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Alejandro de la Fuente

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Autobiography of a Cuban Businessman in the 1940s and 1950s

Jorge José Domínguez (1921–2012), hereafter JJD, served as executive vice president and de facto chief executive officer of a Cuban family’s construction materials company. He began work at the family company in the early 1940s through July 10, 1960. In those years, the company was best known as Calera Santa Teresa, a lime factory. Its largest subsidiary would become Cemento Santa Teresa, the first wholly Cuban-owned cement company in Cuba and one of the country’s three cement factories in the late 1950s, which upon expropriation in 1960 came to be known as Márcoles de Artemisa. The company’s founder was Manuel Domínguez Morejón, JJD’s father, who served as board chairman until 1960. In time, JJD’s brother-in-law (Rafael Puig) would become chief engineer; his brother (Manuel Domínguez Silveira) would become chief accountant, and his father-in-law (Antonio de la Carrera) corporate counsel.

The starting dates of JJD’s employment, and his eventual promotion to CEO, are unclear. In December 1941, he was a senior at Columbia University in New York. Following the Japanese attack on Pearl Harbor, he sought to volunteer to join the US Armed Forces; he was rejected because he was not yet twenty-one years old (in the years ahead, the United States would change this rule). He asked his father for permission, but his father denied it. JJD returned to Cuba to wait for his twenty-first birthday on June 1, 1942. After some weeks of JJD not doing much, his father explained that the economic depression of the 1930s had badly hurt the business, and he asked JJD to work for a bit. JJD did, and he continued doing so uninterruptedly for twenty-five hours per day for the following eighteen years.

As noted at the start of JJD’s account, below, he wrote his memoirs in 1995 because one of his granddaughters asked him—she was age twenty-three; he was age seventy-four. He wrote for her in English and, to respect his choice of language, so too are these text and footnote annotations in English. These pages, now being published for the first time, are an extract (less than a tenth of the total) from that much-longer text. The remainder of the memoir tells stories of JJD’s business experiences in South America, Mexico, Western and Eastern Europe, and the broad Middle East.
JJID was a great storyteller who, among other traits, hated hypocrisy. In the years following 1960, he would become particularly upset upon hearing stories of prerevolutionary Cuba that, he thought, were airbrushed fantasies. He had no hesitation to challenge such accounts. Nor did he have any hesitation to use stories from his own professional life to make a point, even when some might be offended by the story. Some of these stories below will no doubt upset some readers, and JJID always understood that, but he believed that telling his story as he saw it was intrinsically important as well as an act of personal integrity, even when the story might put him in a bad light in the eyes of others.

In the late 1990s, his son (this annotator) asked for JJID’s authorization to use the pages published here as one of the readings for a course on Cuban history. JJID agreed, and near the end of his life he also agreed to the publication of this text to assist readers in understanding aspects of life and business in Cuba in the 1940s and 1950s. The text appears as JJID wrote it, with slight stylistic corrections, always clearly marked.

JJID did not date the stories in this publication. The tax inspector story is most likely from the 1940s. The labor union leader story’s principal point is from the 1940s, and then the story jumps to well-labeled events in 1958–1959. The business opportunity story obviously dates from the early 1940s soon after the United States and Cuba enter the war against Germany, Italy, and Japan. The revolution story is about events in 1959. And, as he tells us, the labor force story dates from the early to mid-1950s. JJID did not draw “lessons” from any of the stories; the telling had value in itself. But the annotator points out some themes across the stories.

The most general theme across all five stories is the problem of transaction costs and the rule of law. In a polity where the formal rules were uncertain and always up for renegotiation, how should a company solve the normal problems that it encountered? Bribes, Masonic handshakes, knowledge of the English language, Communist Party affiliation, interpersonal friendships, and the role of professional fixers, among others, were the tools in the tool kit of a CEO. The role of a predatory state is a subtheme, evident again in the story about the tax collector and in the role of police in the business opportunity story.

Therefore, informal yet very effective institutions arose to supplement the absence or inefficacy of formal institutions. As the first story shows, for example, a Masonic handshake was one effective institutionalized means to lower a particular tax payment. Informal institutions more generally provided the mechanisms for significant growth of the company whose history is told here through stories. The value of such informal institutions did not depend merely on interpersonal relations; the Masonic handshake worked even between persons who had never met each other. The use of the English language worked to seal an agreement between persons who had just met and under circumstances otherwise unrelated to a business as such. These were general markers of trust and efficacy that formal institutions could not address.

