H-France Review Vol. 5 (January 2005), No. 3

Hubert Bonin, *Un Outre-Mer Bancaire Méditerranéen : Histoire du Crédit Foncier d'Algérie et de Tunisie (1880-1997)*. Paris : Publications de la Société Française d'Histoire d'Outre-Mer, 2004. Notes, charts, illustrations, bibliography, index. 369 pp. 24 €. ISBN 2-85970-030-7.

Review by Samir Saul, Université de Montréal.

Professor Bonin is his generation's foremost historian of French banks and banking. He is easily the most prolific. In the past two decades, he has produced a steady stream of about two or three monographs a year, and the rate seems to be increasing while the high level of scholarship remains a hallmark. For every book that reaches the public, there are several in the pipeline. Staying abreast of his publications keeps the average historian busy enough. A scholarly publisher should be able to earn a living with Bonin's books as the core of his catalogue.

While Bonin's contribution to general economic history is in itself impressive, he excels in the case study or company history. His capacity to draw meaning quickly from archival material or interviews is a pre-eminent quality, one he possesses to a greater degree than most other business historians. Give him access to a firm's records and in less time than it takes to learn what he is working on the manuscript is ready. His efficiency is due to a well-honed methodology for deciphering data and linking it to strategy, to an intimate knowledge of the economic and business environment, to familiarity with banking techniques, and probably (I am convinced of this) to a sixth sense giving him a clear insight into what makes firms tick. His range of interests spans the large Paris-based national banks, regional banks as well as overseas banking and colonial trade. He is keen to participate in and to organize international symposia, and not unwilling to present his papers in English.

As a good company history should, Bonin's monograph provides interpretation and a wealth of factual information about the firm under examination. Solid research is guided and informed by the author's awareness of the economic and business context. This book is one of a growing body of case studies that applies the tools business historians have developed for use in advanced economies to imperial circumstances. In fact, the history of imperial, colonial or overseas economies can no longer be approached solely from a national or macro perspective. Attention to the strategy, behaviour, and performance of firms, both in the imperial center and in the overseas dependencies, is opening new and exciting avenues of understanding of the colonial relationship, its establishment, its transformation, and/or its rupture.

The Crédit Foncier d'Algérie et de Tunisie was at once a regional and a colonial bank. The book seeks to explain how it expanded to become a large institution, how it assumed an imperial dimension by extending from North Africa to the Eastern Mediterranean, and how it attempted and failed to redefine itself as a functional bank in France proper in the aftermath of decolonization.

The business of colonizing Algeria got underway in the second half of the nineteenth century. Born in 1865 under the aegis of the Talabots, the Société Générale Algérienne, an overambitious all-purpose bank, came to grief in short order. In 1877, it was restructured and renamed the Compagnie Algérienne. Colonization was synonymous with acquisition of land and rural development; it could not but attract the powerful Crédit Foncier de France, the country's premier mortgage institution established in 1852. In 1880, it jumped into the Algerian fray by setting up the Crédit Foncier et Agricole d'Algérie, a mortgage and land bank. The CFAA was a *de facto* subsidiary of the CFF. It functioned under the latter's supervision--often a tense relationship between officials on the spot and a cautious Paris board--with capital provided by the CFF. Notwithstanding cyclical downturns, wine and wheat became the staples of colonial Algeria's economy and exports. Like mortgage and land development banks in other colonial possessions, the CFAA catered to the needs of the settler community, especially the larger owners. Although it prospered in connection with land, it began taking deposits, discounting bills and extending lines of credit. By the turn of the century, the CFAA was more a commercial than a mortgage bank, with two thirds of its gross revenues coming from ordinary banking operations.

The CFAA followed the French flag. It set up in Tunisia in 1893-1894--changing its name in 1909 to Crédit Foncier d'Algérie et de Tunisie--then in Morocco in 1910-1913. It even opened branches in Paris. While it ranked far behind the major banks in France at the outbreak of the Great War, it had grown to become an important financial institution in North Africa. In the interwar period, it participated actively in France's effort to develop its imperial possessions by laying infrastructures, especially in connection with the extraction of raw materials. It was a also a key agent in the promotion of trade between France and North Africa. Thanks to a loyal base of customers in the settler community, the CFAT became an important recipient of deposits, ranking ninth among French banks at the end of the 1920s. It even took an interest in syndicated loans to colonial authorities and companies, but remained marginal in this line of business.

If the prewar phase was marked by a North-South orientation, the interwar period saw the CFAT turn in a East-West direction. It took a controlling interest in the Banque de Salonique in 1919, and in the Crédit Foncier de Syrie in 1920. It also became a partner of the Banque Française de Syrie. The CFAT was a quintessential imperial bank, quite impervious to cyclical swings. It generated stable profits thanks to a policy of spreading risk by geographical and sectorial diversification.

After 1945, France was confronted with the challenge of modernizing its overseas possessions in order to hold on to them in the face of nationalist demands for independence. Like other banks, the CFAT participated in the programs and plans designed to develop North Africa. It was all to no avail. With the advent of independence, the CFAT withdrew from the North Afrian protectorates of Tunisia and Morocco, then from its base in Algeria. By 1971, it had left the Eastern Mediterranean. Departure from Algeria led to a change in name and orientation. In 1963, the CFAT was renamed Société Centrale de Banque, signalling its conversion from a major imperial bank to a middle-sized financial institution on France's internal market. The transition was not smooth; cadres from overseas did not adapt sufficiently to the new banking environment; relocating repatriated staff slowed down necessary renewal; deposits did not match lending ambitions.

In 1971, the Banque de l'Indochine, which had acquired a controlling interest in the CFAT in 1953, sold the SCB to the Société Générale. One of France's leading banks, the Société Générale, tried to turn the SCB around. The key lay in attracting deposits, a low cost resource, and in seeking new business opportunities. With too few branches, ranking fortieth among French banks, the SCB lacked the critical mass necessary to have an impact on a banking scene dominated by large institutions. In 1997, it was absorbed by the Société Générale. The CFAT failed to redeploy. It could not detach itself from its past as a colonial bank.

Bonin's concluding remarks about the significance of this apparently banal company life story in the context of imperial history are especially thoughtful. To this reviewer, they point to the need to undertake comparative studies of attempted conversions of overseas companies into national firms in the wake of decolonization. The study should encompass more than one colonial power. Trust Bonin to take up the idea. He may already be at work.

Samir Saul
Université de Montréal
samir.saul@umontreal.ca

 ISSN 1553-9172