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'La Sueca': nationality as a factor in Svenska Tändsticks AB operations in Cuba 1949–1962

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ABSTRACT

When Svenska Tändsticks AB established a match stick company and factory, La Consolidada Industrial in Havana, Cuba, during the early 1950s, it was met by heavy resistance and political problems from trade unions and other factory owners. Central to this resistance was the view of Svenska Tändsticks as foreign capitalists seeking to undermine Cuban industry. In response, or in anticipation of this perceived risk, La Consolidada Industrial attempted to display itself as fully Cuban, with only incidental ties to Sweden, as well as sought political allegiance with the government, including the Batista regime. Representations of nationality thus became a central factor for La Consolidada Industrial's business strategy and would remain important up until its eventual nationalization by the Castro regime.

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1. Introduction

How does nationality affect business? National allegiance is rarely considered within discussions of international economics, unless it relates to specific differences in the rights and capacities of nations to compete. While empire, race and colonialism are considered essential aspects to understand early modern economic interactions between the West and the Global South, studies of the post-WWII economy rarely consider conceptions of nationality as an influence on global business (Inikori, 2002; Stern & Wennerlind, 2013; Williams, 1964). Considerations of nationality within international economics are generally seen as irrational and lacking understanding of international finance. As Thomas Fetzer puts it, there is a core assumption, 'namely, the notion that economic nationalism is best defined as a set of state policies to protect the national economy against the vagaries of international economic integration' (Berger & Fetzer, 2019, p. 43). I do not suggest that nationality should be considered as financially rational. However, I am suggesting that when we examine the business operations of Swedish corporations in the Global South after WWII, nationality, national signifiers and other markers of identity were clearly present within Swedish business strategies, as well as the political responses to such strategies. Being Swedish, or not being Swedish, mattered.

Within this article, I will examine Svenska Tändsticks AB's operations in Cuba focusing on 1949–1962, spanning from the establishment of La Consolidada Industrial, the Cuba-based front for Svenska Tändsticks AB, to its nationalization by the Castro government.¹ While there are many aspects of this history which warrants analysis, I will mainly focus on three areas of investigation. First, what role did nationality, in the form of representations of Swedishness and

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¹Svenska Tändsticks AB and La Consolidada Industrial will be referred to as STAB and LCI throughout this article.

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Cubanness, play in the business operations between LCI and its competitors? Second, what were the business strategies of STAB in the establishment of a matchstick factory and company in Cuba? Third, what were the political responses to STAB operations in Cuba? By asking these questions, I hope to examine Swedish international industry operations post-WWII within an emerging post-colonial world, and what role identity markers such as nationality played.

1.1. The history of international match production

STAB, currently known as Swedish Match AB, was created through a merger of Jönköping Vulcan and Aktiebolaget Förenade Tändsticksfabriker in 1917 (Thunblom, 1995, pp. 36–46). Under the leadership of Ivar Kreuger, STAB managed to become a leading distributor of patented safety matches. Through state monopolies and an aggressive strategy of internationalization, STAB found itself in control of more than half of the worldwide distribution of matches through either direct production or shareholding. State monopolies were an especially favoured form of expansion, in which STAB negotiated direct control of production by issuing loans to governments (Hildebrand, 1985). In Latin America, STAB managed to negotiate state monopolies in Peru, Ecuador, Bolivia and Guatemala in the 1920s and even managed to have lighters prohibited, in order to improve match sales. As would be expected, this aggressive control over matchstick markets was considered negatively by the Latin American populace (Runblom, 1971, pp. 178–250).

In his study of Swedish company operations in Latin America before WWII, Harald Runblom identified several occasions where local politicians viewed STAB as a hostile force. In Ecuador, the establishment of an STAB monopoly on matches in 1927 in return for a state loan led to protests against the sitting government. When the sitting president Isidro Ayora was deposed by military officer Luis Larrea Alba in 1931, one of Alba's primary policies was the revocation of the match monopoly. Similarly, the Guatemala monopoly established in 1930 was strongly opposed by later governments, leading to an early revocation of the monopoly in 1939. Runblom also demonstrated how STAB could act aggressively, such as in negotiations with El Salvador, where STAB threatened to discourage Swedish coffee imports if the Salvadorian government was hostile to Swedish enterprise. As Runblom noted on El Salvador: 'There seemed to have been a strong, national opinion for a domestic matchstick production' (Runblom, 1971, p. 229). There were other Swedish companies who feared nationalization of their assets, such as LM Ericsson who operated a telephone company in Mexico, but of the companies examined, STAB was the only company examined by Runblom which had popular opposition in Latin America (Runblom, 1971, pp. 161–162).

This early period of STAB's international efforts of market control had also been studied in the 1970s through a project headed by Karl-Gustaf Hildebrand. Here, Ulla Wikander has discussed the strategy of national monopolies pursued by Ivar Kreuger.² These strategies often relied on subterfuge, especially in relation to the matter of foreign ownership:

The first monopoly negotiations in 1924 and 1925 indicated quite clearly that it was almost futile to try and obtain a monopoly which had a domestically-owned match industry. The national business and trade community refused to sell or be expropriated. Under such circumstances, the government found it untenable to enforce monopolization. Therefore, as a first step, Swedish Match had no choice but to gain influence over the country's match industry through cooperation agreements or – safest of all – by purchasing factories. These purchases were usually made via fronts. The fact that a factory had been transferred to foreign ownership was not to be revealed. Considerable importance was attached to this aspect and the previous owners were often allowed to continue as factory managers. (Wikander, 1979, p. 255)

Hildebrand's research project focused on 1917–1939, at the height and downfall of STAB and on Ivar Kreuger, who committed suicide in 1932 after a significant liquidity crisis. Although the company underwent several changes, it remained the dominant player in match production. In 1930, STAB and its subsidiaries accounted for 40% of total global production of matches, while in

²The other studies as part of this project were Hassbring (1979); Lindgren (1979); Modig (1979); Hildebrand (1985).

1938 they accounted for less than 20%. They were still the leading global producer of matches, with primarily competition from Japan and the Soviet Union (Hildebrand, 1985, pp. 336–337; Lindgren, 1979, pp. 80–99). STAB's recovery from 1932 took time, and the company was not financially stable enough to resume paying dividends to its shareholders until 1948 (Runblom, 1971, pp. 181–182).

While production in the Americas accounted for just 2% of production in 1938, it is clear from archival records that there was a significant expansion in this region after WWII. Between 1950 and 1970, there were STAB operations in several Latin American countries, including Chile, Argentina, Colombia, Uruguay, Peru, Cuba and the Dominican Republic, as well as Trinidad and Tobago. Examining these operations further will grant a greater understanding of Swedish industrial operations in Latin America after WWII, but also further contextualize to what degree the dramatic history of La Consolidada Industrial was unique or part of a greater pattern.

STAB was not alone in expanding production in Latin America after WWII. By looking at eight other transnational corporations based in Sweden, Richard Palmer has shown that the 1950s and 1960s saw a globalization of Swedish production outside of Europe. Of these corporations, half started production in Latin America in the 1950s or 1960s. It should be noted that Palmer decided to omit STAB from this study 'as its organizational complexity throughout its history made it practically impossible to gather enough coherent and reliable information on the foreign activity of the whole group'.³ This is accurate and indicative of STAB's expansive and illusive corporate structure, which warrants a focused study on one particular operation as a better way to understand its international strategies, rather than attempting a total picture of the entire corporation.

1.2. Nationality as a factor in international business

While representations of nationality were not the foremost concern in expansion strategies, nationality could influence financial decisions and popular sentiments towards economic policy. Anders Ravn Sørensen has demonstrated how nationalism as an ideology intervened in monetary organization in nineteenth century Denmark, as the Danish state's attempt to establish a national currency was met by resistance in Schleswig-Holstein. There, previous local currencies became material symbols of local pride and self-sufficiency, while the Danish currency was a way to incorporate the region into a larger national community (Sørensen, 2013).