"Some Memories" (Some Confidential),
Jorge J. Domínguez, December 1995

My granddaughter, Leslie, in her list of Christmas Gift Wishes, asks for a "written account of Coco’s favorite stories." Here are some stories, anecdotes or experiences, which I had and have remained in my mind. I continue trying to forget, or at least pass to the subconscious, the bad memories. Like all human beings I also have some . . .

The Tax Inspector

Many stories come to my mind about tax inspectors during my 18 years working in Cuba. They were all "crooks" and, as was the custom of business people in Cuba, they had to be "bought," whether you paid some of the taxes or avoided most of them. I "bought" them all. The same I can say, without hesitation, about the "union leaders." I dealt with them for 18 years. I bought them all, except one, who was honest.

I will now tell you the story about one tax inspector who was "almost" honest ("like a little bit pregnant"). Sometime in the 1940s a tax inspector, [inserted] to inspect the equivalent of Federal Corporate Income Tax, came to my office to inspect. That was the equivalent to a visit by the Mafia to extort money. The purpose of the inspection was mainly to find out the amount of taxes that had been avoided and not paid. That would set the figure the inspector would ask you to pay him. The amount to be paid to him was always many times larger than what he would ask you to pay the government; the penalty, a smaller payment to the government, was to "sort of make it legal." The inspector always claimed only a portion of the payoff was for him (I do not recall any women inspectors), saying he had to pay his immediate boss, who claimed to pay his boss and up the ladder to the minister of finance, who no doubt claimed he had to share with someone else. I guess with the then-president of the country.

Going back to the specific case of the inspector sometime in the 1940s: As I recall, I had just bought a new car. To appear poor to the inspector, the first thing I did was to hide my new car at home in the garage and, while the inspector was inspecting, I drove in the oldest, most beaten-up car that one of our salesman was using.

The inspector inspected two or three days the books in our Havana office, then decided to continue in the office [at] the factory, which was about 60 kilometers away. So as not to leave him alone asking "impertinent" questions and not getting the "right" answers I wanted, I had to drive every day in the old dilapidated car the 60 kilometers.
After three or four days [at] the factory he arrived at a then-enormous figure to be paid to him, with the usual story that he had to share with his boss and so on up the ladder. Another smaller amount, to make things appear legal, was to be paid to the government.

As I usually did in my 20s when I had a serious business problem, on return that night to Havana, I went to see my father. I told him the problem I had.

He said, OK, I'll go to the factory tomorrow and will speak to the inspector and see if I can get him to bring the amount down at least some. He told me not to go in the morning to the factory but to wait to arrive there in the afternoon, as he wanted to be alone when talking to the inspector. When I arrived in the afternoon, my father and the inspector were having a coffee in the dining room and talking like old friends. After a short while, my father just told me, Coco, give Mr. So-and-So, the inspector, I do not remember his name, X amount to him and X amount to be paid to the government. The one I had to pay to the inspector and the other one to the government were ridiculously low. I could not believe it. It sounded to me like either I was dreaming or a miracle had happened. A few minutes later, the inspector left telling me he would drop next day by our Havana office with the documents all ready for the small payment to the government and to collect the small amount for him and his bosses.

When the inspector left, I asked my father, how in the hell did you do it. His reply was, when I met him this morning, I shook hands with him giving him the Masonic signal and found out that he was a Mason. As it is a custom among Masonic brothers, when in need, ask for help. I did and, as I am a very high-degree Mason, he helped me. End of story.9

The Labor Union Leader

Now about the only honest union leader that I had to deal with in Cuba in my 15 years there: all the rest were crooks whom I bought. The only honest one was the first one that I had to deal with when I started working, just out of college in 1942. His name was Pedro Fumero. He was a Communist. In those days the Cuban National Confederation of Labor, which was powerful, was controlled by the Communists. Pedro was already high in the hierarchy of the party. I dealt with him until the Communists lost power with the government,8 and he was ousted as regional leader of the construction industry union. He was tough, defending the rights of the workers, but very straight and fair. He was very poor and never asked me for a penny. In spite of our totally different backgrounds, economic and social, and the adversarial position we had, he defending the workers, me defending the interests of our business, we liked and respected each other. During the years I dealt with him, there were no serious labor problems in our factory. Always a fair compromise was reached between Pedro and me.

