marocaine de Distribution d'Eau et

1. Interview Doumenc.

2. Interview Doumenc.

3. cf. Chapter II-p. 35.

d'Electricité. The Banque de Paris also controlled transportation companies in various Moroccan towns. It controlled the ports of Kénitra, F'abat-Salé and Tangiers. It also had very important interests in agriculture¹. The companies which depended on the Epinat group are not listed here.

With the strength of such backing, but yet remaining independent as far as the management of his affairs was concerned, in less than ten years, Epinat controlled all civil transport in Morocco and, in addition, all military transport of provisions. Because of this last activity he had to deal with local chiefs in areas which were not fully controlled by the French and thus developed very close relations with them, all the more so as he was very clever at offering bribes and all sorts of financial incentives. He was a self-made man and his success in building a commercial and industrial empire, within a few years, can be partly explained by his ability to make use of every opportunity that arose. He was well aware of all the factors - on every level: political, social, economic - which might involve him and his company. He made a point of getting to know anyone who had any power and who might be useful to him. For example, he made very profitable alliances with Berber chiefs in the South of Morocco, and particularly with El Glaoui, with top civil servants in the Résidence Générale in Rabat, and even, later on, with the German during the Second World War, which caused him a certain amount of embarrassment in 1945.

However, his way of doing business was not generally very diplomatic. This account of a meeting he had with Lieutenant Spillmann, at that time

1. Albert Ayache, Le Maroc, pp. 142-3.

a young army officer in the Atlas, provides a good illustration.

'M. Epinat me dit que le chemin de fer transsaharien était une utopie, une hérésie économique. Par pur patriotisme, il avait donc l'intention d'assurer, avec ses camions, un service régulier direct, entre Marrakech et Saint-Louis du Sénégal, par la vallée du Draa, Tindouf et Atar.

- Et que faites-vous des insoumis? objectai-je.

- Aucune importance, me répondit-il. Je traiterai avec eux, je leur donnerai de l'argent et même des armes, s'il le faut, pour qu'ils me laissent installer chez eux mes postes-relais. J'aménagerai des pistes, je ferai escorter mes convois par mes propres auto-mitrailleuses puisque votre fichue armée est incapable de créer des engins convenables. D'ailleurs, je ne veux rien avoir de commun avec vous, les militaires, et quand on saura en face que je ne suis pas des votres, on viendra à moi plus volontiers.

- Attendez au moins que nous ayons achevé la pacification du pays.

- Avec vos méthodes vous ne le pacifierez jamais. Je vous demande seulement de ne pas me mettre de batons dans les roues. D'ailleurs, si vous vous en avisiez, vous ne resteriez pas longtemps au Maroc¹.

This clearly shows Epinat's power and his way of doing business. He quickly achieved success. In 1930, the capital of the C.T.M. was forty million francs. However, this was just a beginning. Having achieved its goal as far as transport was concerned, the company was to enlarge its activities.

As already shown, 1928 marked the onset of mining development in Morocco, partly because of the French agricultural crisis and of the consequent impulse the Protectorate gave to mining questions. It is therefore not surprising that at this date Epinat's group began to be interested in mining, all the more since he was controlling the transport system, one

1. Général Spillmann, Souvenirs d'un Colonialiste (Paris: Presse de la Cité, 1964), p. 88.

of the more important items of mining exploitation problems.

During the years 1928-1929, Epinat tried to control various mining projects.

'Nous avons saisi l'occasion qui s'est offerte à nous de prendre une participation dans une affaire minière de toute sécurité qui nous donne dès maintenant des rapports intéressants'¹.

Epinat's mining affairs were soon to be centred in the Atlas:

'M. Epinat expose au Conseil les avantages qu'il peut y avoir pour la Société à suivre des affaires minières du Maroc qui se présentent dans des conditions particulièrement favorables... Il a cru dans cet ordre d'idées devoir prendre une option de l'ordre de 200.000 Frs dans une affaire de graphites qui peut occasionner un décaissement de 200.000 Frs au maximum remboursable par le détenteur du permis de recherches si à l'expiration de l'option aucune suite n'a été donnée. M. Epinat suit d'autre part deux affaires de manganèse dont une qui paraît particulièrement intéressante ne peut pour le moment faire l'objet d'aucune étude approfondie en raison de l'état d'insécurité de la zone dans laquelle se trouve ce gisement'².

From both of these reports, it appears clearly that Epinat was the only decision maker inside the company.

In 1929, the C.T.M. gained interests in graphite, manganese and antimony mines. The status of the company was modified in accordance with its new interests. The company's general aim now included the research, study and acquisition of all kinds of mining rights, the exploitation of mining beds, and the buying and selling of all types

1. AONA-Assemblée Générale Ordinaire-31 May 1928.

2. AONA-Conseil d'Administration-17 September 1928.

of mines¹.

At the same time, Epinat strengthened his relations with the Berber chiefs, especially El Glaoui, Pasha of Marrakech. A loan of ten million Francs was made to him. In exchange, the company had the right to exploit the properties of the Pasha in Settat. Epinat noted that 'L'influence du Pacha de Marrakech dans cette affaire où se trouvent mêlés de nombreux indigènes sera très précieuse'².

This policy of association with local people was to be one of the characteristics of the company, in mining as well as in other affairs.

From 1930 onwards, the company was structured by the creation of subsidiaries concerned with mines which were more likely to be profitable.

One subsidiary dealt specifically with mining research: the Société de Prospection et d'Etudes Minières au Maroc (S.O.P.E.M.). On 17 March 1930, another subsidiary was formed, the Compagnie de Tifnout-Tiranimine (C.T.T.), with a capital of ten million Francs, owned jointly by the C.T.M. and the S.O.P.E.M.. Its aim was expressed in extremely wide terms:

'Etudes, recherches, exploitations minières, créations de toutes industries et généralement toutes opérations financières, commerciales, industrielles ou immobilières se rattachant au Maroc, mais plus particulièrement à la région du Souss'³.

However, the main goal of the C.T.T. was to exploit the manganese bed of Aoulouz⁴.

1. AONA-Assemblée Générale Extraordinaire-21 June 1930.

2. AONA-Conseil d'Administration-20 December 1929.

3. AONA-Conseil d'Administration-10 March 1930.

4. cf. section 3.

On 7 October 1931, the Société Minière de Bou Azzer et du Graara (S. M. A. G.) was created, entirely controlled by the Epinat group, in order to exploit the cobalt bed of Bou Azzer¹.

Also in 1931, a new loan of 35,000,000 Francs was given to El Glaoui, in order to ease his very shaky financial situation. The link between El Glaoui's influence in the mining affairs of the C. T. M. and this loan, will be pointed out later on.

In 1932, Epinat continued his policy of association with local people in mining affairs. He was not the only one to follow such a strategy². However he was most certainly, in that respect, the most successful businessman of the Protectorate period. Of course, the help he received from the Moroccans was not exposed too obviously and the financial aspects of the question were usually well concealed. The Epinat group presented itself in a paternal light, stressing the importance of its contribution to the development of Morocco and particularly of its people. For instance, in 1932, the Société d'Etudes et d'Initiative pour la Mise en Valeur du Souss was created. It was noted in its Articles that its aim was to improve the living conditions of the local people and to achieve pacification³.

Also in 1932, the company 'rend hommage au Glaoui pour son concours éclairé en ce qui concerne les mines'⁴. On another scale

'Un modeste collaborateur de la C. T. M. (Hammou) reçoit des gratifications et un voyage à la Mecque car il a organisé les chantiers de Bou Azzer, parmi des populations extrêmement guerrières et

1. cf. section 4.

2. cf. the example of the association between Mokta-el-Hadid and El Glaoui in section 1.

3. AONA-Conseil d'Administration-24 May 1932.

4. AONA-Conseil d'Administration-29 June 1932.

indisciplinées'¹.

The reality of the facts will be examined in section 4.

The company's name was changed in 1934, in recognition of how the group had developed.

'Pour tenir compte de l'évolution de notre société au cours de ces dernières années, nous avons décidé de proposer à votre délibération la dénomination d'Omnium Nord Africain qui répond très exactement au caractère de notre société, mère de plusieurs filiales spécialisées dans une branche différente d'activités: sociétés de transports, sociétés minières, sociétés immobilières, entreprises agricoles'².

A few years later the O.N.A. was in control of the following companies:

- Société des Transports Miniers
- Société Anonyme des Transports Automobiles du Souss
- France-Auto
- Compagnie Chérifienne des Produits du Naphte
- Société Automobile Marocaine
- Société Marocaine des Machines Agricoles
- Société Minière de Bou Azzer et du Graara
- Compagnie de Tifnout-Tiranimine
- Société Minière et Métallurgique d'Aoulouz
- Société de Prospection et d'Etudes Minières au Maroc
- Société Chérifienne de Recherches Minières
- Société Métallurgique et Chimique Nord-Africaine³

1. AONA-Ibid.

2. AONA-Assemblée Générale Extraordinaire-5 January 1934.

3. Stéphane Bernard, Maroc 1943-1956, III, 237-38.

This brief description of the O.N.A., which covers the period of interest here, is just intended to give an idea of Epinat's success and power and of the determination of the main competitor for the Aoulouz manganese bed and the Bou Azzer cobalt bed.

Interest will now be focused on the creation of the Compagnie de Tifnout-Tiranimine (C.T.T.), the aim of which was to exploit the Aoulouz bed.

3 - The manganese bed of Aoulouz

It has been seen in section 1 that the signing of the agreement between the B. R. P. M. and the Société du Manganèse was indeed a success for Labonne but that he had voluntarily neglected an important aspect of the question, namely the existence, in the same area as Imini, of other important manganese beds. About ten had been discovered in 1929. Further exploration was still needed in order to prove whether these beds could be exploited, but Lantenois asked whether it would not be possible to wait until this research had been carried out by the Service des Mines and then nationalize the whole of Moroccan manganese¹. This opinion was supported by Branly who agreed with the Commission des Mines, that

'L'appropriation nette pour l'Etat des gisements de manganèse du Sud de l'Atlas, solution permise par le nouveau dahir minier et que justifierait l'intérêt national éminent de notre industrie sidérurgique et les grands rendements fiscaux possibles (étaient) la première solution à envisager'².

Labonne did not apply such a solution (a) because he was opposed to the nationalization of the mines and (b) because research was much

1. AL-Lantenois to Labonne-Rabat-2 May 1929.

2. AL-Branly to Labonne-Rabat-14 May 1929.

more advanced in Imini than in the other beds. Recognizing that it would have been better for a single French company to exploit all the manganese in the Atlas, he considered, nevertheless, that this was not possible because of insufficient knowledge about the other beds and, above all, because

'Il faudrait grouper des intérêts parfaitement hétérogènes, tâche peut-être impossible et, en tout cas, très longue'¹.

He preferred to be sure of one partial agreement rather than to wait for a hypothetical global one. Events were to prove him right.

In Summer 1929, the question was raised of the second manganese bed of the Atlas: Aoulouz. At the beginning of the negotiations, the situation was the same as that of Imini: the zone was closed to mining research but various companies had nevertheless superficially studied the bed, with El Glaoui's agreement. The most active of them was the C.T.M., led by Epinat.

Epinat's strength came from three sources:

(a) his influence in political and economic circles (El Glaoui, Banque de Paris et des Pays-Bas, ...),

(b) the fact that he was already actively doing research on the bed, as Mokta had done in Imini,

(c) the fact that he could use his lorries to transport the extracted ore to the sea.

Labonne's first idea was not to negotiate with Epinat but to pursue his long-term goal of unifying all interests in order to form a single company for exploitation of the Atlas manganese. However, he changed his mind in September 1929, because he realized how strong Epinat was. He noted that

1. AL-Note de Labonne sur le manganèse de l'Atlas-31 July 1929.

L'ensemble des considérations d'ordre personnel et politique que l'on ne peut négliger - en l'espèce - j'insiste beaucoup sur ce point ...¹.

The first negotiations between the Protectorate and Epinat were held in France. The Résidence Générale was represented by Beaugé, Branly and Lantenois. After a week of talks, an oral agreement was concluded and received Labonne's support. The main features of the project were as follows.

A company would be created, the Société du Manganèse d'Aoulouz, in order to research the Aoulouz bed. Its capital would be 3,100,000 Francs made up of three thousand A shares, of one thousand Francs each, with one vote, and one hundred B shares, also of one thousand Francs each, but with one hundred votes each. Division of the capital would be as shown in the following table.

TABLE 9

CAPITAL OF THE SOCIETE DU MANGANESE D'AOULOZ

	A shares	B shares	Number of votes
B. R. P. M.	1,000	22	3,200
Société du manganèse d'Imini	1,000	22	3,200
Epinat group	1,000	56	6,600
Total	3,000	100	13,000

If the capital was to be increased, the division of the votes should not be changed.

1. AL-Labonne to Beaugé-10 September 1929.

The B. R. P. M. would have nine hundred founders' shares and the Epinat group one hundred. The benefits would be distributed as follows: 10% to the Board of Directors, 8% to the shareholders and, on the remainder, 25% would go to the holders of founders' shares and 75% to the shareholders.

Each of the three groups would have an equal number of directors and the company would give the Société du Manganèse the option to buy what it produced at the world market price. After intensive bargaining, Epinat agreed¹. A draft letter from him to the B. R. P. M. was prepared jointly by the negotiators, officially proposing the above arrangement to the Protectorate. At the last minute, Epinat said he had no time to wait for the letter to be finished, because he had to go to another very urgent meeting. He promised he would send the letter as soon as possible². This project of agreement was slightly more favourable towards the C. T. M. than the agreement on Imini had been for the Société du Manganèse. In accordance with the general policy of the B. R. P. M., the management of the mine was in the hands of the private sector and the State had one third of the shares.

The Protectorate thought of giving some extra advantages to the Société du Manganèse, in order to equalize the advantages of both private groups, thus facilitating an eventual merger of the manganese-exploiting companies³. Labonne informed the Résident Général of the agreement in very clear terms:

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1. AL-Beaugé to Labonne-Paris-13 September 1929.
 2. AL-Ibid.
 3. AL-Lantenois to Joyant-Paris-14 September 1929 and Branly to Labonne-Paris-17 September 1929.

'J'ai la satisfaction de vous rendre compte que nous sommes parvenus à régler avec M. Epinat, dans le sens général que vous nous avez indiqué, l'affaire peut-être très importante du Manganèse d'Aoulouz'¹.

but he noted that

'A cheval sur Vichy... Paris et Rabat, cette négociation a donné lieu à des péripéties multiples que le tempérament de notre interlocuteur a parsemé de véhémence... Enfin voici ce nouvel accord achevé et j'en suis bien heureux'².

However, everything was to collapse when Epinat sent the project of agreement to the Protectorate. He noted that this project had been slightly modified³. In fact Epinat had reconsidered the main points of the agreement. Firstly he had rejected the division of seats on the Board of Directors, wanting the same majority on the Board as he had in the General Assembly, in order to preserve unity between the two organisations and to ensure that the C.T.M. had complete management of the company. Secondly, whatever was decided, he wanted the future control of the company to remain in the hands of the C.T.M., thus disagreeing with chosen system of linking the future majority to the company's progress. Thirdly, he wanted all the founders' shares for the C.T.M., in order to compensate for the risk the C.T.M. had taken in promoting the mining research. After a lengthy study of the risks the C.T.M. was still taking he concluded in a very lyrical way:

'Mais je préfère rester fidèle aux déclarations personnelles par quoi j'ai maintes fois affirmé que nous faisons toujours passer les questions

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1. AL-Labonne to Saint-17 September 1929.
 2. AL-Ibid.
 3. AL-Epinat to Labonne-Paris-21 September 1929.

de principe ayant le souci de nos intérêts matériels. Les fondateurs doivent d'abord supporter les premiers risques et charges pour ne recueillir qu'ensuite le bénéfice des parts qui leur sont traditionnellement réservées¹.

Branly immediately rejected this offer², as did Joyant³ and Labonne himself⁴.

Further discussions were planned in Rabat to renegotiate the agreement. In the mean time Epinat, whom Labonne described as 'négociateur trouble et marchandeur'⁵, tried to consolidate his position by pointing out his association with El Glaoui⁶ and by getting the support of civil servants in the Résidence Générale, such as Urbain Blanc, Délégué à la Résidence, who wrote to Labonne in support of Epinat:

'Il faut faire place à Epinat parce qu'ayant vaincu de rudes obstacles et gravi un pallier assez élevé au point de vue matériel, il désire jouer un rôle au Maroc. Quand un pays neuf comme le nôtre possède des gaillards de cette valeur avec cette tendance, il faut s'en servir en les servant'⁷.

These reasons seem weak indeed in comparison with the arguments put forward by Labonne. However, there was a growing opposition to Labonne's contingent, both in Paris and in Rabat.

The position of the Protectorate was still very strong. Joyant proposed

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1. AL-Ibid.
 2. AL-Branly to Labonne-Rabat-20 September 1929.
 3. AL-Joyant to Labonne-Rabat-25 September 1929.
 4. AL-Labonne to Epinat-Rabat-4 October 1929.
 5. AL-Labonne to Branly-Rabat-20 September 1929.
 6. AL-Epinat to Labonne-Paris-21 September 1929.
 7. AL-Blanc to Labonne-Rabat-13 September 1929.

to break off negotiations with Epinat, to throw the zone open to prospectors and, if Epinat succeeded in getting research permits, to force him to agree to the Protectorate's terms by playing on the absolute need for a railway and a port for exporting the extracted ore¹. This proposition was eminently reasonable but here again Labonne, more aware of political factors, preferred to negotiate with Epinat. At first Epinat maintained his position, informing the Protectorate that he was sure to be able to exploit the mine through his own technical and financial means².

In the mean time, research was going on in Aoulouz. Eighty workers were operating under the direction of one French engineer. They were also forbidding other prospectors to look at the bed.

Suddenly, in December, Epinat revised his position. Labonne noted that 'Après quelques tours de valse hésitation, M. Epinat est venu me voir.... et m'a apporté en somme son accord sur les termes de l'arrangement précédemment formé'³. Lucien Saint, who was in Paris, was informed by Labonne and expressed his relief, as Epinat was leading a campaign in France against the mining policy of the Protectorate, a campaign which, according to Saint, could have been very troublesome⁴. In fact Saint was becoming more and more worried, in terms of his political career, by the growing importance of the B. R. P. M. and by the opposition of French industrial circles. He advised Labonne to slow down the rhythm of the B. R. P. M. activity⁵.

1. AL-Joyant to Labonne-23 September 1929.
2. AL-Epinat to Labonne-Paris-17 October 1929.
3. AL-Labonne to Saint-10 December 1929.
4. AL-Saint to Labonne-Paris-25 December 1929.
5. AL-Saint to Labonne-Paris-30 December 1929.

This was the first sign of a growing disagreement which was to reach its culmination in less than two years. In Aoulouz, which was still in a closed area, work developed rapidly. In February 1930, 180 workers were working at forty four points¹.

In March, Epinat changed his mind again, for the second time going against an oral agreement he had made a few months before. This time, the move was of much greater importance. On 17 March 1930, the C. T. M. created the Compagnie de Tifnout-Tiranimine (C. T. T.), with the aim of exploiting the Atlas manganese beds. The creation of the C. T. T. had been decided unilaterally, without consulting the B. R. P. M.. Its capital was ten million Francs, made up of twenty thousand shares of five hundred Francs each. Its legal aim was very wide². The result of the studies and research carried out by the Société de Prospection et d'Etudes Minières au Maroc (S. O. P. E. M.), another C. T. M. subsidiary, were given to the C. T. T. in exchange for six thousand founders' shares and the reimbursement of its expenses³. It was declared that the B. R. P. M. could benefit from an increase of capital, on the condition that it did not own more than half of the shares⁴. The B. R. P. M. would also have the opportunity to receive three thousand founders' shares in exchange for its contribution⁵.

There are several points to note concerning the status of the C. T. T.

1. AL-Rapport de Savry-Ingénieur d'Arrondissement-19 February 1930.

2. cf. section 2-p. 227.

3. Article 6.

4. Article 8.

5. Article 18.

(a) The main aim of the company concerned the Atlas manganese beds. However this area was not open to mining research. It was therefore illegal to create a company whose purpose was forbidden by mining legislation.

(b) The contribution of the S.O.P.E.M. was mentioned, stating that the S.O.P.E.M. had undertaken research forbidden by the law.

