Chapter 11

TRANSFORMATIONS

When a complex organization begins to fall apart, it doesn't all go at once; it isn't like a bomb in the cellar or a plane crash. It happens in bits and pieces, a fissure here, a missing part there.

The process starts with the people. They become angry. Or frightened. Or restless. They take longer lunches. They change their work habits; those who worked long hours now work less; those who took it easy begin to show up on time and leave later. They talk a lot about the man at the top.

There was a lot of talk about Eli Black. About his poisonous personality. About the way he manipulated people. About his indifference to the human consequences of his acts. And most of all, about his incompetence. "What the hell were we so afraid of?" one Fruit Company executive asked me one day. "We thought he was some kind of genius."

"A lot of people still think he is," I said.

I doubt if any of the criticism ever reached Eli. But he could see it in the faces of the operating management, and especially in the attitude of the employees from the tropics. The old diffidence was gone. In its place, more and more openly, I was beginning to see contempt.

But if Black was the victim of sniping, he was also a fair marksman in his own right. A lot of the old management—

even those who had honestly transferred their loyalties to Black after the takeover was complete—became the victims of his attacks.

It was an especially bad time for Jack Fox, who had been assigned a place in the back seat once Black began running the company. Jack had spent almost all of his adult life building things and making them work. Now he found himself with little authority, almost no responsibility and cast more and more in the role of scapegoat. The new management had to blame someone for the company's poor financial showing in the time since Black had launched his attack, and although the attack itself was largely responsible for the slump in morale and earnings, the traditional target in such cases is the former management.

Black was very critical of the acquisitions and diversifications that Fox and Cornuelle had completed before the takeover. The acquisitions had been more extensive than Black, on the outside, had calculated; once he gained control of the company he found that most of the legendary one hundred million dollars in loose cash that had made United Fruit such an attractive prize in the first place, and which Black had cited earlier as holding the key to a doubling of the company's future profitability, was simply not there. Fox and Cornuelle had either spent it or committed it to investments or capital improvements just exactly as they had told the shareholders they had. Earlier, Black had chosen to ignore these denials, but now that he was in control of the company, he was forced to explain the situation to the shareholders. Two obvious possibilities were ruled out immediately: Black was not about to admit that he had seriously overpaid for the company (after all, he still had the usual option holder's reasons for wanting to keep up the price of the stock), and he was not about to admit that Jack Fox had been telling the truth all along. So instead he began attacking the quality of the acquisitions Fox and Cornuelle had made. In a series of quick sales and divestitures, sometimes at bargain basement prices, Black set about trying to restore some of the company's liquidity.

Certainly not all of the acquisitions predating Black's arrival were without their problems. Some of them had started to go sour from the beginning, and others showed early signs of deterioration once they came under new management. But the banana business was also showing new weakness, and most of its problems were a direct result of the takeover: things dragged on too long while everyone held their breath, and no one was really minding the store. To blame all of these problems on Fox was neither honest nor fair. I knew that Jack had made his decision to stay on with the new company for a variety of complex reasons—but the most compelling was simply loyalty. He had an enormous psychological investment in the company and in his job, and he was not the kind of man who quickly turned his back on threats or in the face of new opportunity. It would be impossible to miss this quality in Jack's character, and I soon realized that Black not only recognized it but that he was taking advantage of it almost daily. It was a galling, demeaning experience for Jack and for those of us who watched it.

On November 9, 1970, in a letter to "the men and women of United Fruit Company," Black wrote, "It is seven weeks since I became chief executive and chief operating officer of the Fruit Company. I didn't write to you any sooner because I did not want to engage in the usual platitudes or vague promises."

He went on to point out that 1970 had been a difficult year due to hurricanes and floods and an acquisition program that did not pay off. He also cited overhead and staff that were "completely out of proportion to realistic requirements." He said that the new management had moved to dispose of certain losing or marginal operations, and that costs had been reduced by ten million dollars by the termination of nearly four hundred people.

The letter closed with the statement: "Obedience in an organization is easily achieved—very often it can be commanded—loyalty, however, must be earned and won. My object is to win your loyalty and enthusiastic cooperation by providing you with a strong and effective leadership."

Loyalty. Enthusiastic cooperation. Leadership. Coming from Eli Black, the words sounded like wishes. And a lot of the employees thought they were funny.

It was becoming increasingly more difficult for me to write the kind of stuff Eli wanted and was paying me to write. I had a particularly tough time with the next to last annual report I produced for United Brands. What could I say that would sound like Eli Black and still quicken the reader's pulse and strengthen the shareholders' sagging confidence? One dreary January afternoon, Eli called me to his office to discuss another matter and after we finished he casually asked me how the annual report copy was coming. Before I had a chance to respond, we were momentarily interrupted by his secretary bringing in the afternoon tea. As she placed his cup in front of him, I glanced at the teabag and suddenly there it was—one of those one-liners compliments of Salada. I don't remember the exact quote but it was some trite saying to the effect that "progress requires change." So, out of a combination of desperation and devilment I told Eli the annual report was coming along just fine and that we were going to focus on the fact that "progress requires change." Eli thought that sounded just dandy and those words found their way into his annual report letter, printed one hundred thousand times and distributed all over the world. It was a rotten thing to do and very unprofessional too, but what I was being asked to do was also rotten and unprofessional. I recall that at the time I almost wanted to be caught, to be exposed for putting the words of the teabag into the mouth of our chairman, to be fired for doing it. But, Eli never glanced down at his teabag and never knew how much he owed to that unknown writer of teabag wit and wisdom.

Following the 1970 cutbacks and divestitures, Black made improvements in the employees' pension fund; the changes didn't cost him anything, but they gave people the impression they were getting something better than they had had before. He came up with a stock option plan and a stock purchase plan. Those didn't cost him anything either.

At the same time, other key managers of the company were resisting Eli. They were busy working on their résumés, making new job contacts or restoring old ones, even plotting half-heartedly among themselves about ways of getting rid of Black and Kaplan. Many began drinking more than they usually did and sleeping less. Much of the energy previously directed to the job was now going elsewhere.

In many ways, Eli's problem was similar to that of the company: both were being judged by performance rather than by empty promises or platitudes. And in both cases the performance was showing the makings of real disaster. Eli could not run the company, and he was proving it. He could not delegate responsibility, and he wouldn't accept criticism. It was an environment that was tolerable only to those who were even more afraid to leave—or who were willing to knuckle under. Increasingly, Black found himself surrounded by managers who were as incompetent as he.

That incompetence, coupled with the lack of a moral anchor, was to set the company adrift on a meandering, unguided course that would culminate in Eli's suicide and the company's exposure in massive graft and corruption. If Eli had possessed the vision and wisdom to supply that moral anchor, the corruption probably never would have occurred. But even lacking the anchor, if he had had the simple competence to surround himself with men who possessed the skills which the company itself institutionalized in the first fifty years of its history, the corruption most likely would never have been exposed.

But he was unable to manage power and all the money, fame and flattery that went with it. Instead, feuding, greed, hostility and bitterness filled the void Eli Black created.

In 1970, the first year after the takeover, the company showed a net operating loss of two million dollars. This figure was thirty-three million below earnings in the year prior to the takeover. It was also somewhat less than the bonanza Black had cheerfully projected while still on the outside looking in. One of his worst problems was one he never mentioned to the employees or the shareholders or the financial world—and one of which he, himself, may have been only partly aware: he had to run the company at the same time that he learned the business. This kind of on-the-job training is not only difficult and demanding on the trainee, but it is costly to the company and extremely risky. Black seemed to understand only part of the risk: it was obvious that if he succeeded in turning United

Fruit around from the straits in which his raid had placed it, he would be in the strongest possible position with the company's management, its employees and its shareholders; I don't think he gave much thought to the alternative if he should fail.

Black was a victim of his own mystique during those early months. He met frequently with the rest of the Fruit Company's management (with Fox safely shunted off to a siding), but a lot of those managers held him in awe, partly because they feared for their jobs. Black got very little backtalk in those days, but he also got very little straight talk. In fact, he was told only what people thought he wanted to hear and in some areas where the truth would have been uncomfortable he heard very little. As a result, his expectations became more unrealistic at the same time the real situation was deteriorating dangerously. Black was telling what he thought was the truth when he made his optimistic early forecasts for 1971, but the intelligence on which those forecasts were based was usually incomplete and often wildly inaccurate.

By April of 1971, the truth became inescapable. About a year later, Black told me of what he had been feeling during the annual meeting, which took place during that month. He said that all he could think of was Harold Macmillan, who once had been asked by a reporter how he could appear so cool and unflappable during times of great crisis. Macmillan had said, "Unflappable—perhaps on the outside but you should see it flapping on the inside."

Until that time, it was the closest Eli had come to admitting to me that he was scared.

Although there is no way of telling whether he calculated the risks in advance, it would be safe to guess that Eli was aware of what his failure cost him by the time the first year was out. The awe he had first inspired disappeared, and a lot of the fear along with it; in their place were beginning to appear the signs of disillusionment. The management knew Black was vulnerable, and they had learned that he could not do their jobs as well as they themselves could.

Black's efforts at cost reduction went beyond divestiture. In his letters to shareholders, he spoke of "cutting out the fat, but not the muscle and bone," shopworn terms from the butcher's idiom which one might suppose he inherited with the acquisition of John Morrell and Company and had used with its shareholders there as well. He ended the new product research previously initiated under Fox. He put an end to the company's projects in aquaculture and mariculture. He stopped all experiments with rice and corn crops in Central America. And in areas where he did not call a halt to such activities, he often asked for a slowing down which was tantamount to killing them.

The company's cash position was way down, and its debt, of course, was enormously increased by the package of financial paper Black put together in buying it. In time, the debt was so great that the company had to earn forty thousand dollars every working day just to make the payments on that debt, before it could turn a penny in profit.

The company was now in debt by almost the same amount as its book value before the takeover, when United Fruit really did have one hundred million dollars in the bank. All this, despite the fact that the acquisitions made the surviving corporate entity about three times as large as United Fruit had been on its own.