In terms of twentieth century nationality, Geoffrey Jones has examined the relation between multinational enterprises (MNE:s) and nationality, challenging the view of Robert Reich that MNE:s have become less attached to any national economy. Jones contends that nationality with MNE:s have always been ambiguous, shifting and adaptive, both in terms of ownership and operationality, but also branding and political considerations (Jones, 2013, pp. 190–207). One example is the MNE Beiersdorf, whose German-Jewish owners had to transverse a complex political landscape in the 1930:s and 40:s, facing primarily Nazi party directives, but also subsequent international expropriation of its brands.⁴

Nikolas Glover has examined Sweden as a brand after WWII. In his thesis *National Relations: Public Diplomacy, National Identity and the Swedish Institute 1945–1970*, he demonstrates how the Swedish state, through the Swedish Institute, worked to relate the nation to a changing world through active promotion. He has also demonstrated how many Swedish companies used the image of Swedish industrial quality as a mark of pride through the active promotion of 'Made in Sweden'. Here, he argues not only that government agencies used the brand as a promotion of products, but that Swedish product quality as a concept fed back into a symbol of national pride.⁵

³Palmer (2003), p. 10. These corporations were Alfa Laval (1960s), SKF (1960s), Electrolux (1950s) and Atlas Copco (1960s). While STAB had production in Latin America prior to 1950, it is indicative of a general globalization of Swedish manufacturing. See also Palmer (2001).

⁴Jones (2013), p. 140–164. Jones has also discussed STAB as a prominent Swedish MNE in Jones (2004).

⁵Glover (2011); Glover (2023). See also Romlid (2021) for an analysis of the interaction between political and economic branding.

Some scholars have highlighted that Swedish nationality, in particular during the 1950:s and 1960:s, was perceived as holding a politically fruitful position as a neutral towards the decolonized world, since Sweden was not considered a colonial power (Engh, 2009; Glover, 2018). Furthermore, the Social Democratic government displayed solidarity with decolonization and argued for neutrality between the major superpowers. For example, LAMCO (Liberian American-Swedish Mining Company) was an initiative for the government-owned Swedish mining company LKAB to capitalize on its status as coming from a non-colonial power to ensure good relations within Liberia (Bruno, 2018; Bruno, 2020). Similar arguments have been made for German companies after WWII (Gehlen et al., 2020, pp. 22–23). Göran Bergström has studied the larger internationalization of LKAB after WWII, where the LAMCO project is a major part. He also discusses how LKAB explored mining possibilities in Peru during the 1970:s. The company had been approached by American mining company Cerro Corporation, which saw that anti-American sentiments by the Peruvian government made it difficult for them to exploit their concessions, and believed a joint venture with a non-American corporation would ease political tensions. As the Cerro Corporation's mines would eventually become nationalized, LKAB decided to withdraw from a proposed joint venture with the new national company Mineru Peru, partially due to the country's political instability (Bergström, 2009, pp. 116–121). Yet some research portrays Swedish economic expansion under a more critical lens. Per Högselius and Yunwei Song have instead highlighted Swedish interest in Chinese steel and iron industries in the 1910:s where Swedish engineers used diplomatic power to try to control Chinese resources. They suggest this as an example of semi-peripheral informal empire, where instead of military force, Swedish engineers utilized soft power in order to gain control over resources (Högselius & Yunwei, 2021).

1.3. Methodological considerations and Latin American contexts

This study differs from the above in several ways. First of all, while the detailed studies generally examine extractive industries, specifically mining, STAB was primarily a manufacturing industry of consumption goods. Their profit was thus much more dependent on a popular approval of their product to turn a profit. There were also no clear connections between the Swedish state and STAB, unlike LKAB and the Swedish Institute. They were not beholden to state approval for their expansion, although they could appeal for diplomatic support when necessary. Also, as will become evident, in utilizing Swedishness strategically, this included obscuring Swedishness, something not observed in previous studies, except for Jones's study of Beiersdorf. Still, while the political conditions of Nazi Germany makes the sake for obscuring nationality and Jewishness quite clear, obscuring Swedishness runs counter to previous assumptions of post-WWII Swedish identity.

In this study, my archival sources have been the STAB archives in Landsarkivet I Vadstena, a massive archival collection covering the company's history in 1849–1991. I have primarily examined the correspondence collection, which contains not only letters, telegrams and reports, but also attached newspaper clippings, matchbox designs, blueprints, financial statistics, political documents and other materials of interest to the company. While these sources have the potential to create a biased picture favouring STAB, there are plenty of oppositional voices, which are communicated in order for company directors to strategize their countermessaging and detect warning signs (Persson, 2002).

In terms of methodology, I have focused on qualitative analysis of correspondence between LCI and STAB, in order to identify business strategies of both parties, as well as their responses to counterstrategies from competing businesses, labour unions and politicians. I have also examined newspapers clippings and promotional material to more clearly understand the context of the operations and have drawn a rough outline of the establishment and dissolution of LCI. This has inevitably opened up many other potential lines of inquiry, primarily concerning the international operations and profitability of not just STAB, but other Swedish companies in Cold War Latin America. Additionally, further studies could be done focusing more clearly on marketing strategies in

Latin American markets, as well as more specialized studies on the particularities of mechanized matchstick production. While such studies would be welcome in the future, they are outside of the scope of this study.

STAB's expansion in Latin America must be understood from a regional perspective. During the 1950:s and 1960:s, several Latin American countries implemented import-substitution policies, where the economies were intended to rely less on imports and more on domestic production, influenced by economists such as Raúl Prebisch and Gunnar Myrdal (Hirschman, 1996; Irwin, 2020). This was paired with a desire to break the reliance of the economies on the United States and Europe. The economic theories of Prebisch and others would later be called 'dependency theory', and would influence historian Immanuel Wallerstein's world-systems theory (Wallerstein, 2004). It was not a unified movement across Latin America, but shows a general skepticism towards foreign capital during this time.⁶ Yet not all countries had the opportunity or political will to implement such policies. Cuba had a long history of exposure to foreign capital, especially from the United States, which since 1898 had a firm grip on Cuban production. U.S. companies dominated several industries, such as sugar, tobacco, mining, railroads and electricity (Burns, 2018, pp. 49–52). Large U.S. corporations such as United Fruit Company worked both economically and politically to secure their place in the Cuban market (Zanetti & Garcia, 1976).

During the 1950:s, Cuba saw political turmoil, as Fulgencio Batista overthrew the Prio regime with a *coup d'état* in 1952. From 1955 onwards, clashes between Batista and his opponents became more violent, both in student demonstrations in the cities, as well as Fidel Castro's guerilla campaign from Sierra Maestra in 1956. Yet as Louis A. Pérez has stated, 'Cuban discontent during the [1950:s] was as much a function of deepening socio-economic frustration as it was the result of growing political grievances' (Pérez, 2006, p. 224).

Economic historian Bulmer-Thomas contends that when accounting for prices, the average Cuban income was the same in 1958 as in 1903 (Bulmer-Thomas, 2012, pp. 224–230). The Cuban economy overall was also stagnant in comparison with the rest of Latin America. From 1928 to 1960, GDP per capita had only risen from \$1,436 to \$1,528, while the Latin American average had risen from \$1,403 to \$2,160, measured in 2000 USD. According to Bulmer-Thomas, Chile, Costa Rica, Mexico and Peru had all overtaken the Cuban economy in GDP per capita during this period, and many other Latin American countries saw better growth rates (Bulmer-Thomas, 2014, p. 528).

While Cuba had high income per capita, higher costs of living from dependency on the American market led to the middle and working classes struggling. Rising inflation, vast differences between the cities and the countryside and a feeling of being worse off now than in the 1920:s, along with Batista's violent suppression of political opponents, would eventually give the Castro revolutionaries the popular base to thwart his rule in 1959 (Pérez, 2006, pp. 224–230).

These regime shifts had dramatic consequences for STAB operations in Cuba, but cannot be divided as simply as into some that supported and others that opposed STAB. Rather, economic allegiance with one regime necessitated a response from the other, and both regimes had to manage the delicate question of foreign investment. Similarly, STAB needed to adapt its businesses to not just the Cuban government, but also the Cuban market, press and larger public opinion.

