



# 3

## U.S. Economic Imperialism

### MAIN IDEA

**EMPIRE BUILDING** The United States put increasing economic and political pressure on Latin America during the 19th century.

### WHY IT MATTERS NOW

This policy set the stage for 20th-century relations between Latin America and the United States.

### TERMS & NAMES

- caudillo
- Monroe Doctrine
- José Martí
- Spanish-American War
- Panama Canal
- Roosevelt Corollary

### CALIFORNIA STANDARDS

**10.4.1** Describe the rise of industrial economies and their link to imperialism and colonialism (e.g., the role played by national security and strategic advantage; moral issues raised by the search for national hegemony, Social Darwinism, and the missionary impulse; material issues such as land, resources, and technology).

**CST 3** Students use a variety of maps and documents to interpret human movement, including major patterns of domestic and international migration, changing environmental preferences and settlement patterns, the frictions that develop between population groups, and the diffusion of ideas, technological innovations, and goods.

**HI 5** Students analyze human modifications of landscapes and examine the resulting environmental policy issues.

**SETTING THE STAGE** Latin America’s long struggle to gain independence from colonial domination between the late 18th and the mid-19th centuries left the new nations in shambles. Farm fields had been neglected and were overrun with weeds. Buildings in many cities bore the scars of battle. Some cities had been left in ruins. The new nations of Latin America faced a struggle for economic and political recovery that was every bit as difficult as their struggle for independence had been.

### Latin America After Independence

Political independence meant little for most citizens of the new Latin American nations. The majority remained poor laborers caught up in a cycle of poverty.

**Colonial Legacy** Both before and after independence, most Latin Americans worked for large landowners. The employers paid their workers with vouchers that could be used only at their own supply stores. Since wages were low and prices were high, workers went into debt. Their debt accumulated and passed from one generation to the next. In this system known as peonage, “free” workers were little better than slaves.

Landowners, on the other hand, only got wealthier after independence. Many new Latin American governments took over the lands owned by native peoples and by the Catholic Church. Then they put those lands up for sale. Wealthy landowners were the only people who could afford to buy them, and they snapped them up. But as one Argentinean newspaper reported, “Their greed for land does not equal their ability to use it intelligently.” The unequal distribution of land and the landowners’ inability to use it effectively combined to prevent social and economic development in Latin America.

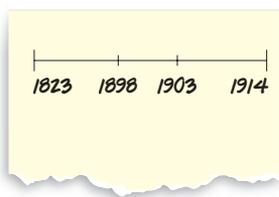
**Political Instability** Political instability was another widespread problem in 19th-century Latin America. Many Latin American army leaders had gained fame and power during their long struggle for independence. They often continued to assert their power. They controlled the new nations as military dictators, or **caudillos** (kaw•DEEL•yohz). They were able to hold on to power because they were backed by the military. By the mid-1800s, nearly all the countries of Latin America were ruled by caudillos. One typical caudillo was Juan Vicente Gómez.

### TAKING NOTES

#### Following

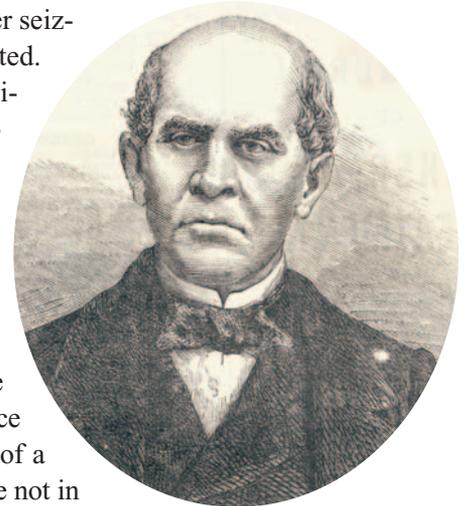
#### Chronological

**Order** Use a time line to list the major events in U.S. involvement in Latin America.



He was a ruthless man who ruled Venezuela for nearly 30 years after seizing power in 1908. “All Venezuela is my cattle ranch,” he once boasted.