(c) The name of the B.R.P.M. was mentioned several times. It is doubtful whether it was legal to use the name of a public organisation without its permission and without the organisation even being told of the company's existence.

(d) The Protectorate was presented with a *fait accompli*, as it was not allowed to discuss the form and the Articles of the new company, despite previous, lengthy, negotiations.

(e) The legal aim of the C.T.T. was not restricted to Aoulouz or to manganese in the Atlas. It embraced all sorts of operations in Morocco. Therefore, if the B.R.P.M. participated with the C.T.T., the company management might take this as official support from the Protectorate, and the General Assembly or the Board of Directors could force the B.R.P.M. into participating in all kinds of business and take advantage of that as official backing.

(f) The chairman of the new company was Mourgnot, former Directeur Général des Travaux Publics in Tunis when Saint was Résident Général in Tunis. Mourgnot was already a Director of the C.T.M.. The full implications of this fact will be dealt with in the next section concerning cobalt.

In short, Epinat wanted to make clear that he was the only decision-maker. This may be seen from the terms of Mourgnot's letter to Labonne about the creation of the C.T.T.: 'Il sera accordé au B.R.P.M. ...

le B. R. P. M. pourra ... la C. T. T. indique ...¹.

The Protectorate reacted by pointing out to Mourgnot some of the problems mentioned above and by withholding agreement until the situation of the manganese beds had been legally determined².

In April, Epinat changed his mind again, at least apparently, adopting a slightly less militant attitude. He proposed to the B. R. P. M. the constitution of three companies:

(a) The first one would exploit the manganese bed of Bachkoun. Its capital would be eighteen million Francs (33% for the B. R. P. M., 55% for the C. T. M., the rest for other groups chosen in agreement with the B. R. P. M.).

(b) The second company would exploit the manganese bed of Iriri. Its capital would also be eighteen million Francs (1/3 for the B. R. P. M., 1/3 for the C. T. M., 1/3 for other groups also chosen in agreement with the B. R. P. M.). In both of these companies the B. R. P. M. would have 1/3 of the founders' shares, the other 2/3 going to the C. T. M.

(c) The C. T. T., which Epinat agreed to disassociate from the name of the B. R. P. M.. He also proposed new terms concerning the problem of the transportation of the extracted mineral to the sea³. The Protectorate, and particularly Lantenois, treated this project more favourably and negotiations were resumed⁴.

At that time, the French Government was increasingly concerned with the Moroccan manganese question. Manganese was a strategic mineral.

1. AL-Mourgnot to Labonne-Casablanca-22 March 1930.

2. AL-Labonne to Mourgnot-31 March 1930.

3. AL-Epinat to Migaux-Casablanca-29 April 1930.

4. AL-Lantenois to Migaux-Paris-5 May 1930.

A supply of manganese was of the highest importance in wartime. The Secrétariat Général de la Défense Nationale therefore favoured a global solution which would take into account the French national interests. However this organisation reached the same conclusions as Labonne. Recognising that the creation of a single company was probably impossible, Bernard, Chef du Secrétariat Permanent de la Défense Nationale au Maroc, wrote to Labonne: 'Je me rends compte que vous étiez obligé de faire la part du feu dans d'aus-si délicates négociations'¹. Nevertheless he pointed out the need for a quick and efficient solution.

Another argument in favour of a rapid solution was that work was deve-
loping quickly in the Atlas, despite the official ban. It was now urgent to le-
galize the situation, so it was decided to open the area to mining research.

However the situation was complex. More than a dozen potential compe-
titors were in line. There was, of course, the Société du Manganèse, allied
with Mokta, and the C. T. M., and then the Compagnie Générale du Maroc, the
Compagnie des Chemins de Fer du Maroc, the Société de Bou-Arfa, le Creusot,
Pont-à-Mousson and Ougrée-Marihayé, to name only the major ones.

If the area was opened to mining research without any sort of precaution
it would mean the same sort of situation as that of Jérada in 1928. The B. R. P. M.
had been created to avoid that. So it was decided that all the demands for per-
mits, after the period of simultaneity, would be examined by the Direction Géné-
rale des Travaux Publics and by the Résidence Générale itself. The advice of
the French Government would also be sought and the final decision should take

1. AL-Bernard to Labonne-Rabat-29 May 1930.

into consideration the rights of the two main groups: the S.A.C.E.M. and the C.T.M.¹.

This measure had two logical consequences. The first one was the strong opposition of the Service des Mines, which had always favoured the strict application of the mining legislation, which was normal, and always strongly opposed the participation of the B.R.P.M. in mining companies, which was less normal, as the role of the Service des Mines was to follow the policy defined by the Résident Général. In fact Despujols's reaction was amazing for a civil servant. He wrote to his chief, the Directeur Général des Travaux Publics, that 'le Service des Mines ne pourra ni présenter de propositions, ni formuler d'avis'², because, if it did so, it would have to admit that research had been carried out in an area where this was forbidden. He also pointed out that the B.R.P.M., by asking for participation in the new companies, was going against the very principle of the mining legislation which stated that 'le permis s'acquiert à la priorité de la demande'³. Despujols concluded that 'le Service des Mines n'ayant pas qualité pour insister sur ces circonstances devra, à mon avis, se contenter de transmettre les dossiers '⁴. The Service des Mines had become no more knowledgeable about political factors nor about the reality of industrial questions.

The second consequence was that the private companies interested in the

1. AL-Labonne to Saint-29 July 1930.

2. AL-Despujols to Joyant-Rabat-25 July 1930.

3. Article 24.

4. AL-Ibid.

Atlas manganese regrouped themselves behind the S.A.C.E.M. and the C.T.M.. An agreement was signed in Paris, reinforced by a joint letter from Epinat and Duby, Administrateur-Délégué of the S.A.C.E.M., to Saint, saying that the B.R.P.M. would have 33% of the shares in the C.T.T., in the Société de l'Iriri and in the Société du Bachkoun and re-affirming the terms of the letter the C.T.M. had sent on 29 April 1930 to the B.R.P.M.¹. In exchange, the C.T.M. and the S.A.C.E.M. were assured that they would both get fifty seven research permits directly after the area was opened to mining research.

Indeed it was impossible, at this stage, to create a single, unified company. However there were several points in favour of such a move:

(a) the structures of both groups were similar and, a future agreement was feasible,

(b) the B.R.P.M. had its shares and could influence future developments within the companies from the inside,

(c) the first signs of cooperation between both groups had already appeared. Therefore all the problems seemed on the way to being settled. However, Labonne was worried. After showing Joyant the main points of the agreement, he noted:

'Voilà la façade, la majestueuse et sereine ordonnance gouvernementale. Maintenant brève histoire du réel, derrière ce décor ...'².

And he pointed out

'L'excitation des intéressés, le tumulte dont la place de Paris se trouvait agitée ... Je

1. AL-Paris-4 August 1930.

2. AL-Labonne to Joyant-Paris-5 August 1930.

me sens bien incapable ... de dégager clairement la philosophie (de ces tractations) et de tirer des horoscopes ... Je suspecte moi-même cet équilibre commode, artifice d'inertie qui repousse la vie en marche. Mais il en est peut-être autrement¹.

Labonne's fears were fully justified. Despite the agreement of August 1930, Epinat continued the exploration alone and never agreed to give a share of the C.T.T.'s capital to the B.R.P.M.. Negotiations were broken off once again.

Since 1930, Epinat's interest had been focused on another question: the Bou Azzer cobalt mine. In this, he was virtually the only representative of private interests before the B.R.P.M.. It was therefore easier for him to fight against the public organisation. He did so, reinforcing his political connections, until he obtained the dismissal of Labonne, immediately followed by a radical change in the mining policy of the Protectorate, as it will now be shown.

4 - The cobalt mine of Bou Azzer

a - The problem of mining rights

In section 2, it has been seen how Epinat, since 1928, had been trying to transform his transport company into a group which would control various sectors of Moroccan economy, and particularly the mining industry. The links between the Epinat group and the Banque de Paris et des Pays-Bas on the one hand and El Glaoui on the other have also been pointed out. After the example of manganese, cobalt will now be examined.

The situation of the company Epinat created for exploiting the Atlas cobalt mine - the Société Minière de Bou Azzer et du Graara (S.M.A.G.) - was fairly similar to that of the C.T.T., but the conflict with the State

1. AL-Ibid.

went much further. Therefore it will be easier to analyse the means used by Epinat to control the mine, regardless of the mining legislation, through his intimate connections with Berber chiefs on the one hand and with top civil servants on the other.

As in the case of Imini and Aoulouz, Bou Azzer was situated in an area which was not open for mining research or prospecting. The cobalt bed had been recognized for the first time in 1918 by Dorée, an explorer working for the Union des Mines Marocaines. However, his discovery had no legal value. Lantenois pointed out that

'Il n'apporte aucune preuve de son dire, pas même un procès verbal d'analyse, qui même authentique, ne constituerait d'ailleurs pas de preuve proprement dite de son invention, puisque cette analyse aura pu être faite sur un simple échantillon remis à M. Dorée par un indigène, et dont la provenance resterait ignorée'¹.

However there was another claim to the bed, that of the Berber tribes around Bou Azzer. For ages they had exploited the mine, not for cobalt, but because the mineral - erythrine - contained arsenic, which was used as a medicine and as a rat poison. As the mining legislation recognised traditional mining rights, they could claim rights to the bed. However, as Lantenois pointed out, this could not be accepted, as it was not a real discovery of deposits.

'L'invention a lieu au premier degré lorsqu'une personne qualifiée reconnaît le gisement et en détermine la nature'².

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1. ADM-Note de Lantenois au sujet des moyens propres à permettre à l'industrie française de se procurer en tout temps les minerais de molybdène, cobalt et nickel extraits des mines marocaines, dont cette industrie a besoin pour la fabrication de ferro-alliages, p. 9.
 2. ADM-Ibid. p. 10.

In any case, the mining legislation had recognized the existence of traditional mining rights in order to avoid mining companies exploiting beds which had been previously discovered and exploited by the Moroccans and which had been part of their traditional economic resources. The only aim of the law was to allow a smooth transition between a traditional economy and a modern one. Obviously, this did not apply in the case of cobalt. Moreover, the law was intended to protect the tribes and did not envisage that these traditional rights could be sold to a third party - a mining company for instance - which could by that means acquire an advantage over its competitors and by-pass mining legislation. Therefore, from a legal point of view, nobody could claim any serious right to the Bou Azzer cobalt mine.

The rediscovery occurred in November 1929 when Capitaine Paulain, Officer of the Service des Affaires Indigènes, was building a road in the area and recognised the bed. He sent a sample to Neltner, a geologist of the service des mines working at that time in the South of Morocco. Neltner recognised the presence of cobalt, in March 1930. Another sample was sent to Rabat, where it was analyzed and officially entered in the register of the Service des Mines, on 14 April 1930, under the category 'erythrine - cobalt mineral'¹.

The discovery having been made by an army officer and by civil servants, Lantenois noted that this would justify 'en pure équité, s'il en était besoin, la main mise de l'Etat Marocain sur une partie au moins des gisements de cobalt ...'². His project was to create two mining companies,

1. AL-Note sur le cobalt d'Agdz-undated.

2. ADM-Note de Lantenois, p. 11.

one State owned, the other private. This solution would preserve private interests as well as those of the French Defence. This would also, in his opinion, create fruitful competition between both companies and allow easier regulation of production. This was a reasonable idea, coming from a man who was definitely not in favour of systematic State intervention, as seen in the question of the creation of the Office Chérifien des Phosphates.

Following his general policy, Labonne had a different idea. He wanted B. R. P. M. to have a 33% share in the future company.

Both of these projects were to be aborted because of the joint power of Epinat and El Glaoui. In the early summer of 1930, the news of the recent discovery of cobalt in the Atlas was well known in mining circles¹. Epinat was the first to know about it.

How the information, which obviously ought to have remained secret, came to Epinat's ears cannot be established with absolute certainty. However, several facts, discovered from the Archives or spread by word of mouth by some who had a very intimate knowledge of these events or were involved in them, throw light on certain points:

(1) Lucien Saint, before becoming Résident Général in Rabat, had been Résident Général in Tunis.

(2) At that time, the Directeur Général des Travaux Publics in Tunisia was Mourgnot, who became a close friend of Saint.

(3) In 1930, Mourgnot was one of the main characters in the Epinat group: he was the chairman of the C.T.T. and was to remain in the group for twenty years, becoming chairman of the O.N.A. at the end of the

1. ADM-Note de Lantenois, p. 10.

Protectorate.

(4) Saint, who was ordinarily not very interested in the technical aspects of mining questions, showed an extreme interest in cobalt, asking repeatedly for maps and studies about the Bou Azzer research.

(5) Saint sacked Labonne, at the end of 1931, because of a disagreement over mining questions¹.

(6) On 16 October 1932, Saint became Sénateur in Haute-Garonne. All these points are unquestionable. If Bidwell's statement about Saint is added here: '(He was) an ambitious politician... who felt (he) could best further (his) career by winning the favour of the colons'², it is easy to establish the link between these facts. Discretion prevents further reference and indeed the main point is not to know what were the exact motivations of this or that civil servant but to demonstrate that the Résidence Générale was no longer unanimous over the B. R. P. M. and that private interests, mainly in cobalt, were strengthening all the time.

Once he got the information, Epinat arranged with El Glaoui for cobalt research to commence in the area of Bou Azzer. Needless to say, this was illegal, the zone being closed to mining research. Not only did El Glaoui provide the workers but he produced a contract he had made with the tribes which were living near the mine and by which he claimed to have acquired the traditional rights of the tribe to the mine. The first sentences of this agreement are worth quoting:

'Attendu que les Aït-Hammou connaissent, dans la région d'Arhbar et d'El-Agrar, située sur leur territoire, des gisements miniers qu'ils

1. cf. *infra*.

2. Robin Bidwell, Morocco under colonial rule, p. 219.

travaillent depuis longtemps, principalement des gisements de minerai de couleur rose dont ils se servent pour détruire les insectes; que le Pacha désire donner aux Aït-Hammou les moyens de rechercher et d'exploiter ces gisements miniers, qu'il désire donner des moyens de vivre à cette tribu qui est pécuniairement très pauvre, et aider au changement immédiat de la situation économique dans la région méridionale saharienne ...¹.

Opinions on this agreement varied. Despujols noted that it had been officially established and approved by the *cadi* (the local judge) but Labonne, in a note in the margin of Despujols's book, wrote 'faux évident'. One thing is sure, the signature of the *cadi* does not prove anything. El Glaoui was all-powerful in the Atlas and had many means of forcing the local justice to do what he wanted. It may be quite possible that the contract was valid but it seems most likely that it was signed in the summer of 1930 and not in November 1927, as El Glaoui claimed. El Glaoui had always been interested in mining questions and had already signed agreements of this kind with the tribes but it does seem logical to assume that these agreements always followed the discovery of the bed. Why should El Glaoui have been interested in the Bou Azzer mineral, the main use of which was to kill rats? Cobalt was a much stronger incentive indeed and the reference to arsenic - and not to cobalt - may well have been just a decoy.

As in the case of manganese, the initial research organized jointly by Epinat and El Glaoui was in flagrant disregard of the law². Neither was it easy, because other prospectors had learnt about the cobalt discovery and they, too, were eager to carry out research on the bed, all

1. Despujols, Historique, p. 165.

2. ADM-Note de Lantenois, p. 11.

forgetting that the area was officially closed to mining research.

Epinat's main rival was Lahoussine Demnati, working for the Compagnie Minière. He claimed to have discovered the bed a long time before¹. This opposition between the Compagnie Minière and the C. T. M. almost turned into a war between the local tribes.

Epinat's work was carried out under the supervision of Hammou Ou Hammou, El Glaoui's driver². In agreement with the sheikh, Hammou Ou Hammou was demanding a certain sum of money from workers who wanted to be employed. If they did not agree, they were sacked³. Playing on the anger of the workers who were also complaining about the sheikh because he had kept the money he had been given by Epinat for himself⁴, Demnati was encouraging the workers to revolt⁵. Spillmann noted too that '(Demnati) paraît maintenant décidé à entraver par tous les moyens possibles l'action du groupe Epinat'⁶. On 13 September, there was a riot, with one dead and three injured. Order was finally re-established by the Mokhazenis - Moroccan soldiers in charge of maintaining order⁷.

However the Pasha of Marrakech, controlling the Atlas, was in a much stronger position than Demnati. While Berber tribes were fighting for mining

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1. AL-Lefèvre, Direction des Affaires Indigènes, to Labonne-28 September 1931.
 2. AL-Ibid.
 3. AL-Ibid.
 4. AL-Spillmann to Chardon-20 August 1931.
 5. AL-Spillmann to Chardon-4 September 1931.
 6. AL-Ibid.
 7. AL-Colonel François, commandant p.i. de la Région de Marrakech to Saint-Marrakech-21 September 1931.

rights in the Atlas, El Glaoui wrote to the French Minister of Foreign Affairs, at the beginning of September¹. Referring to his agreement with the Bou Azzer tribe and to the traditional mining rights, he strongly protested against the fact that the Government had had dealings with mining companies concerning the cobalt bed. He noted that '(Cette affaire) touche à mes intérêts particuliers et met gravement en cause le prestige de ma famille'². He finally referred to the fact he had always helped France.

In the mean time, Epinat was in France, fighting against the B. R. P. M. . Saint, who was in France too, noted 'Epinat s'agite; je vais voir Pierre Laval à son sujet'³. Epinat's and El Glaoui's joint pressure on the French and the Protectorate Governments increased until the final act, the creation of the Société Minière de Bou Azzer et du Graara (S. M. A. G.) in October 1931. Its capital was five million Francs, divided into fifty thousand shares of one hundred Francs, held by:

- C. T. M.	10,000 shares
- C. T. T.	10,000 shares
- Société de Prospection et d'Etudes Minières	10,000 shares
- Société d'Etudes et d'Initiative pour la Mise en valeur du Souss	10,000 shares
- El Hadj Tami Glaoui, Pasha of Marrakech	4,700 shares
- Si Hamou El Glaoui, Caïd of Telouet	4,700 shares
- Nine other Berber chiefs	600 shares

1. AL-undated.

2. AL-Ibid.

3. AL-Saint to Labonne-Paris-18 September 1931.

The four companies which each held ten thousand shares belonged to Epinat's group but the fact that the chairman of the S. M. A. G. was El-Glaoui allowed Epinat to announce that the new company had been created 'à l'initiative du Glaoui, avec des éléments exclusivement indigènes composés des grands caïds de la région'¹. He modestly added that

'Cette société réservera à la compagnie de Tifnout-Tiranimine et à la Société d'Etudes et d'Initiative pour la Mise en Valeur du Souss des avantages importants en rémunération des concours apportés'².

This was a nice façade, as in fact Epinat's group controlled 80% of the shares. El Glaoui's reward was one million francs, in exchange for 'le bénéfice des droits d'usage qu'il possède sur les gisements en vertu du droit coutumier indigène'³.

As in the case of the C. T. T., the creation of the S. M. A. G. was illegal, its object being to exploit a bed which was located in an area closed to mining research.

The other mining companies (Mokta, Compagnie Royale Asturienne des Mines, Penarroya, Ougrée-Marihaye, etc....) immediately protested to the Service des Mines⁴. Despujols himself, who had always been favourable towards private companies, recognized that

'La constitution de la nouvelle société n'est qu'un moyen employé par certains explorateurs pour s'assurer, en l'absence de moyens légaux, le bénéfice de leurs découvertes, mais ces explorateurs ont

1. AONA-Conseil d'Administration-14 October 1931.

2. AONA-Ibid.

3. AL-Note du Service des Mines n° 6775 sur l'activité minière hors zone-Rabat-20 October 1931.

4. AL-Ibid.

dépassé la mesure; une menace d'accaparement point'¹.

The strongest opposition to Epinat's action might have come from Eirik Labonne, but everything was well planned. Labonne had left Morocco, on holiday, at the beginning of November and, while he was in France, was informed that he had been dismissed by Saint. Even his friend Philippe Berthelot, Secrétaire Général du Ministère des Affaires Etrangères, did not support him any longer: 'Ne demandez pas votre maintien ... On ne peut pas travailler bien ensemble après que certaines paroles ont été échangées...'². Of course Labonne's career did not suffer: he was nominated Ministre Plénipotentiaire de France au Mexique. Nevertheless Moroccan mining affairs could from that date take a new direction.

