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## **CONFRONTING A 'BAD NEIGHBOR'**

### **A Case Study of U.S. Economic Warfare in Mexico City, 1938-1948**

[The seizure of the Casa Boker] is not something that the Mexican government likes to do. Our actions in this matter obey higher orders. [Mexican President Manuel Avila Camacho, in a conversation with Gunther Boker, June 1942]<sup>1</sup>

U.S. economic warfare against German, Italian, and Japanese ethnic communities put Latin American governments in a difficult position during World War II. On the one hand, multilateral agreements committed Latin American leaders to the idea and practice of hemispheric solidarity, which required cooperation with U.S. economic sanctions against "enemy aliens." On the other hand, any effort to punish the thousands of companies included in the Allied blacklists led to an undesirable degree of dependence on U.S. capital. This dilemma was particularly pronounced in the Mexican hardware sector, where a handful of German importers dominated a growing market. Although few Latin American leaders desired to reduce the European economic presence, even fewer wished to antagonize U.S. officials over this issue.

The tale of the Casa Boker, Mexico City's foremost hardware store, illustrates this dilemma. Although they privately rooted for the Nazis, the owners of the store avoided association with Nazi organizations in order to evade U.S. economic sanctions. While this cautious posture could not prevent the inclusion of the Casa Boker in the U.S. blacklists, the example of this company demonstrates that the Mexican government only reluctantly cooperated with, and frequently sought to circumvent, U.S. efforts to eliminate Axis property. Documented in family archives, oral histories, and U.S., German, and Mexican government sources, the story of the Casa Boker and its owners also offers a microhistory of U.S. economic warfare in Latin America, and it reveals the strategies used by so-called "enemy aliens" to counter U.S. efforts to eliminate their influence.

The case discussed in this essay invites a reconsideration of the Latin American policy of the United States in the early 1940s. In this heyday of the

1. Interview with Gunther Boker Pocorny (Mexico City, January 1987).

“Good Neighbor Policy,” the U.S. government proved a very bad neighbor for Latin America’s ethnic Germans, Italians, and Japanese. Without regard to their political convictions, the Franklin D. Roosevelt administration placed many of them on a blacklist that practically barred those listed from commercial activities and financial transactions; and it interned thousands of German residents of Latin America—many of them born there without German citizenship—in camps in the United States.<sup>2</sup> In many ways, the U.S. treatment of these actual and potential Axis supporters served as a dress rehearsal for the witch hunt of Communists during the Cold War era. Whether justified or not, the invocation of an extra-hemispheric threat to eliminate the influence of “enemy aliens” constitutes a common thread that links the Good Neighbor and Cold War eras.

The Casa Boker had long been a fixture in Mexican commerce. Founded in 1865, the company had made good use of its connections in Germany, Great Britain, and the United States to become one of the two largest hardware importers in the entire country. These connections with three different countries dated back to a co-founder, Robert Böker, a native German who possessed a U.S. passport when he first entered Mexico after four years in New York City. Böker’s association with a Northern colonel who later served as a general in Benito Juárez’s Liberal army reinforced these connections.<sup>3</sup> Although Böker later returned to Germany, his company continued to offer Remington typewriters, Singer sewing machines, and British fire insurance policies along with the German cutlery that still serves the signpost of the business. Since July 1900, the store has occupied a huge, glamorous building, the Edificio Boker, two blocks west of Mexico City’s main square, the Zócalo.<sup>4</sup>

The Mexican Revolution and World War I caused brief detours in the firm’s successful trajectory. During the Revolution, importing goods from Europe became only slightly less difficult than the impossible task of shipping them to other areas within Mexico, and the retail market collapsed completely. One day in July 1915, the day on which Robert Boker’s son Franz welcomed the arrival of his fourth child, the retail department took in a grand total of one peso.<sup>5</sup> The war harmed the Casa Boker in less direct ways: the

2. See also Max Paul Friedman, “Nazis and Good Neighbors: The United States Campaign Against the Germans of Latin America in World War II” (Ph.D. diss., University of California, Berkeley, 2000).

3. Holder, Boker Co. to Matías Romero (February 1, 1869), Archivo Matías Romero, Banco de México, Mexico City, doc. 3870.

4. Robert Boker, “Lebenserinnerungen,” Archivo Boker, Mexico City (hereafter cited as AB), Fondo Memorias (hereafter cited as FM), 9-34. The history of the Casa Boker is the subject of my monograph, *Tools of Progress: A German Merchant Family in Mexico City, 1865-present* (under publication consideration at The University of New Mexico Press).

5. Interview with Dieter Vermehren (Tuxpan, Michoacán, Mexico, June 4, 1998).

North Atlantic trade declined precipitously, and the British, French, and U.S. blacklists of enemy nationals and corporations included the Casa Boker. The company's inclusion on these lists was not surprising: all of its owners were German citizens, and the Bokers had allowed German secret agents to operate a wireless station in the tower of the Edificio Boker.<sup>6</sup> Excluded from Allied trade, the company could not purchase goods from many of its favorite suppliers and had to make do with German imports. Only Mexican neutrality, maintained steadfastly under the leadership of nationalist President Venustiano Carranza, saved the company from grave consequences.

