

FLYING DOWN TO RIO: AMERICAN COMMERCIAL AVIATION, THE GOOD NEIGHBOR POLICY, AND WORLD WAR TWO, 1939-45.

Erik Benson

University of Georgia

ABSTRACT

This article will address the role of American commercial aviation in the Good Neighbor policy during the period of World War Two. The Good Neighbor was a complex policy, and American commercial aviation both reflected and augmented this complexity. Through the early years of the world war, American commercial aviation proved to be a valuable instrument for promoting hemispheric unity. Yet as the war progressed, commercial aviation became a catalyst for conflict and an indicator of the demise of the Good Neighbor policy.

In many ways, the 1933 movie *Flying Down to Rio* encapsulates the story of Pan American Airways and the Good Neighbor Policy. The setting for the movie is a Pan Am plane flying from Miami to Rio de Janeiro. On the flight, the main characters, two American dancers (played by Fred Astaire and Ginger Rogers), meet and befriend several Latin Americans. This movie is renown for its portrayal of Latin Americans, as it contravened age-old Hollywood stereotypes. Admittedly, it replaced old stereotypes with new ones by emphasizing the sensuality of Latin American women and the musical propensity of both genders, but the film foreshadowed a new era in Latin American movie roles.¹

It is somehow fitting that this movie came out in the first year of Franklin D. Roosevelt's administration. FDR had just enunciated a new diplomatic policy toward Latin America which disavowed the use of military intervention and mandated that the United States instead would rely on diplomacy and cooperation to achieve its goals in the region. In essence, it would behave like a "good neighbor". As the movie only replaced old stereotypes with new ones, the Good Neighbor policy only replaced old forms of intervention with new ones. Yet, as did the movie, it signaled a change in attitude toward Latin America.

The setting of the movie was as significant as its timing. It is on an airplane that the Americans and their neighbors meet and interact. In the real world of the 1930s and '40s, Pan Am played a similar role as an instrument of the Good Neighbor policy. Its air routes connected the United States and Latin America, allowing for political, economic, and cultural exchange. As the Good Neighbor took on a strategic role toward the end of the decade, Pan Am greatly aided the U.S. government in preparing the hemisphere for war.

Unlike the movie, however, this was not a "feel-good" story. While Pan Am often helped the U.S. government, the interests of the two parties often clashed. As World

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War Two drew closer, the relationship between the airline and the government became increasingly strained, masked only by a facade of cooperation. This led many U.S. officials to reevaluate the government's policy for international commercial aviation. This review, in turn, had ramifications for the Good Neighbor policy. As the war brought increased Latin American demands for air transport, the U.S. government struggled to enunciate a clear response. By and large, it based its decisions upon the contingencies of war and international relations. Certain Latin American nations were able to use the conflict to obtain generous U.S. assistance for their airlines. Yet others found the Americans to be stingy. Moreover, as the war progressed, U.S. officials increasingly focused their attention upon an anticipated conflict with the British over the future of international commercial aviation. To prepare for battle, they attempted to close off Latin America to their rivals, often ignoring the principles of the Good Neighbor. In the process, they abandoned their "neighborly" attitude in the air.

The interwar period was a time of tremendous growth for international airlines. No one did more to foster this growth than the head of Pan American Airways, Juan Trippe. Between 1927 and 1939 he built an air network that dominated all of Latin America and spanned both the Atlantic and the Pacific. Pan Am's success was due in large part to its relationship with the U.S. government. Since the airline's earliest days, Trippe had cultivated close ties with key government officials. During the late 1920s and early 1930s, his influence was such that, in effect, he shaped U.S. policy for international commercial aviation. As a result, Pan Am became the U.S. government's "chosen instrument" in the field. As such, Pan Am was the exclusive recipient of U.S. mail subsidies and diplomatic assistance. In exchange for these benefits, the airline provided the U.S. government and American business with speedier communications and travel. Also, it drove foreign competitors from areas of strategic importance to its benefactor. Considering Pan Am's achievements, the nation clearly benefited from its "chosen instrument."²

As Pan Am rose, the American economy fell. In 1932, a desperate American electorate swept Franklin Roosevelt into the presidency. With the nation in the throes of the Depression, FDR had little time for foreign affairs. Yet he did enunciate a new U.S. policy for Latin America: the "Good Neighbor". To a certain extent, the Good Neighbor was a continuation of a policy which FDR's Republican predecessors had introduced in the 1920s. They had realized that three decades of continuous U.S. military intervention in the region had proven costly, accomplished little, and aroused resentment in Latin America. They responded by withdrawing U.S. troops from Nicaragua and issuing the Clarke Memorandum, which stated that the Monroe Doctrine did not justify U.S. military interventionism. Still, while the Good Neighbor followed this established course of action, it formally ushered in a new era in U.S. diplomacy. The Roosevelt Administration officially renounced the practice of interventionism and made a conscious effort to stick by this commitment. While it sought to exert some control over political events in the region, it refrained from any heavy-handed action which might have alienated its neighbors.³

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The Depression had done little to slow Pan Am's growth. In fact, its Latin American operations actually began making a profit in the early 1930s. Yet the economic upheaval ousted the airline's Republican benefactors, replacing them with an administration determined to tame the excesses of capitalism. In Washington and throughout the nation, Wall Street and big business had fallen into disrepute. As a result, Pan Am's relations with the new administration were troubled from the start.