After Pedro was ousted when the communists lost power, labor problems led to the first strike in the lime factory. I had reached an agreement with the new union leader and, although I paid him, he double-crossed me.8 I fought the strike day and night for days, using all tactics, including breaking the strike with some loyal and other new workers. I finally had to give in to most of the demands. I was only 23, or maximum 24, years old,8 and it hurt me very much because I treated the workers like no one before. I used to eat lunch with them at the factory, formed a baseball team and played with them, made many improvements for them for the first time, like better bathrooms, etc. I never forgot that first strike, which changed my attitude toward our workers. From then until I left Cuba in 1960, I fought the unions with intense ruthlessness and passion. I guess being a stranger in my own country, after some of my character-formation years in the USA, I did not understand them and they did not understand me. They misinterpreted my democratic ways [how] I treated them as weakness.

I wanted our business to grow but I also wanted to better their lives. Once, in one of my meetings at the factory with them, I gave a short speech telling them that our factory was going to grow very much, but I also wanted to better their lives, for example, to be able to own a car, as at that time all of them came to work either walking 2 or more miles or on horseback. Eventually many of them were able to afford cars.

After honest Pedro Fumero, I dealt with a series of crooks. Although I bought them all, even when I paid them, they would still double-cross you. I could tell you stories about my experiences with those crooks but this is getting to be too long so for the time being, only a short one.

One of the last union leaders I dealt with had absolutely no sense of decency. Besides being a cheap crook, he had no principles of any kind. I paid him several times and he would dishonor his agreements with me.11 I had not seen him for years when, about 1961 or 1962, one day I was walking [along] 42nd Street in New York, by the library, and all of the sudden coming right to me—him with a big smile trying to give me an "abrazo." I could not control myself and, avoiding the abrazo, I just said to him, "How the hell did the Americans let someone like you in this country?"11 He just looked at me and laughed. I then said something like, get out of my sight, and walked away. Never saw the SOB again.

Going back to my friend, the honest Communist, Pedro Fumero: A couple of years or so after I started dealing with him, one day I was told that there had been a bloody fight [at] one of the union meetings in his office, and that Pedro was in the hospital badly hurt. I immediately found out the name of the hospital where he was and went there. He was in a very large room, one of the dozens of beds in the room, one very close to the other one. It was the hospital where the very poor people had to go. I said hello to him and with a big smile he thanked
father-in-law later named it “la Cocoliana”—(Coco-Lilia), paying $50 down payment and $25 per month. As I had been away from my friends in Cuba for 7 years, I had practically no contact with them. In the factory there was a mechanic, a mulatto whose last name was Morgan. His mother was a Jamaican black (I believe his father was white, although he never spoke of him). His mother had been the cook and “institutriz” (sort of maid who also taught the children English). Anyhow, Morgan spoke English, had some schooling, [was] only a few years older than me, and we became friends. One Saturday in late 1942, he asked me if I wanted to go with him to a “verbena” in San Antonio de los Baños, a town about 30 kilometers away, where the United States was building at full speed a very large air base. Remember, this was during the 2nd World War. I said yes and we went to the “verbena,” which is a big feast in a town.

The park in the center of the town is fenced and there are all kinds of games, food, drinking, and dancing going on. Morgan and I had a good time and drank quite a bit. Sometime after midnight, very common in Cuba for men our ages, we headed for the “red light district.” We entered a house where there were four or five prostitutes and 3 or 4 men sitting in the living room. Morgan and I spoke in English. As we went in, all of a sudden the men sitting there, who were pretty drunk, started speaking English to us. Two or three minutes later, hell broke loose in the place. A man naked, with his clothes in his hand, ran out of one of the back rooms, followed by a half-naked woman who was throwing things at him and shouting obscenities [at] him. Within a few seconds, all four or five prostitutes started hitting the other Americans there, and someone called the police. The police arrived and took the 4 or 5 Americans, Morgan and [me] to the police station.