Not all of the former Fruit Company staff stayed on for the new game. One early loss was the man who, ironically, had been most responsible for the company's decision not to resist Black from the beginning. Every time anyone raised a voice of protest, Herb Cornuelle had dispatched it with an epigram. He kept telling us things like "it didn't matter whose name was on the stock certificates," meaning that it didn't matter whether the company had one shareholder or fifty thousand. Yet, as soon as it was all over, Herb was the first to bolt. He let us know that he had accepted the presidency of a company in Hawaii. It was the Dillingham Corporation, whom he and Fox had courted so ardently on the Fruit Company's behalf. His decision to leave hurt many of us including Jack Fox. It also left a serious hole in the management.

The day Herb left Boston, I offered to drive him out to the airport. On the way, he grew reflective about his seven years with United Fruit, and his pensive mood continued inside the terminal as we waited for his flight to be announced. Before United Fruit, Herb had been with Dole Pineapple Company, by non-Hawaiian standards a relatively small company. He told me that he had come to Boston to see if he could "make it in the big time." And he said he had discovered that there is no big time.

"You're wrong, Herb," I told him. "There is a big time and we were in it. We just didn't have what it takes to stay."

Cornuelle didn't like that. He had played and lost; now I felt he was trying to convince himself the game had never taken place. Five years later, in November, 1975, Herb and I met in the Algonquin Club and I told him I was writing this book and planned to go into his role in the takeover. Herb understood and then quietly said, ". . . believing Eli Black and not trying to fight him off were the biggest mistakes of my business career. I think about them a lot."

Another divestiture Black attempted during this period was the Panama division. Del Monte Corporation was ready to buy it, and the sale would have satisfied the Consent Decree that had been hanging over United Fruit for so long. But the Panamanian Government resisted. They told the company that if it tried to pull out there was a good chance that United Fruit's entire Panama holdings would be expropriated before the sale to Del Monte was completed. So the negotiations with Del Monte shifted from Panama to Guatemala, where all our troubles had started.

I felt the reasons we went back to Guatemala to satisfy the conditions of the Consent Decree were the same reasons we had gone there in the first place: it had a weak, permissive and corrupt government, and the company's social responsibility to the country was not likely to be made the issue that it had been in Panama. It worked; the company's Guatemalan operations were soon sold to Del Monte, following, I was told, the promise of a bribe.

In the early sixties, about ten years before Del Monte became interested in United Fruit's Consent Decree problem, Aristotle Onassis approached the company and offered to buy its two Panama divisions. He wanted them because he felt they were viable and potentially very profitable properties, but more than that because they were to be his first step in a plan to get control of the Panama Canal. If he could accomplish this, he would automatically have some degree of control over the Panama Canal. His idea was to give himself some preferential Canal treatment with respect to tolls for his huge fleet of oil tankers and possibly even fix excessively high rates for his competitors and his archenemy, Niarchos. It was a wild scheme and he never shared many of the details with the company or its intermediaries. The company turned him down for a number of reasons, principally because United Fruit did not want Onassis as a competitor in the banana business. Onassis could have pursued it further through the courts but he never did. One reason I suspect he didn't was that around that time Onassis became distracted by another major project—Jacqueline Kennedy.

"In a contest such as this," Black told writer Chris Welles after winning control of United Fruit, "strategy and aggressiveness are very important. But often you win not because of your own abilities but because of the other side's mistakes." He was speaking of Zapata. He could easily have been speaking of United Fruit.

On December 21, 1970, in a letter to shareholders, Black said, "I am confident that 1971 will be a turn-around year for the company."

In 1971, the new company showed a loss of twenty-four million dollars, the largest in its history.

I was certain at the time, and I remained convinced, that the decline in earnings, quite apart from Black's overpayment for the company and regardless of the new accounting practices, was due in large measure to the struggle he had precipitated within management for control of the new company's direction—a struggle he had guaranteed against throughout the takeover from his first conversation with the Morgan Guaranty Bank. Black's style of management was completely contrary to everything that had gone before. His surrogates, particularly Kaplan, became minutely concerned with details of all the other executives' operations, and they constantly second-guessed them, overruled their recommendations, dismissed their experience as irrelevant, ignored them and demeaned them in ways that were sometimes subtle and sometimes not. There had been very little in the way of a management team to begin with, but Black's and Kaplan's chaotic style threatened to demolish what little there had been.

The year 1971 saw a major restatement of the company's financial position with the introduction of accounting procedures which until then had never been used by United Fruit. Company accountants "wrote up" the assets, in effect diminishing the large goodwill account and giving the appearance of having gotten more for the investors' money. As *Unaccountable Accounting* was to observe later, "Spring brought forth the appraiser's wisdom."

Also that spring, Black and I had a long talk about the company's position and its prospects. He stopped by my office at about six o'clock one evening and stood at the window, his hands clasped behind his back, watching the lights come on across the Charles River in Cambridge.

"You know, Thomas," he said, "I'm finally coming to realize something very, very important. About this company. About the people I've been listening to."

I got up from behind my desk and crossed to his side of the room. There were two chairs beside where Black was standing; I settled into one and waited for him to continue.

"Everything I've heard—from the management—from the operating personnel—has been wrong."

"Not everything," I said.

"Everything," he repeated. "When little pieces of the truth are buried in exaggerations or lies, they might just as well be lies too."

I nodded. I knew exactly what he was talking about, and that the only hope for change had to begin with his recognizing the problem.

"Every time someone asks me for a forecast," he said, "I turn around and ask someone else. I ask in the divisions, and the people I talk to don't even hear the question. They think I'm really asking 'How are you doing your job?' So the answers are just what you'd expect. 'We're doing just fine, Mr. Black. Things have never been better, Mr. Black. The last quarter was an atrocity, but we've got it turned around.'" He sat down wearily in the chair beside mine, pushed his glasses up and rubbed his eyes. "Damn."

"When you don't give people room to say anything else, Eli . . ."

"I know, I know," he interrupted, "that's not the point. The point is . . ." He put the glasses back in place and studied the back of his hands for a moment, searching for the words. "The point is, when someone in the tropics lies to me—or someone in my own management team withholds the truth because he knows it will hurt—hurt him, hurt me, what's the difference—then I turn around and repeat the lie. To a shareholder. To a reporter. To people in the financial community. People who trust me. People who know my word is my bond."

"You've been giving some pretty optimistic forecasts," I said.

"And I'm going to be called to account for it," he said. "It's time to face reality. The company is in deep, serious trouble."

"Hearing you say that, Eli, is the best news I've had all day."

He looked at me obliquely. It was clear he didn't know what I meant.

"You have to face the facts before you can change them," I said. "Every time I hear you say all our problems are behind us, or that it's the fault of the previous administration, or that our troubles are due to an act of God, I shudder. You've been describing the future like a dream—not the way it is now or is likely to be, but the way you want it. And more and more of what you say about the past sounds like an alibi."

He noddel slowly. The conversation depressed him, but he was coming to grips with the facts.

"Thomas," he said, "something has got to be done about it. Something decisive." He slapped his knees for emphasis and stood up. "Something decisive," he repeated.

"It's got to come from you, Eli."

He walked out of the office, then reappeared a moment later at the door. He was smiling. "We should talk more often, Tom." Then he left again.

I finished the work on my desk, packed my briefcase and headed home. For the rest of that evening and again the next morning I thought about the things we had discussed. And I kept coming to the conclusion that even though it was up to Eli to take the initiative, there were areas in which I could be of help. For one thing, the time was probably right for me to repeat my offer to take a hand in the wording of his public pronouncements about the company's immediate future. Certainly any written statements could be more deliberate and moderate than they had been in the past. I also had some thoughts about how to open some of the channels of communications that until then had been blocked because management and the operating personnel feared reprisals for their candor.

But when I called Eli's office at midmorning, I was told he was not in. Maury Kaplan had been placed in charge of the company. On the spur of the moment, I was told, Eli Black had decided to take a long vacation.

He was gone for a month.

By the time he returned, the situation was almost beyond the point of salvation. Many of the former Fruit Company holdovers who were strong enough simply swam away from the sinking hulk, rather than risk being pulled down in the undertow which they felt was coming.

Mel Levine, former executive vice-president, quit. Will Lauer, former vice-president of personnel and labor relations, quit. Chuck Hulsebosch, the former treasurer, quit. Len Wilson, former vice-president in charge of planning, quit. And so did several other key men.

Captain Charles McAuley, head of the company's shipping operations, dropped in on one of his fellow executives one day looking pale, shaken and physically ill. The fleet was a tremendous expense item, and Charlie was under constant scrutiny. He had just come out of an especially bad session; his face was florid and he appeared to be hyperventilating. A friend advised him to go see Joe Miller, the company doctor, who diagnosed Charlie's condition as the possible precursor to a heart attack. He was taken immediately to Peter Bent Brigham Hospital and three hours later suffered a severe coronary; even with the advantage of an advance warning, he nearly died. Shortly afterward, still in his fifties, Charles McAuley retired.

George Howard was one of the Fruit Company attorneys. He hated the idea of the merger and began looking for another job. I met him in the garage beneath the Prudential Center one morning back in about March of the year of the takeover. George had been a pilot in World War II and had been shot down over occupied Europe. Just as he landed, a German soldier had shot him in the head; it took away one eye and did some ghastly things to his sinuses, but he lived. When I saw him in the garage that morning, he was standing rigidly beside his car, stiff-legged, his feet spread and his arm on the car roof for support. His face was gray and he was in obvious pain. One eye had always given the impression that he was weeping, or about to weep, but now I saw that his entire face was covered with perspiration. I asked him what I could do to help, but he told me that it was already passing. He said he had had attacks like that before, that it was something to do with his back.

I suggested he go see the company doctor, but by that time his pain was clearly subsiding and he began to relax. He said it was nothing a doctor could help. A few weeks later, George died of a heart attack.

Most of the former Fruit Company board was replaced. Some were pushed, some jumped. At this writing, only one man remains who was a United Fruit Director—George Peabody Gardner, Jr.