Previous research of the role which foreign capital had politically in Cuba during this period and previously has highlighted U.S. corporations, due to their dominant economic position as well as their diplomatic backing from the neighbouring superpower state (Burns, 2018; Zanetti & Garcia, 1976; 1987). Studies of for example British companies operating both prior to and during the Castro regime demonstrates that non-American capital had more flexibility, yet overall foreign capital and U.S. capital is seen as almost synonymous in studies of Cuba (Lambie, 1993).

By instead placing focus on Swedish foreign capital, hard power influence and historical occupation no longer become factors to consider. Compared to the United States, Sweden and Cuba had

⁶For a contemporaneous perspective on this topic, see the collection of texts in Bernstein (1966).

similar population sizes. Ostensibly, this should give STAB an opportunity to present itself as a more benevolent form of foreign investment, as suggested by previous studies. This study will challenge this view.

2. The foundation of La Consolidada Industrial

After WWII, STAB began to explore the Cuban matchstick market by mapping out trade rules, patents and local manufacturers.⁷ Cuba had high import tariffs, which were dependent on how much the exporting country was importing from Cuba in return, which in Sweden's case would be a 25% surcharge, since they exported significantly more than they imported at the time (Stephens, 1954, pp. 29–30; Diaz et al., 1965, p. 613). This meant that local manufacturing was preferable to exporting matches directly from Europe. Local match production in Cuba was not mechanized and relied on manual labour to manufacture and box matches. There were 15 different matchstick factories in Cuba, with separate owners. By March 1948, a plan had been made to create a joint company, as can be seen in STAB director Sigurd Yngve Eurén's letter to Paul Bertil Lind, president of Transamerican Match Company, a New York based daughter company of STAB:

As you know Axel [Brandin] favours a scheme, whereby we would start in with immediate cooperation from at least one of the Cuban manufacturers. Axel has now suggested that the newly constructed continuous machine for making paraffin-paper matches should be sent to Cuba together with supporting equipment, among which boxmaking machines. A prerequisite for doing so would be the formation of a limited liability company in Cuba, in which one or two or all three of your Cuban friends or some other Cuban manufacturer would participate with 50% of the share capital. The payment of our shares would be in the form of machinery, and the Cubans would contribute cash in exchange for theirs.⁸

In March, director Axel Brandin was communicating with factory owner Alberto Perez about a possible introduction of mechanized matchstick production to Cuba.⁹ From there, they established contact with two other factory owners, who were referred to as the 'Cuban friends' or 'Cuban group'. For legal advice, they hired Alfredo Lombardo, who Bertil Lind described as 'not only able and a man of integrity, but also a fighter'. The main issue, according to Lind, would be how to deal with labour laws: 'It is, of course, not the Cuban temperament that is so much more difficult than that of other Latins but the background of an extreme labour code and excessively bad conditions of labour in the past'.¹⁰ Lind also believed that while the past administration had been very accommodating towards workers, there was now an opportunity for a more business friendly administration. The considerations about establishing operations in Cuba concerned not just labour laws, but also cultural considerations regarding how the company could be established. Towards Lombardo's reflections that now Cubans had become selfish, Lind reflects:

I do not believe that people's character can change fundamentally in the space of 4 or 8 years, although their behaviour (sic) can, under certain conditions, and I believe, as did all younger Cubans I talked to, and as for instance did SKF's man, that the Cuban workers are still reasonable and responsive to good treatment.¹¹

To note here is that Lind has communicated with the already established SKF office in Havana, suggesting an informal inter-commercial cooperation to establish Swedish businesses.

Negotiations with the three Cuban factory owners fell through in the beginning of 1949, but quickly Lind found interest from a 'wealthy Cuban family', the estate of Laureano Falla Gutiérrez.¹² Laureano had died in 1929, but the estate, Succession de Falla Gutiérrez was one of the biggest sugar

⁷Letter to Kent & Rosseau, June 10, 1947, Svenska Tändsticks AB:s arkiv, volume E1B:565, National Archives in Vadstena, Vadstena, Sweden. This archive will be referred to as STAB RV from now on.

⁸Letter from S. Y. Eurén to B. Lind, March 6, 1948, STAB RV, vol. E1B:585.

⁹Letter from A. Brandin to A. Perez, March 31, 1948, STAB RV, vol. E1B:585.

¹⁰Letter from B. Lind to A. Brandin, November 4, 1948, STAB RV, vol. E1B:585. Alfredo Lombard had for example been a legal counsel for the Cuba Company, see: Santamarina (2004), pp. 62–86.

¹¹Report from B. Lind to STAB offices in Jönköping, November 1, 1948, STAB RV, vol. E1B:585.

¹²Report from STAB to B. Lind, February 23, 1949, STAB RV, vol. E7:26.

groups in Cuba. One member of the estate, Andrés Carrillo, was interested in investing in match factories, and had printed an advertisement in the New York Journal of Commerce. He was in his 40s, a chemist educated in America and was looking for new areas of investment outside of sugar. He had married into the family, and his father-in-law Vitiaro Gutierrez Valladon, was the man with the money. Gutierrez was a lawyer, sugar planter and former politician with ties to the Machado regime in the 1920s and 30s (Zanetti & Garcia, 1987, p. 290, 338). Carrillo's uncle was Dr. Augustín Batista y Gonzalez de Mendoza, a banker who owned the Trust Company of Cuba, one of the largest Cuban banks at the time.¹³

Negotiations with Vitiaro Gutierrez began very quickly, specifically on how control should be allocated between the Cuban and Swedish groups in this venture, but they settled on a 50-50% split. A company was set up, under the name La Consolidada Industrial, owned half by Cuban owners, and half by STAB and affiliates. Andrés Carrillo was named the Cuban director of LCI, while engineer Reinhold Grönberg became the local Swedish representative. The Cuban major investor was Dr. Gutierrez. By July 1950, he owned 1,219 of the 1,625 Cuban shares of LCI, while Carrillo only owned 100. Of the other 1,625 shares, STAB owned 1,500, while Transamerican Match Company owned 100.¹⁴

A factory building was set up outside of Havana, with Grönberg and Carrillo working on the ground. In 1950, the plan was set to import machinery to the established factories, although this is where STAB met difficulties. In January, Grönberg was informed that the Cuban Department of Agriculture was against their petition for Swedish machinery to be imported without customs fees. The department believed that there were 'more than necessary match factories in Cuba'.¹⁵ While the Cuban representatives and Lombardo believed that these protests were no major issue, this was only the beginning of resistance towards LCI. As STAB machinery was shipped from Sweden to Cuba in April 1950, Cuban workers voiced their protests. Dock workers connected to the labour union CTC refused to unload the machinery, which was reported on in *Aftonbladet* and other Swedish newspapers.¹⁶ Cuban newspapers and radio reported critically about the introduction of machinery, which they claimed could replace the 4,000 labourers who now worked in matchstick factories with just 30 labourers.

The Havana newspapers documenting the protests against LCI and STAB ranged across several political denominations. The Franco-sympathetic *Diario de la Marina* published the written protests of the Cuban factory owners who feared to be shut down.¹⁷ The Communist paper *Hoy* interviewed factory workers about their fears of losing their jobs, and would later publish the names of the members of LCI and its connections to STAB, referred to as 'el Trust Fosforero Internacional Sueco'.¹⁸ The weekly magazine *Bohemia* put out an article titled '4,000 workers reject the external proposition to mechanize the match industry', with several photographs of the factory workers.¹⁹ In these articles, LCI was depicted as wanting to establish a monopoly on match production by forcing out other less competitive factories.

While the workers were placed front and centre in these protests, STAB officials suspected that the factory owners were the true source of opposition. Grönberg reported back that the protests were most likely not a genuine expression of the labourers, but manufactured by the factory owners. He claimed that the newspaper articles were paid for by them, and that LCI members were offered

¹³Report from B. Lind to STAB, March 3, 1949, STAB RV, vol. E7:26. For more biographical information on Carrillo and Gutierrez, see Jiménez (2006), 130–132; 282–285.

¹⁴Letter from R. Grönberg to STAB, July 20, 1950, STAB RV, vol. E26:38.

¹⁵Letter from R. Grönberg to STAB, January 18, 1950, STAB RV, vol. E1B:623.

