

**Phosphate Mining and Labour
in Western Sahara – Dynamics
of the Fosbucraa Rent (1969-1975) ☐**

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Abstract: Phosphate mining is a key issue in the modern history of both Western Sahara and Morocco. Until 1975 it also affected Spain, as Western Sahara's phosphates were exploited during the colonial period. In the early 1970s, phosphate mining generated super-profits. The Spanish state was the sole owner of the Bucraa deposit and used its ephemeral but significant super profits for two purposes: to subsidize the Spanish fertilizer industry and, for political reasons, to inflate spending in the Saharan budgets. However, Fosbucraa's profit maximization and the "development" of the Sahara quickly came into contradiction. The company employed relatively few workers and discriminated against them. Meanwhile, the multiplier effects of Fosbucraa's investment were rapidly changing the Saharawi way of life. A traditional nomadic society was becoming a peripheral society, dependent on jobs, subsidies and scholarships. The result of these two contradictions resulted in a social blockade: a model of accumulation incompatible with the expectations of young workers, technicians and students. The industrial conflict and anti-colonial action are part of this broader context.

Keywords: phosphate, Fosbucraa, differential rents, labour history

Resumen: La minería de fosfatos es un tema clave en la historia moderna tanto del Sáhara Occidental como de Marruecos. Hasta 1975 también afectó a España, ya que los fosfatos del Sáhara Occidental se explotaron durante el periodo colonial. A principios de la década de 1970, la minería de fosfatos generaba superbeneficios. El Estado español era el único propietario del yacimiento de Bucraa y utilizó sus efímeros aunque importantes superbeneficios con dos fines: subvencionar la industria española de fertilizantes y, por razones políticas, inflar el gasto en los presupuestos del Sáhara. Sin embargo, la maximización de la tasa de beneficios de Fosbucraa y el «desarrollo» del Sáhara entraron rápidamente en contradicción. La empresa empleaba a relativamente pocos trabajadores y los discriminaba frente a los demás. Mientras tanto, los efectos multiplicadores de la inversión de Fosbucraa estaban cambiando rápidamente el modo de vida saharauí. Una sociedad nómada tradicional se estaba convirtiendo en una sociedad periférica, dependiente de empleos, subsidios y becas. El resultado de estas dos contradicciones se tradujo en un bloqueo social: un modelo de acumulación incompatible con las expectativas de los jóvenes trabajadores, técnicos y estudiantes. El conflicto industrial y la acción anticolonial forman parte de este contexto más amplio.

Palavras clave: fosfato, Fosbucraa, rentas diferenciales, historia laboral

In commercial agriculture, phosphorus inputs come in the form of commodities produced by the chemical industry (phosphoric acid and phosphate fertilizers). Its raw material is the phosphate rock deposits which are beneficiated to produce marketable concentrates. In the 1960's, the trend in world demand for phosphate rock shifted towards high grade ore¹ (Milan, 2017:181).

The world demand for fertilizers has regularly increased. In the crop-year 2021 the world consumption of fertilizer products increased by 7% compared to 2020. High crop prices and increased crop areas tend to boom the production of phosphate rock, which in 2021 was estimated at 220,000 kt². This trade is dominated by four countries, which among themselves control almost $\frac{3}{4}$ of the world production: China, "Morocco", USA and Russia. As regards the phosphate reserves the degree of control seems bigger: "Morocco" alone is supposed to own 70% of it³.

In this statistic, the official label "Morocco" covers the territory of Western Sahara. It is obvious that the events related to this industry affected both W. Sahara and Moroccan modern history⁴. Up to 1975 they also affected Spain because the prospection and mining of the W. Sahara phosphates started during the colonial period.

As one of the key studies on this topic has put it, the research on mining history of this territory is far from over (Milan, 2017:177) and therefore every new contribution seems useful. However the main goal of the following points aims mainly a comparative issue. In the early 1970's, phosphate mining generated super-profits. Just like several other colonial mining activities, these rents would not have been possible without the colonial State. The study of capital accumulation in modern economies has much to gain by unveiling where the rents went to and above all, what political effects they produced.

The following points intend therefore: a) to start tracking the genesis, amount and recipients of the Spanish Sahara rents; b) to contribute to connect the phosphate rents to the labour and political history of Western Sahara. Needless to say that the hypotheses raised below are based on only a very small fraction of the archival documentation that is becoming available. On the other hand, none of these hypotheses can be validated without comparing them with the multiple oral sources which in W. Sahara and in Spain wait to be systematized.

¹ Medium and high quality moved into the 70-77% BPL range (Bone Phosphate of Lime).

² Kilotonne = 1,000 metric tons.

³ No cartel prices are expected: the USA statistical report used here adds that "the world resources of phosphate rock are more than 300 billion tons. There are no imminent shortages of phosphate rock" <https://pubs.usgs.gov/periodicals/mcs2022/mcs2022-phosphate.pdf> (consulted 22th September 2024).

⁴ Having been Morocco's main export for many years, the export of phosphates and derivatives is now the third largest (no less than \$ 11,3 billion). <https://www.morocoworldnews.com/2023/09/357395/moroccan-phosphate-exports-see-steep-decline-to-4-billion-in-2023> (consulted 22th September 2024).

1. Phosphate mining in Spanish Sahara – a State business

1.1. The early years (1947-1963)

Phosphate exploitation started in colonial Morocco in 1921 and it was likely that the ores, which are spread all over the southern Mediterranean shores, could extend further south along the African Atlantic coast. In a series of three missions between 1942 and 1947 the geologist M. Alia Medina confirmed its existence in the Spanish Sahara site of Izic, not far from the coast. The Government immediately urged the INI (*Instituto Nacional de Industria*) that, for his part, commissioned the state-owned *Empresa Nacional Adaro de Investigaciones Mineras S.A.*, also known as ADARO to the prospecting and sample testing. The ADARO stage of the Sahara phosphates lasted from 1948 to 1956. In that year the state corporation came to a final negative conclusion: low volume of open-pit mining possibilities, high cost of a difficult underground mining, the presence of sterilities and low absolute grade (Garcia, 1974: 13). Considering that both the cost of the plant necessary to upgrade the Izic phosphate (up to at least 65% BPL) and the investment on general logistics was too high, the Government and INI put ADARO mining on hold. Besides, the CIF price of the Spanish Sahara ton would always be higher than the ones produced in the two main Spain's suppliers, the USA and Morocco (Milan, 2017:184-185).

Meanwhile the growth of the Spanish commercial agriculture, still heavily protected, had been large enough to keep booming the sale of fertilizers: from 1946 to 1959 the production of phosphate P205 by the Spanish industry increased at an annual rate of 16.3%⁵. The 1959 Plan (*Plan de Estabilización Económica*) brought expectations of a forthcoming fall in customs duties on agricultural imports which fostered the capital intensification of Spanish agriculture⁶. The demand for fertilizers was expected to accelerate as well as the phosphate rock imports: compared to the period 1955-59, the index number for the yearly average Spanish imports (aggregate of the four main suppliers) in 1960-64 was 162⁷. Besides, the slow upward trend of phosphate rock prices, which in the USA would last until 1966, grew in the years 1957-1961 at an annual rate of 4,8⁸. The Spanish fertilizer industry would certainly appreciate

⁵ Physical output (tons). Growth rate from bottom to peak based on Teigeiro, 1992: 197.

⁶ Between 1960 and 1970 the labour force in agriculture dropped 15 percentage points. The trend during the following decades is almost exponential: in current prices, from 1963 to 1990 the ratio capital/ wages multiplied by a factor of 65. (Balboa, Delgado, Ciudad, 1994: 74;96).

⁷ Data based on the figures presented by Milan, 2017: 181, table 1. The main suppliers were Morocco, Algeria, USA and Tunisia. The increase in imports occurred in spite of an industrial reconversion (modernization of the sulphuric acid equipments) and may be explained by the switch to superphosphate production, which required more high-grade imports, such as those from Morocco and USA. (Milan, 2017: 179-181).

