Economic Imperialism in Latin America

Objective: Discuss the political problems faced by Mexico and other new Latin American nations. List the ways industrialized nations affected Latin America.

Terms, People, and Places
- regionalism
- peonage
- creoles
- Benito Juárez
- La Reforma

Reading Skill: Recognize Multiple Causes

As you read, record the causes of instability in Latin America in a chart similar to this one. Then give an example of how each cause affected Mexico.

<table>
<thead>
<tr>
<th>Causes</th>
<th>Mexican Example</th>
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Vocabulary Builder

Use the information below and the following resources to teach the high-use words from this section.

High-Use Words
- enlightened, p. 802
- tangible, p. 803

Definitions and Sample Sentences
- enlightened: adj. educated, informed (It took an enlightened leader to reform the court system and reduce crime.)
- tangible: adj. real or concrete (The certificate was tangible proof that the student had completed the course.)
Lingering Political Problems

Instruct

■ Introduce: Key Terms Remind students that Simón Bolívar had hoped the wars for independence would lead to the creation of a “United States” of Latin America. Have students locate the key term regionalism (in blue) in the text and explain its meaning. Discuss how regionalism contributed to instability in Latin America.

■ Teach Ask What was the legacy of colonial rule for Latin American nations? (a rigid class system, social and political inequalities with special privileges for creoles and the Roman Catholic Church, limited voting rights, racial prejudice, limited land ownership) What were the consequences of regionalism and the rise of caudillos? (power struggles and frequent revolts, with privileged elites retaining power)

Independent Practice

Have students write a paragraph explaining and giving evidence to support this statement from the text: “Many of the problems in the new nations had their origins in colonial rule.”

Monitor Progress

■ As students write their paragraphs, circulate to make sure that they have provided evidence to support their argument.

■ As students fill in their charts, circulate to make sure they understand the key causes of instability in Latin America. For a completed version of the chart, see Note Taking Transparencies, 167A

Answer

Inequalities remained, voting rights were limited, racial prejudices persisted, a small number of people owned most of the land, and regionalism hurt national unity.

For most people—mestizos, mulattoes, blacks, and Indians—life did not improve after independence. The new constitutions guaranteed equality before the law, but deep-rooted inequalities remained. Voting rights were limited. Many people felt the effects of racial prejudices. Small groups of people held most of the land. Owners of haciendas ruled their great estates, and the peasants who worked them, like medieval European lords.

The Search for Stability

With few roads and no tradition of unity, regionalism, or loyalty to a local area, weakened the new nations. Local strongmen, called caudillos (koh DEE yohs), assembled private armies to resist the central government. At times, popular caudillos, occasionally former military leaders, gained national power. They hosted the treasury and ruled as dictators. Power struggles led to frequent revolts that changed little except the name of the leader. In the long run, power remained in the hands of a privileged few who had no desire to share it.

As in Europe, the ruling elites in Latin America were divided between conservatives and liberals. Conservatives defended the traditional social order, favored press censorship, and strongly supported the Catholic Church. Liberals backed laissez-faire economics, religious toleration, greater access to education, and freedom of the press. Liberals saw themselves as enlightened supporters of progress but often showed little concern for the needs of the majority of the people.

Checkpoint What factors undermined democracy in post-independence Latin America?

Mexico’s Struggle for Stability

During the 1800s, each Latin American nation followed its own course. Mexico provides an example of the challenges facing many Latin American nations. Large landowners, army leaders, and the Catholic Church dominated Mexican politics. However, bitter battles between conservatives and liberals led to revolts and the rise of dictators. Deep social divisions separated wealthy croissos from mestizos and Indians who lived in poverty.

Santa Anna and War With the United States

Between 1833 and 1855, an ambitious and cunning caudillo, Antonio López de Santa Anna, gained and lost power many times. At first, he posed as a liberal reformer.
Soon, however, he reversed his stand and crushed efforts at reform.

In Mexico’s northern territory of Texas, discontent grew. In 1835, settlers who had moved to Texas from the United States and other places revolted. After a brief struggle with Santa Anna’s forces, the settlers gained independence from Mexico. They quickly set up an independent republic. Then in 1845 the United States annexed Texas. Mexico lost almost half its territory. The embarrassing defeat triggered new violence between conservatives and liberals.

La Reforma Changes Mexico In 1855, Benito Juárez (WAHR ez), a liberal reformer of Zapotec Indian heritage, and other liberals gained power and opened an era of reform known as La Reforma. Juárez offered hope to the oppressed people of Mexico. He and his fellow reformers revised the Mexican constitution to strip the military of power and end this special privilege of the Church. They ordered the Church to sell unused lands to peasants.

