

The story of Sam, the Banana Man

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By Donald E. Curtis

In 1891, Samuel Zemurray was only 14 when he left his father's wheat farm in Moldova in southwest Russia and immigrated to the United States. He was a big kid, strong and lanky. He headed for Selma, Alabama where he had an uncle with a store and a job for Sam. He worked hard for his uncle and saved a nest egg toward the day when he might find an opportunity. Sam kept his eyes and ears open and learned quickly. After a few years in Selma, Sam, now 6 feet, 3 inches could swear fluently in five languages. It was in Selma that Sam saw his first banana: an exotic fruit, golden-green, piled on the cart of an itinerant peddler. He smelled its alien aroma, marveled at the convenient, easy-to-peel skin, and tasted its tropical sweetness. This strange fruit seemed to smell and taste a lot like an opportunity. Afterwards, charmed by this hint of paradise, he headed to the Gulf, to find out where the bananas came from.

I first learned about Sam Zemurray in 1960. I was fresh back from an Air Force assignment in Taiwan and had been invited to visit my best friend in New Orleans. We were driving around the city one day when we passed a huge and beautiful white mansion on St. Charles Avenue. My friend, Jim announced, "the richest, most famous and most powerful man in New Orleans lives there. You ever heard of Sam, the Banana Man?" Jim went on to tell me a little about Sam Zemurray, an ethnic but non-religious Jew who had come here as a boy from Russia, peddled fruit from a boxcar to get his start and became one of the richest men in America. Of course, as a visiting Hoosier, I only knew that bananas were one of my favorite fruits. I had no idea where they came from and I'd never heard of United Fruit Company or a character called "The Banana Man." Sam was 83 when I drove by his house that day, and he died the following year, 1961, ending a life of dazzling business success, great wealth, political corruption and adventure that, when recounted, sounds almost impossible to believe.

Sam's first visit to Mobile to learn more about bananas was the beginning of an adventure that would eventually make him the head of the United Fruit Company, known as "El Pulpo," the dreaded octopus with its tentacles in everything in Central America. Like Jay Gould, Cornelius Vanderbilt, and Henry Frick typified the appellation "Robber Baron," United Fruit Company was the corporate plunderer of its day. At the turn of the century, United Fruit was a terrorizing corporate entity – sort of a Halliburton, Archer Daniels Midland and Nike all rolled into one. In later years, Sam would alter the history of South America with a phone call and a few curse words. But in the beginning, he was just a kid with a curiosity about bananas—a realization that changed everything.

At the end of the 19th century, Mobile, Alabama was a boom town, a squalid industrial port filled with every type of character: sharp hustlers, money men, scoundrels, and others. Sam Zemurray was curious. He could be shrewd, but he was also naive. He was greedy for information. He rented a room in a seaman's hotel down by the docks where he could watch and learn. The waterfront was crisscrossed by train tracks—dozens of lines converged here. Boxcars crammed with such commodities as coal, fruit, cotton, and cane stood on the sidings. The port was crowded with stevedores, most of them immigrants from Sicily. The train sheds were jammed with peddlers, mostly Jewish immigrants from Poland and Russia. They bought merchandise off the decks of ships and sold it from carts in the streets of Mobile.

One evening, Sam stood on the wharf watching a Boston Fruit banana boat sail into the harbor. The Boston Fruit Company, which would later become United Fruit, dominated the trade, with a fleet of white ships that carried bananas from Jamaica to Boston, Charleston, New Orleans, and Mobile. The pier was jammed shoulder-to-shoulder by the dockside workers who appeared, as if out of nowhere, whenever a ship landed. As soon as the boat was anchored, these men swarmed across the deck like ants on a sugar pile, working in organized teams.

In the South, before the invention of mechanical equipment, bananas were unloaded by hand, the workers carrying the cargo a stem at a time—up from the

hold, where the shipment was packed in ice, onto the deck of the ship. A banana stem is the fruit of an entire tree—about a hundred pounds or more. Each stem holds 15-20 hands; each hand holds perhaps twenty fingers—a finger being a single banana; so each “tree” produces 300-400 bananas three times per year. Sam would have watched closely as the workers formed lines that snaked from the deck of the ship down a ramp, and across the pier to the waiting boxcars. The stems were passed from man to man until they reached the open door of the train, where an agent from the company examined them for color, bruises, and freckles. If the stem passed muster, it was loaded into the car, which was air-cooled and straw-filled. When the car was full, the door was swung shut and locked. An empty car was rolled into its place. This continued for hours—a shift might run from 3 pm. until midnight. When a train was packed, the switch man signaled and the cargo began to roll across the South.