Things certainly moved fast. The trick was easy to find: as Despujols had long been asking for, declarations of discovery were authorized once again. This constituted the first step for companies which had discovered a bed in a zone closed to mining research. With the power of that right, they were sure to get the research permits, automatically, when the zone was opened. With such a procedure the B. R. P. M. had no longer any power of intervention. It could not pursue its role of regrouping private interests and of encouraging the development of the Moroccan mining industry.

In the Journal Officiel du Maroc³ of 5 February 1932, a short note from the Service des Mines was published:

'Le Service des Mines a l'honneur de faire connaître à MM. les prospecteurs qu'il

1. AL-Ibid.

2. AL-Berthelot to Labonne-9 November 1931.

3. n° 1006.

reçoit les déclarations de découvertes faites dans les zones fermées où aucun permis ne peut être délivré. La déclaration consiste en un rapport situant et décrivant les gisements ou affleurements découverts et accompagné d'une autorisation de circuler délivrée par la Région, d'un extrait de la carte au 1/100.000 e ou au 1/200.000 e, d'une ou de plusieurs photographies caractéristiques de format 9x12 au moins et d'un ou de plusieurs échantillons (minerai, gangue, terrains encaissants). Le Chef du Service des Mines peut refuser les déclarations qu'il estime ne pas répondre à ces conditions'.

On the following day the S.M.A.G. declared a discovery of cobalt and nickel in Bou Azzer to the Service des Mines. According to Charles-André Julien, who was definitely opposed to the way Epinat and El Glaoui had to do business, this was

'un des plus beaux tours de passe-passe qu'on ait connu de mémoire de financier . . . : (M. Epinat) était censé avoir dans la journée pris connaissance du Bulletin officiel, sollicité et obtenu l'autorisation de se rendre en zone d'insécurité, découvert, reconnu et photographié le gisement, rédigé et déposé sa déclaration'¹.

It can be assumed that Epinat, as well as the other managers of mining companies, had known for a long time that the Service des Mines was going to re-establish the rule of declarations of discovery. In fact, mining groups had put very strong pressure on the Résidence Générale since Labonne's departure, in order to obtain such a change². However, Epinat's reaction had been very fast indeed and thus he had almost certainly acquired control of the Bou Azzer bed, as it would be just a routine matter to get the research and exploitation permits. No more negotiations with the B.R.P.M. would be needed.

1. Le Maroc face aux Impérialismes, p. 228.

2. Despujols, p. 68.

The next step towards legalizing the situation of the S. M. A. G. was made a few days later. The area of Bou Azzer was opened up for prospecting by a dahir published on 11 February 1932¹. The Société d'Etudes et d'Initiatives pour la Mise en Valeur du Souss asked for twenty four prospecting permits on 15 April². These were given to it on 16 July³.

At that time the situation of the Epinat group in Bou Azzer would have been perfectly legal if the work in Bou Azzer had been merely research. This was not at all the case: actual exploitation was going on. The 1932 production was of 566 tons, almost one fifth of the average production between 1932 and 1955.

Actually, the mine itself looked more and more like a military camp. Epinat had obtained the permits for prospecting, not for exploitation. Therefore, he was still anxious that no other prospector should have the opportunity to research the bed. Strong in El Glaoui's support, his methods were certainly rough. A revealing incident happened in the summer of 1932, when Lieutenant Spillmann was contacted by a French engineer who had obtained from Général Catroux, Commandant de la Région de Marrakech, authorisation to go to El Graara. The engineer told Spillmann that, once he arrived there, he had found a barrier across the road and people working on the cobalt bed. He was told by them that nobody was allowed to enter. The official authorisation was torn into pieces.

Spillmann decided to go and see what was going on. The following day he went by car, with two of his colleagues, all of them in civilian clothes. Arriving near the mine, he saw several notices saying 'No entry', 'Danger',

1. Bulletin Officiel du Maroc n°1008-11 February 1932.

2. AONA-Conseil d'administration-24 May 1932.

3. n° 1435 to 1458-Bulletin Officiel du Maroc n°1033-12 August 1932.

'Private property'. He continued and was soon surrounded by armed people. However he was rescued by his squad which he had ordered to follow him five minutes later. The people were disarmed and escorted to Agdz on foot, then to Ouarzazate, where Commandant Chardon ordered them to go to Marrakech, still on foot (this makes a total distance of almost three hundred kilometres). This was very annoying for El Glaoui, who saw his authority flouted in front of all the tribes whose territories the prisoners had crossed. This was the end of Spillmann's career in the South of Morocco.

However, because of his connections in Paris of his very good knowledge of Moroccan tribes, he was nominated Chef de la Section Politique in the Résidence Générale, which was not particularly good for El Glaoui. Before leaving the South, he had a rather tense meeting with the Pasha of Marrakech, who told him that he had damaged his honour in front of all his tribes¹. Spillmann's point of view cannot be questioned, as it was to be confirmed during the following years by Commandant Chardon and Général Catroux himself, protesting against the illegality of the exploitation work going on in the Bou Azzer mine, as will now be seen.

It did not take Spillmann's successor long to notice the importance of the work going on in Bou Azzer. He sent a report on the situation to Chardon who noted

'Il me semble d'après cet exposé que l'importance des installations réalisées ainsi que celle des recherches et exploitation faites, dépasse singulièrement celle qui pouvait résulter autrefois de l'exercice du droit coutumier - ou

1. Interview Général Spillmann.

prétendu tel - d'extraction des substances employées à la fabrication de la "Mort aux Rats", et que les évacuations de minerai sur Marrakech et la côte, en vue de son exportation, sont en contravention avec la réglementation en vigueur au Maroc¹.

Général Catroux's opinion was identical. He asked the Résidence Générale for instructions:

'Je vous serais reconnaissant de vouloir bien me faire tenir vos instructions sur la conduite à tenir, tant vis-à-vis des prospecteurs européens, munis ou non d'une autorisation régulière de circuler, que des Indigènes qui s'adonnent, en infraction aux prescriptions du Dahir minier, à des travaux de prospection, de recherche, et même d'exploitation dans la région considérée².

Neither Chardon nor Catroux mentioned the name of Epinat when speaking of the Bou Azzer mine. They certainly did not want to interfere too much with problems as difficult as the association between Epinat and El Glaoui. However, this also meant that Epinat did not follow the legal procedure which stated that it was necessary to obtain authorisation from the military authorities in order to travel or to work inside military zones.

As far as the Bou Azzer mine was concerned, it may be assumed that the workers and the technicians were regularly employed by the Société d'Etudes et d'Initiative pour la Mise en Valeur du Souss, which was allowed to prospect. Therefore Catroux could be partly wrong. However, he was right in saying that the exploitation was illegal.

When the file was passed to the Directeur Général des Travaux

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1. ADM-Chardon to Catroux-n° 77C. O.I. -4 November 1933.
 2. ADM-Catroux to Bénazet, Directeur des Affaires Indigènes-n° 1406 CRM/S-30 November 1933.

Publics, Mérillon, the new Secrétaire Général du Protectorat, intervened, mentioning the agreement between the Epinat group and El Glaoui¹. He noted that a loan of fifty million Francs had been given to the Pasha of Marrakech, the main creditor being the Epinat-Mourgnot group. Finally he quoted the Commission de l'Algérie, des Colonies et des Protectorats de la Chambre des Députés:

'La Résidence se doit de ne pas doter le groupe Epinat-Mourgnot d'avantages supplémentaires en ne faisant pas pleinement jouer à son égard les dispositions du dahir minier de 1929'².

The commission had advised that the nature of the traditional mining rights should be more clearly defined. This was a very mild conclusion indeed but it proves that some people were worried by the illegality of what was going on.

However, neither the advice of Mérillon nor that of the Commission was to have any important consequence for Epinat. If reference is made to the 1929 mining legislation, it becomes quite obvious that the Bou Azzer works were illegal:

'Aucun travail de recherche ne peut être entrepris ... avant que le chef des travaux se soit présenté personnellement à l'autorité locale de contrôle et lui ait donné connaissance des titres miniers en vertu desquels les travaux seront exécutés'³...

Tout travail entrepris contrairement aux dispositions de présent dahir ou des règlements ou décisions pris pour son exécution peut être interdit par mesure administrative, sans préjudice de l'application des peines prévues au titre suivant⁴ ... Est puni d'un emprisonnement d'un mois à un an

1. ADM-n° 53 D. A. I. /2

2. ADM Ibid.

3. Article 71.

4. Article 72.

et d'une amende de cent francs à trois mille francs ou de l'une de ces deux peines seulement ... quiconque se livre d'une façon illicite à la recherche ou à l'exploitation des mines¹ ... Est puni d'une amende de cent à cinq cents francs ... quiconque apporte des entraves à la surveillance des mines ...².

This was very clear indeed and all the proof had been gathered by the Officiers des Affaires Indigènes. However, the advice of the Directeur Général des Travaux Publics was that everything was in order and that the Epinat group should be allowed to pursue its work in Bou Azzer. Bénazet, Directeur des Affaires Indigènes, transmitted this information to Général Catroux:

'Il ressort ... de la lettre n°2325 du 25 Janvier 1934 de M. l'Ingénieur en Chef des Ponts et Chaussées, Directeur Général des Travaux Publics, que le groupe Epinat-Mourgnot est en règle vis-à-vis des dispositions du dahir minier. Il n'y a donc pas lieu de s'opposer aux travaux de prospection en cours. Les Européens qui circulent ou résident en zone d'insécurité doivent y être autorisés par vous. Aucune exception ne doit être admise. Je suis d'ailleurs persuadé que les dirigeants du Groupe Epinat exigeront de leur personnel l'accomplissement des formalités indispensables à ce sujet³.

However, Bénazet could not help adding

'Vous noterez que le Service des Mines se montre assez large dans l'appréciation de la nature des travaux, lesquels ne doivent toutefois pas se transformer en travaux d'exploitation⁴.

Labonne's period was really over. Nobody could now oppose Epinat's will in the Atlas. The 1933 production was six hundred tons. As will be seen later on, when analysing the problem of the Cobalt International Association, an agreement was signed in 1934 between the association and

1. Article 80.

2. Article 81.

3. ADM-Bénazet to Catroux-n°294 D.A.I.C. /2-14 February 1934.

4. ADM-Ibid.

the S.M.A.G., giving the latter a 20% share of the world cobalt market.

Despite that, the company still claimed that it was doing nothing but research.

The 1934 production was 1,618 tons, almost 50% of the average production of the company in the 1932-1955 period.

On 6 February 1935, Général Catroux wrote again to the Directeur des Affaires Indigènes:

L'exploitation des mines de Bou Azzer et d'El Graara continue à être activement menée, au rythme de 200 tonnes de minerai mensuellement exportées. Le personnel européen comprend actuellement 2 ingénieurs, 1 comptable, 1 mécanicien et 1 maître-mineur. L'effectif en main d'œuvre indigène est de 350 mineurs¹.

He quoted the 1934 production:

First term	: 216 tons
Second term	: 94 tons
Third term	: 630 tons
Fourth term	: 678 tons

Finally he noted in a very straightforward way that:

Aucun permis d'effectuer des travaux de prospection n'a été délivré par la Région de Marrakech pour le gisement de Bou Azzer ni même sollicité d'elle. Par lettre n°294 DAI/C/2 du 14 Février 1934 vous aviez bien voulu me faire connaître qu'il n'y avait pas lieu de s'opposer aux travaux de prospection du groupe Epinat-Mourgnot, ceux-ci ne devant cependant pas se transformer en travaux d'exploitation. Vous ajoutiez qu'il convenait de laisser au représentant local du Service des Mines le soin d'apprécier, parmi les travaux entrepris par la firme Epinat, ce qu'il conviendrait éventuellement d'appeler une véritable exploitation. Le Service des Mines n'ayant plus de représentant local dans cette Région, je vous serais reconnaissant de vouloir bien me faire connaître si c'est à moi qu'il appartient dorénavant de

1. ADM-n°165 R. M. /5.

contrôler les quantités de minerais extraits à Bou Azzer, d'apprécier s'il s'agit ou non de travaux d'exploitation et, le cas échéant, de faire dresser procès-verbal pour infraction aux prescriptions du Dahir minier¹.

Although Catroux was perfectly right this time, he was going a bit too far for the liking of the Résidence Générale. When passing Catroux's file to the Directeur Général des Travaux Publics, on 5 March, the Directeur des Affaires Indigènes felt it necessary to mention that

'C'est la seconde attaque de la Région de Marrakech contre l'exploitant de Bou Azzer. Il y aurait intérêt, semble-t-il, à appeler l'attention de M. le Général Catroux sur la nécessité d'encourager les prospections minières, surtout quand aucune atteinte véritable n'est portée aux règlements².

Quite apart from the fact that he spoke ingenuously of 'l'exploitant' of Bou Azzer, it is interesting to see Catroux's attitude described as an attack on the part of the Région de Marrakech. And indeed, the Service des Mines answered that attack in a way which was very favourable to Epinat.

'La reconnaissance des filons s'y poursuit par des moyens de fortune et le minerai, produit et transporté à grands frais, n'est expédié qu'en vue d'études techniques et commerciales. Pour ne citer qu'un fait, la société ignore encore sous quelle forme et dans quels minerais ou quelles gangues se trouvent certaines des substances recherchées³.

In clear opposition to such a statement, Epinat announced to the Board of Directors of the Omnium Nord Africain, on 19 April 1934, that a cobalt agreement had been signed with French industrialists and that 'Nous espérons

1. ADM-Ibid.

2. ADM-n° 8902 M-DS/A. V.

3. ADM-Rapport du Service des Mines-n° 8902M-5 March 1935.

contrôler en association avec les producteurs, la production de toute l'industrie française des oxydes et sels de cobalt¹.

However the Service des Mines was still affirming that

'Le jour où les prospections seront suffisantes, nous proposerons l'ouverture de la zone de Bou Azzer aux recherches et à l'exploitation minières... Mais l'ouverture d'une Zone aux recherches impose aux permissionnaires des charges fiscales assez lourdes. Elle doit être retardée, autant que possible, jusqu'au jour où les explorateurs, éclairés par les travaux, sont en mesure d'établir une distinction entre les permis utiles, qu'ils conservent, et les permis stériles auxquels ils renoncent. Nous avons d'autre part exposé en Commission des Mines les raisons actuelles, liées à la crise économique, qui justifiaient le maintien du régime de prospection dans des zones ouvertes aux transactions immobilières et commerciales ... Nous devons faire remarquer que ces travaux, tout comme les travaux antérieurs du Pacha de Marrakech, ont toujours été exécutés avec l'agrément du Secrétariat Général et de la Région².

The point about taxes being high if the area was opened to mining research and exploitation was all the less valid as it has been seen in the analysis of the mining legislation³ that these taxes, as well as export ones, were very low in Morocco.

The opinion of the Service des Mines was extremely biased in favour of the S.M.A.G.. Not only had possible participation of the B.R.P.M. been forgotten, but the mining legislation itself was not applied. There was no longer any control from the State over mining companies and the attempts to follow the law which had been made by a certain number of army officers had been considered a very negative

1. AONA-Conseil d'Administration-19 April 1934.

2. ADM-Ibid.

3. cf. Chapter III, p. 74.

and destructive attitude.

The 1935 production of the S. M. A. G. was of 4,163 tons. This amount was only exceeded on three occasions before 1950 and was 25% higher than the average annual production between 1932 and 1955.

There could be no better proof of Epinat's complete success. The O. N. A. was on its way to becoming the most important private mining company in Morocco.

b - The problem of the International Cobalt Association

Another point of interest in the analysis of the role of the State in the Bou Azzer cobalt mine is the problem of the market outlet. This is all the more important because cobalt was a strategic substance in the composition of steel alloy used in the manufacture of planes and naval ships.

It has been seen that, in 1931, the Ministry of Foreign Affairs was already concerned with the possibility of exploiting Moroccan mines which could produce non-ferrous ore for French steel plants¹. This led to a survey of the Moroccan beds of molybdenum, cobalt and nickel.

L'Inspection Générale des fabrications de guerre attacherait du prix à connaître les moyens dont dispose le Gouvernement du Protectorat pour suivre la recherche et la découverte des gisements non ferreux au Maroc, pour en contrôler l'exploitation de manière que l'intérêt de la Défense Nationale soit dès le temps de paix sauvegardé².

However, it has been seen in the previous section that such State control was successfully opposed by the Epinat group.

1. ADM-Note de Lantenois, p. 1.

2. ADM-Ibid.

In the beginning of the thirties, the production of cobalt was controlled by the International Cobalt Association, the main member of which was the Union Minière du Haut Katanga (Belgian Congo), in which the Belgian Government had a majority shareholding. This was due to the special position of the Union Minière concerning cobalt which, for the Union, constituted a by-product of the production of Congolese copper. Its policy therefore had been to stabilise this by-product while remaining the main producer of the metal.

The Association controlled the metal market by means of five-year fidelity contracts. The industrialists benefitted from a rate considerably below the usual price. They were not required to take a set tonnage but no guarantee was given to them concerning the price, which was linked with the pound (gold). Consumers who did not accept these contracts had to buy the metal at the normal market rate¹. Confronted by the arrival of the S.M.A.G. on the international market, the International Cobalt Association first tried to break it by halving its selling price which went down from 120 Fr/kg to 62 Fr/kg².

However, the Association, after having sent some of its members to visit Bou Azzer³ realised the potential strength of the mine. An agreement was signed between the S.M.A.G. and the Association in 1934⁴.

According to this agreement, 20% of the world market was given to the Moroccan mine. In addition, El Glaoui promised the Résident Général

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1. ADM-Note sur le cobalt-12 November 1938.
 2. ADM-Rapport du Service des Mines-n°6990M-23 February 1932.
 3. ADM-Note from the Service des Mines to the Résident Général-5 March 1937.
 4. AONA-Conseil d'administration-20 October 1934.

that he would supply cobalt to the French Defence, as a top priority.

The S. M. A. G. gave the same assurance¹.

However, despite this special arrangement to suit the needs of French Defence, and which was mainly to calm down opponents of purely private exploitation of the mine, the whole cobalt market was out of French control. All the extracted ore was stored in Belgium and was not treated. In fact, the International Association had signed the agreement with the S. M. A. G. and was buying Moroccan cobalt not out of necessity but just to avoid competition which would have led to a drop in price². However, as the tension in Europe was growing, the French National Defence was increasingly concerned with its cobalt supply. It became necessary to find a different agreement which would give France greater control over the cobalt market. The first solution which was proposed by an interministerial committee in Paris³ was to create a stock of two hundred tons of cobalt in Bou Azzer. However, such a solution was not practicable, as the S. M. A. G. would have refused to create such a stock. There was no legal way to force it to do so. On the other hand it was necessary not to upset the Cobalt Association, which was still very powerful, despite growing opposition to it from France and Great Britain:

'Le gouvernement britannique a demandé
confidentiellement l'aide de l'industrie
française en vue de raffiner, en temps
de guerre, le cobalt brut canadien contrôlé

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1. ADM-Rapport du Service des Mines-23 May 1935.
 2. ADM-Note du Service des Mines-5 March 1937.
 3. ADM-Rapport de Jacques Bondon-Service des Mines-20 August 1938.

par l'Association et traité par elle en Belgique'¹.

The other solution was to encourage the creation of a French industry for treating the cobalt. This would also create a problem in the long term because, in 1937, the Bou Azzer reserves were considered to be very small.

'Il était estimé que, à l'allure d'extraction de l'époque, soit 4.000 tonnes environ de minerai par an et vu le faible tonnage en vue, la mine devait être épuisée avant 2 ans... Des mesures de soutien s'imposaient en faveur du producteur français, surtout vis-à-vis de l'association internationale, ainsi qu'en vue de la constitution d'un stock de sécurité permettant de pallier à une déficience possible de la mine'².

