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A SOCIO-ECONOMIC HISTORY OF THE INTERNATIONAL
BANANA TRADE, 1870-1930

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Abstract

The genesis, and even more the growth, of the international banana industry is intimately bound up with the development of steamships (from 1850 onwards) and with the spread of railway construction around the world. The coming of steam, which ensured consistent and swifter passage from the Caribbean and Central America to the United States, and later to Europe, meant that bananas could be delivered in good condition rather than rotten, as had happened in earlier days. Later, when refrigerated techniques became available and specialised vessels were built, transport of bananas ceased to be a major problem. Railways were an essential counterpart in the transport chain, being the adaptable way of moving the crop from the plantation to the shipside; and increasingly the profits from banana exports became the preferred method of financing rail construction in Central America.

The working paper traces developments from the earliest commercial days, probably in Panama, closely followed by Jamaica, certainly by 1870. This was very much a pioneer industry, with firms set up and joint ventures created, only to collapse as rapidly when a ship or its cargo was lost at sea. At the plantation end it was literally jungle clearance and thousands of workers lost to disease, as well as creating the port, rail, housing and other infrastructure from scratch.

Towering names in the industry – Capt. Dow Baker, Andrew Preston, Minor Cooper Keith, Samuel Zemurray, all of whom established, managed and expanded the United Fruit Company in Boston – pass through the pages. Elders & Fyffes in London, which became a United Fruit subsidiary, exported from Jamaica to develop the British market from 1900 on, and later spread the trade into continental Europe before the First World War. Other firms, such as Standard Fruit, also competed in Jamaica and in Central America and would later become parts of the Dole Food Company and of Del Monte.

[The paper reports the creation of a ‘Banana Empire’, based on the growth of largely autonomous enclaves within host countries; the early example of vertical integration as a model for global, industrial development; and the significant role of monoculture practices in banana cultivation and of virulent banana diseases.]

Keywords

Bananas – railways – shipping – steamships – refrigeration - Panama disease – Sigatoka – United Fruit Company – Cuyamel Fruit Co.
Jamaica – Panama – Costa Rica – Colombia – Guatemala – Honduras – Andrew Preston – Minor Cooper Keith — Vaccaro Brothers – Sam Zemurray.

Introduction

150 years ago the banana was virtually unknown: famous men of that time, such as Gladstone and Disraeli in England, and Andrew Jackson and Lincoln in the United States, never tasted one. In the Philadelphia Exposition of 1876 it was a curiosity rather than a familiar fruit. Yet the growth of the trade was so rapid that by 1913 a proposal to impose an import duty on bananas entering the USA had to be withdrawn from a Bill before the Congress due to public protests.¹

Today it is a globally traded and marketed fruit, so much so that it has symbolic status: at the end of the Cold War in Europe its appearance in eastern Europe was taken to be the sign of freedom (and of free consumer choice). Today supermarkets use it as a ‘loss leader’ to lure housewives into their stores and to buy all their other products.

This article traces the history of a social and economic phenomenon: the development since about 1870 of the international commercial banana trade. It aims in particular to be a history of how the five major banana trading companies (as we know them in 2008) started and grew, and how they have been affected by two World Wars, by numerous hurricanes and by banana-specific diseases, as well as by technological progress and social/economic changes in the countries of production and in their major markets.

This history does not aim to focus aggressively on the political influence enjoyed by major companies in Central and South America, whether in the early years (pre-1930) or later. Nor does it contain dramatic new revelations of covert CIA or other operations and conspiracies. Nor again does it report on many US Government interventions in the region, in the name of law and order (and to protect US interests). Yet all these themes will appear in the history of the major banana traders.

The story covers, first, the events of the thirty years 1870-1900, focussing particularly on the chain of events that led to the formation of the United Fruit Company in Boston through the late 1870s, 1885, 1890 and 1899. Beyond 1900 its focus is on the growing competition between production in Central America and in the Caribbean, and on the development of shipping and marketing in Europe as well as in the United States.

It thus covers the first 50 years of the commercial banana trade and reports on the early days when the pioneers were active in the American Tropics, building railways and ports and infrastructure in the jungles, digging the Panama Canal and growing bananas too. This was a period of major investment in the banana industry in countries from Ecuador and Colombia to the south, and as far as Guatemala and Mexico to the north, and not forgetting the Caribbean islands of Jamaica, San Domingo and Cuba.²

Contemporary historians in modern times tend to describe these events in terms of a growing “Banana Empire” in Central America and to distinguish a number of phases in that concept: before 1900, the theory goes, the banana trade was largely an experimental affair based on opportunistic ventures; from 1900 to 1930 the Empire was being created, expanded and consolidated ; and after 1930 and through the post-war years, until the mid-1970s, it gradually lost its imperial grip and faced challenges from a number of developments (notably state support for the industry, and concerted pressure from trade unions for recognition of workers rights). This was amplified in later years when NGOs entered the field.³

In fact, this is a description of the pattern established by one company, United Fruit, which was pre-eminent in the trade in the early years and which dominated much of the activity by the fact that it developed a much more extensive vertical integration model than other competitors. The economics of the trade required close coordination of production, harvesting, transport to port and shipping, marketing and distribution within the target market; and where these successive phases were under the same ownership, or owned by associates and subsidiaries that could be tightly controlled, success was ensured.

Within banana producing countries, there were also common features found almost everywhere. Plenty of land was required, usually involving jungle clearance, and this was closely followed by railway lines to yield transport income but also to provide financing from banana sales for future construction. This was in turn followed by port infrastructure to support exports and shipping. Many areas so developed were largely uninhabited waste lands which obliged the companies to import labour, to provide housing, schools, hospitals and commissaries, and generally to establish autarkic societies, closed off from the world and in splendid isolation (later gathered under the somewhat pejorative term, 'enclaves' which has shades of meaning related to 'ghettoes' and 'prison camps'). Such developments were entirely company run, often remote from the government of the host country which frequently chose not to exercise its sovereign powers and to let the banana economy flourish.

"The Banana Empire is not primarily an aggregation of mutually interacting governmental and industrial agencies, but the expansion of an economic unit to such size and power that, in itself, it assumes many of the prerogatives and functions usually assumed by political states. The corporation [United Fruit] ... not only monopolizes the banana trade in the most important producing regions but also ... can speak with such force that politicians accede to its will."⁴

Contemporary writers also tend to see the process of evolution in the Empire as simply 'one event along the path towards globalisation of the industry'. This might be thought as a curious comment, given the way that the producing regions in South/Central America and the Caribbean were in fact tied directly to the major markets of the USA and Europe, and that there was not much widening of these trade flows. African production has remained marginal on the international scene. Sales to Japan and the output from areas like the Philippines have remained largely hermetically sealed off from other flows, with only some linkage through cross-investment. However, in a different sense, that of an industry that has contributed to the greater integration of smaller economies in the global economy, it makes more sense, although many of the levers of economic power have remained firmly in the hands of the multi-national companies based in the developed world.

Prologue

A preliminary word to the general reader. You will be thinking of companies such as Chiquita, Dole or Del Monte whose names hit the headlines and whose brand stickers you see in the supermarket. You may be aware of Fyffes (especially if you live in Europe) or the Noboa Group that exports from Ecuador. But these are not the historical names of the companies that pioneered the trade in bananas and they have mostly gone through three or four different mutations in name and in ownership.

Indeed, of the three major companies, Chiquita, Dole and Del Monte, two have only been engaged in the banana trade since the 1960s. The exception is Chiquita which under different names and in other forms has been growing, shipping, importing and selling bananas since at least 1880, and arguably even earlier. The other companies have come in through the process of mergers and takeovers, but their origins are indisputably elsewhere.

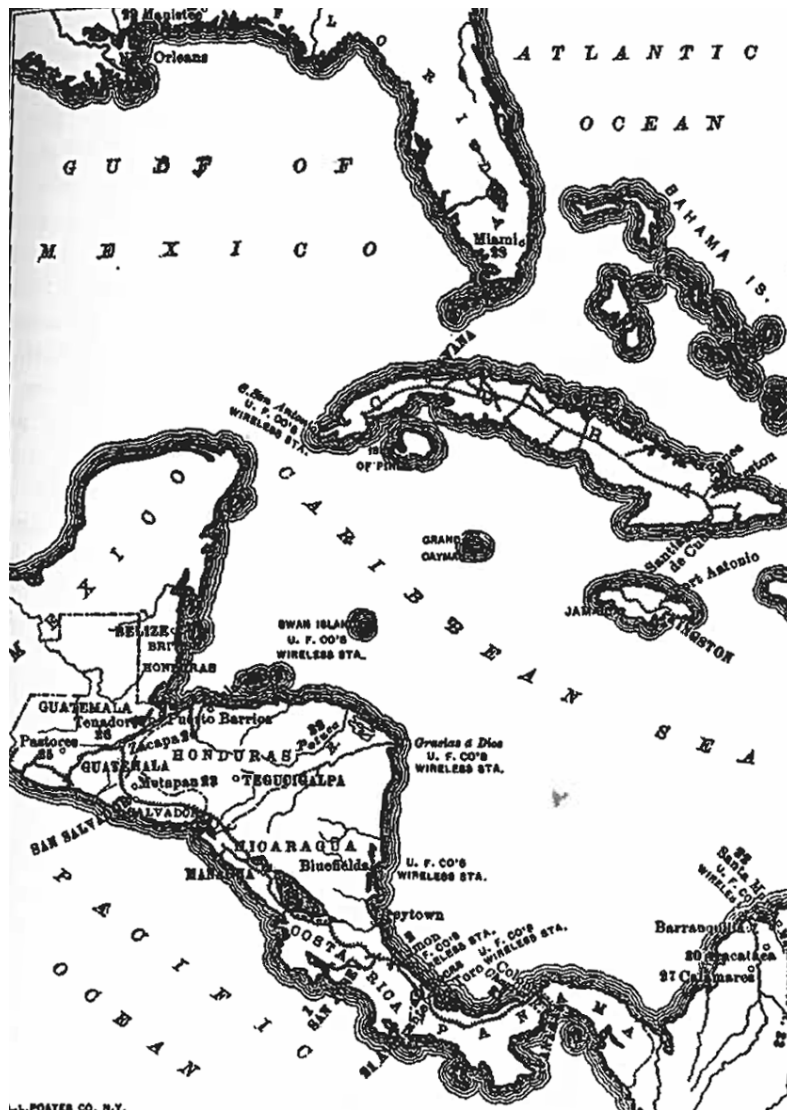
Dole, for example, started as a pineapple company set up by James Dole in Hawaii in about 1900 and was later merged into a larger group with interests in sugar and shipping. Its banana life began with the Vaccaro Brothers in New Orleans in 1899, which then became Standard Fruit in the 1920s; this was later merged into Castle & Cooke (the owners of the Dole brand name in Hawaii) in the late 1960s. After another takeover, the company name was finally realigned with its principal brand and became the Dole Food Company only in 1991⁵. For those with an interest in the many twists and turns of the five major companies, the details are set out in Annex A.

