

# Rotten fruit

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Early on Monday February 3 1975, a man threw himself out of his office window, 44 floors above Park Avenue, New York. He had used his briefcase to smash the window, and then thrown it out before he leapt, scattering papers for blocks around. Glass fell on to the rush-hour traffic, but amazingly no one else was hurt. The body landed away from the road, near a postal service office. Postmen helped emergency workers clear up the mess so the day's business could carry on.

One policeman at the scene spoke of the selfishness of "jumpers", who didn't think of anyone "down below". This jumper was quickly identified as Eli Black, chief executive of the United Fruit Company, which had been making huge profits from bananas since the late 19th century.

United Fruit had dominated business and politics in Central America. It was the first truly multinational modern corporation, spreading the spirit of liberal capitalism. As well as harvesting the region's fruit, however, the company wielded formidable influence over small nations, which were often ruled by corrupt dictatorships. United Fruit gave the world not just bananas, but also "banana republics".

It emerged that Black, a devout family man, had bribed the Honduran president, Oswaldo Lopez Arellano, with \$1.25m to encourage him to pull out of a banana cartel which opposed United Fruit. The story was about to come out in the US press. United Fruit's Central American plantations were also struggling with hurricane damage and a new banana disease. Facing disgrace and failure, Black took his own life. His death was shocking, not least because he had the reputation of a highly moral man. Wall Street was outraged, the company's shares crashed and regulators seized its books to prevent "its further violation of the law". The company subsequently disappeared from public view and was seemingly erased from the collective mind.

United Fruit may no longer exist, but its legacy on world affairs endures. Its activities in Cuba, where it was seen as a symbol of US imperialism, were significant in the rise of Fidel Castro and the Cuban revolution of the late 1950s. Its participation in the Bay of Pigs invasion of Cuba in 1961, in a vain attempt to overthrow Castro, led to the Cuban missile crisis. As the world stood on the brink of nuclear holocaust, few could have imagined it had anything to do with bananas.

United Fruit began life in the 1870s when Minor Cooper Keith, a wealthy young New Yorker, started growing bananas as a business sideline, alongside a railway line he was building in Costa Rica. Both ventures took off, and by 1890 he was married to the daughter of a former president of Costa Rica and owned vast banana plantations on land given to him by the state. The bananas were shipped to New Orleans and Boston, where demand soon began to outstrip supply.

Keith teamed up with Andrew Preston, a Boston importer, and in 1899 they formed United Fruit. Bananas sold well for their tropical cachet: they were exotic, a luxury only affordable to the rich. But the rapidly rising output of United Fruit's plantations brought down prices. The company created a mass market in the industrial cities of the US north-east and Midwest. The once bourgeois banana became positively proletarian.

By the 1920s, United Fruit's empire had spread across Central America. It also included Jamaica, Cuba and the Dominican Republic. In South America the company owned chunks of Colombia and Ecuador. It came to dominate the European as well as the US banana markets with the help of its Great White Fleet of 100 refrigerated ships, the largest private navy in the world.

There are more than 300 varieties of banana, but United Fruit grew only one: the Gros Michel or "Big Mike". This variety suited most tastes; it was not too big or too small, too yellow or too sweet - if anything, it was a little bland. This was the forerunner of the transnational products we have today. For Big Mike read Big Mac.

But mass production took its toll. In 1903, disease hit United Fruit's plantations in Panama. An array of pathogens kept up the attack, and the banana was discovered to have a genetic weakness. Its seeds are ill equipped for reproduction, so growers take

cuttings from one plant to create another. The banana is a clone, with each inbred generation less resilient. (In 2003, *New Scientist* reported that the banana was dying and might have only a decade to live. Genetic modification scientists have been called in to save it, so far without success.)

Although the banana was diseased, United Fruit marketed it as a product that exemplified good health. Banana diseases did not affect humans, and the fruit was said to be the cure for many ills: obesity, blood pressure, constipation - even depression. In 1929, United Fruit set up its own "education department", which supplied US schools with teaching kits extolling the benefits of the banana and the good works of the company. Meanwhile, United Fruit's "home economics" department showered housewives with banana recipes.

One of United Fruit's most successful advertising campaigns began in 1944, designed to boost the banana's profile after its scarcity during the war. It featured *Senorita Chiquita Banana*, a cartoon banana who danced and sang in an exuberant Latin style. *Senorita Chiquita* bore a close resemblance to *Carmen Miranda*, the Brazilian entertainer who, in her "tutti-frutti" hat, wowed Hollywood at the time. Sales soon regained prewar levels.

By the 1960s, the banana had become an inseparable accompaniment to the morning cereal of most American children. And today, in countries such as the US and Britain, it has ousted the apple as the most popular fruit. In the UK, figures indicate that more than 95 per cent of households buy bananas each week, and that more money is spent on them than on any other supermarket item, apart from petrol and lottery tickets.

Over the years, United Fruit fought hard for low taxes and light regulation. By the beginning of the 20th century, troublesome anti-trust laws had been passed in the US to crack down on business behaviour such as price-fixing and other monopolistic practices. Taxes on large corporations were increased to fund welfare benefits in the US and fully fledged welfare states in Europe. But, with a centre of operations far from the lawmakers of Washington DC, United Fruit largely avoided all this.