Discussions went on between the Protectorate authorities and the S.M.A.G.. A meeting took place on 24 January 1939 between a representative of the Service des Mines, Capitaine Moraillon, chef par intérim du Secrétariat Permanent de la Défense Nationale at the Résidence Générale, and Hentschel, Administrateur-Délégué of the S.M.A.G.. Hentschel opposed the idea of State control over French cobalt prices³. The proposition of the Protectorate was as follows:

'Le gouvernement français aurait la faculté d'inviter les transformateurs à vendre le métal et les sels destinés à la consommation française à un prix intérieur stable, basé sur le prix de revient du minerai majoré d'un pourcentage à déterminer et soumis uniquement à un index économique à établir. La consommation intérieure sera exclusivement réservée à l'industrie nationale. Le prix du minerai constituant le stock de sécurité serait fixé sur ces mêmes bases'⁴.

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1. ADM-Note sur le cobalt-12 November 1938.
 2. ADM-Note sur le cobalt, pp. 3-4.
 3. ADM-n° 10. 865M-2 February 1939.
 4. ADM-Note sur le cobalt, p. 6.

Hentschel's attitude was basically that these propositions opposed economic freedom. The negotiations took so long that the War arrived before they were concluded. The State had virtually no means to force the S.M.A.G. to adopt a different point of view. Quite possibly, the Résidence Générale and the French Government now regretted the failure of Labonne's idea of getting the B.R.P.M. to participate in the company, at the time of its creation.

5 - Conclusion

The three examples which have been dealt with above - Imini, Aoulouz and Bou Azzer - allow a better understanding of the limitations of the role of the B.R.P.M. and of that of the State in general.

The first important point is the ease with which the Société du Manganèse - i.e. the all-powerful Comité des Forges - agreed to collaborate with the B.R.P.M. for the exploitation of the Imini manganese bed. This proves, if proof is necessary, that the problem is absolutely not an ideological one. In the case of Imini, the B.R.P.M. fulfilled its role, the only small difficulty being the so-called rights Mokta claimed in the bed. Finally a share of the capital was given to Mokta, just as with Penarroja, the Chemins de Fer du Maroc and others in the S.C.C.D.. All in all, things went smoothly and quickly.

The difficulties appeared with a company which, in comparison with the Comité des Forges, was very small, but which was located in Morocco and whose chairman, Jean Epinat, was independent from any other company and wanted to remain as such. The special links between the O.N.A. and the Banque de Paris et des Pays-Bas were certainly of importance and the support of the bank was very useful, at times, but it is certain that the company was founded on Epinat,

who was the only decision-maker . Large companies, looking to the long term, saw the advantages of co-operation with the B.R.P.M., but Epinat, jealous of his personal power, tried and succeeded in breaking the power of the B.R.P.M..

It would be interesting now to examine how he proceeded and why he succeeded. A parallel can be drawn between what happened in the Atlas in the thirties and the policy of mining companies before the First World War, the best example being the Mannesmann Brothers . Both cases show an association with local chiefs, on a speculative basis, in order to acquire rights despite the mining legislation. If such an attitude was understandable before 1914, when nobody had real control over the vast majority of the Moroccan territory, it becomes more surprising after twenty years of French occupation.

Two explanations of this phenomenon have been given. First that of Despujols, whose opinion was that, after the declaration of discovery had been suppressed in 1923 and because of the growing importance of the B.R.P.M. , private companies, facing the danger of a State monopoly of all Moroccan mines, had to prospect, despite the law .

The second explanation was that of Labonne and of the vast majority of his colleagues in the Résidence Générale, who said that this happened because of the weakness of the mining legislation, the B.R.P.M. having being created in order to correct this situation.

However, it seems to be the wrong way to approach the question. It is not possible to deal with such a conflict from a purely legal point of view . The analysis must therefore deal with the five components which have been defined in Chapter I.

- mineral beds

The mineral beds were located in the Atlas, in an area which was not under the complete control of the French troops. A great deal of the local political power was in the hands of El Glaoui, who had been of great help to the French when they were conquering the South of Morocco. The Berber tribes were under his control and the French were obliged to co-operate with him. His interests had to be taken into account. It was therefore impossible to nationalize the beds. Moreover, it would have been against Labonne's ideas. As noted above, El Glaoui was playing the role of an unofficial Service des Mines : roughly speaking, he had the opportunity to grant mining rights to those who agreed to share the benefits with him.

- human means of transformation

The point of co-operating with El Glaoui was not only to control the mineral beds but also to be able to find workers amongst the tribes he controlled. He could even create a lot of difficulties for Europeans who tried to travel in the Atlas without his consent. Furthermore, his influence was crucial as far as social problems were concerned. His feudal power over the tribes prevented the creation of Trade-Unions and was of great help in negotiations with the workers.

- mechanical means of transformation

From this point also, El Glaoui's co-operation was important. He was able to ensure the security of goods and people who were crossing areas under his control. The crucial point was the transportation of the extracted mineral to the coast. From that point of view, Epinat had a definite advantage, as he could use the C.T.M. lorries which were bringing goods from the North of Morocco to the Atlas and could carry the extracted ore on their way back.

- capital

In direct contrast to the case of coal, the will to invest in the Atlas ore mines did not generate any sort of power. The potential profits were known to be very important. Everybody was quite willing to invest. The problem for a particular company was not to find the money but the opportunity of investing that money, through the relevant control over one or more of the other four factors.

- market outlets

This was a crucial factors for manganese and cobalt. They were strategic minerals which were in great demand for French industry in general and the French National Defence in particular. Therefore the pressure was high both on the French Government and on the Résidence Générale to ensure that French requirements were met.

Finally, the following diagram¹ sums up the prevailing balance of power in the case of the Bou Azzer cobalt mine.

In this chapter, it has been explained why the B.R.P.M. failed to control the Atlas ore mines. The next chapter will analyze another form of its decay, in its main field of action : energy resources. It will be seen how its role was changed from a control organization to a mere passive organization the only aim of which was to invest in those fields which private companies did not consider sufficiently profitable.

1. cf. Figure 10, p. 270.

CHAPTER VII

THE ENERGY RESOURCES

THE EVOLUTION OF THE ROLE OF THE STATE

The failure of the attempt by the B. R. P. M. to participate in the Atlas ore mines and to create a structure which would have brought together all French interests concerned, marked the end of the period during which the State played an active role in Moroccan mining affairs.

However, from a superficial point of view, nothing had changed. The mining legislation remained almost the same until the end of the Protectorate and the B. R. P. M. still existed, with the same official status, with apparently the same goals and the same methods.

However it has been seen that the declaration of discovery had been re-established¹, reducing the power of the B. R. P. M. to practically nil in terms of participating in the creation of companies which would represent all interested parties.

Therefore the role of the B. R. P. M. was reduced to that of a public fund for helping private companies, completely losing its power of control. The mechanism which had been the strength of the B. R. P. M., the fact that it would sell its control over certain items which were essential to private companies, disappeared, and its main activity became to invest in sectors which were unlikely to be profitable and which therefore did not interest private companies.

This chapter will illustrate this development in the role of the State, using the following examples.

1. cf. Chapter VI, p.252.

- (1) The development of the search for oil between 1929 and 1936. It will be shown that the B. R. P. M. invested more and more money in oil exploration. Private companies were extremely reluctant to invest in this sector which was nevertheless a top priority for the Protectorate and above all for France, which was badly lacking in energy resources (section 1).

- (2) The development of the mining policy of Ougrée-Marihaye in Jêrada from 1930 to 1946. It will be shown that, despite its share of 33% in the capital of the S. C. C. D., the B. R. P. M. looked on, passively, whilst the situation deteriorated. O. M. was unwilling to undertake the heavy investment needed in order to increase the production of the mine. Moreover, it proved unable to organize the mine and to increase the output per worker. In fact, the situation evolved in the same way as the problem of oil research. The B. R. P. M. became more and more involved from a financial and even from a technical point of view, but exercised an ever smaller control on the general policy of the company. It acted as a mere tool in the hands of Ougrée-Marihaye (section 2).

1 - The search for oil

Morocco was never an important oil producing country. However it was the first country under French domination where exploration for oil was undertaken on a large scale, under the joint initiative of the B. R. P. M. and of French private and public companies. This influence

of the B. R. P. M. on oil research is recognised not only by Eyssautier¹ but by Despujols: "Effectivement le B. R. P. M. a été, depuis 1929, l'animateur des recherches de pétrole..."². Even if, in the chapter of his book concerning oil, Despujols does not once mention the name of the B. R. P. M., this recognition is quite important on the part of somebody who never concealed his opposition to State intervention in mining affairs. The following development will explain the reasons for such a favourable attitude.

Already, at the end of the nineteenth century, some explorers were interested in oil research in Morocco. After the promulgation of the 1914 Dahir, French and foreign companies asked for research permits for oil, mainly in the Gharb, between Larache and Sidi Kassem³. At the end of the First World War, Lyautey organised a campaign in the Gharb but the results were not very encouraging. This awoke the interest of private companies. However, the policy of all companies which were interested in oil research in Morocco always followed the same pattern. There was the demand for research permits, the creation of the company, one or two boreholes, and then, after having discovered a few details about the bed, a complete halt to their activities because of lack of investments.

This was the case, for instance, with the Compagnie Chérifienne de Recherches et de Forages and the Société Lille-Bonnières et Colombes, replaced, in 1920, by its subsidiary, the Compagnie Française des Pétroles du Maroc (C. F. P. M.). The same thing happened, in 1923, to the Société

1. L'Industrie Minière du Maroc, p. 12.

2. Historique, p. 67.

2. At that time called Petitjean.

des Mines de Fer de Beni-Aïcha, which stopped its activities in 1924, and to the Société des Naphtes du Gharb Central, whose research lasted for only three years. In 1927, a Syndicat was created by several French companies, the Syndicat d'Etudes des Pétroles au Maroc, in which the O.C.P. participated. Two bore-holes were undertaken and then everything came to a standstill.

However, despite the position of many experts, who maintained that there were no energy resources in North Africa, ten years of oil research in Morocco had begun to prove there was some hope of discovering oil. The problem was to find out whether the beds could be exploited profitably. In order to prove this, massive investment was needed.

Contrary to the case of coal, the main problem was to find capital. In that respect the fact that the O.C.P. participated in the Syndicat created in 1927 is revealing. When the profits were not noticeable and investment was high, private companies were not so reluctant to agree to shares being publically owned.

The other aspect of the problem was that, as far as market outlets were concerned, France was highly interested in oil research in Morocco. If oil was found, it would indeed be sold at first to Morocco but, for the exploitation to be profitable, the production of oil had to exceed the Moroccan consumption and therefore oil had to be exported to France. France had no oil resources, neither within its own territory nor in its colonies.

There was in France a public organisation, the Office National des Combustibles Liquides (O.N.C.L.), whose aim was to encourage oil research. A few months before the creation of the B.R.P.M., Labonne contacted Pineau, the Director of the O.N.C.L. to explain the problem

of oil in Morocco and to suggest a collaboration between the Protectorate, the O.N.C.L. and private companies¹. Pineau's reply was cautious. He wanted further geological surveys to be carried out before a formal association took place².

In December 1928, the Protectorate began to strengthen its position by asking for research permits and buying permits owned by companies which were no longer doing research. On 29 December, the O.C.P. bought for the B.R.P.M. seven permits belonging to the Société des Naphtes du Gharb Central and on the 23, six permits belonging to the Société de Beni-Aïcha.

After the creation of the B.R.P.M., the O.C.P. gave it all its interests in oil, including its shares in the Syndicat created in 1927. Under Labonne's initiative, the B.R.P.M. acted quickly and decisively. By mid-January 1929, it had spent 1.3 million Francs on research permits for oil³. This was quite a lot, as the total budget of the B.R.P.M. for 1929 was five million Francs, borrowed from the O.C.P..

The first result of such a policy was to awaken the interest of private companies, mainly Belgian ones. Even before the creation of the B.R.P.M. French companies were not very active in comparison with foreign ones. Only 11% of the research permits were controlled by French companies, the most important of them being the Compagnie Française des Pétroles au Maroc (C.F.P.M.). In 1929, the leading private groups were the Société Financière Franco-Belge de Colonisation (Financo), a subsidiary of the Banque de

1. AL-Note sur le pétrole-undated.

2. AL-Pineau to Labonne-Paris-31 October 1928.

3. AL-Labonne to Pineau-Rabat-17 January 1929.

Bruxelles and of Ougrée-Marihaye, which was already prospecting for coal in Jérada.

Therefore, the Protectorate had a double task, to encourage research for oil and to safeguard French interests. To fulfil that aim there were two possibilities: (a) an association between the B. R. P. M. and the O. N. C. L., excluding private companies or (b) an association between the B. R. P. M., the O. N. C. L. and private companies. The first solution was immediately rejected by Labonne¹ for three main reasons:

- (1) Private companies already owned numerous research permits for oil.
- (2) The Algeciras Act protected foreign interests.
- (3) Private capital was greatly needed.

Therefore the attitude of the State was not very different from that concerning other mines. However, in the question of oil, private companies reacted very differently than for other mines. From the very beginning, they agreed to co-operate with the State.

On 26 January 1929, Folliet, representing Financo in Morocco, went to see Labonne, explained that Financo wanted to prospect in Morocco, said it would be ready to work alone but, as the B. R. P. M. existed, proposed to divide the capital of a new company into three equal shares (1/3 for Financo - 1/3 for the B. R. P. M. - 1/3 for the O. N. C. L.). He proposed bringing twenty million francs and asked for the technical management to be in the hands of Financo. He added that

'cette combinaison tripartite de risques et de profits réunirait des éléments de grande puissance et permettrait d'aboutir aux meilleurs

1. A L-Compte-rendu de la 3^e séance du B. R. P. M. - 16 January 1929.

résultats possibles ¹.

Negotiations were held in Paris on that basis between the B. R. P. M., represented by Branly and Lantenois, and Financo. Financo asked for a 30% share in all oil affairs in which the B. R. P. M. was involved, aiming for quasi-monopoly in Morocco. This was at first accepted by Lantenois, but Branly succeeded in making Financo drop this point, which would have been contrary to the purposes of the B. R. P. M.². Progress was rapid. In April 1929, the Société Chérifienne des Pétroles (S. C. P.) was created, with a capital of six million francs, Financo and the B. R. P. M. each having half. The S. C. P. bought the permits of the Société de Recherches et de Forages. At the same time, the B. R. P. M. acquired the shares of the O. C. P. in the C. F. P. M..

On the private side, Financo created a Syndicat, the Syndicat des Pétroles au Maroc, in which both Belgian and French companies participated, such as the Banque de Bruxelles, the Banque de Paris et des Pays-Bas, and the Banque Transatlantique, for instance. The agreement between the B. R. P. M. and the O. N. C. L. was signed in July 1929, creating the Syndicat d'Etudes et de Recherches Pétrolières au Maroc, the capital of which was divided as follows: 1/2 for the B. R. P. M., 1/4 for the O. N. C. L. and 1/4 for the Compagnie Française des Pétroles (C. F. P.).

Finally in December 1929, the Société Anonyme d'Etudes Minières de Tizeroutine was created by the B. R. P. M. and Ougrée-Marihaye (50%-50%) to prospect for oil in the East of Morocco. This complex network of companies

1. AL-Rapport de visite de Folliet-26 January 1929.

2. AL-Branly to Labonne-2 February 1929.

allowed the unification of private and public efforts and the investment of important sums of money in oil research. However the point of interest here is to note the eagerness of private companies to offer participation to public organisations.

In that respect, the position of O.M. is revealing. During the negotiations for the Société Anonyme de Tizeroutine, Noulens and Perot, the representatives of O.M., proposed two solutions to the Protectorate. The capital of the new company could be either:

- (a) 50% for the B.R.P.M. and 50% for O.M.
- (b) 33% for the B.R.P.M., 33% for the O.N.C.L. and 33% for O.M.¹.

This is in direct contrast to O.M.'s attitude during the talks over the Jérada coal bed.

The way the situation developed will reinforce that point even more, as shown in the following tables.

TABLE 11

PARTICIPATION OF STATE OWNED ORGANISATION IN THE
CAPITAL OF THE SOCIETE CHERIFIENNE DES PETROLES

(in %)

	(1) B.R.P.M.	(2) O. N. C. L.	(1) + (2) Total
1929	25	12.5	37.5
1936	38.4	30.3	68.7

(Source: Archives Eirik Labonne)

1. AL-Noulens to Beaugé-Rabat-24 April 1929.

TABLE 12
INCREASE IN THE CAPITAL OF THE
SOCIETE CHERIFIENNE DES PETROLES

Date	Capital (million Frcs)
1929	6
1930	12
1932	16.8
1933	24
1934	30
1935	56
1936	90

(Source: Archives Eirik Labonne)

Through a series of increases in its capital, the S.C.P. became by far the most important company in oil research. At each increase in capital, the share-holdings of the B.R.P.M. and of the O.N.C.L. increased, private companies investing less than both French and Moroccan State-owned organisations. Moreover, Financo was gradually withdrawing from Morocco. Apart from the Société Anonyme de Tizeroutine, which was never very successful anyway, the technical management of all oil research companies fell into the hands of the B.R.P.M..

Exploration was carried out very seriously in the Gharb. On 8 March 1934, oil was struck near Petit-Jean. It was the first time oil had been

discovered in a country under French control. The borehole was named 'puits Labonne'. Two years after he was dismissed from his post of Secrétaire Général, there was unanimous praise for his key contribution to the development of the Moroccan mining industry.

However, there were limited quantities of oil and, in the following years, no important oil fields were ever found in Morocco.

This brief description is of great interest in the analysis of the evolution of the role of the State and, namely, of the B.R.P.M.. At first sight, the co-operation between the B.R.P.M. and the O.N.C.L., on the one hand, and private companies on the other, seems a success. Within a few years the search for oil grew considerably, the negotiations and then the co-operation between public and private interests always remained very smooth and the French Government showed its satisfaction¹. Investments were made and, from a technical point of view, everything was satisfactory. However the aim of the B.R.P.M. was the same for oil as for other mineral resources. It was to create a network of companies which would represent the majority of serious private companies, with a minority participation of the State in order to co-ordinate the operations from a political point of view, the technical management remaining in private hands. This was what happened, for instance, in Jérada over coal and in Imini over manganese. However, in 1936, the situation for oil was as follows:

- (a) About 70% of public participation in the companies which were searching for oil.

- (b) An almost complete withdrawal of private companies, and mainly of Belgian ones, which were by far the most serious.

1. AL-Ministère des Affaires Etrangères to Résidence Générale-n°519-25 November 1932.

- (c) Complete responsibility of the B. R. P. M. in technical matters. .

The main goal of the B. R. P. M. , to promote private investment, was not reached. Indeed, the States, both the French Government and the Résidence Générale, could not have taken a different attitude. France and Morocco had to try to find oil, at any cost, in order to try to compensate for their deficit in energy resources. That is why massive investments were undertaken. However, for private companies, the only point was to make a profit and the search for oil in Morocco proved to be very costly and unlikely to become profitable, all the more so as these companies had carried out important and profitable investments in other countries, such as the C. F. P. in Iraq, for instance.

This explains the development of the situation after 1929, but it also explains the fact that in 1929 private companies were ready to agree to the B. R. P. M. participating in oil affairs. This was a very wise attitude. If nothing was found, the cost would be borne mainly by the State, and if oil proved to be exploitable, they would always benefit greatly, not only on the exploitation side, but mainly from a commercial point of view, as it was obvious that the commercialisation of oil would remain in the hands of private companies. For such an aim, 10 to 20% of the shares was sufficient.

Therefore, as early as in 1929, the first signs of the new role of the B. R. P. M. can be seen in the oil question. The B. R. P. M. was a mere tool in the hands of private companies, as it made investments from which they would eventually benefit.

Another example of such a situation can be found in the evolution of the policy of the S. C. C. D. in Jérada. In this case too, the B. R. P. M. was

forced to invest because of the reluctance of O.M. to do so. Moreover, the B.R.P.M. proved unable to control the development of the S.C.C.D., either from a technical or from a managerial point of view.

2 - The consequence of the War in the Jérada coal mine

Chapter V has analyzed the creation of the B.R.P.M. and that of the S.C.C.D.. It has been seen that the negotiations were difficult but that the solution which eventually emerged was satisfactory for all partners:

- The French Government had avoided the Jérada mine falling into the hands of foreign companies.

- The Résidence Générale, acting on Labonne's initiative, had obtained one third of the shares of the S.C.C.D., by means of the B.R.P.M..

- O.M. had the majority of the shares and controlled the management of the mine.

- Several French companies had exchanged their research permits for shares in the new company.

