Conquered Nations: The United Fruit Company in Honduras and Central America, 1870-1930

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With more than one hundred billion consumed every year, the banana is the most popular fruit in the world. Many of those banana exports come from Central and South America. In these regions, banana cultivation accounts for the most earnings in agricultural production and is ranked among the highest export crops in Ecuador, Costa Rica, and Guatemala. Followed by Colombia, Peru, and the Dominican Republic exporting the most organic bananas. Together, Central and South America is the largest banana exporter in the world. However, this did not occur naturally, rather, it was quite an unstable and violent political and economic endeavor that took place over one hundred years ago.

Before neoliberalism existed, foreign powers exerted their political might using military force, colonization, economic domination, and through neocolonial policies. These neocolonial policies would privilege multinational corporations as they expanded their reach into foreign territories throughout the world. In Latin America colonization paved the way for neocolonial and neoliberal policies to spread. What progressed from a colonial empire to a series of independent nation-states eventually became a hotbed for foreign investors. Aiming to modernize, these newly independent nations implemented colonial forms of rule prolonging the complications that characterize a class struggle. Thus, the political and social developments throughout Latin America were always under the influence of a dominating entity. This dominion catered to few land-owning elites and generated puppet dictators who followed in the footsteps of their former colonial rulers. Under these conditions, foreign investors thrived and while the uneducated masses fought for the right to cultivate their land, foreign enterprises reaped the rewards of cheap labor and untapped natural resources.

Many of these commercial and agricultural enterprises would eventually reside in the hands of U.S. investors like the United Fruit Company. The United Fruit Company, through its investment and influence, took on the role of nation-building in

Central America throughout the first half of the twentieth century and is what one would call the epitome of U.S imperialism.[1] The freedom granted to this company throughout Central America is one that is mostly indebted to the authoritarian regimes that assisted in their economic pillaging.[2] Under the nickname of "Banana Republics," many Central American nations were forced into a subservient relationship with the U.S. through their corporations.

Eduardo Galeano called this relationship a broken system brought upon by foreign invaders and their economic promiscuity. Breeding corruption and a reliance on foreign capital, national endeavors were disregarded as Latin American national leaders aligned themselves with foreign powers.[3] This is how the United Fruit Company entered Latin America, through the pockets of national leaders whose personal interests came before the well-being of their nations. However, unlike surrounding countries like Guatemala, El Salvador, and Nicaragua, where agrarian reform caused widespread violence, Honduras was mostly safeguarded. What about Honduras' politics made it possible to avoid the social and political disturbances that plagued most of Central America in the twentieth century? More so, how did foreign capital help create a power structure that bred a hegemonic relationship between a foreign multinational company and Honduras, hindering agrarian reform?

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[1] The term imperialism has various interpretations and in many circumstances is loosely interpreted by its implicit meaning: one entity extending its power and influence through diplomacy or military force. However, for this study the term imperialize extends beyond the scope of diplomacy to include economic power to thwart and destabilize the political and social elements of a governing body. In this context, "imperialize" encompasses ideas that do not exclusively pertain to political and military capabilities, but also include economic capabilities to monopolize markets and repress actions against said monopoly. Thus, the term "imperialism" must be read and understood as an act intended to subvert the political and social dynamics of a governing body through the direct influx of monies.

[2] Marcelo Bucheli, "Multinational Corporations, Totalitarian Regimes and Economic Nationalism: United Fruit Company in Central America 1899-1975," *Business History* 4 (2008), 433.

[3] Eduardo Galeano, *Open Veins of Latin America: Five Centuries of the Pillage of a Continent* (New York: Monthly Review Press, 1990), 250.

This article examines the United Fruit Company its relationships with developing nations in Central America. One of the key factors this research aims to explain regards the political and economic complexities centered around multinational companies and developing countries. This is an important diplomatic history between the United States and poor developing nations in South America and, more importantly, the effects of those relationships in present times. Using extensive sources ranging from studies analyzing the political, economic, and social formations to direct exchanges between company executives and governing officials found in online databases consisting of nearly two thousand letters discussing various political, social, and economic issues about the United Fruit Company and their dealings throughout Central America.[4] These sources include details about payoffs of political leaders and local *jefes* (bosses) to direct involvement of presidents hindering the legislative process in favor of the United Fruit Company. Although the letters referenced only represent a fraction of the letters available, they detail the various economic, social, and political fractures the United Fruit Company exploited in their rise to power in the early twentieth century.

This article also incorporates texts written in the early twentieth century providing two perspectives of the United Fruit Company. Frederick Upham Adams' *Conquest of the Tropics* is a story that highlights the developments of the company and its founders in a positive light using information mostly provided by the company itself. They exclude the more objectionable and unethical practices in their pursuit of developing a multinational exportation company. Adams' narrative emphasizes the risk taken by the founding members of the United Fruit Company, who say they turned "the former wilderness into the most productive

[4] I have gathered a series of letters between United Fruit Company officials and various Central American leaders (presidents, legislators, local leaders) as well as letters between citizens and their respective political leaders denouncing the presence of the United Fruit Company. These letters were individually selected by me from an online database, "Collection of Letters from United Fruit Company Historical Archive of Letters from 1912-1982," http://www.philippebourgois.net/ufco.html.

agricultural sections of the globe."[5] Furthermore, the narrative depicted by Adams is one that praises the efforts of the United Fruit Company, placing its feats among "Edison, McCormick, and Vanderbilt" and calling the men who transformed the "miasmic swamps and jungles of Central America into vast plantations" courageous in their American quest to "face and conquer the frontier."