To understand the history of the banana trading companies, you first need to know of the intimate connection between the banana industry and the shipping and railway industries. Shipping is at first sight the more obvious case: to get bananas from where they like to grow – in the tropics – to where the markets are you need ships – and, since the early 1900s, ships that were refrigerated. The railway case you will discover: the fact is that construction of railways went hand in hand with the

development of banana plantations in many countries – Costa Rica, Guatemala, Colombia and Honduras to quote a few. The railway was a vital support to the export of bananas - it was the easiest way to deliver them to the docks - and in many cases the banana revenues paid for the rail construction.

Add to this two basic facts of nature. First, the Atlantic (or Caribbean) seaboard of Central America, from the south in Costa Rica to the northern end in Belize, was largely uninhabited and covered in swamps and jungle. The indigenous people sensibly enough preferred to live in the higher regions of hill and plateau which were less dangerous to health. So, provided you were able to clear the jungle, land was available in plenty. Labour from local sources on the other hand was in short supply.⁶

Second, there are only five natural harbours along this whole seaboard – that CM Wilson calls “the 1000 mile crescent stretching from the Gulf of Honduras as far as the Bay of Santa Marta in Colombia” - which lend themselves to being developed into a commercial port. *Puerto Barrios* on the east coast of Guatemala is quite close to two others along the northern coast of Honduras - *Puerto Cortes and Trujillo*; and further south *Puerto Limon* in Costa Rica, and *Bocas del Toro* in Panama. This largely determined the best locations for banana plantations, within a few hundred kilometres of the ports.⁷



Beginnings from 1870 onwards

“The whole business of United Fruit began by chance, one hundred and forty years ago.”⁸

The year 1870 has a good claim to be the moment when the banana industry first started to organise itself on a commercial basis. There had been occasional earlier shipments, but in that year **Capt. Lorenzo Dow Baker** first sailed to Boston from Jamaica with a cargo of bananas; in that year **Carl Frank** was shipping bananas out of Colon, Panama on the steamships of the Pacific Mail Company to New York; and around the same time **Minor Cooper Keith** began to construct the Costa Rica railway and to grow bananas in the lowlands on the Atlantic coast of Costa Rica.

Prior to this there had been reports of an anecdotal nature, such as the arrival of the friar Tomas de Berlanga in Santo Domingo in 1516, reputed to have brought cuttings of banana plants to the island, and later to Panama, from the Canary Islands; and (probably) mythological events such as a strange report of bananas in Salem, Massachusetts in the 1690s. There was also a shipment reported in 1804 from Cuba to New York.⁹

There are records suggesting that one John Pearsall brought a few cargoes of “Cuban reds” to New York in 1843 and 1845, and that bananas were moving into the USA in the 1860s, from islands off the coast of Honduras, despite the Civil War. Early traders such as Salvatore Oteri and the Vaccaro Brothers operating out of New Orleans were said to be involved. Another sea captain, George Busch (no kidding), started shipments from Jamaica to Boston around 1866 and encouraged the local farmers to plant bananas for export. In another part of the world, a trial cargo was apparently imported into Britain in 1872 from St Michaels in the Azores; but that seems not to have been repeated.¹⁰

Until around 1850, when the first steamships appeared, shipping bananas would in any event have been a hazardous business since the time taken to sail from the Caribbean to the east coast ports of the USA, with the added ‘vagaries of wind and tide’, would often have resulted in rotten fruit. Capt. Dow Baker was a sailing man, and even during the 1870s the first ships in the small fleet that he put together were sailing vessels, with ancillary engines appearing only in the 1880s.

From 1866 Carl Frank had started to invest in banana exporting from Colon, in Panama and by 1870 he was using three ships of the Pacific Mail Company to send small shipments to New York. In the mid-1870s a feud developed between the steamship company and the Panama Railroad, and as the freight rates to New York fell, the business grew. Minor Keith, with Frank’s help, started to grow bananas along his railway route in Costa Rica; but before his plantations matured he began buying 250-400 bunches a month in Colon to be shipped to New Orleans. He continued to ship bananas by this route for several years.¹¹

Upham Adams reports: “At this time (1872) the total shipment of bananas from all the tropics did not amount annually to more than 300,000 bunches, with imports (to the USA) from the West Indies (Jamaica), Colon and from the Bay Islands off the coast of Honduras.”¹²

Capt. Dow Baker and Andrew Preston : Boston and Jamaica

1875 – 1890: Towards the Boston Fruit Company

Capt. Dow Baker continued to make shipments from Jamaica to Boston, and the marketing of the fruit from 1871 onwards was in the hands of Andrew Preston, a produce buyer with Seaverns and Company. Baker was an inveterate sailing man but he was well aware that steamships would be the key to the future. Around 1876 he set up a partnership, together with a sailor friend, Jesse Freeman, and a financier called Thomas Hart, called the Standard Steam and Navigation Company.¹³ Despite its name, the company owned only sailing vessels until the 1880s when first one, and then a second,

vessel was built with an auxiliary steam engine. Baker's course went from sailing the ships, to shipping the bananas, then to growing them, and finally back to running steamships.¹⁴

In 1877 Capt. Baker emigrated with his family and his business (L D Baker Company) and settled in Port Antonio, in Jamaica. His main business remained with Boston, where Andrew Preston was in charge of sales and distribution; but away from the east coast it was becoming clear that a substantial volume of fruit was also being shipped in from Central America through New Orleans. It would become 'the banana capital of the world', with higher import volumes than New York and Boston throughout the 1890s.

Competition was growing from others shipping to the east coast and from the Frank Brothers shipping from Panama into New York. Steamships were clearly the long term answer to a more regular trade, and Baker became the agent in Jamaica for Atlas Steamship Line (British owned) which ran services between Jamaica and New York. Thus he was able to use its spare capacity for his cargoes. In the early 1880s the shipping capacity of the partners was enhanced by ships capable of carrying from 12,000 to 20,000 bunches (compared with 2000 in the earlier vessels) and making eight trips a year.

Thus began the commercial banana trade: within the space of forty years (1873-1913) the total shipped had multiplied many times over and risen to 50 million bunches a year. The history of the early years in Panama (still part of Colombia until 1903) is set out in Box A – see page 4 below.

In 1877 Salvatore Oteri, a prominent banana trader in New Orleans, was the first to use a steam tug for the coastal voyage down to Honduras. This was a period of cut-throat competition when businesses on a small scale grew and collapsed regularly, with success or failure dependent often on a single voyage; in the mid-1880s at least sixty individuals or firms were in the banana trade in New Orleans. In 1877 Capt. Baker, as an experiment, landed a successful cargo of bananas there from Jamaica late in the season.¹⁵

In the 1880s

The banana business continued to be a risky one throughout the next decade. On the one hand growers in Jamaica enjoyed a run of several years of favourable weather, without hurricanes, right up to 1887. Despite this many cargoes were spoiled: in the late 1880s one in seven of the ships chartered to the trade was lost at sea, to fire and storm, and 25% of all bananas shipped are estimated to have rotted before reaching the market. There were problems also in the growing areas (disease, banditry), and the industry was facing a transition from sail to steam.¹⁶

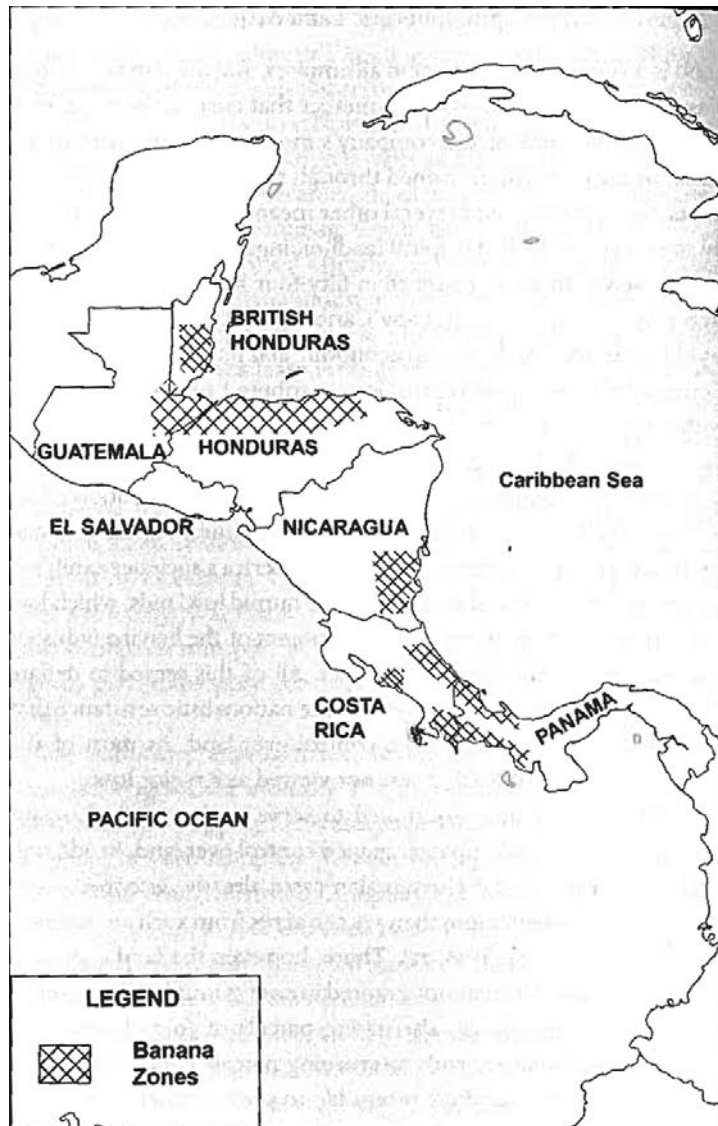
CM Wilson reports that in the mid-1880s competition between New Orleans, New York and Philadelphia was especially keen, and there was as yet no effective inland distribution of the fruit. "During 1885 at least sixty individuals or firms were bringing bananas into American ports Under such conditions the trade was rough and commercial casualties were high. The year Boston Fruit was established (1885) at least seven firms importing bananas had failed." (op. cit, page 73)¹⁷

To create a more solid organisation Baker, Freeman and Hart, together with a small group of investors, set up an informal partnership, the Boston Fruit company, in 1885. Andrew Preston, still a produce dealer, took a minor share in the capital but seems to have been a key player in the planning and preparation of the new enterprise. It began with capital of \$15,000 and it was agreed that no dividends would be paid during five years. Preston was appointed as manager of the Boston office.¹⁸

There had been a slump in banana prices in 1884 due to over-supply, and matters were made worse in 1885 when there was significant damage to crops in Jamaica. While trading in bananas in sailing ships was still a highly risky business, the partnership prospered, with total imports of 150,000 bunches in its first year and almost 330,000 in the second year. Preston is quoted as saying this was due to "tolerable management and tremendous good luck".