No better solution could have been found. O.M., who had the leading role, had begun exploration work on a large scale and had proved ready to undertake important investment.

Both the Protectorate and the managers of Ougrée-Marihaye were very optimistic about the development of the new company. In 1929, Labonne had asked when a production of 100,000 tons would be reached. Harroy answered that it would be one year after the construction of the railway line to the mine. However, despite such a good start, the production was to increase very slowly and the situation in Jérada to deteriorate constantly. The aim of

this section is to analyse the reasons for this deterioration and to look at the role of the B. R. P. M., which remained an absolutely passive body. When the War forced the State to intervene in order to increase the production of coal, which was vital for the Moroccan economy, it will be seen that the B. R. P. M. played only a secondary role and that the authoritarian measures taken by the State at that time proved to be very favourable indeed to the S. C. C. D. and to O. M.. As in the case of oil, the State had to invest in those sectors which private companies did not consider to be sufficiently profitable.

a - The policy of the S. C. C. D. at the beginning of the War

Since 1930, coal production had developed more or less steadily until the War, but at a low rate. The production of 100,000 tons was not reached until 1937¹.

Establishing an installation on the scale of the Moroccan coal market at that time, the company brought up the production to 143,500 tons in 1944. It equipped the northern bed, which had been the first to be discovered, with a winding shaft and several descending shafts. In order to overcome the problem of water, which was scarce in Jérada, and of transport which was difficult in the mountainous areas surrounding the mine, the S. C. C. D. set up its coal treatment plants in Guenfouda, where road, rail and water were available and linked the plants to the mine by overhead railway. This railway was then the second largest in the world, twenty two kilometres long, with a capacity of eighty tons per hour. However, despite this heavy investment, production was not developing at its maximum rate. Despite its large share in the capital

1. cf. Table 13 and Figure 14 p.284 and p.285.

TABLE 15
MOROCCAN COAL PRODUCTION

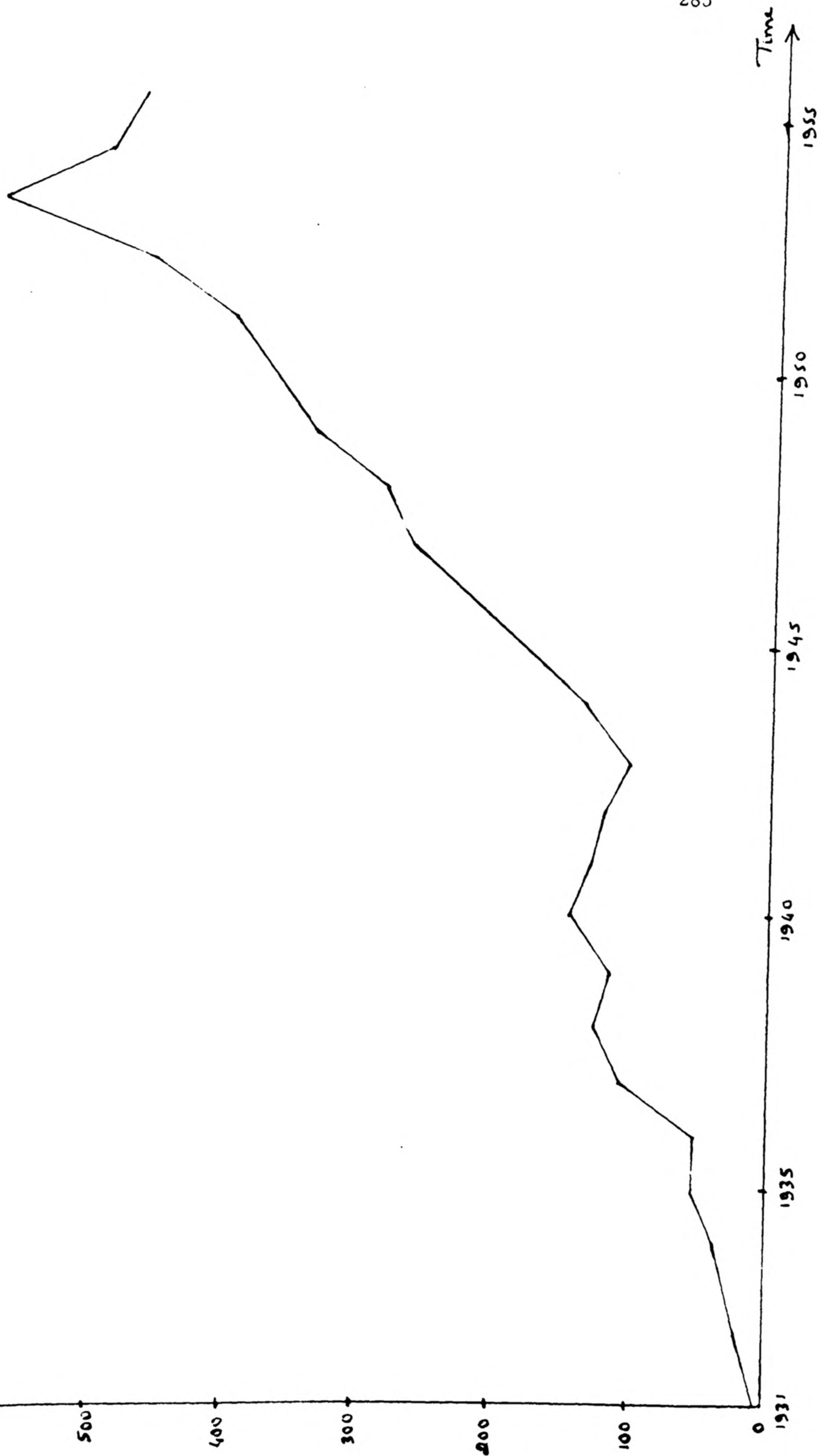
(Source: Archives of the Service des Mines)

Year	Tons
1930	980
1931	5,666
1932	14,963
1933	27,279
1934	36,071
1935	52,696
1936	49,388
1937	107,150
1938	123,000
1939	115,000
1940	143,500
1941	139,874
1942	118,102
1943	102,293
1944	154,300
1945	178,000
1946	221,750
1947	268,500
1948	290,100
1949	341,400
1950	367,868
1951	393,855
1952	460,000
1953	565,000
1954	486,000
1955	467,000

↑ production
(1000 t)

FIGURE 14

MOROCCAN COAL PRODUCTION



of the S.C.C.D., the B.R.P.M. did not intervene at all in the management of the mine.

The war was to change drastically this situation. Energy supply for North Africa became one of the main concerns of the French Government. It was necessary to develop the production at any cost, in order to cope with the potential severance of commercial relations between France and its North African territories.

At first, the Protectorate just tried to convince the S.C.C.D. to increase its production and did not envisage taking any authoritarian measures. On 16 and 17 October 1939, a conference was held in Algiers, dealing with North African energy problems. Harroy and Lardinois represented the S.C.C.D.. It was agreed that the Jérada coal production should reach 20,000 tons a month after an eight month period¹. In order to reach this goal, the S.C.C.D. agreed to recruit personnel (18 European foremen and 620 Moroccan workers) and to invest a sum of three million Francs in equipment. However, the agreed production was not to be reached. Four months later, the programme was far from being realised, as shown in the following table.

TABLE 15
DEVELOPMENT OF MONTHLY PRODUCTION 1939-1940

(Source: Service des Mines-March 1940)

	November 1939	December 1939	January 1940	February 1940
Production (tons)	8,400	12,100	7,000	9,250

-
1. ADM-Jacques Bondon, Chef du Service des Mines-Enquête sur la production des mines de Djérada-7 March 1940-p. 1.

The January and February productions were even lower than those of 1939¹.

Indeed the approach of the War created numerous problems in terms of investment, personnel recruitment and supply of machines, for instance. However the main reason for this failure to reach higher production was the complete lack of personnel policy of the S.C.C.D.. At the Algiers Conference, quite a large recruitment was provided for. The main problem however was not quantity but quality. According to the Service des Mines itself², the equipment in the mine was sufficient to reach a production of 20,000 tons per month. There was a large enough labour force on the surface, the recruitment of which was not difficult in any case. The only problem was to recruit face-workers and to improve their efficiency. This proved to be very difficult indeed, because of the prevailing social situation in Jérada.

The first problem was that work in the Jérada mine was definitely harder than in any other Moroccan mine, and particularly than in the nearby lead and zinc mines in Touissit and Bou Beker. The face workers had to stay for eight hours without a break in very narrow coal seams in which there were frequent gushes of water and where they had to work lying down. The feeling of oppression was increased by heavy dust floating in the air and by the darkness which heightened the sensation of loneliness. Moreover, there were frequent accidents, due to falling blocks. However these very real problems were worsened by the atmosphere prevailing in the company.

1. January 1939: 12,000 tons; February 1939: 10,000 tons.

2. ADM-Ibid.

a1 - The problems of the European employees

Middle and top management consisted exclusively of European employees. They were divided into two clear-cut groups. Firstly there were the Belgians who held the top positions, and secondly there were the French, who complained that they received lower salaries than their Belgian colleagues. Consequently, numerous conflicts arose between these two groups. In fact, the Europeans who formed a closed community, were too busy trying to solve their own internal problems to really care about the production of coal. Their only common factor was an opposition to the Moroccan workers.

The problem of relations between Europeans and Moroccans was already a very difficult one in French-owned mines, where the hierarchy was clearly defined: the engineers were French, the foremen Spanish or Italian and the workers Moroccan. Each group remained apart from the others, the French adopting a paternal role towards the Moroccans (as in the Zellidja lead and zinc mine or in the Bou Azzer cobalt mine for instance). This was in accordance with the prevailing social structure in Morocco under the French Protectorate. It worked more or less smoothly until the emergence of Moroccan nationalism.

However, in Jérada, a conflict had to occur because the internal hierarchy¹ did not match the overall Moroccan one. Unable to find a satisfactory balance between themselves, the Belgians and the French had no other solution than to denigrate the Moroccans. The paternal attitude proved unworkable because the figure of the 'father' was not clearly defined. Contempt for the Moroccans was the price of division amongst Europeans. The situation was more

1. Belgian-French-Moroccan.

critical in Jérada than in other mines owned by non-French capital because, in these other mines, employees were much fewer and the management was, in any case, generally French.

From that point of view, the easiest way of solving this problem was to dismiss the Belgians and to put the French into a leading position. This was to happen a few years later, when the State took control of the mine, and when, consequently, the management became French. Then production increased, though, of course, not only for this reason. Economic factors, such as investment, obviously played the leading role. However this social consequence of State intervention was certainly of importance in the recovery of coal production.

a2 - The problems of the Moroccans workers

It has been seen in the preceding section that the problems of the European employees had a serious effect on the situation of the Moroccan workers and worsened the racial barrier between both groups. The foremen who were overseeing the workers were mainly from Belgium. They did not speak a word of Arabic and did not know anything about local customs and habits. Therefore they had no contact with the workers, except to give out punishments which were not always understood.

!(Les surveillants) infligent (aux indigènes)
des sanctions alors que le Marocain croit avoir
raison, tandis que des fautes pour lesquelles
l'indigène accepterait d'être puni ne sont
même pas relevées'¹.

There was therefore a total lack of understanding between the Moroccan workers and the Belgian foremen. This caused much damage to the morale of

1. ADM-Ibid, p. 4.

the workers and their efficiency.

The first problem the Moroccan workers were faced with was that they received absolutely no training before going down the mine. Therefore their work was inefficient and they tired very quickly. Moreover, instead of teaching them how to work, the foremen only criticized them and punished them. If such conditions were very discouraging for those Moroccans who were already working on the surface and who had some sort of experience of industrial life, things were worse for newly recruited workers. They were usually peasants from the surrounding tribes. Without any transition period, without any training or information about the work they were supposed to do, they were taken into the mine. No wonder that, in their minds, the dangers of the mine were exaggerated and that some of them believed that the mine was inhabited by demons¹.

There were indeed many other sources of complaint from the workers. They had to pay for lost tools. Petty thieving was committed in the cloakrooms. Salaries were not paid on time. There were many mistakes in the pay slips about the number of working days and the amount of coal extracted. The mine did not always pay the salary that had been promised on the day of recruitment. The theoretical salary schedule was not actually enforced and even the legal minimum salary was not always paid. The attendance bonus was hardly ever paid².

Because of this situation, the Moroccan workers who were working on the surface were very reluctant to go down the mine, all the more so as, until January 1940, the salaries of face workers were the same as that of

1. ADM-Ibid-p. 6.

2. ADM-Ibid-pp. 4-5.

surface workers, which proves the complete lack of personnel policy on the part of the S.C.C.D..

a3 - The attitude of the S.C.C.D.

Faced with such an accumulation of facts, the feeling emerges that the S.C.C.D. was unwilling to improve the situation. Its reluctance to undertake large-scale investment could be understood. However the problem was worse, its complete lack of coherent policy directly led to a sharp decrease in Moroccan coal production.

The Service des Mines was very concerned about this situation. In his report quoted above, Bondon noted a few significant examples. In October 1939, the Région Civile of Oujda sent 150 workers to the S.C.C.D. which had offered a salary of 10.5 Frs per day, plus an attendance bonus of 1 Fr per day, if the worker had not been absent during the fortnight. Of the 150 workers, the mine took only 50 and paid them eight to nine Francs per day. They all left.

On 2^d November, sixty new workers were sent to the mine which only accepted twenty of them. On 6 December, fifty other workers were sent. All of them were rejected, the S.C.C.D. saying it had no accommodation for them. This was a rather clumsy pretext, as workers were normally packed into tents.

Another enlightening example is that of a highly qualified mason who had been promised twenty Francs per day and eventually received only ten Francs, having been recruited as an unskilled worker. After the intervention of the Région Civile, this man's salary was increased to fifteen Francs. He left also¹.

Even stranger is Bondon's last example. In order to destroy

1. ADM-Ibid, p.6.

the belief of some of the miners that there were demons in the mine, the Contrôleur Civil and the Caïd went down into the mine with 150 newly recruited workers to prove to them that there was no danger. Two days later the S. C. C. D. phoned to the Contrôleur Civil to say that all these workers had left. He came down to Jérada and noticed that ninety two of them were actually working down the mine¹.

The problem is to know whether the attitude of the S. C. C. D. was due to incompetence or to bad will.

'Il semble que l'on ait perdu de vue le but essentiel, c'est-à-dire la production, s'il est toutefois prouvé qu'on en ait jamais compris l'importance'².

Such a strong attack is quite rare in an official report from the Service des Mines. Since the beginning of 1940, the inefficiency of the S. C. C. D. management was therefore well known.

There were two main reasons for this situation. The first was at the level of the parent company, Ougrée-Marihay. Ougrée-Marihay was not ready to invest large sums of money in a business which was proving less and less profitable. The European political situation also discouraged the company from taking undue risks. It is even quite possible that O. M. was waiting for the Protectorate to take control of the mine, so that it would not have to bear the burden of production. It is clear that O. M. was not committed to any increase in production, being content with purely formal agreements. It did nothing to try to enforce a new and more efficient policy. It will be seen how such an attitude proved, during the War, to be extremely rewarding.

1. ADM-Ibid, p. 6.

2. ADM-Ibid, p. 7.

The second factor was that O.M. appeared to have very little control over what was actually happening in Jérada. Things appeared differently when seen from the Liège or the Rabat headquarters than they did from Jérada.

a4 - The advice of the Service des Mines

In order to remedy this situation, the Service des Mines proposed a series of measures to improve the output of face-workers. Regarding recruitment, it proposed that the local authorities (the Chef de Région in Oujda and military officers) should help the S.C.C.D. in recruiting face-workers.

The second point of the programme of the Service des Mines was to improve the living conditions of the Moroccan workers. It advised that houses be built for them¹. At the beginning of 1940, there were 1,600 workers in the S.C.C.D., of which 1,350 were actually working in Jérada. Almost all of them were living in tents. Only 156 accommodation units had been built, consisting of one room of nine square metres and a small yard. A few others were under construction. After ten years of exploitation, the S.C.C.D. was just beginning to become conscious of the problem of housing for the Moroccan workers.

Another point to be improved was the water supply which was notably insufficient for Jérada which numbered 2,500 inhabitants. Both the company and the Direction Générale des Travaux Publics were trying to improve the situation.

The infirmary, too, had to be improved. It had no bed, no chairs and no operating table². For food supplies, the S.C.C.D. intended to create

1. ADM-Ibid, p. 8.

2. ADM-Ibid, p. 9.

a general store which would provide goods at cost price to the workers.

Another series of recommendations from the Service des Mines was to encourage workers to work down the mine. The S.C.C.D. agreed to a 10 to 20% increase in the face workers salaries. Harroy also promised stricter control over the European employees

'en (leur) faisant comprendre que l'ouvrier marocain étant indispensable à la bonne marche de la mine, il faut par dessus tout craindre son départ; en conséquence, les surveillants doivent, dans leurs rapports avec les indigènes, montrer beaucoup de patience et de persévérance pour les former au point de vue professionnel¹.

He also assured the Service des Mines that adequate training would be organised for newly recruited workers before they went down the mine, that training inside the mine would also be improved and that the number of Moroccan overseers would be increased. It was even arranged that someone from the Contrôle Civil of Oujda would come every week to hear the complaints of the Moroccan workers. Harroy himself declared that he was ready to recruit somebody who had a good understanding of the local people, such as, for instance, a former Contrôleur Civil, as the head of the Personnel Department². It was also agreed to try to improve the working conditions in the mine, regarding tools, transport, the supply of drinking water for the workers and some light equipment such as gloves.

All the above measures were planned in order to facilitate the recruitment of Moroccan workers. However, recruitment was not the only problem. Since 1938, the average output of the face workers had decreased by almost

1. ADM-Ibid, p. 10.

2. ADM-Ibid, p. 10.

20%. The main reasons for this were the absence of training and the fact that the ratio of production workers to non-production ones had not been improved.

The negotiations between the S.C.C.D. and the Service des Mines led to the drawing up of a production programme for the year 1940. It was planned that, if the problems of recruitment and training were solved, the production should be as follows:

TABLE 16
PRODUCTION PROGRAMME FOR 1940

February	9,500 to 10,000 tons
March	14,000 tons
April	16,000 tons
May	16,000 tons
June	12,000 tons
July	12,000 tons
August	16,000 tons
September	18,000 tons
October	14,000 tons
November	16,000 tons
December	19,000 tons

The fall in production in June and July was due to harvest time. According to previous years' figures, a 25% reduction was planned. The fall in October and November was due to Ramadan and was calculated on the same grounds.

However, the Service des Mines was not over-optimistic about the realisation of the programme, which depended upon the quality of the training and the quantity of recruits. Another important factor was 'la plus ou moins grande énergie que manifesterà la Direction de la Mine'¹.

Therefore, the new production programme stated that the 1940

1. ADM-Ibid, p. 13.

production should be 170,000 tons, that is to say 70,000 tons less than had been planned at the Algiers Conference. This meant important consequences for the whole of the North African economy, especially for cement factories and for phosphate treatment, as Jérada was the only anthracite mine in North Africa. It is therefore understandable that the French Government and the Résidence Générale were increasingly worried about the situation. However, things were to get even worse. Despite the above provisions, the 1940 production only reached 143,000 tons. Despite Harroy's promise, the S.C.C.D. had done nothing in order to improve the situation of the mine. The working conditions were even worse in 1941 than in 1940.

As far as mining equipment was concerned, the ventilation was as bad as it had been before. As for the works themselves, no improvement had been made. The pit-props were still very defective and maintenance was bad¹. Some galleries were encumbered with earth, with serious consequences for safety. At certain working faces, coal was going down at high speed, without any device to slow it down and this was a high risk for workers.

'L'état de certaines voies et tailles n'a fait qu'empirer et, pour quelques-unes, il faut presque faire son testament avant d'y pénétrer'².

Very little had been done in the way of preparatory work. Almost all the workers were employed on the production galleries and the programme was very behind. Security there was very low too. The S.C.C.D. was trying to extract coal from a mine which was completely disorganized.

1. ADM-Rapport de Vélati, Ingénieur Adjoint des Mines, sur la S.C.C.D. -n° 12, 418m-1 June 1941-p.2.

2. ADM-Ibid, p.3.

Recognising that it would be difficult to set the situation right again after two years of carelessness, the Service des Mines once again urged reorganisation of the mine, with a reduction in the number of unproductive workers to bring about an increase in output and production.