When we got there and the policeman on duty started “levantando acta” (writing on the typewriter), I started to sober up, went to him, and identified myself as “El hijo de Domínguez, owners of ‘Santa Teresa’” (the name of our farm and companies). My father and our business were very well known for many years all over that area. The policeman spoke to the sergeant in charge, who asked me who could identify me as “el hijo de Domínguez.” By that time one of the Americans, the eldest one, had sobered up some and came over to me and said, “Please solve this problem at any cost; I will tell you later who I am.” The police also knew the sort-of-General-Manager we had in our business, Santos Domínguez (no relation to us), who was also very well known in the area because he was also a politician, City Council Member of the nearby city of Artemisa, and later its mayor. Santos Domínguez—I do not think he had more than a second-grade education, but he was very intelligent, very honest and hard worker, and a very well-balanced personality. His only defect or weakness was that, although married with 3 or 4 children, he had children with
a couple of other women. Actually he had two homes, one with his wife and children and another one with his present mistress and two children. It was common knowledge, and of course I had his telephone number for both his houses.

There used to be a saying in Cuba that if a man had money or a position of power he will have a mistress and an illegible signature. Santos had them both. My father liked Santos and his management abilities very much but Santos’s “philandering” concerned him. My father said that one day he asked his cook who knew Santos’s parents, well, why did he think Santos was that way. The cook’s reply was “Don Manuel salió a su madre” (took after her mother).

Anyway going back to the police station, although it was by then about 3 in the morning, I called Santos who was at his mistress’s house sleeping, and Santos not only identified me but insisted to come to San Antonio if necessary. The sergeant said not necessary, the matter would be forgotten. (I am sure a few days later the sergeant called Santos and asked him for something, either money or some construction materials—that was the way of life in Cuba then.)

The paper that was in the typewriter was taken out and torn up in front of me. We left the station quickly. The elder American said to me, let’s go someplace away from here to have breakfast. I knew a place in Havana (about 30 kilometers away) [at] 12th and 23rd Street, open all night and famous for its breakfasts, café con leche, fresh-made bread, sandwiches, etc. We arrived there, I guess about 4 or 5 in the morning. The elder American then identified himself as Captain So-and-So (I do not remember his name) and said he was the chief engineer in charge of building the “runways” for the airplanes to land and the other constructions [at] the [army and air force] base. He asked me what I did for a living and I told him we had a lime factory (hydrated lime and quicklime for use in sugar mills to lower the pH of the sugar and for other industrial and construction uses).

He then asked me if we had a “crushed stone plant” and quarries. My answer was yes, of course, we have quarries where we take out with dynamite the stones to make lime, but the crushed-stone plant is very old and in a very bad condition. He then said, look, we are bringing crushed stone from several plants, some by train 50 or 60 miles away, but we do not have enough supply of stone and this is slowing our construction projects.

He asked if he could send today (now it was Sunday) some engineers to see if our crushed-stone facilities could be used to supply them crushed stone. I told them I did not know much about the condition of our crushed-stone plant, [and] that I would have to call my father. He insisted I should, and I woke my father up about 6 a.m. My father did not show much interest—just said look, the plant is very old and in bad condition and, not only do we not have any money to fix it, but you know the trucks we have [operate with] very old tires, [and] gasoline is so rationed we do not have enough even for the lime factory. Remember this was in the middle of the war. No tires, no gas, etc.

I told the American what my father said. His reply was, let’s go to San Antonio, pick up other engineers, and go see your plant. Morgan and I, now completely sober, but not having slept a minute that night, drove in my 1934 Ford, following the American’s car. The end of this story is that, by Monday morning, army and air force enormous trucks arrived with equipment, engineers, etc., and, in a few days, the plant was working 24 hours a day—3 shifts. They even brought cranes to draw stone from the quarries, as up to that time we had primitive old equipment.

They set the price of a square meter of the different sizes of crushed stones. An excellent price. They sent their trucks one after the other for 24 hours every day, 7 days a week. This operation lasted about 10 months. I was working 14 to 16 hours a day, six and a half to seven days per week, supervising the operation. I used to drive to San Antonio to the base to take the new weekly invoice and collect the previous week’s bill. Our bank account was growing by the week. My friends at our bank used to kid me that I was robbing another bank.

