Economic Imperialism in Latin America

Despite bright hopes, democracy failed to take root in most of the newly independent nations of Latin America in the 1800s. Instead, wealth and power remained in the hands of the few. At the same time, new technology such as refrigerated ships helped to intertwine the economies of nations that were thousands of miles apart. Latin American economies became increasingly dependent upon those of more developed countries. Britain, and later the United States, invested heavily in Latin America.

Lingering Political Problems

Simón Bolívar had hoped to create strong ties among the nations of Latin America. But feuds among leaders, geographic barriers, and local nationalism shattered that dream of unity. In the end, 20 separate nations emerged.

The Colonial Legacy

Many of the problems in the new nations had their origins in colonial rule. The existing social and political hierarchy barely changed. Creoles simply replaced peninsulares as the ruling class. The Roman Catholic Church kept its privileged position and still controlled huge amounts of land.

Focus Question How did Latin American nations struggle for stability, and how did industrialized nations affect them?

Terms, People, and Places

- regionalism
- caudillo
- La Reforma
- Benito Juárez
- peonage
- Monroe Doctrine
- Panama Canal

Reading Skill: Recognize Multiple Causes

Ask students to predict how centuries of foreign domination might have affected attitudes toward imperialist powers.

Set a Purpose

- WITNESS HISTORY Read the selection. What is Benito Juárez’s main criticism of Mexican society? (that all citizens are not treated equally)

What is the result of these inequalities? (They have led to disorder.)

- Focus Point out the Section Focus Question and write it on the board. Tell students to refer to this question as they read. (Answer appears with Section 4 Assessment answers.)

- Preview Have students preview the Section Objectives and the list of Terms, People, and Places.

- Note Taking Have students read this section using the Guided Questioning strategy (TE, p. T20). As they read, have students fill in the chart listing the causes of instability in Latin America.

Prep in to Read

Build Background Knowledge

Remind students that Latin America experienced a long period of colonial rule. Ask students to predict how centuries of foreign domination might have affected attitudes toward imperialist powers.

Vocabulary Builder

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

- Teaching Resources, Unit 5, p. 88; Teaching Resources, Skills Handbook, p. 3

<table>
<thead>
<tr>
<th>High-Use Words</th>
<th>Definitions and Sample Sentences</th>
</tr>
</thead>
<tbody>
<tr>
<td>enlightened, p. 616</td>
<td>adj. educated, informed</td>
</tr>
<tr>
<td>It took an enlightened leader to reform the court system and reduce crime.</td>
<td></td>
</tr>
<tr>
<td>tangible, p. 617</td>
<td>adj. real or concrete</td>
</tr>
<tr>
<td>The certificate was tangible proof that the student had completed the course.</td>
<td></td>
</tr>
</tbody>
</table>
Between 1833 and 1855, with few roads and no tradition of unity, many nations faced problems in 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**

**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, 168A

**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 prejudice. 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 (kow TEH yohs), assembled private armies to resist the central government. At times, popular caudillos, occasionally former military leaders, gained national power. They looted 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 elite 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 creoles 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. Mexicans saw this as a declaration of war. In the fighting that followed, the United States invaded and defeated Mexico. In the Treaty of Guadalupe-Hidalgo, which ended the war, Mexico lost almost half its territory. The embarrassing defeat triggered new violence between conservatives and liberals.

La Reforma Changes Mexico In 1855, Benito Juárez (WAIR ee), 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 the special privileges 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 Austrian archduke Maximilian as emperor.

For four years, Juárez’s forces battled the combined conservative 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 harsh 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.

Remember the Alamo! Mexican President Antonio López de Santa Anna (above) is well-known for his ruthless decision to give no quarter to the Texan defenders of the Alamo, a fort in San Antonio, Texas, during the Texas Revolution. The illustration above shows Texan defenders of the Alamo bravely fighting against overwhelming odds. In what light does this illustration present the defenders of the Alamo?

Vocabulary Builder tangible—(TAN juhl bal’/ad/ real or concrete

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 Díaz 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. T22) and have students compare their letters.

Independent Practice
Have students pick 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.

Monitor Progress
To 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.

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 Díaz.

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.

Chapter 25 Section 4 617
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 Transparencies, 155. Ask students to make a map of how the United States used its influence in Latin America. Display Map Skills Transparency, 155. Ask students to use the map to identify the areas of influence. Then have students use the map to predict the economic effects of U.S. influence in Latin America. A blank map of Latin America should be distributed to students so that they can draw on the border and the interior of the countries to show the areas of influence.