Conservatives resisted La Reforma and began a civil war. Still, Juárez was elected president in 1861 and expanded his reforms. His opponents turned to Europe for help. In 1863, Napoleon III sent troops to Mexico and set up a puppet emperor Maximilian as emperor.

For four years, Juárez’s forces battled the combined conservatives and French forces. When France withdrew its troops, Maximilian was captured and shot. In 1867, Juárez returned to power and tried to renew reform, but opponents resisted. Juárez died in office in 1872, never achieving all the reforms he envisioned. He did, however, help unite Mexico, bring mestizos into politics, and separate church and state.

Growth and Oppression Under Díaz After Juárez died, General Porfirio Díaz, a hero of the war against the French, staged a military coup and gained power. From 1876 to 1880 and 1884 to 1911, he ruled as a dictator. In the name of “Order and Progress,” he strengthened the army, local police, and central government. He crushed opposition.

Under his iron rule, Mexico made tangible economic advances. Railroads were built, foreign trade increased, some industry developed, and mining expanded. Growth, however, had a high cost. Capital for development came from foreign investors, to whom Díaz granted special rights. He also let wealthy landowners buy up Indian lands. The rich prospered, but most Mexicans remained poor. Many Indians and mestizos fell into peonage to their employers. In the peonage system, hacienda owners would give workers advances on their wages and require them to stay on the hacienda until they had paid back what they owed. Wages remained low, and workers were rarely able to repay the advances and free themselves. In what light does this illustration present the defenders of the Alamo?

Remember the Alamo!

Vocabulary Builder
tangible—tang-i-bal adj. real or concrete

History Background

Benito Juárez—Throughout his life, Benito Juárez worked to overcome the legacies of colonial rule both for himself and for the Mexican people. Juárez was Mexico’s first indigenous president. As a Zapotec, Juárez overcame strong barriers of prejudice against Native Americans. He began his formal education at age 12. After later earning a law degree, he entered public life. His first elected offices were as a member of the city council and then as governor of the state of Oaxaca. As governor, he earned a reputation for honesty, efficiency, and a modest lifestyle. He was respected for refusing to use public office to enrich himself or his family and friends. His goal was to turn his liberal ideas into political realities. Although he did not always succeed, his struggle brought hope to the poor and helped make him a national hero.

Mexico’s Struggle for Stability

Instruct

■ Introduce: Vocabulary Builder

Have students read the Vocabulary Builder term and definition. Ask them to predict why the average Mexican would value seeing tangible proof of improving stability.

■ Teach

List the names of these political leaders on the board: Antonio López de Santa Anna, Benito Juárez, Porfirio Díaz. For each, have students list the leader’s goals, his methods for achieving them, the effects of his actions, and his success at providing more stability and prosperity. Point out that though the government changed hands fairly frequently, these three leaders emerged and were able to hold power for most of this period.

■ Quick Activity

Have students write a letter to Juárez or Diaz identifying strengths and weaknesses of his leadership and explaining whether they think his policies and actions hurt or helped Mexico. Use the Think-Write-Pair-Share strategy (TE, p. T21) and have students compare their letters.

Independent Practice

Help students remember the key events of Mexico’s struggle for stability, ask them to write one to three bullet points to summarize the text under each heading in the section.

Monitor Progress

Have students choose another nation in Latin America and write a short essay comparing its economic, social, and political challenges in the 1800s with those that were facing Mexico. Students might focus especially on social divisions, conflicts between liberals and conservatives, and regionalism.

Answers

Caption They are determined heroically to defend themselves.

It suffered defeat in war with the United States and lost land, faced social and economic inequalities, succumbed to civil war, and faced harsh rule by Diaz.

Chapter 25 Section 4 803
The Economics of Dependence

Instruct

■ Introduce Discuss the word dependence in political and economic terms. Have students name factors that might lead to an unequal or dependent relationship between two countries. Then refer students to the map on this page. Have students use the map to make predictions about the trade relationship that would develop between Latin American countries and industrial nations like the United States.

■ Teach Ask How did Spanish and Portuguese policies prevent their Latin American colonies from developing their own economies? (Colonies had to sell raw materials to the parent country and buy manufactured goods from them, rather than manufacturing their own goods. Laws prevented trade with other countries and the creation of competitive local industries.) What happened to the cycle of dependence after political independence? (It continued, but with Britain and the United States replacing Spain and Portugal.) Why did many local industries fail to develop even after Latin America joined the world economy? (Only the elite benefited from foreign trade. The poor earned too little to buy consumer goods, so strong markets for local industries did not develop.)

■ Quick Activity Display Color Transparency 155: Exports of Latin America and Selected Nations, About 1913. Use the lesson suggested in the transparency book to guide a discussion about the cycle of dependence in Latin America.