Soon after FDR entered office, a scandal erupted in Washington over the federal airmail contracts which the Hoover administration had issued to the nation's airlines. Pan Am did not escape scrutiny. An investigation by FDR's postmaster general, James Farley, revealed that Pan Am had used its influence in Washington to prevent American competitors from getting such contracts. Farley urged the president to cancel Pan Am's contracts. However, the State Department cautioned that such action might so weaken the airline that its European competitors would drive it from the skies of Latin America. This, the department warned, would greatly harm American economic and strategic interests in the region. FDR took the department's advice and refrained from canceling the contracts.⁴ This incident revealed the administration's predicament. Whatever its problems with Pan Am, it could ill-afford to withdraw its support from the airline, lest it undermine U.S. interests in Latin America. In essence, the administration was "stuck" with Pan Am.

This dependence became more evident as the decade drew to a close. Events outside the hemisphere were altering the Good Neighbor and Pan Am's role in it. As Nazi Germany expanded its control over Europe, FDR and his advisors became increasingly worried about German influence in Latin America. Among their chief concerns were the German-controlled airlines operating in the region. While Pan Am remained the dominant airline in Latin America during the 1930s, German airlines had increased their route mileage and passenger traffic at Pan Am's expense. Between 1934 and 1938, their share of Latin American routes increased from 16.5% to 22%, while Pan Am's dropped from 54.5% to 42.5%.⁵ U.S. officials worried that German airline personnel were acting as Nazi agents, spreading propaganda and engaging in espionage. Their greatest concern, however, was that German pilots were scouting the region for future military action. They were particularly anxious about the Panama Canal and the Brazilian "bulge."⁶ U.S. officials feared that the Germans might use airliners to bomb vital targets or sneak in troops for an invasion. They concluded that the German airlines had to go. To accomplish this objective, the administration needed Pan Am. As the lone U.S. international airline, only Pan Am could provide many of the required services. Yet the campaign against the German airlines revealed the complexities in the relationship between Pan Am and the U.S. government, as well as those of the Good Neighbor.

Defending the Panama Canal was the foremost concern of American strategists. Prewar naval exercises had revealed weaknesses in the canal's air defenses, arousing fears that the vital artery could be crippled by aerial bombing. As a result, the U.S. military worried about any air operations in the region, even those of a commercial nature. In the 1930s, many strategists believed that an airliner could operate effectively as a bomber.

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While the U.S. military could deny airlines permission to fly over the Canal Zone, it could not prevent them from operating in neighboring nations. From these enclaves, so the thinking went, a converted airliner could easily attack the canal. American officials shuddered to think what would happen if a lone intruder managed to drop a well-placed bomb. As alarm spread about this possibility, a small Colombian-based airline attracted the attention of the U.S. government.

Sociedad Colombo-Alemana de Transportes Aereos (SCADTA) was the pride of Colombia and the work of an Austrian, Peter Paul von Bauer. Pan Am had acquired a controlling interest in SCADTA by 1931. The two companies kept the sale a secret, however, because von Bauer feared that it might arouse a nationalist backlash amongst the Colombians. By the late 1930s, only a handful of U.S. officials were aware of this arrangement. However, they knew that most of SCADTA's personnel and administrators were of German descent. Spruille Braden, who arrived in 1939 as the U.S. ambassador to Colombia, soon decided that the Germans had to go. Yet when U.S. officials proposed this to Trippe in March 1939, he complained about the cost of replacing the German pilots with higher-paid Americans. Secretary of State Cordell Hull warned department officials that Trippe might prove "reluctant to dispense with von Bauer's services unless urged further". This proved to be an understatement, as Trippe and his underlings delayed any action for almost a year. Only when Braden threatened to publicize Pan Am's role in the affair did company officials relent.⁷ Yet it would not be the airline which made the decisive move.