It was also apparent that Black began having trouble within the ranks of his own AMK organization. Of all the officers listed in the AMK 1968 annual report, only two were still with the new company thirty-six months later. A particularly serious loss was Morton Broffman, the former president of John Morrell who had been with AMK for many years prior to Black's run of acquisitions. Broffman had served as Black's number two man until the takeover of United Fruit—but another Black protégé, Maury Kaplan, was elevated to that position once the Fruit Company acquisition was completed. Shortly after Black named Kaplan chairman of the executive committee, Broffman quit. (Herb Cornuelle told me that he, too, had taken Kaplan's appointment as a cue for his exit: he said that he found himself dropping from the number two position in United Fruit under Fox to the number five position in the new organization under Black, Kaplan, Broffman and Fox.)

Broffman was well liked within United Fruit; he was quiet, intelligent and poised, a good listener, and he knew the food business. By contrast, Kaplan was just the opposite: a poor listener who often fell asleep at meetings. He was strictly a numbers man who knew very little about the business. If Black had appointed Broffman in Kaplan's place, the company's future would have been unquestionably different.

And so, most likely, would Black's.

I finally decided to leave United Fruit in the summer of 1971. The event that brought on the decision to leave happened several weeks before, in late spring.

I was aboard a helicopter between Newark and LaGuardia. Because of traffic we had been routed across the southern end of Manhattan, and I found myself looking down at the familiar sights of years ago—the West Side Highway, the piers, West Street, where I had spent some of the most important years of my life. We passed over the company piers and, like the company itself, they were in the process of being dismantled. All that remained of Pier Three were some twisted boards, dust and rubble. We swung inland over the tip of Manhattan and I looked east toward Brooklyn where I was born and north at the cluster of skyscrapers in the evening haze.

When I was a boy, I had nightmares about those buildings. They were mountains that I could not climb. They had no footholds, no doors. They just rose straight upward, almost without end. I knew that my only way out of the nightmare was to get into them to reach the top. But I felt I never could—they were designed to keep me out.

As I looked down at them, from the helicopter that day, they were nothing, just parts of the landscape, no longer challenging or overwhelming or frightening. I began to think that the important parts of my past—the company, the city I had grown up in, my ambitions—were all dead—that important, irreplaceable parts of myself were gone forever. By the time the helicopter landed, I was deeply depressed.

I went into the nearest bar and for the first time in my life got drunk.

I woke up the next morning at the airport motel and took the shuttle to Boston. Over the next several weeks I began to sort through what had happened and where I was going. Finally, in mid-July, I went to see Eli Black and told him I was through.

Eli exploded. He stood up and shouted at me. "This is a mistake! You're making a big mistake!"

I didn't answer, but something on my face must have slowed him down.

"Thomas," he said, "this is not the way to get more money from me. If you want more money, the way to get it is to ask like a man."

"Eli . . ." I started.

"You just walk in and say, 'Eli, I need more money.' Not, 'Eli I'm going to quit.'"

"I don't want more money," I said.

He looked at me without comprehension for a moment longer, then sat down heavily in his chair. "Well, then," he said, "you must be sick. Mentally sick."

He even went so far as to give me the name of a psychiatrist he felt could help me. I did the best I could to convince him I wasn't sick. Next he offered me the job of heading up one of the operating divisions. Again I said no.

Finally he suggested I take a trip around the world. He told me he had just done it himself and it had worked wonders; in fact, the trip had been suggested to Eli by his own psychiatrist, and he had no doubt it would be just as good for me.

"That's a good idea," I said. "I'm not going around the world, but I will do something I've never done in my life—I'm going to take a real vacation."

"Good, good," he said, genuinely happy. "You'll straighten right out. You'll see. Take along some cheap novels and stick your feet in the cold ocean once in a while. You'll see."

I took off the entire month of August and spent much of it in Maine trying to decide what I wanted to do with the rest of my life. I even read a couple of cheap novels and put my feet in the water. When I came back I went to Eli again and told him again that I was quitting.

I told him that I was planning to start my own PR firm. He glowered.

For the next several weeks Eli Black had very little to say to me and I found myself doing most of my business with him through Maury Kaplan. It was easy to understand his attitude.

First of all, my resignation came during the middle of a rush to the door by most of the company's officers. I was of use to Black. I was good at my job. I knew the company as a whole better than any other person. I was a young promising officer whom he didn't want to lose.

Looking back from that date, over the previous dozen years, the company had had thirty-seven officers.

Twenty were fired.

Only three retired and only three were still there.

Eleven quit, ten as a direct result of the takeover. The eleventh was Ed Toland.

The process of selling off the assets continued into 1972, 1973 and 1974. Black sold seventeen percent of Baskin-Robbins. He sold the A&W Canadian operation. He sold land in the tropics. He sold the Guatemala division to Del Monte. He sold the freeze-dried food operations. He sold the remaining eighty-three percent of Baskin-Robbins. He sold Revere Sugar. The effect of each of these moves was to produce cash.

The company began to repurchase some of its debt, a technique often used by builders of conglomerates who are trying to fatten profits without increasing productivity. The company made a successful offer to exchange its 5½ percent hundred-dollar convertible debentures, issued to help finance the takeover, for ten dollars in cash and a new sixty-dollar nonconvertible debenture paying 9⅛ percent interest. The offering reduced the company's debt by fifty million dollars, which meant an extraordinary gain in 1973 of about thirty-eight million dollars—based on the Accounting Principles Board's new ruling that a reduction in liabilities generates a profit. It is worth noting that the thirty-eight million dollars generated was more than the company's net income for 1972.

In describing this "fiscal fairy tale," *Forbes Magazine* exposed the gambit in detail: "But if United Brands Chairman, Eli Black, hasn't exactly been a roaring success in the food business, he is pretty good at arithmetic . . . he was, in effect, laying out $13.5 million now for a chance to save $50 million in sinking fund payments over a weighted average of 15 years. Big deal. If United Brands were profitable enough to earn 9% or so on its invested capital, Black could achieve the same result by buying banana boats: $13.5 million in current dollars invested at 9⅛% compounded has exactly the same actuarial value as the $50 million in 15 years. Furthermore, he doesn't even start saving that money until 1980, when sinking fund payments begin: and he doesn't get it all until 1994. But thanks to APB 26, he shows all that gain this year.

"Yet the $20 million after taxes are really very future dollars, and worth only a fraction of that amount today."

About a year later, *Forbes* followed up its story on "Eli's Magic Act," this time listing the company's paper under the title, "Junk Bonds." The *Forbes* pieces bothered Eli a great deal.

In a July, 1972, interview with Dave Gumpert of the *Wall Street Journal*, Black told the reporter that the company had a "very complicated capital structure." He asked Gumpert not to print the remark, but he went on to explain that it was his intention to simplify that structure. In the context of the interview, the off-the-record comment was a plea for clemency: Black was asking the reporter to be patient, to be understanding, and he was letting him know that Black found the maze he had inherited just as bewildering and impenetrable as the reporter did. It was a classic parallel to the kid who has murdered both his parents asking the court to be lenient on the grounds that he is an orphan. The capital structure of the company was complicated because Black himself had made it that way, and not because he acquired it in that condition.

In the first three years after the acquisition of United Fruit, Black went through two treasurers, three controllers and two vice-presidents of finance.

Another reporter for the *Wall Street Journal* once asked Eli if he was sorry he had bought United Fruit Company. He thought for a moment and then answered that in the light of subsequent stock prices, he felt he had paid too much.

The 1972 annual report showed earnings equal to about one percent of the company's assets. By April Fools' Day, 1973, the stock was under $9.00 a share. A year later it was under $8.00 a share. By February of 1975, the stock was selling at a price lower than its bottom during the depths of the Depression of the 1930s, when Sam Zemurray decided it was time to come to Boston.

The new company finally came to be called United Brands. It was comprised of the original AMK Corporation, John Morrell and Company and United Fruit. By mid-1974, it had become theoretically possible for some new raider—perhaps a frustrated kamikaze pilot—to make a far more spectacular coup than Black had accomplished six years earlier. It was now mathematically possible to buy 10 percent of this far larger company for only a quarter of what Black had laid out for 10 percent of United Fruit alone in 1968. Of course, the company's debt was far larger as well.

Stated another way, the decline becomes even more dramatic. With approximately eleven million shares outstanding, it was mathematically possible for a new raider to buy almost 40 percent of United Brands for the same amount of money Black spent on his opening bid for just 10 percent of the old United Fruit.

Given those conditions, there were two possible roads for Eli to travel. The first was conservative: to face the facts and to rectify with leadership and strong management the errors, misuse of people and misjudgments that had brought the company to the brink.

The other was to pyramid. To use the inertia of motion to maintain the illusion of growth. To continue the magic act.

On February 16, 1973, I read the following article in the financial pages of the *Boston Herald-American,* and I saw the road Eli had chosen.

"TAKEOVER" OF FOSTER GRANT CO. CHARGED

By Ken Regan

LEOMINSTER—A disgruntled Foster Grant Co. stockholder told Chairman and Chief Executive Officer Edward Creiger at the annual shareholders' meeting here Tuesday that "I think United Brands Co. is here to take over Foster Grant and I protest it."

As of Jan. 2, 1973, United Brands owned 33.6 percent of the outstanding shares of Foster Grant according to the company's proxy statement.

In reply, Creiger said, "I'm not an officer or director of United Brands . . . I'm not privy to their plans."

United Brands Chairman and Chief Executive Officer, Eli M. Black attended the meeting along with three other United Brands officers. Three were elected to three-year terms on the Foster Grant Board of Directors and one, to a two-year term.

> Black declined to tell shareholders what United Brands' plans were in regard to Foster Grant on the grounds that his company is in registration with the SEC.
>
> "I'm reluctant to make many comments," he said.
>
> However, Black did say United Brands bought the Foster Grant stock after being approached "by an old friend and one of the founders of the company." (Abraham Goodman, chairman of the Foster Grant executive committee and president of H. Goodman & Sons, Inc.)
>
> "He approached us with the idea that we might acquire the estate of the late Joseph C. Foster (600,000 shares of the 725,583 owned by United Brands were acquired from the Foster trust) and, after an intense study of our own, we decided that this was, indeed a good investment."
>
> Black concluded, "We are happy investors, we are pleased and we only wish the company well."

A few days later I ran into one of the United Brands officers in the Prudential Building, and the subject of Foster Grant came up. I told him I thought Eli was risking a credibility gap by repeating the same platitudes he had already used on John Morrell and United Fruit. The officer said, "Nobody remembers those things, Tom, except for guys like you. That's why Eli's up there and you're down here."