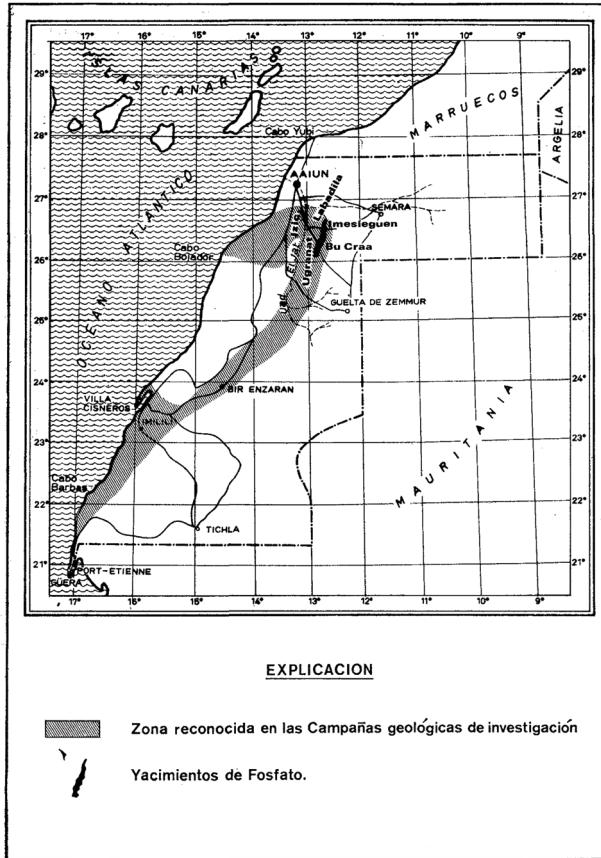
⁸ From data released by the USA Bureau of the Census, 1970: 583;598.

a steady and cheap home supply of raw material. The connections of INI with the capital of the sector dated back to 1940 (Teijeiro, 1992: 191) and in this context the government decided to reevaluate the ADARO report. Many INI leverage interventions in the sector would occur until 1975. In the decision to resume, two other favourable circumstances counted: the “success” of the *Ecouvillon/Ouragan* operations⁹ and the 1958 Oil Research Bill (*Ley de Investigación de Hidrocarburos*), which allowed Gulf Oil to resume the geological research in the Sahara territory. The outcome was that oil prospecting was not rewarding either but while it lasted it allowed for a better geological expertise and for the increase of governmental and private investment in the logistical infrastructure of the territory (Garcia, 1974: 13-14). On this new base, with I.N.I entrusted to resume the ADARO work under a new framework, a committee was appointed in 1960 to test the eventual performance of a pilot plan based on the Izic site. The management staff of a new State corporation should come out of it. The prospects about the Izic remaining poor, the INI did not establish immediately a new corporation – *su entusiasmo por el proyecto no era muy grande* . However, the committee, headed by another geologist (José M. Ríos García), had been working since February 1962 on a “Project B” to extend the phosphate prospecting over a wider area, using aerial photography and reevaluating the oil companies data. In July of that year INI finally decided to establish the *Empresa Nacional Minera del Sahara* (ENMINSA).

During the following two years methodical tests were carried out which led to the discovery of the Bucraa site in May 1963 (see Map 1). The combined tonnage of the Bucraa deposit was 1.7 billion tones: a belt of 49 km long by 6 km wide. In certain points the quality of the ore reached the equivalent to 80% BPL. It was *la mayor mina de fosfatos del mundo* (Garcia, 1974: 27-31) and, of course, the Izic Project was dropped. With the Bucraa site, ENMINSA could expect many years of differential rents: high-grade ore, good location (the mine was less than 100 km away from the sea), possibilities of economies of scale (a site exploited just in one mine, owned by a single corporation)¹⁰.

⁹ They were combined military operations of the French and Spanish colonial forces in the Spanish Sahara to counter the ALN (National Liberation Army), the armed wing of the nationalist Moroccan Istliqual party. In 1958 ALN military staff was almost independent of the Istliqual politicians . Colonial repression produced the first main exile movement of Saharawi populations, towards Mauritania and Southern Morocco. (Bontems, 1984:60-61).

¹⁰ As regards this importante comparative advantage of Bucraa, Ríos García wrote : “ya en Florida los yacimientos eran más extensos, su propiedad estaba dividida en, por lo menos, doce compañías distintas, y si los de Marruecos estaban en una sola mano, en cambio se repartía en diversas áreas distintas unas de otras, con diversidad también de características y calidades”. Further prospecting between 1963 and 1965 also showed that Bucraa was the only important phosphate site in Spanish Sahara (Garcia, 1974:31-33).



Map 1: the W. Sahara Phosphate belt (Garcia, 1974:10)

1.2. Still no rents but only public capital (1962-1973)

In 1962 ENMINSA was launched with a share capital of 50 million Pts (Milan, 2017:187). In 1975, the capital of the company that succeeded it, *Fosfatos de Bucraa*, was 5,000 million¹¹. In spite of the 100 times fold multiplication, the only capital subscriber of both companies remained the INI, that is, the Spanish State. Considering the rent-yielding prospects of

¹¹ AGA, 81/11550, *Prevision de Resultados Económicos de FosBucraa en 1.975*, 12-03-1975. It was the nominal capital of *Fosfatos de Bucraa* since its establishment in 1969.

Bucraa, this outcome could have been a permanent option but a recent study showed that in fact it was not.

In 1965, two main reasons were pushing ENMINSA to a capital increase open to companies in the sector: the mine's export vocation, whose production would largely exceed domestic demand, and its undercapitalization, which resulted in growing deficits, indebtedness and lack of liquidity. The government ordered INI to open tenders to select future partners but after the US group IMC¹² was selected, negotiations dragged on for two years. The downward trend of international prices of the late sixties did not favour the standing of Spanish government. Still in 1967, a proposal in which INI would keep 75% of the shares (with option to sell 20% to IMC) and IMC would pay \$ 26 million as compensation for the discovery of the site was still on the table. The American group pressed for an increased management control (a cartel of phosphate producers was emerging) but as INI did not believe that the downward trend in prices could last and, even if it did, that it would not affect Bucraa's high-grade ore, negotiations broke down in 1968 (Milan, 2017:192-197).

Still, as the installation of the basic equipment was far from complete¹³ and the fixed capital investments would continue without income for several more years¹⁴, it was urgent to recapitalize the company. In 1969, the INI established a new one, with a new management staff: *Fosfatos de Bucraa, S.A.* From 1969 to 1975, Fosbucraa's investment amounted to 24 billion pesetas, almost 5 times more than its share capital¹⁵.

Having made the political decision to rely solely on public capital, countering the fall in phosphate prices between 1967 and 1972 became INI's priority. The strategy, pursued through negotiations mainly with the world's two main producer groups (the American companies and the Moroccan OCP¹⁶), was to integrate the company into a cartel for prices and markets. The INI did not rule out new forms of foreign participation in the capital, which was tried

¹² International Minerals & Chemical Corp., based since 1940 in Chicago, became the US leading producer of phosphate rock and fertilizer. By the time of the negotiations with Fosfatos Bucraa, the company was making about \$130 million in annual sales and employed over 5,000 people around the USA. <http://www.encyclopedia.chicagohistory.org/pages/2724.html> (cons. 25-09-2024).

¹³ It was only in 1968 that the conveyor belt facilities was awarded to Krupp Mashinen). For the delays in funding and the issuance of debt guaranteed by INI which delayed the full exploitation of the mine, see Milan, 2017: 198-199).