Answers

**Map Skills**

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

**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.

**Effects of Foreign Influence**

1. **Free trade**
2. **Manufacturing**
3. **Exports**

**FL** 55.912.W.6.6 Analyze the causes and effects of imperialism

**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 businesspeople. 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 nitrates, and Argentina expanded...
its 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?

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**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 “Colossus 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 alliance” with Britain. Acting alone, he issued the **Monroe Doctrine** in 1823. “The American continents,” it declared, “are henceforth not to be considered as subjects for future colonization by any European powers.” 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 populated regions of northern Mexico, gaining all or part of the present-day states of California, Arizona, New Mexico, Nevada, Utah, and Colorado. The victory fed dreams of future expansion. 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 control much of North America and was the right to intervene in Cuban affairs.

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**Answers**

- 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
  2. They don’t want the United States to interfere so much in the world.

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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 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.

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 overseen sanitation for the U.S. Army in Havana, Cuba. While there, he conducted many experiments to determine how mosquitoes transmit yellow fever. Gorgas realized that by draining swamps and other areas where mosquitoes breed, he could stop the spread of the deadly disease. His work led to the eradication of yellow fever from the Canal Zone.

An Epic Undertaking: Panama Canal

The Panama Canal was a massive undertaking. The sheer scale of the project astounded engineers, politicians, and tourists. Building the canal cost the American government $352 million (about $7 billion in today’s money). Workers excavated about 232 million cubic yards of dirt, rocks, and debris from the Canal Zone—enough debris to create a pyramid seven times the height of the Washington Monument, as one newspaper writer noted. Nearly six thousand workers died from industrial accidents or disease in the ten years it took to build the canal. Despite many challenges, the builders would not give up. They completed the canal in 1914. The beginning of World War I in the summer of 1914, however, overshadowed the canal.

- Playing cards featuring scenes from the canal’s construction (above) helped to feed Americans’ fascination with the canal.
- Two men (below) stand inside one of the canal lock’s enormous gates. The gates allow water to flow in and out of the locks, raising or lowering ships to different levels.
- The tropical diseases malaria and yellow fever killed many workers. Quinine (below right) was used to treat some cases of malaria. The canal builders’ massive efforts to kill disease-carrying mosquitoes, using methods, such as spraying swampy areas with oil (below left), were more effective.
The United States Interferes  American investments in Latin America grew in the early 1900s. Citing the need to protect those investments, in 1904 the United States issued 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 Panamanians 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?

**Critical Thinking and Comprehension**
3. Express Problems Clearly: What problems faced new nations in Latin America?
4. Recognize Cause and Effect: How did the cycle of economic dependence continue after independence?
5. Synthesize Information: Describe two ways the United States influenced Latin America.
6. Draw Conclusions: Why might developing nations encourage foreign investment? Do you think foreign investors should have the right to intervene in another nation’s affairs to protect their investments? Explain.

**Progress Monitoring Online**
For: Self-quiz with vocabulary practice
PearsonSchool.com/WorldHist

SS.912.W.6.4  SS.912.W.6.6

**Writing About History**
Quick Write: Support Your Ideas: As you respond to a short-answer or extended-response question on a test, keep in mind that each sentence or paragraph should support your main idea. Omit information, no matter how interesting, that is not central to your argument. To practice, write an outline of an argument responding to the following extended-response prompt.
- Explain how American interference led to the building of the Panama Canal.

The United States interfered politically in Latin America when its interests were threatened or when it could gain an advantage by using military force, as in Panama.

**Answer**

1. Sentences should reflect an understanding of each term, person, or place listed at the beginning of the section.
2. They struggled against unequal distribution of wealth and power, regionalism, frequent revolts
3. little experience with self-government, uneven distribution of wealth and power, regionalism, frequent revolts
4. 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.
5. It invested heavily in Latin American businesses and interfered politically and militarily in Latin American affairs.
6. Foreign capital helps local industries develop. Samples: Yes, their investment helps both parties. No, investors should not interfere with local affairs just because they do business there.

**Writing About History**
Outlines should be well organized and support main ideas with specific details.

For additional assessment, have students access Progress Monitoring Online at PearsonSchool.com/WorldHist.

Chapter 25 Section 4 621