A few weeks later, United Brands had acquired more than half of Foster Grant's outstanding stock and had announced its intention to get the other half through a tender offer.

The brain drain that resulted from AMK's acquisition of United Fruit was not the only reason for lower earnings or the long drop in the price of the new company's stock. Black overstated the importance of transient natural disasters in his reports to shareholders, and the shareholders were no longer that naïve. He milked Hurricane Francelia, for example, for three years after it occurred.

Black did not invent the policy of blaming nature for the ills of management; he just revived it. Tom Sunderland and Kenneth Redmond had placed a lot of emphasis on the economic impact of blowdowns and floods. Then Fox and Cornuelle came along with the view that acts of nature were inevitable and that they should be accounted as part of doing business. They believed that the company should plan around natural contingencies, and if the balance sheet was severely affected by such events, then it was the fault of management and not of nature. When Black reverted back to blaming nature, a lot of the shareholders knew he was copping a plea; they had heard it before.

In fact, this unrealistic view of nature was one of the factors that had cost two earlier company presidents their jobs. The board believed Tom Sunderland placed too much emphasis on the economic impact of disasters, and some of them took the attitude that it was a smokescreen for the fact that he had never been able to pull together an effective working team. They made Fox president and chief executive officer, kicking Sunderland upstairs into the chairmanship. (From there Sunderland more or less drifted out of the company. When news reached him in 1968 that there was an attempt under way by an outsider to take over United Fruit, he was one of the first major shareholders to unload a large block of stock—an act which many people in the company regarded as depressing to morale, opportunistic and disloyal.)

But while Black was blaming others for his troubles, he was also busy capitalizing on one of his own greatest assets: his ability with people. He could get people to do what he wanted, he told me; he could "handle" them. For reasons that did not become entirely clear to me until much later, I took special exception to that side of Black's character. For example, in the spring of 1972, César Chavez came to New York during Passover, and Black told me that he invited Chavez to participate in a well-attended religious service. Black arranged for Chavez actually to read some passages to the congregation. "That," he said later, "is public relations." I quietly ground my teeth.

Even Bob Gallop, United Brands' general counsel and one of Black's oldest business associates from the days of AMK, told me one day that "Eli is kidding himself," with respect to Chavez.

Gallop explained to me that the objectives of labor and management are often 180 degrees apart (a fact I guess he felt I did not know), that it is the goal of labor to get the most for the workers, and that management is committed to giving the least. All the publicity and fellowship in the world are worthless when each side is going to have to represent his constituency: there are times when leaders have no friends.

Black was equally attentive to President José "Don Pepe" Figueres of Costa Rica. He felt they had much in common. Small and flamboyant, Figueres thought of himself as a revolutionary and carried a loaded pistol in his back pocket everywhere he went. When a hijacker made the mistake of stopping off in Costa Rica to refuel his stolen airplane a few years ago, Figueres personally drove to the airport and machine-gunned the tires of the airliner so it couldn't take off. He was equally direct about guerrillas and insurgents: "To keep them in prison is like keeping dynamite in the kitchen," he once said. "So we leave them where we find them." Black considered swashbuckling those qualities in Figueres which others might have considered ludicrous. And he told me that he and Figueres shared tastes in literature; he had noted during his numerous visits that they had the same titles on their shelves.

It was true that Black had made a big investment in cultivating a relationship with Figueres that went beyond mere business; his goal had been a kind of president-to-president fellowship based on personal contact, as witness the "countless hours" of debate and discussion and philosophical reflection of which Black boasted to the audience of Channel 13. Relationships like that are always two-sided, and Figueres had long been partial to men of finance; Robert Vesco, for example, is another Figueres intimate, and, I suspected, for the same reasons. Vesco has not only been granted asylum in San José, but Figueres allowed him to continue his operations there, manipulating foreign investments with immunity even though he is one of the greatest swindlers in history, following the looting of Investors Overseas Services of more than two hundred million dollars.

Similarly, Black believed that his "close personal friendship" with General Torrejos of Panama, who achieved a certain prominence north of the border recently with his attempt to take over the Panama Canal and his visit to Fidel Castro, was another corporate asset that would pay dividends for years to come.

I can only speculate on how Chavez, Figueres and Torrejos viewed their relationships from the other sides of their respective fences. I don't think one will find it in the eulogies.

In March, 1973, a young Price Waterhouse auditor assigned to the United Brands accounting read through an issue of *Unibranco,* the house organ for which I had suggested Phil Fuchs as editor. Under Phil's direction, a striking change had taken place in the publication's content: the January, 1973, issue had a cover painting by Shirley Black, Eli's wife and Phil's aunt; the lead article was "Taking Stock—A Message from E. M. Black, Chairman of the Board," set off with a picture of the author; the second article was a two-page spread on "Major Installations Visited" by our chairman and chief executive officer during 1972; all told, there were eight photographs of Eli in that issue; there was even one of Phil Fuchs, whose name appeared twice—on the cover.

The March, 1973, issue had another lead article devoted to the activities of Chairman Black—this time, his meeting with "Central American Dignitaries." The article said in part, "Upon completing his talk, Mr. Black introduced Charles Meyer, Assistant Secretary of State, who greeted the ambassadors and their wives on behalf of the U.S. government. Upon completion of his speech, it seemed as though the formal part of the evening had come to a close. However, many of the ambassadors representing their own governments spontaneously rose to tell in their own words of the new, remarkable relationship which exists today between the United Brands Company and their countries."

There were nine photos of Black in that issue, two of his wife and one of Phil. The Price Waterhouse auditor read the two issues and shook his head. "This isn't a company magazine," he said. "It's a family album."

Predictably, the more visible Black made himself, the more he was subject to attack. Some of the sniping was simply business as usual and was directed at Black merely because he was an inviting target. For example, because of a large contribution by United Brands Foundation to Lincoln Center, Black was asked to participate in ceremonies for the opening day of the Street Theater Festival at Lincoln Center. The Street Theater provides a vehicle and a showplace for deserving local talent in the performing arts, a fact Eli observed at the outset: his opening line was "Black is beautiful." Amei Wallach of *Newsday* described some of the high points. "He gave a kind of corporate speech with big words about 'this country,' 'the democratic process' and 'United Brands,' and disclosed that his was the first company to recognize César Chavez and his United Farm Workers. The audience listened impassively to all the speechifying. Some rode their bikes around the plaza. Some lay prone on the fountain. Some made a game of seeing how many Chiquita banana labels they could paste on their faces or how many bananas they could eat."

Black gave away not only bananas but root beer and ice cream, all dispensed free from hand-painted Costa Rican donkey carts around the plaza. He quoted Danton, who said that eternal vigilance is the price of liberty, and finished: "We are one of a growing number of companies that have recognized that social consciousness is a legitimate and vital concern of business and industry. If our business is not to be controlled and regulated beyond reasonable limits; if we are not to lose our rights to speak out, publish and write freely; if we are not to have an ersatz culture, then all of us—business, labor, government—the entire community—must assume our full responsibilities as members of a democratic society."

Just as predictable as the criticism was Eli's inevitable response: anger. And, beneath the anger, almost as visible if you knew Eli well enough to look for it: the deep, rancorous hurt of damaged pride.

There was other criticism that Black never heard. I knew about it and once commented to another officer that Eli wouldn't be having quite as much difficulty keeping the company together if he wasn't a Jew. The officer answered, "Well, Tom, don't you think there's some good reason why people have hated Jews for the past two thousand years?"

In the early morning darkness of December 23, 1972, the city of Managua was destroyed by three violent earth tremors which killed thousands of Nicaraguans and made refugees of many thousands more. By Christmas Day there was almost no standing shelter, no food, and little drinkable water. I knew that Black was certain to see in this disaster a public relations opportunity for the company, and I spent most of December 25 waiting for the telephone to ring. It did and we met the next day.

Black said he had an idea for sending a dozen civil engineers from the company's tropical divisions to help rebuild the roads and bridges of that city. His idea came from a doctor to whom he had spoken a day or two earlier, who was headed to Managua to offer medical aid to the victims: the doctor suggested that United Fruit take a leadership role in the relief effort, both with respect to the location and purchase of medical supplies, food and portable shelter, and the coordination of the efforts of other individuals, private and government agencies and companies. Black then said he wanted two things from me: he wanted the company to achieve the leadership role the doctor had suggested, and he wanted the publicity that would result.

I warned Eli of the dangers of grandstanding in such circumstances and told him that public opinion could easily turn against us if we were seen to be serving our own public relations interests ahead of the interests of the disaster victims. I also told him that there was no way for the Fruit Company to take the place of such established rescue and relief organizations as the Red Cross and CARE, that we had a logistical disadvantage, that we would have to start from scratch in competition with an ongoing, worldwide effort by those other organizations, and that even if we succeeded to a limited degree, it would be at the cost of diminishing the effectiveness of our competition, which I felt was inappropriate as well as politically risky.

Black listened impatiently, dismissed the objections out of hand and told me to be back in his office the following morning with a list of specific recommendations for going ahead with his plan. I felt guilty coming back with the list—but I also felt that as long as I accepted money from Eli to come up with ideas, I had to do just that.

The list was long. I had put down every idea that entered my mind with absolutely no regard to its value to the disaster victims or even whether the suggestions were physically possible. My only criterion had been show biz. I proposed that the project be named NEED for the Nicaraguan Earthquake Emergency Drive. Eli read the list carefully from top to bottom, his expression indicating growing delight, and he told me to go ahead with every one of the items on it.

It was a strange moment for me: far from being shocked or horrified, I felt instead that my cynicism and anger and resentment toward Black, which had been brewing for months, had suddenly been vindicated in full. It was a moment of surprising relief, and I left his office feeling almost euphoric without understanding why. Surely it wasn't because Black had bought my program—at least not entirely: I knew that half the ideas in the package would be embarrassing to put into operation.