The situation down the mine was certainly appalling.

'Si nous ne voulons pas arriver à de très graves accidents, nous estimons que les mesures demandées ci-avant sont à prendre d'urgence. Avant de clore cette affaire, nous ajouterons que l'abandon total des mesures de sécurité et des travaux de réfection, d'une part, le non-attelage à plein de la majorité des tailles, d'autre part, qui diminuent le rendement et, par suite, la production, d'une façon assez sensible peuvent être qualifiés de négligence. Cette situation n'ayant fait que persister et même s'aggraver dans le cas des tailles, nous nous demandons si le mot négligence ne doit pas faire place au mot de sabotage lent mais sûr'¹.

Therefore Velati's opinion confirms Bondon's judgement on the policy followed by the S.C.C.D.. Moreover, after one year, no improvements had been made and the situation was even worse. Both in management problems and technical ones, the S.C.C.D. really seemed unwilling, or at least unable, to make a real effort to improve the situation. The 1941 production was even less than that of 1940: 139,874 tons.

However, it would indeed be wrong to put the whole responsibility on the company. Since June 1940, the commercial relations of France and Belgium with North Africa had been severed. No more machines or spare parts could reach the mine, numerous workers and engineers were called out. In consequence, production fell sharply at the end of 1941. Nevertheless, the aims of the S.C.C.D. management and those of the Résidence Générale were growing

1. ADM-Ibid, pp. 21-22.

further and further apart.

b - The first measures towards State intervention

From 1940 onwards, Morocco, as well as Algeria and Tunisia, had to live in a sort of closed economy. Coal production was obviously vital. Indeed a very important part of the North African industry depended on production in J rada. It has been demonstrated above that the S.C.C.D. did not satisfy this urgent need. The J rada management was powerless and incompetent and Ougr e-Marihay , despite an apparent goodwill, was too far away and too concerned with other problems to have a real grasp of the situation. It was certain that it was not willing to invest extra sums of money.

Such were the grounds for State intervention, which had become unavoidable if production was to be kept at the highest possible level. There were several possibilities. The first one was the requisition of the mine. This had been planned by the 1929 Dahir whose Articles 59 and 89 allowed State intervention, under certain circumstances¹. The second possibility was that the O.C.P. would take control of the exploitation during the duration of the War. The third one would be that the B.R.P.M. would play that role.

Requisition of the mine was not a satisfactory solution because it did not solve the technical problems of production. Moreover it would have created many difficulties at the end of the War, when the Protectorate would have had to return the mine to the S.C.C.D.. Article 59 of the 1929 Dahir was meant to give the Protectorate the right to force a private mining company to give up responsibilities when it had been proved unable to exploit a given mine. In the case of J rada, the S.C.C.D. was definitely incompetent but was willing to

1. cf. Chapter III-p. 81.

leave the responsibilities of production to the State. From a legal point of view, there was no conflict. The only problem was a technical one. A suitable organization had to be found, which could increase production by every possible method. The question was therefore to choose between the O. C. P. and the B. R. P. M.. The aim of the Protectorate was not to go against the interests of Ougrée-Marihayé. Therefore it had to intervene in the most subtle way it could, and its action had to be as favourable as possible to the S. C. C. D.. The Protectorate wanted to restrict its intervention to the fields in which it was absolutely necessary to intervene. This was quite in line with the prevailing economic situation in Morocco, as it has been described in Chapters II, III and VI.

On the other hand, a solution had to be found quickly, as the situation was still deteriorating. In 1941, in addition to the War, there was a typhus epidemic, increasing the disorganization of the management.

The situation in the middle management and among the workers was equally bad. The number of working days in the mine fell from 31,276 in November 1941 to 21,519 in January 1942.

As for the consequences of the War, the supply of machines was very difficult, food was very hard to obtain, transport was unreliable. There were frequent electricity cuts and the social climate was deteriorating even further.

Even before a formal agreement was signed between the Protectorate and the S. C. C. D., some measures were taken as the first steps toward State management. At the beginning of 1941 a Comité de Direction in which the B. R. P. M. participated was created, with the agreement of the Groupement des Industries Minières du Maroc. Later on, the power of this Comité was transferred to

Vigier, the Directeur of the B. R. P. M. .

The O. C. P. supplied engineers and technicians for a limited period of time, in order to ease the situation in Jérada. At the beginning of 1942, supply difficulties were eased through numerous interventions by the B. R. P. M. with the Direction du Commerce et du Ravitaillement. Some vehicles, furnishings for houses and clothes were given to the mine by the Etat-Major du Commandement Supérieur des Troupes du Maroc. The Direction des Affaires Politiques intervened to help with the recruitment of workers, especially in the area of Agadir, where there was a lot of unemployed people. The O. C. P. lent six foremen from Khouribga until new ones arrived from France.

From a social point of view, under the influence of the local authorities, the situation of the workers was improved. Family allowances were increased. A providence fund was created, as well as an insurance system for permanent European employees. There were also production and attendance bonuses for Moroccan workers.

Therefore, in real terms, the Protectorate had actually taken control of the management of the mine before any agreement had been signed. This proves that the S. C. C. D. was quite willing to give up the burden of production. However, it was necessary to legalise this situation.

On 19 December 1941, the Protectorate informed the Administrateur Délégué of the S. C. C. D. that it wished to take direct control of the exploitation of the Jérada coal fields for the duration of the War in order to maximize coal production, which was of prime interest to the Moroccan economy¹.

1. ADM-Procès-verbal de la Commission Spéciale et du Conseil d'Administration du B. R. P. M. -9 April 1942-p. 2.

On 6 January, there was a meeting of the Board of Directors of the S.C.C.D. in Rabat, during which it was decided to accept the request of the Protectorate, without any objections¹. On the following day, the Résidence Générale was informed of the agreement of the S.C.C.D., which proposed a project of agreement. The S.C.C.D. reassured the State that it wished to continue the efforts made during eleven years in a spirit of trusting collaboration...².

On 8 January 1942, the Secrétaire Général du Protectorat informed the S.C.C.D. that the Protectorate had agreed to all the arrangements put forward by the Jérada company³. Therefore the negotiations were quick and extremely easy. In fact, for the reasons mentioned above, the S.C.C.D. was quite happy to give the burden of production to the Protectorate. Its interests were centred on the financial part of the agreement, as will be seen in the next section.

The last problem the Protectorate had to solve was to choose whether the O.C.P. or the B.R.P.M. should manage the company. The question was examined on 9 April 1942 during a meeting of the Board of Directors of the B.R.P.M. under the presidency of Voizard, the Secrétaire Général du Protectorat.

As the O.C.P. had vast resources for recruiting workers and engineers and supplying equipment, the opinion of some French civil servants, such as the Directeur des Mines and the Secrétaire Général à l'Energie, was that the O.C.P. should be given the management of the Jérada mine. However, Voizard

1. ACNA-Administrateur-Délégué de la S.C.C.D. to Secrétaire Général du Protectorat-Rabat-7 January 1942.

2. ACNA-Ibid.

3. ADM-Secrétaire Général du Protectorat to Administrateur-Délégué of the S.C.C.D. -n°70-Rabat-8 January 1942.

settled the question in favour of the B. R. P. M..

'Si l'on a pu penser à un certain moment, en raison de l'antériorité de l'activité de l'exploitation de l'O. C. P., et des moyens exceptionnels dont celui-ci peut disposer, à confier à l'O. C. P. la gestion de l'exploitation de Djérada, l'étude des modalités d'application de cette nouvelle formule entraînerait des retards peu compatibles avec l'urgence des dispositions à adopter pour sortir de la situation provisoire qui se prolonge depuis près d'un an et ferait perdre à la gérance d'Etat le bénéfice de l'expérience acquise par M. Vigier et par le B. R. P. M.¹.

It was therefore decided that the B. R. P. M. should be in charge of the management. During the same meeting, attention was paid to the conditions of recruitment of engineers and foremen in France, as well as the problem of building houses. The project of convention between the B. R. P. M. and the S. C. C. D. was finally approved. The convention was signed on 27 May 1942.

It is important to note that, during the negotiations between the Protectorate and the Jérada company and during the talks within the State, the fact that the B. R. P. M. owned one third of the shares of the S. C. C. D. was never important. It was not for this reason that B. R. P. M. was given the management of the company during the War period. Moreover, the main criticisms of the S. C. C. D. policy came from the Service des Mines, and not from the B. R. P. M., which remained extremely passive, even when the situation was appalling. The reasons for the creation of the B. R. P. M., which were to control and to give an extra impulse to the Moroccan mining production, had been completely forgotten. The B. R. P. M. was a share-holder but never played an active role in the determining of a production programme.

1. ADM-Procès verbal de la réunion-p.5.

When the Protectorate had to do something to alleviate the problems of the S.C.C.D. regarding the supply of equipment or recruitment of workers and engineers this was achieved through the intervention of the Service des Mines, not of the B.R.P.M.. As proved in the first section of this Chapter, the B.R.P.M. had been turned into an investing fund for those businesses which would not show an immediate profit. Any power of decision had been taken away from it.

This situation was very favourable indeed for private companies, and particularly for the S.C.C.D., as will be seen by analysing the 27 May 1942 Convention.

c - The 27 May 1942 Convention

The 27 May 1942 Convention was officially approved by Dahir on 2 June¹. The S.C.C.D., for a limited period, gave the complete management of the mine to the Protectorate, which, in turn, gave it to the B.R.P.M.². The S.C.C.D. remained in charge of the coal treatment factory in Guenfouda, the transport of coal from Guenfouda to the port, sales, and administrative and accountancy services³.

The main part of the agreement dealt with financial considerations concerning the equipment which belonged to the S.C.C.D. or which was going to be bought by the B.R.P.M.⁴. The B.R.P.M. had to sell all the extracted coal to the S.C.C.D. at an agreed price⁵. The mine was to return to the responsibility

1. Bulletin Officiel du Maroc-n° 1542-12 June 1942.

2. Article 1.

3. Article 2.

4. Article 13.

5. Articles 23 to 36.

of the S.C.C.D. six months after the end of the War¹.

The selling price of coal was calculated as follows. It was equal to the buying price from the B.R.P.M. with the following additions: the variation of stocks during the year, the cost of treatment, the expenses of the commercial service, the financial costs, the amortization of the investments of the S.C.C.D., three Francs per ton of coal produced during the year over 150,000 tons and under 200,000 tons and six Francs per ton produced over 200,000 tons and 6% interest on capital.

The essence of the agreement is contained in this formula, which explains why the S.C.C.D. was so glad to give up the production. The last item, the interest on capital, ensured the S.C.C.D. an average profit, whether the exploitation was profitable or not. In fact, except in 1946, the exploitation always ran at a loss. The indemnity it received if more than 150,000 tons of coal were extracted during a year, was an insurance on the future, as it got some profit from the production, even if the more important parts of the bed had been exploited when the mine returned to private control, at the end of the War.

In addition, the S.C.C.D. remained in charge of financial and accountancy departments. There was no control from the State on the treatment factory nor on the commercialization of coal. The S.C.C.D. had the opportunity to act freely in those matters which could be profitable.

Another item of the agreement was very favourable to the S.C.C.D.: the definition of the rate of amortization periods were very short. This meant that, when the State management stopped, at the end of the War, this equipment

1. Article 37.

which had been bought by the B.R.P.M. would be sold to the S.C.C.D. at a very low price.

In fact, the only aim of the State was to increase production. Because of this urgent need for coal, the price to be paid was only a secondary matter¹. The S.C.C.D. took advantage of this situation and obtained a very satisfactory deal.

All the measures which were to be taken in order to improve production implied heavy investment and a large increase in running costs. Houses had to be built, the number of employees to be increased and higher salaries to be paid. In a period when the exploitation itself was due to show a deficit, the S.C.C.D. was sure to make a reasonable profit. It may even be wondered whether the company had not already been envisaging such a situation since the beginning of the War and letting all the problems increase until its 'incompetence' was clearly demonstrated and the Protectorate had no other choice than to take control of the management of the mine. The situation in Morocco was such that the S.C.C.D. had no harmful reaction to fear from the Protectorate.

d - The B.R.P.M. management

The first task of the B.R.P.M. was to pursue the reorganization of the mine by recruiting more engineers, foremen and workers. The O.C.P. agreed to give three engineers and six foremen. The B.R.P.M. gave one engineer and two accountants. The Résidence Générale contacted the French mines located in the non-occupied zone but they were reluctant to give up engineers and foremen.

In October 1942, six engineers were finally recruited, as well

1. Interview Doumenc.

as fifteen foremen. The majority of them were young, inexperienced and, of course, they did not know a word of Arabic. About 3,000 Moroccan workers were recruited but quite a lot of them left, despite the improvement in working conditions. In 1942, the average number of face workers was down to 1,615.

In addition, there were a lot of problems with the supply of spare parts from France. Measures were also taken to improve living conditions. Sheep were bred to ease the food supply and an important programme of house building was undertaken.

All this led to a big deficit, 15,698,655.07 Frs, which was taken over by the Protectorate. Despite these improvements, the average workers' output was still falling, as well as the overall production. Far from showing the inadequacy of the measures taken, this gives an idea of what the situation might have been if the B.R.P.M. had not taken control of the production. Indeed, all the actions mentioned above could not have been taken by a private company because of all the restrictions which would have been encountered if the Protectorate had not decided on an emergency policy.

In 1943, the efforts of the B.R.P.M. continued. When a new Moroccan worker was recruited he had to sign a contract with the mine, in order to deter him leaving. This implied stricter control on the part of the local authorities. Spanish foremen were recruited and the mine began training Moroccans to become stewards. Measures were taken to ease the food supply. However, production was still decreasing (102,293 tons in 1943) and the deficit more than doubled, to reach 33,185,779.32 Frs.

The forecasts for 1944 were even worse. The deficit was forecast as ninety one million francs. This was too much to be borne by the Protectorate alone. Therefore it was decided to increase the selling price of coal and to

try to diminish the costs.

In the meantime, the S. C. C. D. was still making high profits and distributed dividends to its share-holders¹. Over and above that, the S. C. C. D. management of the Guenfouda treatment plant was inefficient and costly².

On the production side, the B. R. P. M. was beginning to organize more efficient exploitation of the mine. An engineer from the Service des Mines noted that

'Quelques jours passés à Djérada nous ont permis toutefois d'affirmer sans crainte d'être contredit par personne, que cette mine était au stade du démarrage de son organisation'³.

Noting also that there had too many changes within the management since 1941, he added

'La Chérifienne n'a rien laissé comme documentation; l'impression de désordre qui apparaît dans sa gestion actuelle n'y est certes pas étrangère'⁴.

He thought that the measures which had been taken since 1941 were too limited and that more drastic changes would be necessary. He advised a more authoritarian policy and long term planning.

As far as financial problems were concerned, the deficit was becoming greater and greater. Therefore the Protectorate was looking for money. This led the S. C. C. D. to make a rather impudent proposition to the Protectorate. The private company offered several millions at an interest rate of 2%, that is to say lower than that of a State loan (3%). It was very strange to see

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1. ADM-Girard, Directeur Général des Travaux Publics to Chef du Service des Mines-n°1874 BA-Rabat-24 June 1944.
 2. ADM-Ibid.
 3. ADM-Note sur les problèmes de production à Djérada by Vinson, Ingénieur Adjoint des Mines, Chef de la Subdivision d'Oujda-Oujda-19 April 1943.
 4. ADM-Ibid.

the S. C. C. D., which gave high dividends to its share-holders and received 6% interest from the State, offering to give the Protectorate a loan for financing changes it had not itself wished to undertake when managing the mine. Moreover the low rate of interest it offered was not out of pure kindness. Because the equipment bought by the B. R. P. M. had very short term amortization rates, the S. C. C. D. was certain to inherit the equipment that it would have helped to finance. The more investment the B. R. P. M. made, the more satisfactory it was for the S. C. C. D.. Its willingness to give money to the Protectorate is therefore easily understandable.

The proposition of the S. C. C. D. was finally rejected by the Chef du Service des Mines, who noted that it was impossible to accept a loan from a private company from whom the management of the mine had been taken. He added that 'cela ne manque pas de saveur'¹.

As far as production was concerned, the situation began to improve at the end of 1943. The 1944 production was 134,300 tons. This was the first sign of an increase in production.

e - The Bureau de Gérance

Despite this first success, it was more and more difficult for the B. R. P. M. to manage the mine. The problem was to keep a balance between its usual activities and coal extraction in Jérada. This task had become too heavy for an organization whose main field of activity was oil research, on a rather small scale. Therefore the Protectorate decided to replace the B. R. P. M. by a special organization, the Bureau de Gérance, which was created by Dahir

1. ADM-Ingénieur en Chef des Mines, Chef de la Division des Mines et de la Géologie to Directeur des Finances-n°15889M-Rabat-17 November 1943.

on 21 June 1944¹ and which took over the management of the Jérada coal mine

'Il est institué à Rabat un Bureau de Gérance de l'exploitation des Charbonnages de Djérada, doté de la personnalité civile. Ce bureau est substitué au B. R. P. M. pour la gestion complète de la Gérance des Charbonnages de Djérada, telle qu'elle est définie dans la convention passée, le 27 Mai 1942, entre le Gouvernement de la République Française au Maroc et le B. R. P. M., d'une part, et la S. C. C. D., d'autre part².

Le Bureau est administré par un conseil composé ainsi qu'il suit:

- 1 - le Secrétaire Général du Protectorat, Président;
- 2 - le Directeur des Finances;
- 3 - le Directeur des Travaux Publics;
- 4 - le Conseiller Economique du Protectorat;
- 5 - un spécialiste des questions minières désigné par les 4 membres précédents.

Le conseil règle par ses délibérations le programme des opérations techniques et financières de la Gérance des Charbonnages de Djérada³.

Le Bureau est géré par un Directeur Général nommé par arrêté résidentiel, sur la proposition du Conseil. Le Directeur Général est chargé des opérations administratives et commerciales que comporte la gestion du Bureau. Il représente le Bureau vis à vis de l'Administration et des particuliers⁴.

Le budget du Bureau est alimenté:

- 1 - par des subventions ou par des avances remboursables
- 2 - par des bénéfices provenant de ses opérations⁵.

This change in the top management structure was not to have an important influence on the actual management of the Jérada mine. The Board of Directors of the Bureau de Gérance was almost the same as that of the B. R. P. M.

1. Bulletin Officiel du Maroc-n°1655-14 July 1944

2. Article 1.

3. Article 2.

4. Article 3.

5. Article 4.

and the guidelines of the Protectorate's policy remained the same. Production had to be increased at all costs. Moreover, the Protectorate was still very favourable to the S.C.C.D., as shown in the following example.

As stated in the 1942 Convention, the Bureau de Gérance sold the extracted coal to the S.C.C.D. to be treated in the Guenfouda plant. However, as a result of the export of coal being prohibited and coal production increasing, stocks were growing in Guenfouda and in Nemours, the Algerian exporting port. Therefore, the S.C.C.D. could not pay the Bureau de Gérance and asked for delays in its payments. In order to convince the Bureau de Gérance that these delays should be granted, the S.C.C.D. suggested that, according to Article 29 of the Convention, if it had to ask credit from its bankers, the interest on the sums of money loaned would eventually be paid by the Protectorate which would reimburse the difference between the receipts and the disbursements of the private company. As the point made by the S.C.C.D. was perfectly correct, the Bureau de Gérance decided to agree to this request¹. This was absolutely in agreement with the terms of the Convention. Nevertheless one may wonder whether this was very logical.

However, at that date, the problem which was emerging was the return of the mine to the S.C.C.D. at the end of the War. The re-negotiation was approaching and the Résidence Générale was increasingly worried by the enormous advantages the S.C.C.D. had obtained.

In 1942, the aim of the State was to reach a production of 15,000 tons per month. This had been achieved in 1945 when production reached

1. ADM-Directeur Général des Travaux Publics to Secrétaire Général du Protectorat-n°16937M-Rabat-18 December 1945.

178,000 tons. However, in the meantime, the need for coal had considerably increased and a new target was set for 40,000 tons per month. This required massive investment which the S.C.C.D. was absolutely unwilling to undertake, because the long term profit was very dubious. In fact, the private company would have been quite willing to abandon its interests in the coal mine. Ougrée-Marihayé even proposed to sell its shares but the French Ministry of Finance would not allow such an operation because it would have led to a transfer to Belgium of about 130 million Francs¹. A solution to this problem was all the more urgent as the Bureau de Gérance was planning considerable investment in order to increase production. This led to the problem of amortization rates emerging once again.