¹⁴ The experimental stage of production started in 1972. AGA, 81/11546, Fos Bucraa, *Resumen de las Relaciones del Mineral obtenido y facturado, valorado franco sobre bordo en El Aaiun (Fase Experimental, Octubre 1975*

¹⁵ AGA, 81-11579, *Sahara*, n/d, p. 15.

¹⁶ *Office Chérifien des Phosphates*. State-owned corporation established in 1920 for the mining of phosphate rock and, lately, production of fertilizers.

again with the IMC group in 1971. However, it excluded them from negotiations with the Moroccan group because of the possible political implications, namely the support it would grant for Moroccan claims on Spanish Sahara (Milan, 2019: 309-320). In 1975, the suspicion of Moroccan capital entering Fosbucraa was still present in the ceasefire negotiations between POLISARIO and the Provincial Government¹⁷.

The OCP was the weakest link in the chain of the main phosphate producers because it depended on its exclusive shareholder, an increasingly indebted Moroccan State. By the end of the 1960s, the blockage of land reform had led to negative per capita growth (annual population growth rates of 2.8% compared to less than 2% for output). The *Makhzen*, faced with successive strikes, urban riots and coup attempts, had begun a program of public investment: land irrigation, intensification of capital in the phosphate industry, tourist infrastructure, etc. (Vermeren, 2006:40-56). The fall in phosphate prices and the upward trend in oil prices came at the worst time.

In 1973 phosphate exports accounted for 21% of Morocco's national foreign exchange earnings (Geissler, 2023:7) and OCP badly needed a cartel needed in order to maximize sales. That is why during the years 1970-73, the OCP showed openness to experiment all cartel mixes (separately or combining the French Sephos¹⁸, the IMC group and INI). With the latter, the end result suited the INI's strategy: in the spring of 1972 OCP signed an agreement on prices and markets without stakes in Fosbucraa capital (Milan, 2019:322). It seemed that the Spanish firm could finally dispose of an increasing regular mineral output and of a commercial strategy. The following year the later would be completely changed.

1.3. The Fosbucraa rent and Spanish private capital (1974-1975)

The reversal of the downward price phase (1972-73) coincided with the start of industrial exploitation in Bucraa. For Fosbucraa the expected result was a flow of differential rents¹⁹.

¹⁷ According to Khalihenna Ould Errachid, then acting as a go-between for the colonial government, that was the conviction of Polisario: "Insisten de que en Fosfatos marruecos tiene una participación de un nueve por ciento, y que la Krup tambien."AGA, 81-11550, *Entrevista Ilmo Sr. Secretario General - Sr Halihenna*, 30-11-1974, p.2.

¹⁸ *Société d'Études et des Participations Phosphatières*. It was a holding of French chemical and banking capital for the production and sale of phosphate rock and fertilizers, established in 1968 (Milan, 2019:309)

¹⁹ In the Ricardian sense a differential rent is a permanent profit above the average rate which can be noted as as:

$$P = (Rp - Ic) \cdot Q.$$

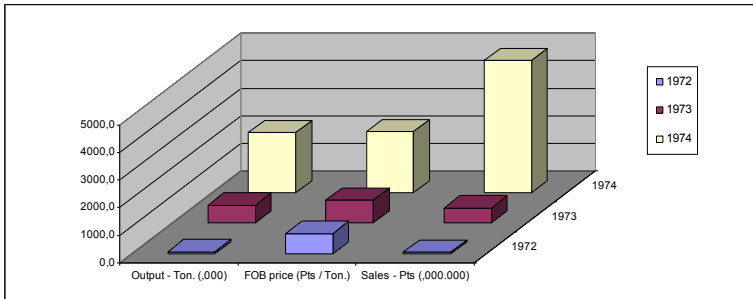
P being the mass of profit; **Rp** the regulatory market price (set by the marginal producer); **Ic** the individual cost of production (being $Ic < Rp$); **Q** the physical output produced.

Compared to the previous year the balance sheet for 1974 – the first year of the industrial stage of exploitation – shows a 3.3 increase in tonnage, a less than 3 increase in the average FOB price (2,6) and a 8.7 increase in gross operating revenue.

Table 1 and Figure 2 – Fos Bucraa – Output and Prices – 1972-74

Año	Output -Ton. (,000)	FOB price (Pts / Ton.)	Sales - Pts (,000.000)
1972	73.0	741.0	54.1
1973	654.9	836.0	547.5
1974	2168.4	2202.1	4774.8

Source: AGA, 81-11546, Fosbucraa, *Resumen de las relaciones del mineral obtenido y facturado, valorado franco sobre bordo en El Aaiun (Fase Experimental); Ventas de Fosfatos. Resumen del año 1974, 03-1975*



The fact that it was state and not private capital to have appropriated Bucraa’s rent favoured capital accumulation. If such a large mass of super-profits becomes a source of public revenue, capital as a class benefits from an extra-ordinary income which can be fiscally transferred to productive capital and *directly* increase the general rate of profit. If the rent is large enough, it can also be used to increase it *indirectly* by paying for part of the “unproductive” States’ expenditure.²⁰ Fosbucraa rent would do both. However, its relative distribution did not

²⁰ “The suppression of land rent, as defined by Ricardo, its transformation into state property - the rent instead of being paid to the landlord would be paid to the state - is the ideal, the burning desire that arises from the very nature of capital. Capital cannot suppress landed property. But through its transformation into rent (paid to the state) it appropriates it as a class to pay its state expenses through a detour of what it cannot take directly.” (Marx, 1974: III, 558). This means that a State owned rent prevents the risk of its unproductive use (such as sheer consumption) which would occur if private owners (such as landlords) would dispose of it. Although a large part of the State’s expenditure does not correspond to capital

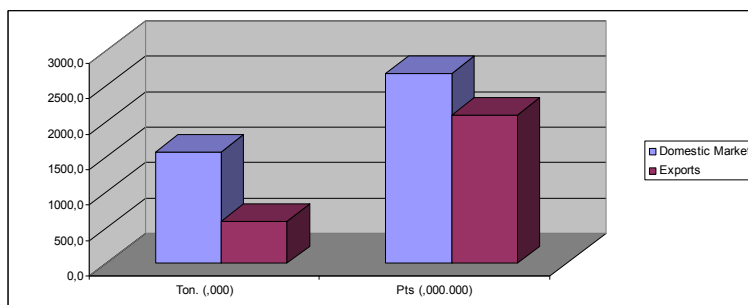
follow a governmental plan: it was determined by *other* sectors of capital and by external pressure.

The process decision was quick. In October 1973 the OCP backed by a double cartel protection (with the IMC and other minor producers and with the 1972 agreement with Fosbucraa) started to increase prices. The Spanish fertilizer industry immediately threatened to trigger the domestic prices of fertilizers which would worsen the Spanish inflationary environment²¹. The upward trend of phosphate rock was now unstoppable: in current prices, it went from \$ 14/ton in January 1974 to \$63 in November²². But the Spanish Government and INI would not allow it to hit the production costs of Spanish private capital. In November 1973, the market share which had been set at the 1972 agreement with OCP was redesigned in order to decrease the Moroccan phosphate exports to Spain and to replace it by Sahara ones (Milan, 2019:322). Accordingly, in 1974 the Fosbucraa sales were as follows:

Table 2 and Figure 3 – FosBucraa – Sales – 1974

	Ton. (.000)	Pts (.000.000)	\$ / Ton.
Domestic Market	1572.8	2681.8	30
Exports	595.5	2093.1	61
Total	2168.4	4774.8	39

Source: AGA, 81-11546, *Ventas de Fosfatos. Resumen del año 1974, 03-1975*



investments, this does not mean that such expenditure is not necessary to promote capital accumulation. The Sahara budget for 1975 would demonstrate it (see point 1.4).

²¹ In 1973, the yearly inflation rate in Spain was 11.3.

²² CIA 9326/74, Memorandum, 06-11-1974.