There is little to be learned of NEED beyond a brief summary of its results. We spent over fifty thousand dollars on advertising in newspapers, radio and television and the return was about two to one—the wrong way. Of the roughly twenty-five thousand dollars this effort brought in, about 20 percent was contributed by United Brands itself. The advertising and publicity program was a success in Black's view, however, even though I had to keep reminding him of our original objective every few days: each ad carried a tagline identifying United Brands as the sponsor, and we were seen at our benevolent best by millions of banana buyers throughout the nation. It did, however, produce twenty-five thousand dollars for the earthquake victims. We also made a movie—at an additional cost of some twenty-five thousand dollars—showing the folks at home how compassionate we were to our less fortunate brethren south of the border. Naturally, Eli Black played himself. We wrote up the whole experience for the 1972 annual report—without the numbers—under the title, "Our Social Responsibility."

ities didn't end there. He had spent the first half of his life as an outsider, poor, shy, and alternately besieged by feelings of inadequacy and a fierce sense of compensating superiority. I understood that kind of background, and sympathized with it.

Eli spent the first few years of his life in the Polish town of Lublin, haunted by the burden of all those generations of rabbis and scholars who had preceded him. Just a little while after the Blachowitz family moved to America, the Germans arrived in Lublin, and in short order they set up a death camp. In three years, the camp killed and cremated over a quarter of a million people. Most of them were Jews. Most of them came from the same world as Eli Black.

I grew up in Brooklyn with other survivors of that world, and as soon as I first met Eli Black, I recognized him. It was one of the things I liked best about Eli, a combination of shyness and mortal tenacity, a meekness and a holding onto life with both hands and all his strength.

But those traits and contradictions were also things that worked against Eli in his running of United Fruit.

Probably it had something to do with his Talmudic training. In the Brooklyn of my boyhood, I never remember meeting a rabbi who was born in America. Most of them, like Eli, came from Eastern Europe, and they had an almost medieval attitude toward pride and worldliness: they had been trained in the art of self-effacement, of withdrawal, and that same training had been given to Eli.

It must have required a tremendous effort of will to change such ingrained habits as that training produced. The fact that Black was not completely successful in shedding all remnants of that part of his past doesn't lessen his accomplishment, but it greatly lessened his ability to lead men in a world where a limp handshake or an averted eye were interpreted not as signs of piety but of weakness.

Those mannerisms were the worst possible beginning to any kind of meaningful communication with the Fruit Company's Old Guard in Boston and New York. In the tropics, they were suicidal.

There is another, more subtle, aspect to that background that I recognized as well. Eli had never allowed himself to get too close to people. When he emerged from the rabbinate at the midpoint in his life, despite his best efforts, he came no closer to the new people around him than he had been to the old ones. No matter which world he was in, I suspect that Eli Black always treated most people as though they were on one side of the looking glass and he was on the other. I could even see it in the way he chose to die.

I resigned the United Brands public relations account in January of 1974. A few days later, at the height of the Arab oil embargo, when public wrath at multinationals—and especially the oil companies—was at its peak, and when food prices were also at their highest, an ad appeared in the financial pages of leading newspapers throughout the United States. It was headlined, "An Agricultural Products and Petrochemical Company Reports on a Year of Progress." In PR, that's known as positioning yourself in the market. The ad was signed by E. M. Black of United Brands.

On almost the same day, I received a large, potted plant in my new offices on Newbury Street. The note read "Wishing you every success." And it was signed "Eli."

I wrote to thank him. But both of us knew we had seen each other for the last time.

To be exact, the last time I *saw* Eli was on television—on Saturday, September 28, 1974. The economic summit meeting was under way in Washington, and a long, tedious procession of business and professional leaders was being brought before the President—and of course, before the American public—to voice their various views, in exactly two minutes apiece, on what was wrong or right with the way the country was managing its fiscal affairs. It would have made a fairly good carnival, except that after a while all the faces and opinions took on a colorless, oppressive similarity. I had started watching in the hope of learning something, but after an hour or so began to suspect that the program was the new administration's first major attempt at mass hypnosis.

Then I heard a familiar voice say, "My name is Eli Black."

I can still hear Eli's voice and see his half-deprecating smile as he launched into a heavy, labored compliment to Chairman Arthur Burns—an "ice-breaker" that was meant to make him appear human, to win points with his audience. I remembered instantly that here was a man who was very, very good with people. The compliment went on. And on. It took the entire two minutes. The moderator informed Eli his time was up.

For an instant, Eli appeared desperate. Then he took control again and turned on the semismile. "Just three points," he said. His mouth opened and closed, forming words, but nothing came over the air. They had simply pulled the plug on him. A few seconds later the next man in the procession had taken his place.

Measured in terms of his new life, Eli was even younger than I when he first heard of United Fruit.

And I am certain he reacted just as I did, fifteen years before: with awe at the company's power and magnitude and with an overpowering desire to belong, to make it his own. United Fruit gave both of us an image of ourselves we badly needed. It was one more bond that gave us our unique relationship in the company. I was nineteen and eventually was able to grow through that image and finally grow out of it.

Eli Black was forty-five.

I have one especially vivid recollection of Eli, from a photograph he showed me that had been taken on one of his trips to the tropics. He is wearing a tan, short-sleeved uniform shirt with flaps on the pockets and tabs on the shoulders. He is smiling shyly at the camera. It's the picture of a little boy, playing a role, dressed in a safari shirt.

Since Eli's death, I've often wondered if that photo could have been among his final thoughts that February morning. Was his last view of himself from the dual perspective of the methodical, deep-thinking Talmudic scholar on whom he had turned his back half a lifetime earlier, and the pockmarked, tough worldly cynic in dark glasses he was never able to become? Whichever Eli Black served as his final judge, he saw himself as a failure. And he was without mercy.

Less than five months after he appeared on TV—and almost one year to the day from the last time we met—Eli was dead.

Chapter 12

WHAT HAPPENED NEXT

ALTHOUGH I SEVERED the business asociation, I still retained close ties with the remnants of United Fruit. Jack Fox had gone to the presidency of H. P. Hood. Will Lauer stayed in Boston—with USM Corporation—and we kept up our long-standing friendship. I frequently ran into other members of the old team—George Gardner, Herb Cornuelle, Harvey Johnson, Peter Smith and a small handful of survivors who were still aboard the ship—and others who had made it to shore and, like me, were reorganizing their lives. In addition to my new public relations firm, I had opened a small printing facility in Boston's Prudential Center in partnership with Charlotte Appleton. Another friend and former Fruitero, Web Lithgow, was a partner in a couple of television ventures. Hardly a day passed during the following year in which I failed to touch, in some way, on the friendships and loyalties and experiences of more than half my lifetime.

In the spring of 1974, I read about the sudden levying of a disastrously high banana tax. Following the lead of the oil-producing countries, seven Central and South American banana exporting countries formed a cartel. Their objective was to levy a one-dollar export tax on each forty-pound box of bananas. United Brands and the other companies quickly and loudly protested, touching off what the press referred to as the "Banana War." The cartel's united front quickly divided, however, when Ecuador, the world's largest banana exporting country, backed down, leaving Panama, Costa Rica, Honduras and Guatemala to negotiate the best deal they could. All but Panama followed Ecuador's lead and lowered the tax. Panama, however, remained firm. Black suspended Panamanian operations and waited. The suspension, which lasted six weeks, caused great hardship to the Panamanian workers and further inflamed the hostility toward the company, prompting talk of a buy-out by the Panamanians. In August, Black wrote a letter to United Brands shareholders in which he said that these taxes "violated and breached the provisions of existing agreements." But he also said that the company realized Panama's need for additional revenues, and that he, therefore, intended to negotiate in order to arrive at a reasonable solution. Later that same month, the company announced that it had reached an understanding with Honduras in which a $.25 per box tax was established.

Two months later I had dinner with Harvey Johnson at his country club. Harvey was not a happy man. The sunny California disposition I had first seen sixteen years earlier had been noticeably eroded; I could see changes that had taken place in just the few months since I had left the company: the negotiations over the banana tax and the subsequent discussions with Panama had taken a toll on him. He had the reluctant stoicism of someone who is forced by events, but not by character, to grin and bear it.

He told me of a plane ride he had taken some weeks earlier with Eli Black and Bob Gallop. They had left their chartered jet in Panama City and taken a twin-engine prop plane to an island not far off the Panamanian coast, to an airport too small to accommodate the jet. For most of the day they negotiated the lowering of the banana tax with Panamanian officials, and by evening Black had grown short-tempered and impatient.

At about six o'clock, Black suddenly said, "I want this wrapped up in an hour. No more screwing around. We're going back to Boston tonight."

Bob Gallop said, "Boston, Eli? Tonight?"

Black was vehement, and so in the allotted time the negotiations were concluded and the three men left for Panama City.

Later that evening, they arrived in Panama City in a heavy tropical downpour. They found their chartered jet, and Eli went inside to wake up the pilot and advise him they were going to take off in a couple of minutes. Gallop had made it clear to Black that he was exhausted—from the strain of the flight down and from the day's work on the island—but Black had been adamant. He was obsessed with the idea of retuming to Boston that night, and there was nothing more to be said.

Gallop looked at Johnson as they stood under the wing of the plane in the blinding rain. "Who needs this?" he asked. "I've made enough money. I have what I want in life. Just tell me, who needs this?"

The rear door of the plane opened, the two men got in, and they found that Black had already taken over three of the seats—he was stretched out in comparative comfort on what amounted to a bed—and so they rode the entire trip to Boston sitting up as Eli Black slept. A few hours later they were in the company's boardroom, and Eli began the meeting by telling a story about his father and a small, locked box he kept on top of his bureau with the key right alongside it so that anyone could open it. It was a long rambling story that Eli seemed to delight in telling but Harvey said no one else in the room got the point and didn't kow how to act when Eli finished telling it. Eli laughed finally—so they did too.

"Why do you stay with it, Harvey?" I asked. "You could do anything you wanted. You could have a real life."

He shook his head and I had seen the expression a few thousand times before—on the faces of other men who had given a lot of years to the company and who couldn't admit that things had gone *that* bad—on my own face in the mirror until the beginning of that year. "It's just a few more years to go, Tom," he said. "I've just got to stick it out for another few years to retirement."

In the late summer of 1974, in order to ensure the lowering of the banana tax, United Brands officials agreed to pay an official of the Honduran government over a million and a quarter dollars, with the pledge of an additional million and a quarter more to come when the fix took effect.