The bananas that did not pass muster were dumped on the side of the yard, where they were further divided. Some were designated as *turnings*, meaning they were on their way to being worthless. At the end of the day, they were sold at a discount to local store owners and peddlers. You could see them, with their carts piled high, winding through the streets, shouting, “***Bananas for sale! A nickel a bunch! Yes, we have bananas for sale!***”

The bananas that did not make the cut as *greens or turnings* were designated “*ripes*” and heaped in a sad pile. A *ripe* is a banana left in the sun, as freckled as Huckleberry Finn. These bananas, though still good to eat, even delicious, would never make it to the market in time. In less than a week, they would begin to soften and stink. As far as the merchants were concerned, they were garbage.

Sam noticed everything—the care with which the bananas were handled, the way each boxcar was filled and rolled to a siding, how the college men from the banana company, moved through the crowd shouting orders—but paid special attention to the growing pile of *ripes*. Anything can cause a banana to ripen early. If you squeeze a green banana it will turn in days instead of weeks; same thing if it’s nicked, dented, or bruised. A ripe banana will cause those around it to ripen, and those will cause still others to ripen, like a rotten apple in a barrel until an

entire carload is ruined. Before refrigeration, as much as 15 percent of an average cargo ended up as “*ripes.*”

Sam fixated on ripes, recognizing a *product* where others saw only garbage. He was the son of a Jewish Russian farmer, for whom food had once been scarce enough to make even a freckled banana seem to have great value.

After the ship had been unloaded, after the trains had carried off the green bananas, after the merchants and peddlers had taken away the turnings, Sam walked down to the pier to talk to the company agent. They spoke in the early evening, the man with the Ivy League speech and the kid with the Russian accent. Zemurray had \$150. That was his stake. He figured it would go further if he spent it on ripes. He was no fool. He knew what this meant—that he would have to move fast, that he was entering a race with the clock. Three days, five at the most. After that, he would be left with worthless trash. But he believed he could make it. As far as he was concerned, ripes were considered trash only because Boston Fruit and similar firms were too slow-footed to get them to market. It was a calculation based on arrogance. He must have thought, “*I can be fast where others have been slow. I can hustle where others are satisfied with the easy pickings of the trade.*”

Zemurray’s first cargo consisted of a few thousand bananas. He did not spend all his money but retained a small sum which he used to rent part of a boxcar on the Illinois Central. The trip to Selma was scheduled to take three days, meaning he would have just enough time to get the fruit to market before the sun did its worst. Some fruit haulers would spend a few dollars for a bed in the caboose, but since the freight charge used the last of his money, Zemurray traveled in the boxcar with his bananas, the door open, the country drifting by.

The train was constantly delayed by vehicle traffic, pedestrian traffic, stop lights. What was supposed to be three days was turning into five, six. With each hour, the bananas became more pungent. He spoke to the conductor, who commiserated, saying, “What a terrible shame.”

In a Mississippi train yard, where the feed stores and other buildings crowded close to the tracks, a brakeman, hearing Sam's story, observed, "You've got good product there. If you could just get word ahead to the towns along the line, I'm sure the grocery store owners would meet you at the platforms and buy the bananas right off the boxcars."

During the next delay, Zemurray went to the Western Union office and spoke to a telegrapher. Having no money, Sam offered a deal: If the man radioed every operator ahead, asking each of them to spread the word to local merchants—*cheap bananas coming through for merchants and peddlers*—Sam would share a percentage of his sales. When the train arrived in the next town, the customers were waiting. Zemurray talked terms through the boxcar door, a tower of ripes at his back. *Ten for eight. Thirteen for ten.* He broke off a bunch, handed it over, put the money in his pocket. The whistle blew, the train rolled on. He sold the last banana in Selma, then went home in the dark. When he tallied his money, it came to \$190. His first real success: After accounting for expenses, Sam had earned \$40 in six days.