Colombian officials were as much in the dark as anyone about the ownership of SCADTA. They believed that von Bauer held the controlling interest in SCADTA, and since the Austrian was applying for Colombian citizenship, they believed that the airline was "theirs." Both von Bauer and Trippe nourished this fiction in order to maintain a mutually profitable *status quo*. Days after the German invasion of Poland, however, Braden met with Colombian president Eduardo Santos and informed him of SCADTA's ownership arrangement. The president expressed surprise, as von Bauer had recently assured him that the airline was in "Colombian" hands. Surprised or not, the Colombian government reacted swiftly. Within days, it announced plans to nationalize SCADTA. The following June, it removed all German personnel from the airline. American sources later reported that SCADTA's planes showed signs of being modified to carry bombs, confirming Washington's worst fears.⁸

While the Canal Zone was the foremost concern of the United States, the defense of the Brazilian bulge was also a high priority. Because of its close proximity to West Africa, officials in Washington worried that a hostile power could invade the Western Hemisphere in this area. These fears increased greatly with the fall of France in mid-1940; now the Germans had access to French West Africa for just such an operation. In order to prevent this, the Americans launched a campaign against the Axis airlines in Brazil.⁹

There were three German-controlled airlines in Brazil: Condor, VARIG, and VASP. In all three there was an abundance of German personnel, pilots, and planes. In spite of

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the war, they managed to expand their networks, most notably in the remote reaches of the bulge. Their activity in this commercially poor but strategically significant area aroused strong suspicions in Washington. To add to the administration's concern, American sources in Brazil claimed that the airlines were hotbeds of Nazis and German air force pilots. The thought of such people spreading propaganda and spying in Brazil sent shudders up many a spine in Washington. Furthermore, the Italian national airline, LATI, maintained a service connecting Europe with Brazil. This provided a means of transporting valuable cargo, Axis agents, and vital information. Reportedly, LATI also scouted British merchant and naval forces, relaying their positions to German U-boats and blockade-runners. Accounts of such activity only fueled the administration's determination to rid the hemisphere of the Axis presence.¹⁰

The American strategy followed two courses of action. The first was to place Axis airlines on a "proscribed" list. This prevented U.S. companies from selling such vital materials as oil and aviation fuel to them. Because Americans were the primary suppliers of these commodities in the region, this measure significantly curbed the activity of the Axis airlines. However, it would not be enough to eliminate the threat. To accomplish this goal, the Americans needed to convince the Brazilian government to purge the Germans from the airlines. This would not be an easy task. In mid-1940, Brazil's leader, Getulio Vargas, was playing off the Americans and the Germans. He was well aware of U.S. power, but had little desire to provoke Germany in light of its military success. Moreover, while his foreign minister, Oswaldo Aranha, was pro-American, many Brazilian military leaders were pro-German, including General Eduardo Gomes, the leading figure in Brazilian aviation.¹¹ Thus, the Americans faced an uphill battle.

The U.S. government scored its first diplomatic victory in October 1940 when Vargas, under pressure from the United States, decreed that only native-born Brazilian nationals could pilot Brazilian-registered aircraft. This measure forced the German airlines to suspend many routes, which Pan Am subsequently took over at Brazil's request. The campaign was far from over, however. The Axis airlines refused to quit, going to great lengths to sustain key services. Moreover, while Vargas had grounded the German pilots, he did not remove German technicians and administrators nor did he further curb the operations of the German airlines. From the Brazilian perspective, these airlines provided many valuable services, and Pan Am could not assume all of these responsibilities. Moreover, the Brazilians suspected that the Americans were attempting to create a monopoly for Pan Am.¹² Gomes in particular was opposed to Pan Am. His opposition was significant because, as Director General of Airways in the Ministry of Aeronautics, he had the means to actively resist the Americans. He provided Condor with much-needed gasoline and military pilots to continue its operations. The Americans did score another victory late in the summer of 1941 when Brazilian interests took control of VASP and VARIG and dismissed the German personnel from both airlines. Yet Condor remained defiant, and LATI continued to operate its trans-Atlantic service. Even the normally dependable Aranha hesitated to move against the latter, as it was the only effective means of communicating with Brazilian officials in Europe and Africa.

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Only after the United States entered the war did Brazil finish the job, so to speak. In late December 1941, Vargas ordered a halt to LATI's service. When Brazil entered the war the following August, he forced Condor to cut all German ties and remove all German personnel. Pan Am helped train Brazilians to replace the Germans. In the end, the United States achieved its objective, and Brazil was on its way to establishing a "truly national airways system."¹³