I paid all the debts my father had incurred for years to various suppliers and started really modernizing our operation [at] the lime factory. Among other modernizations, we converted the plant to oil burning from burning with wood, etc. Not long after that, I convinced my brother-in-law Rafael [Puig], Georgia Tech mechanical and electrical engineer graduate, to leave Pan American Airways and join us. He was the first engineer in our operation. First he told me that he had to think it over. I kept insisting. He then wanted me to clarify to him that he was not being offered the job because he was married to my sister. I assured him that was not the reason. It was not the reason. Eventually, he accepted my offer with the condition that he would try, I believe he said, [for] 6 months. He stayed until our businesses were confiscated [in July 1960] and we all left Cuba.

After that, the business grew constantly in all aspects, and profits just kept growing from then on. I then slowed down to working “only” six days a week, many hours a day. I used to travel with a driver, sleeping in the backseat, sometimes all night to visit a sugar mill 300 kilometers away for a meeting the next morning.

All of these led from 1942 to 1960 to all kinds of successful businesses and investments including the dream of financing and building from scratch a very modern, efficient, and very profitable cement-manufacturing plant. The approximately 50 years work and dreams of a family, including the most productive 18 years of my life, were confiscated by the new Cuban communist government the day after I left (the last one of the family to leave), with Lilia, your father who was just 15 years old, Beatriz, 10, and Virginia, 8. I was just 39.
The Revolution

I remember January 1, 1959, when we were [at] my parents' home in Miami and my brother-in-law [Antonio de la Carrera] called from New York [to say] that Batista had fled Cuba. I remember getting on an airplane January 1 to go to Havana by myself and, halfway to Havana, the captain said he was turning back to Miami, as there was fighting at the airport in Havana.

Lilia and "the children" had gone to the New Year's Day famous parade in Miami and, when they returned, [they] found me sleeping on a couch in the living room of my parents' house in Miami Beach, where they were spending Christmas vacation.

I remember arriving in Havana three or four days later and, when going [through the] passport clerks, one of the [clerks] was a young man who had asked for money to buy a rifle, etc., to equip himself to join the Castro guerrillas in the mountains, and I had told him I did not give money to help Castro, whom I considered a gangster. While we were waiting in line, I told Lilia about the guy, and she got so nervous she claims since then she has not been able to drink milk.

I remember arriving at the office and, as a sign of disrespect to me, all the office employees, instead of wearing a shirt and a tie, as we required, all had flashy sports shirts.

I remember from the airport, after stopping a few minutes [at] the office, going to my father's house. He had a bathrobe on. Closed all doors of the room he called his office at home, and excitedly told me, "Son, this is communism—it will destroy us and we will lose everything." Once again, he was right!

As I had been used for 17 years then, when there was a change of government, it was only a matter of paying off new people. I said to my father—don't worry Papy, I'll solve it. My father was right. Although I delayed the end for 18 months by trying every trick in the book, the new people in power were not for sale.

I remember that, within 24 hours of my arrival, the new union leader presented me with new labor contracts with some demands that to me were outrageous. The workers started a "sit-down strike," which lasted about a month or more. After many meetings and arguments, I was able to obtain an appointment with the then minister of labor of the Castro Government. I believe his last name was [Manuel] Fernández. I had one of our trusted accountants, Felongo, prepare an estimated balance sheet for that year based on the actual price of the cement and taking into consideration the enormous salary increases and the other new benefits now demanded by the workers' new union leaders. The previous ones I was "paying off" all disappeared, afraid to be put in jail, which they, of course, deserved. Felongo worked several days with me trying to come up with figures that would show a bottom-line loss so that I could convince the Minister of Labor [that] the company could not absorb the new labor demands. No matter what figures we used, the business was so profitable that I really had to come up with "creative" accounting to show a loss.

The meeting with the minister was scheduled for some time in the late afternoon. I was there on time with our labor attorneys, Raúl Dejuán, Horacio Ledón, and my trusted accountant, Felongo, who had prepared the "phony" balance sheet showing "losses." Perhaps my brother Manolo [chief accountant] was there but I am not sure. This was sometime in February 1959. I vividly remember when we arrived at the door of the office of the minister. It was guarded by two very young and big black soldiers with two machine guns. It was scary. We waited and waited for several hours, no dinner, only Cuban coffee. Finally after 2 in the morning, a young man came out, shouted the name of our company, and we went in. The minister was sitting in an easy chair in his office and we sat in other chairs. I sat next to the minister who only said hello. I immediately started my speech of how much money our company would lose if the workers' demands were granted by the government. He was looking at me while I spoke, but sort of in a daze. When I finished my speech, I turned around to pick up my briefcase where I had the "phony" balance sheet that I prepared to give to him. When I turned back to give the paper to him, he was asleep. I must have made a noise because he suddenly woke up, took the papers, thanked me, and said good night as if he was going back to sleep.