By selling 73% of its physical output at less than half the international price to the Spanish fertilizer industry, the amount of the Fosbucraa rent which was directly transferred to private capital was no less than 2.84 million Pts (6% superior to the company's sales in Spain)²³.

Putting it in another way, 37.3% of the potential gross sales revenue of the company was turned into a bonus for the Spanish pool of profits²⁴. No wonder that INI was against this decision coming directly from the government (Milan, 2017: 200): without it, Fosbucraa's gross sales revenue would be 60% higher.

The biggest beneficiaries of the bonus were the major groups of the Spanish fertilizer industry (see Annex 1). In 1974 the Fosbucraa phosphate was sold to 18 Spanish firms but *two* of them concentrated 60% of the sales: S.A. Cros²⁵ and UERT²⁶. Adding Foret S.A. and Fertiberia, four corporations bought 75% of the Sahara rock. The selling price also reflects government bias: 7 corporations, among which were UERT, S.A.Cros and Fertiberia, bought it below 30 \$ US (an average discount of 29% compared to the others).

The Spanish fertilizer sector was particularly unbalanced (there were three large groups, including INI itself and dozens of small firms) although not enough for international competition (Teigeiro, 1992: 190.191). The 1974 phosphate "political" sales were a further step towards a higher degree of concentration.

Keeping the Moroccan phosphate away from the home market implied changing the 1972 agreement on foreign markets. The reshaping of the market meant further losses of rent for Fosbucraa. As more than 80% of the OCP exports went to Europe (Milan, 2019: 320) where the unit price tended to higher, Morocco was to be compensated for lesser sales in Spain. Bucraa exports were therefore pushed towards markets where the regulator price was lower. In 1974, 63% of the export revenue made by the Spanish company resulted from sales at less than 60 \$US per tone. Japan became the major buyer of the Bucraa phosphates (51% of the export sales) but only at 58\$ US per tonne (in Germany the price was 72 \$ US – see Annex 2).

²³ Difference between the the potential gross income of Fosbucraa (if the company had sold all its physical output at the average international price of 3,514 Pts or 61\$ US, which would amount to a total of 7.62 million Pts) and its effective sales (4.77 million Pts).

²⁴ No industrial or banking corporation ever considered to subscribe capital of ENMINSA or Fosbucraa (Milan, 2017:192). In 1974, the sales policy of Fosbucraa confirmed they did not need it to access the phosphates rent.

²⁵ The *Sociedad Anónima Cros* (1904-1989) was the major Catalan corporation, with chemical plants all over Spain. For a short time it experienced a holding in the sector (*Proquiber*) with the UERT (Teijeiro, 1992: 195-196) . In 1972 it attempted to enter the mining sector by purchasing the Tharsis Mines.

²⁶ The *Unión Explosivos Río Tinto* (1970-1982) was the major Spanish industrial group controlling over 40 corporations. UERT (or ERT) resulted from the fusion of *Unión Española de Explosivos* and the former British-owned mining *Compañía Española de Minas de Río Tinto*. In 1974 UERT bought *Fertiberia*.

1.4. The Fosbucraa rent and the Sahara Budget (1974-1975)

As the world's larger producer, the OCP kept increasing prices and influencing the other exporters to follow. The 1973 increase had been less than 20% but in the following year the world price was multiplied by 4, just like crude oil prices. In January 1975 Morocco announced an additional increase of 19% (up to 75 \$ US)²⁷. In fact, that increase marked the peak of the short boom because rightly after it became clear that the world recession and the increased output from all the phosphate producers would rapidly put an end to the rise²⁸.

Meanwhile, firms like Fosbucraa could still use a windfall profit. In its 1975 budget the firm expected to sell 3443 thousand tons (58% more than in 1974) at the FOB price of 3686 Pts/ton (67% higher than in 1974). Its expected gross sales revenue of 12643 million Pts (2,6 times the 1974 sales) should produce a net result after taxes of 5440 million Pts. This income, higher than the share capital of Fosbucraa, is likely to correspond to a real profit rate of 23%²⁹. It certainly would be even higher if the company did not continue to sell most of its physical output at reduced prices to the Spanish industry, as it did.³⁰

Anyway, the use of the Fosbucraa rent to subsidize capital of the chemical sector in Spain was not the single government-led use of the Fosbucraa rent:

Table 3 – Fosbucraa – Profit Distribution Account – 1975 (Expected)

	Pts (,000.000)	%
Reserve Fund	544	10
Increase in Legal Reserve	460	8.5
Dividend	300	5.5
Additional Dividend	300	5.5
Remainder of Results for the Sahara	3836	70.5
Total	5440	100

Source: AGA, 81-11550, *Prevision de Resultados Económicos Fosbucraa en 1975*, 12-03-1975

²⁷ CIA 9326/74, *Memorandum*, 06-11-1974.

²⁸ CIA ER IR 75-15, May 1975, pp. 3-5.

²⁹ Assuming a permanent capital around 24,000 million Pts. See note 15. Adding the sales revenue which would be lost through discounts to the industry it is likely that the real profit rate should be over 30%.

³⁰ In 1975 this percentage rose to 83% (Milan, 2017:200).

Apart from confirming the state-owned feature of the distribution (which management of a private *rentier* firm could afford to distribute *just* 11% in dividends in a peak year?), table 3 shows that 70% of the 1975 net results should be transferred to the Sahara provincial budget. If the taxes already deducted that are added to the “Remainder”³¹, the Fosbucraa contribution to the income of the *Gobierno General del Sahara* would make 5478 million Pts.

Although this sum represented 2, 2 times the total Ordinary income of the Province in the fiscal year of 1974 (2472 million Pts), it was far from solving the urgent problems. For the Government of Sahara, mainly because the 1974 contribution of Fosbucraa to the territory was already below what should have been according to the new *Estatuto* : in other words, because the 2.8 million Pts discount to the Spanish industry should have reverted to the territory³². But for all the levels of the Spanish administration it was clear that the rapid evolution of events since late 1973 (POLISARIO military operations, Moroccan propaganda, the ongoing case at the International Court of Justice, the visit of the UN commission and the Madrid commitment to hold a referendum in the territory during 1975) was shaking the colonial authority. As a large scale colonial war was completely ruled out, considering the implications it could have on the survival of the Spanish regime, the most pragmatic policy would be the implementation of a fast welfare program in the Territory.

It seems that the colonial officials on the ground took less time than the Madrid authorities to feel the need for political shifts.³³ Yet both instances were aware that such program (*Programa Especial de Promocion del Sahara*) would practically start from scratch. As the *Direccion General del Sahara* stressed, the priorities were now public works (housing and urban infrastructures)³⁴, full employment³⁵ and welfare subsidies (unemployment and retirement³⁶, free

³¹ In 1975, the tax deductions were: a royalty of 7% on the FOB Sales: *Canon explotacion fijo* = 885 M. Pts + the taxation on profits = 605 M. Pts + *Impuestos IRTP + IGTE* = 152 M. Pts. AGA, 81-11550, *Prevision de Resultados Economicos Fosbucraa en 1975*, 12-03-1975.

³² AGA, 81-1150, *Gobierno General de Sahara – Secretario General*, 12-01-1975.

³³ As late as October 1974 an official opinion in the *Direccion General de Promocion del Sahara* was still against the integration of Nomadic Troops (Saharawi Police) into the Spanish regular army because of the increase in Retirement funds it would bring to future metropolitan budgets. AGA, 81-11546, *Nota sobre el anteproyecto de ley de creacion de Cuadros de oficiales y suboficiales saharauis de las tropas nómadas*, 09-10-1974. Less than three months later, a mixed commission from the Army and the Provincial Government was asking for wage increases of 42,2 million Pts just for the Police. AGA, 11-550, *Informe para el ex.mo senor director general*, 12-01-1975.