Although the founding of the United Fruit Company was a risk, the creation of their banana empire occurred when America's political dominion over these tropical regions went unchallenged.[6] Countries like Nicaragua, Haiti, Panama, Honduras, and the Dominican Republic fell under the control of the United States, subject to their military intervention.[7] Charles Kepner and Jay Henry Soothill's *The Banana Empire* is another text written in the early twentieth century; however, their narrative highlights a different aspect of the United Fruit Company. Unlike Adams' progressive portrayal of the company, Kepner and Soothill discuss the United Fruit Company's actions more objectively, using primary source documents attained by Soothill, a former United Fruit Company executive. After witnessing firsthand, the corrupt and unethical practices of the United Fruit Company, Soothill exposes the hidden truths behind the company's rise to success. Kepner and Soothill's narrative reveals the company's dirty dealings with authoritarian governments, granting the company a stronghold over Central American nations that Kepner and Soothill say "throttled competitors, dominated governments, manacled railroads, ruined planters, choked cooperatives, domineered over workers, fought organized labor, and exploited consumers." Between the years 1900 and 1935, the United Fruit Company had amassed nearly 3.5 million acres of land throughout Central America.[8] This amount of power by a single entity of a strongly industrialized nation over weak foreign countries constitutes a distinct type of economic imperialism.

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[5] Frederick Upham Adams, *Conquest of the Tropics: The Story of the Creative Enterprises Conducted by the United Fruit Company* (Garden City: Doubleday, Page & Company, 1914), 50.
[6] Marcelo Bucheli, "Multinational Corporations," 438.
[7] Charles Kepner and Jay Henry Soothill, *The Banana Empire: A Case Study of Economic Imperialism* (New York: Vanguard Press, 1935), 15.
[8] Kepner and Soothill, *The Banana Empire*, 23, 26-27.

Post-Colonial Honduras and the Rise of Foreign Capitalism

This research focuses on the Honduran North Coast as it developed distinctively socially and politically due to its geography and class structure.[9] Most problems occurred during the colonial years, dictating how the country's various geographic zones would develop over time. Honduras would not begin forming into a modern nation-state until it gained independence after 1820, however that process did not gain traction until after 1870. During the provincial years (1820s-1830s), Honduras was mostly embattled in civil unrest and threats of military takeovers; thus, the state was deep in debt and economically unstable. These elements created favorable conditions for foreign capitalists to invest in with the sole purpose of exploiting these regions for their natural resources. Furthermore, this form of modern commerce involved developing foreign policies under colonial dominion and dealing with the reaction to these policies by the institutions of the colonized regions.[10] In this context, Dario Euraque classifies the oligarchy that formed in Honduras and throughout the rest of Central America, calling it a political authority residing in the hands of economic elites whose power depended on the "monopoly of the countries'" economic resources."[11]

Between the years 1867-70, the Honduran government negotiated with French and British financiers to build their roads and railways. This facilitated a ninety-nine-year concessionary contract to be signed in 1879, opening the doors to U.S. investors in hopes of developing the infrastructure in Honduras and resolving their debt to the British. What followed next was the privatization of Honduran resources beginning with their mineral mines. Honduras's mining industry fell under the control of foreign companies during the second half of the nineteenth century, and silver soon became the leading export until the early 1900s when bananas surpassed mineral exports. By 1890 the entire railroad system along with control of silver mines in Tegucigalpa were operated by Washington S. Valentine, a U.S. mining tycoon. This is one of the monumental differences that

[9] Dario Euraque, *Reinterpreting the Banana Republic, Region and State in Honduras, 1870-1972* (University of North Carolina Press, 1996), 30-32.
[10] Kepner and Soothill, *The Banana Empire*, 3.
[11] Euraque, *Banana Republic*, xvii.

safeguarded Honduras as well as facilitated the emergence of the country becoming a banana republic. With industrial and agricultural endeavors in the hands of U.S. industrialists, Honduras remained relatively stable. But this stability came at a cost. Professor and political activist Allison Acker argues that instead of nurturing its economy and independently flourishing politically, Honduras became a beggar nation reliant on foreign capital and its banana industry.[12] Additionally, what differentiated Honduras from its neighbors was stability granted by what Acker characterizes as a degree of democracy. Unlike Guatemala, El Salvador, and Nicaragua where land and industry were the root of civil and military confrontation, Honduras experienced agrarian reform and unionization under the direction of conservative and liberal parties.[13] One of the most significant aspects that allowed for a state-sponsored agrarian movement to take place and protect Honduras from widespread violence is an undeveloped national class of agriculturalists to dictate national agendas like in Guatemala, El Salvador, and Nicaragua. Nineteenth-century agrarian historian Robert G. Williams contends that the agricultural entrepreneurs pushing for an agrarian movement in the developing stages of a nation-state went unnoticed. Furthermore, Honduras would maintain its colonial traditions of concessionary living through local producers and foreign capitalists well into the nineteenth century.[14] Even though a labor organization would develop decades later, the United Fruit Company would dictate much of the political and social activities in Honduras and the rest of Central America.