1887 was a less good year, with competition from New York importers into Boston by rail. A British steamer was bought in 1888, and by 1890 two further ships were in service. The company also invested in banana farms in Jamaica, and was now able to put 250,000 bunches of bananas to export in a year. After the initial five years the Company, with assets now valued at \$531,000, was formally incorporated in September 1890 with Baker becoming the President and Preston as Managing Director. (Jesse Freeman had died earlier in the year).¹⁹

There were nevertheless uncertainties of supply in a trade based solely on Jamaica (Boston Fruit did not yet have access to bananas from Central America) and the partners looked about for ways to diversify and secure alternative sources of fruit. Preston favoured investing and developing plantations in Cuba, while Dow Baker defended the record of Jamaica, but finally was persuaded to make an experiment in San Domingo. It took time for this to come on stream (not before the late 1890s) and within 10 years it had faded away (due to availability of cheaper supplies from Minor Keith's farms in Costa Rica and Colombia).



Box A: Panama from 1865 onwards (part of Colombia until independence in 1903)

If any place has the claim to be the historic birthplace of the banana industry it is Bocas del Toro, in Panama. About 150 miles west of the Panama Canal, and close to the border with Costa Rica, its early history is not known. But we are told that “it is the only populated centre of banana cultivation which was on the map of Central America” prior to the arrival of Minor Keith in 1872.

There were of course other places where bananas were grown, notably Jamaica and other Caribbean islands. If we believe the history of Tomas de Berlanga they had been there 300 years or more. But in the sense of an industry, cultivation in larger quantities to supply markets in other countries, Panama comes first.

In the mid-1860s Carl Frank, who had worked on the steamships of the Pacific Mail Company on the route from New York to Colon, found that bananas were a profitable opportunity. He entered into an arrangement with the company, bought from local growers and began to ship on a small scale to New York. He soon became also a producer, and by 1870 was in business with his brothers, using three of the company ships and exporting 3000 bunches that year. For a few years he had a near monopoly of banana imports in the USA, and was thus the pioneer of the commercial banana trade.

Minor Keith came on the scene in 1872. He had met Frank when en route to Costa Rica to build the railway and he planted his bananas on railway land. Realising the possibilities, he made an experimental run to New Orleans to test the market, using the small steamship owned by the railway project and buying the bananas in Colon. This was a success, and he began shipping 250 to 400 bunches monthly for several years - “at excellent prices”.

Through the 1870s and 1880s Keith’s main preoccupation was to complete the railway in Costa Rica, but bananas were an important adjunct activity (income for the railway and finance for its construction). At some point he purchased land in the Bocas del Toro area, and later in the 1890s, when he was solidly established in Costa Rica, he invested in further large tracts of land in Panama, extending to other areas west of Almirante Bay and on both sides of the border with Costa Rica.

This led in later years to incidents with other companies such as the American Banana Company (ABC) which invested in land in Panama, cleared the jungle and planted bananas only to be evicted by the Costa Rican army. After 1900 United Fruit was to expand operations in this area, often without the legal contracts needed elsewhere, and a major division at Almirante was set up in 1903, based on the port facilities there.

However, banana cultivation faced its first setback with the arrival of the Panama Disease, a fungus which attacked the roots of plants and, initially, could not be treated.

Sources: F Upham Adams (1914), *op.cit.*, pages 152 and 155, pages 35-36 for C Frank, page 16 for Keith; C Morrow Wilson (1947) *op.cit.*, pages 26-27, for Almirante 121. For the period after 1900: J Wiley (2008) *op.cit.*, page 11.

Minor Cooper Keith: Costa Rica – Panama - Colombia

“The manner in which Mr Keith entered into the banana business is peculiar The truth of the matter is that *the banana did not originally enter into [his plans]*”

“From 1872 until 1899Mr Keith devoted *all of the time he could spare* from his railroad enterprises to the development of the banana industry.”²⁰

As the quotations above suggest, Minor Cooper Keith did not start life with an ambition to make his fortune in the banana trade. His uncle, Henry Meiggs, was a well known builder of railways in Latin

America (in Chile and Peru) and in 1871, without much prior attention apparently to the possible difficulties, he was awarded a contract in Costa Rica. The project was to link the Atlantic coast of Costa Rica to the Pacific coast, some 100 miles away to the west, passing through the highlands and the capital, San José.

Minor Keith, at age 23 and with no experience, was to be the manager of the project for his uncle, together with his elder brother (both of them died during the work). Later he took the lead on his own, and it took him 19 years; but at the end of that he was one of the most influential figures in the country and married to the daughter of the Chief Justice and former President, Dr Jose Maria Castro.²¹

The principal difficulties that Keith faced, apart from the terrain, were shortage of labour and uncertain financing. While the railway was being built there was no revenue from passengers or freight; and Keith's genius was to recognise that bananas could be cultivated along the rail lines and sent back by the same route to the port for shipping. He started sending small quantities to New Orleans through Colon, in Panama. Towards the end of the 1870s, when the railway contract was extended and more secure, he had obtained additional land for bananas, and he was negotiating with bankers in London and Paris for the Costa Rica government to reorganise the country's external debts.

In the 1880s he also began to buy land for banana cultivation in western Panama (then still a part of Colombia), in the area of Bocas del Toro which is not far from the Costa Rica border; and also in Nicaragua. When opportunity offered - a British company had gone bankrupt in Colombia - he took over their banana operations in the Santa Marta region; and at the time of his marriage in 1883 he was in London looking for other investors. These developments are set out in more detail in Box B – Costa Rica and Box C – Colombia below.²²

By the mid-1890s he had become a substantial figure in the young and growing banana industry, with banana farms in several countries, as well as a power in the politics of Costa Rica. By 1898 he had organised his banana interests into three separate companies: the Tropical Trading & Transport Company for his plantations in Costa Rica, the Snyder Banana Company which owned his plantations around Bocas del Toro in Panama, and the Colombian Land Company for his interests around Santa Marta. These companies were to be merged into United Fruit in 1899.

Box B: Costa Rica 1872 - 1899

In 1871 an American railroad entrepreneur, Henry Meiggs, won a contract to build a railway linking Puerto Limon on the Caribbean coast of Costa Rica with San Jose, the capital. He was assisted by his two nephews, Henry Keith and Minor Cooper Keith, who in fact were to manage this contract while Henry Sr was occupied elsewhere in Latin America. He died in 1877.

So began the long history of Minor Keith's (and later United Fruit's) involvement in Costa Rica. Keith's connection with bananas had begun 'almost accidentally': under contract to build the railway within three years, he realised that there would be little or no revenue from passenger traffic until it was completed, and that in the interim some commodities had to be found to be carried to the port.

Carl Frank had started small plantations in Panama and Minor Keith had visited him en route to Costa Rica. Later Frank provided cuttings to plant along the railway line. In the early years the railway faced many challenges: no proper survey had been carried out before the contract was won, and the route lay in tough terrain through swamps and jungle, with deep valleys prone to floods to be crossed and a steep ascent to the plateau where San Jose is. Further, there was a shortage of labour – the indigenous people were not adapted to this work, and much of the labour force had to be imported, many from Jamaica. There was wages competition in the early years with the initial stages of work on the Panama Canal; and not least, there was high mortality in the workforce due to disease. It was said that there were 4000 deaths in the first three years of construction.

By the late 1870s progress had been slow, the contract was running out and the Costa Rica government itself was facing financial difficulties. President Guardia approached Keith to take over the running of the railway, and in order to make that pay, Keith obtained extensive land concessions for bananas to supply freight and income for the project. Keith went into partnership with a shipping line, and became involved in renegotiating the country's debts.

So, Keith survived, and of course he controlled the national railway.

Sources: F Upham Adams, pages 55-68; CM Wilson, pages 44-68.

The rise and fall of Colombia's banana exports on a commercial scale began around 1890 and reached its peak in 1928. For the history of Colombia's early banana production see Box C below. There was dramatic growth in exports in the years up to 1910 with a further doubling of volumes by 1928. Thereafter they dropped away, to 7.5 million stems in 1938 and to less than 2 million in World War II.

1891	74,915 stems	1913	5,594,151
1899	485,385	1928	10,220,042

Box C: Colombia 1880s onwards

“The cultivation of bananas *for export on a commercial scale* in the Colombian Caribbean began in 1887, in the district of Rio Frio, some fifty kilometres from the seaport of Santa Marta. In that year, the merchant Jose Manuel Gonzalez acquired 100 hectares of land which were planted with seeds of the Gros Michel variety, brought from Bocas del Toro (now in Panama). In March 1891 the first 5000 stems were exported”

So begins an amazing story in which the banana rose rapidly to be the centre of the local economy in the area known as the Zona Bananera, only to fall away and decline to nothing fifty years later, faced with competition from a new rival – coffee. Manuel Gonzalez sold his land to J Sanders of New Orleans, who in turn sold to the Colombian Land Company, a British firm; and it in turn, around 1895 was acquired by Minor Keith who took it with him into United Fruit in 1899 (CM Wilson, page 108). Other sources place Keith's purchase of land in Colombia earlier, perhaps in the early 1880s: he was already planting large acreages in the region before 1885 and his shipments were growing to 1.5 million bunches a year.

Exports of 5000 stems had grown to over 170,000 by 1892 and to 485,000 by 1899. Some growth!! an average annual rate of 15% from 1891 to 1900. The process was interrupted during the Colombian civil war 1899-1902 (which also had the result that Panama declared its independence from Colombia in 1903) but resumed thereafter with an *average annual growth rate* of banana exports 1901-10 of 29%. Much of this was due to the active engagement of United Fruit which controlled the marketing and distribution of bananas in the United States, and provided the shipping: eleven steamers of its own fleet and another thirty under all exports.