¹⁶'Demonstration mot Sverige i Havanna', *Aftonbladet*, April 19, 1950; 'Tändsticksmaskin impopulär på Kuba' *Kvällsposten*, May 11, 1950; 'Svenska tändsticksmaskinerna får vara kvar på Kuba', May 20, 1950.

¹⁷Newspaper clipping of *Diario de la Marina*, April 15, 1950, STAB RV, vol. E1B:623.

¹⁸Newspaper clipping of *Hoy*, April 14 & April 20, 1950, STAB RV, vol. E1B:623.

¹⁹Newspaper clipping of *Bohemia*, April 23, 1950, STAB RV, vol. E1B:623. Original quote: 'Rechazan 4000 trabajadores el proposito extranjero de mecanizar la industria del fosforo.'

by the newspapers to pay for a reply.²⁰ On April 18, Carrillo wrote in *La Información* in defense of LCI, contending among other things that they were in fact fighting a monopoly by offering different production techniques. He denied that the company was any kind of front for STAB, but that he had started the company on his own initiative and had simply decided to buy his machinery from Sweden and the US. Additionally, he denied that the machinery was powerful enough to replace 4,000 workers with 30, and that eventually it would drive down costs for the benefit of the consumers.²¹

It seems doubtful that the protests against LCI would be fabricated by the factory owners. There was a strong labour movement in Cuba at the time, and it seems difficult to assume that Communist newspapers like *Hoy* would act purely according to the will of factory owners. In its reporting from April 22, *Hoy* interviewed Ramino Rodríguez, general secretary of *Sindicato de Fosforeros de la Habana*, who led the worker protests against LCI. Rodríguez made clear connections between LCI, STAB, the ‘machadista’ Gutiérrez, the ‘trujillista’ Luis Ariza Julia and the ‘imperialist’ The New York Match Company. The installation of ‘maquina-pulpo sueco-yanqui’ would only serve to displace factory workers of a fully self-sufficient match industry. *Hoy* also reported that the match industry in the Dominican Republic had been ruined by the introduction of the Swedish trust, in a similar way to which it wished to do in Cuba, under the dictator Trujillo. Additionally, the editorial staff added its voice to the protests against the match monopoly, claiming it to be contrary to national interests and the interests of more than 4,000 families. It is evident that *Hoy* saw LCI as not just a local challenge, but also part of a global pattern of capitalist imperialism.²²

The fact that Carrillo downplayed STAB’s connections to LCI, such as their ownership of 50% of the shares, indicates that there was at least some spin in his version of the situation. Still, three of the factory owners who were protesting against Swedish machinery threatening Cuban jobs were in fact the same people who just two years earlier had negotiated with STAB. While they could not mention this to the public, they were aware of the Swedish corporation enough to understand why LCI was established. The question of LCI’s connections to STAB and Sweden had now very quickly become a question of public debate, which would continue for years.

Continued technical problems and pressure from newspapers would begin to infect relations inside LCI as well, closely connected to how Swedish or Cuban the operation should be. Carrillo grew frustrated, as letters to LCI were written in Swedish, requiring Grönberg to translate the letters for the rest of the office.²³ STAB also contacted their Colombian office to ask if they had a Swedish engineer that could help with setup, but were not interested in a Colombian engineer, ‘as we don’t want the new methods, which we are establishing in the Cuba factory, to be known in Colombia’.²⁴ Nationality thus held a tricky position in these operations, as Swedish presence could undermine the Latin American companies’ image, while STAB liked to keep some trade secrets restricted to its Swedish employees. On May 24, LCI was officially registered as a public company.²⁵ Issues remained, and Grönberg was hesitant to employ non-Cuban engineers as the company was still ‘in a conspicuous light’.²⁶

A workers delegation went to the president Carlos Prío, who promised to consider the issue of the Swedish machinery that were still stuck in customs. However, two days later they ruled in favour of LCI, claiming that there was no legal recourse to stop the importation of STAB machinery. The machinery would remain in the docks even after the June elections, when Prío again secured a

²⁰Memorandum from April 30, 1950, STAB RV, vol. E1B:623.

²¹Newspaper clipping of *La Información*, April 18, 1950, STAB RV, vol. E1B:623. See also Grönberg’s translation the same folder.

²²‘Movilización de los Obreros Fosforeros’, *Noticias de Hoy*, April 22, 1950. Retrieved from the Digital Library of the Caribbean, November 9, 2024: <https://ufdc.ufl.edu/aa00022089/04723>.

²³Letter from A. Carrillo to STAB, April 24, 1950, STAB RV, vol. E1B:623.

²⁴Letter from S. Y. Eurén to R. Grönberg, April 15, 1950, STAB RV, vol. E1B:623.

²⁵Translated letter from J. Rigual to A. Carrillo, May 24, 1950, STAB RV, vol. E1B:623.

²⁶Letter from R. Grönberg to STAB, June 9, 1950, STAB RV, vol. E1B:623.

position as president.²⁷ On July 27, minister of finance Raul Villasuso published a memo regarding the issue, where he recommended a quota system, where each factory was given a minimum quota to produce, with fixed prices and a fund to compensate for workers laid off. Villasuso defended LCI from accusations of being a front of STAB by insisting that the only Swedish member of the board was Grönberg. He was there ‘only as a technician sent by the factory selling the machinery in order to install them according to his contract. He will later leave the machinery running and train new Cuban technicians to operate them’.²⁸

By the end of October an agreement was finally made to ship the machinery from the docks, although production could not start until the quotas had been decided, which was done in December. Grönberg commented bitterly that ‘the Labor Unions are the factors who run the country’.²⁹ In Sweden, there was also mounting hesitation towards LCI. Director Ove Sundgren, who had visited in October, sent a telegram stating that he could continue to lend funds to LCI for a year ‘if there are good reasons to believe it would lead to better solution than dissolving [...] not convinced vege realizes serious economic consequences of quota stated’.³⁰ The other matchstick factory owners were not happy either. In their ‘blue book’ from November 1950, which outlined their argumentation for why LCI should be banned, they reiterated the clear connections to Sweden, the monopolistic character of STAB, its unwillingness to make Cuban matches an export commodity, that mechanization would lead to unemployment and that a quota system would not fix this problem, but would unconstitutionally stop free enterprise.³¹ It is clear that the quota system was disliked equally by everyone.

3. Making matches

As LCI planned to start production in 1950, marketing strategies began to emerge for LCI and STAB. Data was gathered that suggested cigarette and cigar use was rising in Cuba, with 2.5 times as many cigars and 1.5 times as many cigarettes consumed in 1949 as were consumed in 1939.³² There was a general consensus that Cuba was reaching a higher standard of living, and that the Cuban market was growing. As stated in the introduction, this was wishful thinking. While it is hard to predict how the Cuban economy would have developed without the Cuban Revolution, by the mid-50’s it suffered enormous income inequality, with a stagnant economy and high costs of consumer goods for the middle and working classes.

Initially, the STAB offices suggested a matchbox design named ‘Tricolor’ and ‘Flor de Luz’. Carrillo insisted however that the Cuban market required bolder designs: ‘The latest craze in the market and which is being used by our competitors are nude or pin-up girls labels. [...] Even though we do not agree with these designs, we wanted to show you what is in demand over here’. He also believed that the labels should be made locally, in order to avoid high duties.³³ There was another design idea based on baseball stars, called ‘Los Peloteros’.³⁴ In the end, they decided on Tricolor, Los Peloteros and finally a model called Continental. While it seems that all boxes were sold and distributed well, Los Peloteros seems to have been the more successful brand (Figure 1).

Beyond imagery, there were also concerns about the Cuban climate and how matchsticks had to be adapted. Early after the installation of machines in 1951, Grönberg reported that while Swedish

²⁷Letter from R. Grönberg to S. Y. Eurén, July 20, 1950, STAB RV, vol. E1B:622. Original quote: ‘Que la participación del Ingeniero Gronberg se limita exclusivamente a la de ser el Técnico mandado por la fábrica vendedora de las máquinas para dejarlas instaladas y cumplir los compromisos de acuerdo con el contrato. Dicho Ingeniero deberá dejar funcionando perfectamente las maquinarias y adiestrado a los futuros técnicos Cubanos que van a intervenir en la nueva fábrica.’