Rise of Exports: Connecting Central America to the World

What occurred in Honduras and throughout Central America was not the result of chance, but an intricate process that benefited the interest of the few elite governing officials who saw a way to capitalize on weak socio-economic structures.[15] The

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[12] Euraque, *Banana Republic,* 33-34.
[13] Acker, *Honduras,* 12-13.
[14] Euraque, *Banana Republic*, 38-40.
[15] Mark Moberg, "Crown Colony as Banana Republic: The United Fruit Company in British Honduras, 1900-1920," *Journal of Latin American Studies* 28 (1996), 358.

United Fruit Company developed into the largest banana exporter in the western hemisphere by eliminating all competition from its areas of operation. Their deliberate influence on Central American governments created the moniker "Banana Republics."[16] Economic and cultural anthropologist Mark Moberg insists U.S. political and economic influence in the region was on the rise and helped create economic opportunities that post-colonial leaders simply could not resist.[17] Before the incursion of foreign agriculturalists, the main providers of produce were local farmers and it was here where foreign companies saw an opportunity and capitalized on it. Claiming that Central Americans did not harvest bananas in commercial quantities, Adams contends that natives did not have flourishing plantations, nor did they possess an agricultural system to exploit.[18] However, this could not be further from the truth as it was their very own claim that showed a vast array of farmlands harvesting "every variety of croton, beautiful specimens of cocoanuts, rubber trees, cactus, oranges, and limes" throughout El Salvador and Jamaica—of which Henry Blanely, an author hired by the United Fruit Company, says "surely here is a fine investment for Northern capitalists."[19] Realizing the commercial qualities of these Central American regions, foreign capitalists began encroaching into the area.

The United Fruit Company established itself in Central America in 1900, following their merger with various steamship and railroad companies operating throughout Central America.[20] This is how they became established, rather than through banana production as many would have imagined. Once secured, the United Fruit Company began its pursuit of monopolizing banana production by securing as much land as possible.[21] Keen on the

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[16] Kepner and Soothill, *The Banana Empire,* 23.
[17] Moberg, "Crown Colony," 359.
[18] Adams, *Conquest of the Tropics*, 36.
[19] Henry R. Blanley, *The Golden Caribbean: A Winter Visit to the Republics of Colombia, Costa Rica, Spanish Honduras, Belize, and the Spanish Main*, (Boston: Norwood Press, 1900), 81.
[20] Stacy May and Galo Plaza, *The United Fruit Company in Latin America* (National Planning Association, 1958), 8.
[21] Manager to V.M. Cutter, General Manager, United Fruit Company, Limon. April 19, 1916, exchange discussing how the United Fruit Company acquires

modernization that a North American company could bring to their countries, Central American leaders granted the United Fruit Company unchallenged property rights.[22]

The construction of railroads is a costly endeavor and one that Central American countries could not afford. Therefore, it was easier to grant foreign capitalists like Minor Keith and his uncle Henry Meiggs the task of building them. Keith and Meiggs were tasked with building the national railroad connecting Port Limon to San Jose, Costa Rica in 1870. Short on funds, Keith decided to plant bananas along the railway and export them. This turned out to be a profitable endeavor, allowing him to complete the railway system. By 1883, Keith had expanded the export of bananas beyond Costa Rica, shipping millions of bananas from Panama, Nicaragua, and Colombia, where he also expanded his railway system. By 1900, railroads were being constructed throughout Guatemala and Honduras along the lowland regions where banana cultivation was most prominent. This undertaking by Minor Keith granted him the name "the uncrowned King of Central America."[23] By the end of the nineteenth century, Keith merged nearly twenty companies involved in the banana trade throughout the tropics and in 1899, he, along with the Boston Fruit Company, formed the United Fruit Company.[24]

In Guatemala, officials gave the United Fruit Company rights to develop a banana plantation at Tiquisate along the Pacific Coast to save the International Railways of Central America (IRCA) from bankruptcy. These rights included the United Fruit Company being contracted to link a new railway from the IRCA

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the most arable land, leaving less desirable land aside. This tactic is intended to create competition among smaller growers by pricing them out of business. http://www.philippebourgois.net/ufco.html (Accessed October 2020).

[22] Bucheli, "Multinational Corporations," 439, argues that to modernize their countries a reliable transportation system needed to be retrofitted to accommodate for passenger travel that did not exist. The only means to do so was to afford the United Fruit Company an exchange of what these regions had an abundance of—land. However, Charles Kepner, *Social Aspects of the Banana Industry* (New York, 1967), 40, discusses this move as a monopolizing tactic to secure control over the transportation and agricultural economies in the region to avoid a stagnation of production and spread their banana production zones over various regions.

[23] May and Plaza, *The United Fruit Company*, 8-9.