Apart from shipping, another crucial transport factor was how to move fruit from plantation to port. A first railway contract, between the state of Magdalena and two businessmen, was signed in 1880 to construct a line from Santa Marta to the Magdalena river. By 1887 it had reached the Rio Frio and was extended as far as Cienaga; in 1890 the concession was sold to the Sta Marta Railway Company, and the line was continued to Sevilla and by 1906 had reached Fundacion in the south of the Zona Bananera. In following years extension lines were built criss-crossing the region and serving the banana plantations.

At some point – by 1900, perhaps earlier – Minor Keith took control of the Sta Marta Railway, which failed to deliver on the original contract to build the line beyond the banana area and as far as the Magdalena river by 1911. A protracted court battle followed, with the Supreme Court ruling in 1921 that the Government had the right to acquire the railway and the branch lines. It exercised this right in 1932 but the line was leased back to the Sta Marta Railway Company.

These developments meant that Colombia became one of the major important sources for bananas in the early years. In 1905 United Fruit had a much larger area under bananas in Panama and in Costa Rica than Colombia; but by 1928 the situation had changed dramatically and the cultivated area in Colombia was second only to Honduras and larger than Guatemala. This was the historic high point of the banana industry in the country. In terms of exports, Colombia was the fourth largest supplier of bananas in 1913, behind Jamaica, Costa Rica and Honduras; and by 1928 it had moved into third place behind Honduras and Jamaica. The years 1924 to 1930 were the high spot for Colombian production, with the highest ever export figures realised in 1930 (11 million stems); thereafter it dropped sharply in the 1930s.¹ “The level of banana exports achieved in the 1920s would never again be seen in the Colombian Caribbean”.

Source: The principal source for this chapter is a study by Adolfo Meisel Roca, presented to the Latin American Clio-metric Society (LACLIO) in Cartagena in 1999 (*op.cit.*). CM Wilson records land purchases and investment in Colombian land in 1883 (pages 58, 67, 73) and exports to New Orleans in 1894 (pages 75, 91).

*In the 1890s*²³

In the 1890s the company continued to grow but by a different route: Preston had taken 50% stakes in two companies importing into Baltimore and Philadelphia by 1892, and later a similar stake in a New York Company (the American Fruit Company). This was followed by a small holding in the Baner Fruit Company shipping out of Cuba and larger shares in two further firms selling from the West Indies to New York. Not all these ventures were to prove profitable, however.

The banana trade remained highly volatile with firms that grew and mergers taking place in parallel with firms that collapsed and mergers that fell apart. Major firms in Baltimore and in New Orleans collapsed, and a sizeable merger of several importers and a shipping line in New Orleans disappeared within months. The geographical spread of ports handling bananas also continued to grow, with Galveston and Mobile in Texas taking shipments in the early 1890s from Nicaragua and from Keith's firm, Snyders, in Panama.²⁴

Total imports of the USA had risen to 12.5 million bunches by 1890, with New Orleans the principal import gateway, followed closely by New York, with Boston and Philadelphia some way behind. These four with Baltimore were handling over 95% of all bananas imported. Minor Keith had become the leading world producer of bananas in 1890, and his large shipments, with others, were creating a clear shift in the centre of banana production from the West Indies towards Central America. As an illustration of the rapid growth that was occurring, the total figure had risen to 18 million bunches by 1895 – a growth rate of 50% in five years.²⁵

Keith's exports were a major reason why the port of New Orleans was the largest importer of bananas, and inevitably this led him into contact with Preston and Boston Fruit. From 1894 Boston Fruit became the authorised distributor on the East coast of all Keith's bananas from Colombia and Costa Rica, on a commission basis. The banana industry continued to grow with new firms appearing, mergers among shippers and traders, and bankruptcies in what one author described as “a maelstrom of activity”.²⁶

The large volumes also meant that the means of distribution within the US market was becoming more critical to further growth. Much of the trade was originally carried by steamer northwards up the Mississippi and other rivers but, in the 1880s, there was increasing attention to the use of railways and to suitable protection for the fruit en route. In view of this, Andrew Preston set up a new company, the Fruit Dispatch Company, as a wholly owned subsidiary of Boston Fruit, to handle all distribution and sales inland from the ports of Boston and New York. The company expanded rapidly and set up initially fifteen sales branches in the key railway centres all over the country.

The scene was set for the largest amalgamation ever in the banana world.

1899: Creation of the United Fruit Company

“Only those who have lived in the tropics and are familiar with the hazards can readily understand the motives which impelled a union of the interests of the Boston Fruit Company and those headed by Minor Keith”.²⁷

1898 was destined to be a difficult year. In Jamaica a succession of hurricanes swept the island and destroyed 80% of the crop, leading Preston to think of a new structure for the firm. Minor Keith, for his part, had found himself in financial difficulties due to the failure of an investment banking firm which had made short term loans to him; but with assistance from the Costa Rican government he was able to settle these debts rapidly. Worse, his operations were affected by natural disasters and the company that had handled his bananas for years in New Orleans also went bankrupt, owing him \$1 million. He too was looking to make new arrangements for distribution and marketing and it was not long before the two men were brought together.

Preston was reorganising the distribution channels of Boston Fruit, which had sold 6 million bunches out of the total of 17 million imported in 1898, and was setting up a new sales subsidiary to be called Fruit Dispatch. Keith had been importing from Colombia and Central America through southern ports on the Gulf coast (New Orleans, Mobile) to the south of the country, while Preston was importing from the West Indies through the ports of Boston, New York, Philadelphia and Baltimore and selling on the Atlantic coast. The two men realised very soon that their banana interests were perfectly complementary.

On 30 March 1899 the UNITED FRUIT COMPANY was incorporated in New Jersey with a nominal capital of \$20 million. Its assets consisted of the Boston Fruit Company, the Fruit Dispatch Company, and all its subsidiaries together with the companies controlled by Minor Keith.

Boston Fruit brought in all 5000 shares in the Company, and their interest in the Banes Fruit Company (producing in and trading with Cuba); the Dominican Fruit Company; the American Fruit Company (trading in New York); the Quaker City Fruit Company (trading in Philadelphia); the Buckman Fruit Company (trading in Baltimore); and the Sama Fruit Company, with a total value of \$5.2 million.

Minor Keith for his part traded in the entire stock of the Tropical Trading & Transport Company (in Costa Rica), 500,000 shares in the Snyder Banana Company (in Panama) and 3400 shares in Colombia Land Company Ltd, for a value of \$3.96 million.²⁸

As the ‘senior’ partner in asset terms, Andrew Preston became the President, and Minor Keith the Vice-President, of United Fruit. Capt. Baker was a director, but from this time on played little part in its affairs. In addition to the commercial and financial reasons mentioned above, the amalgamation was part of a general trend towards fewer companies in the trade: 114 companies in the banana trade at the start of 1899 became no more than 22. While the merger with Keith created a mammoth organisation in itself, the scope for economies of scale in the areas of shipping, marketing and distribution was clear, and larger companies attracted capital more easily.

Furthermore, Preston embarked in 1899-1900 on a prolonged spell of buying into rival firms such as the Machecca Brothers and S Oteri & son in New Orleans, and within two months United Fruit had become “a working association of twelve banana firms” (CM Wilson, page 109). In the following year Preston bought shares in another 15 firms (paid for with United shares, thus creating an ever broader association with common interests) and held a majority stake in nine of them.²⁹

The new company owned more than 212,000 acres of land in six countries, including over 38,000 acres in banana production, with 112 miles of railroads.³⁰ Its banana trade was about 11 million bunches in 1900. The company began sugar production in Nipe Bay, Cuba and a sugar mill was under

construction. Later banana land was shifted into sugar. In its first year the company owned or chartered forty-four steamships – the Great White Fleet - including the ten ships of the Belize Royal Mail & Steamship company.³¹

The rapid growth in US imports of bananas is shown below: (million bunches)

year	United	Others	Total	%
1900	11.15	4.86	16.01	70:30
1913	24.97	17.53	42.50	59:41

Source: F Upham Adams, page 337

This table was designed to show that United Fruit did not have a monopoly of the banana trade, and it is instructive to see that the growth of imports by others (260% 1900-1913) is much steeper than for United Fruit itself (124%). The United figure had increased to 15 million bunches by 1904, and to more than 22 million in 1907. By 1913 the area in banana production had risen almost four fold, to 150,000 acres, and United Fruit shipments were almost 25 million. Other traders however had also increased their shipments very substantially.³² The United fleet had grown to around 90 ships by 1913.

Bananas appear in Britain: the scene across the Atlantic³³

As American pioneers explored the jungles of Central/Latin America, and the islands of the Caribbean, from 1870 onwards another quiet development was taking place on the European side of the Atlantic.

It has been said that bananas were known in England since the seventeenth century, but the length of voyage on sailing ships meant that arrivals were irregular. The fruit had been cultivated for many years in the Canary Islands but even after the move to steam services in the 1850s no commercial consignments were made. Arrivals continued to be largely on a private basis, sent on ships calling there en route back to England.

There were established shipping routes from British ports to southern Africa, and much of this traffic called in at the Canary Islands which had become a major coaling station. Elder Dempster was a shipping line and active in providing such facilities, and it began occasionally to ship small quantities of bananas on ships with space available returning to Liverpool. After redevelopment of the port facilities in the Canaries in 1885, both Elder Dempster and Edward Fyffe (see Box D) began to import bananas from the Canary Islands on a regular basis. Between 1884 and 1886 these quantities increased to 50,000 bunches, and Fyffe took his first shipments in London in 1888.

Fyffe's company lost much of its Canary business in 1897 but continued to trade and it was not long before the two companies got together. The firm of Elders & Fyffes was set up in 1901 after Elder Dempster accepted to provide a regular mail service to Jamaica, with Fyffes importing and selling bananas. Imports continued from the Canaries - as high as 3 million bunches in 1901-02³⁴; but larger volumes were now possible from the Caribbean, made possible by the development of cooling techniques which meant that the fruit could be shipped without wastage during the longer voyage. Elders & Fyffes was designed to provide an integrated operation (imports, handling and distribution) and to develop the market on a national basis, along the same lines as the United Fruit operation in the USA.

The new Jamaica business, to be profitable, was dependent on regular supplies, but Elders & Fyffes faced difficulties when US market prices were higher than theirs. They also needed larger volumes to be profitable, and therefore required more shipping capacity than the new Mail line could supply. Finally there was competition from other well established buyers in the market such as United Fruit.

An arrangement on supply was made with Andrew Preston, and in 1902 United Fruit took a 45% stake in Elders & Fyffes.