Zemurray had stumbled on a niche: the "ripes," overlooked at the bottom of the business. It was logistics. Could he move the product faster than the product was ruined by time? This work was nothing but stress, the margins ridiculously small, but it was a way in. Whereas the big fruit companies monopolized the upper precincts of the industry—you needed capital for railroads, and ships to operate in greens—the world of ripes was wide open. Within a few weeks of his return to Selma, Zemurray set out again, then again, and again. By his eighteenth birthday, Sam had saved \$100,000 (almost \$3 million today.) It was in these months, hawking his goods on train platforms and in small towns, that Zemurray first came to be known as "**Sam the Banana man.**"

Sam Zemurray moved to New Orleans in 1905. He initially lived in an old derelict building in the French Quarter, then as his business grew, he moved uptown following in the footsteps of the city's more prosperous citizens. By the time Sam was 29 years old, he was quite rich and a very well-known figure about town. He was known as a character, always trying new fads and diets. From

carnivore to vegetarian, he occasionally ate only bananas, then everything except bananas. After meals, he stood on his head for 15 minutes – he thought it good for the digestion. Although he was a bachelor and alone, he was never lonely. He knew everyone he encountered, rich or poor, friend or enemy.

In 1903, Sam had partnered with Ashbull Hubbard. He had gone as far as he could with ripes. He needed capital and a helper to run the office while he worked in the field to grow the business. Hubbard brought conventional business skills, a contract with United Fruit and \$30,000 to the table and was useful to Sam at the time, though he is now forgotten. Hubbard is now only a footnote in the biography of Sam Zemurray. The partners acquired a distressed steamship company, and bought out Cuyamel Fruit Company and prepared to compete with the big boys.

Since Sam Zemurray co-stars with bananas in this chronicle, let's take some time to explore information about bananas. If you sit in the quiet jungle after a rain, you can actually hear the banana trees growing. The plants can grow as much as 20 inches in an hour under ideal conditions. A banana plant, which is not a tree at all, but an herb, the world's tallest grass, can grow to over 20 feet. The fruit is correctly classed as a berry. It is never out of season; a single plant can bear fruit three times per year for twenty years or more. It is dangerously top-heavy and can sometimes be felled by a strong wind. When damaged or old, you dig up the rhizome, hack it to pieces and bury each piece that has an "eye" (like a potato) and watch them grow. They will yield fruit the first year!

Bananas originated in Southeast Asia, but traders have spread them all over the world. They will grow almost anywhere, but will only bear fruit in the tropics. There are many varieties, most are edible, a few even poisonous. The best is the Cavendish, the kind we eat now. The plantain has to be cooked to be eaten, there is a dwarf banana known as a Ladyfinger, and a reddish one that grows in Jamaica. The banana that built the trade was the Gros Michel also known as "Big Mike." It was a hybrid that was started in Jamaica in 1836. It had great taste and was prized for its durability. Big Mikes could take rough handling; it had a thick skin and a slow ripening time so it was easy to ship and get to market on time.

Bananas do not grow from seeds, but from cuttings or corms, so each fruit is a clone. The upside of this aspect is consistency and uniformity. The downside is if one is attacked by a parasite or disease, they are all subject to the same threat. Back in the 1950s and 1960s, that's what happened to Big Mike. It was attacked by a fungus called "Panama Disease" and is now nearly extinct. The Cavendish survives due to its resistance to Panama Disease, but the threat is still there.

Bananas have been enjoyed close to where they are grown for centuries, but attempts to deliver them to distant markets always ended in failure. By the 1850s and the development of steam power in shipping, bananas were finally recognized as a viable commercial product. The first banana men were true pioneers, moving to Central America, buying product from local farmers and steaming north to reap their profits.

By the first decade of the new century, Sam had been spending part of his time visiting in Honduras and contracting with farmers there to supply him with bananas. His business was growing, but he was impatient for faster growth. He moved to Honduras, and with borrowed money, he began to acquire land and plant his own bananas. When he had tapped out the banks in Mobile and New Orleans, he borrowed from banks in Boston and New York. Ashbell Hubbard agreed timidly to the first and second round of loans, but it soon became too much for him and he and Sam agreed to a buyout. Now Sam was the sole owner of Cuyamel Fruit Company, except for a 10% share owned by United Fruit. His control was nearly absolute. He also began cutting sweetheart deals with the emissaries of Honduran president Miguel Davila – deals that would exempt him from taxes and duties. This kind of business corruption was common practice in Central and South America. The short-story writer William Sidney Porter, better known as O. Henry had written a book called "Cabbages and Kings" in 1904, based on his experiences while living in Honduras in the 1890s. Therein he coined the term "banana republic" to describe the shenanigans of favor-granting politicians and their favor-seeking planters. Bribery was the primary currency of these transactions.