²⁸Memorandum by R. Villasuso, July 27, 1950, STAB RV, vol. E1B:622.

²⁹Letter from R. Grönberg to STAB, November 4, 1950, STAB RV, vol. E1B:622.

³⁰Telegram from O. Sundgren, December 20, 1950, STAB RV, vol. E1B:622. ‘Vege’ is most likely an abbreviation of Vitiario Gutierrez.

³¹Översättning av den cubanska motståndargruppens ‘blå bok’, November 10, 1950, translated in February 16, 1951, STAB RV, vol. E26:38.

³²Letter from R. Grönberg to STAB, August 17, 1950, STAB RV, vol. E26:38.

³³Letter from A. Carrillo to S. Y. Eurén, June 15, 1950, STAB RV, vol. E1B:623.

³⁴Letter from R. Grönberg to S. Y. Eurén, June 15, 1950, STAB, RV, vol. E1B:623.

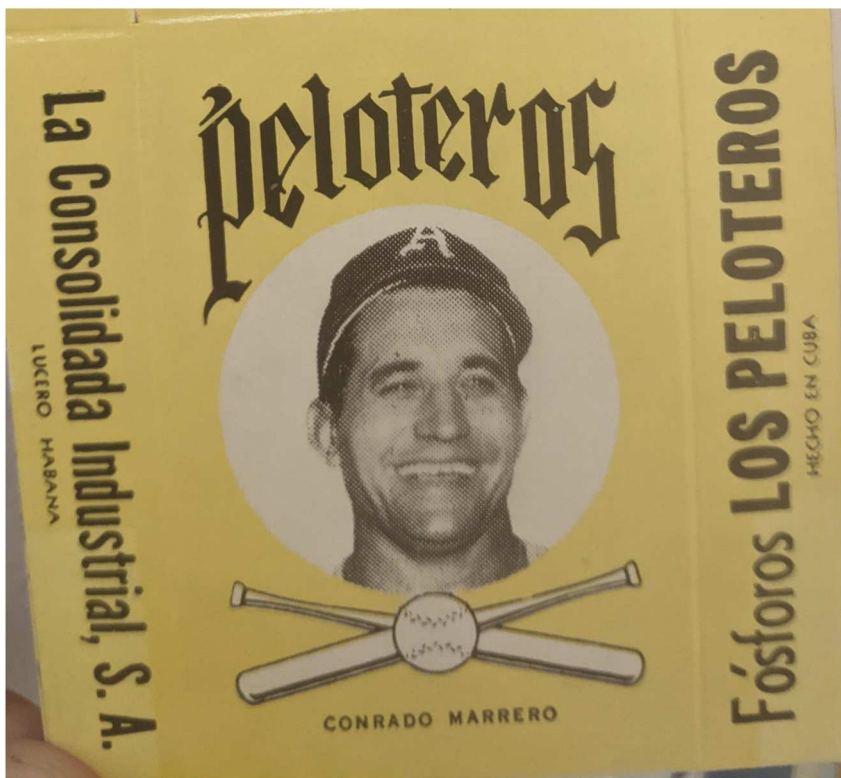


Figure 1. One of the designs for the matchboxes Los Peloteros, featuring Conrado ‘Connie’ Marrero, attached to a letter from Haldan Thunborg to Exportaktiebolaget Svalan. November 24, 1953, STAB RV, vol. E1B:687.

matches were of a higher quality overall, the Cuban matches were stronger, almost resembling a sparkler. This was due to the strong subtropical winds and the lack of windows in Cuban homes, so a forceful match was preferable. After creating a comparable match, Grönberg believed that they should adjust the size of boxes, and thus the striking surface, to a size of 19 mm, similar to what STAB sold in Peru.³⁵ Lind was opposed to this idea, however, and believed that while the LCI matches were not as strong as the Cuban ‘flame throwers’, LCI should focus on higher quality matches appealing to a select market, since they were already operating under a quota.³⁶ Yet by the next year, Carrillo reported that they received daily complaints about the weak matches.³⁷ In both imagery and quality, STAB and LCI had to find a balance between adjusting to the tastes and requirements of the Cuban public, as well as separating its own product as superior.

There would continue to be issues with the STAB machinery for some time. A steady stream of production was established in the summer of 1952, but months later, the factory was forced to pause. This caused conflicts within the LCI, with vice president and STAB representative Haldan Thunberg being at odds with Carrillo, disagreeing about whether the Cuban commercial climate or the STAB machinery was to blame.³⁸

Swedishness remained a complicated part of LCI’s business, with its implications of foreign monopolization. LCI members were aware of these implications, and even used them to their

³⁵Report from R. Grönberg to STAB, December 15, 1951, STAB RV, vol. E1B:624.

³⁶Report from B. Lind to STAB, December 12, 1951, STAB RV, vol. E1B:624.

³⁷Report from A. Carrillo to STAB, March 6, 1952, STAB RV, vol. E1B:666.

³⁸Letter from H. Thunberg to S. Y. Eurén, July 15, 1952, STAB RV, vol. E1B:666; Letter from H. Thunberg to E. Lethenström, September 12, 1952, STAB RV, vol. E1B:666. Thunberg was the successor to Reinhold Grönberg.

own advantage. In early 1951, the opposing factory owners attempted to buy STAB machinery from subsidiaries Sivco and Arenco in 1951, possibly in order to demonstrate that STAB was unwilling to sell its machinery to anyone else.³⁹ Grönberg believed that these companies should be cooperative, but stall any actual transaction, as well as quote three times higher prices than given to LCI, due to higher wages and shortage of raw material.⁴⁰ Andrés Carrillo wanted to use the correspondence as counter-propaganda to show that the other factory owners also wanted to become STAB subsidiaries, ‘Suecos tambien’.⁴¹

In order to further hide connections to STAB, the company’s shares in LCI were sold to the export company Svalan. This company was de facto under STAB control, and specialized in exports to foreign matchstick companies. While technically not owned by STAB, it was financed through STAB loans, thus ensuring that all profits went into the larger company and had a minimal share price, ensuring that it was not listed in most reference material.⁴²

4. Working around the quota

On March 11, 1952, Bertil Lind sent a telegram to STAB director Sten Sundgren, reading: ‘cuban developments strengthened consolidadas position stop members new government all friendly to our associates stop carrillos brotherinlaw offered presidency of cuba today but declined’.⁴³ What Lind referred to was the *coup d’etat* of Fulgencio Batista. The brother-in-law in question was Carlos Saladrigas y Zayas, a previous prime minister and close ally to Batista, who had been offered the position of president in 1952 but had declined.⁴⁴ While there does not seem to be any direct family connection between Fulgencio Batista and Agustín Batista, Carrillo’s uncle, it is clear that the new Batista regime had very good relations with Carrillo, Gutierrez and the rest of the LCI. Besides these connections, Batista’s economic policies encouraged foreign investments, industrial developments and tourism, particularly around Havana (McGuigan, 2012).

This development came at an opportune time, as LCI was struggling under the quota system. While it did provide an opening into the market, STAB intended to control it, not merely exist within it. In 1952, Eurén was suggesting for Carrillo to explore the possibility of purchasing quotas from other companies.⁴⁵ The quota system was also difficult in practice, as there was no internal standardization of different brands of matches, and no clear system of where and how to sell them. Even as production recovered from the initial technical problems, it was still difficult to operate in the Cuban market. During 1953, sales were however improving significantly. In July, LCI sold \$5,674 worth of merchandize,⁴⁶ while in October they sold for \$21,806.⁴⁷ The trademark for ‘Los Peloteros’ was established, and LCI bought up advertisement space at the Gran Estadio de la Habana.⁴⁸ Complications continued over the years to come, but rather with the administration of sales than matchstick production. In his report from 1955, Thunberg claimed that LCI matches that were not sold by their direct sellers were dumped by their competitors.⁴⁹

Around the same time, the main company selling matches, La Dinasa, would come under scrutiny, as one of the factory owners, César Casas, had sold above his quota. As La Dinasa formally investigated Casas, he responded by accusing the company of threatening free enterprise, and

³⁹Letter from Allumettes Caussemille to STAB, January 2, 1951, STAB RV, vol. E1B:642.

