

# Exploring Changes in Cuba's Ports and Hinterlands: Transition from US to Socialist Sugar Markets

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## ABSTRACTS

Referring to the concept of portals of globalization, I examine Cuban ports in relation to the development of Cuba's economy and how they became integrated into various global networks. The aim of this article is to analyse the changes these ports underwent over time, starting from the early nineteenth century until today. While I focus on changes in the hinterland that took place in the nineteenth and early twentieth century – when Spanish and US investors dominated the Cuban sugar industry – in the first section of the article, I analyse port changes linked to foreign investments during the Cold War and in more recent years in the following two sections. By relating the changes at the ports to those that occurred in the hinterlands, I argue that the economic development in Cuba's hinterland during the nineteenth and early twentieth century caused the island's port expansion, while the modernization of the ports that has taken place since the second half of the twentieth century allowed Cuba's economic recovery.

Bezugnehmend auf das Konzept der "Portale der Globalisierung", analysiere ich die Verbindung zwischen Kubas Häfen und der Entwicklung der kubanischen Wirtschaft. Dabei gehe ich der Frage nach, wie diese in globale Netzwerke eingebunden wurden. Der Artikel verfolgt das Ziel, Veränderungen zu untersuchen, denen diese Häfen über einen Zeitraum, der sich vom frühen 19. Jh. bis heute erstreckt, unterlagen. Während ich mich im ersten Teil des Artikels auf jene Veränderungen konzentriere, die im 19. und frühen 20. Jh. im Hinterland stattfanden, als spanische und US-amerikanische Investoren die kubanische Zuckerindustrie dominierten, befasse ich mich in den darauffolgenden Abschnitten mit Hafenerneuerungen, die während des Kalten Krieges und in den letzten Jahren mit Hilfe ausländischer Investitionen getätigt wurden. Davon ausgehend, dass Veränderungen in den Hafengebieten mit jenen, die sich im Hinterland ereigneten, in Verbindung stehen, komme ich zu der Schlussfolgerung, dass die wirtschaftliche Entwicklung im kubanischen Hinterland im 19. und frühen 20. Jh. zu einem Ausbau der Häfen

auf der Insel führte, während die Hafenmodernisierungen in der zweiten Hälfte des 20. Jh.s wesentlich zu einem Wirtschaftsaufschwung Kubas beitrugen.

## 1. Introduction

Exploring how cross-border relationships actually work is still a challenge for historians, who research global phenomena. The concept “portals of globalization” can be a useful tool for highlighting relevant questions, such as, “[H]ow and where does globalisation make its way into one’s own country? Where are the transfer points between the internal and the external? Is there such a thing? Who are the mediating actors?”<sup>1</sup> Overseas ports can be interpreted as “places that have been centres of world trade or global communication, have served as entrance points for cultural transfer, and where institutions and practices for dealing with global connectedness have been developed.”<sup>2</sup> They have not only functioned as centres for economic exchange processes, where global networks were created or expanded, but also as contact points for merchants, migrants, and travellers from distant places. These travellers brought elements of their own culture with them, which were then adapted or reinterpreted within the local, regional, or national context.<sup>3</sup> Furthermore, through the plurality of transnational encounters and the high density of foreign influences, the actors involved in port activities developed the cultural capital necessary to deal with globalization processes. The “portals of globalization” concept is by far not the only attempt by historians and social scientists to explain global phenomena, by highlighting the importance of certain places for developments on a worldwide scale. What distinguishes this concept from others, such as Saskia Sassen’s “global city” or Marc Augé’s “non-places,”<sup>4</sup> is its consideration of the complex relationship between a specific place and its hinterland, which is either insufficiently or not at all taken into account by other approaches. Therefore, the portals of globalization approach, especially in reference to Geyer, focuses on the “portal functions that tried to bring cross-border links and national delimitation into accord,”<sup>5</sup> when actors on a local, regional, national, or even supranational level seek to control flows of capital, goods, merchants, migrants, knowledge, and ideas at that very moment these flows cross borders, which could but may not necessarily be those of a nation state.<sup>6</sup>

Research on ports is helpful when looking for transnational or global connections and their effects on a national and local level. Thus, in this article I examine Cuban ports

1 M. Geyer, *Portals of Globalization*, in: W. Eberhard and C. Lübke (eds.), *The Plurality of Europe. Identities and Spaces*, Leipzig 2010, p. 509.

2 M. Middell and K. Naumann, *Global History and the Spatial Turn: From the Impact of Area Studies to the Study of Critical Junctures of Globalization*, in: *Journal of Global History* 5 (2010), p. 162.

3 *Ibid.*, p. 162.

4 M. Augé, *Non-Places: Introduction to an Anthropology of Supermodernity*, London 1995; S. Sassen, *The Global City*, Princeton 2001.

5 M. Geyer (fn. 1), p. 515.

6 *Ibid.*, pp. 513–519.

in relation to the development of Cuba's economy, and investigate how they became integrated into various global networks. My aim is to analyse the changes these ports underwent over time, starting from the early nineteenth century until today. Of course, the developments considered here can be understood as outcomes of previous transfer processes<sup>7</sup> deriving from the slave trade and empire building in the Caribbean, for instance. By relating the changes at the ports to those that occurred in the hinterlands, I draw inferences about the economic, political, ecological, and demographic effects of transnational markets on the island's development. Though there is a correlation between changes in port infrastructure and the economy of Cuba's hinterland, the causal direction is unclear. I argue that the economic development in Cuba's hinterland during the nineteenth and early twentieth century caused the island's port expansion, while the modernization of the ports that has taken place since the second half of the twentieth century allowed for Cuba's economic revival. For that reason, I focus on changes in the hinterland in the first section and, subsequently, analyse port changes in the following two sections. Foreign investors played an important role throughout the whole period under consideration.