By fall of that year, several of the officers of United Brands were beginning to detect changes in Eli Black's personality. Ed Gelsthorpe, the new senior vice-president whom Eli had hired after he left Gillette where he was president, said that often Black was "disoriented"; he noticed he was beginning to slur his words and lose track of his thoughts and objectives. Don Meltzer, the company's chief financial officer, saw Black "stagger from the room" as he went from one meeting to another on a particularly busy day.

There was talk that Black was using addictive drugs. After his death his family and his two physicians acknowledged that he was taking Seconal, which acts as a central nervous system depressant, but they deny that it was having an adverse effect. The day he died, the medical examiner found traces of Seconal in Black's body.

In November, 1974, Black asked George Gardner to resign from the board; Gardner refused. First, there was the matter of pride. Also, he had an investment of over twenty years with the company. But as much as anything, George Gardner had an important financial stake in United Brands. And a man like George Gardner was not about to surrender responsibility for the management of that investment to a man like Eli Black.

The relationship between Black and Gelsthorpe, which had started in July, began deteriorating before the summer's end. The two clashed frequently, usually in private but sometimes quite publicly. As Black became more openly concerned with the company's financial problems, he had to turn over more operating responsibility to Gelsthorpe—but Black relinquished the power grudgingly. He seemed torn between a concern for the needs of the company and the possibility that Gelsthorpe would turn in a star performance that would further underscore his own failures.

In short order, the conflict deepened as the United Brands management became aware of Gelsthorpe's skills. It was clear that Gelsthorpe provided the leadership that the company needed: he had operating experience, made decisions based on reason, was a good listener, and could be persuaded to another view—virtues that Eli lacked.

Black began to complain that he was being cut off from information. He began to listen to people who told him that his generals were plotting against him.

Near the end of 1974, it became apparent that losses would be around seventy million and Black was forced to sell off the company's interest in the operation he had once described as "the jewel in the company's crown." Foster Grant was turned over to a German plastics firm, at a profit to United Brands of thirty million. United Brands' debt service was then so enormous, and earnings so poor, that he had no choice. An article in *Business Week* on January 13, 1975, quoted "a former executive of United Brands" as saying: "One of the things he does best is buy and sell companies. But after Foster Grant, there isn't much left for him to sell." That "former executive" was once Eli's closest friend. Even when Black died, Eli was unaware of the source of the quote and still considered the man an ally.

The debt leverage game had caught up with Black at home as well. His new home was heavily mortgaged and virtually everything else he owned was similarly pledged or had declined in value—especially the approximately three hundred and fifty thousand United Brands shares he and his family owned. He was in, as they say on Wall Street, "for everything." And at that point, Black alone knew it.

On December 27, 1974, there was a board meeting. On the agenda was the approval of an agreement with Panama which Gelsthorpe had negotiated. The discussion that followed culminated in a bitter and destructive exchange between Eli and another of his longtime friends, Bob Gallop.

Bob, who was the company's general counsel, took a firm stand in favor of the Gelsthorpe proposal for settling the Panama problem. Eli, who had previously given his approval to the Gelsthorpe solution, suddenly reversed himself. Now, he said that it was too facile and expensive, and there was a strong implication that Gelsthorpe was merely trying to advance his own career by currying favor with the board, regardless of the cost to the company.

When Gallop finished his defense of the Panama agreement, Black looked at him bitterly and the two began a heated argument. According to one board member, Gallop shouted at Black, "There is no place in the company for the two of us." To which Eli replied, "When are you leaving?"

Gallop denies this version of the exchange. According to him, Black said that if he felt so strongly about the agreement he should retire, whereupon Gallop said, "Why should I? I haven't done anything wrong. You should resign!"

Word of the exchange traveled fast. Some people in the company viewed it as a point of no return in the deterioration of Black's control over the company and his own life. Several executives felt it was the most significant event since Eli took over United Fruit.

A few weeks later Gallop did indeed give up both his directorship and his position as general counsel.

After that meeting Black became convinced there was a plot: Gelsthorpe; Gardner; John Taylor, president of the Banana Group; Don Meltzer, his financial vice-president, and several others including some board members who had been Black loyalists, were seen as the nucleus of the conspiracy. Over the New Year's holiday Black decided to fire Gelsthorpe and Taylor at the next board meeting, in early January. He talked it over with his public relations consultants who replaced me, Ruder and Finn, and they advised him against it. They pointed out that the two top executives were the only remaining management with real operating experience, and that the firings would be coming right on top of the huge operating loss for the year, the Foster Grant sale and the resignation of Eli's friend and associate of long standing, Bob Gallop. They advised Eli that it would be "bad PR."

By the turn of the year, Eli's critics both inside and outside the company had divided into two camps. One group felt that only major surgery could save the company. The others felt the situation was already fatal.

The list of company problems was long and formidable: it began with the decline in profits since Black's takeover; the decline in the prices of the common and preferred stock and the value of the bonds and the warrants; the elimination of stock dividends; the cannibalization for cash of such profitable operations as Baskin-Robbins, A&W of Canada and Foster Grant; the dramatic decline in the company's banana market share; the management's inability to deal with Latin-American problems and their creation of many new ones; the inability to hold top-level people; the enormous debt burden; questionable accounting practices and the bribing of Latin-American officials. Several investment bankers, groups and individuals looked over the company with a view to acquiring it. But it no longer made financial sense and one by one they all dropped out.

Those of us in the first camp realized that if the company was to survive, it would have to be without Eli Black.

About the middle of January, 1975, I received a long-distance call from an old friend from the Midwest who had terminated a long association with Black just a few weeks earlier. The purpose of the call was to set up a meeting with me at Boston's Logan Airport for seven o'clock the next evening, a Tuesday, before continuing on to New York.

The friend was a professional consultant and had been close to Eli's business operations, and probably knew Eli and his way of operating and as many of his secrets as anyone. But a few weeks earlier, for no substantial reason, Eli had ended the consulting arrangement.

We met in the cocktail lounge at Logan, and as I listened, I began to get a better feel for what was happening to Eli and to the company.

"He has some personal papers of mine. I gave them to Eli a few months ago because I had asked him, as an old friend, to give me some personal advice. Now I want them back."

"That's not worth a trip to New York is it?" I asked. "Wouldn't he just mail them to you?"

"That's the problem. He won't. I've asked him three times to send them, and he finally told me last weekend that he just wasn't going to do it. He says he doesn't want to give them up because it will mean an end to our friendship."

I nodded. "It doesn't sound as though there's much friendship left."

For the next several minutes, I heard the details of how Eli had terminated the consulting contract. It was a textbook case of all the qualities in Eli which had turned dozens of friends, over the year, into enemies: the assumption of an authoritarian manner without warning or explanation.

"I didn't ask you to meet me because of the papers; I'll handle that myself. But there's another matter where you can be of real help. I have a friend in the Midwest who is interested in taking over United Brands."

"Your friend doesn't need my kind of help," I said. "He needs a doctor."

"He needs a front man. Someone who can't tie him to the takeover, but who has credibility in his own right. If the deal doesn't go down, he doesn't want anyone to know he made the try. If it does, he wants to have the advantage of surprise.

"He wants to see if he can pick up a block of shares—almost 10 percent—being held by one family." Because I knew the family, I was asked if I would contact them the next day in order to feel them out.

I agreed to make a call and we were to talk by telephone the next night. About midmorning on Wednesday, I placed my call. The man I was after was in the Orient and wouldn't be back for at least a week.

Late that night, at home, I received the call I had been promised. The voice on the other end was shaking badly, and within a sentence or two it cracked. "Oh, Tom, my God, I've never seen anything so pathetic in all my life."

I had been prepared for just about anything else, but not this. "Pathetic?" I asked. "What's pathetic?" I fully expected to hear something altogether new, something in no way connected with Eli Black. For some reason, perhaps because the whole conversation until now was so unexpected and incongruous, I found myself fighting the strong temptation to laugh.

"Tom, you've got to forget everything I said to you last night. I never said any of it. I don't want to do anything to Eli but try to help him. I don't want to force him out, to hurt him, to be responsible in any way for taking the company away from him. I just want to help." Some throat clearing and then, "Oh, my God, I've just never seen anything so pathetic."

Finally I said, "Does this mean you got your papers back?"

That did the trick. The tremors stopped, there were a few resolute coughs, and in a voice that was almost composed, "No. I don't care about the papers anymore. Let me tell you what happened. I called Eli at the Pan Am Building to say I was in town, and told him why. Eli asked me to meet him after business hours—he had appointments right up to six, but said we could get together at around dinnertime and talk privately for as long as we liked. I agreed, and we met at about six thirty.

"From the beginning, Eli made it clear that he had no intention of giving up the papers. 'If you take them, I know it means I'll never see you again. I can't face losing another friend.'"

He then started to list all the friends who had "deserted" him. It was a long list. After each name, he provided a little biography of the relationship—how it had flourished and how it had died. Some of the biographies contained some very revealing footnotes. Bob Gallop, for example, according to Eli had become a millionaire many times over, and then had turned his back on Eli and walked away—once he had gotten all he could from knowing him. Maury Kaplan had done essentially the same thing. Tom McCann did the same—only he wasn't a millionaire—but he could have been if he had wanted "—if he had stuck with me."

At this point, my friend took a deep breath. If I were ever going to give in to the temptation to laugh, this would have been the place. But the story was beginning to have some of the same effect on me that the actual events had had on my caller.

Eli's ragings continued. "Tom McCann has problems worse than Job. His children are on drugs. His wife is suing him for divorce. He's lost all of Charlotte Appleton's money in that crazy printing company. He's lost all of his own money with Web Lithgow in those television productions. . . ." Eli went on and on. The thought never entered his mind that his listener might know that what he was saying was all fantasies or all lies.

"He's ready to kill himself," Black concluded. "He's turned his back on me and look at him now! Look!"

My friend repeated the conversation verbatim into the phone. It had just ended minutes before. "We've got to help him."

As I listened, I recalled a passage I had recently read by Erich Fromm: "The lust for power is not rooted in strength but weakness."

