

Sugar Baron: Manuel Rionda and the Fortunes of Pre-Castro Cuba. By *Muriel McAvoy*. Gainesville: University Press of Florida, 2003. 338 pages. Index, notes, bibliography, maps, photographs. Cloth, \$27.95. ISBN: 0-813-02613-X.

Reviewed by Alan Dye

In this well-crafted, fast-paced biographical narrative, Muriel McAvoy offers an inside look into the life of one of Cuba's great modernizing commercial and industrial pioneers. For years she has labored to digest the rich collection of business papers known as the Braga Brothers Collection, archive of one of the most prominent families of sugar merchants and manufacturers of twentieth-century Cuba, donated by the Fanjul family to the University of Florida at Gainesville in 1981. Focusing her study on a long and nearly complete series of letterbooks running from 1896 to 1942 and related correspondence from the New York offices of Manuel Rionda y Polledo, McAvoy has pieced together the most thorough and well-digested examination of this extraordinary collection to date.

Sugar Baron is a work of greater importance than its title and modestly stated purpose suggest. At the basic level, it is a biographical business history of Manuel Rionda, founder of the once-dominant New York sugar brokerage, Czarnikow-Rionda, and architect of one of the most extensive and innovative consolidations of sugar enterprises in Cuban history. As the author describes, it is foremost a study of the "creation, existence, and eventual metamorphosis of a [Cuban] sugar company." Yet because Rionda occupied such a key position in the social bridges between Cuban planter society and the New York commercial and banking communities, it transcends the boundaries of its immediate frame of investigation and becomes a lens through which we encounter three larger worlds: the modernizing monocultural sugar economy of Cuba; the high-risk, large-scale international sugar venture; and the virulent geopolitics of the interwar sugar trade.

The grand patriarch, Manuel Rionda, was involved in a significant way in virtually every major policy event concerning Cuba's sugar commerce with the United States from the end of the Spanish-American War to the mid-1930s. An immigrant from Spain with family involved in the sugar trade and finance in both New York and Cuba,

his firm became one of the key intermediaries for linking foreign credit with formerly successful but war-ravaged Cuban planters in need of capital to rebuild after a ruinous war for independence. An observer of the politics surrounding the reciprocity treaty of 1903, Rionda then became a key participant in the politics of price controls during World War I, the political response to the crisis that ensued from lifting price controls, the tariff politics in the United States in twenties, the international sugar agreements of the early 1930s, and the Roosevelt administration's implementation of sugar controls in 1934.

The image presented here has revisionist implications for the conventional view of transnational business. With clarity and effectiveness, McAvoy shows that the usual dominance/resistance or imperialist/nationalist dichotomies, common in Cuban historiography, fail to account for the intrinsic uncertainty of investing in international sugar. The lens of Rionda's dealings exposes the transnational world of sugar finance in greater detail than previous work, for example, in the differentiation of individual motives. As large-scale sugar enterprises grew in size and complexity, ventures were financed through diversified financial syndicates, involving all the major New York investment banks. Positioned on Wall Street and in the cane fields of Cuba, the Rionda organization brought a critical specialized set of human resources—the expertise to identify local opportunities with which to combine foreign financial resources. Rionda expected operational control to remain in the hands of Cuban nationals who knew sugar. But prompted by unanticipated market conditions and confidence in new managerial methods, the financiers altered their strategies and invaded the patriarchal control of Cuban sugar.

A significant portion of the book details how this wresting of control of the largest such syndicated venture, the Cuba Cane Sugar Corporation, took Rionda by surprise. If the market had remained favorable, the bankers likely would have been content to leave operations to the experts. When the market turned bad, misperceiving the problem to be one of management, the New York officers of the company took over and, as the record shows, in trying to salvage short-run gains, drove the long-run value of its operations into the ground. Through hefty commissions and dubious reorganizations, a few of the officers and institutional backers may have done well, but many on both sides lost money. A conspiracy of one colossal nation against another? Apparently not. But it does

appear, not unlike some current scandals, that a few shady men profited off of an otherwise bad deal. These events, among others, upset the balance of ownership and power and fed an emerging anti-imperialist movement in Cuban politics.

By taking the reader through the intricate story of processes of discovery, strategizing, and reorientation of business objectives in the Rionda enterprises, McAvoy shows how complexity and uncertainty led to disputes between former partners and blurred the presumed division of interests drawn on lines of national identity. Repeated examples surface of the inadequacy of contemporary and retrospective listings of national and foreign ownership to capture the reality of matters such as the contributions of indigenous entrepreneurship, human and social capital. Remaining a Spanish citizen until late in life, resident of New York City, Don Manuel identified himself as Cuban. Historians have refused to classify his enterprises as Cuban, even though more than half of the kinship-based manager-shareholders in the family dynasty were Cuban. He was a fixture in the social circles around Wall Street, but not a native one. In the end, his social and business-associate networks were so closely tied to Cuba and his beloved family there that, when rising protectionism in the United States limited the value of those networks, he was unable to make the transition.

If there is a weakness in the book, it is in the limitation of the sources—but only toward the end. Sharply focused as long as Rionda is at the center of all events, the lens blurs as his firm fades from center stage in the mid-to-late thirties. If anything, this period calls for more examination at the initial intensity, but through another lens. An ideal strategy, perhaps, would be to explore the perspective of Julio Lobo, the rival who most notably outmaneuvered the Riondas in the thirties. No comparable records of his dynasty have surfaced. If they should, historians would do well to work through them following McAvoy's example. Producing a solid piece of first-rate business history, she has seeded ground for a revised and richer understanding of the emergence of transnational business practice and entrepreneurship in twentieth-century Cuba on its own terms. Bravo!

Alan Dye is associate professor of economics at Barnard College. He is author of Cuban Sugar in the Age of Mass Production (1998).