[24] Kepner and Soothill, *The Banana Empire*, 34-35.

to a port along the Pacific Coast. However, this would defer any shipments away from their already established ports and railways along the Atlantic Coast and the Caribbean, costing them money. Therefore, United Fruit renegotiated deals with the government to not build a port on the Pacific Coast as originally intended and instead bought a substantial amount of stock in the IRCA to save it from bankruptcy.[25] Their stake in the IRCA excluded them from having to pay duty fees to Guatemala.[26] Similar to Guatemala, Costa Rican officials gave Keith exclusive land rights along with government financing to develop their railway system and port in 1884. Amounting to an astounding 800,000 acres of undeveloped land along one hundred miles of railway, this provided Keith one of the most powerful concessions of its time.[27]

Despite Minor Keith's inability to deliver the needs of these developing nations, the portrayal by Adams detailing how the United Fruit Company came into its success is everything but honest. He calls the development in Costa Rica progress for both the government and the U.S. enterprise, insisting there is and has not been any friction between the United Fruit Company and Costa Rican officials.[28] However, these statements represent the subjective values sponsored by the United Fruit Company. The truth is that Keith's United Fruit Company had already established a political influence in governing officials within the Costa Rican government who persuaded a contract in his favor.[29] Rather than comply with their wishes in building a railway to benefit all of their country, Keith built a railroad along the lowland regions off the Atlantic coast where they would best facilitate the travel of bananas, machinery, and banana laborers. This was the case in other Central American countries where railroads granted the United Fruit Company access to undeveloped land for banana plantations.[30]

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[25] May and Plaza, *The United Fruit Company*, 9, 163.
[26] May and Plaza, *The United Fruit Company*, 167; Kepner and Soothill, *The Banana Empire*, 159, says that in 1904 the Guatemalan government signed over controlling rights to the Northern Railway of Guatemala, providing Minor Keith authority to reorganize the railroad company as he saw fit.
[27] Kepner and Soothill, *The Banana Empire*, 45.
[28] Adams, *Conquest of the Tropics*, 165.
[29] Bucheli, "Multinational Corporations," 439.
[30] May and Plaza, *The United Fruit Company*, 9-10.

The United Fruit Company's Footprint: Differentiating Honduras and the Rest of Central America

Early twentieth-century Central America fell under the influence of the United States following the Treaty of Peace and Amity in 1907.[31] With the full support of the U.S. government, multinational corporations began encroaching into these territories. Their presence throughout the region led to Central American leaders catering to the needs of U.S. corporations by repressing left-wing oppositions and derailing social reforms. These actions would ultimately secure the privileges of the upper classes and invite American investors knowing their wealth was tied to that of the elite members of these Central American countries.[32]

The first banana-producing companies in Honduras were granted land rights under General Terencio Sierra's dictatorship.[33] What followed was a series of coups that brought various leaders in and out of office, creating an unstable political and economic environment. Nevertheless, these were the conditions in which foreign capitalists thrived, says Bucheli and Acker. Acker argues this political instability is directly attributed to the rise in foreign investments by banana enterprises competing for power through their promise to bring progress and riches.[34]

Honduran leadership did not consist of strong national authority, nor did they understand what a nationalist agenda was. Acker argues that the two-party system that developed in Hon-

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[31] Bucheli, "Multinational Corporations," 438, says this treaty was called by the United States government and involved several Central American countries convening in the United States. The terms of the treaty stipulate the non-intervention of nations in the business of their neighbor's affairs, including the prohibition of re-elections and non-recognition of non-elected governments.
[32] Bucheli, "Multinational Corporations," 439.
[33] Bucheli, "Multinational Corporations," 440. General Terencino Sierra's dictatorship lasted for four years and was overthrown by another dictator who was only in power for six months before being deposed by General Manuel Bonilla who again would be in power only to be ousted in 1906 through another military coup. See also Euraque, *Reinterpreting the Banana Republic,* 30-35, where he shows that because of the political instability engulfing Honduras during its nationalizing years foreign capitalists reaped the rewards of resource rich nations who sold land rights to U.S. capitalists, giving them ownership of the most prominent regions throughout Central America.
[34] Acker, *Honduras,* 70.

duras lacked any coherence and did not represent the best interest of their people and country.[35] U.S. minister John Ewing says they lacked any institutional fundamentals that would garner a cohesive national movement that would have generated oppostional forms of legislation to counter the United Fruit Company's initiatives in Honduras. Although elite wealthy and educated classes existed, they did not possess the skillset to unify the country under any type of nationalizing agenda. Nonetheless, they would represent all governing elements of the country and public sphere.[36] These institutional fractures are the elements that allowed the United Fruit Company's economic control over Honduras. Their control was so explicit, Ewing himself denounced their actions in a letter written in 1914 to the U.S. State Department describing the company's reach into the political and economic sphere:

> I write fully and frankly concerning all matters that control the internal political situation and conditions here, and I would not be reporting unreservedly if I failed to direct the attention of the department to an ever-present factor. I speak of the United Fruit Company and its subsidiaries and its railroad connections.

This influence not only swayed the politics in their favor but went as far as creating a dominating effect on the governing cabinet. Ewing writes, "President Francisco Bertrand and his leaders are chafing under the domination of the United Fruit Company; however, they feel too weak to act against their demands unless assured the support of our government."[37] This hegemonic relationship became the shield of the nation. It was because of this monocrop that Honduras persisted throughout most of the twentieth century without the same social disturbances that disrupted the rest of Central America.