There were some exceptions, however. Reform-minded presidents, such as Argentina’s Domingo Sarmiento, made strong commitments to improving education. During Sarmiento’s presidency, between 1868 and 1874, the number of students in Argentina doubled. But such reformers usually did not stay in office long. More often than not, a caudillo, supported by the army, seized control of the government.



▲ Argentine reformer Domingo Sarmiento

The caudillos faced little opposition. The wealthy landowners usually supported them because they opposed giving power to the lower classes. In addition, Latin Americans had gained little experience with democracy under European colonial rule. So, the dictatorship of a caudillo did not seem unusual to them. But even when caudillos were not in power, most Latin Americans still lacked a voice in the government. Voting rights—and with them, political power—were restricted to the relatively few members of the upper and middle classes who owned property or could read. **A**

**MAIN IDEA**

**Identifying Problems**

**A** What difficulties did lower-class Latin Americans continue to face after independence?

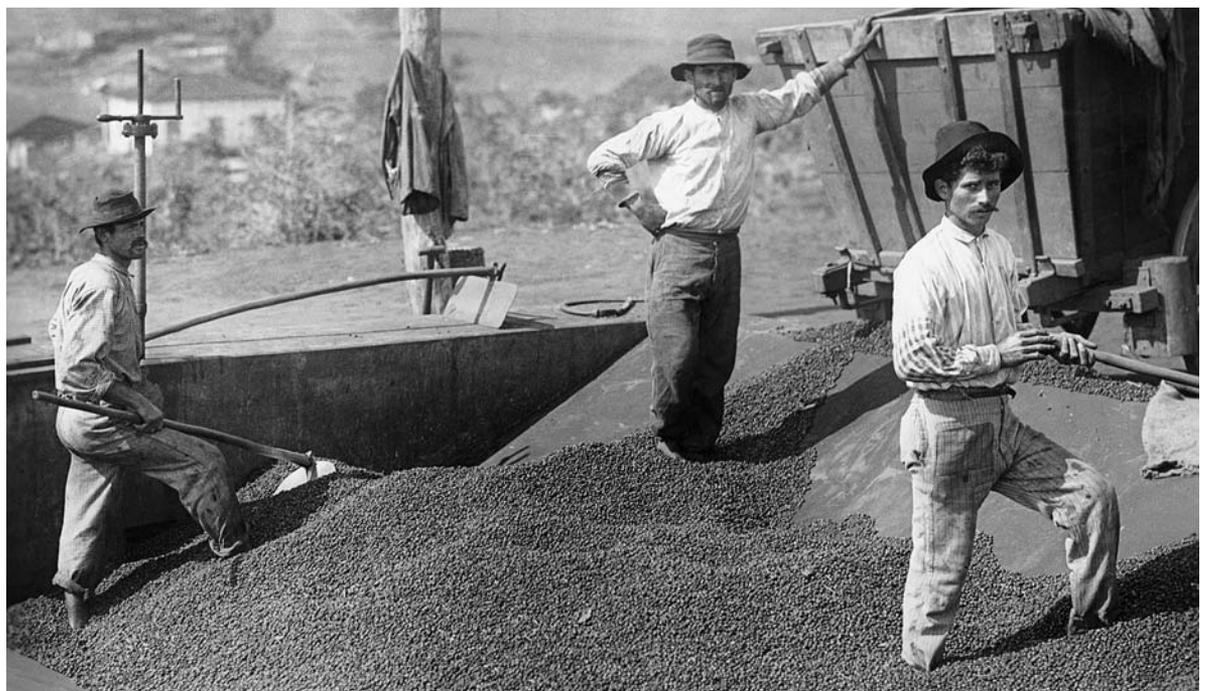
## Economies Grow Under Foreign Influence

When colonial rule ended in Latin America in the early 1800s, the new nations were no longer restricted to trading with colonial powers. Britain and, later, the United States became Latin America’s main trading partners.

**Old Products and New Markets** Latin America’s economies continued to depend on exports, no matter whom they were trading with. As during the colonial era, each country concentrated on one or two products. With advances in technology, however, Latin America’s exports grew. The development of the steamship and the building of railroads in the 19th century, for example, greatly increased Latin American trade. Toward the end of the century, the invention of refrigeration helped increase Latin America’s exports. The sale of beef, fruits and vegetables, and other perishable goods soared.