³⁴ The Public Works Plan amounted to 4769 million Pts. The document does not refer the time span of its implementation. Source: AGA, 81-11550, *Plan Progresivo de Obras Reales*, 12-03-1975.

³⁵ In the last four months of 1974 the Fosbucraa remittances had allowed to hire 4,000 unemployed workers. The corresponding item for 1975 in the most optimistic scenario would amount to 600 million Pts. AGA, 81-11550, *Gobierno General de Sahara - Secretario General*, 12-01-1975.

³⁶ The goal was to extend Social Security to the whole Saharawi population. AGA, 81-11550, *Gobernador General de Sahara*, February 1975.

delivery of basic foodstuffs, etc.)³⁷. They were also aware that either this Program (which was due to last four years with annual remittances of 5 billion Pts) was immediately implemented or it would be useless. For instance, in the summer of 1975 the rehiring of dismissed workers and the ability to supply the territory with foodstuffs at deflated prices were the focus of the negotiation with POLISARIO for an immediate cease fire. The two demands were immediately accepted by the Sahara Government³⁸.

Because of the urgency, the new policies required no-ordinary measures³⁹. According to the terms of the concession, Fosbucraa should transfer the amounts due to the *Direccion General de Promocion de Sahara* as phosphate exports were made. By late 1974 the average monthly transfer was estimated at 40 million Pts⁴⁰. This might have worked for the ordinary remittances but not for the implementation of the *Programa Especial*. In March 1975, the *Direccion General* wanted to force Fosbucraa to advance at once the taxes due for that very year of 1975, which legally the firm would have to do only in 1976⁴¹.

Most of the differences of opinion between the ministerial level and the territorial government were due to a mismatch of information. However the gap between the political authorities and Fosbucraa's management can be considered to be of a different nature. It reflects the contradiction between a general supervision of capital interests, provided by the Government as well as INI, and the individual interests of a fraction of capital, although legally owned by the state. The following points will focus on this contradiction. Still the major contradiction remained within Fosbucraa: the one which opposes every fraction of capital to labour, that is the conflict over the surplus-value rate⁴².

³⁷ Just the urgent extra-budget subsidies were estimated by the Sahara Government at 799,2 million Pts. Pts. AGA, 81-11550, *Gobierno General de Sahara – Secretario General*, 12-01-1975. All the measures contained in the information of the *Direccion General* had come from the officials at Aaiun. AGA, 81-11550, *Gobierno General de Sahara – Secretario General*, Febrero 1975.

³⁸ POLISARIO also wanted the liberation of recent detainees, which was also accepted. AGA, 81-11550, *Frente Polisario*, 05-08-1975; *Gobernador General de Sahara*, 11-08-1975.

³⁹ *The D.G. Promocion del Sahara* wanted “un remedio de choque (o por lo menos un paliativo)”. AGA, 81-11550, *Direccion General de Promocion de Sahara*, 29-03-1975.

⁴⁰ AGA, 81-11550, *Informe al ministro de la Presidencia del Director General de Promocion de Sahara*, 14-12-1974..

⁴¹ “La única dificultad es que la empresa no viene obligada a abonar ese dinero hasta la liquidacion del ejercicio que se hará a principios de 1976 y los gastos en el territorio hay que hacerlos ya desde ahora. Esta dificultad es la hay que resolver perentoriamente.” AGA, 81-11550, *Director General del Sahara, Informe para el Ministro de la Presidencia*, 29-03-1975.

⁴² Using the notations of the labour theory of value, the value added of every commodity in capitalist production is defined as $v + s$, being v the value corresponding to the labour time paid to the worker as wages and s to the non-paid labour time transferred to capital as surplus-value. The rate of surplus value is s/v .

2. Labour and conflicts at Fosbucraa

Phosphate mining impacted the Saharawi society only some years after the establishment of ENMINSA. In October 1962, by the time that Project B (mining prospection outwards of Izic) got validation from the INI (see 1.1), ENMINSA just employed a total of 98 effectives, including technical and administrative staff. (Garcia: 1974: 23-25). In 1967, still undercapitalized and at an early stage of installation, its whole labour force amounted to 405 workers⁴³. In 1973, during its experimental year of production, Fosbucraa employed a total workforce of 2000,⁴⁴ 1500 of whom were working at the industrial pole of Bucraa⁴⁵.

The numbers were supposed to rise. In early 1975, the company was planning to achieve outputs of 6 million tonnes during the year 1976 and 10 million in 1980, which means an yearly growth rate of more than 20%. Such rate would certainly not be matched by a proportional job creation. Bucraa operations were carried out in an open pit, which compared to underground mining allows for saving fixed capital (in engineering structures) and especially direct labor. This is probably the main explanation for the relatively low number of the 1972-73 workforce, even considered that it relates to an experimental stage of the production. Besides, being a late comer into the sector, the company must have started with a relatively high organic composition of capital⁴⁶.

Therefore the capital-labour conflict at Fosbucraa was focused over the *relative* surplus value⁴⁷. As there was no legal possibility of changing work times⁴⁸ the only way for Fosbucraa to increase its surplus value rate was to rise the degree of labor intensity and the corresponding productivity. The company's efforts to achieve this goal focused mainly on skilled and semi-skilled workers, those on whom productivity gains depended most. There are reasons to

⁴³ AGA, 81-11546, ENMINSA, *Condiciones de vida y trabajo del personal saharui en la Empresa Nacional Minera del Sahara, S.A.*, October 1967.

⁴⁴ About 600 of whom were Saharawi. https://es.wikipedia.org/wiki/Fos_Bucraa (cons. 27-09-2024).

⁴⁵ AGA, 81-11546, Fosfatos de Bu-Craa, S.A., 25-06-1973.

⁴⁶ The organic composition of capital relates the value of the means of production (equipments, other fixed assets, raw materials) to the amount of labour required to operate them. If c stands for the value of the means of production, the organic composition of capital is $c / (v + s)$. For s and v , see note 42.

⁴⁷ The surplus value rate (s / v) is determined by work time, work intensity and productivity. The *relative* surplus value increases when, while maintaining work time, work intensity and productivity cause s to increase proportionally more than v (wages). For s and v , see note 42.

⁴⁸ For political reasons, it is likely that ENMINSA and Fosbucraa were monitored by the INI and the local Government as regards the 40 hours week. In 1967 ENMINSA boasted that as regards work times it had accomplish what “*en los países europeos más desarrollados económica y socialmente se viene luchando hace años por conseguir.*” AGA, 81-11546, ENMINSA, *Condiciones de vida y trabajo del personal Saharui en la Empresa Nacional Minera del Sahara, S.A.*, October 1967.

believe that this pattern of class-struggle also contributed to frame the relationship between Fosbucraa and the *Gobierno General* as regards labour issues.