During the next several days, I gave a lot of thought to that telephone conversation. And in the course of it, I also thought back to how my attitude toward Eli had gone through so many changes in the years I had known him.

At first, I thought of him solely as a corporate raider, an outsider who was breaking up the Old Boys' Club for which I had spent most of my life prepping. I had resented him because he was a spoiler—but also because he meant change in a system I once thought was so strong and self-contained that change could never touch it.

And it was largely because of my recognition of that resentment—and of its causes—that I took another look at Eli once I had the chance to know him as a man.

To my surprise, there had been qualities in Eli Black I had actually come to like. For all his strategizing and planning and manipulation, there was a side of Eli Black that was as good and ingenuous and vulnerable as in any person I've ever met. I thought of Eli's game of "Look at Me, Look at Me—What Do You See?"

It was January 18, 1973, the day after Nixon's Second Inaugural. Eli had called me at home and asked me to meet him in his apartment at the Prudential. It was a Sunday and I was about to sit down to a chicken dinner with my family.

"That's no problem," he said. "We'll have dinner in here. Bring in a couple of sandwiches with you. Just hurry up and get in here. There's something I want to show you."

Eli met me at his apartment door. He never looked better: healthy, confident, beaming. He opened the door and then stood back. "Well?" he said, expectantly.

I looked him over very carefully before saying, "Well what?"

"Look at me, look at me—what do you see?"

"You look like you got a little sun, Eli," I said.

"Yes, but that's not it. Guess again."

"It's the suit." I said.

"No, no, no. You're not even warm. It's a new suit—but it's not the suit. Look closer." He tugged at the cuffs of his shirt, and as more of the sleeve emerged from the jacket, I saw the familiar gold and blue pattern of the Presidential Seal.

"I see," I said. "Those are the President's cufflinks you have on."

"Great!" said Eli, delighted with my reaction.

He told me he had spent the previous evening at the Inaugural Ball in Washington. I asked him if he had actually seen and talked with the President.

"Yes," he said, and his eyes were filled with an almost dreamlike look of pride. "And—" he added, "I—even—shook—the—hand."

For the next three hours, Eli talked on and on. Very little was expected of me: he was so full of the excitement of the past day and night that any listener at all would have done as well; I nodded now and then to show that I was still with him, but it was a monologue rather than a conversation.

"Henry Kissinger was there," he said. "You know, I'm never able to look at Kissinger without thinking how similar we are. I mean, we're alike in the very important ways—things relating to character, strength, and intelligence.

"Kissinger's great asset is not his grasp of the basic motion of history—in fact, I don't believe he has any more of a feel for the long-term significance of current events than any other Secretary of State.

"But his greatest strength, as mine, is one single skill."

Eli looked at me for the obvious question, but I merely looked back noncommittally and waited for him to continue.

"Our greatest strength is people. Both of us are very, very good with people."

Twenty minutes later, Eli told me that his own long-term objective in life was to become Secretary of State. There is no point in having that kind of skill, he said, unless you put it to the ultimate use.

"Look at me, look at me," Eli said one summer afternoon. I had seen him that same day at least three times, and now he had stopped at my office, closed the door and turned in a full circle as he spoke. "What do you see?"

As usual, I looked him over very carefully from behind my desk. "You're letting your hair grow out?" I asked.

"Cold, cold," he said. "Not even close." He turned another circle.

"You're taking ballet lessons!" I said. It was around the time he was most closely involved with Lincoln Center. Besides, I didn't have the slightest idea what he was aiming at.

"You louse!" he said. "You louse! I've lost almost twenty pounds."

I had to laugh. Nobody had called me a louse since I was a kid in Brooklyn. "Gee, that's great, Eli. How'd you do it?"

"Simple," he said. "I have a system. A foolproof system. It's called not eating."

He thought a moment longer. "You know that new wonder drug for dieters? It's a sulfa drug. Sulfa denial."

I kept telling myself that those recollections didn't balance out against other kinds of memories I had of Eli—about the other, far less attractive side of his character. I thought about the group we had come to call the "Plumbers" because of its similarity to the White House "Plumbers" unit: a department, staffed by former FBI men, intelligence agents, security and law enforcement men. Ed Gibbons inherited them when Tom Warner left and Ed told me how shocked he was when he found out their backgrounds—he was expecting that the department would be made up of men who were nothing more than accountants. I know of one instance where the Plumbers "audited" one of Eli's closest friends and found that he had filed double and sometimes triple expense records—one each with the Fruit Company, United Brands and John Morrell—for the same set of figures. And he had taken as a business reimbursement some personal outlays that had nothing to do with the company. There were also some kickbacks, nepotism and assorted bits of "dirt." Eli had known about these things and some say Eli encouraged him in precisely the techniques that the audit revealed —it was a form, he said, of indirect compensation in lieu of increased salary. And then he had used the audit to trap his friend in the act and force his resignation when he decided he wanted him out.

He also audited calls on executive's telephones without their knowledge or consent.

And he kept a "book" on many of his officers and upper management against the day one of them might step out of line. The longer and the closer the association, the fatter the book.

And when he couldn't get a book on me or trap me in an audit or listen in on a compromising telephone conversation—he simply made up some facts about my family and my business life to satisfy his special sense of justice and told them, apparently, to anyone who knew me and was willing to listen.

Somehow I reached the conclusion that there was a kind of balance there after all, that the Eli Black I had seen in bits and glimpses was still a part of the Eli Black so many of his associates had come to fear and hate. And I came to the conclusion that I owed something to them both.

I also came to the conclusion that I owed something to what remained, after seven ruinous years under Black's stewardship, of the company where I had spent so much of my life. Around the middle of January, I spoke to a couple of my former associates, who had also left the company, about the past and the present problems and about Eli and the future. We all felt for the people in the company who were suffering and in a way we felt we still shared in some of the responsibility.

I began to outline an idea. It was simple and direct: I saw it as a way out for the company and as a face-saving alternative for Eli Black. There was an ambassadorial opening in Costa Rica, and I proposed that a group of us take steps to try to get the job for Eli Black. A tall order but if it could be pulled off, it would be good for the company; good for Eli, and it wouldn't have hurt U.S.-Costa Rican relations. Chances are it wouldn't have helped them either, but Eli certainly wouldn't have been any worse than most ambassadors. There were just two years left, under Black's contract with United Brands, before he qualified for early retirement. Remembering his comments about Henry Kissinger, I felt an ambassadorship might appeal to Eli and hoped that he would see it as a first step to bigger things at State. If Black wouldn't take the offer for its own sake, the company could sweeten the pot by paying his full salary for the time he was away—half a million dollars would be a small price to pay for getting him out. Of course, the pay would switch to retirement benefits in twenty-four months, so Eli would never come back to the company.

They liked the idea because it was humane and had a chance of working although, admittedly, it was a long shot. It also took advantage of a rare opportunity—all the other ambassadorial openings were in such posts as Bangladesh, Bulgaria, Fuji and Western Samoa, and of all the countries on earth where Eli was most likely to feel at home, Costa Rica would be at the top of the list. I recounted all I could remember of Eli's long admiration for Pepe Figueres—including the reference he had made in the ill-starred debate on Channel 13.

But the board of directors would also have to be ready with a crowbar if the leverage provided by the carrot failed to be sufficient. I suggested that steps be taken to line up all the directors on the board who realized Eli had to give up control.

We felt that someone should be selected from within Black's original entourage to deal with those board members to determine where they stood. We all agreed that Mort Broffman was a likely candidate for that task even though I had serious personal misgivings about him. Mort was out of a job at the moment, and I wondered whether he might see in this confidence an opportunity for self-improvement that would prove too powerful to resist. But on the other hand, I felt that relations between Broffman and Black had been strained since Broffman had left the company.

I tried to think through the various ways it might go. At worst even if Mort went to Eli and told him of our conversation, it would solve the communications problem: what better way to let Eli know than to hear it from Mort. I had not talked to Mort in over a year but I planned to call him the next day.

Then a strange coincidence occurred: Morton Broffman called me. He invited me to lunch at his Beacon Street apartment on January 20.

It was just Mort and his wife Louise and myself. By the time we were finished with the soup and got started on the tuna fish sandwich, I realized that Mort was cautiously feeling me out. He let me know he was aware that there were various groups, both within and outside the company, who were actively interested in removing Eli from his job. And he guardedly indicated that he, too, felt that Eli should step aside.

As I left, he told me that the next day, January 21, he was meeting with one of Eli's old associates from the AMK days who was currently still a director of United Brands and who, according to Mort, had expressed "great concern" over the state of affairs.

Two days later, on January 23, Broffman visited me at my office and I decided to tell him about the possible ambassadorship. By then I realized that our conversation could be transmitted to Black within the hour—but I also felt that it might be one of the gentlest ways for Eli to hear of the idea. Broffman said the idea appealed to him because "it would not hurt Eli." He made it very clear that he felt Eli should be removed and replaced but also that he did not want to be a part of anything that would hurt Eli in any way. We agreed to meet again the following week.

One week later, on January 30, Jack Fox, Dick Berry (a former vice-president of the company) and I met with Broffman at the Algonquin Club. We discussed the situation in more detail including the idea of Mort's rejoining the company once Black was out. Mort listened attentively, nodding all the way. He said he thought it was right in every respect. He thought it was humane and fair and "viable" and he agreed to approach some of the directors with whom he was friendly to feel them out.

We all shook hands after lunch. I told Mort I'd be looking forward to seeing more of him in the days ahead. He and Jack went off together, as an extension of the plans made by phone, to enjoy an afternoon of tennis at an indoor club a few blocks away. I went back to my office.

What Mort Broffman did not tell us was that forty-eight hours earlier, on January 28, just one week after his meeting with me in my office, he met with Black at his office in Boston. At that meeting, they discussed various attempts they thought were then afoot to wrest control of the company from Eli.

They also discussed some of the operational problems of the company and the executive management mistakes Eli felt he had made. The meeting wound up with an agreement that Mort would rejoin the company either as president or some similarly substantial title to head up operations. Eli was to remain on as Chairman of the Board and Chief Executive Officer. The employment contract was said to have been for a five-year term at an annual salary in six figures. At one point, Eli told Broffman, "We should have had this talk ten months ago." After the meeting, that same day, Eli told a mutual friend that he had "patched it up with Mort" and that Broffman was rejoining the company.