The removal of Axis influence from Brazil's airways would not guarantee the security of the bulge, however. This area of Brazil was practically defenseless, as it contained few military facilities. Moreover, because of the region's inaccessibility, the Brazilian military could not deploy forces to the bulge expeditiously. In essence, if the Germans launched an invasion from West Africa, there was little to prevent them from establishing a beachhead in the Western Hemisphere. In order to remedy this sad state of affairs, American planners decided that they needed to build bases in the bulge. They realized, however, that few Latin Americans were willing to permit the U.S. military to do so. They needed a guise, and so they created the Airport Development Program. This called for Pan Am to use secret U.S. government funds to construct a string of air bases throughout the hemisphere, ostensibly for commercial use. If all went according to plan, Pan Am would have valuable commercial airfields at no cost, the United States would have readily available bases in the event of war, and the Latin Americans would be none the wiser. When the administration asked for Pan Am's help, the airline agreed, and the two parties signed a secret contract in November 1940.¹⁴

The ADP turned out to be quite successful. Pan Am built fifty-five airbases throughout the Caribbean and Latin America. These proved valuable to the war effort, as they facilitated the transport of men and material to the fronts, as well as the anti-submarine campaign. The many ADP-funded airbases in the Brazilian bulge provided the "springboard" for transporting material to the African and European theaters. Yet the implementation of the program was no simple matter, nor was it without conflict. Discord seethed under the facade of cooperation between the U.S. government and Pan Am. The biggest bone of contention concerned government oversight of the program. While the U.S. military wanted to mask its involvement, it also wanted to monitor the program's progress. Pan Am worried that frequent visits to the airfields by mysterious delegations might arouse suspicions and lead to the discovery of the truth, thereby damaging its credibility in Latin America. Disagreements over this matter were numerous, and tensions ran high throughout the operation. The Brazilians further complicated matters. The Americans informed Vargas about the ADP, including the U.S. government's role in it. Vargas gave his approval, but he was careful not to commit Brazil quickly nor wholeheartedly to the American cause. In fact, he was actively assuring German officials that he was not blindly following the U.S. lead. In June, 1941, he had Aranha co-sign a decree authorizing Pan Am to proceed with the ADP. Just before the publication of the decree, Aranha discovered that Vargas' signature had been removed from the document, and that the military had not given its written approval. Aranha angrily confronted Vargas, who re-signed the decree with a sly smile.¹⁵ Why his signature had

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disappeared from the document is anybody's guess, but it is evident that Vargas was not rushing into any commitment.

On the whole, Pan Am did much to further U.S. strategic aims, and Latin America proved quite cooperative. Yet neither the airline nor the nations simply fell into line behind the U.S. government. Serious divisions appeared in the relationship between Pan Am and its benefactor, and these would grow as the war progressed. Moreover, the Latin Americans did not capitulate to American domination of the skies. When Colombia nationalized SCADTA, it left Pan Am in operational control. However, it set forth a timetable for Colombians to assume control of the new national airline. In Brazil, the government was not willing to permit a Pan Am monopoly. The "de-germanized" Brazilian airlines emerged as truly national entities after the war. In essence, Latin American nationalism and self-interest insured that the Americans did not dictate to their southern neighbors. The United States had to employ finesse, not force, in aviation matters. While this necessitated cooperating with the Latin Americans, other initiatives, most notably the ADP, were hardly consistent with the principles of the Good Neighbor policy. Already there were signs that the United States was forgetting how to be "neighborly" in the air.

Ironically, as Pan Am was performing its greatest services for the war effort, its relationship with the government soured. Many American officials now sought to end the government's dependence upon the airline. Yet at the same time, they were anticipating a clash with the British over the future of international commercial aviation. As this battle loomed in their minds, the interests of Latin America and the Good Neighbor took a "back seat" in American planning.

The rift between Pan Am and the U.S. government grew in large part because of the airline's intransigence and questionable practices. The whole SCADTA affair had greatly angered many in the State Department who believed that Trippe had placed Pan Am's commercial interests above the security concerns of the United States. The airline's activity had caught the attention of Assistant Secretary of State Adolf Berle, who, in the coming years, would take the lead in reshaping the nation's international commercial aviation policy. The assistant secretary accumulated a litany of complaints against the chosen instrument. He realized that the U.S. government was "in a fix" because it needed Pan Am to deal with the Axis threat in Latin America. Still, he did "not trust Pan Air any further than I can see it." As the charges mounted, he concluded that Pan Am's intransigence "is going to require some action." By October 1940, he had decided what this course of action should be: "I want some competition."¹⁶