Nevertheless, the firm emerged strengthened from these ordeals. In 1917 alone, when the complete collapse of the Mexican currency had prompted widespread buying in U.S. dollars and gold coins, the Casa Boker made a total of 600,000 gold pesos.<sup>7</sup> The next twenty-five years constituted the golden age of the business, as it continued to expand its wholesale operation in the entire country. By reestablishing ties with their U.S. and British partners, the Bokers continued to offer a diverse array of goods, and only the Great Depression prompted them to scale back their array of goods.<sup>8</sup> Meanwhile, its principal competitors fell by the wayside.

After Adolf Hitler's seizure of power in January 1933, the directors of the Casa Boker remembered the lessons of this turbulent period. Thus, when Ambassador Rüdiger von Collenberg began to streamline the more than twenty German ethnic organizations under the leadership of the Nazi party, they steered a cautious course. The Bokers resigned from their positions in German associations,<sup>9</sup> and they also would not reduce their imports of U.S. and British goods as the ambassador desired. When von Collenberg pressured all German-Mexican businesses to lay off their Jewish staff, Franz and Gunther Boker refused to fire their two Jewish employees, among them the head of the retail sales department.<sup>10</sup> Not only were these employees of tremendous value to the Casa Boker, but director Gunther Boker (Robert's grandson) also

6. National Archives, Washington (hereafter cited as NA), RG 165: Military Intelligence Division.

7. Franz Boker, „Das Schicksal von Kapital und Arbeit im Hause Boker," AB, FM, 6.

8. For that reason, the Bokers also laid off a number of their employees and reduced the store in size. "El Edificio Boker," AB, Fondo Edificios; interview with Carlos Seippel (Mexico City, May 26, 1998).

9. See list of officers of German Casino, Riding Club, and Rowing Club prepared by the FBI [probably Gus Jones] (Feb. 13, 1942), NA, RG 165, Regional File, box 2460, folder "NSDAP vol. 19." Immediately prior to Mexico's entry into World War Two, most officers of these organizations were recently arrived German nationals of Nazi persuasion, who had little to lose from their activities. The German school consisted an exception in this regard: Gunther Boker and many other prominent German merchants remained members of the board of directors of the *Colegio Alejandro von Humboldt*. *Archivo del Colegio Alejandro von Humboldt*, Mexico City, *Jahresbericht der Deutschen Schule* (1940), 5.

feared that firing them would alienate his Jewish wholesale customers. While avoiding the appearance of a close association with German diplomacy, however, the Bokers also were careful not to cross von Collenberg, as such a course might have endangered their numerous relatives in Germany.<sup>11</sup> In fact, only two Bokers lived in Mexico during the Nazi period: Franz Boker and his eldest son, Gunther, the director of the Casa Boker. Franz's wife Luise, his daughter, and his three younger sons lived in Germany, and the German army later drafted these sons to serve in France, northern Africa, and Norway.

Personal opinions, of course, were different from political expediency. At least initially, the Bokers supported Nazi nationalism. During the Weimar Republic (1919-1933), Franz Boker had classified himself as "German-National," an adherent of the stridently nationalist, conservative, and pro-monarchy DNVP (German National People's Party). When Hitler became chancellor of Germany, in large part thanks to the active help of the DNVP leadership, the elder Boker welcomed the change of government. The humiliation of Germany after the lost world war, the promise of the radical right to assist German commercial outposts overseas, the disastrous effects of the Great Depression, Franz Boker's own fear of Communism in both Mexico and Germany, and the "idealism of the expatriate German" combined to prod him toward a modicum of support of a regime that promised to restore Germany's greatness. While Franz and Gunther Boker agreed with Hitler's ultranationalism, however, they did not share either the Nazis' visceral anti-Semitism or their unconditional admiration of the Fuhrer, and they never joined the party. Patrician Prussians at heart, the Bokers considered the Nazis vulgar, but useful allies in their quest to expand the German economic position in Mexico.

The Bokers gave further evidence of their right-wing political convictions in branding Mexican President Lázaro Cárdenas (1934-1940) a dangerous Communist.<sup>12</sup> The Cárdenas government implemented a great part of the 1917 Constitution, a document as anathema to the Bokers as it was to most other big-league merchants. The Cardenistas built a populist state with the support of workers' and peasant organizations, and they embarked on a

10. Interviews with Margot Trauwitz de Boker (August 9, 1995); Klaus Boker Trauwitz (July 3, 1995); Carlos Seippel (July 6, 1995); Ruth Schwartzkopff de Boker (July 3, 1995), all in Mexico City. Ysser Kalb, one of the Jewish employees in question, reciprocated after the war by writing a letter in support of one of the CFM shareholders. See Kalb to Secretaria de Relaciones Exteriores (Mexico City, Apr. 1, 1946), Archivo Histórico de la Secretaría de Relaciones Exteriores, Mexico City (hereafter cited as AHSRE), III-677-1.

11. Verena Radkau, "Los nacionalsocialistas en México," in *Los empresarios alemanes, el Tercer Reich y la oposición de derecha a Cárdenas*, 2 vols., edited by Brigida von Mentz et al. (Mexico City: CIESAS, 1988), 143-170; Gus T. Jones, "The Nazi Failure in Mexico" (unpublished ms., Hoover Institution, Palo Alto, Calif.), 4-13. A list of German organizations in Mexico City can also be found in Jones.