As it is not possible to discuss all variations of cross-border phenomena, I concentrate on certain commodity flows. One commodity chain in particular is central to the developments and transfer processes observed here: sugar. The beginning of the Cuban sugar economy dates back to the end of the eighteenth century. Initially, the sugar economy relied heavily on slave labour, and sugar production was not industrialized until the nineteenth century, despite the fact that sugar plantations were widespread in Cuba before this time. Only the entry of foreign capital and knowledge provided the necessary conditions to expand and industrialize the production and distribution of sugar. In Cuba, financial and commodity flows, especially related to the sugar economy, were controlled by foreign governments due to asymmetrical power relations. First, during colonial rule, the Spanish controlled Cuban imports and exports for mercantilist purposes. After the end of Spanish rule, it was not the Cuban elite but rather American investors who controlled the lion's share of the Cuban economy. The Cuban nation state, which was founded in 1902, only took direct control over its markets after the third Cuban Revolution in 1959, only to become dependent on the Soviet Union (USSR) and other Eastern bloc countries. This domination by foreign economic interests leads us to the question why Cuba was an area of interest to different powers. Due to its position close to the North American mainland, Cuba was strategically significant in terms of geopolitics, and it became the centre of the modern sugar industry after the decline of Saint-Domingue at the very end of the eighteenth century. Its ports functioned as centres of conflict, where old territorial regimes were defended and new ones were negotiated, sometimes simultaneously.<sup>8</sup>

7 See also M. Pernau, *Transnationale Geschichte*, Göttingen 2011, p. 45.

8 For a more detailed discussion on space, territoriality, and sovereignty, see C.S. Maier, *Transformation of Territoriality, 1600–2000*, in: *Transnationale Geschichte: Themen, Tendenzen und Theorien*. Göttingen 2006 pp. 32–55; J.

The Cuban port cities considered here are Havana, Mariel, Matanzas, Nuevitas, Puerto Padre, Cárdenas, Cienfuegos, and Santiago de Cuba. They are interpreted as points of entry and departure of not only goods but also people and ideas. Of course, other smaller ports played a role in Cuba's maritime history as well, but not as much in a transnational sense, meaning that cross-border processes mainly took place in the aforementioned ports. In the following sections, I focus on the role of commodity chains in the inter-relationship between Cuba's ports and its hinterlands from the early nineteenth century until today.

## 2. Transforming the Hinterland: The Emergence of the Cuban Sugar Industry

The main products Cuba exported during the middle of the nineteenth century were sugar, molasses, tobacco, coffee, and copper. It imported mostly foodstuffs and simple manufactured items, predominantly from the United States (US), Great Britain (GB), and Spain. In the period from 1826–1887, trade with these countries accounted for about 80 per cent of Cuba's imports and exports.<sup>9</sup> The development of the Cuban sugar economy in the nineteenth century was characterized by an expansion of sugar cultivation and technological progress on the one hand, and breaks or crises caused by certain historical events, severe weather, and changing world market situations on the other hand.<sup>10</sup> Since the 1830s, Cuba's plantation economy expanded towards the interior of the island, due to innovations that emerged during the industrial revolution, including railroads and steamships. These new technologies ensured that Cuba did not only have the best plantations but also the best transportation conditions at the time. The first railroad, for instance, was operational as early as 1837.<sup>11</sup> Therefore, Cuban ports served as entrance points for technology and technological know-how, which was subsequently used to modernize the hinterland. In addition to machines, human labour was required. Around that time, approximately 500,000 slaves were working on Cuban plantations.<sup>12</sup> The Haitian Revolution in 1791 was a decisive event for the further development of Cuba's sugar economy. After the elimination of slavery in Saint-Domingue, there were only three large slave-owning societies: the US South, which cultivated cotton and some

Agnew, *Sovereignty Regimes: Territoriality and State Authority in Contemporary World Politics*, in: *Annals of the Association of American Geographers*, 95 (2005) 2, pp. 437–461; E.W. Soja, *Postmodern Geographies: The Reassertion of Space on Critical Social Theory*, London 1989; S. Günzel (ed.), *Lexikon der Raumphilosophie*, Darmstadt 2012, p. 380.

- 9 L.K. Salvucci and R.J. Salvucci, *Cuba and the Latin American Terms of Trade: Old Theories, New Evidence*, in: *Journal of Interdisciplinary History*, 31 (2000) 2, p. 201.
- 10 An interesting survey, for instance, about the impact of hurricanes on the nineteenth century Cuban agriculture and economy is: L.A. Pérez, *Winds of Change: Hurricanes & the Transformation of Nineteenth-Century Cuba*, Chapel Hill, London 2001.
- 11 A. Santamaría García, *Sin Azúcar no hay País: La Industria Azucarera y la Economía Cubana (1919–1939)*, Seville 2001, p. 34. Rail transport was not introduced in continental Latin America until the 1850s.
- 12 M. Zeuske, *Die Geschichte der Amistad: Sklavenhandel und Menschenhandel auf dem Atlantik im 19. Jahrhundert*, Stuttgart 2012, p. 102.

sugar; the western part of Cuba, which produced coffee before focusing mainly on sugar since 1830, and southern Brazil, which produced coffee but also, to a lesser degree, sugar and cacao.<sup>13</sup> As a result, Cuba became the main supplier of sugar. In the context of slavery, not only the related manpower but also the capital acquired from the slave trade played a role. The sugar industry in Cuba was built on the fortune made through slave trade, which provided the capital necessary to modernize production facilities in the nineteenth century. The abolition of slavery, in turn, required the substitution of formerly manual labour with machinery.<sup>14</sup> As early as 1790, the first *ingenios* (sugar plantation and refinery complexes) were constructed, which were based on fully mechanized sugar factories, demonstrating the very latest technology in their day. The expansion of these modern sugar factories and their surrounding complexes of large estates, railroads, and ports continued until 1830.<sup>15</sup>

During the years between 1860–1880, a second wave of modernization gave birth to the *centrales* (industrial complexes for sugar production and processing). They were concentrated in the region of Cienfuegos because of its nearby and well-developed port, which facilitated the timely shipping of cargo. One of the largest *centrales* in Cienfuegos, Central Caracas, belonged to Tomás Terry, who had earned his money through the slave trade. He later used his wealth to build a sugar factory.<sup>16</sup> Later, many landowners built sugar factories and simultaneously invested in the construction of railways and private ports to ship larger amounts of sugar in quick succession.<sup>17</sup> For example, the highly politically-active J.M. Tarafa purchased the Puerto Príncipe & Nuevitas Railway in 1912 and constructed the largest wharf in the world for loading sugar in Nuevitas.<sup>18</sup>