An opportunity to fulfill this wish came in the form of a small Central American airline. Transportes Aereos Centro-Americanos (TACA) was the creation of a colorful New Zealander, Lowell Yerex, who built the airline into a profitable transport service during the 1930s.¹⁷ As the decade came to a close, Yerex decided to inaugurate an international passenger service. Of course, this attracted Pan Am's attention, and a commercial skirmish ensued. By most accounts the American giant was the aggressor. It engaged in rumor-mongering, political intrigue, and other sordid practices to under-

mine TACA. Reports of this "air war" soon filtered into the State Department, raising grave concerns. One department official warned that Pan Am's actions "have produced an unpleasant effect on local officials and may affect the reputation of American business." Another stated, "the situation...is rapidly getting out of hand, and I think that it is high time that we do something about it before it blows up in our faces." There was a problem, however. How could the U.S. government back an airline with British ties against its own "instrument"? Yerex was, to all appearances, "a loyal British subject." Thus, when the New Zealander asked the State Department for help, U.S. officials told him that he would have to surrender majority ownership in his enterprise to American interests in order to get the department's support. Yerex had little choice but to give in to this demand. On October 1, 1940, he agreed to sell a controlling interest in TACA to a newly-formed rival of Pan Am, American Export Airlines.¹⁸

This deal greatly antagonized Pan Am. TACA now represented a real threat to Pan Am's monopoly of American international aviation. The earlier skirmishes became an all-out war. Pan Am established subsidiaries throughout Central America, subsidizing their operations so that they could undercut TACA's transport rates. There were even more insidious practices. In Guatemala, a Pan Am representative (who had a notorious reputation) convinced the government to withdraw TACA's franchise in late 1940. Rumors abounded that bribes had played a role in the Guatemalan decision. Whatever the case, the loss was a serious blow to TACA.¹⁹

The State Department tried to help TACA, which was now ostensibly an "American" company. For example, it urged the Costa Rican government to grant a mail contract to TACA rather than Pan Am. However, the department did not prove to be a very useful ally. Its handling of the Pan Am/TACA struggle in Guatemala was less than adroit. When Yerex made his deal with American Export, U.S. officials promptly informed the Guatemalan government about the merger. Apparently they believed that this would bolster Yerex's position in Guatemala. Unfortunately, this turned out to be a grave miscalculation. Yerex's contract with the Guatemalan government contained a clause stating that TACA could never be sold to foreign interests. The American Export deal thus allowed the government to cancel TACA's contract and turn things over to Pan Am. Stunned by this turn of events, State Department officials washed their hands of the matter, hoping that the situation would heal itself. Of course, this sudden withdrawal did nothing to help Yerex. He later accused the department of inaction in the affair. He was only half right; it had abandoned him, but only after it had made a mess of everything.²⁰

The TACA/American Export arrangement soon fell apart. Its demise produced two important results. First, various U.S. officials realized that the government needed to re-evaluate its international commercial aviation policy. They argued that only when there was a clear policy supporting monopoly or competition could the department act decisively with regard to carriers such as TACA. In the ensuing months, there would be a debate regarding which course the United States should follow. Second, TACA was once again outside the American fold.²¹ As a whole, the affair revealed both the grow-

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ing conflict between Pan Am and the U.S. government, and the limitations of the Good Neighbor, as the Guatemalans had not cooperated with the Americans regarding TACA.

The U.S. entry into World War Two brought great changes to the western hemisphere. German U-boats were now free to ravage the shipping lanes, and the war effort claimed most available ships. At a time when ocean travel was dangerous and shipping berths in short supply, air transport provided a safe and regular means of passage for businessmen, diplomats and travelers. Business boomed for Pan Am. It soon became apparent, however, that the American giant could not meet all of the demand and that there was a need for the services of other airlines. TACA was a logical candidate to fill this need. Yet suspicions about Yerex's British background undermined support for his operations. Moreover, as the war progressed, concerns about the British led many to abandon the spirit of the Good Neighbor, as Latin America became a pawn in the commercial struggle with Britain. Neighborliness gave way to power politics.

In the interest of the war effort, the U.S. government allowed TACA to make charter flights between British Honduras and Miami. However, TACA was to carry no passengers, only freight, and it was not to operate a scheduled service. In June 1942, the Civil Aeronautics Administration (CAA) received reports that TACA was carrying passengers and ordered a halt to this service. This action brought an immediate outcry from the nations of Central America. The president of Costa Rica told the U.S. ambassador to his country that the United States needed to reverse the decision because Pan Am was not providing adequate service. El Salvador's ambassador to Washington "begged" Hull to effect a change in the CAA's stance. American officials echoed these sentiments. John D. Erwin, the U.S. Minister in Honduras, defended TACA by explaining that the service was necessary to relieve the traffic congestion in the region. Erwin gloomily predicted that the CAA's action would create "hardship" in Honduras.²²

The U.S. response to the pleas from Central America was muddled. Within the State Department, there raged a debate over whether to modify the government's stance in light of the war. At the heart of the debate was Yerex and TACA. On one side was Thomas Burke, who, concerned with keeping British interests out of the American door, feared that Yerex was the proverbial foot. On the other side were the officials of the Division of American Republics, who wanted to help the Central Americans, and Berle, who wanted to challenge Pan Am's dominance.