The political and economic dominion the United Fruit Company had over Central America developed gradually and was not without help. Corruption at the highest levels of government

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[35] Acker, *Honduras*, 69.
[36] Euraque, *Banana Republic*, 79.
[37] Euraque, *Banana Republic*, 72.

assured United Fruit Company officials unchallenged supremacy over countries throughout Central America.[38] However, the idea portrayed by the United Fruit Company is one that completely blurs their actions and dignifies them with modernization and progress. Adams describes how prior to the arrival of the United Fruit Company, countries like Guatemala and Costa Rica were squalid wastelands ripe with "the most enemies of mankind, and the ignorance and indifference of those inhabiting these regions add new and more deadly menaces." Nonetheless, the actions taken by the United Fruit Company have now transformed these regions into "the most productive agricultural sections of the globe, with ships from all over the world entering the beautiful harbors of Central America which are as safe as those in Massachusetts."[39] His comparison does two things, highlights the horrid conditions before the United Fruit Company enters Central America and what Central America turned into after American intervention saved the region while also distinguishing it as an American safe zone. He is naturally inferring that Central America is an extension of the United States and can be considered just as safe. However, he leaves out how the United Fruit Company incurred and developed this region.

At the turn of the twentieth century, the United Fruit Company was in the process of establishing itself as a banana monopoly throughout Central America. They did so by paying independent growers higher prices for their banana harvests, slowly eliminating their competitors, and securing their monopoly. This strategy by the United Fruit Company was not in effect for very long and the high costs were eventually offset by high-yielding seasons where they alone stood to make profits. In this fashion, the United Fruit Company secured its position as the sole banana enterprise throughout much of Central America.[40] A key

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[38] Belisario Porras, President of Panama to Earl Carson McFarland, December 17, 1918, writes that he has received a copy of the project discussed and will be forwarding copies to "friendly governing officials" to assure legislation is passed in favor of the United Fruit Company. http://www.philippebourgois.net/ufco.html (Accessed October 2020); Bucheli, "Multinational Corporations," 439; Moberg, "Crown Colony," 363.

[39] Adams, *Conquest of the Tropics*, 50.

[40] Moberg, "Crown Colony," 361.

example of their practices is surmised in how the United Fruit Company dealt with independent growers in Jamaica.

After creating a small cooperative in the 1920s, the Jamaica Banana Producers' Association, Jamaican growers created their shipping and marketing line to compete with the United Fruit Company. However, the United Fruit Company did not take this competition lightly and retaliated against the Jamaican cooperative by raising prices for the local producers who did business with the new cooperative. Although loyalties were maintained by the locals, a devastating hurricane struck Jamaica in 1934, forcing the harvests to be diverted to the higher-paying United Fruit Company. Within a year, the cooperative was facing collapse because of the monopoly held by United Fruit. C.V. Black argues that the cooperative had no choice but to align itself with the United Fruit Company, becoming a shareholding company and putting an end to their exports to the United States.[41]

Above all problems affecting Central America, the biggest issues were the constant interference by governments. After independence in 1821, Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica formed a federal republic; however, it fell apart due to constant civil unrest and factional rivalries. Under these conditions, the United States found it advantageous to insert itself as a mediator to quell the violence and assist in maintaining peace. Despite their intervention, the regions experienced bouts of turmoil and revolutions instigated by the United Fruit Company. Guatemala and Honduras experienced border conflicts in 1909 anchored in land disputes belonging to the United Fruit Company and troops along the border of Nicaragua and Honduras frequently clashed because of intervening government officials. [42] Euraque argues these types of disputes were not unfamiliar to these zones; United Fruit Company officials took advantage of conflicting times and pitted government officials and local elites against one another, creating fierce rivalries among governments.[43] And

[41] Moberg, "Crown Colony," 362.
[42] Dana G. Munro, *The United States and the Caribbean Republics: 1921-1933* (Princeton, NJ: Princeton University Press, 1974), 116, 123.
[43] Euraque, *Banana Republic*, 25.

despite the outcomes, the United Fruit Company actions were supported by the United States.[44]

Throughout Central America, the United Fruit Company's reach was, to say the least, pervasive. In Panama, following their cessation from Colombia, the United Fruit Company acquired new concessions and lands for banana plantations along both the Pacific and Atlantic coast, as well as establishing the Tropical Telegraph and Telephone Company. This would connect Panama to the outside world, and created a direct link between the small canal zone and the United States. Similarly, in Costa Rica, when political tensions ran high during the presidential elections of 1910, the United Fruit Company seized the opportunity to secure the support of oppositional factions to elected President Ricardo Jimenez. With their support, a coup was underway, ousting President Jimenez and bringing in another who supported favorable policies and concessions for foreign companies.[45] By 1913, coffee and bananas comprised almost all exports from the country, with the United Fruit Company in control.