Regarding the development of Cuban ports in general, there is a shift of priorities concerning the structure, value, and distribution of exports during this period. According to sources used by Antonio Santamaría García, the most important Cuban import and export ports (i.e. the ones with the highest trade volume) during the period from 1917–1937 were Cárdenas (imports: USD 5,790,000; exports: USD 39,964,000); Cienfuegos (imports: USD 12,248,000; exports: USD 39,334,000); Havana (imports: USD 198,908,000; exports: USD 83,254,000), and Matanzas (imports: USD 7,576,000; exports: USD 46,302,000).<sup>19</sup> These figures demonstrate that Havana kept its traditional function as the main import port. Concerning exports, Havana's predominance is at least debatable, as the export volume of the other three ports is relatively high in comparison.<sup>20</sup> These high export figures were the result of a massive expansion of the Cuban

13 Ibid., p. 102.

14 S.W. Mintz, *Sweetness and Power: The Place of Sugar in Modern History*, New York 1985, p. 69.

15 M. Zeuske (fn. 12), p. 104, and A. Santamaría García (fn. 11), p. 24.

16 M. Zeuske (fn. 12), p. 104.

17 A. Santamaría García (fn. 11), p. 38.

18 Ibid., p. 180. For more information on Tarafa's involvement in the international sugar policy, especially during the sugar crisis of the 1920s, see G. Mikusch, *Geschichte der Internationalen Zuckerkonventionen*, Berlin 1932, pp. 47–48.

19 A. Santamaría García (fn. 11), p. 402.

20 Ibid.

sugar industry after 1900. As mentioned above, the Cuban sugar economy was linked to trends and changes in the world market; European beet sugar was just one potential threat. Since the 1840s, Cuban sugar producers had to struggle with falling prices, due to the oversupply of sugar, but according to Linda K. Salvucci and Richard J. Salvucci, at this early stage, “improvements in productivity more than compensated for falling sugar prices. In other words, Cuban producers increased supply by operating more efficiently.”<sup>21</sup> That strategy was successful until the end of the nineteenth century, though not after the turn of the century. Market players were affected by financial crises, such as the sugar crisis of 1920, which caused the financial ruin of many Hispano-Cuban bankers and farmers.<sup>22</sup> I return to the correlation between the increase in supply and falling prices on the world market later, when discussing the US protectionist policy at the beginning of the twentieth century. For now, I address the local changes that caused the Cuban sugar producers’ dependence on the US market.

To address this, it is necessary to look at the changing foreign trade relations on the one hand, and foreign investments and involvement within the Cuban economy on the other hand. I already mentioned the most important foreign trading partners above. Below, I focus on GB and the US since the former was key in establishing the Cuban sugar industry, and the latter became its driving force. GB indeed played a role that is not to be underestimated: First, the growing British demand for sugar<sup>23</sup> created a potential market for Cuban sugar, especially after Britain had shifted to free trade in the mid 1840s and early 1850s.<sup>24</sup> Secondly, British knowledge transfer was decisive in the process of the modernization of the Cuban sugar industry.<sup>25</sup>

Indeed, most of the machinery imported to Cuba came from industrial centres in Western Europe, including Glasgow, Liverpool, and Le Havre, which were all significant port cities on the other side of the Atlantic.<sup>26</sup> Apart from this, British merchants and banks were involved in the Cuban sugar market. Being of neither Cuban nor Spanish descent, these merchants were not particularly committed to any national or imperial interest. Rather, they were involved in transnational commercial networks and were motivated by high profits on the global market.<sup>27</sup> Among those participating in the global sugar network were Drake Brothers & Co., founded by James Drake, who had emigrated from Britain to Cuba during the last decade of the eighteenth century; London’s Commyns Clan, which began investing in *ingenios* and storehouses in the hinterland of Matanzas in the 1840s, and the British bank Baring Brothers, which invested in the Cuban slave

21 L. K. Salvucci and R.J. Salvucci (fn. 9), p. 206, as well as R. J. Davis, *The Rise of the Atlantic Economies*, Ithaka, N.Y. 1973, pp. 251–252.

22 M. Zeuske, *Kleine Geschichte Kubas*, Munich 2007, p. 164. For more information about the sugar crisis, see G. Mikusch (fn. 18), pp. 47–48.

23 S. W. Mintz (fn. 14), p. 189.

24 L.K. Salvucci and R.J. Salvucci, *Cuba and the Latin American Terms of Trade* (fn. 9), p. 202.

25 J. Curry-Machado, *Rich Flames and Hired Tears: Sugar, Sub-Imperial Agents and the Cuban Phoenix of Empire*, in: *Journal of Global History* 4 (2009), pp. 40–44.

26 *Ibid.*, pp. 38–39.

27 *Ibid.*, pp. 44–45.

trade, the sugar industry, and the shipbuilding industry.<sup>28</sup> Jonathan Curry-Machado argues that these flows of money, machinery, and migrant workers therefore incorporated the island in processes of “sub-imperial globalization,” which raised the Creole elite’s hopes of liberating themselves from the Spanish Empire.<sup>29</sup>

Not only British banks and merchants were involved in the Cuban sugar economy, but American ones were too. The economic influence of the US grew throughout the course of the nineteenth century as a consequence of its increasing capital investments and its new imperial policy towards the Spanish Caribbean. However, at the start of the century, the US had to compete with Spain for the Cuban market. This competition was not restricted to the Cuban sugar economy but included also Spanish and US exports, such as wheat flour and raw cotton. The defeat of the South in the American Civil War and the resulting scarcity of US raw cotton caused a commercial depression in Cuba, which forced the Creole elite to expand their trade relations with Spain, despite their aversion to them.<sup>30</sup> At this time, Spain’s consent was necessary to exchange commodities between the US and Cuba, including the colony’s export of raw or semi-refined sugar.<sup>31</sup> The growing discontent in Cuba regarding its position at the periphery of the Spanish Empire led to the Cuban wars for independence (the Ten Years War, 1868–1878, and the War of Independence, 1895–1898). Although the Spanish crown succeeded in maintaining political control over its Caribbean colony after the defeat of the Cuban rebels in 1878, it was no longer able to control the island’s market. Until the end of the Ten Years War, the share of US goods in Cuba’s import market increased by only 20–30 per cent. After 1878, the US, which had previously dominated the market, permanently overtook Spain as Cuba’s largest trading partner.<sup>32</sup> In the end, the US was able to surpass Spain in both Cuba’s import and export market. Cuba’s sugar industry and US imperial policy played a decisive role in this process. After several unsuccessful attempts during the nineteenth century, it was a war between two empires, the Spanish-American War (1898), through which Cuba finally gained its independence in 1902. However, the US did not act on behalf of Cubans without any ulterior motive.