The company steadily consolidated its position as major importer in Britain, and developed distribution systems within the country. At the death of Sir Alfred Jones, the majority owner of Elder Dempster, in 1909 Andrew Preston bought up the shares that he had controlled, and Elders & Fyffes became a wholly owned subsidiary of United Fruit in 1913.³⁵

During the pre-war years bananas were sent to mainland Europe, at first by re-exporting from Britain to Holland and later by direct shipping services. The table below shows the rapid growth of imports into Hamburg in these years:³⁶

	1895	1905	1908	1912
Canaries	130	18,952	65,444	10.5 million
W Indies	-	-	27,208	1.895 mill
(England)	-	-	1370	2.98 mill

After the war the volumes continued to increase until, by 1930, the total imported on the Continent exceeded imports to Britain.

Box D: The Scene in Europe, from 1885 -1900

The commercial banana trade in Britain started with the arrival of steamships and the redevelopment of the port facilities in the Canaries in 1885, leading to the establishment of coaling facilities. This meant that shipping passed through more regularly – and, more importantly, ship captains were often looking for extra cargo to offset the costs of the voyage.

One such company in the West Africa – UK shipping business was Elder Dempster, led by an iconic figure of the early banana days in Britain, AL Jones, later Sir Alfred Jones. He was among the first to set up a coaling depot and he started to organise the banana trade on a more commercial basis, opening an office there to seek opportunities to buy land for cultivation and to coordinate with growers. Elder Dempster ships went to Liverpool, and the early trade in bananas was in the north-west of England; but by 1892 the company opened an office in Covent Garden to deliver bananas to London.

Another early banana trader was Edward W Fyffe who ran a tea importing business in London. He spent more than 12 months in the Island in 1887-88, while his wife recovered her health, and in 1888 he first organised with local growers a more regular system of consignments of bananas to London.

As trade grew, his firm became a partnership with an established fruit importer in 1896, as Fyffe Hudson; but in the following year the Canary growers took control of their exports and the two partners were bought out. Edward Fyffe retired to be a country gentleman, and Canary exports of bananas almost tripled from 1897 to 1902.

Sir Alfred Jones had been approached by the British Government to run a fortnightly shipping service to Jamaica and to provide an alternative outlet for their bananas which could not always find a market in the USA. With developments in cooled or refrigerated shipping in these years it began to be possible to ship bananas from there across the Atlantic, and regular banana shipments were part of the business plan to offset losses on the mail service. Four ships were dedicated to this service which included passengers, mail and other cargo, and it was expected to deliver an additional 500,000 bunches a year to Britain.

Elder Dempster set up a subsidiary company in 1901 to manage the service, called the Imperial Direct West India Mail Service company and run by Alfred Jones; but a new organisation was needed to handle the increased volumes of fruit business, and managed by Arthur Stockley. Thus it was that

Elder Dempster was merged with the Fyffe Hudson business in 1901 to create **Elders & Fyffes**, and the new company began importing from the Caribbean as well as the Canaries. The fortnightly service to Jamaica added regular quantities of extra fruit for delivery to the market, and the volumes were later increased in order to keep the operation viable; and as additional shipping was made available in 1903 and 1904, the banana trade in England grew very rapidly.

An important development during this period of expansion was an alliance between Elders & Fyffes and United Fruit in 1902 which guaranteed supplies from Costa Rica for the England trade when supplies were insufficient from Jamaica (eg. after hurricanes or other adverse weather conditions). This alliance was negotiated between Arthur Stockley (who was the leading figure in Elders & Fyffes) and Andrew Preston and resulted in UFC taking a 45% stake. Later, after the death of Sir Alfred Jones, Preston was able in 1910 to purchase his majority shareholding and thus gained control of Elders & Fyffes, which became a wholly owned subsidiary in 1913 after an increase in capital (a new share issue). One consequence of this union was that the Fyffes brand label, a blue sticker, bears an uncanny resemblance to the Chiquita label used by United Fruit since the 1940s.

Sources: Peter Davies (*op cit.*) and Gordon Myers.

Developments in Guatemala and Honduras: 1895 to 1915

The pattern of banana cultivation simultaneous with railway construction – as had occurred in Costa Rica – was to be repeated in Guatemala and some years later in Honduras. These two countries lie to the immediate south of Mexico and Belize, first Guatemala to the west, mainly on the Pacific side, and then Honduras to the east, mainly on the Caribbean. There was little immediate political development after the end of Spanish colonial rule, and it was only in the 1870s and 1880s that more liberal policies and more modern state institutions were established. The basis for economic growth was then coffee in Guatemala and mining in Honduras.³⁷

In both countries substantial state assets (in land, tax privileges, transport and communications) were made available to foreign corporations in order to bring economic development; and this promoted the banana industry as well as others. It is probably Honduras which qualifies best to be the model for the well known label ‘Banana Republic’.

The story of how the banana industry was developed in **Honduras** provides an interesting contrast to the events in other Central American countries where the industry grew out of the efforts of a few men and one company – Dow Baker, Preston, Keith and from 1899 United Fruit. We have seen how bananas grew, quite literally, out of railway construction in the wake of Keith’s contract in Costa Rica and how that led to expanded banana cultivation in Panama. The situation in Honduras was different, and from the early 1900s several strongly competing interests were at work.

Banana farms, started by small local farmers, existed long before the railway came, and some exports are recorded as early as the mid-1860s. This was in the area of the Bay Islands off the north coast, and small New Orleans traders had already become active by the 1890s. By the time that United Fruit was formed there were said to be over 100 independent operators in the banana trade, but as the industry matured these were amalgamated into larger units. United Fruit itself absorbed seven smaller firms in the Honduras trade and in 1900 established a first office at La Ceiba.

Intense competition between three major enterprises was to develop in the next decade. Vaccaro Brothers in New Orleans (later to become Standard Fruit) was one of the early traders but instead of merging with others, they chose to become producers; United Fruit (whose origins were East Coast) bought into the trade and later became established in the Trujillo region; but above all, the appearance of another trader and importer from New Orleans - Samuel Zemurray – in Honduras and his willingness to invest in land and in banana plantations, was the factor that stimulated a strongly competitive environment.³⁸

Zemurray is reported to have bought a 5000 hectares land concession as early as 1902, in the area of Omoa and on both sides of the River Cuyamel. He took this over from another pioneer of banana cultivation, WF Streich, and when it came to an end in 1908 he secured an extension. After ‘helping’ Manuel Bonilla to regain the Presidency (which he had lost in 1907) Zemurray was granted a further 10,000 hectares, and later rights to establish banana plantations and build railways in the Tela region. His farms were on some of the most fertile land and soon became a major competitor for United Fruit and responsible for many innovations (irrigation techniques, fumigation of plants etc). In volume he was close behind United, but in quality and profitability he did better.³⁹

In the period 1910 – 1915 all three businesses were granted major concessions to acquire land along rail routes, to build railways and to extend their banana plantations. These were remarkable long term contracts, for 99 years in the case of the Vaccaros and unlimited for United Fruit, with the right reserved for the Government to buy back the railway after a period of 60 years or more. Among the major benefits, companies were exempt from taxes on activities related to construction, maintenance and operation of the railway; state land was made available for rail routes and for buildings and maintenance areas; rights to exploit resources in wood, gravel and water for railway purposes; and permission to set up telephone and telegraph lines independent from those owned by the State.⁴⁰

In **Guatemala** Gen. Manuel Estrada Cabrera became President in 1898 following a military coup. The national railway system, connecting the capital to the Pacific and the Atlantic, had been started but was still unfinished (the project was financed with profits from booming coffee exports). The Pacific section was complete, and the Atlantic section had only 60 miles left before reaching Guatemala City. Coffee revenues, however, had begun to fall due to the emergence of Brazil as a major supplier on the world market, and Cabrera invited Minor Keith to finish the work.

As in Costa Rica in the 1880s, Keith demanded land for banana cultivation and other concessions as his price for the contract, and an ambitious (as usual) three year contract was agreed.

Box E: Guatemala 1898 - 1915

In February 1898, after the assassination of the [President], the Guatemalan Cabinet met to choose a successor. The army chief of staff, General Manuel Estrada Cabrera, led a military coup and became President, a post he was to hold until 1920.

Guatemala was already in the process of building the national railway system, but it was unfinished and Cabrera invited Minor Keith to finish the work. As he had done in Costa Rica, Keith asked for no immediate funding but enough land to plant bananas and the right to operate the Atlantic section for 10 years after completion. The contract allowed three years for the work but bad weather and labour shortages made that impossible. When Keith sought an extension, Cabrera threatened to end the contract, whereupon Keith said he would pull out altogether.

This was a serious threat since, in 1901, the Guatemala Government had hired United Fruit to manage the postal service. In a second contract signed in 1904 Keith obtained better terms: he took full control of the Atlantic part of the railway, including the recently constructed port of Puerto Barrios, and he was granted extensive new land concessions and a tax holiday. The railway was completed in 1908. In due course he took over operation of the Pacific part as well since the slump in the coffee market had made it unprofitable. United Fruit thus became the master of the most important levers in the economic life of the country. *

Enough progress was made with bananas by 1906 for Guatemala to appear in the Annual Report of United Fruit as a new source of supplies. Nevertheless, all was not well; jungle clearing was hard work and, in a sign of changing times, labour discontent began to emerge. One disturbance on a company plantation in 1910 involved 600 Jamaicans who complained about prices at the company store and began looting. The local troop commander, when requested to intervene, declined. The matter was

settled when a group of Ladinos seized a Jamaican worker and he was lynched. One of those arrested for this and later released was hired by the company as a superintendent.

Similar problems occurred on a wider scale in 1913 when United Fruit was faced with a series of violent strikes: first a crisis in Panama, followed by a strike in Costa Rica, and later problems over pay rates in Guatemala. These were years when awareness of individual rights and workers' collective rights was growing in the USA; but United used tough tactics, bringing in strike-breaking workers from outside, and calling for assistance from troops. In Guatemala, however, the local military again refused to intervene: Cabrera, who did not wish to be a strike breaker, urged negotiation. In a later incident a Jamaican worker was killed, troops were deployed and a number of workers killed.

* On its completion United Fruit owned the railway. In 1912 the company was renamed the International Railway of Central America (IRCA) with United as the major shareholder, and that continued until the 1950s when United was obliged to divest in an anti-trust context.

Source: Peter Chapman, *o.p cit.*

Box F: Honduras 1896 - 1915

The history of Honduras in the 1850s and 1860s is full of British-American rivalry fuelled by the strategic interest for both powers to control any trans-isthmus route which would open up a route to the west coast of America. This became more important after the American war with Mexico (1849), which left California in American hands, and after the west coast gold rush. One fallout of this was a strong interest in several different projects designed to link the Atlantic to the Pacific coast (in the years before the realisation of the Panama Canal). One of these would be a link through Honduras.