It has been seen that the 1942 Convention had established very short amortization periods. They were of five years for buildings and fixed equipment and of two or three years for mobile equipment. There was no amortization for works in the mine.

In 1945, the Board of Directors of the Bureau de Gérance had provided for an investment programme of 50 million francs because it was thought, at the time of the meeting, that it would be possible to buy the shares of Ougrée-Marihayé. This would have meant that the whole investment would have remained the property of the Protectorate.

As there was no longer any question of the S.C.C.D. selling its shares, the situation was drastically changed, as stated by Girard, the Directeur Général des Travaux Publics.

1. ACNA-Rapport de Giran, Directeur Général du Bureau de Gérance au Conseil d'Administration-undated-p. 16.

'Ainsi (la S. C. C. D.) compte bien recevoir d'ici peu, après un amortissement accéléré, les immobilisations que la Gérance aura faites; au total, la Gérance risque de faire cette année et au début de 1946 des recherches et des travaux qui ne profiteront pas à son exploitation, et qui feront retour aussitôt à la Société avec une amputation de $1/5$, $1/3$ ou $1/2$ de la dépense à rembourser.... Ce sont là des opérations à éviter'¹.

Girard gave a good illustration. If the Bureau de Gérance bought a lorry at 300,000 Frs and had to give it back to the S. C. C. D. a few months later, it would only receive back 150,000 Frs. He added

'On peut même se demander si les pourparlers de cession de la Société Chérifienne n'ont pas été lancés uniquement pour inciter la Gérance à continuer à faire des immobilisations massives dont la Société hériterait à prix réduit, dans un délai rapproché. Je pense donc que, vu l'arrêt des pourparlers de rachat, et vu la rétrocession prochaine de toutes les installations de Djérada, il y aurait lieu d'arrêter toutes nouvelles immobilisations pas strictement indispensables à la poursuite de l'exploitation du gisement'².

Therefore, whatever the motivations of the S. C. C. D., a new agreement had to be negotiated quickly. The belief that the 1942 Convention was extremely unfair to the Protectorate grew continually stronger. Giran, the Directeur Général du Bureau de Gérance, analysed the situation.

'Le contrat actuel est très onéreux pour le Protectorat...

1 - Un régime normal des amortissements permettrait au Protectorat de faire économie de 100 francs par tonne, soit $100 \times 200,000 = 20$ millions par an, qui en définitive profitent à la Société Chérifienne.

2 - Le Protectorat assure à la Chérifienne le payment annuel d'une inégalité de 15 millions environ.

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1. ADM-Directeur Général des Travaux Publics to Secrétaire Général du Protectorat-n° 1685OM-Rabat-25 September 1945.
 2. ADM-Ibid.

3 - Les immobilisations faites par le Protectorat peuvent ne pas être remboursées en fin de Gérance. Ces immobilisations, déduction faite des amortissements à la fin de l'exercice 1945 s'élèvent à $126,419,008.35 - 46,143,281.87 = 80,275,728.48$ représentant une annuité de trois millions environ.

4 - Les variations sans justification du rendement du lavoir coûtent au Protectorat 5,000,000 par an, de sorte qu'en se bornant à ces postes, le Protectorat s'impose du fait du contrat une dépense annuelle de 41 millions qui profitent directement à la Chérifienne. Il est bien évident, dans ces conditions, que le Protectorat ne doit pas reconduire le contrat actuellement en vigueur. Or, les clauses onéreuses du contrat en vigueur ont été imposées par la Société Chérifienne comme contrepartie de la main-mise du Protectorat sur l'extraction; il est peu vraisemblable que la Société Chérifienne modifie sa position¹.

Giran thus demonstrated that the Ministry of Finance's ban on the transfer to Belgium of 130 million francs would lead to an annual transfer of 330 to 660 million francs, according to the exchange rate of the franc. In addition, he pointed out that, if the S.C.C.D. took back the control of the mine, the change in management would lead to a temporary decrease in production and therefore to an increase in costs, which would have to be compensated for by the Protectorate.

'Le contrat de Gérance impose des charges indirectes de 40 millions par an qui ne profitent pas à la production, mais constituent une rémunération indirecte du contractant par la plus-value attribuée à sa propriété. S'il est vrai que c'est le Protectorat qui a pris la charge de cette rémunération jusqu'à ce jour, il faut convenir qu'elle incombe en définitive au consommateur. Or, il semble que le Protectorat doive protéger le consommateur contre la hausse injustifiée des prix, surtout en ce qui concerne les matières clés.

1. ADM-Rapport de Giran-p. 14.

Sous le régime du rachat cette situation confuse de rémunération indirecte n'existe pas; on est sûr que le concours éventuel de l'Etat à la production va à la production et ne sert pas à rémunérer des intérêts financiers extérieurs¹.

However, the aim of the Protectorate was still the same, to increase the production of coal at all costs. At the end of the War, public money was very short. It was therefore necessary to find new private partners who would bring in money. This was the key factor.

f - The return to private control

Once again the problem was that of North African energy resources. However it was no longer sufficient to produce enough coal for the North African needs. Coal also had to be exported to France, which was trying to rebuild its economy.

'(Le programme présent) doit répondre à l'immédiate urgence qui presse la France. A l'importation des charbons est rigoureusement subordonnée l'exécution du plan destiné à devenir la pièce maîtresse du programme gouvernemental français. Or, cette importation craque de toutes parts et le plan craque, lui aussi, fatalement. D'où l'émotion qui agite et le Comité du Plan et le Parlement. Nous devons pour notre part y suppléer de notre mieux et exporter sur la France des quantités grandissantes de charbon, quel qu'il soit, lavé ou non. D'autre part, le charbon est devenu si précieux qu'il constitue le moyen de troc par excellence. Si nous envoyons du charbon en France ou ailleurs, nous le monnaierons très cher. Grâce à lui, nous aurons ce qui nous manque, à savoir du ciment, du matériel, tout ce qui fait encore obstacle au merveilleux élan du pays. J'ai ajouté que le Corps des Mines entier partageait ces vues².

The situation could not be summed up more clearly. Eirik Labonne was

1. ADM-Ibid-pp. 17-18.

2. ADM-Labonne to Ministry of Foreign Affairs-Telegram-17 January 1947.

back in Morocco, as Résident Général, and his interest in mining affairs had not decreased. His economic policy had not changed either. He still wanted to associate private and public interests in order to hasten Moroccan mining production. Despite the enormous political problems he had to face¹, Labonne was keen to keep the question of the Jérada mine under his direct responsibility.

'Nous considérons d'abord que toutes les sources d'énergie électrique, qu'elles soient thermiques ou hydrauliques, doivent être développées au maximum pour répondre aux besoins sans cesse croissants d'une consommation que l'industrialisation, délibérément et énergiquement poussée dans tous les domaines, doit augmenter, au cours des prochaines années, dans les plus vastes proportions. Ce fut et ce reste pour nous un axiome que l'industrialisation est à la base de kilowatts abondants et à bon marché ... Si nous ne produisons pas, nous-mêmes, tout le charbon nécessaire au pays et à l'équipement en force thermique, qui est aussi indispensable que l'équipement en force hydraulique, force nous sera de le demander au dehors. A qui? Comment? A quel prix? Avec quelle autorisation? Avec quelles devises? Il suffit de peser ces redoutables questions pour admettre que la solution adoptée ici, avec l'approbation la plus compréhensive et le concours à la fois diligent et effectif de l'Etat Français, est la seule qui puisse répondre aux exigences à la fois manifestes et rigoureuses de l'ensemble français².

The proposition which was put forward was to increase coal production by all means and therefore to undertake large investment. Private capital came mainly from the Banque de Paris et des Pays-Bas and from one of its Moroccan subsidiaries, the Chemins de Fer du Maroc.

1. cf. Chapter II-p. 44.

2. ADM-Labonne to Yves Chataigneau, Gouverneur Général de l'Algérie-Rabat-31 August 1946.

Public capital came from the B. R. P. M. and from the French Government which altogether had the majority of the shares.

A new company was created on 31 December 1946, the Charbonnages Nord-Africains (C. N. A.) which took over the management of the Jérada mine. The S. C. C. D. disappeared but Ougrée-Marihaye retained an interest in the new company. Despite the public majority, the Chairman of the C. N. A. was the Chairman of the Chemins de Fer du Maroc. This was in accordance with Labonne's principles, as shown in the analysis of the creation of the B. R. P. M.. The capital was 1,132 million francs but the figure soon became 1,593 million francs, the increase being mainly due to the B. R. P. M. and the French Government which invested 213,925,000 francs each.

However, in order to reach the new production goal (5000,000 tons per year), further investments were needed and capital was again increased to 2,161 million francs. As the subscription came mainly from private investors, the public sector was in the minority once again. The B. R. P. M. had 34% of the shares, that is to say the same amount it had in the S. C. C. D.. The French Government had 15%. The remaining 51% were held by private companies, among which the more important ones were the Banque de Paris et des Pays-Bas and Ougrée-Marihaye. The management was in the hands of the Banque de Paris.

The investments were made according to plan. The production went up to 565,000 tons in 1953. Until the end of the Protectorate, the only important event was the construction of the Bin el Ouidane dam, in 1954, which reduced the thermal share of electricity production and therefore the demand for coal leading to a decrease in the Jérada production.

3 - Conclusion

The first conclusion which can be drawn from the above analysis of the evolution of the role of the State in the coal industry since the beginning of the Second World War is that the fact that the B.R.P.M. had a share of 33% in the capital of the S.C.C.D. had absolutely no influence on the process.

The discovery of the J rada coal bed, in 1928, had been the central factor in the creation of the B.R.P.M., whose main aim was to allow the State to control the exploitation of a product which was of top importance for the development of the Moroccan economy. When the crisis occurred, at the beginning of the War, the B.R.P.M. was absolutely powerless. In fact, within the Protectorate administration the only opposition to the policy followed by the S.C.C.D. came from the Service des Mines and this shows that, between 1928 and 1939, the situation had changed drastically.

The first section of this chapter has proved that, as far as the oil industry was concerned, the B.R.P.M. had been turned into a mere investment fund. Chapter VI shown its failure over the Atlas metallic mines. For the exploitation of coal in J rada, the problem was identical. It could not help the situation deteriorating. Moreover, when the Protectorate was finally obliged to intervene, under the pressure of events, the B.R.P.M. played a very secondary role. In fact, for a time, it was in charge of the management of the mine but the 1942 Convention had been signed between the S.C.C.D. and the Protectorate, not between the S.C.C.D. and the B.R.P.M. and this is of great significance.

Therefore, just as they had succeeded in distorting the meaning of the 1929 Dahir ¹, in the same way, private companies managed to circumvent the potential control which the B.R.P.M. could have exercised over them. In both cases, private interests absorbed those elements which could have threatened them and used external crises, such as the 1929 depression and the War, to help this process.

Had the B.R.P.M. remained active, the problem of coal production during the War could have been solved in a way which would have been satisfactory both for the State and for the S.C.C.D.. It would indeed have been possible to increase capital, in 1940, enabling the B.R.P.M. to gain the majority of the shares and therefore the management of the company during the War. The majority could have been given back to the private sector, if necessary, after the War, by another increase of capital. This could have been the grounds for an agreement between the B.R.P.M. and the S.C.C.D. and would have solved both the technical and the financial problems, leading to the solution which was finally adopted in 1946, but in a much smoother way and at a much lower cost for the Protectorate and for France.

Instead of that, when the Protectorate decided to take control of the management of the coal mine, in 1942, in order to regulate a situation which was leading to disaster, because of the policy the S.C.C.D. had been following for years, the State had to ask the private company to state its term and, quite logically, it pushed its advantage to the extreme. By taking control of the production, the Protectorate was

1. cf. Chapter III-pp. 82-87.

contravening the principle of non-intervention of the State in economic questions. It had to pay the price for that. And the price was very high, both in terms of money and of efficiency, as it took a very long time to define a coherent policy for exploitation and investment, because of the many changes in the management structure.

The B. R. P. M. had been useful to private interests, when the development of the Moroccan mining industry had needed a new impulse. Once this impulse had been given, the role of the B. R. P. M. had to be altered.

CHAPTER VIII

CONCLUSION

This last chapter will attempt to describe briefly the consequences of the French presence in Morocco as far as the economic development is concerned (section 1). It will be noted that the mining industry was the only sector where State intervention played an important role. Section 2 will examine the consequences both for Morocco and for France of this attitude of the State. In section 3, a more theoretical point of view will be adopted to explain the variations of the State's role, as described in the preceding chapters.

1 - Moroccan economic development

During the forty-four years of the Protectorate, the main features of the Moroccan economy changed drastically. It has been seen in Chapter II that, before 1912, the Moroccan economy was essentially based on craftsmanship and local trade and that the modern sector of the economy was virtually non-existent.

From 1921 to 1952, the Moroccan population more than doubled, from 3.3 million in 1921 to 7.7 million in 1952¹. This was due both to an increase in the standard of living and to the introduction of modern sanitary methods. Roughly 400,000 foreigners must be added to the 1952 population figure. The majority of the foreigners were French.

The development of the economy was essentially based on exports, the main ones being mineral and agricultural products. France's share in Moroccan trade increased throughout the Protectorate period, reaching 47% of the exports

1. Ayache, p. 283.

and 56% of the imports in 1953. Two-thirds of the Moroccan trade deficit was with France¹.

The main characteristic of the Moroccan economy was, therefore, its dependence on France. Despite the Protectorate status, Moroccan economic development was, on the whole, similar to that of other colonies.

The Moroccan G.N.P. was of 623 milliard Francs in 1955, having increased at an average of 6.7% per year during the period 1951-1955². However, such a figure is of little use, as the distribution among the various economic sectors and the population was very uneven.

The strong effort initiated by Lyautey in order to develop the Moroccan economic infrastructure was continued during the whole of the Protectorate period. Between 1912 and 1938, 75% of public investment was devoted to the creation of this infrastructure. From 1945 to 1950, this percentage was 68%³.

The top priority was the development of a network of roads. In 1955, there were 6,000 km of main roads and 4,800 km of secondary roads⁴. Railway lines were built between Oujda and Marrakech and between Tangiers and Fez, as well as smaller lines linking mining towns to the ports (Oued-Zem-Casablanca and Jérada-Oujda-Nemours for instance). The port of Casablanca became one of the most important African ports, but other smaller ports were also created (Safi and Kénitra for instance).

Dams were built, both for irrigation and electricity production. Electricity

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1. Charles F. Stewart, The Economy of Morocco 1912-1962 (Harvard: Center for Middle Eastern Studies, 1964), p.159.
 2. Ladislav Cerych, Européens et Marocains (1930-1956) - Sociologie d'une décolonisation (Bruges: Edition De Tempel, 1964), p.140.
 3. Brignon, Histoire du Maroc, p. 351.
 4. Brignon, p. 351.

consumption increased from 14 million kWh in 1925 to 850 million kWh in 1954¹.

It must, however, be noted that this very important and very rapid development mainly benefited the French population. The communication network was concentrated near the coast and in the rich plains around Meknès and Fez, where the most French were living. The Moroccan population consumed only about 1/8 of the electricity² and, in 1952, the average income for Moroccans was of 31,000 Francs, while the French average income was 590,000 Francs³.

It is, however, certain that the standard of living of the Moroccan population increased during the Protectorate period. For instance, the consumption of sugar, tea, cloth and radio sets grew considerably, especially after the Second World War.

The huge differences between the French and Moroccan sectors were particularly obvious as far as agriculture was concerned. In 1953, about one million hectares had been distributed to French settlers⁴. Some of the new farms were very modern, benefitting from irrigation and mechanization. On the contrary, little change had occurred for average Moroccan farmers⁵.

Modern agriculture was essentially export-oriented. Grain represented 17% of the total value of Moroccan exports.

On the contrary, the light-industrial sector was mainly oriented towards the internal Moroccan market. The main light industries were flour milling, sugar refinery, cement manufacture, textile manufacture and fish canning.

1. Brignon, p. 351.

2. Ayache, p. 287.

3. Ayache, p. 288.

4. Stewart, p. 77.

5. Stewart, p. 115.

The real boom in these industries began after the Second World War. They were dominated by French capital, the leading role being played by French-based financial groups such as the Banque de Paris et des Pays-Bas¹. The development of the French-controlled industrial sector contributed to the decline of traditional industry.

It must be stressed that, for agriculture as for industry, State intervention remained very rare during the whole Protectorate period². A few public companies were created in order to encourage the development and the modernization of certain areas, the State had a share of the capital of the Office National des Chemins de Fer, but the leading role was always played by private investors.

It has been seen that the situation was very different for the mining industry. It is therefore necessary to describe briefly the development of the mining sector and, in the light of the preceding chapters, to explain the impact of State intervention.

2 - The consequences of State intervention in mining affairs

Mining industry was definitely the main sector of Moroccan economic activity. In 1956, mining exports represented 75% in volume and 32% in value of Moroccan exports³. The Moroccan share of world production was :

- 20% for phosphate, second only to the U.S.A. with 56%
- 4% for lead

1. cf. Chapter VI - p. 223.

2. Rémy Lahaye, Les entreprises publiques au Maroc - Essai d'analyse des formes d'action de la puissance publique (Paris: Librairie Médicis, 1961).

3. ADM - Rapport sur l'industrie minière au Maroc - 1957.

- 4% for manganese
- 5% for cobalt¹

Seven main products were extracted from the Moroccan underground :

- phosphate (Khouribga and Louis-Gentil)
- coal (Jérada)
- oil (Petitjean)
- lead and zinc (Bou Beker, Aoul and Mibladen)
- manganese (Imini, Bou Arfa and Tiouine)
- cobalt (Bou Azzer)
- iron (Aït Amar)

Apart from phosphate, the production of which began in the early twenties², the real start of mining exploration occurred in the late twenties and mining exploitation began in the mid-thirties³.

The development of production was very slow at the onset, because of the consequences of the 1929 crisis and then of those of the Second World War. After the War, on the contrary, the development was very rapid, especially for ore mines, because of a favourable economic situation and of significant investment, mainly from French and American private investors. The amount of investment in the mining industry was 30 milliard Francs from 1948 to 1952⁴. Table illustrates the growth of production between 1948 and 1955⁵.

1. ADM- Ibid.
2. cf. Chapter IV - p. 142.
3. cf. Appendix 2.
4. Eyssautier, l'industrie minière , p.10.
5. cf. p. 325.

T A B L E 17
MOROCCAN MINING PRODUCTION IN 1948 AND 1955

(Source ADM - Statistiques de Production)

Year	Phosphate	Coal	Oil	Lead	Zinc	Manganese	Cobalt	Iron
1948 (1)	3, 226, 323	290, 100	12, 916	39, 183	3, 575	195, 416	2, 094	301, 300
1955 (2)	5, 328, 855	467, 000	102, 456	122, 052	78, 033	371, 541	7, 573	309, 743
(2)/(1)	1, 65	1, 61	7, 93	3, 11	21, 82	1, 90	3, 62	1, 03

a - The Office Chérifien des Phosphates

A brief description of the impact of the O. C. P. on the Moroccan economy is necessary in order to point out the pre-eminent position of this company.

During the whole of the Protectorate period, phosphate was from far the main Moroccan resource. Morocco was, since 1938, the second phosphate world producer behind the U. S. A..

Phosphate was exported mainly to European countries. At the end of the Protectorate period, the volume of phosphate exports was about 70% of the volume of total Moroccan exports. Phosphate represented 80% of the traffic of the port of Casablanca and 90% of the traffic of the port of Safi ¹. This contributed in diminishing the cost of the transport of imported goods. Phosphate represented about 20% of the value of Moroccan exports².

The contribution of the O. C. P. to the Moroccan economic development was extremely important. For instance, transport of phosphate represented about 40% of the Moroccan railway traffic³. The O. C. P. was the main Moroccan energy consumer ⁴.

