PLANNING viable postwar economic strategy did not interfere with the daily job of maintaining the spirit of inter-American solidarity during the fighting. Never before had a United States government enacted such ambitious, sophisticated, and inclusive Latin American programs, and the results clearly benefited the Roosevelt administration. All but two of the other American republics rushed to join the United Nations’ cause by the end of the Rio conference, which was a vivid demonstration of the Good Neighbor policy’s value.

Because of the expanded Pan American emphasis, a larger United States audience became aware of regionalism. Sometimes fads resulted; the Brazilian samba, for example, became the biggest dance craze of 1942. Other trends showed signs of more permanence, like the mass media’s greater detailed coverage of hemispheric events. Prominent leaders pressed to sustain this interest and urged inter-American activists to capitalize on this sentiment: “To permit the attention of the citizens of the United States to be diverted to the Far East and the Pacific now, overlooking our Western Hemisphere relations, would be to give Hitler the opportunity in the Western Hemisphere he seeks.”

These anxieties were justified, for the growing Latin American interest did not shake the general public’s traditional European and Far Eastern orientation. The majority associated the Good Neighbor with the Americas and understood some of the hemispheric operations, but only a small number comprehended the broad scope of the administration’s entire Pan American effort. The syndicated columnist Raymond Clapper illustrated his prejudices: “There is a lot of talk about Latin pride and so on, but personally I have felt, without knowing them, unfortunately, that they are a pretty cheap sleazy kind of people and are pretty much [ready] to set the money price on anything.”

While this kind of undercurrent persisted throughout the war, Roosevelt stressed the Good Neighbor’s value. In the spring of 1942 the president listed several reasons for his inter-American programs: earlier practices had seriously damaged hemispheric relations; he preferred to negotiate rather than land marines; he objected to bankers making unscrupulous loans at exorbitant interest rates with outrageous commission fees for promoters;
he denounced these methods and sought ways to change them. No wonder the Mexican charge d'affaires in the United States, Luis Quintanilla, in the widely read *A Latin American Speaks*, published in 1943, proclaimed: “Today, for the first time in the history of the Western Hemisphere, we of Latin America may confidently clasp the open hand extended to us by a President of the United States.”

Quintanilla spoke for most Latin Americans, and Roosevelt did not disappoint them. Even in the midst of his hectic wartime schedule, the president plugged the Good Neighbor. He told reporters in late 1942 that the administration’s Latin American policies were “part of the national policy here, regardless of what the political complexion of the Administration is here. Same way down there. In all the other Republics, whoever is the government in different places, they will go along with the idea of ‘Democracia’, and the thought of the Good Neighbor.” He entertained Latin American leaders at the White House and used these occasions to reiterate his inter-American commitments to solidarity, continental defense, and economic collaboration.

The president took these messages to Latin American audiences. Returning from North Africa in early 1943, he met with Vargas in Brazil to discuss South American defenses. While the fear of an assault on Natal had vanished, Roosevelt pledged to eliminate any future attack by demilitarizing Western Africa and establishing United States bases there. In April he met with President Camacho and became the first United States president to greet his counterpart on Mexican soil. At least for the moment, the heritage of Yankee imperialism disappeared while both leaders preached bilateral cooperation.

Eleanor Roosevelt helped to advertise the administration’s hemispheric commitment. In early 1944 she spent almost a month flying to many Caribbean island and two Central American and three South American republics to talk with United States troops and effectively serve as a good will ambassador. Though the stops were brief, the first lady directed public attention to the Americas.

Vice President Wallace also followed the president’s example. He enthusiastically endorsed the Good Neighbor and worked to encourage democratic institutions within the hemisphere. Although he believed that some dictators were moving in this direction, he felt that too many political dissidents fled their homelands or languished in prisons. Recognizing that strong authoritarian tradition in Latin America, he reasoned that the United States had to work with hemispheric strongmen to prepare their countries for wider citizen participation in government by decreasing illiteracy, improving nutrition, and expanding industrialization.