The northern Caribbean shoreline of Honduras was relatively shipping-friendly with natural harbours located at Puerto Cortes, La Ceiba and Trujillo protected by the offshore islands. Perhaps for this reason it attracted the early attention of American companies based in New Orleans, and through the activities of the Vaccaro Brothers and others (Salvatore Oteri, Machecca Bros) bananas began to be exported in commercial quantities as early as 1896. In these early years the growers were small individual producers centred around the Bay islands and Roatan.

The scenery changed with the creation in 1899 of the United Fruit Company (which then controlled 69% of all imports into the USA). In its first year United Fruit bought out seven independent traders shipping out of Honduras and looked to monopolise the business, as it had done elsewhere. Vaccaro Bros decided to move into local production (to ensure supplies) in the area of La Ceiba. Another pioneer investing in production locally was William Streich who in 1902 received a concession at Omoa, which was later bought by another early investor, Sam Zemurray, a trader and importer in New Orleans. Zemurray later set up his own company, the Cuyamel Fruit Company.

A confusing period for foreign companies then ensued. On the one hand, a change of government weakened Zemurray's influence with the authorities, he was denied the tax advantages granted to his competitors and he faced major losses on his land investments. Feeling victimised by this treatment, he organised a mercenary incursion in December 1911 in order to overthrow the Government and return a former President, Manuel Bonilla to power; the operation succeeded and Bonilla was re-elected in the following year. *

On the other hand, major long term contracts were signed with Standard Fruit (Vaccaro) in 1910 and with United Fruit in 1912 for railway building, carrying with them substantial tax privileges, and land and other concessions for construction purposes. These were for 99 years and more with review clauses that started after 60 or 75 years (despite that the contracts were in fact revised in 1918-19).

Not surprisingly Zemurray was rewarded by Bonilla with a new land concession (10,000 hectares) and he was also granted a railway concession in the Tela region. This would be exploited by United who had obtained a similar concession in the area of Trujillo.

* In another version: President Bonilla of Honduras, who favoured the activities of foreign entrepreneurs such as Minor Keith, and had a special rapport with Sam Zemurray, was overthrown in an army coup d'état in 1907 and exiled to the USA. (He was reported to have taken bribes in exchange for favours.) Others felt that foreign business people ran the coastal regions as 'enclaves', as if they owned them, and were a threat to national sovereignty. In 1910 Sam Zemurray had bought large tracts of land with financing of his own; but when faced with bankruptcy he organized the military incursion in his own defence.

Thus was the rail infrastructure for delivery of bananas from the plantation to the port created, the loser being the state of Honduras which saw many miles of railways in operation but no link from the coast to the capital. Around 1920, when the Government needed financing to repair and modernise the national railway, it was Zemurray who lent them \$1 million at interest and set up a company to carry out the work, receiving in exchange the right to manage its operations and control its finances.

These various events led to more intensified competition between United and Cuyamel. In 1915 United held first position exporting out of Honduras, with Cuyamel not far behind and, with better quality, earning greater profits. Zemurray was credited with innovations in the irrigation and cultivation of the plantations, as well as fumigation for pest control. During the 1920s this rivalry spilled over into the political arena, with United in support of conservative elements and Cuyamel assisting the liberals. These political differences became so serious that there were violent conflicts, on the brink of civil war.

The year 1929 was the zenith of Honduras' banana trade with 29 million bunches exported. Thereafter the impact of the Wall Street crash on American consumers, the spread of disease in the banana plantations and damage from a violent hurricane all contributed to a rapid decline. In the mid-1930s United Fruit left Honduras altogether when its plantations succumbed to Panama disease and to Sigatoka.

Source: a major source for this section was A-M. d'Ans, *op. cit.* For the military incursion and the reinstatement of Bonilla, Peter Chapman, *op. cit.*

1915-1930

We have noticed before that with the arrival of Minor Keith's banana supplies on the market, the centre of the banana trade shifted gradually away from the Caribbean and the East Coast ports and moved south and west. The statistics for 1913 confirm this changing picture, which was accelerated in the meanwhile by United Fruit plans to expand its production in Costa Rica, Panama and Colombia, and later in Guatemala. In the years after 1900 total imports to the USA had risen from 20 million stems to 50 million by 1913, and the major supplier was Jamaica; but it was now flanked by a growing group of countries to the south (Colombia, Panama, Costa Rica, Honduras) which exported over half of the total.

In the years after 1913 this trend was confirmed, as Honduras moved into first place ahead of Jamaica and with Colombia and Guatemala increasing their trade. Although the total of all exports had increased by 50%, 1913 to 1929, the same small group of countries easily maintained their share of over 50% of all supplies.

Table - below

Main exporters of bananas in the world

Source: paper by A Meisel Roca, table 4

Country	1913	1929	1947	million stems
Colombia	6.3	10.3	2.0	
Costa Rica	9.4	5.8	6.1	
Cuba	2.3	3.7	1.9	
Guatemala	3.4	6.6	14.9	
Honduras	8.2	28.2	15.2	
Mexico	2.2	5.6	5.6	
Nicaragua	1.6	4.2	0.2	
Panama	5.2	4.7	6.4	
Jamaica	11.4	22.0	4.0	
Canary Isl.	4.0	
TOTAL	50.0	91.1	60.3	

In the words of CM Wilson, “the banana trade was coming of age. In twenty years banana production had quadrupled along with consumer demands for the fruit. Its capital investments had soared to at least half a billion dollars, and though a small part of US foreign investment, its international position was outstandingly important.”

By 1915 the first phase of expansion of the United Fruit ‘empire’ had taken place. At the end of the first World War, Central America was proving to be the centre of the industry, with both Standard Fruit and Cuyamel having their key banana farms in Honduras. United’s Honduran division was also producing major volumes of fruit, and its Guatemalan division was nearing completion. A period of consolidation followed, with years of competitive activity between United, Standard and Cuyamel, especially in Honduras and Jamaica; and a culmination in 1930 when Sam Zemurray, United’s major rival, was persuaded to merge his business with theirs, thus becoming United’s major shareholder.

A number of general trends affecting all banana companies might be mentioned. First: disease.

The arrival of Panama disease had been reported in the early 1900s and it spread gradually northwards from Panama through Costa Rica and Nicaragua into Guatemala during these years, and finally as far as Honduras by the 1920s. Since at this time there was no known treatment for banana plants afflicted by this wilting disease, the normal company reaction was to abandon the plantation and the land entirely, and to replant in another location.⁴¹

This led directly to a second trend: relocation. Partly due to the impact of disease, partly to other factors (cheap land was made available) United Fruit and other major companies started to plant in the Pacific coast areas of Panama, around the port of Almirante, and at Golfito in Costa Rica. In the later part of the period a similar shift also took place in Guatemala.

Another trend followed from the consolidation of the industry and its greater business maturity: diversification of product. The companies became uneasily aware that reliance on a single crop, especially one that was so vulnerable to damage from hurricanes and storms, as well as prone to disease, carried dangers; they had also observed the frequency of bankruptcies in the early 1900s when a company’s fortunes might rest on a single boatload lost at sea or with a cargo that was perished.

United Fruit had always had some land under other crops, but a major conversion programme was undertaken 1900-1920 to convert Cuba from growing bananas (Jamaica was the preferred banana island) to sugar production; and elsewhere – in Costa Rica and Panama – cacao was developed as an alternative crop.

With the rapid expansion of the industry also came increasingly labour problems: no longer simple availability, but wages and working conditions and the beginnings of trade union activities. In the early years, United Fruit and others took a ‘monarchical’ view of such actions which were regarded as non-cooperative and in violation of the contract. Not infrequently local military forces or police would be called in to break up strikes and this led inevitably to confrontations and to deaths. The classic example was in 1929 when the Colombian military fired on a large group of strikers, including women and children, allegedly at the request of United Fruit. The labour movement in the region became as a result dominated by left wing socialist activists and even Marxist movements.

Epilogue

Looking into the future – beyond the reach of this article – the ‘Banana Empire’ has long since disappeared. The trading companies have had to adjust to different relationships with the host governments of the countries where they grow or buy bananas. When it passed away is a matter of choice for the student: possibly as early as 1958, when the US Dept. of Justice forced United Fruit to accept a Consent Decree that clipped United Fruit’s wings and reduced its domination of the market; possibly 1974, another ‘banana war’, when the countries of Central America joined together to set up UPEB and impose additional export taxes, thus transferring some of the profit of the trade from companies to their national exchequers; possibly again in 1993 when the EU introduced a uniform EU-wide import regime which led to changes in the traditional patterns of supply and to litigation in the WTO – which still continues in 2009.⁴²

Another apocalyptic view of the future, advanced by some observers, is that the banana will disappear from international trade and from the tables of consumers around the world : one day soon – if not tomorrow. This would be from natural causes, not from economic pressures; the result of monoculture (the exclusive reliance, in the commercial context, on first the Gros Michel and later the Cavendish variety of banana) leading to reduced resistance to diseases such as Panama Disease and Black Sigatoka, both of which appear to be re-emerging in new and more virulent strains in 2008.⁴³

Who knows? a further working paper will emerge as the sequel one day.

Annex A The major banana trading companies

Among these, the **United Fruit Company (Chiquita)** is the company with the strongest claim to being the first in the field and with the longest continuous record in the banana trade.⁴⁴ The company itself was incorporated in 1899, but its constituent parts (Boston Fruit Company which shipped out of Jamaica and Cuba, and the Minor Keith interests, shipping out of Central America) were active in the trade from the 1870s onwards. Other companies can claim to have started in the business prior to 1900, but they did not have the spectacular growth record of United Fruit which at the turn of the century was far and away the largest business. In 1900 it was shipping out of Jamaica, Cuba and San Domingo, and out of Colombia (Panama) and Costa Rica. It owned massive tracts of land in the tropics, cultivated and uncultivated, it owned the bulk of the shipping in the trade, and at the turn of the century it was shipping 70% of all bananas in world trade.⁴⁵

Current company name (since 1985): Chiquita Brands International.

Standard Fruit & Steamship Company (Dole) was also long established in the banana trade. Incorporated in 1924, its origins were in an even earlier banana business – the Vaccaro Brothers together with the D’Antoni family – who had started trading in fruit and vegetables in New Orleans but moved into bananas at about the time that United Fruit was set up. Standard Fruit was in the early years essentially shipping out of Honduras where they established a first plantation shortly after 1900. The business was taken over in the mid-1960s by Castle & Cooke, a conglomerate based in Hawaii, which had already merged with the original Dole company whose origins were indubitably in sugar and in pineapples in Hawaii.⁴⁶ Castle & Cooke was itself taken over in the mid-1980s and the company reverted to the name Dole (its best known brand) in the 1990s. Dole now claims to import more bananas into the USA than Chiquita, but it entered the banana business by merger and takeover only 40 years ago.