The company also gained a reputation as being ruthless when crossed, and acted to remove governments that did not comply with its wishes. United Fruit had first shown its tough nature in the invasion of Honduras in 1911, which was planned by Sam "The Banana Man" Zemurray, a business partner of United Fruit who later headed the company. Efforts by Zemurray and United Fruit to set up production in Honduras had been blocked by the Honduran government, which was fearful of the power it might wield. United Fruit was not so easily deterred. Zemurray financed an invasion, led by such enterprising types as "General" (self-appointed) Lee Christmas and freelance trouble-shooter Guy "Machine Gun" Molony. Thanks to United Fruit, many more exercises in "regime change" were carried out in the name of the banana.

In 1941, the company hired a new consultant, Sigmund Freud's nephew, Edward Bernays, who had adapted the early disciplines of psychoanalysis to the marketplace. Bernays is known as the "father of public relations" following his seminal 1928 book, *Propaganda*, in which he argued that it was the duty of the "intelligent minority" of society to manipulate the unthinking "group mind". This, Bernays asserted, was for the sake of freedom and democracy.

United Fruit had become concerned about its image. In Central America, it was commonly known as *el pulpo* (the octopus) - its tentacles everywhere. In the US, United Fruit's territories were seen as troubled and forbidding. Under Bernays' guidance, the company began issuing a steady flow of information to the media about its work, rebranding the region as "Middle America".

In 1954, Bernays exercised his manipulative powers to get rid of the Guatemalan government. Democratically elected, it had taken some of United Fruit's large areas of unused land to give to peasant farmers. Bernays' response was to call newspaper contacts who might be amenable to the company view. Journalists were sent on "fact finding" missions to Central America and, in particular, Guatemala, where they chased false stories of gunfire and bombs. In dispatches home, Guatemala became a place gripped by "communist terror".

The company looked, too, to friends in high places, both in the corridors of power and in the offices where the big decisions were made. During the Guatemalan crisis, John Foster Dulles, one of the world's most esteemed statesmen, was secretary of state. His brother, Allen Dulles, was head of the CIA. Both were former legal advisers to United Fruit. Together, the Dulles brothers orchestrated the coup that overthrew Guatemala's government in 1954.

Despite its ugly reputation, United Fruit often made philanthropic gestures. The hapless Eli Black played a part in coining the term "corporate social responsibility" when, in reference to earthquake relief sent to Nicaragua in 1972, he extolled the company's deeds as "our social responsibility". And in the 1930s, Sam Zemurray donated part of his fortune to a children's clinic in New Orleans. He later gave \$1m to the city's Tulane University to finance "Middle American" research; he also funded a Harvard professorship for women. Philanthropy, however, did not prevent United Fruit's abuses, and, in the 1950s, the US government decided it had to act. The company's activities had caused such anti-US feeling in Latin America that leftwing revolutionaries such as Fidel Castro and Che Guevara had prospered. And so Washington began to take away some of United Fruit's land.

Ironically, Castro had benefited from the presence of United Fruit in Cuba. His father, a sugar planter, leased land from the company, and had made enough money to afford a good upbringing for his children. Guevara had fought both United Fruit and the CIA during the Guatemalan coup; he maintained thereafter that Latin America had no choice but "armed struggle". At New Year 1959, Castro and Guevara seized power in Cuba and kicked out the US-supported regime of Fulgencio Batista.

Like an ailing dictator, United Fruit lashed out - and nearly took the world with it. In 1961, it lent part of its Great White Fleet to the CIA and Cuban exiles in the US who were plotting to overthrow Castro. When the Bay of Pigs invasion failed, Castro, fearing another attack, ushered in armaments from the Soviet Union, prompting the missile crisis of 1962.

United Fruit battled on through the 1960s, its product ever more the victim of disease. Big Mike flagged, died and gave way to the dessert banana most of the developed world eats today, the Cavendish. It was said to be "disease resistant". Now that's dying, too.

Black took over the company in 1970, imagining he could turn it back into the colossus it once was. The early 1970s, however, were a terrible period for the image of multinational corporations. Chief among them, oil companies made huge profits from the crisis after the 1973 Middle East war, to the inflationary ruin of rich and poor countries alike. United Fruit became an embarrassment. It was weak where others, such as the oil moguls, remained strong. When its stock market value crashed and regulators moved in, it looked like natural selection.

After the fall of the Berlin Wall, in 1989, in a born-again spirit of globalisation, the world's main banana companies picked up the free-market banner once carried by United Fruit. The companies - Chiquita, Del Monte and Dole from the US, and Noboa from Ecuador - did not have anything like the force of United Fruit individually, but they were still a formidable presence. Together they were known to their critics, if not to themselves, as the "Wild Bunch".

In the 1990s, the US took its case to the World Trade Organisation, the new high court of globalisation. The companies protested that west European countries unfairly protected the producers of so-called "Fairtrade" bananas in former European colonies through a complex system of quotas and licences. The Wild Bunch characterised this as revamped colonialism and outmoded welfare state-ism and, instead, promoted their own "Free Trade" bananas.

In the new millennium, after what had become a general trade war, the Europeans backed down and agreed to concessions. They did so with some rancour, protesting that Washington had again allowed itself to be manipulated by narrow interests. Some spoke of a return of the "old and dark forces". They were thinking of United Fruit.

As for the banana, the diseases affecting today's varieties may mean they are unable to survive in their mass-produced form. It may be that bananas will have to be grown in more varieties and on smaller areas of land. Bananas could, more than a century after United Fruit turned them into food for the masses, return to being a luxury.