When the CAA halted TACA's passenger service, Berle turned to the Civil Aeronautics Board.²³ He promptly composed a letter urging the board to grant TACA a "temporary" permit allowing for a scheduled service to and from Miami. Burke promptly objected, arguing that the government should not back a foreign carrier against its own line, Pan Am. The "availability" of TACA, he asserted, did not justify issuing a permit which the United States might later regret. Expressing a rather un-neighborly sentiment, Burke commented that the Latin Americans would have to live with the transportation shortage. In the end, these arguments did not sway Berle, who sent the memo. Burke complained that he did so arbitrarily, without allowing further discussion on "this important policy question."²⁴

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However, support for Yerex soon began to erode. In September 1942, he established an airline in Brazil, Empresa de Transportes Aerovias Brasil. He immediately sought American permission to inaugurate a service between Brazil and Miami. Hull, fearing that the Yerex was secretly planning to use this operation to gain a toehold for the British, declared that the department would not support this latest endeavor. However, the U.S. ambassador to Brazil, Jefferson Caffery, reported that Brazilian officials regarded the airline as Brazilian, and warned that a denial of access to Miami might prompt a reprisal. This was no small threat, for Brazil was a vital cog in the supply route to the Mediterranean front. Acceding to the necessities of war, the United States allowed Aerovias Brasil to make charter flights to Miami. Yet Hull instructed Caffery to inform the Brazilians that Aerovias Brasil would have access only until "other arrangements" were made.²⁵ The State Department managed to keep the peace with the Brazilians, but it was determined to bar the American door to the Europeans. The issue of international commercial aviation was beginning to strain the Good Neighbor policy.

While Yerex had his access, the department now regarded him with heightened suspicion. The ardor of the once-enthusiastic Berle cooled. He noted that Yerex's latest activity had "materially changed" the situation. It seemed likely that the New Zealander would link his far-flung operations and expand; who would benefit from this was unclear, but U.S. officials feared the worst.²⁶

This suspicion continued even after Yerex finally "Americanized" TACA in October 1943, selling 63% of its stock to American interests, most notably Trans Western Airlines (TWA). With the promise of much-needed capital and planes, he set about establishing TACA subsidiaries throughout Latin America. The department's lukewarm attitude toward Yerex manifested itself in an August meeting between Berle and Jack Frye, president of TWA. Berle told Frye that it would be in the best interests of the United States if TACA would refrain from competition with Pan Am.²⁷ Why the change in Berle's proverbial tune? Because he now had a bigger concern: the British. Old doubts about Yerex's loyalties dominated his thinking. His earlier experiences with Yerex had eroded his trust, and the New Zealander's ongoing contacts with the British encouraged his suspicions.²⁸ If keeping the British out of the hemisphere necessitated cooperating with the devil himself, Juan Trippe, so be it.

The growing U.S. fixation with the British had profound implications for the Good Neighbor policy, as evidenced on two occasions. The first came in mid-1944, as Berle was preparing to do battle with the British. He realized that the British controlled key areas of the globe and could impede American airlines simply by refusing to grant them landing rights in these areas. In May, Berle sought to eliminate this problem by offering the British a *quid pro quo*: the Americans would "let" the British into Latin America if the latter would open the Mediterranean to U.S. airlines.²⁹ The British proved unresponsive, but the offer was revealing. Berle made this proposal without consulting any Latin American nations. Its very nature suggested that he believed the United States to be in a position comparable to that of the British: dealing on behalf of dependencies. Of course, such thinking was antithetical to the Good Neighbor.

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The second occasion came the following August in a meeting between Berle and Yerex. The New Zealander pointed out that two Central American nations had designated TACA as their international airline. Did not these designations give the company the right to transport passengers to and from Miami? Berle demurred, claiming that the United States did not have to allow an airline to carry passengers from its soil.³⁰ This line of reasoning was completely inconsistent with the "open skies" policy he would propose less than three months later at the international aviation conference in Chicago.³¹ He had been shaping this policy for months, but had a rather convenient lapse of memory at this time. His attitude was completely at odds with the Good Neighbor, which supposedly accorded equal status to each nation. In this instance, he refused to recognize the equality of the Central American designations. In spirit and practice, the principles of the Good Neighbor no longer applied to the commercial aviation policy of the United States.³²

There are two notable ironies in this story. First, as Pan Am became an increasingly important part of the Good Neighbor policy and did much to unite and defend the hemisphere, the airline's relationship with the government was hitting the proverbial rocks. Second, as aviation drew the hemisphere closer together, it also signaled the demise of the Good Neighbor policy. That which Americans had employed as an instrument of goodwill and unity turned the nation's attention from the needs of its neighbors. In the process, it contributed to many un-Neighborly actions. By 1944, the Good Neighbor was dead in the skies.