Although Guatemala saw a similar beginning as Costa Rica in its dealings with the United Fruit Company, the strategy to bring banana cultivation to the region was different. The rail system that existed in the country served Guatemala's urban population and assisted in the various transportation needs of the country rather than one sole market, as was the case in Honduras.[46] However, that changed after Minor Keith acquired controlling rights of the railway system in Guatemala in 1904, stipulating "its ships bringing materials, supplies, and laborers for the railway, or carrying exports from the country, shall be exempt from burdens (taxes, etc.). As well, its fruit steamers shall be dispatched at any hour of the night." This brought Guatemala's primary form of transportation under the control of the United Fruit Company,

[44] Munro, *The United States and the Caribbean*, 117.
[45] Munro, *The United States and the Caribbean*, 442.
[46] Kepner and Soothill, *The Banana Empire*, 155.

which in turn controlled a large portion of the revenue going into Guatemala's economy.[47]

The era of the Banana Republics accentuates the factors that helped the United Fruit Company rise to power. Furthermore, these decades prove that the less stable a government was, the easier it was to accommodate the needs and demands of the United Fruit Company and the U.S. as an extension.[48] Dictators and corrupt officials helped maintain the United Fruit Company in business by suppressing labor and social reform while the United Fruit Company in return kept said officials in power. However, this relationship was highly dependent on the social and political stability the United Fruit Company could provide through its economic productions. Therefore, as long as the United Fruit Company paid off government officials and ruling elites, their business model would thrive.

Plantation Life and Labor Organization Under the Control of the United Fruit Company

Before the United Fruit Company's monopoly of the banana industry, banana exports originally came from Caribbean countries like Cuba, Jamaica, and the Dominican Republic. However, they did not have a corporate structure, nor did they supply this monocrop systematically.[49] Author and international consultant Elisavinda Echeverri-Gent argues that the absence of a commercial industry made securing an expansive export system a lucrative endeavor for U.S. interests. Controlling the competition became a primary focus, beginning with securing fruit from local planters, acquiring new land for fields, and the transportation of bananas.[50] However, these were difficult tasks writes Adams, adding, "making Central America its primary source of supply

[47] Kepner and Soothill, *The Banana Empire,* 159; Bucheli, "Multinational Corporations," 441, following the 1906 concessions granted by militant dictator General Manuel Estrada Cabrera the United Fruit Company began banana cultivation along the northern railway system, granting the multinational excessive control of the economy.
[48] Bucheli, "Multinational Corporations," 443.
[49] Elisavinda Echeverri-Gent, "Forgotten Workers: British West Indians and the Early Days of the Banana Industry in Costa Rica and Honduras," in *Journal of Latin American Studies* 24, No. 2 (May 1992), 277.
[50] Echeverri-Gent, "Forgotten Workers," 277.

presented monumental problems for the United Fruit Company. A labor force had to be assembled, swamp areas cleared, and a minimum structure of a functioning community had to be established "in a lawless, pestilence-ridden, and almost uninhabited territory."[51] Nonetheless, it was an undertaking Minor Keith and his United Fruit Company could afford due to the close relationships Keith developed with governments which exempted him from paying taxes on exports along with an already established transportation system.[52]

To complete the task of installing, building, and maintaining banana plantations required a modern industrial complex and an efficient workforce.[53] The United Fruit Company realized their mammoth undertaking requires an industrial laborer familiar with systematic work conditions and must be available in large quantities.[54] The company fulfilled these requirements by recruiting thousands of British West Indians in need of work. Their arrival into Central American countries reshaped the social and political landscape, impacting the diversity and racial views as more foreign workers are brought in by the United Fruit Company. Although they played a major part of the United Fruit Company's history and success in Central America, West Indians are hardly mentioned as an integral factor in the history of the company and even less in the literature discussing the banana industry. However, their role is more than significant; Echeverri-Gent argues that not only did West Indian laborers contribute to the banana industry, but they are central to the formation of labor movements throughout Central America—becoming the largest supporters of labor movements that would develop due to the harsh and inequitable working conditions experienced in the banana industry.[55]

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[51] Adams, *Conquest of the Tropics*, 79.
[52] Bucheli, "Multinational Corporations," 439, 442.
[53] Kepner and Soothill, *The Banana Empire*, 27.
[54] Aviva Chomsky, *West Indian Workers and the United Fruit Company in Costa Rica 1870-1940* (Louisiana University Press, 1996), 29-30.
[55] Echeverri-Gent, "Forgotten Workers," 276; E.C. McFarland assistant to Manager Dr. Harmodio Arias, Panama, November 17, 1919. Letter sent to a United Fruit Company lawyer in Panana discussing how the company can go about repressing propaganda favoring labor organization and strikes in the region. http://www.philippebourgois.net/ufco.html (Accessed October 2020).

During the first decade of the twentieth century, roughly twenty thousand Jamaican and West Indian laborers entered Central America. Many migrated to Costa Rica where a lively West Indian community eventually developed in Limon while others migrated to various other plantation zones in search of work and better living conditions.[56] However, this influx of workers created the misconception that the United Fruit Company was a work haven where laborers willingly participated in their plantation system. Yet, the opposite occurred, the United Fruit Company encountered the same troubles previous planters faced, forcing them to import African laborers because of native populations preferring subsistence farming over wage labor.[57] A main factor keeping farmers and peasants from working for the United Fruit Company was the undesirable working conditions plantation workers endured as a result of the swampy humid coastal lowlands which made plantation work twice as rigorous.[58] However, these were the regions most accessible by railcar; therefore, plantations were installed along transportation lines throughout the Atlantic coast. Native populations throughout Central America chose to stay working for themselves and on privately owned farms due to the freedoms offered by non-wage paying labor. Thus, the United Fruit Company along with other American industries turned to coercive methods using their political and economic means to eliminate private farmers and attract a workforce.[59] However, in sparsely populated regions like Costa Rica where natives saw no real incentive to work, even when higher-paying wages were offered, the United Fruit

[56] Chomsky, *West Indian Workers,* 34; United Fruit Company, Annual Report, No.1 (1912) reads that West Indians comprised a large portion of the inhabitants residing in the labor camps along with their wife and children in Guatemala. https://babel.hathitrust.org/cgi/pt?id=coo.31924012484766&view=1up&seq=42 (Accessed November 2020).