12. Interview with Helmuth Boker Pocorny (Mexico City, January 4, 1987).

reform program that ended with the distribution of forty-two million acres of former hacienda land to peasants, the implementation of many of the pro-labor provisions of the revolutionary Constitution of 1917, and, in March 1938, the expropriation of the foreign-owned oil industry. Cárdenas's opposition to totalitarian regimes in general and Nazi Germany in particular reinforced the Bokers' feelings, as did the strikes and demonstrations that became commonplace in the 1934-1940 period.<sup>13</sup>

Cardenismo proved harmless to the Casa Boker in practice, however. Even as Cárdenas fomented wholesale unionization under the CTM (Confederación de los Trabajadores Mexicanos, or Mexican Workers' Federation), Franz and Gunther Boker succeeded in keeping the company's employees within a "white" labor union. The purview of this union remained limited to the Casa Boker itself, and its leadership came from the more affluent of the company's 150 employees.<sup>14</sup> Throughout the 1930s, two dozen German employees and twenty Mexicans working in leadership positions dominated the union. As a result, in February 1936, it disobeyed a strike called by a CTM affiliate organization against the Casa Boker. The reason for this strike was a labor dispute in the "El Anfora" stoneware factory, co-founded by Franz Boker and erroneously believed to be affiliated with the Casa Boker. Much to the Bokers' surprise, the Cárdenas administration lent them a hand in this matter, as the Mexico City Justice Department ordered the CTM affiliate to end their call for a strike.<sup>15</sup> Despite these signs that the Mexican government would not interfere with the company in any way, the Bokers' unjustified fear of the *Cardenista* reforms remained.

The Bokers' apprehensions about their situation increased toward the end of the decade, as U.S. views of the German presence in Mexico shifted from indifference to paranoia. In the middle of the decade, it was Cardenista economic nationalism, not Nazi Germany, that captured the attention of U.S. officials, as many U.S. citizens sought redress from the reform program. The complainants included concerns as mighty as the recently expropriated Standard Oil of New Jersey, but also tourists harassed by local police, and Catholics offended by anti-clerical policies. Amidst this chorus of complaints, Ambassador Josephus Daniels, who had the ear of President Franklin D. Roosevelt, successfully lobbied for forbearance. As he pointed out,

13. Interview with Margot Trauwitz de Boker (Mexico City, August 9, 1995); interview with Carlos Seippel (Mexico City, July 3, 1995).

14. Gunther Boker Pocorny, "Unsere Geschäfte während und nach dem Kriege" (1964), AB, FM, 5.

15. *Excelsior* (Feb. 14 and 15, 1936); Fernando Amilpa to Lázaro Cárdenas (February 17, 1936), Archivo General de la Nación, Mexico City (hereafter cited as AGN), Ramo Presidentes, Fondo Lázaro Cárdenas, 432.2/187.

Cardenismo was nationalist rather than anti-American or Communist in nature, and it sought to institute a new, stable political system. The only time Daniels invoked fear of Nazi influence was the aftermath of the seizure of the oil industry on March 18, 1938, and then only because Cárdenas had shrewdly played the Axis card at a moment when the world was in an uproar over Germany's annexation of Austria. During a conversation with Daniels regarding the expropriation, the president had hinted that Mexico would prefer to find buyers for its petroleum other than Germany and Japan, but that it would need to sell to the Axis if the boycott continued.<sup>16</sup> Soon thereafter, Mexico and Germany indeed agreed on a series of barter deals swapping oil for manufactured materials. This agreement helped Nazi diplomacy undercut the united front of U.S., British, and Dutch oil interests, and they helped cut the German debt with Mexico to 35 per cent of its 1937 level.<sup>17</sup>

In the year after the oil expropriation, German aggression in Europe helped New Dealers like Daniels prevail over the hard-line establishment in the U.S. government that would have liked to have seen Mexico punished for the expropriation. Even as FBI director J. Edgar Hoover vented his anger at Cárdenas, blaming the Mexican leader's "Indian antecedents" for his alleged hatred of the United States and supposed friendship with the Nazis, Daniels convinced Roosevelt that nothing could be further from the truth. In fact, he pointed out, Cárdenas abhorred the Nazis for their aggression in Europe, and the Mexican president's resolute stand on behalf of the Spanish Republicans more than demonstrated his hatred of Fascist movements. In the end, widespread fear of German and Japanese activities—as well as Cárdenas's retreat from reform in the last two years of his rule—helped prod the U.S. government toward an acceptance of Daniels's position. Interestingly, however, German activities in Mexico—and the barter deal, specifically—played a much less significant role in this rapprochement than the specter of Axis aggression elsewhere. In fact, Daniels's diary of 1938 does not mention Nazi activities in Mexico, clear evidence that Daniels himself did not consider them much of a problem at that point. [Niblo 46-48]

16. Josephus Daniels, *Shirt-Sleeve Diplomat* (Chapel Hill: University of North Carolina Press, 1947); Stephen R. Niblo, *War, Diplomacy, and Development: The United States and Mexico, 1938-1954* (Wilmington, Del.: Scholarly Resources, 1995), 37-40.