Sam accepted such practices since the trade seemed to depend on cheap fruit, cheap labor, cheap land, and no extra fees that might add a penny to a bunch of bananas, especially if those extra pennies drove the price above the market rate set by United Fruit.

This was a time when Sam Zemurray learned everything about the business. He worked alongside his men, sweating, planting, weeding, swinging his machete and becoming a fearsome snake killer. To Sam's mind, a life in the office was for weaklings. He ate with his workers, drank with them and experienced details of the business that were unknown to United Fruit executives. He was contemptuous of banana men who did not live and work in the field – he would often exclaim, “Those schmucks, what do they know? They're there, we're here!”

Just when Zemurray's plans and hard work seemed to be generating the results he sought, the US government began to interfere. His sweetheart deals with Davila seemed to be in endangered by the US Secretary of State. Honduras owed a huge debt to English bankers who were threatening to use the British Royal Navy to help them collect. In the aftermath of the Spanish-American War, President William Howard Taft was eager for all parties to honor the Monroe Doctrine and keep the British out of the Americas. He charged his Secretary of State Philander Knox with resolving the dispute. Knox had persuaded J. P. Morgan to buy up all the Honduran bonds to satisfy the London bankers, then Morgan would station his agents in Puerto Cortes to collect duties through the customhouse. All this could have cost Zemurray his business if he had let them have their way. Of course, it was not in Sam's character to lie down and let others walk over him.

As soon as Zemurray understood the ramifications of the Knox plan, he arranged a meeting to work out a solution. Knox suggested Sam meet with J. P. Morgan to work out his objections. Sam simply told Knox, “I'm no favorite grandson of Mr. Morgan. Mr. Morgan never heard of me,” Instead, Sam Zemurray was thinking of his own plan, and immediately went to work to crush the Knox-Morgan deal.

Sam was frustrated and angry, but he stifled his urge to argue and stood up to leave. As he left Knox's office, he heard a final warning, “Don't meddle! I better not hear of your getting mixed up in Honduran politics!” When Sam departed,

Knox made some calls and ordered the Banana Man be monitored. He instructed the Secret Service in New Orleans to make sure he did not leave the country. In his own mind, Sam decided that Knox had made his deal with the president of Honduras, Miguel Davila. So what if Senor Davila was no longer president? I think I'll overthrow the damned government! And that's what he set out to do. It would be easy to stir up anger in the country, since Hondurans hated Davila and the Knox plan. Sam had already picked a successor – his friend General Manuel Bonilla. Bonilla had been president of Honduras, but was ousted in 1907. He was still well-known and trusted in Honduras. He was also handy as he was living in New Orleans with his right-hand man, Lee Christmas, also a friend of Sam Zemurray's. Bonilla offered legitimacy and was motivated, Lee Christmas a well-known mercenary, was always ready for adventure and a fight. Zemurray had money, ships, and guns. This team began recruiting their army of liberation during the summer of 1910 under the watchful eyes of the Treasury agents. They assembled about a hundred soldiers of fortune and made a feeble attempt at invasion which failed miserably. Sam had staked everything on this plan, so failure was not an option. Instead, he resolved to discover what went wrong and fix it and try again.

One of their failures was being outclassed by the small Honduran navy, so Sam purchased a fast, 160 foot warship called *The Hornet*, formerly an American vessel used in Cuba during the Spanish-American War. Even though the Treasury agents searched the ship, they found nothing – not a gun, not a knife, not even a bullet. The captain secured permission to sail to Nicaragua and the watchful agents disembarked at a river station on the Mississippi. The *Hornet* sailed west past some islands of the Mississippi Sound, dropped anchor and waited. Soon a small boat with Zemurray, Bonilla, and Christmas approached and began stacking rifles, ammo, grenades and other supplies aboard the *Hornet*. Sam got back down into his boat and the *Hornet* began her five-day trip to Honduras. After a dozen or so mini-battles, by February Manuel Bonilla was inaugurated as the new president and Philander Knox had recognized his government. Sam Zemurray was granted concessions covering the next 25 years, including permission to import equipment duty-free, build railroads, highways, and other infrastructure he might need, and a \$500,000 loan to cover expenses. One writer stated that “deposing the government of Nicaragua in 1909 had required the combined efforts of the American State Department, the Navy, the Marines, and President Taft...in Honduras, Zemurray did the job himself!”