[57] Chomsky, *West Indian Workers,* 34-35.

[58] Echeverri-Gent, "Forgotten Workers," 279.

[59] E.C Aldama to H.S. Blair, Manager, March 25, 1925, from Panama Division discussing squatters planting bananas and other produce and selling them to local markets. E.C Aldama is asking if any action can be taken against these people through the *Jefe Politico.* http://www.philippebourgois.net/ufco.html (Accessed October 2020).

Company had no choice but to import black laborers from without.[60]

Plantations began with the clearing of forests and brush, digging trenches to install irrigation and drainage, building homes, and installing tramways to and from the railroads. Once plantations were installed and functioning, bananas were planted and harvesting began within months. This daunting task required pack animals and thousands of laborers cutting, carrying, and packing bananas into railcars extending hundreds of miles.[61] Laborers would endure this gruesome work day and night singing solemn lamenting hymns from sundown to sunrise, and it was done so in a bureaucratic fashion.[62] Under the supervision of a district manager, each plantation consists of an overseer, a timekeeper, foremen, stockman, and laborers.[63] Echeverri-Gent argues all of this was done according to a racial hierarchy that was discriminatory towards black workers, hindering their ability to act collectively.[64] This was seen in various parts of the plantation system, where white company officials distinguished between black and white laborers. One example of this is written in a letter by Morgan Stone, a manager with the United Fruit Company saying, "treatment of white Panamanians must be on equal footing with Americans as regards to salaries and living conditions where responsibilities are the same."[65] Furthermore, company officials employed and organized wages according to racial lines, with white workers and better class negroes being paid better wages and provided better insurance and gradually downgrading their benefits based on their classification of race. This particular exchange denounced negroes as ignorant to the opportunities provided to them by the United Fruit Company, with another company executive stating, "I do not want you to think I am against the negro in general or against any system that will better

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[60] Chomsky, *West Indian Workers,* 35.
[61] Philip K. Reynolds, *The Story of the Banana* (Boston: United Fruit Company, 1921), 21.
[62] Chomsky, *West Indian Workers,* 39, 41.
[63] Reynolds, *The Story of the Banana,* 20-21.
[64] Echeverri-Gent, "Forgotten Workers," 282.
[65] Morgan Stone to Mr. G.A. Myrick, Puerto Armuelles, Panama City, 1940. http://www.philippebourgois.net/ufco.html (Accessed October 2020).

his living conditions. The question with me is: Will he appreciate it and if so, how?"[66]

The United Fruit Company's vast imperial horde of banana plantations evolved into full-blown communities Aviva Chomsky refers to as "plantation economies." These coastal communities flourished because weak governments granted large land grants to multinationals who built plantation communities that operated their hospitals, circulated their currency, managed their labor force, and controlled their import market. However, within these communities there existed a clear division of race, one Chomsky believes was reminiscent of slave plantations due to the similarities between the plantations set up by the United Fruit Company and the American slave plantations of the eighteenth and nineteenth century.[67] Most notably is the importing of black laborers from neighboring regions to fulfill the dreadful task of banana cultivation in the humid heat of the coastal lowlands where black laborers remained geographically secluded from all other societies.[68]

In parts of Costa Rica, black laborers were not allowed outside the confines of the plantation because they were not welcomed outside of the Atlantic coastal plantation regions. Some legislators in Costa Rica felt such disdain for black laborers, they openly suggested enacting laws that would force black laborers to only live within certain geographic regions, away from Costa Ricans altogether.[69] Furthermore, an increase in Hispanic laborers exacerbated racial tensions, particularly in Honduras where a divide among Hispanic and black laborers took place. These racial tensions caused Hondurans to protest against the Foreign Office in 1916, exclaiming that "if the government doesn't get rid of West Indian workers, they won't hesitate to do it themselves in bloodshed."[70] Ultimately, the race of black laborers in Honduras limited their options, forcing them to endure the less than

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[66] J.A. Gerehorn to H.S. Blair, Manager, Panama Division, June 24, 1924. http://www.philippebourgois.net/ufco.html (Accessed October 2020).
[67] Chomsky, *West Indian Workers*, 31-33.
[68] Echeverri-Gent, "Forgotten Workers," 276.
[69] Echeverri-Gent, "Forgotten Workers," 282
[70] Echeverri-Gent, "Forgotten Workers," 300.

equitable working conditions offered by United Fruit Company plantations.[71]