2.1. The making of a Saharawi working class (1967-1975)

Considering that at Fosbucraa the surplus value rate depended more on specialized workers than on others, it is understandable that in its early years of activity, the company employed a relatively small number of Saharawi. It would take some years for a significant Saharawi skilled offer to be available. But it is also expected that if and when it did, the company preferred it to the more expensive Peninsular workers⁴⁹. Given the political context in which labor relations evolved in Spanish Sahara it is understandable that, in the first years, the disagreements between the government and the company concerned more often the *total* number of Saharawi employed and afterwards, as the skilled Saharawi offer increased, the discriminatory treatment given to them. Central government's directives to enforce preferential recruitment of Saharawi were in place since at least 1964⁵⁰. In 1967, ENMINSA's 405 wage-earners were distributed as follows, according to origin and qualifications⁵¹:

Table 4 and Figure 4 – ENMINSA workforce – 1967

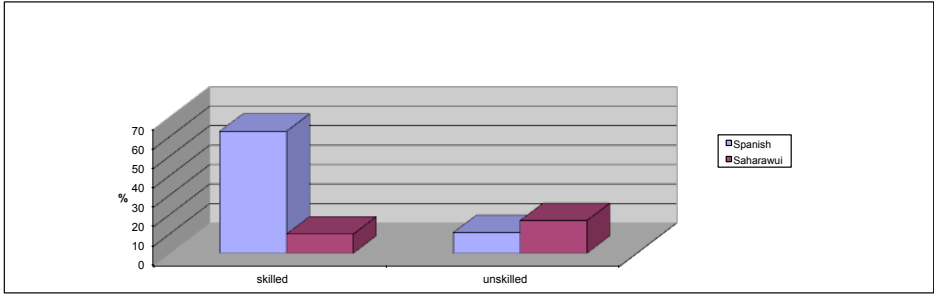
	Skilled	Unskilled	Total
Spanish	254	43	297
Saharawi	40	68	108

Source: AGA, 81-11546, *ENMINSA, Condiciones de vida y trabajo del personal saharui em la Empresa Nacional Minera del Sahara, S.A.*, October 1967

⁴⁹ As it had already been the case with the Gibraltar *unskilled* workers that INI had ordered Fosbucraa to recruit. The *D.G. Promocion del Sahara* accepted Fosbucraa's complaint and rejected the request, considering the higher costs involved in wages to Peninsular workers and in moving their families to the Territory. AGA, 81-11546, 27-01-1974.

⁵⁰ The articles 7 and 9 of the *Ordenanza* of 30-05-1964 established hiring preferences for "natives and other workers resident for at least one year".

⁵¹ The criterion used for the classification by skill was to consider, from the list of professions and positions given by Enmisa, as qualified: graduate and non-graduate technicians, drill runners and shot firers (1st to 3rd class of *barrenistas*), other qualified manual workers (1st and 2nd class of *oficios varios*) and administrative staff; as unqualified, all the others (*peones, pinche subalternos*).



By then the Spanish (Peninsular and Canaries) workers represented a little less than $\frac{3}{4}$ of the total work force (73%) but over $\frac{4}{5}$ of the *skilled and semi-skilled* workforce (86%). Justifying the low number of Saharawi of Table 4, ENMINSA reported that the *general selection criterion* was to *hire Saharawi personnel, as long as they had the indispensable knowledge required to perform a job* but that *the level of their knowledge is so low that their entry into the company has almost always been done as labourers*. Even when they had the formal qualification for skilled jobs, *experience has shown us that their level of knowledge was also very low, so they had to learn within the Company*⁵².

In the coming years these proportions were not likely to change much in spite of the *Programa de Promoción Obrera*, started in 1967. In 1973, the Spaniards still represented 70% of the Fosbucraa employees. The facts showed that as a rule the company would rather fire than hire Saharawi. In 1974, the *D.G. Promocion del Sahara* complained to Fosbucraa about this policy, reminding its political implications⁵³. The company was not too convincing in its reply: it admitted that the redundancies were limited to casual staff, whose 3 months contracts were over and added that reintegration could later occur, if justified. Still, the hiring map attached to the information showed that within less than three months 33 Saharawi had been laid off (of which 7 for not being considered suitable for the job) while 11 Europeans had been admitted⁵⁴.

⁵² On the other hand, the hiring of unskilled Spaniards (which required validation by the Government of the Territory) was justified by the tasks that the Saharawi male workers refused to perform, such as cleanings: “Entre los pinches y peones europeos los hay contratados para limpieza en las Residencias de Bu-Craa donde no hay mujeres, ya que el personal saharia no acepta normalmente esta labor.” AGA, 81-11546, ENMINSA, *Condiciones*, October, 1967.

⁵³ The Director wanted inner information about the rumours about frequent layoffs of Saharawi because “los saharauis en esto de la discriminacion estan supersensibilizados y cualquier diferencia sirve siempre de motivo de discusion y de descontento.” AGA, 81-11546, *Direcion General de Promocion del Sahara*, 12-03-1974.

⁵⁴ AGA, 81-11546, *Fosbucraa, Informe sobre contratacion de peones nativos eventuales por Fosbucraa*, April 1974.

Besides, Fosbucraa had an understanding too wide for Saharawi taste about the “native” label. A significant number of non-Spanish medium and high skilled staff were in fact Moroccan employees. In 1975 reversing this situation was also among the POLISARIO’s demands⁵⁵. In fact, the company never seems to have been concerned about the true origins of its “native” staff, even of the unqualified ones. Before the conveyer belt was operational, the *Chiu*⁵⁶ complained to the Government that the contract for loading the phosphate by truck was held by a Moroccan company and involved the recruitment of *tribus y fracciones* from the North, *consideradas por los nativos como marroquies*. Addressing the company, which justified itself with the savings awarded by a single contract with a large company, the government recalled that in the circumstances of the Province political criteria should prevail over economic ones (*se estima que sobre criterios economicos, deben prevalecer los de caracter politico*)⁵⁷. Fosbucraa’s internal documentation will certainly shed light on the extent to which the government was really able to enforce them during the period in which it controlled the company, particularly as regards the larger employment of real “natives”.

In addition to the greater or lesser number of Saharawi hired, Fosbucraa was aware of the Sahara’s peculiar labor framework, which had many legal shortcomings compared to that applied in other Spanish provinces (regardless of the empty formality of many of these procedures). For instance, in the Sahara there was no work juries (as it should be in plants with more than 50 workers), no legal Unions, etc.⁵⁸

These conditions favoured the discrimination against the Saharawi when in relation to Spaniards in similar jobs. In the late years of the Spanish administration, the differences between the political and the management criteria over this issue became more frequent. It seems that the first time the Government forced Fosbucraa to account for it was over Moroccan accusations in a press article⁵⁹. The journal accused ENIMINSA of forcing the

⁵⁵ When reporting to Sahara Government his negotiations with POLISARIO Khalihenna asked about the true in the allegations that Moroccan staff was important at Fosbucraa. The Secretary of the Government confirmed it (*hay gente calificada, capataces, etc.*) but the fault was to blame on the ADARO heritage and... on the Saharawi who had documented them! AGA, 81-11550, *Gobernador General de Sahara, Entrevista Ilmo Sr. Secretario General – Sr Halihenna*, 30-11-1974.

⁵⁶ Traditional Saharawi chiefs.

⁵⁷ All the more, added the Government, considering that the amounts saved hardly weighed on the profitability of investments as large as those of Fosbucraa. AGA, 81-11546, *Direccion General de Promocion de Sahara*, 17-01-1970.

⁵⁸ The company admitted these formal omissions when it was legally obliged to draw up the Internal Regulations (*Reglamento de Regimen Interior*) of its Aaiun pole. AGA, 81-11546, *Fosfatos de Bu-Craa*, S.A, 25-06-1973.

⁵⁹ In the official translation: “El drama de los obreros del Sahara”, published in “Nuestro Sahara”. the newspaper of the pro-Moroccan *Frente de Liberacion del Sahara*. The article mixed propaganda items

Saharawi to longer working hours at half of the European equivalent pay and with worst accommodation (precarious self-built housing or tents), etc. The firm rapidly produced a 18 pages leaflet denying it all⁶⁰ and boasting of going further than the labor and welfare legislation in Spain required as regarded other issues such as the number of days of paid leave, social security benefits for families, high-quality facilities, free medical assistance, education with monetary incentives, etc⁶¹.

Considering the absolute and relative importance of skilled and semi-skilled workers for the goal of increasing relative surplus value, it is plausible that Fosbucraa's direct and indirect wages tended to stand out from all other employers in the region⁶². In 1975, the Sahara Government felt obliged to complain about the company's wage policy which by offering "excessive" increases harmed other employers and the administration itself. Fosbucraa's high salaries were even pushing the local police officials to desert in search for company jobs⁶³.