To gain a greater appreciation of current Latin American conditions, Wallace accepted an invitation to visit Chile and then broadened his itinerary
to include seven Central and South American states. His trip lasted from mid-March to late April 1943, and at each stop he received a warm reception. Ambassador Bowers in Santiago on March 29 declared that the mission was “one of the best things in Chilean-American relations that happened since the ‘good neighbor’ policy was enunciated.” A few days later he added that “never in Chilean history has any foreigner been received with such extravagant and evidently sincere enthusiasm.” Besides generating favorable publicity, Wallace returned to Washington more committed to strengthening inter-American relations. He deplored a commonly held notion that Latin Americans were of genetically inferior races. He affirmed that they sincerely advanced the Allied cause, but that poor health and inadequate sanitation conditions limited their direct participation in the war effort.

While the Roosevelts and Wallace publicized the Good Neighbor, routine affairs fell principally to Welles. He directed the inter-American policies that resulted in the overwhelming acceptance of the United States' wartime diplomacy. At the center of this strategy was Welles's cogent assessment of the South American political situation. He knew that in order to gain the greatest degree of cooperation, Argentine influence had to be minimized; to accomplish this goal, the undersecretary worked to align its traditional allies with the United States.

Welles was extremely successful in this effort, with the notable exception of Chile. During the 1930s it had been severely shaken economically because of sharply declining export markets. To recover its commercial health, Chile attempted to obtain United States economic assistance through loans, credits, or a favorable reciprocal trade agreement—none of which materialized.

In addition to financial weakness, Chile faced a political crisis when the sudden death of its president in late 1941 forced an election. Powerful Allied and Axis factions within the country exerted pressure in behalf of their causes, which clouded the political climate. Even more worrisome to voters, rumors circulated that if they took a pro-Allied stand, the Japanese would attack their long-exposed coastline. The candidates for the presidency reflected these concerns by refusing to take a strong stand for or against any of the belligerents. As a result the foreign ministry acted cautiously and clung to neutrality.

Before this consensus emerged, the Chilean Foreign Minister Juan Rossetti tried to promote his presidential aspirations by cosponsoring the Rio meeting, but instead committed a political blunder. His countrymen preferred neutrality in the hope that it would allow them to export to both sides and thus capitalize on an expected wartime economic boom. This expectation coupled with the nation's military unpreparedness influenced the Chilean delegation at the Rio conference to join with Argentina in opposing the severance of relations with the Axis. After Rossetti returned from the meeting, he pressed for the break, but the interim government decided to leave this explosive issue to the incoming administration.
Rather than choosing sides, the new President Juan Antonio Ríos followed public pressure to remain neutral. Welles understood the reasons for this decision but felt Chile's adherence to the Rio gathering's political resolution had a higher priority. On February 7, 1942, he expressed his deep concern:

The dangers inherent in the situation developing in Chile and in Argentina are so great as to make it . . . of the greatest importance that the Axis agents be forced to leave Chile at the earliest possible date. More than that, the relations between Argentina and Brazil will, at least for a while, become extremely strained. If Chile wavers and fails to support the position taken by Brazil, the situation—fantastic as it seems—may really become highly critical. If Chile supports Brazil, Argentina will not be able to create any open trouble.17

Under these circumstances the United States maintained its existing economic assistance programs to Chile and concurrently exerted discreet diplomatic pressure for the break.18 By the summer of 1942 Welles changed his position and bluntly informed the Chileans “that they couldn't expect any assistance, either military, naval, or financial, until and unless their policies change. . . .”19 Roosevelt applied additional pressure on August 12 by pledging that “if Chile should be attacked by an Axis power or if real trouble should be created in Chile by Axis nationals or by elements instigated and dominated by Axis agents after Chile has broken relations with the Axis, President Ríos may of course count on the support of the United States to the extent that the Chilean Government may request such support and to the full extent of the ability of the United States.”20