In that same year, Theodore Roosevelt argued in favour of an agreement to enable the US to control the Cuban market and to maintain US supremacy in the Caribbean.<sup>33</sup> This was consolidated through the Reciprocity Treaty of 1902, which regulated the bilateral economic relations between the US and Cuba with an emphasis on Cuban sugar exports.<sup>34</sup> This general framework permitted lobbyists in the US Congress to act in their own interests in the years that followed. During the 1920s, US economic policy was

28 Ibid., p. 45, and M. Zeuske (fn. 12), pp. 222–223.

29 J. Curry-Machado (fn. 25), p. 33.

30 C.A. Bayly, *The Birth of the Modern World 1780–1914: Global Connections and Comparisons*, Malden 2001, p. 161.

31 H. Crespo, *Trade Regimes and the International Sugar Market, 1850–1980: Protectionism, Subsidies, and Regulation*, in: S. Topik et al. (eds.), *From Silver to Cocaine: Latin American Commodity Chains and the Building of the World Economy, 1500–2000*, Durham, London 2006, p. 165.

32 L.K. Salvucci and R.J. Salvucci (fn. 9), p. 208.

33 C.A. Bayly (fn. 30), pp. 459–461. Cf. H. Thomas, *Cuba: Or the Pursuit of Freedom*, London 1971, p. 468.

34 G. Mikusch (fn. 18), p. 32.

characterized by a strong focus on the protection of its own markets. This protectionism also led to the implementation of certain measures favouring beet and cane sugar producers in the continental US and its island territories: Hawaii, Puerto Rico, and the Philippines.<sup>35</sup> Several acts that raised sugar duties were passed, such as the Fordney-McCumber Act of 1922, the Smoot-Hawley Tariff Act of 1930, and the Jones-Costigan Act of 1934.<sup>36</sup> Finally, the US annually fixed quotas for Cuban sugar exports, repeatedly to Cuba's disadvantage.<sup>37</sup>

Latin American historians interpret the presence of American banks, merchants, and large landowners in Cuba (and supported by the US government) as a new type of imperial expansion. César J. Ayala, who focused not only on Cuba but also on Puerto Rico and the Dominican Republic, argues:

*the United States became an imperial power controlling the economic life of three nations, and the Spanish Caribbean as a whole became a sphere for U.S. direct investment, a colonial region dominated by the decisions of U.S. capitalists. ... A radical social and economic transformation took place in the islands of the Caribbean as a result of U.S. imperial expansion.*<sup>38</sup>

Curry-Machado compares the resulting Cuban dependence on the US to its previous dependence on Spain:

*Cuba shook off the Spanish yoke only to replace it with another. Just as the phoenix emerges reborn from the flames that consumed it, so too did empire in Cuba from that which at one time appeared to be hastening its demise.*<sup>39</sup>

Finally, US investors managed to dominate the Cuban economy in general and the sugar industry in particular, within only 30 years' time. Around 1930, 108 out of 162 *centrales* were owned by Cubans, but 44 of the largest estates belonged to US companies, such as Hershey, and the United Fruit Company. These large estates, situated mainly in the provinces of Camagüey and Oriente, produced around 50 per cent of Cuba's sugar.<sup>40</sup> Hershey owned three mills, and the United Fruit Company owned two sugar mills in Cuba. Together, these mills produced 2,211,617 sacks (325 pounds per sack) of sugar in 1951 alone.<sup>41</sup>

35 H. Crespo (fn. 31), p. 165.

36 Ibid., pp. 165–166.

37 M. Zeuske (fn. 22), p. 169; see also H. Crespo (fn. 31), pp. 166–167.

38 C.J. Ayala, *American Sugar Kingdom: The Plantation Economy of the Spanish Caribbean, 1898–1934*, Chapel Hill, London 1999, pp. 1–2.

39 J. Curry-Machado (fn. 26), p. 36.

40 M. Zeuske (fn. 22), p. 166. There are more precise figures on the US ownership of Cuban sugar mills for certain years. For instance, the German magazine *Der Spiegel* stated that in the year 1926, 63 per cent of the Cuban sugar mills were owned by American businessmen and investors: *Revolution aus der Hüfte: Spiegel, Report über Castros Kuba, Erwartungen und Enttäuschungen*, in: *Der Spiegel* 38/1969, 15 September 1969, <http://www.spiegel.de/spiegel/print/d-45547870.html> (accessed 3 September 2013).

41 *The Gilmore Manual Azucarero de Cuba: Cuba Sugar Manual 195*, New Orleans 1951, p. 426.

Other American companies were also active in Cuba during this period. The three *centrales* operated by the Cuban-American Sugar Mills Co. produced 2,018,227 sacks of sugar in 1951 alone.<sup>42</sup> Together, the US-based companies accounted for approximately 30 per cent of the total production of sugar in that year.<sup>43</sup> Following this trend, advertisements placed in *The Gilmore Manual Azucarero de Cuba* addressed their target group of Cuban sugar producers in Spanish and in English. Furthermore, the US influenced marketing language and the imagery used in advertising, since a large percentage of the companies that placed these advertisements were based in the US. These companies provided a variety of services to Cuban producers such as shipping sugar from Cuba to the US.<sup>44</sup>

The resulting interdependency between the US and Cuba was not limited to the economic sphere. American investors and businessmen travelling or even migrating to Cuba did not only bring capital<sup>45</sup> or contracts with them, but also exported elements of their own culture. An example includes Havana's vibrant nightlife of the 1950s, which featured cabarets, jazz clubs, casinos, and other forms of entertainment. Furthermore, the modernization of the Cuban sugar economy would not have taken place so successfully, if there had not been favourable local conditions; it was a combination of external and internal factors that made it possible in the end. The flow of foreign capital and know-how on the one hand and the availability of large quantities of agricultural land, due to the latifundia system, on the other hand, facilitated the emergence of the Cuban sugar industry. Furthermore, infrastructure that had been built prior to this period was modernized, such as the expansion of Cuba's railway system to facilitate inland traffic and the development of Cuba's ports, which enabled the island's integration into new global trade networks. Through growing capacities of its seaports, the Cuban hinterland was oriented towards world markets and became vulnerable to geopolitical conflicts and changes in the global demand for sugar. In that context, ports served as channels of global connections, not only in terms of economic development but also in terms of cultural exchange.