But such wage policies were certainly not applied to the unskilled workers, that is the majority of Saharawi still employed by Fosbucraa. For jobs with no scope for increasing labour intensity and productivity the company had already admitted in 1967 that it paid low wages and did not make career progressions⁶⁴. As the workforce grew, the formation of a class consciousness among Fosbucraa workers became linked to the dual wage and career standards practiced by the company. In 1975, a report of an important official considered that the wage differences between Saharawi and Spanish staff had become *excessivas* and that they were fomenting unrest among the whole workforce⁶⁵. In 1975, the Secretary of the Government confirmed that Fosbucraa relegated the Saharawi to the lowest jobs, even those

with some reliable information, which shows that it had been made based on inner information. For instance, the absolute figures for Saharawi employmen were not far from those given by the company: the article mentioned 90 out of 400 workers, ENMINSA 108 out of 405. AGA, 81-11546, Spanish Embassy in Rabat, 18-09-1967.

⁶⁰ Although indirectly admitting some wage differences: for instance, the company paid a basic wage but supplemented it with a 75% subsidy to compensate for the cost of living . This was certainly not paid to local workers. The productivity bonuses were another factor for a wider wage differentiation. AGA, 81-11546, ENMINSA, *Condiciones*, October, 1967.

⁶¹ The Saharawi benefited from three more days off than the Europeans because of Muslim holidays (Aid el Seguer, Aid el Quebir y Aid el Mulud). The leaflet included more than 20 photos of the facilities and daily life. AGA, 81-11546, ENMINSA, *Condiciones*, October, 1967.

⁶² See note 47.

⁶³ AGA, 81-11550, *Gobierno General de Sahara - Secretario General*, 12-01-1975.

⁶⁴ The company referred to jobs and workers *cuya única meta es subsistir con la menor fatiga posible. Esto ocasiona una serie de peones, que no saldrán nunca de esa categoría.* AGA, 81-11546, ENMINSA, *Condiciones*, October, 1967.

⁶⁵ AGA, 81-1550, *Delegado prefecto de la Juventud, Sahara Actual* , p. 13, 10-06-1975.

with formal qualifications. That is why, he added, that the Fosbucraa Saharawi employees had bad work performances⁶⁶. From work slowdowns to industrial action the steps were few. Since October 1974 strikes and workers demonstrations had occurred in Aaiun, although the details of its organization are not clear⁶⁷.

The conclusion drawn in 1975 by the Government about the political effect of Fosbucraa was clear: the company represented *un foco preocupante* for the Spanish interests. Moreover, the company was spreading all over *un espíritu anti-español*⁶⁸. Recent events had showed how far the “anti-spanish” mood had gone but at the same time the rapid progress of the Saharawi workforce.

2.2. Upgrade of the Saharawi workforce and social blockade (1975)

During the years 1974 and 1975, phosphate mining in the Sahara became increasingly affected by political action. Fosbucraa S.A. started selling its output in a instable market where a cartel configuration had not yet been set. It rapidly became a strategic target for the other main producers. The Moroccan OCP was the most active in attempting to control it, one way or the other (see 1.2).

For POLISARIO, capable of military action since 1973 and whose political support base included company’s workers, Fosbucraa was also, although for different reasons, an important political target. A successful attack to its facilities could bring the party more popularity and international recognition and thus POLISARIO struck the first blow.

On the 21st October 1974, possibly between 2 and 3 a.m., the stations 7 and 8 of the Fosbucraa conveyor belt were sabotaged and the transportation of phosphate was immediately interrupted. Although the circumstances of this POLISARIO operation are out of the scope of this paper, the operation in itself is also an indicator of the impact of Fosbucraa on the Saharawi society. The official enquiry showed that workers had actually been mobilized for the action: the staff due for night work at those two stations had asked for delaying the shift start until 6.00. Nobody was arrested lack of witnesses⁶⁹. It also showed that the technical operation, which had disabled 200 meter of the belt at about 8 km from the terminal, had been surgically executed. According to the company staff , *los que realizaran el hecho deben*

⁶⁶ AGA, 81-11550, *Gobierno General de Sahara - Secretario General*, 11-02-1975.

⁶⁷ AGA, 81-11550, Spanish Embassy in Tripoli, 10-06-1975.

⁶⁸ AGA, 81-11550, *Gobierno General de Sahara - Secretario General*, 11-02-1975.

⁶⁹ The envoy of the D.G. Sahara reported that the sabotage had been widely condemned among the population (*de condena total*) but the fact is that noone provided the single information about its authors. AGA, 81-11550, *Direcion General de Promocion de Sahara Informe para el Señor Director*, 30-10-1974.

ser alguien enterado(s) del sistema de funcionamiento. For instance, at station n. 7 only the electronic circuit board had been destroyed.⁷⁰ In fact, the coup had been so well organized that some Spanish authorities, used to downplay on the military capacity of Saharawi armed resistance⁷¹, were reluctant to credit it for the sabotage. In spite of all the pro-POLISARIO political graffiti on the walls of station 7, they wondered if it could not *pertenecer a otras ideologías extremistas*⁷².

In early 1975, Fosbucraa was again targeted by part of its staff, this time favouring the Moroccan interests. On February 3rd, photocopies of confidential information about the company and the phosphate deposit were found in the locker room of the Bucraa plant. The company suspected that the responsible for this attempt of industrial espionage was Abderrahaman Leiba, a senior mining technician working directly with the chief engineering of the site. Leiba came from a family of Tantan and his father had already been harassed during the 1957 Istiqlal campaign against Spain. In his attempt one of the factory foremen seems to have been also involved⁷³. These two actions against Fosbucraa indicate that among the Saharawi skilled staff there was not only capacity for complex technical tasks but also professional dissatisfaction which could be easily turned into political action.

The industrial conflict within Fosbucraa was not the single factor for the *ambiente cargado* of 1975. The company was also exporting the class struggle to its external environment. The multiplier effects of the INI mining investment since 1963 (public works, health and educational services, etc.) were followed by the rent flow which the company was transferring to the provincial budget since 1973-74. Both these money injections accelerated changes in the Saharawi society which in ten year went from nomadic clans to a peripheral class society⁷⁴. According to the 1974 Census, out of a population of 73.4 thousand people, no less than 41.2 thousand lived now just in the three urban areas of Aaiun, Villa Cisneros and Smara (56%). The Census also shows a fast proletarianization: 13 thousand wage-earners, who may

⁷⁰ AGA, 81-11546, *Gobernador General de Sahara*, telegrams, 20 and 21-10-1974.

⁷¹ Polisario had organized at least 11 military operations before the Fosbucraa sabotage. AGA, 81-11550, *Seccion de Informacio General, Cronologia del Frente Polisario (Documento de Trabajo B)*, 07-10-1975. Even so, after the sabotage, the Governor still described it as a guerrilla group of about 325 members, badly equipped (just 30% of automatic weapons) and badly prepared (*la preparacion es mediocre; su capacidad combativa no es mucha*). AGA, 81-11550, *Gobernador General de Sahara*, 12-01-1975.

⁷² AGA, 81-11550, *Direcion General de Promocion de Sahara*, 30-10-1974.

⁷³ AGA, 81-11546, *Direcion General de Promocion de Sahara, Nota Informativa*, 10-02-1975.

⁷⁴ As one official put it: *Practicamente en diez años de una sociedad nómada se há pasado a outra de consumo basada en la industria del fosfato y en ejército*. AGA, 81-11550, *Delegado Ppfecto de la Juventud, Sahara Actual*, p. 13.

represent close to 46% of the active male population⁷⁵. The administration, Fosbucraa and *Cubiertas y Tejados*⁷⁶ were the main employers.