When these measures failed to produce the desired results, Welles addressed an audience on October 8, 1942, and condemned Argentina and Chile for allowing Axis forces to operate in their territories. The undersecretary could not “believe that these two republics will continue long to permit their brothers and neighbors of the Americas, engaged as they are in a life and death struggle to preserve the liberties and the integrity of the New World, to be stabbed in the back by Axis emissaries.”21

The Chileans publicly reacted indignantly to the undersecretary's rebuke, but privately knew that the Roosevelt administration would withhold assistance until the break came. In December Ríos called on Congress to debate the topic, and by the new year he had decided to sever diplomatic relations. While political opponents employed parliamentary tactics to delay the break, the government arrested Axis agents and sympathizers who were engaged in espionage or who might conduct sabotage. With their incarceration, on January 23, 1943, Ríos issued a carefully worded statement to please both the Allied and Axis sides. The severance of relations, according to the president, had not come sooner so that his compatriots could arrive at a national consensus. The majority now desired this measure, but the opposition, too, had rights. Ríos then praised those Chileans who favored the Axis and promised to continue friendly bonds with Argentina, even though Chile had
adopted a pro-Allied posture. In this delicate balancing act, the president hoped to satisfy both parties. Duggan, for one, dismissed the hedging: “All is well that ends well. The break has occurred and Chile is once more a 100% member of the American community of nations.”

Chile’s break with the Axis further isolated Argentina and fit neatly into Welles’s Brazilian strategy. Throughout his career in the Roosevelt administration, the undersecretary had steadily moved to make Brazil the United States’ principal ally in South America. The depression initially interrupted this goal, but as war grew closer to the Americas, his ideas crystallized. Economic aid, like the steel mill’s construction, bound the two nations more firmly; Brazil received more military assistance than the rest of the other American republics combined; and Welles considered Foreign Minister Oswaldo Aranha his primary confidant in hemispheric affairs. The Brazilian diplomat repaid Welles’s trust by advocating the strongest possible ties with the United States, which led to severing relations with the Axis and, before the end of the year, a declaration of war. This unofficial alliance between the two nations changed the traditional power alignment in South America. The resolve to follow the United States resulted in the modernization of Brazil’s armed forces and sustained economic growth. These changes gradually took form, and by the end of the war Brazil emerged as the first power in South America, while Argentina faded to second place.

Mexico also altered its status. Even before the oil settlement, the Camacho government began to cooperate with the United States. As this interaction increased, the Mexicans allied themselves with the Roosevelt administration at the Rio meeting and, before the year was over, had declared war on the Axis. Besides regular economic and military aid programs, the two nations added other projects because of the common border. Over a long period, braceros Mexicans who worked seasonally in the United States for extraordinarily low wages crossed the border. In 1942 the two countries arranged for these laborers to fill agricultural and railroad jobs because of United States manpower shortages. After two years the program reached its peak when 62,000 Mexicans held farming positions and 80,000 more were employed by the railroad industry.

The United States’ rehabilitation of the National Railways of Mexico was another unique enterprise. The submarine menace drastically reduced shipping traffic, which caused a greater reliance on land transportation. The abysmal condition of the Mexican rail system retarded this effort; to reverse this, the coordinator’s office dispatched railroad experts in early 1942 to examine the problem and make recommendations. The specialists quickly reported that Mexico’s antiquated network faced total collapse without immediate repairs. If the collapse occurred the United States would have to supply additional vessels from war theaters to meet Mexican requirements. To prevent this crisis, a bilateral rehabilitation pact was signed before the end
of the year, and the coordinator's office sent a mission of United States experts to keep the trains running and the tracks open. The specialists did not provide solutions to all of the industry's troubles, but the mission did win the praise of Ambassador Messersmith, who originally had objected to the entire scheme. Writing in the mid-1950s, he forgot his initial hostility: "Today when we are talking about the Point Four program it is well to recall the work which was done by the United States Railway Mission in Mexico. I doubt if anything more constructive or helpful has been done at less cost and with more effect under the Point Four program than what was done by the U.S. Railway Mission in Mexico during the period of the war." 