But foreign nations benefited far more from the increased trade than Latin America did. In exchange for their exports, Latin Americans imported European and North American manufactured goods. As a result, they had little reason to develop their own manufacturing industries. And as long as Latin America remained unindustrialized, it could not play a leading role on the world economic stage.

▼ Workers unload coffee beans at a plantation in Brazil. Until recently, Brazil’s economy depended heavily on the export of coffee.



**Outside Investment and Interference** Furthermore, Latin American countries used little of their export income to build roads, schools, or hospitals. Nor did they fund programs that would help them become self-sufficient. Instead, they often borrowed money at high interest rates to develop facilities for their export industries. Countries such as Britain, France, the United States, and Germany were willing lenders. The Latin American countries often were unable to pay back their loans, however. In response, foreign lenders sometimes threatened to collect the debt by force. At other times, they threatened to take over the facilities they had funded. In this way, foreign companies gained control of many Latin American industries. This began a new age of economic colonialism in Latin America.

## History Makers



**José Martí**  
1853–1895

José Martí was only 15 in 1868 when he first began speaking out for Cuban independence. In 1871, the Spanish colonial government punished Martí's open opposition with exile. Except for a brief return to his homeland in 1878, Martí remained in exile for about 20 years. For most of this time, he lived in New York City. There he continued his career as a writer and a revolutionary. "Life on earth is a hand-to-hand combat . . . between the law of love and the law of hate," he proclaimed.

While in New York, Martí helped raise an army to fight for Cuban independence. He died on the battlefield only a month after the war began. But Martí's cry for freedom echoes in his essays and poems and in folk songs about him that are still sung throughout the world.

### INTEGRATED TECHNOLOGY

**RESEARCH LINKS** For more on José Martí, go to [classzone.com](http://classzone.com)

## A Latin American Empire

Long before the United States had any economic interest in Latin American countries, it realized that it had strong links with its southern neighbors. Leaders of the United States were well aware that their country's security depended on the security of Latin America.

**The Monroe Doctrine** Most Latin American colonies had gained their independence by the early 1800s. But their position was not secure. Many Latin Americans feared that European countries would try to reconquer the new republics. The United States, a young nation itself, feared this too. So, in 1823, President James Monroe issued what came to be called the **Monroe Doctrine**. This document stated that "the American continents . . . are henceforth not to be considered as subjects for future colonization by any European powers." Until 1898, though, the United States did little to enforce the Monroe Doctrine. Cuba provided a real testing ground.

**Cuba Declares Independence** The Caribbean island of Cuba was one of Spain's last colonies in the Americas. In 1868, Cuba declared its independence and fought a ten-year war against Spain. In 1878, with the island in ruins, the Cubans gave up the fight. But some Cubans continued to seek independence from Spain. In 1895, **José Martí**, a writer who had been exiled from Cuba by the Spanish, returned to launch a second war for Cuban independence. Martí was killed early in the fighting, but the Cubans battled on.

By the mid-1890s, the United States had developed substantial business holdings in Cuba. Therefore it had an economic stake in the fate of the country. In addition, the Spanish had forced many Cuban civilians into concentration camps. Americans objected to the Spanish brutality. In 1898, the United States joined the Cuban war for independence. This conflict, which became known as the **Spanish-American War**, lasted about four months. U.S. forces launched their first attack not on Cuba but on the Philippine Islands, a Spanish colony thousands of miles away in the Pacific. Unprepared for a war on two fronts, the Spanish military quickly collapsed. (See the maps on the opposite page.) **B**

### MAIN IDEA

#### Analyzing Motives

**B** Why did the United States join the Cuban war for independence?



**GEOGRAPHY SKILLBUILDER: Interpreting Maps**

- 1. Location** Where is Cuba located in relation to the United States?
- 2. Location** In the war, the United States launched its first attack against the Philippine Islands. Why might this have surprised the Spanish?

