

United Brands' Chairman, Eli M. Black, Plunges to His Death in Apparent Suicide

By MARY BRALOVE

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—Eli M. Black, chairman of recently troubled United Brands Co., plunged to his death from his office on the 14th floor of the Pan Am building.

Under what the company called "great strain during the past several weeks because of business pressures," the 53-year old executive fell early yesterday morning from his office window to a terraced section of Park Avenue that circles Grand Central Terminal. According to police, Mr. Black's chauffeur found the executive's office locked when he returned after parking his car. The chauffeur made unsuccessful attempts to enter, the chauffeur finally broke down the door and found the office window broken, apparently by Mr. Black, who had used his brief case. The police said that Mr. Black didn't leave any suicide notes and they are labeling his death as "an apparent suicide."

Mr. Black's death occurred at about 8:30 yesterday morning, and throughout the day stunned colleagues tried to fit together the reasons for his death. In the afternoon, United Brands issued a statement in which a spokesman for the family said Mr. Black had been under "great strain during the past several weeks because of business pressures. He had been working 16 to 18 hours a day and had become severely depressed because of the tension."

Edward Gelsthorpe, a former president of Gillette Co. who was brought into United Brands last summer by Mr. Black, said that 1974 had been an "extremely difficult year for the company." Mr. Gelsthorpe, who is currently executive vice president, added, however, that there weren't any additional business problems or personal financial problems that could have contributed to Mr. Black's depression.

Indeed, 1974 was a very difficult year for the diversified banana and meat concern. Smarting from hurricane damage, high cattle-feed costs and increased banana-export taxes, United Brands had a third quarter net loss of \$47.2 million and a nine-month net loss of \$40.2 million.

In reporting these latest results last November, Mr. Black said the losses resulted from several events—principally the hurricane last September that caused devastating damage to the company's banana operations in Honduras. In addition, United Brands incurred a charge of about \$11 million due to banana-export taxes. Third quarter results were also reduced by a \$6 million charge for losses in the company's cattle-feed operation.

To meet a pending financial crunch, United Brands sold its 62% interest in Foster Grant Co. to a U.S. subsidiary of Hoechst AG of West Germany for about \$70 million. The decision to sell its interest in profitable Foster Grant triggered industry rumors of discontent within United Brands' ranks with Mr. Black's authoritarian direction. Mr. Black, however, vehemently and consistently denied any management turmoil.

Nevertheless, Mr. Black also assumed command of the company, ever since he engineered the merger of AMK Corp. into United Fruit Co. several years ago. According to one source close to the company, Mr. Black "assumed more and more responsibility" as the company grew and as its fortunes sank, he felt the responsibility even

more keenly "His expectations of himself were too much," one executive said

Ironically most United Brands executives felt that the worst for the company was over "The great tragedy of Eli Black's death at this time is that under his leadership the company was on its way to overcoming several crises," Mr. Gelsthorpe said. "We were convinced the traumatic period was behind us."

Although Mr. Black gained a reputation for being a good asset manager, an executive whose ability lies in uncovering value on a large scale and then getting control of it—he started his life as a rabbi, serving small congregations. He then joined Lehman Brothers, and later switched to American Security Corp., where he headed the business-and-industry section. From there, Mr. Black began the negotiations that led to establishment of United Brands.

Although he had the reputation of leading United Brands with an iron hand, he was also known as a personable and gracious man who took more than a casual interest in the business and family affairs of his employees. He wanted to know about his employees' problems and in some cases is known to have made offers of financial or other assistance to those in trouble.

Last May, the company moved its headquarters from 245 Park Ave. to 200 Park Ave. to the Pan Am building. In his new office as well as his old office, he proudly displayed the oil paintings of his wife Shirley, who is an artist. Besides his wife, he is survived by two children, Mrs. Allen Nadler of Westport, Conn., and Leon, a graduate student at Harvard Graduate School of Business Administration.

A United Brands spokesman said that the board would meet this week to name Mr. Black's successor, and most industry observers suspect that Mr. Gelsthorpe will be named to take command.