17. For a history of the barter deals, consult Friedrich Schuler, *Mexico Between Hitler and Roosevelt: Mexican Foreign Relations in the Age of Lázaro Cárdenas, 1934-1940* (Albuquerque: University of New Mexico Press, 1998), 98-106; Klaus Volland, *Das Dritte Reich und Mexiko: Studien zur Entwicklung des deutsch-mexikanischen Verhältnisses 1933-1942 unter besonderer Berücksichtigung der Ölpolitik* (Frankfurt: Peter Lang, 1976). For the financial benefits, see Robert G. McGregor, "Strictly Confidential Report: Nazis, Communists and other Foreign Agents in Mexico" (June 28, 1940), NA, RG 165, Regional File, box 2463.

For its part, the Mexican government saw no need for action. While Hitler expanded Germany's boundaries at the expense of Austria and Czechoslovakia, the Mexican government remained careful not to antagonize either Mexican public opinion, the Roosevelt administration or the Hitler regime. Cárdenas was caught in a conundrum: whereas a majority of Mexicans from both the right and the left advocated a strict position of neutrality, Roosevelt—later to assume the position of an “unneutral neutral” in the war—wanted to secure Mexican cooperation with the Allies in case of war.<sup>18</sup> As a result, the Cárdenas regime did not interfere with the German activities in Mexico, but it participated in inter-American meetings on hemispheric security and protested acts of German aggression such as the annexation of Austria. In fact, the Cardenistas not only did not share the U.S. fear of Nazi penetration, but they also viewed such fear as a potential problem. In particular, they took exception to sensationalist U.S. press reports that a German “fifth column” had infiltrated the Mexican government. As late as May 1940, Cárdenas declared that his government was not worried about a fifth column in Mexico. [*Excélsior* May 23 and June 4, 1940] Deeply rooted in Mexican diplomatic tradition, this attitude concerned U.S. Secretary of State Cordell Hull, who interpreted Mexican reticence as a sign that the Nazis wielded some influence there.

The outbreak of war in 1939 greatly accentuated U.S. apprehensions about the Nazi threat in Mexico, and it led to a concerted U.S. campaign to eliminate Nazi influence. In September 1939, FBI director Hoover dispatched agent Gus T. Jones, who had gained knowledge of that country as an investigator of Pancho Villa's raid on Columbus, N.M., during the Revolution. In the following two years, Jones intercepted radio messages and letters to and from the German and Japanese embassies, and he developed an intimate understanding of the composition of the German colony and its organizations. With a little luck, he ultimately busted a German spy ring. The FBI agent not only monitored Axis activity; he also tracked the comings and goings of Communists, whom—in the era of the Hitler-Stalin Pact—he and other U.S. officials wrongly suspected of consorting with Axis agents.<sup>19</sup>

Before the Japanese attack on Pearl Harbor achieved the definitive triumph of pan-American sentiments in Mexico, however, this U.S. offensive against German, Italian, and Japanese interests remained incomplete. U.S. officials could not convince the Mexican government to impose strictures on

18. Blanca Torres Ramírez, *México en la segunda guerra mundial* (Mexico: El Colegio de México, 1979), 65-66.

19. W. Dirk Raat, “Gus Jones and the FBI in Mexico, 1900-1947: A Biographical Essay Writ-Large,” paper presented at the 1989 AHA Annual Meeting, 15 and 19-21.

Axis businesses such as the ones existing in Latin American countries like Brazil and Nicaragua—countries with overtly pro-U.S. leaderships. Cárdenas and his successor, Manuel Avila Camacho, would not move against a German commercial presence that constituted at least a feeble counterweight against the “Northern Colossus.” In particular, they resented U.S. attempts to eliminate companies controlled by Mexican citizens.<sup>20</sup>

This resolute stance against U.S. economic expansion at the expense of German-Mexican companies began to soften after Vice President Henry A. Wallace’s visit in December 1940. During this visit, Wallace and Avila Camacho launched negotiations about a Joint U.S.-Mexican Defense Commission, and they discussed aggressive propaganda measures to counteract Nazi influence in the Mexican press, a recommendation that ultimately contributed to the establishment of the Office of Inter-American affairs. Vested economic interests used Wallace’s visit to advance their own agendas. As a representative of the American Chamber of Commerce in Mexico City told Wallace, U.S. businesses suffered from German competition, a competition that had been fueled recently by the Reichsbank’s willingness to provide generous loans to German merchants and industrialists abroad. Moreover, Wallace reported, Mexico remained in dire need of investment capital, which the Germans and Japanese would supply if the United States did not. [Niblo 65-66] These vested interests registered their greatest impact in that they contributed to the settlement of the oil controversy in 1941. This settlement not only forestalled any chance of new Mexican barter deals with the Axis, but it also yielded a pledge of the Mexican government to support the coordination of hemispheric defense, a pledge that implied at least partial cooperation with U.S. measures against Axis nationals in Latin America. [Torres Ramírez 9-64]

By that point in time, a change of generations had put the owners of the Casa Boker in the position where they could appeal to Mexican legal protection. In 1937, Franz Boker had put his son Gunther and a trusted employee, Julio Carstens Alcalá, in charge of the family business. Like his father, Gunther Boker—a man of frail health and an avid reader of history books—was a perennial pessimist. Influenced by Oswald Spengler’s *The Decline of the West*, he feared the end of European dominance over the “non-Western” world and sensed that the glory days of the Casa Boker lay in the past. Unlike his father, however, Gunther claimed Mexican citizenship (although he considered himself German), and in 1940, he married the fellow German-Mexican Margot Trauwitz.<sup>21</sup> This marriage established a new pattern in the Boker family that would ultimately save the company from outright expropriation. Instead of

20. “México no se convertirá en campo de maniobra para el ataque sobre países amigos,” *Excelsior* (July 23, 1941).

returning home to marry a German citizen, most of the Bokers would henceforth wed spouses born in Mexico, albeit of German descent.<sup>22</sup> By 1939, the entire leadership of the Casa Boker carried Mexican passports—a fact that constituted not only compliance with the nationalist Mexican laws of company ownership, but also a measure of protection against any future blacklists directed against German companies.