Answers

Map Skills
1. Review locations with students.
2. Sample: It is located right next to Latin America.
3. bananas and fish

804 New Global Patterns

The Economics of Dependence

Under colonial rule, mercantilist policies made Latin America economically dependent on Spain and Portugal. Colonies sent raw materials such as cash crops or precious metals to the parent country and had to buy manufactured goods from them. Strict laws kept colonists from trading with other countries and possibly obtaining goods at a lower price. In addition, laws prohibited the building of local industries that would have competed with the parent country. In short, the policies prevented the colonies from developing their own economies.

The Cycle of Economic Dependence After independence, this pattern changed very little. The new Latin American republics did adopt free trade, welcoming all comers. Britain and the United States rushed into the new markets, replacing Spain as Latin America’s chief trading partners. But the region remained as economically dependent as before.

Foreign Influence Mounts In the 1800s, foreign goods flooded Latin America, creating large profits for foreigners and for a handful of local business people. Foreign investment, which could yield enormous profits, was often accompanied by local interference. Investors from Britain, the United States, and other nations pressured their own governments to take action if political events or reform movements in a Latin American country seemed to threaten their interests.

Some Economic Growth After 1850, some Latin American economies did grow. With foreign capital, they were able to develop mining and agriculture. Chile exported copper and nitrate, and Argentina expanded its beef trade. But even these successes were not enough to break the cycle of dependence.

Imperialism in Latin America, 1898–1917

Map Skills: In the early 1900s, European powers held possessions in Latin America. The United States often intervened to protect business interests there.

1. Locate (a) Cuba (b) Canal Zone (c) British Guiana (d) Honduras
2. Location Why did the United States have a particularly strong interest in Latin American affairs?

Diplomats and Intervention

1. Identify Point of View What natural resources drew the Dutch to Dutch Guiana?

Note Taking
Reading Skill: Identify Effects Use a chart like the one below to record how foreign influence, including that of the United States, affected Latin America.

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Challenges in Creating a New Country

About 1913, Latin American leaders faced a group of leaders who were trying to create a country. Include issues such as providing for national defense, balance of power, and social welfare. Then have students do library or Internet research on one of the new Latin American countries. Students should provide a summary of how leaders handled these challenges in creating their new country.

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the livestock and wheat production. Brazil exported the cash crops coffee and sugar, as well as rubber. By the early 1900s, both Venezuela and Mexico were developing important and lucrative oil industries.

Throughout the region, foreigners invested in modern ports and railroads to carry goods from the interior to coastal cities. European immigrants poured into Latin America. The newcomers helped to promote economic activity, and a small middle class emerged. Thanks to trade, investment, technology, and migration, Latin American nations moved into the world economy. Yet internal development was limited. The tiny elite at the top benefited from the economic upturn, but very little trickled down to the masses of people at the bottom. The poor earned too little to buy consumer goods. Without a strong demand, many industries failed to develop.

**Checkpoint** How did foreign influence and investment affect Latin America?

### The Influence of the United States

As nations like Mexico tried to build stable governments, a neighboring republic, the United States, expanded across North America. Latin American nations began to feel threatened by the “Colosseum of the North,” the giant power that cast its shadow over the entire hemisphere.

**The Monroe Doctrine**

In the 1820s, Spain plotted to recover its American colonies. Britain opposed any move that might close the door to trade with Latin America. British leaders asked American President James Monroe to join them in a statement opposing any new colonization of the Americas.

Monroe, however, wanted to avoid any “entangling alliances” with Britain. Acting alone, he issued the Monroe Doctrine in 1823. “The American continents,” it declared, “are henceforth not to be considered as subject to further colonization by any European power.” The United States lacked the military power to enforce the doctrine. But with the support of Britain’s strong navy, the doctrine discouraged European interference. For more than a century, the Monroe Doctrine would be the key to United States policy in the Americas.

**The United States Expands Into Latin America**

As a result of the war with Mexico, in 1848 the United States acquired the thinly popuated regions of northern Mexico, gaining all or part of the present-day states of California, Arizona, New Mexico, Nevada, Utah, and Colorado. The victory led Americans to believe in their nation’s manifest destiny. Before the century had ended, the United States controlled much of North America and was becoming involved in overseas conflicts.

For decades, Cuban patriots had battled to free their island from Spanish rule. As they began to make headway, the United States joined their cause, declaring war on Spain in 1898. The brief Spanish-American War ended in a crushing defeat for Spain. At the war’s end, Cuba was granted independence. But in 1901, the United States forced Cubans to add the Platt Amendment to their constitution. The amendment gave the United States naval bases in Cuba and the right to intervene in Cuban affairs.