42 Ibid., p. 426.

43 This surprisingly low estimate is based on production data available for sugar mills under group ownership or control by these companies, including not only Hershey, the United Fruit Company, and the Cuban-American Sugar Mills Co., but also the American Sugar Refining Company, the *Compañía Azucarera Atlántica del Golfo* (formerly known as Cuban Cane Sugar Corporation), the *Compañía Central Altagracia*, the General Sugar Estates Inc., the Punta Alegre Sugar Corporation, the Rionda, and the Guantanamo Sugar Company. See *The Gilmore Manual Azucarero de Cuba: Cuba Sugar Manual 1951* (fn. 41), pp. 6–9, p. 426. The total output of all sugar mills with US shares is presumably much higher.

44 Ibid., p. 429.

45 To be precise, I use the term "capital" here in the narrow sense of the word, meaning financial resources (cash, machinery, equipment, etc.) that have been invested in order to generate profit. I am not referring to other uses of the term, for instance Bourdieu's terminology, which includes cultural or social capital.

### 3. Cuban Ports as Portals to a Socialist World Market

The structures described above, including large sugar estates, the railroads, and the ports, were all mainly controlled by US companies. This condition was characteristic of the Cuban economy until 1959, the year of Fidel Castro's first land reform. The economic development of Cuba during the revolutionary era was characterized by extensive agrarian reforms, which led to changing patterns of landownership and other forms of expropriation. These reforms resulted in the mass exodus of US-Cuban enterprises. The consequent loss of American trading partners led the Cuban government to search for new markets. Once again, Cuba's strategic position (and, to a certain degree, also the political indecisiveness of its leaders) helped attract interest from abroad, especially from the USSR. As a result, the USSR and the other Eastern bloc countries became Cuba's most important trading partners: they imported Cuban sugar, which was boycotted by the US after 1960; in exchange, they exported crude oil, industrial goods, and everyday objects. This flow of products from socialist countries into Cuba stimulated the replacement of American raw materials and consumer goods. As early as 1961, Cuba signed a contract with the USSR regarding the import of Cuban sugar, which guaranteed higher prices than those negotiated on the world market.<sup>46</sup> This price policy was maintained and intensified in the 1970s. It forced the Cuban leaders to focus again on sugar as Cuba's main export, although they had initially planned to reduce its production. Due to Cuba's past dependency on the US market and the environmental and social exploitation related to the sugar industry, sugar plantations were considered responsible for the island's economic backwardness.<sup>47</sup>

Between 1976–1980, sugar prices paid by the USSR were at least three times higher than those paid on the world market.<sup>48</sup> Similar contracts with other socialist countries existed as well.<sup>49</sup> The German Democratic Republic (GDR), for instance, imported Cuban sugar since 1961, and in return they exported tools, machinery, and later also medical and chemical products to Cuba, according to documents from the GDR's Ministry of Foreign Trade. A key product provided by the GDR, and desperately needed for Cuba's food supply, was milk powder.<sup>50</sup> These commodities were usually transported by sea. In

46 International Sugar Council, in: Archivo Nacional, Fondo No. 301 Ministerio de Relaciones Exteriores, No. de legajo 12, no. de orden 240, folio 76. See also Der Spiegel (fn. 40).

47 R. Cepero Bonilla, *The Cuban Revolution and the Sugar Markets*, Havana 1959, p. 5; B. Hoffmann, *Kuba*, Munich 2009, p. 91, and Der Spiegel (fn. 40).

48 To be precise: In the year 1976, the USSR paid USD 0.31 against a world market price of USD 0.12 for one libra (approximately 460 grams) of Cuban sugar; in 1977, 0.36 (USSR) against 0.08 (world market); in 1978, 0.41 (USSR) against 0.08 (world market); and in 1979, 0.44 (USSR) against 0.10 (world market). See: W. Leuchter, *Der Aufbau der materiell-technischen Basis des Sozialismus*, in: W. Pade (ed.), *Sozialismus in Kuba: Voraussetzungen, Resultate, Erfahrungen*, Berlin 1988, p. 109.

49 XXV Aniversario de la Revolución: va un Pueblo Entero, va la Dignidad Humana. . . , Havana 1983, pp. 188–189.

50 For more detailed information on the structure of the goods traded between Cuba and the GDR (including commodity lists for the years 1961, 1962, 1972, 1980, 1981, 1982, 1983, 1984, and 1985), see: *Protokolle zum Abkommen über den Warenaustausch zwischen der DDR und der Republik Kuba*, in: SAPMO-BA, DE1/21971, DL2/4244, DL2/5651, DL2/6174, DL2/11320 and DL2/12201.

1965, a new ocean route between the USSR and Cuba was established for this purpose.<sup>51</sup> In the previous year, a floating dock had already been given to Cuba as a gift from the USSR.<sup>52</sup> Even earlier, in the year 1962, the so-called Cubalco shipping line was founded, which served the overseas connection between Eastern Europe and Cuba, with the support of shipping companies from the USSR, the GDR, and Czechoslovakia.<sup>53</sup> In 1972, Cuba became a member of the Council for Mutual Economic Assistance (Comecon). Therefore, it was from that point onwards fully integrated into the socialist economic system, which included establishing a planned economy. The planned economic system put an end to the Cuban government's previous attempts to reform the national economy. Cuba's integration into socialist world-trade networks transformed its foreign trade balance considerably and influenced the development of Cuban ports.