⁴⁰Report from R. Grönberg to STAB, January 10, 1951, STAB RV, vol. E1B:642.

⁴¹Letter from A. Carrillo to STAB, January 12, 1951, STAB RV, vol. E1B:642.

⁴²Letter from E. Lethenström to R. Grönberg, July 10, 1951, STAB RV, vol. E1B:643; Letter from E. Lethenström to R. Grönberg, July 10, 1951, STAB RV, vol. E1B:643.

⁴³Telegram from B. Lind to STAB, March 11, 1952, STAB RV, vol. E1B:666.

⁴⁴See ‘Memorandum of Conversation, by the Ambassador in Cuba’, *Foreign Relations of the United States, 1952–1954, The American Republics, Vol 4*, Document 326, 868–870. (<https://history.state.gov/historicaldocuments/frus1952-54v04/d326>.)

⁴⁵Letter from S. Y. Eurén to A. Carrillo, August 27, 1952, STAB RV, vol. E2B:279.

⁴⁶Report from H. Thunberg, August 12, 1953, STAB RV, vol. E1B:687.

⁴⁷Report from H. Thunberg, November 11, 1953, STAB RV, vol. E1B:687.

⁴⁸Report from A. Carrillo, October 15, 1953, STAB RV, vol. E1B:687.

⁴⁹Report from H. Thunberg, June 1955, STAB RV, vol. E7:4.

again associated it with STAB.⁵⁰ The magazine *Semanario de Actualidad* headlined ‘La DINASA, instruments of the Swedish and Spanish match trusts’, and later wrote: ‘The Swedish match industries has for a long time been the international match kings, due to the control of the sourcing and distribution of industrial raw materials and maintaining trusts and cartels all over the world, extending its tentacles across the major match markets’.⁵¹ STAB was keenly aware of its reputation as the Swedish octopus, or ‘Pulpo Sueco’ as five employees of Casas put it in a printed protest.⁵² Already during the start of LCI, Carrillo had suggested an octopus design for a matchbook, creating free publicity from them ‘bringing in “the pulpo machinery”’ (Figure 2).⁵³

In order to settle the match fights, the Batista regime presented a solution in 1956: the formation of a matchstick cartel, called *Financiera Mercantil a Industrial del Fósforo*, in which LCI had a 13.5% share, and eight other Cuban factories having shares between 13.5% and 8%. All factories would sell their matches through the company *Empresa Nacional de Fósforos*. Essentially, it was a restructured and regulated version of the quota system that unified the sale structure which had caused strife, and bought out the smaller factories (Jiménez, 2000, pp. 296–297).

As part of compensating the factories not included in the cartel, *Financiera* was ordered to take a 10 million pesos loan, of which 6 million pesos bought stock in the Cuban Aviation Company, which would be granted the company as the loan was amortized. The rest of the 4.5 million would go towards compensation for closed factories, organization of the company and settling the affairs of the anti-LCI efforts.⁵⁴ Ostensibly, this compensation was to protect an aviation company of national importance, but it was clearly government corruption. The manager of the government bank and the owner of the Cuban Aviation Company was Jose Lopez Vilaboy, who had close connections to the Batista regime. Through this compensation, he had thus sold 6 million pesos of his own company as shares, while financing it through a government loan.⁵⁵

While *La Empresa* had strict rules for how sales should be made, it ‘must have at least three or four different brands in order to give less impression of monopoly and to give the public variety and freedom of choice ...’⁵⁶ LCI and STAB’s strategy from then on would be to buy up the shares of the remaining factories and grow its portion of the quota correspondingly. This arrangement was not appreciated by the public. Many retailers refused to sell matches from the state monopoly and instead sold contraband lighters.⁵⁷

Despite officially distancing themselves from LCI, STAB was clearly involved in the ground operations of the factory. Bertil Lind’s report from 1956 demonstrates how he was involved in hiring accountants, setting up offices and even creating amenities for workers:

I have persuaded Carrillo to plant palm trees along the front of our land, and also flowering bushes there and elsewhere. [...] We have cemented the ground under the beautiful large laurel tree, where it is always remarkably cool. In the machine shop we have made modern iron garden furniture and painted it, all at a very trifling cost. This is to enable the workers to sit under the tree during their lunch hour. They will also be provided with a small radio, and in the factory during working hours they will be served coffee three or four times a day as soon as we can organize it. [...] In the first place we want to do that to avoid that our workers join the union. The set of people we now have are not unionized, and they are all excellent. When we take in others it will be their friends. The importance of avoiding the union can not be exaggerated in Cuba. We also want to set an

⁵⁰Report from H. Thunberg, July 6, 1954, STAB RV, vol. E1B:709.

⁵¹*Semanario de Actualidad*, July 29, 1954 & July 22, 1954, STAB RV, vol. E1B:709. Original quote: ‘La DINASA, Instrumento de los ‘trusts’ Fosforeros Sueco y Español.’ ‘Los industriales fosforeros suecos eran desde hacía tiempo los reyes internacionales del fósforo merced al control de las fuentes y la distribución de esta materia prima industrial y mantenían un trust o cartel mundial que extendía sus tentáculos sobre los principales mercados fosforeros.’

⁵²‘A la opinion publica al Señor Ministro de Hacienda’, July 4, 1954, STAB RV, vol. E1B:709.

⁵³Letter from A. Carrillo to STAB, June 15, 1950, STAB RV, vol. E1B:623.

⁵⁴Translated article from *Cuba, Economica y Financiera*, August 31, 1956, STAB RV, vol. E7:4; Letter from Lind to Sundgren, July 10, 1956, STAB RV, vol. E7:4.

⁵⁵For more on Vilaboy, see Jiménez (2006), 331–334.

⁵⁶Memorandum from B. Lind to V. Gutierrez, June 29, 1956, STAB RV, vol. E7:4.

⁵⁷Letter from B. Lind to STAB, October 26, 1956, STAB RV, vol. E1B:751.

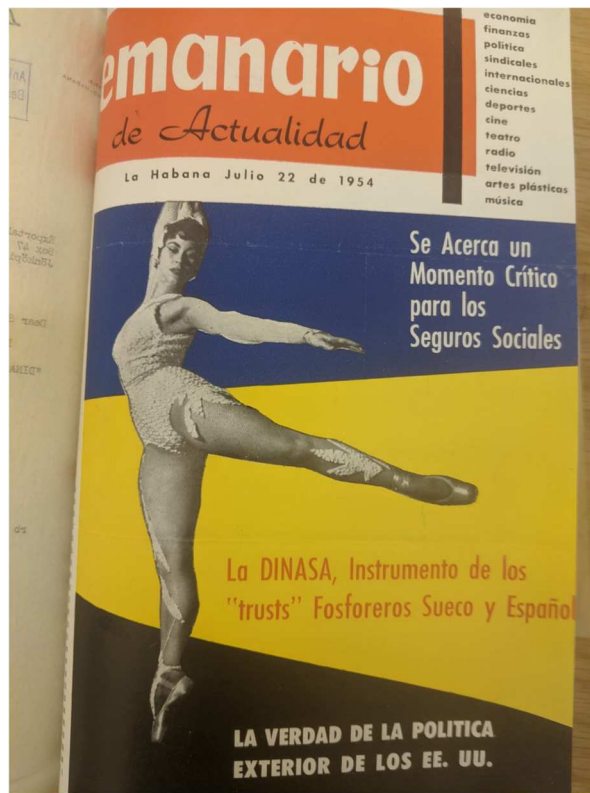


Figure 2. *Semanario de Actualidad*, July 22, 1954, STAB RV, vol. E1B:709.

example to other factories, as I believe it important that having regard to our privileged situation in Cuba the match industry should operate under modern conditions.⁵⁸

The fear of the union was understandable, as there had been issues in 1954 due to a delayed payment of vacation salaries. According to Thunberg, the labour protests reaffirmed in their speeches how poorly ‘el Trust Sueco’ treated their workers, and that the Swedes were now going to get kicked out of Cuba. The Batista-appointed president of the Match Commission, Chiappi, satiated the workers and made sure the salaries were paid out.⁵⁹ While Lind expressed many frustrations, viewing the Cubans as unorganized and lacking punctuality, he was very happy with Carrillo in charge of the factory, saying he was ‘really a factory man, and he [...] literally loves the factory’. Thunberg, who worked with Carrillo as vice president from 1952 to 1955, found it much more difficult however, and portrayed Carrillo as a failed businessman, who could not succeed without STAB support.⁶⁰ Carrillo and Dr. Gutierrez similarly found Thunberg difficult to work with. For example, Thunberg had a personal secretary called Rosita Adams, who refused to work for others and was paid a significant amount, for which Carrillo fired her without notifying Thunberg. Most likely, the fallout from this relationship led to Thunberg’s resignation during April 1955 (Figure 3).⁶¹

After Thunberg’s resignation, an article came out in *La Bohemia* titled ‘Cuba has a factory, solely for match production’, which seemingly attempted to praise Carrillo and downplay the involvement

⁵⁸Report from B. Lind to STAB, July 5, 1956, STAB RV, vol. E1B:751.