Notes

1. Allen L. Woll, *The Latin Image in American Film* (Los Angeles: UCLA Latin American Center Publications, 1980), 37-9, 42-5.

2. For a complete account of Pan Am's early years, consult: Wesley Philips Newton, *The Perilous Sky: U.S. Aviation Diplomacy and Latin America, 1919-1931* (Coral Gables, Fl.: University of Miami Press, 1978).

3. For more complete accounts of the Good Neighbor policy, consult: Donald Dozer, *Are We Good Neighbors? Three Decades of Inter-American Relations, 1930-1960* (Gainesville: The University of Florida Press, 1959); Irwin Gellman, *Good Neighbor Diplomacy: United States Policy in Latin America, 1933-45* (Baltimore: The Johns Hopkins University Press, 1979); Bryce Wood, *The Dismantling of the Good Neighbor Policy* (Austin: The University of Texas Press, 1985).

4. Marilyn Bender and Selig Altschul, *The Chosen Instrument: Pan Am, Juan Trippe, the Rise and Fall of an American Entrepreneur* (New York: Simon and Schuster, 1982), 219-23; Franklin D. Roosevelt, *The Public Papers and Addresses of Franklin D. Roosevelt: The Advance of Recovery and Reform, 1934* vol. 3 (New York: Random House, 1938), 142.

5. William A.M. Burden, *The Struggle for Airways in Latin America* (New York: Arno Press, 1977), 46-55; Bender, 244-51, 292-3.

6. This term describes the northeastern coast of Brazil, which "bulges" into the Atlantic.

7. David Haglund, "De-Lousing' Scadta: The Role of Pan American Airways in U.S. Aviation Diplomacy in Colombia, 1939-1940," *Aerospace Historian* 30:3 (Fall 1983), 177-88; Cordell Hull (U.S. Secretary of State) to Sumner Welles (U.S. Under-Secretary of State), 6 October 1939, *Foreign Relations of the United States, 1939* vol. V, 73.

8. Haglund, "De-Lousing'," 180-88; Hull to Spruille Braden (U.S. Ambassador, Colombia), 2 February 1940, *FRUS, 1940* vol. V, 725-6; "Colombian Airline Dismisses Germans," *New York Times* 12 June 1940, 10.

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9. Frank D. McCann, "Aviation Diplomacy: The United States and Brazil, 1939-1941," *Inter-American Economic Affairs* 21:4 (Spring 1968), 35-8.

10. *Ibid.*, 37-8; Thomas D. White (U.S. Military Attaché, Brazil) to War Department, 25 April 1940, *Economic Information Digest*, Report 2379; Edwin L. Sibert (Military Attaché, Brazil) to War Department, 19 March 1941, *Economic Information Digest*, Report 2651.

11. Burden, *The Struggle*, 71-2; McCann, "Aviation Diplomacy," 38-41.

12. The Americans denied this charge and told the Brazilians that they would agree to limit Pan Am's growth in Brazil. In light of the administration's growing antipathy for the airline, it is likely that this offer was sincere.

13. McCann, "Aviation Diplomacy," 38-42.

14. For a complete study of the ADP, consult: Bynum E. Weathers, "A Study in the Methods Employed in the Acquisition of Air Bases in Latin America," (Ph.D. diss., University of Denver, 1971).

15. Weathers, "A Study," 152-69; Bender, *The Chosen Instrument*, 333-5; McCann, "Aviation Diplomacy," 44-7.

16. Diary Entry, 10 May 1940, *The Adolf A. Berle Diary* (Hyde Park, N.Y.: Franklin D. Roosevelt Library, 1978), roll 2, frame V: 2, 124; Diary Entry, 21 September 1940, *Berle Diary*, 2, VI: 1, 156; Diary Entry, 14 October 1940, *Berle Diary*, 2, VI: 2, 92.

17. For a more complete account of TACA and its exploits, consult: R.E.G. Davies, *The Airlines of Latin America Since 1919* (Washington, D.C.: Smithsonian Institution Press, 1984), 116-43; David Yerex, *Yerex of TACA: A Kiwi Conquistador* (Carterton, New Zealand: Ampersand Publishing Associates, Ltd., 1985).