Current company name (since 1991): Dole Food Company.

Del Monte Corporation is the third major force in present day international banana trade. Another long established company, with origins in California in the years before 1900, its origins were like Dole in another business - canning fruit and vegetables. The Del Monte hotel was in Monterey and the first trace of the name in 1886 was linked to a premium coffee : the company had a particular reputation for quality products, and the Del Monte shield was a brand icon long before commercial branding became popular and widespread. One of the founding companies that formed the California Fruit Cannery Association in 1898, it suffered major damage to its facilities in the San Francisco earthquake of 1906. CFCA later joined with other canning businesses to form CALPAK (the California Packing Corporation) in 1916. Del Monte also came into the banana business in the mid-1960s, by the acquisition of a smaller business, the West India Fruit Company. Later it was the subject of takeovers, first in 1979 and again in 1989, then restructured into several units and lived through multiple changes of ownership in the 1990s.

Company name (since 1993): Fresh Del Monte Produce.

Fyffes Group, centred in Europe but with close connections historically to United Fruit, accounted for around 4% of world exports. The company began in the early nineteenth century as a tea importing company in London, and moved into importing bananas from the Canary Islands largely by chance in the late 1880s. Later, as the result of a merger with Elder Dempster, a shipping line, the firm became Elders & Fyffes and its import activity shifted to Jamaica. Its principal source of imports has remained Jamaica; but over time, and reflecting the dollar area regime, and Commonwealth and EC relationships (tariff preferences), there have been connections with the Canaries, with Cameroon and with Belize. Since the company took a 50% stake in Geest Bananas at the end of 1995, additional volumes have been imported from the Windward Islands.

From 1903 the United Fruit Company had a stake in the business, and from 1913 it became a wholly owned subsidiary. Despite this merger the Fyffes enterprise continued to be managed quite independently, with shipping and marketing arrangements which closely reflected the British colonial links with the Caribbean, and guaranteed additional supply from United Fruit in Central America as needed. In the early 1900s it was already exporting fruit from the UK to European markets, and later importing directly establishing a continental HQ in Hamburg by 1913.⁴⁷

Company name (since 1969): Fyffes Group Ltd

It has been said that in the period 1900-1920 United Fruit dominated the US market, while Fyffes had a quasi-monopoly in the UK and was the leader in the rest of Europe.

Addendum:

The fifth major banana trading company in 2008 is **Noboa**, based in Ecuador, which accounted in 2002 for almost 8% of world exports . The company is a much more recent actor on the scene, having been founded by the father of the present owner after the second World War.

Annex B: BANANA HISTORY: Main events

1850s	Steamships start to replace sailing vessels
1855	Trans-isthmus railway built in Panama
1865	Carl Frank shipping out of Colon, Panama
1866-70	Some local growers trading out of Honduras
1870	Capt Dow Baker shipping out of Jamaica ¹
1871	Start of railway contract in Costa Rica (Minor Keith) ²
1882	Keith acquires banana land in Costa Rica (2), Panama (3) and Colombia
1885	** BOSTON FRUIT PARTNERSHIP SET UP ** (1)
1887	Local growers in Colombia and exports in 1891
1887-8	Elder Dempster and E W Fyffe importing into Britain from Canaries
1890	BOSTON FRUIT COMPANY incorporated
1890	Sherman Anti-trust Act passed : Costa Rica railway completed
1895	Keith acquires banana company in Colombia (4)
1896	Start of significant exports from Honduras
1897	Keith buys 50% share in Snyder Banana Company producing at Bocas del Toro
1898	Keith starts railway building in Guatemala
1899	Joseph Vaccaro & Salvador d'Antoni begin to import from La Ceiba
1899	** UNITED FRUIT COMPANY ESTABLISHED : (1) (2) (3) (4) merged **
1900	United mergers with other importers and independents trading in Honduras Vaccaro Bros move into producing in Honduras to ensure supplies
1901	Elders & Fyffes formed to handle imports from Jamaica ³
1902	W Streich obtains a land concession at Omoa in Honduras ⁴
1903	Panama independence: Panama disease appears
1904	Keith secures land and tax concessions for bananas in Guatemala
1905	United has stakes in Vaccaro and Hubbard-Zemurray shipping line
1905	Atlantic Fruit Company established, controlled by Joseph di Giorgio.
1908	Railway in Guatemala completed
1909	Fyffes in the UK start selling on into mainland Europe

¹ The majority of the dates and the general chronology is from the United Fruit Historical Society website.

² After the project incurred large state debts, Keith and Soto renegotiated this contract in 1884: "land for a railroad".

³ In the following year the company reached an agreement with United Fruit to assure supplies.

⁴ The enterprise failed and was bought in 1904 by Sam Zemurray.

- 1910 Zemurray buys land on Cuyamel River, near Omoa. ⁵
- 1910 Atlantic Fruit sold to Hamburg-American line ⁶
- 1910-12 Honduras: major long-term contracts signed with United, Standard and Zemurray
- 1910-13 **Elders & Fyffes becomes wholly owned subsidiary of United Fruit**
- 1914-18 *****First World War *****
- 1914 Panama Canal completed
- 1914 Sam Zemurray establishes the Cuyamel Fruit Company
- 1914 Earlier co-operatives in Jamaica failed, United and Atlantic control the trade
- 1916 Hurricanes wipe out the whole Jamaica crop
- 1923 Joseph Di Giorgio in partnership with Vaccaro Brothers, later Standard Fruit; Mexican American Fruit & Steamship Company formed.
- 1924 [Andrew Preston died in Boston](#)
- 1924 United Fruit secures major Guatemalan land concession
- 1927 Vaccaro Bros: Standard Fruit & Steamship Company incorporated
- 1928 Major strikes in Colombia, into 1929. Army fires on workers in Cienaga
“At the end of 1928 a total of 224 banana ships, operated by eight shipping companies, were calling regularly at eleven US ports, three in Canada and eleven more in Britain and Europe.”
- 1929 [Minor C Keith died](#)
- 1929 Jamaica Banana Producers Association set up as a co-operative.
- 1930 Sam Zemurray sells Cuyamel to United Fruit, becomes largest shareholder
- 1932** **MAFSC** changes name to American Fruit & SS Co, Di G sold out to Standard Fruit.
- 1933 Zemurray assumes control of United Fruit after share price falls
- 1936 The Tripartite agreement limits price competition between United, Atlantic Fruit and Standard Fruit in Jamaica.
- ****
- 1913 Major exporters are Jamaica, Costa Rica and Honduras
- 1929 Major exporters are Honduras, Jamaica and Colombia. Total trade has grown by 80% since 1913. Guatemala low but growing
- 1947 Major exporters are Honduras and Guatemala, total trade two-thirds of 1929 level.

⁵ In 1914 he took over the Cuyamel Fruit Company which was collapsing.

⁶ In 1912 Atlantic Fruit was competing with United Fruit in Costa Rica.

Short bibliography for 1880 to 1930: by date of publication

- 1914: F Upham Adams, "Conquest of the Tropics: the story of United Fruit" : published by Doubleday Co, New York.
- 1947: C.M. Wilson, "Empire in green and gold": published Henry Holt & Co (USA)
- 1976: Taylor, Welty and Eyre, "From Land and Sea", the story of Castle & Cooke (Dole company), published by Chronicle Books, San Francisco.⁴⁸
- 1976: T McCann, "An American Company", Crown Publishers, New York. Re-published in a new edition, 1987, with the title "On the Inside". This traces the story of United Fruit up to 1975 when Eli Black committed suicide.
- 1990: Peter Davies, "Fyffes and the Banana", published by Athlone Press, London and New Jersey. This traces the story of Fyffes (and Elders & Fyffes) up to 1988 (centenary of firm) and after the company was bought back from United Fruit.
- 1997: Andre-Marcel d'Ans, "le Honduras, difficile émergence d'une nation, d'un état" , published by Karthala, Paris.
- 1999: Adolfo Meisel Roca, "Dutch disease and Banana exports in the Colombian Caribbean, 1910 - 1950", a paper presented to the Latin American Cliometric Society, in Cartagena, in August 1999.
- 2000: V Scott Jenkins, "Bananas: an American history", Smithsonian Institution Press, Washington.
- 2004: Gordon Myers, "Banana Wars", a Caribbean view, Zed Books, London and New York.
- 2007: Peter Chapman, "Jungle capitalists: globalisation, greed and revolution", published by Canon-gate Books Ltd, Edinburgh. Re-published the same year in a new edition, with the title "Bananas: how the United Fruit Company shaped the world".
- 2008: Dan Koepfel, "Banana: the fate of the fruit that changed the world", (mainly United Fruit). Published by Hudson Street Press , New York (the Penguin Group).
- 2008: James Wiley, "The Banana: Empires, Trade wars and Globalisation", published by the University of Nebraska Press.
- Quoted in WILEY: Kepner & Soothill, 1935; Ellis 1983; Dosal, 1993.

Websites for Chiquita (United Fruit), Dole (Standard Fruit), Fresh Del Monte, Fyffes.

Nothing found for West Indies Fruit Company.

Website on Sam Zemurray.

Fiction:"The Green Pope" by Miguel Angel Asturias, first published in Spanish in 1954, in English 1971.

"One Hundred Years of Solitude", by Gabriel Garcia Marques, first published in Argentina in Spanish in 1967. In English (pb version) 1978.

1 F Upham Adams writes that "Benjamin Franklin [died 1790] and Thomas Jefferson [died 1826] never had a chance to eat a banana". He was playing very safe!! Jackson and Lincoln died in the 1845-1865 period, and Disraeli and Gladstone were even later, but before 1900. With his connections to Liverpool, Gladstone might just have seen a banana as the ships with the Canaries trade arrived there.