By the end of 1943 the United States appeared to have forged an almost solid inter-American front against the Axis. Thirteen Latin American nations had declared war; six others had severed diplomatic relations; Argentina maintained its solitary dissent. Mexico and Brazil contributed combat troops, and others might have been encouraged to do so had the United States military been less vociferous in its opposition. The State Department expended considerable time and effort in crushing Axis subversion in the hemisphere with admittedly less than wholehearted compliance. Some Latin Americans continued their apathetic or even hostile United States attitudes, and a few opponents sent critical information to the enemy. But in general the push for hemispheric solidarity was remarkably effective.

To some extent the neutral or pro-Axis sentiment came from the many Latin Americans who despised the Soviet Union. The Catholic Church and its supporters throughout Latin America found communism an anathema. Besides deploring the atheistic doctrine, many oligarchs opposed Russia's call for the proletariat to overthrow them. Finally, some condemned Stalin's opportunism. During the Russo-German Nonaggression Pact, he aligned himself with Hitler and abruptly reversed this policy with the Nazi invasion of the Soviet Union.

United States spokesmen had widely divergent opinions concerning Russia, but Roosevelt ignored these and welcomed the Communists as an ally against the common foe. Wallace and other leaders in the administration felt that a lasting peace required Soviet-American friendship and applauded the president's decision. During 1942 the Russians decided to test American cooperation by expanding their Latin American contacts. Some Soviet leaders felt that the United States objected to these efforts—an accusation that had some validity. Welles promoted greater Allied interaction, including support for diplomatic relations between the Soviet Union and the other American republics—under certain conditions. If the Russians agreed not to intervene in Latin American domestic affairs, the undersecretary promised to advance the Soviet initiative.

Although the State Department's approval was a qualified one, Latin American Communists and other impressed by the heroic Russian resistance
against the Nazi onslaught called for direct relations. In October 1942 Cuba became the first to grant recognition to the Soviet Union, and Batista subsequently brought two local Communists into his cabinet as ministers without portfolio. Mexico acted a month later, and in June 1943 Constantine Oumansky went to the capital as ambassador. Assistant Secretary Berle feared that this appointment marked the beginning of a Communist political campaign in the Americas, but Ambassador Messersmith disagreed. Soviet hemispheric intentions, according to the ambassador, had been grossly exaggerated. The administration had to accept possible Russian economic expansion in the Americas, but Communist political success depended on instability. If the United States intended to maintain its hemispheric hegemony, it was imperative that the administration sustain economic growth.28

The debate over Soviet intentions in Latin America was insignificant compared to the worsening relationship between Hull and Welles in the State Department. By the start of Roosevelt’s third term, the secretary’s physical condition was deteriorating, and personal diplomatic reversals compounded his problems. He took direct charge of the negotiations with the Japanese, and after the Pearl Harbor fiasco, some reporters intimated that he had refused to provide the military with certain Hawaiian intelligence, which led to the attack. Late in December 1941 he exploded over the St. Pierre-Miquelon episode, and less than a month later Hull accused Welles of disloyalty at the Rio conference. In both cases Hull sought presidential support, and he was twice rebuffed. Exhausted and depressed, the secretary took an extended leave in early February 1942 to regain his health, and resumed his duties in late April looking well rested. Since Hull commanded a large national following, the president had no intention of removing him and tried to squelch any resignation gossip. When Hull returned to Washington, he had two major objectives—to take firm control over his department and remove Welles from office.29

To achieve the latter, Hull employed a seemingly unrelated event that made the undersecretary a political liability. On September 15, 1940, Speaker of the House of Representatives William Bankhead, Democrat from Alabama, died of a heart attack. After a state ceremony, a special train carried the coffin and the funeral party to Bankhead’s hometown of Jasper, Alabama. Roosevelt went, and he ordered full cabinet attendance. Although Hull and Bankhead had been House colleagues and friends, the secretary stayed in the capital to monitor foreign affairs and sent Welles to represent the State Department.