In 1901, Cuba became an independent nation, at least in name. However, the United States installed a military government and continued to exert control over Cuban affairs. This caused tremendous resentment among many Cubans, who had assumed that the United States' aim in intervening was to help Cuba become truly independent. The split that developed between the United States and Cuba at this time continues to keep these close neighbors miles apart more than a century later.

After its defeat in the Spanish-American War, Spain turned over the last of its colonies. Puerto Rico, Guam, and the Philippines became U.S. territories. Having become the dominant imperial power in Latin America, the United States next set its sights on Panama.

**Connecting the Oceans** Latin Americans were beginning to regard the United States as the political and economic “Colossus of the North.” The United States was a colossus in geographic terms too. By the 1870s, the transcontinental railroad connected its east and west coasts. But land travel still was time-consuming and difficult. And sea travel between the coasts involved a trip of about 13,000 miles around the tip of South America. If a canal could be dug across a narrow section of Central America, however, the coast-to-coast journey would be cut in half.

The United States had been thinking about such a project since the early 19th century. In the 1880s, a French company tried—but failed—to build a canal across Panama. Despite this failure, Americans remained enthusiastic about the canal. And no one was more enthusiastic than President Theodore Roosevelt, who led the nation from 1901 to 1909. In 1903, Panama was a province of Colombia. Roosevelt offered that country \$10 million plus a yearly payment for the right to build a canal. When the Colombian government demanded more money, the United States

**Vocabulary**

A *colossus* is a huge statue that towers over the surrounding area.

# Science & Technology

INTERACTIVE

## Panama Canal

The Panama Canal is considered one of the world's greatest engineering accomplishments. Its completion changed the course of history by opening a worldwide trade route between the Atlantic and Pacific oceans. As shown in the diagram below, on entering the canal, ships are raised about 85 feet in a series of three locks. On leaving the canal, ships are lowered to sea level by another series of three locks.

The canal also had a lasting effect on other technologies. Since the early 1900s, ships have been built to dimensions that will allow them to pass through the canal's locks.



▲ Ships passing through the Pedro Miguel Locks

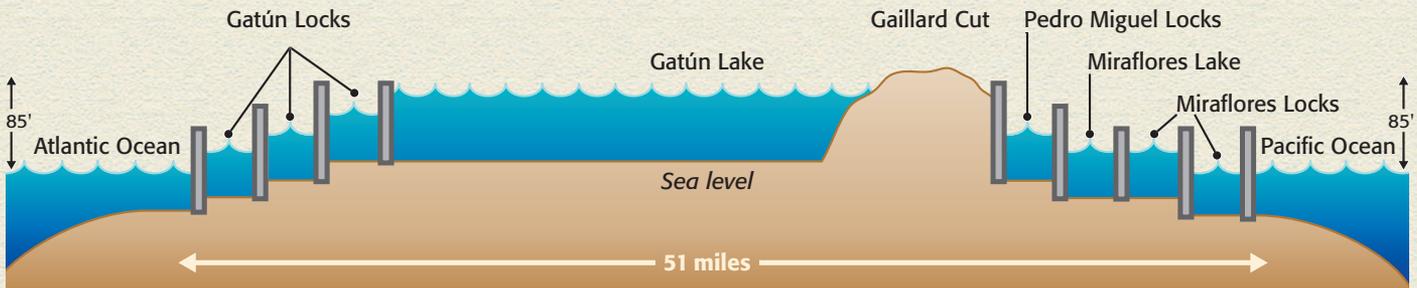
### INTEGRATED TECHNOLOGY

**RESEARCH LINKS** For more on the Panama Canal, go to [classzone.com](http://classzone.com)

### CALIFORNIA STANDARDS

10.4.1, HI 2

### Panama Canal Cross-section



### Canal Facts

- The canal took ten years to build (1904–1914) and cost \$380 million.
- During the construction of the canal, workers dug up more than 200 million cubic yards of earth.
- Thousands of workers died from diseases while building the canal.
- The trip from San Francisco to New York City via the Panama Canal is about 9,000 miles shorter than the trip around South America.
- The 51-mile trip through the canal takes 8 to 10 hours.
- The canal now handles more than 13,000 ships a year from around 70 nations carrying 192 million short tons of cargo.
- Panama took control of the canal on December 31, 1999.