The island's shifting foreign trade relations are key to understanding the transformation of Cuba's ports in this period. After the triumph of the Cuban revolutionaries in 1959, a total of 75 per cent of the imports and 66 per cent of the exports depended on the US. In this year, socialist countries' share of Cuban foreign trade accounted for just 1 per cent. This situation changed drastically during the course of the revolutionary era: in 1982, Cuba transacted 87 per cent of its foreign trade with socialist countries, and only 13 per cent with so-called First World (excluding the US) and Third World countries. The value of foreign trade grew by an average of 8.4 percent per year from 1958–1982.<sup>54</sup> Apart from the traditional export products such as sugar, tobacco, and nickel, Cuba began to export large amounts of citrus fruits in the 1960s. The Eastern bloc shipments, which were combined with knowledge transfers, enabled the Cuban economy to grow constantly.

Cuba's port infrastructure underwent rapid change during the last third of the twentieth century. Large amounts of money was spent to decentralize shipping operations, which had previously been concentrated in Havana, and to build new port facilities. These modernizations were financed and implemented with the assistance of the socialist world community. The citizens of the European Comecon countries did not only consume Cuban export products to support the country's national economy, but also provided their technology and knowledge in order to facilitate modernization projects throughout the Caribbean country. The GDR had an especially strong influence on the development of Cuban maritime logistics from the 1960s–1980s; GDR representatives in advisory capacity were sent to Cuba. In turn, students from Cuba went to the GDR to acquire the know-how necessary for the expansion of Cuban ports; they attended East German universities, such as the Hochschule für Verkehrswesen "Friedrich List" (University of

51 H. Neuber (ed.), *Das neue Kuba in Bildern der Nachrichtenagentur Prensa Latina 1959–1969*, Berlin 2011, p. 143.

52 *Ibid.*, pp. 146–147.

53 H. Langer, *Zärtlichkeit der Völker: Die DDR und Kuba*, Berlin 2010, p. 22.

54 *XXV Aniversario de la Revolución* (fn. 49), pp. 184–186.

Transport and Traffic Sciences) in Dresden.<sup>55</sup> In a broader sense, Cuban ports functioned as entry and exit points of economic exchange processes on the one hand, and allowed for cultural encounters and knowledge transfers on the other hand. Furthermore, they served as locations where technical cooperation and everyday communication took place. In the context of port modernization, experts from the GDR came into contact with Cuban or other foreign professionals to exchange technical knowledge but also to learn about other cultures and “teach” their own culture.<sup>56</sup> It is noteworthy to mention that localities on both sides of the Atlantic functioned as start and end points of these exchange processes. Consequently, I argue that there were at least two portals as possible entrance points for transfer processes in which reinterpretation and acculturation took place.

The flow of goods, ideas, and cultural practices from one socialist country to another was by far not unidirectional and singular. Referring to commodity flows, the aforementioned documents indicate that the GDR exported ships, marine engines, and port equipment, including cranes, forklifts, anchors, and anchor-chain cables, mostly in the 1980s.<sup>57</sup> The main aim of the modernization of the island’s maritime logistic capabilities was to increase the island’s sugar-shipping capacities. In 1983, there were seven modern sugar terminals in various Cuban ports, with a (total) potential shipping capacity of 5,200 tons per hour. These modern terminals included the mechanical shipping of bulk cargo, which replaced the former procedure of manually transporting bagged sugar, a practice in use before the Cuban Revolution. As a result, the loading time was considerably reduced. In the 1970s and 1980s, more than 85 per cent of Cuban sugar was transported with this system.<sup>58</sup> Additionally, a container terminal was installed, which allowed merchants to ship 150,000 containers per year.<sup>59</sup> The next section discusses the restructuring of selected Cuban ports in more detail.

A Cuban publication from 1978 ranked Cuban ports in relation to the total imports and exports in general, and the exports of sugar and its derivatives in particular: Matanzas had the largest amount of sugar exports, closely followed by Cienfuegos.<sup>60</sup> The leading position of Matanzas is striking here, given the fact that in 1959, it accounted for

55 M. Torres Gemeil, *Mit dem Simson-Moped zum DDR-Strand: Vielfältige Spuren in Kuba*, in: T. Kunze and T. Vogel (eds.), *Ostalgie International: Erinnerungen an die DDR von Nicaragua bis Vietnam*, Berlin 2010, p. 22.

56 A collection of memories from Cubans who spent their youth on academic exchange in the GDR was recently published: W.-D. Vogel and V. Wunderlich, *Abenteuer DDR: Kubanerinnen und Kubaner im deutschen Sozialismus*, Berlin 2011.

57 *Protokolle zum Abkommen über den Warenaustausch zwischen der DDR und der Republik Kuba in den Jahren 1981, 1982, 1983, 1984, 1985*, in: SAPMO-BA, DL2/5651, without consistent page numbers.

58 *XXV Aniversario de la Revolución* (fn. 49), pp. 34–35.

59 *Cuba’s Ports Inadequate to Handle Growing Cargo Traffic*, in: *CubaNews*, 1 October 2004, <http://www.thefree-library.com/Cuba's+ports+inadequate+to+handle+growing+cargo+traffic.-a0123491489> (accessed 19 August 2013).

60 *Atlas de Cuba: en Conmemoración al XX Aniversario del Triunfo de la Revolución Cubana 1959 – 1979*, Havana 1978, pp. 50–51.

only half of the amount exported from Havana or Cienfuegos.<sup>61</sup> The total imports and exports were relatively equally distributed between the ports of Matanzas, Cienfuegos, Havana, and Mariel. Only the port of Santiago de Cuba was weak in all indicators.<sup>62</sup> As previously mentioned, the importance of a port during the revolutionary era was closely linked to its sugar-shipping capacities. Sugar shipment was once a key activity of the port of Havana; since the 1960s, sugar had been redirected through other ports in correspondence with the decentralization of Cuba's economy.