The fact that the directors of the company held Mexican citizenship enabled Franz and Gunther to camouflage the identity of the Casa Boker's shareholders. In 1909, the immense debt assumed by the construction of the Edificio Boker had forced the family to form a joint stock company (*sociedad anónima*), in which five co-owners, Robert Boker foremost among them, held a total of 2,250 shares. The ensuing decades had resulted in a further scattering of the capital, as the death of a shareholder resulted in an even distribution of his shares among his descendants. Thus, no sooner had Franz Boker succeeded in paying off the heirs of three of the original owners than he had to worry about the shares of his three sisters, as well as those held by the son of the fifth owner. All told, by 1940, Franz and Gunther held 43% of the shares, while Germans who had never lived in Mexico held the other 57%. The fact that this company did not run afoul of the law, which required that at least fifty per cent be owned by Mexicans, was the result of an ingenious idea. The Bokers registered 2,000 of the shares in the name of Mexican citizens like Gunther Boker and his associate, Julio Carstens. Thus, by the time U.S. officials drew up a plan to eliminate the blacklisted German firms, the Casa Boker had ostensibly become a Mexican company, although a secret "Fondo A" continued to document the fact of a German shareholding majority. The Bokers then added two final pieces to their puzzle of protection: they buried gold coins in milk containers in their backyard, and they bought five hundred thousand pesos worth of shares in breweries through Mexican straw men.<sup>23</sup>

Thus, the company survived the first three years of the war with relatively few difficulties. The outbreak of hostilities immediately interrupted direct trade between Germany and Mexico, but the Bokers had stocked up on German items. In addition, the Casa Boker subsequently obtained merchandise through intermediary countries. Throughout 1940 and in early 1941, the company received several shipments of German cutlery via Vladivostok, Rus-

21. For this claim, see Gunther Boker to Relaciones Exteriores (December 12, 1935), AHSRE, Concentraciones, 2013/36.

22. Interview with Pedro Boker (Mexico City, June 26, 1995); interview with Margot Trauwitz de Boker (Mexico City, August 9, 1995). The pattern changed in 1955 when Helmuth Boker married the German-born Ruth Schwartzkopff.

23. Franz Boker, "Schicksal von Kapital und Arbeit," 7-10; idem., memorandum (April 9, 1943), AFB, folder 34.

sia, and Japan—a shipment so large that a U.S. Military Intelligence Division official estimated that it would meet the needs of Mexico City for approximately ten years.<sup>24</sup>

Ultimately, however, the Casa Boker could not stay out of the war. On July 17, 1941, the firm joined hundreds of other German-Mexican companies on the U.S. “Proclaimed List of Certain Blocked Nationals,” which precluded it from direct transaction with U.S. individuals and firms.<sup>25</sup> Even though a similar blacklisting during World War One had not shut down the Casa Boker, this time the U.S. action proved more threatening. Mexico’s economic links with the United States had multiplied between 1919 and 1939, making a neutral stance far less feasible. In addition, as we have seen above, Avila Camacho had committed himself to hemispheric defense in exchange for a settlement of pending disputes with the United States. As a consequence, the Mexican government grudgingly moved against Axis companies. Only a few days after the Japanese attack on Pearl Harbor, the Mexican government broke relations with the Axis powers and froze all German, Italian, and Japanese assets. In Avila Camacho’s radio broadcast of December 9, 1941, the Mexican president declared that the war pitted democracies against dictatorships. As he explained, “the republics of our hemisphere are bound together by bonds that no menacing ideology can ever sever.”<sup>26</sup> Finally, in May 1942, Avila Camacho declared war on Germany, Italy and Japan following German submarine attacks on two Mexican tankers. [Torres Ramírez 9-152, *passim*]<sup>27</sup>

The state of war between Mexico and the Axis finally undid all the careful planning of the Bokers, as Avila Camacho moved against all companies and individuals mentioned on the U.S. blacklist. In June 1942, the “Junta de Administración y Vigilancia de la Propiedad Extranjera” (Council of the Administration and Surveillance of Foreign Property, hereafter JAVPE) took over the administration of the Casa Boker, and, one month later, the Edificio Boker as well. A newly formed agency under the leadership of the noted intellectual Luis Cabrera, the JAVPE came to administer all those businesses that the Mexican government—often under U.S. pressure—labeled enemy property. To add insult to injury, the JAVPE made its home in the Edificio Boker, without ever paying as much as a centavo in rent, and laid off almost all of the

24. Franz Buchenau to Auswärtiges Amt (Solingen, March 7, 1940); Politisches Archiv, Auswärtiges Amt, Bonn, Germany (hereafter cited as AAB), R 114665.