The dangers created by this enterprise have been undermined and writers like Frederick Upham Adams and Philip K. Reynolds are the benefactors of these silences. When describeing the feats of Minor Keith and the United Fruit Company, Adams writes that this endeavor upon its foundational years cost the lives of some nearly four thousand West Indian workers—a tribute he calls it, demanded by these fever-infested jungles.[72] Echeverri-Gent argues the reason these deaths are downplayed, even ignored is because the lives lost were of black workers and not white Americans. The history of the United Fruit Company has profoundly disregarded the lives of blacks and what is remembered are Keith's and the United Fruit Company's success. Furthermore, the written histories have decisively neglected to incorporate the lives and culture that black laborers introduced as a result of their participation in a world apart from their own.[73] Meanwhile, Adams wrote of the progress and accomplishments of Minor Keith calling him the "best-known man in Central America whose enterprises brought prosperity to the five republics."[74] However, in describing Keith's success, Adams neglects the people who actually did the dangerous and arduous work, only stating what Minor Keith said of the Jamaican workers rather than emphasize their contribution to the cross-country railroad system they built.[75] Furthermore, his description of Jamaican laborers is

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[71] Echeverri-Gent, "Forgotten Workers," 283-284.
[72] Adams, *Conquest of the Tropics*, 56.
[73] Echeverri-Gent, "Forgotten Workers," 275. The study of black laborers contributing to the development of the United Fruit Company has various characteristics and vary in region throughout Central America. In many instances, the labor movements that developed share similar structural characteristics as they were in response to the United Fruit Company's labor tactics, however, their political integration is different. For instance, in Honduras a labor movement develops and participates in the political sphere despite violent clashes with the military while in Costa Rica the labor movement that develops accomplishes very little politically even though Costa Rica was among the most democratic of all the Central American countries.
[74] Adams, *Conquest of the Tropics*, 56-59.
[75] Chomsky, *West Indian Workers*, 22-23. Minor Keith recounts a series of events in an interview for B.C. Forbes about his troubles in Costa Rica in the

of people who had no control of their destiny, calling them "faithful negroes pledging their faith in the American."[76] And like Adams, Philip Reynolds's account of the plantation system introduced to Central America is described as "a marvel of system and immensity" due to the United Fruit Company's ability to transform "a riotous wilderness of huge trees, palms, vines, ferns, and other tropical growth," within only a few years.[77] This statement however only highlights a perspective the United Fruit Company wants portrayed, hence the company publishing Reynold's work.

Ultimately, Honduras's social and political environment separated the nation from the instability gripping the rest of Central America. This in part was due to a lack of ruling elites able to discipline and enforce an institutional character to the nation. Furthermore, without a civil society onto which elites could instill structural values, created a national base lacking any sense of direction and unity.[78] Devoid of these institutional structures, Honduran elites simply could not break free of the political and economic stronghold the United Fruit Company had over their country. The hegemonic relationship that developed was because of both an elite and social base that did not have the national fortitude to develop into anything more than a springboard for foreign capitalists.

Contrary to what happened in Honduras, El Salvador and Guatemala experienced a strong military institution supported by the finances generated by the state's agricultural production and its ties to the nation's land-owning elites.[79] The presence of a strong state-sponsored military intervened in the economic aspirations of the United Fruit Company and created the violent disruptions that plagued much of Central America during these

late 1870s when tasked with building the Costa Rican Railroad. This story recounts how the Costa Rican government failed to pay Minor Keith for nine months which in turn created financial hardships for him and his company. Unable to make payments he says, "I called on all 1500 of the Jamaican workers and told them he could no longer pay them but promised that as soon as the government paid him, they would all be paid in full.

[76] Adams, *Conquest of the Tropics*, 59.

[77] Reynolds, *The Story of the Banana*,19-20.

[78] Reynolds, *The Story of the Banana*,78-79.

[79] Reynolds, *The Story of the Banana*,79.

years. However, unlike Honduras where the production of bananas was reliant on the stability of its working classes, Guatemala and El Salvador relied on the repressive abilities of their police and military to maintain an exploited labor force for the landed elites. One of which was the United Fruit Company. Nicaragua, Costa Rica, and Panama saw a different fate, although there were violent uprisings, they did not last long, nor were they instigated by a military faction. Rather, they were a result of landowners and political elites coming together fighting against the United Fruit Company. Nevertheless, with the full support of the United States, these political factions would develop into nothing more than a temporary obstruction to the United Fruit Company's dominance in the regions.[80]

Although Honduras survived the afflictions that characterize early twentieth-century Central America, the country's interest belonged to U.S. corporations. Their influence fused into the political, social, and economic institutions hindering any form of national coherence. In the eyes of the world, Latin America belongs to the United States, its ownership is one Eduardo Galeano describes as such: "Our defeat was always implicit in the victory of others; our wealth has always generated our poverty by nourishing the prosperity of others - the empires and their native overseers. In the colonial and neocolonial alchemy, gold changes into scrap metal and food into poison."[81] Galeano's sentiment is an unfortunate truth of the economic disparity that plagues Central Americans today. One, whose lineages trace back to the economic pillaging of the small farmers and sharecroppers whose aspirations to feed and provide for their own was stripped away in exchange for yearly profits and the right to call Central America an American enterprise.

[80] Bucheli, "Multinational Corporations," 442-3.
[81] Galeano, *Open Veins,* 2.