Despite the expansion and growing importance of the previously described ports, the port of Havana was still considered Cuba's principal port. It was equipped with 27 wharfs, and had a canal 1,500 metres long and 200 metres wide, which permitted an average flow of 1,100 ships per annum.<sup>63</sup> One of its most important technological achievements was the modern terminal Haiphong, named after the Vietnamese port city. This terminal, built by the Cuban government during the course of the port's general modernization project of 1962, was based on high-tech handling, which allowed ships to be loaded and unloaded faster than conventional methods. The Haiphong terminal is still in use for general cargo and containers, and is served by railroads and trucks.<sup>64</sup> In addition, the port's infrastructure included the use of roll-on roll-off vessels since the 1960s. At the peak of the Cuban-Soviet cooperation in the mid 1980s, the port of Havana handled approximately 40 per cent of Cuba's foreign trade, including crude oil imports from the USSR. Directly after unloading, these oil imports were transported to Cuba's largest oil refinery in Havana.<sup>65</sup> The port of Matanzas was transformed extensively during the 1970s. Before modernization, loading and unloading mostly relied on physically demanding human labour. After the conversion to modern port technologies, a mechanical system was used for the shipping of bulk raw and bagged refined sugar.<sup>66</sup> Between 1971–1975, the total amount of cargo handled in this port grew by 10.7 per cent.<sup>67</sup> Considering the nearby port of Cárdenas during the very same period, the cargo handled grew by 45 per cent.<sup>68</sup> In that period, a considerable amount of cargo was also shipped via the port of Mariel. During the 1970s, the port in the province of Havana was also the location of the headquarters of Empresa Terminales Mambisas, the state-owned Cuban port operating company that still exists today.<sup>69</sup> Last but not least, the port of Cienfuegos became increasingly important during the 1970s, due to the industrial development of

61 Exportaciones de Azúcar por Puerto 1950–1959, in: Archivo Nacional, Fondo Instituto Cubano de Estabilización del Azúcar (ICEA), No. de legajo 1387, no. de orden 4.

62 Atlas de Cuba (fn. 60), pp. 50–51.

63 Cinco Años de Esfuerzos y Realizaciones: Nueva División Político-Administrativa, Havana 1983, p. 37.

64 Port of Havana: the Crown Jewel of Cuba's Ports Network, in: CubaNews, 1 January 2009, <http://www.thefree-library.com/Port+of+Havana%3A+the+crown+jewel+of+Cuba%27s+ports+network.-a0208276503> (accessed 19 August 2013).

65 Ibid.

66 Provincia Matanzas, Santiago de Cuba 1978, p. 94.

67 Ibid., p. 95.

68 Ibid., p. 96.

69 Provincia La Habana, Santiago de Cuba 1978, p. 109.

the city of Cienfuegos. Its harbour facilities were used for exporting sugar, fresh citrus fruits, and cement, and the import of metals, timber, and other materials. At the beginning of the 1980s, the investment plan for this port budgeted CUP 30 million.<sup>70</sup> The city of Cienfuegos was not only a centre of port activities, it also attracted attention for its cement factory, which was built in cooperation with the GDR at the end of the 1970s.<sup>71</sup> Another cement plant in Nuevitas had already been in operation ten years prior, due to support from the GDR.<sup>72</sup> Like Cienfuegos, Nuevitas was an industrial centre in revolutionary Cuba. Therefore, its port served as an entrance point for goods, especially for machinery imported from other Comecon member states, which was then used for complex construction projects in the hinterland. An example is the import of machinery required to construct a brewery in Camagüey, which was organized by the GDR in the mid 1980s.<sup>73</sup> Ports were modernized in order to give Cuban exportation new directions and to support the development of new products from the hinterland.

Naturally, there were other smaller ports that were involved in shipping especially raw sugar, such as Guayabal in the province of Camagüey, and Puerto Padre in the province of Las Tunas.<sup>74</sup> But the ones portrayed above were the most important ports for the development of the Cuban economy in the period between 1959–1990. The status of Cuban ports fluctuated not only in terms of economic significance but also in terms of symbolic meaning. For example, the new bulk sugar-shipping terminal at the port of Carúpano in the Las Tunas province was inaugurated by the *Comandante en Jefe* (Commander-in-chief) Fidel Castro himself in 1978.<sup>75</sup> In that context, the ports of revolutionary Cuba also served as the basis for the construction of a new national identity. In the perception of the Cuban government, the island had become part of a global socialist network, the aim of which was to improve the economic status of all of its members by means of mutual assistance. In conjunction with mutual assistance, mutual dependency and mutual influences emerged. Thus, Cuban ports can be seen as portals to a socialist world market, which enabled access to alternative flows of goods, people, and ideas, after the previous portals to the US market were closed.

#### **4. Present and Future Development: Fall and Rise of Cuban Maritime Logistics?**

With the collapse of the Eastern bloc after 1989, Cuba once again lost its most important trading partners, and plunged into severe commercial crisis. The time between 1990–1997, the so-called *Período Especial* (Special Period), was marked by economic

70 XXV Aniversario de la Revolución (fn. 49), pp. 156–157.

71 H. Langer, *Zärtlichkeit der Völker* (fn. 53), pp. 114–116.

72 *Ibid.*, pp. 94–96. See also *Der Spiegel* (fn. 40).

73 H. Langer, *Zärtlichkeit der Völker* (fn. 53), p. 153.

74 Interview with René Caparrós Aguiar (German teacher at the Cátedra Humboldt, now retired. He studied in the GDR and worked as an interpreter in the Cuban sugar industry). Interview conducted by the author, Havana, Cuba, March 17, 2014.

75 *Las Tunas: Segura Hacia el Futuro*, Havana 1987, p. 22.

decline, and the island's maritime logistics came to a virtual standstill. Existing plants were not repaired, and new port facilities were not built until the early 2000s, when the government decided to invest again in its ports. External openness to trade and investment was a decisive factor, which allowed the Cuban economy and its ports to survive. In more recent times, not only the Cuban government but also foreign firms are engaged in managing and investing in ongoing projects. The port of Mariel serves as an example of this process.