The demand for low-medium skilled jobs and the inflated governmental budgets boosted educational spending. Since at least 1967 Fosbucraa had organized its vocational training centers in Aaiun and Villa Cisneros (Dakhla). According to the company they were oriented towards the needs of qualified manpower⁷⁷ although the learning of Spanish was probably the most important of its basic courses⁷⁸. Meanwhile government expenditure on education had increased and in 1975 about 73% of the male population under 13 years attended the basic school (though only 11.3% of the girls). In that year, 111 Saharawi were registered in secondary schools and 56 had scholarships for studying in Spanish universities. Slowly the qualification of the workforce was increasing: in 1974, the aggregate of skilled workers and administrative staff already accounted for 31% of the Saharawi wage-earners⁷⁹.

It was progress, but nevertheless too much. The perverse effect of the Fosbucraa rent was that it accelerated the transition to a society of wage earners but did not produce enough jobs. Fosbucraa mechanised works needed a relatively low number of unskilled work, as did *Cubiertas y Tejados* and the few other private capitals operating in the Territory. It was up to the Government, the biggest employer, to fill the gap.

In 1975, the political effects of this blockade were plainly visible and several high officials identified the frustration caused by low paid or no jobs at all as the main cause for political action (*puede dar lugar a que sus reclamaciones se realicen con violencia*). They also saw a sharp generation gap between the traditional way of living still dominant in part of the older adult population and the dependence on jobs and imported food of the young ones (*jóvenes, estudiantes, administrativos, especialistas, etc.*)⁸⁰. For the Secretary of the Government even POLISARIO could be dismantled if, among other things, they were offered jobs⁸¹.

⁷⁵ AGA, 81-11570, *Sahara*, s/d, p. 8-9.

⁷⁶ *Cubiertas y Tejados S.A.* (1916-1978) was a civil engineering firm, which merged with the Railway company *Medina del Campo a Zamora y Orense a Vigo*. In 1966 the firm integrated the consortium to build the the Fosbucraa conveyor belt (Milan, 2017: 189).

⁷⁷ AGA, 81-11579, *Sahara*, s/d, p. 40.

⁷⁸ In 1967, 45 “natives” were attending a course of language and culture. ENMINSA was paying a 5 to 10% increase in wages for those who passed the exams. AGA, 81-11546. ENMINSA *Condiciones*, October, 1967.

⁷⁹ Based on the figures of the Census. AGA, 81-11579, *Sahara*, s/d, p.8-9; 42-44.

⁸⁰ AGA, 81-1550, *Delegado prefecto de la Juventud, Delegado Prefecto de la Juventud, Sahara Actual*, p. 9-13, 10-06-1975.

⁸¹ About the students with scholarships *resentidos porque piensan que van a llegar tarde al reparto de cargos y prebendas*. About Polisario, AGA, 81-11550, *Gobierno General de Sahara - Secretario General*, 12-01-1975

Conclusion:

About a decade after the great phosphate discovery of 1963, there was reason for optimism at INI. No foreign capital had entered Fosbucraa during the establishment years to jeopardize its control. Exploration was to begin at the start of a phase of high prices (1972-1975) and there would be no profit sharing. Meanwhile an informal cartel agreement with Morocco had given Fosbucraa a favourable export niche. As the differential rents were appropriated by the state, the conditions were in place to increase capital accumulation in Spain. Part of the rent was used to subsidize the production costs of the Spanish fertilizer industry. Another part of the rent was transferred to the state's budgetary effort in Spanish Sahara. Thanks to Fosbucraa's yields, it would not be necessary to tax Spanish private profits to pay for the necessary "unproductive" expenses (public works, school and hospital network, etc.), which had been rising since the establishment of ENMINSA. A zero-sum game between these two "productive" uses of the rent did not represent a major contradiction insofar as they both boosted the general rate of profit.

Conversely, the maximization of the company's rate of profit and the simultaneous development of a class of wage earners in the Sahara quickly came into contradiction. Due to the high composition of Fosbucraa capital (in which jobs did not increase in proportion to investments and tended to be directed towards high or medium qualifications), the Saharawi workforce felt increasingly discriminated against. Another contradiction lay in the multiplier effects of Fosbucraa investment which in little more than a decade had changed the Saharawi society. The mining boom had grafted onto a traditional nomadic society a segment of new classes, dependent on jobs, subsidies and scholarships. The outcome of these two contradictions came as a social blockade: the accumulation model in Sahara was not compatible with the expectations of young workers, technicians and students. Industrial conflict and anti-colonial action were expected and colonial authorities were aware of that. It was consensual that with or without the effects of the international pressure, the political *statu-quo* of the Spanish Sahara had to go.

In early 1975, the Spanish State was just buying time, which meant boosting social spending *como si fuera permanente la presencia de España en el territorio*⁸². For that it badly needed increasing amounts of Fosbucraa rent (*el funcionamiento laboral de ésta empresa es fundamental para los proximos meses*)⁸³, all the more because part of that flow would have to keep buffering the effects of the recession that had hit industrial capital in Spain in the meantime. In the current state of knowledge, it is impossible to say what relative weight the reversal of the fall in phosphate prices and the evolution of political events (which with the imminence

⁸² AGA, 81-11550, *Direcion General de Promocion de Sahara*, 17-12-1974.

⁸³ AGA, 81-11550, *Delegado prefecto de la Juventud, Delegado Prefecto de la Juventud, Sahara Actual*, p. 14, 10-06-1975.

of war put the Spanish regime at risk) had on the Madrid Agreements of November 1975. However, the irreversible effects of the Bucraa rent on the cleavage of Saharawi society and its new political landscape seem undeniable.

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ANNEX 1

FOSBUCRAA – Phosphate Sales in Spain: Distribution by Company – 1974

Empresa	Shipments	Metric Tonnes	Unit Price Pts/ Tonne	Unit Price USD /Tonne	Total Revenue (Pts)
S.A. Cros	107	561506	1660	29,12	931972881
UERT	117	433175	1540	27,02	667233262
Fertiberia	31	128031	1545	27,10	197746734
Foret S.A.	17	80022	2739	48,05	219153384
Ind. y Abonos Navarra	25	74617	1572	27,59	117323271
Ind. Químicas Canarias	40	68165	1633	28,65	111296570
Ind. Química Zaragoza	11	47722	1822	31,96	86943023
Fosforico Español S.A.	8	36134	1821	31,96	65815303
Proquiber S.A.	13	25278	2054	36,04	51920846
Química Ind. Capuchinos	9	21732	2075	36,41	45104052
S.A. Carrillo	13	19513	1696	29,76	33097004
Ind. Químicas Tarragona	9	18433	1783	31,28	32858488
Mirat S.A.	7	17513	2067	36,27	36202479
Real C.A. De Minas	5	15150	2305	40,45	34924765
Nitratos de Castilla S.A.	4	13844	1520	26,66	21039196
Turegano S.A.	5	9940	2102	36,87	20891396
Cosmoquímica	3	1910	2944	51,66	5623413
Fragas	1	119	2950	51,76	351050
Totais	425	1572804	1704	29,89	2679497117

Source: AGA, 81-11546, *Distribucion por empresas del mercado interior de fosfatos durante 1974, 03-1975*

ANNEX 2

FOSFATOS – Phosphate Exports: Distribution by Country – 1974

	Metric Tonnes	USD / Tonne	Total Revenue USD	Pts
Japan	320989	58	18631432	1068667375
West Germany	130566	72	9407385	536565781
Mexico	40957	75	3067083	174823731
Uruguay	30057	50	1500814	86731153
United States	28322	50	1415250	82155472
Romania	11443	45	514935	29418745
India	11443	45	509327	29031639
Netherlands	10308	75	773100	44066700
Switzerland	5792	53	304080	17343457
Austria	5672	75	425500	24247800
Total	595549	61	36548906	2093051853

Source: AGA, 81-11546, *Distribucion por paises de las exportaciones de fosfatos durante el año de 1974, 02-1975*