▲ This cross-section shows the different elevations and locks that a ship moves through on the trip through the canal.

### Connect to Today

- 1. Identifying Problems** What difficulties did workers face in constructing the canal?  
See Skillbuilder Handbook, page R5.
- 2. Evaluating Decisions** In the more than 90 years since it was built, do you think that the benefits of the Panama Canal to world trade have outweighed the costs in time, money, and human life? Explain your answer.

responded by encouraging a revolution in Panama. The Panamanians had been trying to break away from Colombia for almost a century. In 1903, with help from the United States Navy, they won their country's independence. In gratitude, Panama gave the United States a ten-mile-wide zone in which to build a canal.

For the next decade, American engineers contended with floods and withering heat to build the massive waterway. However, their greatest challenge was the disease-carrying insects that infested the area. The United States began a campaign to destroy the mosquitoes that carried yellow fever and malaria, and the rats that carried bubonic plague. The effort to control these diseases was eventually successful. Even so, thousands of workers died during construction of the canal. The **Panama Canal** finally opened in 1914. Ships from around the world soon began to use it. Latin America had become a crossroads of world trade. And the United States controlled the tollgate. **C**

▼ This cartoon suggests that the Roosevelt Corollary turned the Caribbean into a U.S. wading pool.



### MAIN IDEA

#### Analyzing Motives

**C** Why was the United States so interested in building the Panama Canal?

**The Roosevelt Corollary** The building of the Panama Canal was only one way that the United States expanded its influence in Latin America in the early 20th century. Its presence in Cuba and its large investments in many Central and South American countries strengthened its foothold. To protect those economic interests, in 1904, President Roosevelt issued a corollary, or extension, to the Monroe Doctrine. The **Roosevelt Corollary** gave the United States the right to be “an international police power” in the Western Hemisphere.

The United States used the Roosevelt Corollary many times in the following years to justify U.S. intervention in Latin America. U.S. troops occupied some countries for decades. Many Latin Americans protested this intervention, but they were powerless to stop their giant neighbor to the north. The U.S. government simply turned a deaf ear to their protests. It could not ignore the rumblings of revolution just over its border with Mexico, however. You will learn about this revolution in Section 4.

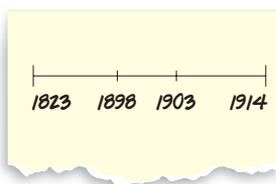
## SECTION 3 ASSESSMENT

**TERMS & NAMES** 1. For each term or name, write a sentence explaining its significance.

- caudillo
- Monroe Doctrine
- José Martí
- Spanish-American War
- Panama Canal
- Roosevelt Corollary

### USING YOUR NOTES

2. Which event do you think was most beneficial to Latin America? Why? (10.4.1)



### MAIN IDEAS

3. Why did the gap between rich and poor in Latin America grow after independence? (10.4.1)
4. What economic gains and setbacks did Latin American countries experience after independence? (10.4.1)
5. Why was the United States so interested in the security of Latin America? (10.4.1)

### CRITICAL THINKING & WRITING

6. **ANALYZING MOTIVES** Why do you think upper-class Latin Americans favored governments run by caudillos? (10.4.1)
7. **FORMING OPINIONS** Do you think that U.S. imperialism was more beneficial or harmful to Latin American people? Explain. (10.4.1)
8. **CONTRASTING** How was the principle of the Roosevelt Corollary different from that of the Monroe Doctrine? (10.4.1)
9. **WRITING ACTIVITY** **REVOLUTION** Assume the role of a Cuban fighting for independence from Spain. Design a political **poster** that shows your feelings about the United States joining the struggle for independence. (Writing 2.2.b)

### CONNECT TO TODAY CREATING A DATAFILE

Conduct research to find statistics on the ships and cargo that travel through the Panama Canal. Use your findings to create a **datafile** for usage of the canal in a recent year. (10.4.1)