### History Background

**Monroe Doctrine**

The Monroe Doctrine reflected the intention of the United States to make Latin America a U.S. sphere of influence. In 1823, when Monroe announced this policy, the United States was not yet a world power. If European nations had challenged the United States’ assertion of control over Latin America, U.S. leaders would have had to turn to Britain for help. Over time, as the United States became a more powerful and prosperous nation, its assertion of unilateral authority in the region became more credible, though not more popular.

**Independent Practice**

- **Note Taking** Have students fill in the chart showing the effects of foreign influence on Latin America.

  - Reading and Note Taking Study Guide, p. 230
- **Have students access Web Code npp-3541 to take the Geography Interactive Audio Guided Tour and then answer the map skills questions in the text.**

**Monitor Progress**

- As students fill in their charts, circulate to make sure they understand the ways in which foreign countries influenced Latin America. For a completed version of the chart, see **Note Taking Transparencies, 1678.**
- Check answers to map skills questions.

### History Background

- **Foreign investment helped Latin American economies develop to some extent, but their development mostly benefited the foreign investors and a small group of Latin American elites.**

**Analyzing Political Cartoons**

1. **Eastern and Western Hemispheres**
   - They don’t want the United States to interfere so much in the world.

Chapter 25 Section 4 805
The Influence of the United States

Instruct

- Introduce Remind students of the section title: Economic Imperialism in Latin America. Have students explain how economic imperialism is different from the imperialism of the colonial period. Have students make predictions about the consequences for Latin American nations of the involvement of the United States in their economies.
- Teach Create a four-column chart on the board, with columns labeled Country, U.S. Intervention, Purpose, and Outcome. Have the class work together to complete the chart. Then ask What was the goal of the Monroe Doctrine? (to discourage European intervention in Latin America) Why did U.S. leaders add the Roosevelt Corollary to the Monroe Doctrine? (to protect U.S. investments in Latin America)
- Analyzing the Visuals Have students study the Infographic on this page in groups. Have the groups list the challenges faced by the canal builders. Taking these into account, ask students to consider why Panama didn’t build the canal on its own.

Independent Practice

- Primary Source To help students understand how Latin Americans viewed intervention by the United States, have them read the excerpt from José Martí’s “Our America” and complete the worksheet.
- Have students fill in the Outline Map “Imperialism in Latin America” and label areas of U.S. influence.

Monitor Progress

Circulate to make sure students are filling in their Outline Maps accurately. Administer the Geography Quiz.

Answers

Thinking Critically

1. To shorten the shipping distance between the East Coast and the West Coast
2. To protect the work force from the effects of disease

Link to Science

Disease Fighter in Panama Building the Panama Canal required both scientific and engineering expertise. Early efforts by a French company to build the canal had failed in part because so many workers died of malaria and yellow fever. William Gorgas, an American disease and sanitation expert, solved the problem. Before coming to Panama, Gorgas had overheard the deadly disease. His work led to the eradication of yellow fever from the Canal Zone.
The United States Interfered  

American investments in Latin America grew in the early 1900s. Citing the need to protect those investments, in 1904 the United States seized the Roosevelt Corollary to the Monroe Doctrine. Under this policy, the United States claimed “international police power” in the Western Hemisphere. When the Dominican Republic failed to pay its foreign debts, the United States sent in troops. Americans collected customs duties, paid off the debts, and remained for years. Under the Roosevelt Corollary and then President William Howard Taft’s policy of Dollar Diplomacy, American companies continued to invest in the countries of Latin America. To protect those investments, the United States sent troops to Cuba, Haiti, Mexico, Honduras, Nicaragua, and other countries in Central America and the Caribbean. As a result, like European powers in Africa and Asia, the United States became the target of increasing resentment and rebellion.

Building the Panama Canal  

From the late 1800s, the United States had wanted to build a canal across Central America. Panama was a proposed site. However, Panama belonged to Colombia, which refused to sell the United States land for the canal. In 1903, the United States backed a revolt by Panamanians against Colombia. The Panamanian quickly won independence and gave the United States control of the land to build the canal. Construction began in 1904. Engineers solved many difficult problems in the course of building the canal. The Panama Canal opened in 1914. The canal cut the distance of a sea journey between such cities as New York and San Francisco by thousands of miles. It was an engineering marvel that boosted trade and shipping worldwide.

To people in Latin America, however, the canal was another example of “Yankee imperialism.” Nationalist feeling in the hemisphere was often expressed as anti-Americanism. Panama did not gain complete control over the canal until 2000. It now forms a vital part of the Panamanian economy.

Checkpoint: How did the United States act as an imperialist power in Latin America?