- 2 Later articles will take up the story after 1930 and bring it to the current day. The chronicle of the bitter EU-US “banana trade war” of the last 15 years, and why it happened, will be for a later historian.
- 3 The term ‘Banana Empire’ was apparently first used as the title of a book (by Kepner and Soothill) in 1935, but it is fairly clear that language of this kind had been current in the industry for many years. F Upham Adams (op. cit) uses many phrases such as ‘commercial and industrial conquest’ of the American Tropics, and writes admiringly of the British ‘extending their rule’ over thousands of square miles of tropical land and ‘flying the flag’ over the heads of ‘325 million tropical natives’. Banana companies were evidently dominant in the whole region. James Wiley (op. cit) explicitly borrows from Kepner/Soothill to create the titles of his first two chapters, “Creation of the Banana Empire” and “The Empire challenged”. Myers (op. cit.) equally refers in his chapter 2 to ‘An Imperial Enterprise’ and in the following chapter to “A benevolent Empire” (although this was describing Jamaica within the British Empire).
- 4 Quoted by Wiley from Kepner and Soothill, as a description of the essence of the banana republic phenomenon.
- 5 James Dole had set up the original Dole Company in Hawaii around 1900 to grow and export fresh – and later canned - pineapples to the US market. Inevitably there were connections with the sugar industry there, and Castle & Cooke were major players in both sectors.
- 6 Historically the coastline, especially in the east of Honduras and southward in Nicaragua, was an area infested with pirates and outlaws, and in practice outside the control of central governments.
- 7 The Wilson quote (*op.cit.* page 132) is not very accurate: the distance is nearer 2000 miles. Other smaller ports did exist at Tela, La Ceiba and Puerto Castillo in Honduras, and there were anchorages in Nicaragua. There were also, of course, ports on the Pacific coastline, notably in Panama (Almirante) and Costa Rica (Golfito).
- 8 This quote is from Peter Chapman, *op. cit.* Main sources for this chapter include Frederick Upham Adams and Charles Morrow Wilson (*op.cit* in the Bibliography), who are the nearest chroniclers in time to the period under review and whose accounts may well reflect personal conversations and press reports of the times. Other later sources mainly derive from their accounts.
- 9 CM Wilson, page 24. P Davies, P Chapman and Wiley, repeat the story.
- 10 CM Wilson, page 25. On George Busch, see Myers, page 6. On the Azores, see Davies, page xvi..
- 11 Upham Adams, pages 35, 61-62; Wilson, page 26-27; Davies, page 33.
- 12 Upham Adams, page 62. [CM Wilson, page 25.]
- 13 CM Wilson, pages 28, 32. Not to be confused with Standard Fruit & Steamship Company, later set up by the Vaccaro Brothers and based in New Orleans (see below).
- 14 CM Wilson, pages 33-34; Davies, page 28. These ships were in fact sailing vessels fitted with a central funnel and auxiliary engines.
- 15 On S Oteri, CM Wilson, page 25. Dow Baker in New Orleans page 31.
- 16 CM Wilson, *passim* pages 72-85.
- 17 CM Wilson, page 73. [77, 80]. The US market was expanding fast (by 30% between 1884 and 1890), and many other shippers were operating out of Jamaica: Frank Brothers, Henry Brothers (Baltimore), Hart & Co (Baltimore), Seaverns & Co (Boston and southern ports), Kerr’s, Clark and Co (N Orleans), Warner & Merritt (Philadelphia). This led to intense competition. Seven independent banana traders went bankrupt in 1885 when a hurricane also caused heavy damage.
- 18 CM Wilson, pages 71-72 ; Davies, page 30..
- 19 CM Wilson, pages 77 -81. Boston Fruit Company is formally established.
- 20 These quotes from Upham Adams, pages 59-61 and 63.
- 21 CM Wilson, chap. 3, pages 63 -68; also Peter Chapman.
- 22 The precise dates for Keith’s investments in land and banana cultivation in Panama and Colombia are not known. CM Wilson reports (*op.cit.* page 121) that he bought 12,500 acres near Santa Marta in 1875. Also that “10,000 more acres” were bought around Almirante Bay in Panama in 1881 (page 58) , as well as land at Bluefields in Nicaragua. He may have bought some land in Colombia at that time, and he seems to have had British associates and investors for these initiatives. His Colombia Land Company was incorporated by 1883; but from other evidence about the ownership of the plantations, control of the company could have been as late as 1895.
- 23 The major source for the following paragraphs is CM Wilson, “Empire in green and Gold”. Davies, *op. cit.* chapter 2, also provides many details on this period, drawing on Upham Adams and McCann.
- 24 The growth in the trade, by 1893, is illustrated by two firms in New York each importing 1.5 million bunches, with three others between 500,000 and 1 million (CM Wilson, p.93). In Baltimore several large firms disappeared but Buckman Fruit (in alliance with Boston Fruit) grew from 1 million imported in 1896 to 1.5 million in 1899. In New York American

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- Fruit (another Boston Fruit partner) survived the mid-1890s but shot up to 2.6 million bunches in 1899 as it handled Keith's supplies.
- 25 CM Wilson, pages 83 and 91-92.
 - 26 CM Wilson, pages 91 to 97. The Atlas Steamship Company was shipping Keith bananas from Costa Rica; in Mobile the Mobile Fruit & Trading Company was shipping from Nicaragua, and Snyder brothers (a joint enterprise with Keith) were active too; the Southern Pacific Steamship Company was growing in New Orleans, and the Bluefields Banana Company was set up in Galveston.
 - 27 This somewhat naive assertion by F Upham Adams begins his account of the birth of United Fruit Company, a chapter in which he was mainly concerned to defend the company against charges that it had secured a monopoly and strangled its competitors. In fact the motives are not so hard to detect.
 - 28 Upham Adams, page 85; CM Wilson, pages 109-113; Davies, page 35.
 - 29 This included the Camors-McConnell company in Mobile; Orr Laubenheimer, the Bluefields Steamship Co, Camors-Weinberger in New Orleans; the Ceballos company in Baltimore; Atlantic Fruit in New York and Vaccaro Bros in New Orleans..
 - 30 Colombia (Panama), Costa Rica, Honduras, Cuba, Jamaica, San Domingo. The largest acreage was in Colombia, followed by Costa Rica, with Jamaica and Cuba half as big. Upham Adams, tables at pages 91 and 300
 - 31 Upham Adams, pages 297, 304, 307. Davies, page 35.
 - 32 Probably Standard Fruit from Jamaica and Honduras, and Cuyamel (the Zemurray business). Some sources quote total US imports in 1913 as high as 50 million bunches.
 - 33 The major source for this section is Peter Davies centenary history of Fyffes (*op.cit.*)
 - 34 Davies, Table 5.4 at page 70.
 - 35 Elders & Fyffes was run on an independent basis and remained a United Fruit subsidiary for more than 70 years, until 1986, when United fruit (by then called United Brands International) decided to sell.
 - 36 The Table (Davies, Table 9.1, at page 128) shows extraordinary growth in these years. CM Wilson reports that shipments from Hull to Amsterdam began in 1909, and that after Holland the next country to import bananas was Sweden (Carl Matthiesson). During the pre-1914 years Fyffes set up no less than 40 branches in Europe and Scandinavia, serving 8 countries (including Russia) and the Mediterranean. Hamburg became the major gateway for Europe, and Swedish importers for example sent ships there to pick up their supplies. For the trade after 1918 see Davies, Table 9.2; the total volume had reached 36 million stems by 1930.
 - 37 The chief architects of these reforms were Justo Rufino Barrios, the President of Guatemala from 1873, and Marco Aurelio Soto, President of Honduras from 1877.
 - 38 There are however some who suspect collusion among the major competitors, and United Fruit certainly had a major financial stake in both the Vaccaro and the Zemurray businesses. CM Wilson : in the early years Preston had taken a 50% stake in Vaccaros (page 111), and had a 60/40 partnership with Zemurray in a steamship company shipping out of Honduras (page 200). Subsequently, to avoid antitrust action under the Sherman Act of 1890, Preston may have divested these holdings – at least on paper. When Zemurray was given tax and other concessions by Pres. Bonilla, he apparently passed over to United Fruit the railway rights in the Tela region, and when the revived Cuyamel Company was floating its stock United Fruit bought a large number of shares (page 202).
 - 39 D'Ans, pages 158 - 163, for the story of Zemurray's early investments and close relationship to Honduras. The degree of collusion between Zemurray and United Fruit is examined at pages 158-159 and 163.
 - 40 D'Ans, page 153. These contracts were signed in 1910 and 1912, with later revision in 1918 and 1919 which essentially allowed Honduras to apply export taxes on banana shipments. In practice, the Honduran objective – to set up a rail network – was never realised; the companies built the stretches of rail that they needed for their banana business and did not deliver the final connection to the capital, Tegucigalpa.
 - 41 The other major disease that attacks banana plants is Sigatoka. This was first detected in the 1930s and was crudely treated with a mix of pesticides; but there have been problems ever since with more virulent, variant strains such as Black Sigatoka still difficult to treat (and variants of Panama disease as well).
 - 42 It was no accident that the entry of Dole and Del Monte into the banana trading world dates from the mid-1960s. Both companies expanded in part by acquiring assets divested by United Fruit (then United Brands) in Central America or in the banana trade. In the 1970s economic nationalism was in the ascendant throughout the region, and policies of national integration were aimed at milking banana companies of some of their profit, to the benefit of national revenue.
 - 43 This argument is strongly made by Dan Koeppel in his 2008 book (*op.cit.*) which is focussed on the various diseases that attack the banana plant, how they were treated historically, and on the need for more research to find a new variety which is more resistant to new strains and commercially viable.

- 44 The 'oldest company' claim is based on the activities of Capt Dow Baker and of Minor Keith in the 1870s and 1880s. With Andrew Preston, they were the major partners in the United Fruit Company, formed in 1899. Fyffes had started to import from the Canary Islands to Liverpool and London between 1885 and 1888; and in 1899 the Vaccaro Bros (Standard) started to import from Honduras to New Orleans.
- 45 United had 38,500 acres in bananas in 1900, out of total lands of over 230,000 acres, rising to 150,000 acres out of over 1.2 million in 1913. It was using over 40 ships (owned and chartered) in 1900, rising to 90 in 1913; and its exports rose from 11.15 million bunches to 24.97 in 1913. Other companies increased their exports even more rapidly in this period. [Adams]
- 46 Castle & Cooke had many other interests, in shipping and in agency work, in real estate development, in exports of tuna and seafood. With its history in pineapples, it is no accident that a major line in the later Dole business is canned fruit salad.
- 47 In later years management of the company passed to the McCann family in Ireland, and they shifted its headquarters to Dublin, and began to sell bananas more actively into other European markets. It was purchased back from UFC in 1986.
- 48 The 'Dole company' (then Castle & Cooke) took over Standard Fruit in the mid-1960s. In 1969 D Kirchhoff, then President of Standard Fruit, was brought into top management at Dole. By 1972 the integration of the banana business with Dole operations was consolidated. In 1973 Kirchhoff became President of Dole, with MacNaughton as Chairman. This book runs only until 1973.

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