25. U.S. Department of State, *The Proclaimed List of Certain Blocked Nationals Promulgated Pursuant to the Proclamation of July 17, 1941* (Washington: Government Printing Office, 1941), 39-40; Gunther Boker, “Unsere Geschäfte,” AB, FM, 1-2.

26. Text of broadcast enclosed in McGurk to Secretary (Mexico City, December 11, 1941), NA, RG 59, 812.00/Avila Camacho, Manuel/171.

27. For U.S.-Latin American wartime cooperation, see also Robert A. Humphreys, *Latin America and the Second World War*, 2 vols. (London: University of London Press, 1981-1982).

German-speaking employees of the Casa Boker. The JAVPE soon forbade Gunther Boker and Julio Carstens to enter that building and thus put the two directors effectively out of work.<sup>28</sup> When Gunther Boker attempted to defy this ban and repeatedly harassed the JAVPE-appointed interventor, force and open threats persuaded him to back off.<sup>29</sup> He spent the rest of the war working in the German interest section in the Swedish embassy, where he coordinated relief efforts for the four hundred German sailors and thirteen Nazi prisoners held captive in Perote, Veracruz, and Germans driven into destitution by the seizure of their property.<sup>30</sup>

The Mexican government seized the Casa Boker with great reluctance. Avila Camacho realized that the rather unpopular “intervention” of so-called “Axis property” would increase Mexican dependence on trade with the United States, and he desired to seize only the assets of known Axis agents and members of the Nazi party.<sup>31</sup> Moreover, he regretted the takeover of the Casa Boker for personal, political, and legal reasons. Gunther Boker had made friends with Avila Camacho, a more pro-business president than many of his predecessors. Many Mexicans opposed the U.S. blacklists, viewing them as an effort to destroy legitimate competition to U.S. business.<sup>32</sup> In addition, the intervention of the Casa Boker was legally questionable. As we have seen, Mexican nationals by either birth or naturalization formally controlled the stock of the firm, and the company no longer traded with Germany. For those reasons, the Mexican Foreign Ministry had once unsuccessfully petitioned the U.S. government to remove the Casa Boker from the blacklist.<sup>33</sup>

Even the Mexican declaration of war, therefore, did not bring a complete harmonization with U.S. interests. While the Avila Camacho administration cooperated with the U.S. government in matters of hemispheric defense, the lingering differences between the two governments manifested themselves in several issues. The Mexicans did not desire to punish its nationals

28. Gunther Boker, “Unsere Geschaefte,” AB, FM, 3-4; Mentz et al., *Los empresarios alemanes*, 1:212-16; Luis Topete Bordes to Ezequiel Padilla (Mexico City, December 21, 1942), AHSRE III-668-1 (3a parte).

29. Charles A. Bay (Commercial Attaché) to Secretary of State (April 22, 1943); NA, RG 84, U.S. Embassy, Mexico City, 1937-1952, Box 286.

30. Interviews with Margot Trauwitz de Boker (Mexico City, June 5, 1998) and Leopold Schubert (Mexico City, June 6, 1998).

31. While many Mexicans supported their country’s entry into the war, the takeover of the property of Mexican nationals of German and Italian descent was not popular. See, for example, *Excelsior* (June 6, 1943).

32. Von Collenberg to AA (Mexico City, July 16, 1941), AAB, Archiv der ehemaligen deutschen Gesandtschaft in Mexico, Paket 55, vol. 1.

33. Gunther Boker, “Unsere Geschaefte,” 2; interview with Margot Trauwitz de Boker (Mexico City, Aug. 9, 1995); Ramón Beteta to Secretaría de Relaciones Exteriores (Mexico City, January 7, 1942), and Ezequiel Padilla to Secretaría de Hacienda (Mexico City, February 7, 1942), AHSRE III-668-1 (2a parte).

whose only sin was to speak, look, or act German, Italian, or Japanese. U.S. officials, however, viewed just that action as essential. The Mexican government also refused calls for the deportation of Nazi agents, choosing instead to intern most of them, including Gunther's brother-in-law, in an old fortress in Perote, Veracruz. Mexico, then, remained but a reluctant U.S. ally.<sup>34</sup> Not surprisingly, these small acts of insubordination rankled many State Department officials. In a letter to U.S. ambassador George Messersmith written in May 1942, Assistant Secretary Sumner Welles labeled Mexican steps to curb Axis activity "wholly inadequate." In particular, Welles criticized the fact that the Mexican government did not crack down on nationals of "Germanic extraction whose known sympathies are pro-Axis." While Welles never went as far as to level the infiltration charge, he expressed paranoia at the specter of a handful of Germans threatening a stable government known to be solidly pro-Allied, and complete ignorance of German strategy in Mexico as outlined by his country's FBI agents.<sup>35</sup>

In fact, the Mexican government had set clear limits to its cooperation in an effort to keep domestic support for its policies. In his refusal to compromise a bit of national sovereignty for hemispheric defense efforts, Avila Camacho demonstrated a desire to keep U.S. troops out of Mexican naval and air force bases, and he paid homage to vintage Mexican fears of the United States.<sup>36</sup> A joke Gunther Boker liked to tell made light of the Mexican attitude toward the war: it was said that U.S. ambassador Charles Messersmith had asked Avila Camacho for ten thousand troops to help with the invasion of Italy by the Western allies. The Mexican president reportedly replied: "we do not have ten thousand soldiers to spare, dear Mr. Roosevelt, but may we send you ten thousand generals?"<sup>37</sup>