⁵⁹Report from H. Thunberg, February 3, 1954, STAB RV, vol. E1B:710.

⁶⁰Report from H. Thunberg, June 1955, STAB RV, vol. E7:4.

⁶¹Extract from B. Lind’s letter, March 29, 1955, STAB RV, vol. E7:4.



Figure 3. Picture from an article in *La Bohemia*, May 15, 1955, STAB RV, vol. E1B:732. Translation: 'The leaders of this successful new type of Cuban industrialization: Engineer Haldan Thunberg, who has finished his contract as Director of installation and training of Cuban personnel; Dr. Aurelio Espinosa, lawyer and negotiator, company secretary; and Engineer Andrés Carrillo y Mendoza, President and true spiritual creator of the company.'

of STAB, as well as the Swedish engineers. This article coincided with some of the continuous machines sent in 1950 being replaced, but framed it as a rejection of Swedishness, and an assertion of the Cuban ingenuity and industrial spirit. According to the article, while Carrillo had contacted Swedish importers for match machinery, these had been 'a complete disaster'. It was through Carrillo's ingenuity and abilities as an engineer that the machines had been converted to function and were now replaced by better machinery. For this reason, Carrillo was called the 'true spiritual creator of the company'.⁶² In one picture, the machine parts that were replaced were photographed in wooden crates, labelled with 'Return Sweden'. Diplomatic correspondent Carl-Herbert Borgenstierna sent the article to the Swedish Ministry for Foreign Affairs, with concerns that such slander had to be addressed, especially since he believed Thunberg had done a proper job.⁶³ However, there was no real concern from STAB. Arguably, it was better for LCI to be reframed as a Cuban company, and to portray Exportaktiebolaget Svalan as simply a marginal actor assisting Cuban modernization, with the necessary drive coming from Cuban industrial ingenuity.

⁶²'Cuba tiene una fábrica integral de fósforos', *La Bohemia*, May 15, 1955, STAB RV, vol. E1B:732. Original quote: 'un complete fracaso' and 'verdadero espíritu creador de la empresa.'

⁶³Letter from C-H. Borgenstierna to Ministry for Foreign Affairs, June 7, 1955, STAB RV, vol. E1B:732.

5. Confiscations and sales

Like most aspects of Cuban society, the revolution changed everything. On January 12, 1960, Carrillo was met by four men, three of which had machine guns. The fourth one was an engineer, who explained that the factory had been confiscated under Resolution 1393. Carrillo and the rest of LCI's board were fired immediately and refused entry to the premises, and operations would be taken over by commander Raul Nieves Mestre.⁶⁴ The reasoning behind Resolution 1393 lay with one of the managers of the Financiera, Jose Lopez Vilaboy. Vilaboy, the owner of the newspaper *Mañana*, was a close associate with former president Fulgenco Batista, who fled the country in 1959 (Morales, 2019). The new Castro regime contended, with some credibility, that the 10 million pesos loan taken to buy stocks in the Cuban Aviation Company and start new factories were largely embezzled by Vilaboy and Ovidio Mañalich. Therefore, Financiera, Empresa, LCI and all the other match factories were to be confiscated and nationalized, to compensate for what they considered corruption of public funds.⁶⁵ STAB and LCI argued in their defense that they had no actual hand in Financiera, and had no influence in such corruption, nor profited from it. STAB's own investigation contends that they had as little to do with Financiera as possible.⁶⁶

This was not the whole story. While it is difficult to prove any direct involvement of STAB in Vilaboy's and Batista's corruption, it is clear that STAB was part of negotiating a sale of LCI throughout 1958. Put simply, an American syndicate was interested in buying and consolidating Latin American aviation companies. Vilaboy had however demanded too high of a sum, and the syndicate was instead willing to purchase the various companies of Empresa, thereby controlling La Financiera and consequently the Cuban Aviation Company.⁶⁷ Carrillo's description of a meeting in late October illustrates the complexity of the deal, as well as its close ties to the government:

Last Thursday morning we saw Mr. Mañalich, who showed us the draft that has been sent by Mr. Johnson, of California, covering the various points that were pending, which memorandum, as Dr. Mañalich informed us, had been sent to General Batista, President of Cuba, for his final approval, in order to eliminate any further interference in the part of Mr. López Vilaboy, President of Compañía Cubana de Aviación, who is responsible, according to Dr. Mañalich, for all the delays of the last few months.⁶⁸

It is not very fruitful to extract the exact details of this deal, nor necessary. The deal was ultimately stymied by the Cuban revolution. As late as December 18, Lind wrote a letter saying that the American buyers were still on board, but were 'awaiting an improvement, one way or another, of the present unsatisfactory political situation'.⁶⁹ Two weeks later, Che Guevara won the decisive Battle of Santa Clara, and Batista was on a flight leaving Cuba (Pérez, 2006, p. 236).

Nationalization of LCI did not happen immediately, and initially the match industry was left alone. Bertil Lind reported that 'we have a very solvent Company, the only efficient factory in the island, and neither Dr. Gutierrez nor Carrillo (sic) are involved in politics. If the worst come to the worst, we are at least well placed for a fight'.⁷⁰ Still, much ink was spilt by Lind and others to make sure that LCI stocks were secure for selling, if need be. Throughout 1959, Carrillo and Gutierrez negotiated with the Castro regime to find a way for their businesses to continue to operate. For example, after discussions with government committees, Carrillo wondered if it was possible to convert the factory into producing safety razors.⁷¹

⁶⁴Translation of letter from A. Carrillo to STAB, January 14, 1960, STAB RV, vol. E7:4. See also Macías (2016), p. 203.

⁶⁵A thorough background of the case can be found in STAB RV, vol. F24:40.

⁶⁶STAB PM, January 22, 1960, STAB RV, vol. E7:4.

⁶⁷Report from S. Y. Eurén, March 11, 1958, STAB RV, vol. E7:19.

⁶⁸Letter from A. Carrillo to STAB, September 1, 1958, STAB RV, vol. E7:19.

⁶⁹Letter from B. Lind to G. Piculell, December 18, 1958, STAB RV, vol. E7:19.

⁷⁰Report from B. Lind to STAB, February 17, 1959, STAB RV, vol. E7:29. Lind's assertion that Gutierrez was not involved in politics was perhaps naïve, since revolutionary propaganda described him as a former 'machadista' and saw the seizing of his assets as the settlement of an old debt. See copy and translation of 'Interviene Recuperación todos los bienes a Viriato Gutiérrez', *Revolución*, July 5, 1960, STAB RV, vol. E7:39.

⁷¹Report from A. Carrillo, July 17, 1959, STAB RV, vol. E7:29.