Two important towns were created (Khouribga and Louis Gentil, now called Youssoufia), because of phosphate exploitation. In 1952, the O. C. P. employed more than 11,000 persons and distributed about 1.5 Milliard Francs

1. ADM-Sous-Commission des Mines - Groupe de Travail sur les problèmes miniers-July 1956.

2. ADM-Note de Louis Eyssautier-1956.

3. ADM-Sous-Commission des Mines - Groupe de Travail sur les Problèmes miniers-Juillet 1956.

4. ADM-Ibid.

of salaries¹. The contribution of the O.C.P. to the Moroccan budget was very important. In 1953, it gave nine Milliard Francs of dividends to the State, plus five Milliard Francs as taxes².

It is unnecessary to stress the importance for the Résidence Générale and for the French Government to control the O.C.P., from both a political and a financial point of view.

Had the Moroccan phosphate mines been under the control of a non-French company, this would have been the end of French supremacy on the phosphate world market. Had it been under the control of a Tunisian phosphate company, the development of phosphate exploitation in Morocco might have been slower, in order to protect other North-African mines. Had it been controlled by a French company, the benefits would not have been integrally reinvested in Morocco and the price of Moroccan phosphate could have been more easily subject to pressures from French agricultural circles whose aim was to acquire phosphate as cheaply as possible.

Moreover, it is easy to imagine the political power a private company would have derived from the control over such an important part of the Moroccan economy.

b - The Bureau de Recherches et de Participations Minières

The role of the B.R.P.M. in the exploration and exploitation of Moroccan energy resources has been lengthily analyzed in the preceding chapters. Without State intervention, that is to say without the B.R.P.M., Moroccan

1. Ayache, p. 167.

2. Brignon, Histoire du Maroc, p. 357.

coal production would have been much lower, because, at the end of the twenties, private companies would have wasted their energy in useless competition and because, during and after the Second World War, it would have been difficult - if not impossible - to find enough money from private investors, as it was very likely that the Jérada mine was not a profitable business.

The financial and technical effort made by the B. R. P. M. in this sector was of great interest to both France and Morocco, since both countries lacked energy resources. It was possible for the State to invest in sectors which would not have been interesting for private companies, because the latter were looking for a reasonable rate of profit, on contrast to the former, whose policy was defined by broader considerations on the equilibrium of the balance of payment and the dependence on foreign countries for furnishing of strategical goods such as energy products.

In the long run, the importance of finding energy resources in the French Empire was such that it fully justified important investments, as long as there was a slight hope of discovering coal or oil. These were the roots of Labonne's policy when he was in Morocco and when he was back in Paris. He pushed for massive investment in the Algerian Sahara and thus led the way to the discovery of the large oil resources in this area.

As far as Moroccan ore mines are concerned, it has been seen that the role of the B. R. P. M. was much smaller. Of the nine main Moroccan ore mines¹, the B. R. P. M. was a minority participant in only three of them².

1. cf. p. 324.

2. Aouli, Mibladen and Imini.

It must be stressed that, apart from phosphate, the more profitable Moroccan mines were the ore mines, and particularly the Bou Azzer cobalt mine¹ and the zinc and lead mine of Bou Beker, owned by the Société des Mines de Zellidja, itself controlled by the Morgan Group, which had 49% of its shares².

Since the basic rule of the Moroccan economy was to encourage private investments, there was therefore no reason for State intervention in a sector which was globally profitable.

It has been seen in Chapter VI that the only period when the B. R. P. M. intervened in the ore mine sector was the period 1928-1930, when it was necessary to define a more coherent structure for the Moroccan mining industry and when it had been proved that private companies were wasting their energy because of the dispersion of research permits and the speculation which followed.

Once this reorganization had been achieved, the B. R. P. M. adopted the policy it was to follow until the end of the Protectorate period: that is, encouragement to explore those beds which were not sure to be profitable.

c - The impact at the time of Independence

One of the major consequences of the creation of the O. C. P. and of the B. R. P. M. was to become evident in 1956, when Morocco became independent. Without having to take any authoritarian measures, the Moroccan Government owned all the phosphate mines, through the O. C. P. and all the Moroccan

1. cf. Chapter VI.

2. Ayache, p. 171.

energy resources, through the B. R. P. M. and its subsidiaries, the C. N. A. and the S. C. P., and was a minority participant in an important number of ore mines.

Unlike the vast majority of colonies and protectorates, which, when acquiring political independence, were still, from an economic point of view, under the domination of foreign interests and therefore unable to control and to orientate their economic development according to their own national goals, Morocco benefitted from the preeminent role which the State had had during the Protectorate period. This was of prime importance

- on a financial level, since the benefits of the phosphate exploitation came directly to the Moroccan budget,

- on a diplomatic level, since Morocco was saved from the trouble of nationalizing its mineral resources, a process which always created important tensions between former colonies and the countries which controlled them,

- on an economic level, since the national companies already existed, thus allowing for a smoother transition and avoiding upheaval in economic circuits.

In addition, the B. R. P. M. was an ideal tool in the hands of the Moroccan Government for extending its control over Moroccan mines by increasing its level of participation in the capital of the companies which were concerned.

As has been shown in the preceding chapters, this state of affairs was, fifty years afterwards, an indirect consequence of the Algeciras Act, which had forced the French Government and the Résidence Générale to increase State control and thus ultimately helped to preserve part of Moroccan economic independence.

3 - A theoretical point of view

The above sections have described the consequences of State intervention in mining affairs on the Moroccan economy. The events dealt with in the preceding chapters will now be analyzed from a more theoretical point of view, in order to shed light on the mechanism of State intervention.

The evolution of the role of the State in the Moroccan mining industry may be summed up by distinguishing (a) a general trend, valid for the whole period of the Protectorate, based on the principle of non-intervention from the State in mining affairs, and (b) three exceptions:

- the nationalization of phosphate, in 1920,
- the creation of the Bureau de Recherches et de Participations Minières and the promulgation of a new mining law which imposed stricter control over mining explorers and exploiters, during the years 1929-1931,
- State management of the Jérada coal mine during the Second World War.

The aim of this thesis has been to integrate these three exceptions into the main stream of events. The first conclusion is to reject the explanation which is generally set forth, according to which the first two exceptions, the creation of the O.C.P. and that of the B.R.P.M., were direct consequences of the presence in Morocco of Lyautey and Labonne.

The examination of the phosphate question has proved that the eventual nationalization of phosphate was neither instigated by Lyautey nor by a particular civil servant, but rather resulted from the need to protect French interests and to preserve French preeminence on the phosphate world market. The impulse towards nationalization did not come from Lyautey, whose main goals were to create the basis of a modern economy in Morocco and to respect international

treaties. The problem of Labonne's role in the evolution of the Moroccan mining affairs from 1928 to 1932 is more complex.

Unlike Lyautey, who was a Nineteenth Century type of empire builder, Labonne was a politician, in the noble sense of the term, and an economist. It is certain that he created the B.R.P.M., encouraged the development of oil exploration, and led the negotiations over the Jérada coal bed and the Atlas ore mines.

However, it has been seen that despite Labonne's efforts the limitations of the B.R.P.M. soon appeared and that, when it ceased to be useful in regrouping French interests in the matter, its role was considerably reduced. The successes and failures of the B.R.P.M. must, therefore, be explained in economic and in political terms, and not only with reference to Labonne's goals and methods.

It has been seen that, in Morocco, the basic rule was the open door regime, which was meant to give an equal chance to all private companies, irrespective of their nationality. Such a principle did not allow State intervention in economic affairs, because the Résidence Générale and the Service des Mines could have been biased in favour of French interests. Such was the ethical situation in the twenties and such were the grounds of Lyautey's attitude as far as phosphate was concerned.

a - Protection of French interests

The three exceptions stated above derived therefore from disruptive factors. The first one was the need to protect French interests. In all the cases which have been studied, it has been shown that this was a key factor.

However, a certain facade had to be preserved to avoid protests from

other countries. The State took authoritarian measures in matters of national needs, for instance if the defence of the country was in question or if a product urgently needed for the national economy was concerned. The key point was that, by 'national' and 'country', those responsible meant 'French' and 'France', whereas, from a strictly legal point of view, under a Protectorate regime, this definitely should have meant 'Moroccan' and 'Morocco'. This ambiguity was of great help in presenting decisions to other countries in an acceptable fashion.

The interpretation of the word 'national' is in fact a key problem of imperialism in general, as the colonizing country develops the economy of the colonized one according to its own national purposes, until it becomes clear to the local people that such a development does not fit their country's own national aims. This is also true of neo-colonial situations, as conflict appears over the way in which the economy of a developing country should be oriented. Morocco being a Protectorate, the problem was even more complex, as, in theory, there were three levels at which the Moroccan economic development had to be determined:

- (a) the international one, for which the open-door regime was the basic principle.
- (b) the French one, aiming at protection of French interests.
- (c) the Moroccan one, which appeared after the Second World War, aiming at development centred upon Moroccan needs.

Before Morocco had to fight for its independence, France had to do the same on an economic level, in order to become free from the constraints of the Algeiras Act. Moreover, in real terms, such a struggle was more

important than that of Morocco for its independence, as the latter only succeeded on a political level, since Morocco remained extremely dependent on France in economic matters after 1956.

Therefore, it is possible to distinguish three phases of the French policy towards Morocco:

- (1) Diplomatic (1900-1912) - France made the other European countries accept its occupation of Morocco.
- (2) Military (1912-1930) - France extended its control over the whole of the Moroccan territory.
- (3) Economic (1920-1930) - France found a way of protecting French interests.

The key factor in the Moroccan mining industry is this economic struggle of France to turn Morocco into a colony, that is, a country in which French interests would be pre-eminent.

One of the main interests of this study has been to point out the existence of this third phase in the policy of France and to analyse its consequences at the level of the mining industry.

b - The role of the State as a regulator

While the aim of State intervention in Moroccan mining affairs is clear, it still must be explained why, in order to protect French interests, State intervention was preferred to other means. In fact, State intervention resulted from a combination of various circumstances, the main one being, as previously stated, the legal constraints imposed by international treaties.

After the First World War, the development of the political situation in Europe allowed France to act more freely in Morocco and to channel its economic

development so that it could be more in line with French economy. Such considerations played an important role in Loucheur's, Clementel's and Labonne's attitude for instance.

The reorientation of the Moroccan economy, in the twenties, could only be decided at a Governmental level, as the problem was that of a closer integration of Moroccan and French economy.

Moreover, it has been seen that, until the creation of the B. R. P. M. and the promulgation of the 1929 Dahir, private interests were developing freely, without any constraints, either from the mining legislation, or from the Service des Mines. There was no regulation process. Speculation increased, but the production of Moroccan mines did not.

An analogy can be drawn with a population of insects, in a closed vessel, which develops in an exponential way, until a vital factor is lacking, such as space or food. In order to avoid the death of the whole colony, a regulating device must be generated. Such a device is bound to be external. In the case which is of interest here, only the State could play such a role.

This regulating role of the State must be added to its role as protector of French interests. The State had to help French interests to define a suitable general policy for their expansion in Morocco. To the external role of the State, which was to place a barrier against foreign investments, an internal one should be added: the definition of convenient structure for French investment in the Moroccan mining industry.

This also explains the very cooperative attitude of the Comité des Forges, who understood that the only way for it to control the Imini manganese mine was to use the B. R. P. M. as an intermediary.

In fact, as already seen, small mining explorers and exploiters feared with reason, that the main consequence of the creation of the B. R. P. M. would be to give extra advantages to large companies.

The B. R. P. M. succeeded in regrouping private interests in those cases where the situation was particularly confused, J rada and Imini. However, the role of the B. R. P. M. was bound to be short-lived. Its tasks were to organize suitable structures for investments, and to solve a certain number of precise problems. Once it had accomplished such a task, the B. R. P. M. was no longer necessary. The same is true for the 1929 Dahir. As soon as the situation had improved, they had to be altered.

The B. R. P. M. could certainly have been useful after 1931, even in its role as regulator, as has been seen in the study of the evolution of the situation in J rada during the War. However, at that time, French investors were sufficiently strong and no longer wanted to pay the price which had been imposed upon them for the creation of the S. C. C. D. and of the S. A. C. E. M.. Foreign competition was much lower, Moroccan mines were beginning to be productive, a few large companies had succeeded in sharing between themselves almost all the Moroccan mines. They could manage without any aid, at least for those mines which were profitable. The field of action of the B. R. P. M. was therefore reduced to energy resources.

Therefore, the role of the B. R. P. M. was that of a temporary regulator. Once the patient was cured, the treatment was no longer needed.

The above considerations allow a better understanding of the role of the State in Moroccan mining affairs. State intervention occurred when it was necessary to protect French interests either for external reasons - excessive

competition against foreign investors in strategic sectors - or for internal ones - inadequate development because of adverse legal, economic or political circumstances.

When the structure of the environment had changed, State intervention occurred, in order to help French investors to adopt, or, if they proved unable to do so, to act for them.

APPENDIX I

MAP OF MOROCCO

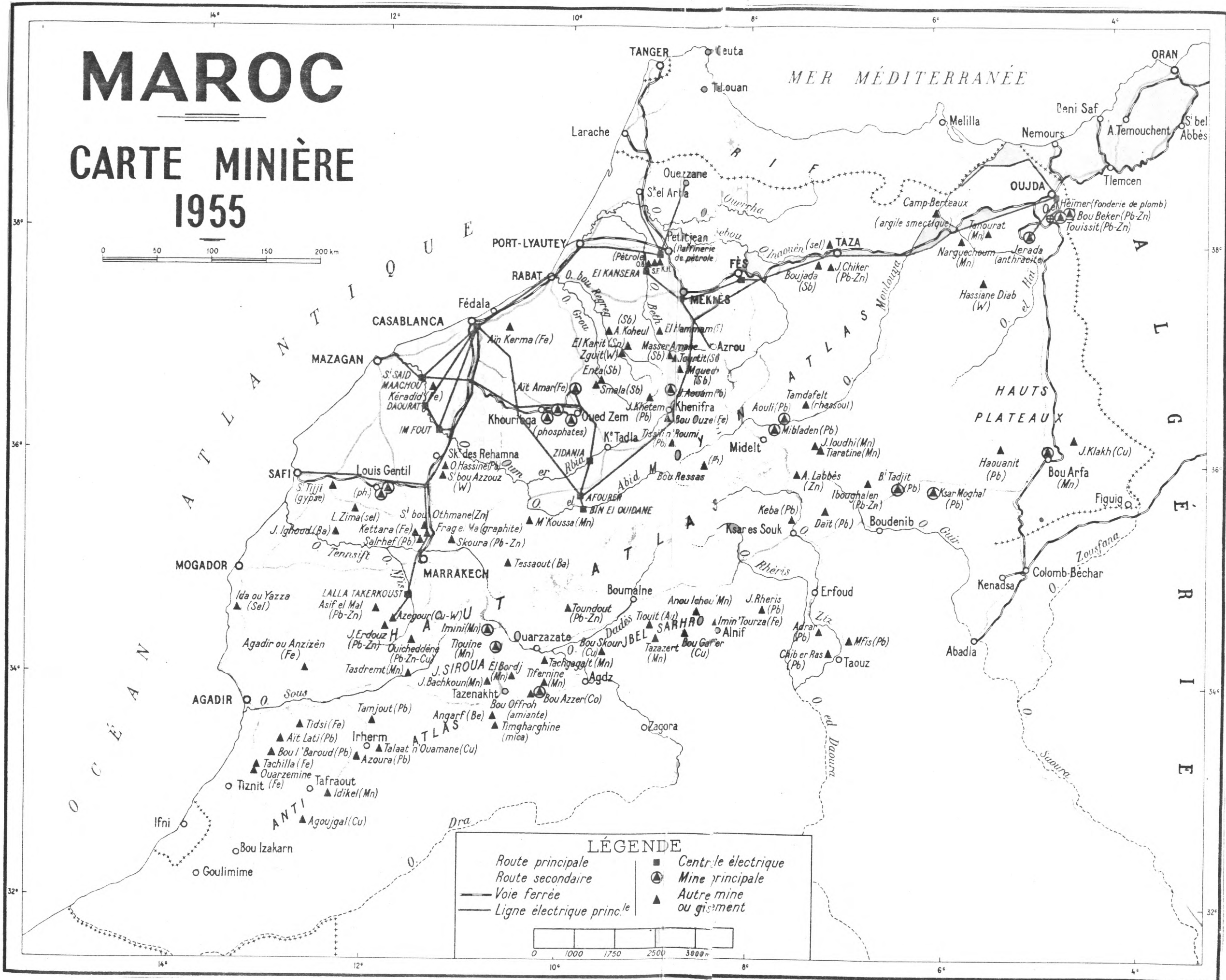
(Source: Archives of the Division des Mines
et de la Géologie, Rabat, 1955.)

MAROC

CARTE MINIÈRE

1955

0 50 100 150 200 km



APPENDIX 2

MOROCCAN MINING PRODUCTION (in tons)

(Source: L'Industrie Minière du Maroc-Statistiques de Production, d'Exportation et de Ventes à la Consommation (1952-1955)- Empire Chérifien-Ministère de la Production Industrielle et des Mines, Rabat: 1956.)

YEAR	COAL	OIL	PHOSPHATE	LEAD	ZINC
1919					
1920					
1921					
1922			79,984	3,150	
1923			177,612	2,812	
1924		20	436,351	511	
1925			715,643	1,763	889
1926			896,832	3,245	416
1927		12	1,270,725	8,078	1,317
1928		28	1,321,629	6,290	2,917
1929		40	1,694,400	5,328	2,059
1930	980	26	1,828,431	7,404	1,031
1931	5,666	187	940,625	1,035	
1932	14,963	280	1,018,382	2,505	
1933	27,279	562	1,068,012	34	196
1934	36,071	551	1,197,245	194	
1935	52,696	110	1,359,338	193	
1936	49,388	156	1,341,476	10,260	2,115
1937	107,150	2,474	1,474,953	21,702	9,668
1938	123,000	3,204	1,487,520	27,766	5,531
1939	115,000	4,656	1,533,192	35,412	5,314
1940	143,500	4,508	739,815	30,739	4,553
1941	139,874	5,986	487,059	13,918	1,442
1942	118,102	5,338	714,141	9,000	1,484
1943	102,293	5,041	829,493	9,570	976
1944	134,300	4,181	1,444,943	13,472	2,229
1945	178,000	3,400	1,623,095	15,451	1,754
1946	221,750	2,568	2,783,582	15,301	2,978
1947	268,500	2,768	2,960,736	28,974	3,365
1948	290,100	12,916	3,226,323	39,183	3,575
1949	341,400	17,480	3,692,958	50,999	5,578
1950	367,868	39,320	3,872,241	65,874	22,766
1951	393,855	75,669	4,716,779	93,001	36,662
1952	460,000	101,027	3,953,098	115,269	51,409
1953	565,000	102,611	4,156,004	110,393	64,614
1954	486,000	117,948	5,019,494	114,419	62,874
1955	467,000	102,456	5,328,855	122,052	78,033
Total	209,735	615,523	65,390,966	985,297	375,745

MOROCCAN MINING PRODUCTION (2)

YEAR	MANGANESE	COBAL T	IRON	ANTIMONY	COPPER
1919	3,900				
1920	4,375				
1921					
1922	450				
1923	500				
1924	1,745			20	
1925	340				
1926	2,035		100		
1927	3,716		1,065	65	
1928	2,333			30	
1929	13,150				
1930	15,846		45		
1931	10,828				
1932	3,870	566			
1933	39	600			
1934	3,930	1,618			
1935	24,806	4,163		394	
1936	36,884	3,372		175	
1937	72,671	5,283	66,799	45	
1938	79,543	6,541	266,457	262	
1939	71,632	5,512	320,728	832	
1940	101,086	2,612	75,033	845	90
1941	49,726	584	3,001	349	456
1942	42,488	21	3,329	464	1,055
1943	46,979	1,966	8,967	786	872
1944	28,218	2,030	5,114	291	2,078
1945	42,174	894	98	516	1,195
1946	50,447	1,693	125,249	456	240
1947	103,340	2,659	153,630	806	168
1948	195,416	2,094	301,300	894	1,794
1949	221,877	1,739	356,818	1,202	1,287
1950	257,775	3,509	319,190	1,217	70
1951	334,169	6,255	545,434	1,742	47
1952	382,808	9,136	650,500	1,490	2,950
1953	375,594	6,019	505,985	106	3,887
1954	357,011	7,360	334,528	627	2,532
1955	371,541	7,573	309,743	549	2,588
Total	3,313,242	83,499	4,353,023	14,163	21,309

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