Shortly after the services were completed in Jasper on September 17, the train carrying the president and his staff started back to Washington. That evening Welles became intoxicated, retired to his sleeping compartment and began ringing his service bell. Several Negro male porters answered the calls, and to their dismay, the drunken undersecretary greeted them with homo-
sexual advances. None accepted. The train pulled into Washington the next afternoon, and Welles resumed his daily schedule as if nothing had happened.30

Unfortunately for the undersecretary, rumors about the episode spread rapidly. In order to ascertain the facts, on January 3, 1941, General Edwin "Pa" Watson, the presidential appointment secretary, directed J. Edgar Hoover of the Federal Bureau of Investigation (FBI) to make a thorough and discreet inquiry. Within a month two special agents conducted an investigation and Hoover went straight to the president with the findings that confirmed the allegations. Despite the episode's potential explosiveness and embarrassment to the administration, Roosevelt decided to retain Welles and prevent any recurrence by assigning him a bodyguard who had orders to stop the undersecretary from displaying any deviant behavior. This closed the affair—or so thought the president.31

Even before Roosevelt heard the FBI report, Ambassador William Bullitt learned about the incident and obtained an affidavit from a porter outlining the events on the train. Bullitt's dislike of Welles dated to the contest for the undersecretaryship in 1936. The ambassador had unsuccessfully lobbied for R. Walton Moore and then returned to his post in Paris and asserted that he, above anyone else, spoke for the president in European matters. When Bullitt learned of Welles's European mission in early 1940, he told various officials that had he been informed about it early enough, he would have had it aborted. The undersecretary confirmed some of Bullitt's fears by making some intemperate remarks about his admiration for Mussolini. This error in judgment combined with Welles's growing responsibilities in European matters and Moore's hatred of the undersecretary reinforced Bullitt's antipathy toward Welles.32

As long as Bullitt held the French ambassadorship, his criticism of the undersecretary was limited to long-distance gibes. However, after France fell to the Nazis, he returned to the United States without any diplomatic assignment. When his friend Moore died in early February 1941, Bullitt seized the occasion to approach the president in April with his evidence against Welles and explained that he had made Moore a deathbed promise to expose the undersecretary's criminal conduct. Bullitt then handed his evidence to Roosevelt and urged immediate dismissal, for Welles had committed an offense that, if made public, would seriously demoralize the foreign service. The president readily verified the charge's validity, but rejected Bullitt's conclusions. No one, according to the president, would publish an account of the train ride, nor would anyone file a criminal complaint. Only a few knew of the affair, and Roosevelt had taken suitable precautions to prevent any recurrence.33

Shaken by the president's attitude, Bullitt issued an unwise ultimatum. He would not accept any diplomatic assignment until after Welles's removal. To
achieve that goal, Bullitt sought administration supporters to put pressure on the president. These lobbying activities quickly reached the White House, and Roosevelt decided to stop Bullitt's campaign by giving him a special assignment to Africa and the Near and Middle East in late 1941. At least temporarily, Bullitt's anti-Welles crusade halted, while he directed his energies toward more productive enterprises.34

This trip delayed the inevitable alliance between Bullitt and Hull. The ambassador returned from his mission just after the confrontation between Hull and Welles over the Rio resolution in early 1942. After the secretary had rested and resumed his duties, he and Bullitt combined forces to plot Welles's ouster by spreading stories of the undersecretary's immoral conduct. On October 24, 1942, the secretary held a secret meeting with J. Edgar Hoover where he accused Welles of "headline hunting" and asked to evaluate the FBI report on the train incident. The director refused; he would not provide a copy without presidential consent.35

Since Roosevelt would surely deny permission to use the investigation's conclusions to remove Welles, the plotters sought another route to their destination. They selected congressional pressure as the best avenue and enlisted the assistance of Senator Ralph Brewster, Republican from Maine. On April 27, 1943, the senator, using information supplied by Bullitt, saw Hoover about the shocking allegations against the undersecretary and demanded to see the report. The director declined, but admitted making an inquiry and recommended that the senator see Hull, who knew some of the facts. Brewster did not know about the secretary's efforts to oust his subordinate when the senator proceeded to the State Department where he asked the secretary why Welles remained at his desk. Hull replied that Roosevelt refused to fire the undersecretary. The senator's next stop was the Justice Department, where he threatened Attorney General Francis Biddle with a Senate probe of the sordid matter. Biddle promptly informed the president of the conversation and its potential repercussions. If hearings were held, how would Roosevelt explain keeping Welles in office for three years after learning about his homosexuality?36