Nowadays, the port of Mariel is of strategic relevance for companies interested not only in the Cuban but also in the US market. Because of its proximity to the US and the limited port capacity on the US East Coast, Mariel may become more relevant in future post-embargo times. In that context, Cuba's former geostrategic significance, first for the Spanish colonial power and then for American entrepreneurs, has again turned into an advantage for its national economy, which it had, to a certain extent, lost during the Soviet period. For that reason, Mariel has attracted several foreign investors over the last decade. Possible foreign partners for a USD 900 million joint venture with the Cuban company Almacenes Universal S.A., for the modernization of the harbour and the construction of a new container terminal, included bids from DP World, PSA International Pte Ltd., and Odebrecht S.A. The Cuban government eventually accepted the bid from Odebrecht, a Brazilian company, which recently finished the expansion of the Mariel port. Odebrecht's task, among other things, was to construct roads and railroads, and to dredge a channel for a new container terminal suitable for midsized New Panamax cargo ships, which in turn is now managed by PSA International Pte Ltd., a Singaporean firm.<sup>76</sup> After more than three years of work, the Port of Mariel turned into Cuba's most important cargo hub, with an annual capacity of 824,000 containers. While this figure is linked to the current, 702-metre dock, port authorities said that a future expansion of the dock of up to 2,400 metres will allow operating 3 million containers per year.<sup>77</sup> The new Port of Mariel is also one of the most promising Cuban Special Development Zones (*Zonas Especiales de Desarrollo*, ZEDs), created in 2013:

*Promotional material for the project suggests it will resemble the special economic development zones such as those that galvanised and opened up China's and Vietnam's economies. Compared with the rest of the island, firms will face fewer restrictions on hiring,*

76 Brazil's Odebrecht revives Mariel port, in: CubaNews, 1 March 2010, <http://www.thefreelibrary.com/Brazil%27s+Odebrecht+revives+Mariel+port.-a0245115597> (accessed 19 August 2013); Singapore firm plans Mariel box terminal, in: CubaNews, 1 August 2011, <http://www.thefreelibrary.com/Singapore+firm+plans+Mariel+box+terminal.-a0263992815> (accessed 19 August 2013); ZED Mariel Envisioning a Greater Role in Cuban Economy, in: Prensa Latina, 6 June 2017, <http://www.plenglish.com/index.php?o=rn&id=13833&SEO=zed-mariel-envisioning-a-greater-role-in-cuban-economy> (accessed 12 June 2017), and Cuba's Mariel port builds for bigger ships amid headwinds, in: Journal of Commerce, 7 April 2017, [https://www.joc.com/port-news/international-ports/cuba%E2%80%99s-mariel-port-builds-bigger-ships-amid-headwinds\\_20170407.html](https://www.joc.com/port-news/international-ports/cuba%E2%80%99s-mariel-port-builds-bigger-ships-amid-headwinds_20170407.html) (accessed 12 June 2017).

77 ZED Mariel Envisioning a Greater Role in Cuban Economy (fn. 76).

*lower tax burdens and no requirement to enter into joint ventures with local state-run firms.*<sup>78</sup>

So far, the ZED Mariel attracted 24 investment projects from eleven countries, including a future Nestlé factory for the production of coffee, cookies, and cooking products.<sup>79</sup> Other planned port-based ZEDs of the island involve the City Port of Havana, the City Port of Matanzas, the City Port of Cienfuegos, and the City Port of Santiago de Cuba.<sup>80</sup> The Mariel project will serve as a model for those.

## 5. Conclusion

This article dealt with the changing importance of Cuban seaports, including Havana, Mariel, Matanzas, Nuevitas, Puerto Padre, Cárdenas, Santiago de Cuba, and Cienfuegos since 1830, and how these ports were embedded in the general development of the Cuban economy. Its aim was to shine light on the multiple flows of goods, people, and ideas, which arrived or departed through these ports. Although I focused primarily on commodities, mainly on sugar, consideration was given to other flows, if they were connected to the Cuban sugar economy. Examples include the flow of foreign capital and ideas, which enabled the emergence of the Cuban sugar industry in the second half of the nineteenth century and its modernization in the second half of the twentieth century. The next step was then to relate these flows to changes that occurred either in the port itself, or in the hinterland. In the case of the emergence of the Cuban sugar industry in the course of the nineteenth century, changes took place originally in the hinterland and subsequently transformed the port structures. However, in the case of the socialist transformation, port modernization preceded and allowed for changes in the hinterland. Port modernization was, in a way, the necessary condition for an economic upswing. The same holds true for the revival of Cuban port infrastructure since the 2000s.

Concerning the future development of Cuba's ports, many questions remain open, as the island's economic situation is still far from stable, especially after the former Venezuelan president Hugo Chávez's death in 2013. Although his successor in office, President Nicolás Maduro, promised to keep close relations between the two countries, the flows of raw materials coming from Venezuela are likely to shrink in the near future, due to the country's economic crisis. Besides, the election of Donald Trump might bring former US President Barack Obama's rapprochement policy to a standstill, which implicates nega-

78 Welcome to Mariel, Cuba, the New Port giving Berth to Hope, in: The Guardian, 19 January 2014, <http://www.theguardian.com/world/2014/jan/19/welcome-mariel-port-cuba-economic-liberalisation> (accessed 15 April 2014).

79 Cuba says approved five new proposals for Mariel development zone, in: Reuters.com, 9 March 2017, <https://www.reuters.com/article/cuba-investment/cuba-says-approved-five-new-proposals-for-mariel-development-zone-id-USL5N1GM817> (accessed 12 June 2017).

80 ZEDs: Key Component of Cuba's Emerging External Sector, in: CubaNews, 1 August 2011, <http://www.thefree-library.com/ZEDs%3A+key+component+of+Cuba%27s+emerging+external+sector.-a0263992802> (accessed 19 August 2013).

tive effects on US-Cuban trade plans, including US investments in Cuban port logistics. However, the Cuban government has learned from the deep impact the collapse of the Eastern bloc left. After years of a planned economy in more recent times, a so-called “socialist market economy” is on the rise, due to several key reforms carried out by Raúl Castro since he took over from his brother in 2006. He is partly following the example of economic reforms initiated in China. But the most crucial factor for a positive future economic development and maritime industry might be Cuba’s diversification of trading partners and markets. Despite the changing political regimes over the last two centuries, ports in Cuba retained their role as gateways to global networks. These networks were spun across different power constellations, not just in a colonial north-south fashion. The ports enabled Cuba to be included in the socialist market during the Cold War, while today they might help to position Cuba within the Global South, especially with regard to its economic relations with BRICS. Understanding Cuban ports as portals of globalization is a promising approach for the analysis of transnational knowledge transfers, which impact the complex relationship between Cuba’s ports and its hinterland in the past, present, and future.