Where had the Bokers' plans gone wrong? To begin with, the first U.S. blacklist of July 1941, the one that included the Casa Boker, was a virtual copy of its World War I predecessor. Second, ethnicity, and not citizenship, determined who and what ended up on the blacklist. U.S. government officials consistently maintained that culture rather than a passport determined who was an "enemy alien."<sup>38</sup> Third, the continuities in the ownership of the Casa Boker were too apparent to overlook. Since Franz Boker, a German, headed the Casa

34. For this argument, see Maria Elena Paz, *Strategy, Security, and Spies: Mexico and the U.S. as Allies in World War II* (University Park: Pennsylvania State University Press, 1997).

35. Welles to Messersmith (Washington, D.C., May 23, 1942), NA, RG 84: Records of the Foreign Service Posts of the Department of State, Mexico City (Mexico) General Records, 1937-1052, box 152; Jones, "The Nazi Failure in Mexico," 1-97.

36. The limits of military cooperation are explored in Torres, 65-153.

37. Interview with Gunther Boker (Mexico City, December 12, 1986).

38. See NA, RG 353: Records of the Division of World Trade Intelligence, box 9, folders 1-3, and finding aid.

Boker during World War I, and since he still worked in the building in the early 1940s, the U.S. government saw no reason to buy into the logic that the company had become a Mexican business. Fourth, U.S. agent Jones had mistakenly identified Margot Trauwitz—Gunther’s wife—as the head of the Bund Deutscher Mädels (Confederation of German Girls), the female equivalent of the Hitler Youth.<sup>39</sup> Fifth, one of the ostensible shareholders, the German-Mexican Franz Buchenau, engaged in Nazi espionage in Argentina, an offense that made him a less than credible Mexican. Finally, U.S. intelligence somehow got wind of the existence of the “Fondo A,” as the embassy dossier on the Casa Boker reported that Franz Boker and his three brothers (in fact, his cousins and nephews) held the majority interest in the company.<sup>40</sup>

As if the blacklisting were not enough, war dealt even more severe blows to the Bokers. Gunther’s brother Peter Boker died in 1940 during the German invasion of France, and his twin brother Klaus fell near Tobruk, Libya, two years later. Removed from combat after the death of two of his brothers, Helmuth Boker survived unscathed, but he returned to find himself disillusioned with the career he had chosen before the war. Based in great part on his experiences during the war, he no longer believed that the study and practice of medicine contributed to the progress of humanity.<sup>41</sup> Meanwhile, Franz and Gunther Boker enthusiastically followed the war on the radio, but the absence of Nazi propaganda in the Mexican broadcasts soon left them disillusioned as well. At a time when many Germans still dreamed of victory, the Mexican Bokers already saw the impending defeat. Fatalistic about the future, Franz Boker even resolved never to go to Germany again. Even though he soon became more interested in Mexican than in German affairs, however, the patriarch of the family later broke that vow.<sup>42</sup>

Despite all these setbacks, Gunther Boker never gave up hope, and he spent much of his time building up contacts in order to eventually regain control over the Casa Boker. Against the wish of his father, who was deeply offended about the takeover, he patiently assembled a legal case that he hoped would ensure the return of the company after the cessation of hostilities in Europe.<sup>43</sup> Gunther Boker’s case had an irony to it that illustrated the

39. Jones, “The Nazi Failure in Mexico.” Trauwitz was a member until 1940, but her marriage to Gunther ended her involvement in the BDM.

40. “Minutes of Meeting Held at the Foreign Office on April 1, 1943 Between Sr. Tello, Sr. Topete Bordes, Sr. Carvajal, Sr. Sánchez Gavita, Mr. Russell, Mr. Bay and Mr. Holland Concerning Proclaimed List Matters,” AHSRE III-668-1 (3a parte).

41. Interview with Ruth Schwartzkopff de Boker (Mexico City, July 3, 1995).

42. Interview with Margot Trauwitz de Boker (Mexico City, August 9, 1995); interview with Ruth Schwartzkopff de Boker (Mexico City, July 3, 1995).

43. Interviews with Margot Trauwitz de Boker (Mexico City, June 13 and August 9, 1995).

ambiguity of the Bokers' position as German-Mexican merchants. Technically, the Casa Boker had become a Mexican company: not only did Mexicans own the enterprise, but the company's directors had never formally appealed for German diplomatic protection.<sup>44</sup> But the ostensible, supposedly "Mexican" shareholders had figured among the most prominent representatives of the German colony in Mexico, and hence were recognized universally as Germans. Within the foreign colonies of Mexico City, citizenship was regarded as a matter of expediency. Thus, an individual's "German-ness" or "Mexican-ness" depended on his or her personal situation rather than on the passport. Seen from this vantage point, most shareholders and the top employees of the Casa Boker were Germans: the Bokers raised their children to speak German and according to German traditions; they sent them to the German school in Mexico City; they mixed predominantly with the members of the German colony; and two Boker brothers were dying in the war in Europe.<sup>45</sup>