For some reason, Mort neglected to tell us of these events when we met two days later. I haven't seen Mort since that day at the Algonquin Club, so I don't know whether he ever told Eli of that meeting and the possibility of the ambassadorship. I hope he did because if he did, Eli might have seen it as one last, reasonable choice in a world where his options were fast disappearing.

Seventy-two hours before his death, Black telephoned the man who headed one of the families from whom he had won

I heard about the call from Don Meltzer, United Brands' vice-president for finance. Black was desperate and said that he needed a million-dollar loan. The request was refused.

Eli made an appointment with Mort Broffman for the following week to firm up Mort's reemployment and to further their plans for resisting the takeover and saving the company. But his time had run out. Black knew he had fallen far short of success in almost every area that mattered to him. The former rabbi was embroiled in bribery and corruption. The great achievement of his business lifetime, United Brands, was struggling to stay afloat in a sea of debt. His directors were in revolt, his management had lost respect for him, his friends had deserted him, his personal finances were at least as bad as those of the company, his ability to win people's confidence had disappeared, and he had nowhere left to turn.

When Eli jumped, the first police officer on the scene was Sgt. Howard Bender.

"The upper part of the body, the head," Bender recalls, "was exposed and that was in very bad shape."

Black's remains were lying on the northbound lanes of Park Avenue, and by the time Bender arrived, traffic had already backed up several blocks. Cars at the scene were slowly detouring around the mess in the roadway and continuing on their way, but the traffic snarl kept growing.

Meanwhile, on the forty-fourth floor, Black's driver, Jim Thomas, had broken through the locked outer doors of the company's suite and, with other employees including Burke Wright, a vice-president, had entered Black's office. Even before they saw the smashed and blood-flecked window, they had a clue to what had happened: as the door opened, they could feel the rush of cold outside air and hear the sounds of the street below.

Thomas stepped over to the hole and looked down. He saw the crowd gathering around the Park Avenue ramp, and he saw the shattered body. A few minutes later, at street level, the police asked him to make the identification.

"He was in the lobby area," Sgt. Bender said later, "and Mr. Black was out in the roadway. He didn't make what they call a positive identification. But from his dress he knew it was he."

According to homicide detective John Duffy, Black's clothes—and the contents of his pockets and briefcase—were about all they had to go on. "The head had been split, it went from front to back, right down the middle and back."

Sgt. Bender called for the Fire Department, the position of the body was marked on the roadway with chalk, and Black's remains were placed in a green rubber bag for a trip to the morgue. The fireman sprayed a hose over the place where it had lain.

Another policeman said, "It's a hell of a thing to do. Jumpers don't care. They don't think of anyone down below. With the traffic he could have taken any number of people with him."

At the morgue, Black's body received a perfunctory medical examination. No incisions were necessary; the internal organs were accessible through the torn and shattered torso. Small traces of Seconal were found in the stomach.

In his briefcase was a scrap of paper with the words "early retirement—55." It was the nearest thing there was to a suicide note.

The body was buried at Beth El Memorial Cemetery in Norwalk, Connecticut. The stone reads simply, "Eli M. Black" in English and Hebrew.

Chapter 13

LAST THOUGHTS

SEVERAL DAYS after Eli jumped to his death, Don Meltzer told me that the SEC was conducting an investigation into the affairs of the company. He explained that this was a routine investigation that the SEC always performed following the unnatural death of a major corporation executive. A few weeks later it came to light that the SEC had uncovered the bribe of an official of the Republic of Honduras.

What is still not clear is precisely how the SEC first learned of the bribe—some insiders feel that the SEC uncovered it in the course of its investigation; others feel that it was a result of a tip from the State Department; and still others feel that it came from someone inside the company who wanted to precipitate a crisis for United Brands.

United Brands agreed to cooperate with the investigation but requested that any information turned over to the SEC be held confidential. The company sought to enlist even the State Department's help to ensure that confidentiality, alleging that the revelations could have a serious adverse affect on U.S. relations with Latin America. When the *Wall Street Journal* got wind of the story, the company was forced to issue a statement which said that Eli Black had authorized the payment to an official in the Republic of Honduras to win a reduction in the Honduran export tax on bananas. The payment had been made in September through the company's European subsidiaries. It had involved a numbered Swiss bank account and other cloak-and-dagger elements. But it was obvious that the handling of the bribe had been inept.

It was also revealed that officials of United Brands made payments in Italy of more than three quarters of a million dollars to ensure the company's competitive position in Italian government-controlled markets. In January, 1976, the company signed a consent decree with the SEC and is still under investigation by the U.S. Attorney's office in New York and possibly a Senate Sub-Committee. United Brands has retained a law firm just to coordinate the activities of the three or four other law firms retained to defend it. Midpoint in its investigation, the SEC charged the company with a continuing effort to conceal "the true scope and extent" of its payments to foreign government officials. The company asked the court to stay the proceeding in the SEC suit until the New York Grand Jury completed its investigation, but the SEC charged that there, too, "the true purpose of the company's request was stayed as to further prevent disclosure of the full facts and circumstances surrounding its payments of monies to government officials in Italy and Honduras."

Some of the men mentioned in this book are targets of these various investigations and, if Eli Black were alive, he undoubtedly would be among them. General Oswaldo Lopez Arellano, the Honduran Chief of State was overthrown for his alleged involvement in the United Brands scandal, and his Minister of Economy, Abraham Bennaton Ramos, was charged with negotiating the bribe and also removed.

The disclosure of the bribe shocked many people inside the company and outside. Such publications as the *Wall Street Journal* and *The New York Times*, which just a few weeks earlier had been extolling the virtues of Eli Black, now had to report one of the largest cases of corporate abuse of power in the annals of American business. The public disclosure further divided the company's board. Some of the directors were willing to tell what they knew even though it tarnished the name of Eli the controlling interest in Foster Grant only two years earlier. Black, while others rushed to Black's defense by saying that he knew very little about it, or that it was a case of extortion, or even that other members of the board and management used the knowledge of the bribe to blackmail Eli and force him to step aside. Black's immediate family also felt that some directors had been using their knowledge of the Honduran payment to pressure Eli into resigning.

In addition to the shock and the grief Eli's death caused his family, it presented them with another problem, too, because his personal financial affairs were not in good order. For one thing, his widow, Shirley Black, was entitled to no benefits under the company's retirement plan. Had he lived and worked until his normal retirement, Eli's estimated annual benefits upon retirement would have been $105,000. The directors took pity on Mrs. Black and voted to pay her his salary for the balance of the year following his death. They also authorized payment to her of a pension in the amount of $45,000 annually for life. But in April, 1976, the company announced that the pension to Mrs. Black as well as any further payments of deferred compensation accrued under Eli's employment agreement were suspended pending resolution of claims on behalf of the company against Eli in respect of the payment of the bribe and receipt of an accounting for approximately two hundred thousand dollars of cash advances made to Eli since January 1, 1970, for business expenses. As of this writing, those expenses had not been identified, and government investigators are probing deeply into the matter to try to learn why Eli needed all this money in addition to his large salary.

Regardless of the cleaning job they did on Park Avenue, the high-pressure hoses of the New York Fire Department were not to wash away the mysteries attached to Eli's passing. Why did he jump? Why did he need the one million dollars for which he asked seventy-two hours before his death? What became of the money earmarked for the Honduran bribe? Who was to inherit Eli's job? What was to happen to his family? What was to happen to the company?

EPILOGUE

In closing this book, I am also closing a chapter of my life. And, in the course of telling you about United Fruit, I have had to tell you more about myself than I had intended to.

I believe the private enterprise system still provides the best opportunity for a man or woman, regardless of how little they may have in the way of education, experience and background, to grow and develop and even perhaps have an adventure or two along the way. I am a product of that system. I'm not a numbers man, and the only way I could describe the company was to describe my personal experiences—what I thought of them, and how they changed me. I hope my failings as a mathematician have not inadvertently slighted some of Eli Black's genius. But if they have, they have. A company is more than numbers. In fact, I'm not sure that numbers have much to do with what a company is really about.

Once you get to know it from the inside, you realize that a company is a living organism, just like a family. It is related in some delicate and complex ways to all kinds of other organisms around it: to the constituencies I spoke about earlier in this book. It has ages, and it has a spirit. It can be made great by the right leadership, or it can be made mean and sinister by the wrong kind of leadership. Or, it can simply grow old and die.

One good way to kill off a company is to approach it as though it has no life, no age, no spirit, no constituencies that matter. In other words to approach it as Eli Black did, as though it were nothing more than numbers.

People have to be made to understand as well the effects of an Eli Black or a Jimmy Ling on the companies they take over, not only in terms of the loss of billions of dollars in the value of stocks, but of people. They have to face the fact that there is no such thing as a free lunch, not even at the corporate racetrack.

It was the consumer who paid for all those airplane rides Jimmy Ling took in his private jet. The price of Wilson meat had to be a little bit higher than if he had stayed on the ground. The price you paid for your kid's Wilson catcher's mitt had to reflect the cost of those joyrides. The price you pay for Chiquita bananas or a Morrell ham for a long time to come will reflect the amount that AMK overpaid for United Fruit Company, back when Eli Black took his joyride in '68 and '69.

If, however, the consumer refuses to pay, then it has to come off the other end—the worker pays in deferred wage increases, lessened fringe benefits or even the loss of his job.

Someone always pays.

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(continued from front flap)

to reveal the story of United Fruit—its ruthless rise, its unsavory methods, and its peculiar collapse under Eli Black. His book is filled with lessons that have recently been brought home to Americans in such tragic fiascos as Watergate and bribery by American multinational corporations.

THOMAS P. MCCANN spent twenty years with the United Fruit Company. When he resigned in 1971, he was corporate vice-president in charge of public relations. Today, Mr. McCann is president of Thomas McCann & Associates, where he has produced television docu-dramas for the Public Broadcasting System. Among them are the award-winning "The White House Transcripts" and "The Watergate Cover-up Trial." Currently, he is produc
series that will premiere
over PBS.

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AN AMERICAN COMPANY

The Tragedy of United Fruit

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