18. Davies, *Airlines*, 130; Yerex, *Yerex*, 97-117; A.L. Lebel (Division of International Communications) to Thomas Burke (Chief, Division of International Communications), 5 June 1940, *Records of the Department of State Relating to the Internal Affairs of Central America, 1939-49*, 813.796 TACA/14; F.M. June (U.S. Military Attaché, Guatemala), Report, 15 June 1940, 813.796 TACA/28; Fay Allen Desportes (U.S. Ambassador, Guatemala) to Hull, 10 May 1940, 813.796 TACA/2; Gerald A. Drew (Division of the American Republics), Memo, no date, 813.796 TACA/5.5; Albert Cousins (Charge de Affaires, Guatemala) to Hull, 12 July 1940, 813.796 TACA/16; Department of State Memorandum of Conversation, 7 August 1940, 813.796 TACA/26. All subsequent references to State Department files from this collection will provide specific document information and the file number.

19. Davies, *Airlines*, 130-1; Yerex, *Yerex*, 120.

20. William Hornibrook (U.S. Minister, Costa Rica) to Hull, 15 October 1940, 813.796 TACA/43; Hull to Hornibrook, 16 October 1940, 813.796 TACA/43; Hull to the U.S. Legation, Guatemala, 1 October 1940, 813.796 TACA/37B; Desportes to Hull, 31 May 1940, 813.796 TACA/6; Hull to the U.S. Legation, Guatemala, 13 December 1940, 813.796 TACA/37B; Desportes to Hull, 8 October 1940, 813.796 TACA/41; Welles to Dr. Carlos Salazar (Foreign Secretary, Guatemala), 27 December 1940, 813.796 TACA/75.5; Welles to Laurence Duggan (Chief, Division of American Republics), 19 December 1940, 813.796 TACA/75.5.

21. Davies, *Airlines*, 132; Burke, Memo, 14 October 1941, 813.796 TACA/130; John Cabot (U.S. Charge de Affaires, Guatemala) to Burke, 29 October 1941, 813.796 TACA/131.

22. Yerex, *Yerex*, 140; Erwin to Hull, 17 June 1942, 813.796 TACA/145; Robert M. Scotten (U.S. Minister, Costa Rica) to the U.S. State Department, 24 June 1942, 813.796 TACA/147; C.A. Alfaro (El Salvadoran Ambassador to the United States) to Hull, 16 July 1942, 813.796 TACA/149.

23. The CAA was a branch of the Commerce Department, and held authority over such matters as flying regulations, safety standards, and charter flights. The CAB, on the other hand, was an independent regulatory body, and it oversaw regular airline operations (i.e. routes). In effect, what Berle was trying to do was circumvent the CAA's restrictions on TACA's flights by getting the CAB to grant it a permit to operate as a regular airline service.

24. Adolf A. Berle (U.S. Assistant Secretary of State) to L. Welch Pogue (Chairman, Civil Aeronautics Board), 25 June 1942, 813.796 TACA/171; Burke to Berle, 2 July 1942, 813.796 TACA/171; Burke to Berle, 17 July 1942, 813.796 TACA/151; Burke to Berle, 17 July 1942, 813.796 TACA/176; Berle to Burke, 24 July 1942, 813.796 TACA/178.

25. Davies, *Airlines*, 132; Hull to Jefferson Caffery (U.S. Ambassador, Brazil), 23 October 1942, 813.796 TACA/185; Caffery to Hull, 29 October 1942, 813.796 TACA/193; Hull to Caffery, 1 December 1942, 813.796 TACA/201.

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26. Berle to Division of International Communications, 14 September 1942, 813.796 TACA/178A; Berle to Division of International Communications, 19 October 1942, 813.796 TACA/189-4/6.

27. Davies, *Airlines*, 142, 152; "First Papers for TACA," *Time*, 18 October 1943, 80-2; Diary Entry, 3 August 1944, *Berle Diary*, 5, XI: 2, 174-5.

28. In late June Yerex made a trip to London to meet with British aviation officials. The Americans were well aware of the visit. One U.S. official noted that it would be difficult to find out what, if anything, Yerex and the British had agreed to do. In this instance, ignorance was hardly bliss for Berle. Howard Bucknell (U.S. Minister, London) to Hull, 29 June 1944, 813.796 TACA/6-2944.

29. Diary Entry, 3 June 1944, *Berle Diary*, 5, XI: 2, 58-60.

30. *Berle Diary*, 5, XI: 2, 174-5.

31. For a more complete account of Berle's policy and the proceedings at the 1944 Chicago Conference, consult Philip Cockrell's "International Civil Aviation and United States Foreign Policy," *The Proceedings of the South Carolina Historical Society* (1991), 29-46, and Alan P. Dobson's "The Other Air Battle: The American Pursuit of Post-War Civil Aviation Rights," *The Historical Journal* 28:2 (June 1985), 429-39.

32. For a more complete account of Yerex's role in these matters, consult Erik Benson's, "The Man Without a Country: Lowell Yerex, his Airline, and U.S. commercial aviation policy, 1939-44," *Essays in Economic and Business History* 18 (2000), 17-32.