Nevertheless, Gunther Boker's endurance ultimately paid off: after the end of the war, the Mexican government could no longer administer the "intervened" companies, many of which were close to failure. The takeovers proved unprofitable, as mismanagement ran many of the JAVPE-administered companies into the ground. By 1947, the Casa Boker faced a 105-day strike and impending bankruptcy. Moreover, the end of the war had removed the perceived necessity for the Mexican government to administer enemy property. In view of this situation, the JAVPE faced the choice of either returning the companies to their former owners or selling their assets.<sup>46</sup> Pressured by the U.S. embassy, the agency attempted the latter. But in the case of the Casa Boker, Gunther succeeded in scaring off potential buyers with the help of persuasion and veiled threats. Thanks to his personal connections that included new President Miguel Alemán Valdés and excellent legal advice, he ultimately got his wish: on December 21, 1948, the company was released from JAVPE supervision upon payment of a hefty bribe.<sup>47</sup> Miraculously, the

44. Gunther Boker's legal case can be found in Gunther Boker to Miguel Alemán, Mar. 29, 1948, AGN, Ramo Presidentes, Miguel Alemán Valdés (hereafter cited as MAV), 562.11/9-8.

45. This tendency had become more pronounced during the 1930s: as Hitler's publicized atrocities had progressively offended the other foreign colonies as well as Mexicans, the German colony had found itself increasingly isolated. At the same time, the arrival of German-speaking Jewish and Socialist refugees in Mexico divided the colony. See Oeste de Bopp, "Die Deutschen in Mexico," in Hartmut Fröschle, *Die Deutschen in Lateinamerika: Schicksal und Leistung* (Stuttgart: Erdmann Verlag, 1979).

46. Mentz et al., 1: 218-229; Gunther Boker, "Unsere Geschäfte," 5, 7; Manuel Moreno Sánchez and Luis Cabrera to Miguel Alemán Valdés (Mexico City, Nov. 11, 1947), AGN, MAV 432/268.

47. Gunther Boker, "Unsere Geschäfte," 5-8; interview with Carlos Seippel (Mexico City, July 6, 1995).

Mexican government returned the Edificio Boker as well, even though it had belonged to Franz Boker, a German citizen.

As it turned out, the precautions taken by Franz and Gunther Boker had paid off after all. The company's structure as a *sociedad anónima* had allowed them to set up a list of ostensible shareholders, without which the firm might have been expropriated rather than merely "intervened." The reticence displayed in the face of Nazi initiatives also helped the Bokers, as the U.S. embassy did not oppose the devolution of their company. Finally, the money from the brewery shares and the gold coins hidden in milk containers came in handy. The money not only helped the Bokers restock the warehouse and fund the bribe necessary to obtain the return of the company, but it was the family's main source of income during the intervention of the company.<sup>48</sup>

Nonetheless, the Casa Boker never completely recovered from the events of the 1940s. The JAVPE had saddled the Casa Boker with a formidable debt, the company's trade union had obtained a labor contract that Gunther Boker considered highly constrictive, and all German employees had been forced to look for other positions.<sup>49</sup> The management could no longer fire any employee without the union's approval, and the union, led by the sister of CTM boss Fidel Velázquez, proved intractable in these matters. In February 1975, however, a fire in the Edificio Boker interrupted operations. This respite gave the management a chance to restructure both the enterprise and the labor contract: five years later, the newly formed "Boker, S.A." signed new agreements with the employees. The number of employees has since declined steadily: by 1995, the payroll of directors Pedro and Klaus Boker (Gunther's sons) included just forty people, four of them German-Mexicans.<sup>50</sup> Nevertheless, the Casa Boker never returned to its glamour days.

From the vantage point of the Bokers, the Good Neighbor had not proven very good neighborly at all. What seemed to others like acts of national defense meant for them the elimination of their way of life. An outgrowth of the cooperation between U.S. and German capital, the Casa Boker floundered when Nazi ultranationalism and U.S. paranoia destroyed this cooperation.

As this paper has shown, oftentimes foreign relations look very different at the micro-level than on the geopolitical or national scale. At such a macro-level, the U.S. effort to contain Axis infiltration in the western hemisphere looks like an appropriate, well-intentioned response to an all-out effort

48. Franz Boker, "Schicksal von Kapital und Arbeit," 11-12.

49. Gunther Boker, "Unsere Geschäfte," AB, FM, 7-10; Luis G. Alvarado to Franz Krug (Mexico, Nov. 16, 1942); and Luis Topete Bordes to Padilla (Mexico, Nov. 30, 1942), AHSRE III-638-20.

50. Gunther Boker, "Unsere Geschäfte," AB, FM, 10-14; interview with Pedro Boker (Mexico City, Aug. 17, 1995).

to crush the democracies of the Atlantic under the totalitarian boots of the German, Italian, and Japanese armed forces. But at the level of a family such as the Bokers—Nazi sympathizers though they were—the World War II phase of the Good Neighbor Policy appears in a darker hue. The blacklisting and internment of thousands of “enemy aliens” not only punished innocent civilians for the acts of their compatriots overseas; it also inaugurated an era when the U.S. government used the specter of extra-hemispheric threats to meddle in the domestic concerns of Latin American countries; and it gave U.S. corporation new ways to penetrate and control Latin American markets.