I am sure that the SOB never even looked at the papers I gave him because the next day I was notified that the minister had signed a resolution approving all the workers' demands. The factory went back to relatively normal operation and, believe it or not, the company made over a million dollars that year, which was about 20 percent net margin on sales.

The Labor Force

To give you an idea about what I meant when I referred before to some of our workers as "savages," I will tell you a story.

Once Rafael, my brother-in-law, who had to deal with our workers all the time because he worked all the time at the factory, asked me to approve the cost of tests for our workers to see if we could find out their best abilities to try to give each one the job that their personality or natural ability suited them better. I made a deal with the then-union leader. This was in the early or mid-fifties so I probably paid the union leader to get his approval for the tests.

We made a deal with a psychologist, Dr. Rafael Fiterre, an older, very nice man, who had an office which specialized in this kind of tests for employees. We paid him X amount per worker tested. We told the personnel manager to select first the more disciplined workers. We used to charter a bus to take about
20 each time from the factory to Dr. Fiterre's office and we, of course, paid them their full wages the day they went.

If I remember correctly, the first couple of days, when Dr. Fiterre had tested about 40 workers, he told Rafael and [me] that, although they were "a little undisciplined," everything was going fine. Several days after, a group of new workers had taken their test that day. I was in my office, and Dr. Fiterre called me that he had to see me urgently. I went to his office. He took me to his private office, closed the door, and said, "Jorge, I like you and Rafael very much. You have been very nice and generous to me but I am sorry to have to tell you that I cannot do any more testing of your workers."

I was very enthusiastic with the project and so was Rafael, thinking that by putting every worker in the position best suited for them, we would increase productivity. So I asked Dr. Fiterre why he couldn't continue. He got up from his desk, grabbed me by the arm, and took me to the other room where the tests were held, which was like a large classroom with chairs, and said, "Look what your workers did to my room. You do not need a psychologist for them, you need 'un domador de fieras'" (a lion tamer). When he called [our workers] attention several times because they did not stop talking, [or] asking each other questions about how to answer questions in the test, all of a sudden hell broke loose and they tore the place apart and left.