Finally, Sam Zemurray had circumstances arranged so that he could not only compete effectively with the big boys, he could copy their methodology by vertical integration of his company, i.e., controlling growing, processing, shipping and marketing. He was functioning virtually tax-exempt and was in control of the political influences that favored his interests. Over the next twenty years, Cuyamel Fruit continued to grow in volume and power in the banana business. Cuyamel was second only to United Fruit who chafed at the presence of the upstart company run by the immigrant fruit-peddler. Things had finally come to a head by late 1929, and United Fruit began to make overtures of a buyout. Many weeks of bargaining ensued to no result. Finally, Bradley Palmer, a ranking director and United Fruit's largest shareholder tracked down Sam Zemurray in a London pub. Palmer ordered a pint, so did Sam. After numerous pints, the deal was cut. It was not a buyout, but a merger where Cuyamel would become a division of United Fruit. Sam was amenable to a merger as it kept his pride intact, and had the added benefit that Cuyamel plantations would remain as is, and none of Cuyamel's workers would be fired. The deal was a stock swap, with Zemurray's stock after the merger valued in excess of \$30 million. In return, Sam would become the majority stockholder in United Fruit and agree to retire from the banana business and return to New Orleans.

For a time, Sam was content to enjoy his wife and children. Sarah Zemurray was an ideal homemaker who delighted in entertaining their friends. His daughter, Anne, was maturing and becoming very knowledgeable about everything Honduran. Its politics and people, its history and lost civilizations would become the love of her life. His son, Sam, Jr. was six foot six when he entered Tulane University. He played football, but his great love was for flying; he had earned a pilots license while still a boy. After Tulane, Sam Jr. went on to Harvard to study for a business degree and married. He and his bride settled in New York. This young man was all the world to Sam Zemurray. He was Sam's gift to the future, the point of all the years of work. Sam Jr. was to be his legacy.

This was also a time for philanthropy. Though not a religious Jew, he evidently believed in the concept of *tzedakah*, an obligation to give spelled out in Deuteronomy. An important part of this practice is to give not only generously, but anonymously. One of his first philanthropic targets was to make Tulane one of the world's great universities. If one walks through the campus today, it seems

that half the school is named for Zemurray family members, though the names were applied after the death of their benefactor. Sam would not have approved of the recognition. He even left his Audubon Place mansion to Tulane and it is now the home of the current university president. Sam gave money to establish a clinic for poor children in New Orleans, and he gave \$250,000 to Radcliffe College to endow a professorship at Harvard. He founded the Panamerican Agriculture School near Tegucigalpa in Honduras. He created the Middle American Research Institute (MARI) at Tulane, which houses the world's most important collection of Mayan artifacts. The list of his gifts is endless.

While Sam was busy giving away his wealth, he became alarmed at the state of the depression-era American economy, and especially concerned at the rapid decline of United Fruit. Due to what he perceived as incompetent management, the fortunes of United Fruit had decreased by 90% - his personal fortune with it. He wrote to company executives, but was consistently rebuffed. Sam began surreptitiously gathering proxies from other concerned stockholders and took them with him to a board meeting in January, 1933. After being treated coldly, and after many suggestions being ignored, Sam finally announced, "You gentlemen have been screwing up this business long enough. I'm going to straighten it out!" The current president was fired on the spot and all effective power would now be in the hands of Sam, the Banana Man. It was then that Sam Zemurray became the dictator of the banana business. He went on to fully restore the fortunes of United Fruit Company and continued his charity work, especially contributing heavily and helping to establish the new nation of Israel through his friendship with Chaim Weizmann, the country's founding president.

Without Sam Zemurray, United Fruit has gradually disappeared, but the banana business is still largely controlled by a few companies like Dole, Del Monte, and the re-branded United Fruit, now called Chiquita Brands. Some things remain the same, but it's a different business without Sam, the Banana Man.