THE AVANT-GARDE IN PETROLEUM: FRANCO-ALGERIAN OIL COOPERATION, 1962-1971

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ABSTRACT: Leading up to the 1973 oil shock, there was a period of more gradual but significant changes in the oil industry. This period in the 1960s and early 1970s can be characterized by two ruptures in what seemed like a stable Cold War system. First, the efforts of Western governments to maintain a corporatist system where the interests of governments and companies were in sync began to seriously unravel; spheres of influence did not constitute a good fit for global corporate interests. Second, economic changes coupled with revolutionary nationalism empowered and emboldened the oil-producing nations. Together, these factors caused fissures in the international system that finally came apart in the high drama of the 1970s. In this paper, I analyze France and Algeria as early examples of disruptors of the system during the 1960s. I begin with a brief history of the discovery and early exploitation of petroleum in Algeria during the Algerian War for Independence in the 1950s. I then discuss the shifting framework of Franco-Algerian oil cooperation in the 1960s with a focus on how this cooperation empowered both countries to build up their national oil capacities and challenge the status quo. Finally, I conclude with a close examination of the final Franco-Algerian petroleum negotiations of 1969-1971 and their ultimate conclusion: Algeria’s nationalization of its entire oil industry.

INTRODUCTION

From a historical perspective, the 1960s look like a relatively stable decade in the history of petroleum. Without a doubt, the Sixties were far less dramatic than the following decade, when the international system was shocked by multiple global oil crises. However, a closer look reveals ruptures that were going on within what seems like a stable Cold War system. First, the efforts of Western governments to maintain a corporatist system where the interests of governments and companies were in sync began to seriously unravel; spheres of influence did not constitute a good fit for global corporate interests. Second, economic changes coupled with revolutionary nationalism empowered and emboldened the oil-producing nations. Together, these factors caused fissures in the international system that finally came apart in the high drama of the 1970s.

France and Algeria make an excellent case study in these ruptures. In the early 1960s, both France and Algeria had exceptionalist national ambitions totally incommensurate with their relative significance in a world largely defined by the two global superpowers. France, under the leadership of Charles de Gaulle, aspired to importance equal to that of its allies, the United States and Great Britain. Algeria’s new government, dominated by the nationalist revolutionaries of the Front de Libération Nationale (FLN), sought leadership in the Arab world and Africa akin to that of Egypt’s President Nasser. At the same time, however, both countries were weakened by fighting each other in the violent, expensive Algerian War for Independence, which ended in Algerian independence via the Evian Accords of 1962. Both also had to build political and technocratic capacity capable of pursuing their national ambitions. For both France and Algeria, the vast oil reserves of the Sahara were key to their own separate ambitions. In order to realize these ambitions, both countries were not reluctant to challenge existing systems, making the Franco-Algerian petroleum relationship a particularly interesting case study in the disruptions of the 1960s.

THE DISCOVERY OF OIL IN THE SAHARA

As head of the provisional government of France after the Second World War, Charles de Gaulle set about to revive the role of France as a great nation on par with the United States and Great Britain. De Gaulle had two immediate goals in his quest. One concerned his ambition to reconstruct the domestic political system. The other concerned petroleum, specifically, France’s need to control a reliable source of energy sufficient to sustain the national economy. On the first goal, de Gaulle quickly faced disappointment.

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2 He had hoped that his charismatic image as leader of the Free French forces and his position as Prime Minister of the provisional government would earn him enough popular support to re-organize the government. However, the national elections in October 1945 made it clear that the French public preferred a continuation of control by the party-based National Assembly. In disapproval, de Gaulle resigned in January 1946. It would be twelve years before the political crisis created by the Algerian rebellion opened an avenue through which de Gaulle could create an executive-dominant government. See Cyrus L. Sulzberger, Last of the Giants (New York: Weidengeld & Nicolson, 1972), p. 31.