NOTES
1. I am grateful to Jane Desmond, Virginia Domínguez, and Sergio Silva for comments on an earlier draft. All errors in the annotations are Jorge J. Domínguez's alone.
2. It was common for the children of Cuban elite families to study in the United States, a pattern begun in the late nineteenth century. Elite and some middle-class travel between Cuba and the United States for education, business, or tourism became especially common from the 1920s onward, once Pan American Airways began flying between Havana and southern Florida. See Louis A. Pérez, Cuba and the United States: Ties of Singular Intimacy (Athens: University of Georgia Press, 1997).
3. For comparative perspectives, see Gretchen Helmke and Steven Levitsky, eds., Informal Institutions and Democracy: Lessons from Latin America (New York: Johns Hopkins University Press, 2006).
4. JJD's childhood nickname was "Coco," the name he asked his grandchildren to use as well.
5. Given the roads, it took nearly two hours to travel by car from home to factory. The factory was located closest to the town of Las Cañas, then in the province of Havana. The largest nearby town was Artemisa, then in the province of Pinar del Río. Today these sites are in the province of Artemisa.
6. Manuel Domínguez, born in the city of Matanzas in 1890, lost his father while still a youngster and was raised by his widowed mother. He earned two university degrees, one as a pharmacist and another as a chemistry technician expert on sugarcane processing. He had grown up in an anticlerical family, repelled by the support that Roman Catholic bishops had accorded to Spanish colonial rule. His anticlericalism and his interest in the practical applications of science attracted him to the Masons. He rose to the highest (thirty-third) degree among the Masons. He also valued his Masonic membership for its social, economic, and political network.
7. That is, there were three ways of approaching transaction costs: paying the tax due, paying a bribe, or a Masonic handshake. The first was a formal institution, whereas the two others were stable informal institutions.
8. The Cuban Labor Confederation (CTC) was founded in 1939 under the auspices of the Communist Party. In 1938, the communists and the chief of the army, Fulgencio Batista, had made a deal to form a coalition, which among other matters would establish the CTC and support Batista's presidential candidacy in 1940. Communists served in Batista's cabinet in the early 1940s. In 1944, the Batista coalition lost the presidential election and Batista left the presidency, but the communist-led CTC reached agreement with the new government of President Ramón Grau to retain an alliance between the CTC and the new president. The agreement lasted until 1947, when the Grau government ousted the communists from CTC leadership posts.
9. This preference for a communist union leader as partner rests on two approaches to transaction costs: agreements should be implemented, and it is easier based on a personal relationship. The alternative remained paying bribes and striking back. This preference for a communist labor leader partner raises a counterfactual for labor-management relations in the 1940s: could the Communist Party and Cuban's industrialists have agreed to co-manage the economy? There were other Latin American cases. Communists were part of electorally successful popular-front coalitions in Chile (1936-1947), and on the Mexican left Vicente Lombardo Toledano was a key figure in the official party coalition, leading the Mexican Labor Confederation, with Communist Party support, in the late 1930s and early 1940s.
10. The historical chronology and his reported age do not accord. JJD would have been twenty-six years old when the communists were ousted from CTC leadership posts in 1947.
11. JJD's ethical framing is consistent across the stories. He valued agreements and honored those that he made. And he believed that paying bribes was simply the cost of doing business, and implied no advance ethical burden, in a context where formal rules were unreliable guides to action and problem solving. Only the recipient of a bribe was corrupt (tax inspector, labor union leaders, and the sergeant in the next story).
12. In March 1952, Batista overthrew the government and reclaimed the post of Cuba's president. He fled for the Dominican Republic in the early hours of January 1, 1959.
13. The insurgency in the Sierra Maestra mountains in eastern Cuba, led by Fidel Castro, had begun in December 1956.
14. January 1959 is an early dating for this characterization.
15. That is, he spent the working day at the factory. Coco and Lila married in August 1944 and remained married until they both died in 2012.
16. Ten of thousands of Jamaicans came to work in Cuba, especially during the first quarter of the twentieth century. Many were deported in the 1930s.
17. Sugar mills were the principal clients for the lime factory, therefore.
18. To the end of their lives, JJD had the highest personal and professional respect for his brother-in-law Rafael.
19. This story illustrates several tools to manage transaction costs: knowledge of English, a professional indexer, implied payment to the police station's sergeant, and contract fulfillment with clients and creditors. The police and the sergeant's payments were also stable informal institutions.
20. JJD's experience dovetails well with accounts of entrepreneurship and the rise of capitalism at its moment of vibrant emergence, as described critically but admiringly in the Communist Manifesto.
21. Note the difference between this case and that of Pedro Fumero. JJD was not a supporter of the revolution, and thus he provided no funding for the revolution or for most revolutionaries. He was a supporter of his friend Pedro Fumero, and Fumero's family; Fumero happened to
be a communist but that did not interfere in the personal friendship or their past professional collaboration.

22. In the 1920s and 1930s, Manuel Domínguez was politically active in the ABC Party. The ABC and the communists were adversaries, ordinarily albeit not always.

23. A comment that embodied both admiration and regret. This is the first time this old means to lower transaction costs failed across the board.

24. This high rate of profit under these circumstances was in part a tribute to good business management. But the year 1959 was also a good year for many Cuban businesses. The civil war was over, the economy recovered, and the construction materials sector boomed as a result. Moreover, the revolutionary government instituted a policy, hitherto common elsewhere in Latin America, to accord preference in government purchases to Cuban-owned companies. Cemento Santa Teresa was Cuba's only Cuban-owned cement company. This, too, suggests a counterfactual: could a left-nationalist political regime have co-managed a market but more regulated economy with a rambunctious industrialist bourgeoisie?

25. In this story, but also in the story about the labor union, the social distance between JJD and those who worked for him becomes important. In his relationship with the workers, JJD often saw himself as an alien more accustomed to a professional behavior aligned with his idealized image of the United States.