On October 16, 1960, Carrillo left Cuba with his wife Adelaida. His children and grandchildren, as well as Dr. Gutierrez, were already in Miami. As bitter as he was about the communist ‘gangsters’ taking over, he never gave up the dream of returning. His hopes were ‘to be back in Cuba, on April 28, 1961, to celebrate by 50th birthday at my home in Habana, even if we have to celebrate sitting down on the floor’.⁷² He would send pamphlets from the Cuban Democratic Revolutionary Front, an anti-Castro exile group, to the STAB offices.⁷³ On April 25, 1964, four years after he had left Cuba, Carrillo sent a letter with the letterhead of his new company *Fabrica de Caramelos y Chocolates* in South Miami. He wrote that the Castro regime would fall any day now and that STAB should be prepared to bring LCI machinery up to production capacity: ‘I wish you to know, that the possible provisional Government of Cuba has already notified me that I should be available to go immediately to Cuba, once the Communists have left, so as to start the extra-urgent reconstruction of our Homeland’.⁷⁴

STAB had a much more conciliatory relationship with the Castro regime. They were primarily concerned of getting compensation for their lost shares from the nationalization of LCI. While they previously had attempted to downplay the Swedishness of the company, here they decided to portray Svalan’s and Transamerican Match Company’s shares as Swedish investments and using the Swedish ambassador to negotiate for both companies. This was intentionally done due to the strong anti-American sentiment in the country at the time.⁷⁵ Negotiations were done via ambassador Gunnar Dryselius, who recommended STAB to contact SUKAB (*Sveriges Utrikeshandels Kompensations AB*), a non-profit organization owned by Swedish companies, which specialized in counter-purchases of confiscated goods.⁷⁶ The negotiations had been delayed, largely due to the Cuban Missile Crisis, but also because there were other Swedish companies involved in negotiating for lost revenue from nationalization, such as SKF de Cuba.⁷⁷ While waiting for the settlement of lost funds, the Cuban government got in touch with STAB, via Gabriel Menassa, a lawyer for STAB, as part of an economic mission in West Germany. They proposed that STAB could build a new and larger match factory in Cuba, for which they would be willing to pay in cash or in installments.⁷⁸ However, from what it seems, the plans for STAB to build a new factory, as well as receiving compensation for their factory and its revenue, were eventually abandoned. There was little interest from Cuban-Americans either. While Vilaboy and Mañalich were involved in claiming ownership of Cuban Aviation Company, there was no similar energy for *Empresa* or *Financiera*.⁷⁹

In the meantime, the LCI factory continued to make matches under its new nationalized format, with revolutionary banners hanging in the machine halls. The factory was known by the workers there as ‘La Sueca’, since regardless of the attempts to make it seem genuinely Cuban, they all recognized its Swedish history.⁸⁰

6. Conclusion

I will return now to the original questions, the first being: ‘What role did nationality, in the form of representations of Swedishness and Cubanness, play in the business operations between LCI and its competitors?’

Nationality was an ever present matter in STAB’s founding and operation of LCI. Despite the Swedish corporation having a clear hand in establishing policy, down to the factory floor level,

⁷²Letter from A. Carrillo, November 20, 1960, STAB RV, vol. E7:39.

⁷³‘The People of Cuba Demand Collective Action’, pamphlet sent from A. Carrillo to STAB, January 16, 1961, STAB RV, vol. E7:4.

⁷⁴Letter from A. Carrillo to STAB, April 25, 1964, STAB RV, vol. E26:38.

⁷⁵Report from G. Picullel to TMC, July 18, 1960, STAB RV, vol. E7:39.

⁷⁶Letter from G. Dryselius to G. Picullel, December 17, 1962, STAB RV, vol. E7:48. Myrdal (1985), 85. There is surprisingly little written concerning SUKAB, considering their potential role in Swedish economic history.

⁷⁷Letter from G. Dryselius to G. Picullel, November 14, 1962, STAB RV, vol. E7:48.

⁷⁸Transcription of letter from G. Menassa to STAB, October 5, 1963, STAB RV, vol. E7:52.

⁷⁹For more on the contemporary U.S. view of the confiscations, see Allison (1961).

⁸⁰‘50 preguntas sobre fosforos’, *Bohemia* February 19, 1961, STAB RV, vol. E7:4.

as well as maintaining people on the ground running operations, it was important to not showcase Swedish presence in the company. Marketing and public policy consistently worked to make LCI and by extension LCI products seem as non-Swedish as possible. Boxes were designed to appeal to a Cuban market, including having Cuban baseball players on them. Carrillo and Gutierrez were given roles as public representatives of the company, while engineers such as Grönberg and Thunberg were referred to as auxiliary assistants. In its internal correspondence, nationality was also a determining factor in business in terms of the importance to have Swedish engineers handle equipment and frustrated expressions against the Cuban national character. Despite continuous technical problems and misunderstandings regarding how Cuban matches operated, STAB directors still fundamentally saw Cuban politics and business practices as the major hinderance against profit.

By contrast, opposition to LCI and STAB relies heavily on applying Swedishness to the company's image. Public press and anti-LCI operations portrayed the company as a front for foreign Swedish industrialization, which would hinder export possibilities and replace Cuban workers with Swedish machines. While at first STAB was described by some as Swedish-American, which could explain certain skepticism, the American connection disappeared, while the Swedish connection stuck. Association with Sweden became a hot potato for LCI, who desperately threw it away only to have it tossed back at them. This is markedly different from Glover's depiction of 'Made in Sweden' as a public brand of quality. Here, 'Made in Sweden' was an accusation.

The reasons why can be better understood by returning to the second question: 'What were the business strategies of STAB in the establishment of a matchstick factory and company in Cuba?' While STAB's operations in Cuba could be viewed as benevolent international business, compared to the corruption of the Batista regime or the strongarm of the Castro regime, we should be clear on its aims. The goal of LCI was to dominate the Cuban matchstick business, and it had no issues with misrepresenting its company to get a foot in the door, and to keep it there.

It was fiercely against labour unions, trying to circumvent them via both high wages and amenities, as well as government assistance. The STAB strategy was similar to what Högselius and Song demonstrated of Swedish engineers in Republican China, where political connections and soft power tried to compensate for the lack of military force to defend its establishment in global markets. However, considering that STAB's products were intended to be sold in the very national market they were attempting to monopolize, they had to obscure it as a form of foreign investment.

This brings us to our third question: 'What were the political responses to STAB operations in Cuba?' Following our exploration into the topic, we have to divide this question into a popular political dimension and a state political dimension.

It is clear that even from the beginning, LCI had to fight a popular image of the company as a front for foreign investment set to subvert domestic industry. This image can be most easily seen in the press, which was claimed to be controlled by the other factory owners. However, LCI also faced issues from labour unions in public, as these had become bedfellows with the industrialists against Swedish capital. Trying to gauge to which degree labour opposition was genuine or fabricated is difficult, but ultimately serves little purpose. Whether influenced by media, ideology, vested interest or a sober economic analysis, there was a certain degree of popular opposition against STAB. The frequent inclusion of newspaper clippings in the archives, as well as references to attacks on the radio, demonstrates that this was something STAB correspondents were well aware of and considered important. This opposition could be attributed to simply an aversion to foreign capital in general, but there were also clear connections to previous STAB operations in the Dominican Republic. While 'Swedishness' was a rhetorical device to identify STAB as foreign, claiming that LCI was a 'Swedish front' was not inaccurate.

Within the state political dimension, STAB worked to align themselves with the current governments and had reasonable success. Their biggest support undoubtedly came from the Batista regime, where personal and familial contacts enabled them to be given favourable positions within the quota system. There is decent reason to believe that this also shielded them from the continued

attacks from other factory owners after 1952. There were however lobbying efforts towards the País government in order to secure LCI's establishment, with a certain level of success. Negotiations with the Castro regime were significantly more complicated, and included the Swedish government as well. If there was a common denominator between the three regimes, it is that they all had to consider how to protect domestic industry. Still, while there is evidence of a popular skepticism if not rejection of foreign capital, the Cuban state was willing to negotiate. STAB's businesses fared better within a rightwing environment, but were willing to negotiate with all regimes.

In conclusion, the history of La Consolidada Industrial demonstrates how Swedish investments cannot be understood as a universally more benign form of foreign capital in a post-colonial world and that its brand was highly controversial, despite Swedish neutrality. It expands the history of foreign capital in Batista Cuba beyond that of American capital, and highlight the operations of STAB post-WWII and post-Kreuger. Further studies of STAB operations in Latin America may very well show similar results.

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