The train episode had finally made Welles a political liability, and Roosevelt had to relieve him. The president, still hoping to keep Welles in the administration, offered him a roving ambassadorship, but Welles rejected the idea and sent his letter of resignation to the White House on August 16, 1943. Since Hull had wanted his removal, any new assignment would only aggravate the situation. Welles cleared out his office and then retreated to Bar Harbor, Maine, to escape his humiliation and Washington's hot, humid summer.37

Shortly before Welles's departure, rumors of discord between Hull and him leaked to the press. Reporters speculated that the two men had policy disagreements and arguments over Welles trying to usurp the secretary's prerogatives. Columnists also learned that the undersecretary might take a
special mission to Moscow to hold crucial talks with the Russians. None of the stories hinted of the homosexuality issue. Roosevelt tried to change Welles's decision by inviting him to go to Hyde Park and accept the Soviet mission. Welles considered the offer, but on September 21 he wrote the president that his decision was firm because "Hull's feelings with regard to myself—unjustified as they are—would make any such relationship impossible. He would be constantly imagining that I was threatening his legitimate jurisdiction, or undermining his authority, and possibility for the success of what you desire accomplished would be seriously jeopardized." Five days later Roosevelt announced that Welles had left the foreign service and claimed that the resignation came as a result of his wife's poor health.

The Hull-Welles conflict had a devastating effect on the State Department. The diplomatic careers of both Welles and Bullitt were destroyed, and neither man ever again served in any major government position. Hull, weakened by poor health, age, and departmental bickering was unable to fill the void created by the undersecretary's departure. Although the secretary minimized Welles's importance to State Department operations, Hull needed him for his managerial skills. Roosevelt further eroded the secretary's authority by looking more frequently outside of the diplomatic corps for advice in making critical foreign policy decisions. The president knew that Hull had engineered Welles's dismissal, and this plotting, to the president's way of thinking, made the secretary of state an unwelcome, though powerful, cabinet personality. Roosevelt's sentiments became clear throughout the remainder of Hull's tenure. The president acted without consulting the secretary or even informing him of many momentous wartime decisions.

When translated to Latin American affairs, this tragedy marked the beginning of the disintegration in Pan American solidarity. The president was preoccupied with the war and holding shaky domestic and Allied wartime coalitions together. Vice President Wallace had lost his hemispheric influence with the Board of Economic Warfare's dismantling. These problems did not damage the overall conduct of hemispheric diplomacy because Welles maintained continuity as well as handling routine events. Hull acknowledged the undersecretary's experience by giving him wide latitude in the conduct of inter-American affairs. Latin American leaders also realized Welles's central role in solving their troubles. Shortly after the undersecretary left office, Ambassador Bowers reflected the Latin American anxiety over Welles's departure: "There is a general fear through South America that the passing of Welles from the Department means less interest in South America in Washington, and even a change, if not abandonment of our 'good neighbor policy.'"

Welles also contributed to the crumbling of the Good Neighbor. His principal strength was also his major weakness. The undersecretary prided himself on being the most knowledgeable official on hemispheric matters.
Because Welles viewed Latin America as his private preserve, his resignation eliminated the individual who coordinated and personified the entire regional effort. Unfortunately for his successors, none had worked closely with him or had his training, and the undersecretary seldom wrote memoranda outlining his trend of thought. The pieces of the Good Neighbor fit neatly in his well-ordered mind. Without him, no one had the background or the presidential mandate to maintain current operations or construct a new frame of reference. The inter-American system that Welles had worked so hard to build began breaking apart, at least partially, because of his egocentric nature and inability to institutionalize his programs within the diplomatic corps.