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The emergence of the Americas in global affairs, 1880–1929

The end of the 19th century was marked by dramatic global integration. As the countries of the Americas emerged into this new global reality, they were exposed to the benefits and drawbacks of more closely linked national economic and foreign policies. To the profit of expanded trade had to be added the costs and dangers of war and expansion. This was perhaps most evident when the global calamity of the First World War impacted countries throughout the region, even those determined to stay out of it. Of course, the roots of the Americas' emergence into global affairs lay in the mid-century and it is here that we begin.

During the second half of the 19th century, the United States was emerging from a period of bitter civil war and fitful reconstruction into a period of rapid economic expansion. Industries such as railroads, mining, iron and coal production made great advances and in the process created great fortunes. Such economic growth requires ever expanding supplies of resources and ready markets for the finished products. To this end, ambitious settlers from the United States began to look to territory beyond the continental United States. Opposition to the notion of territorial expansion also grew during this period forcing the United States to seriously consider the status and role of the republic in the community of nations.

The status of the United States' northern neighbor also underwent a drastic change from the mid-century. From 1867, the Dominion of Canada was independent in all matters domestic. Foreign policy, however, was still the purview of the United Kingdom. At the same time, Canada was undergoing her own version of territorial and economic expansion that would challenge her dependence on the United Kingdom. While in the United States the debate was whether or not to become an imperial power, in Canada it revolved around whether or not to remain an imperial dependent. The strains of the First World War and Canada's response would help bring some resolution to the question.

South of the United States the countries of South and Central America were likewise caught between the economic and territorial expansion of the United States and Europe and their own ambitions. The internationalization of trade and the increased availability of credit sparked immigration and economic growth in South America, changing both domestic social and economic structures as well as the place of these countries in the global economy. Central American and Caribbean states labored under challenging economic structures and their strategic position in relation to the United States.

Discussion point

US president Harry Truman once said that the "responsibility of the great states is to serve and not to dominate the world."

To what extent do powerful countries have an obligation to ensure the stability of the global community? Do they have an economic obligation to countries that are less well-off? To what extent did the powerful countries of the world fulfill any such obligation in the years 1870–1929?

By the end of this chapter, students should be able to:

- analyze the political economic, social and ideological reason for US expansion in the region

- understand the causes and effects of the Spanish–American War
- assess the application and impacts of United States foreign policy in the Americas 1890–1914
- demonstrate an understanding of United States involvement in the First World War including its causes, course and impacts
- demonstrate an understanding of Canadian involvement in the First World War including its causes, course and impacts
- analyze the effects of the First World War on Latin America, Canada and the United States.



The United States: setting the stage

The most deadly war in US history came to an end in the spring of 1865. By the time General Robert Lee had surrendered the army of northern Virginia to General Grant and the remaining Confederate armies had laid down their arms, over 620,000 citizens of the United States had died. What lay ahead was the difficult process of **Reconstruction**. How to bring the secessionist southern states back into the union in a meaningful and productive way? At the same time, the northern economy had to adjust to a decline in industrial demand that would accompany the peace. Banking, railways, and other industrial interests had all expanded during the war. In an effort to maintain this growth, government land grants, subsidies and loans flowed to the private sector, most notably to the railway industry. The inauguration of Ulysses S. Grant in 1869 ushered in an aggressive period of Reconstruction that would sweep over the southern United States. Industrial interests became political interests and accusations of political corruption were common.

The 1870s were also a period of economic dislocation and depression. The rapid industrial expansion of the war years and the early Reconstruction period had caused an expansion of the money supply inducing the Grant administration into a restrictive **monetary policy** as a countermeasure. When Jay Cooke & Company, an important Philadelphia banking firm, collapsed in September 1873 the subsequent panic led to a cascade of bank failures, plunging the United States into what became known as the **Long Depression**. Grant's monetary policy exacerbated matters, restricting access to capital that could stimulate the stagnating economy. Unemployment and low wages spread across the country and with it labor strife culminating in the Great Railway Strikes of 1877 that further paralyzed commerce, revealing deep class divisions in US society.

In 1879, the United States emerged from the Long Depression into yet another period of rapid and immense economic expansion. As capital became more available, industrial enterprises consumed natural and human resources with a voracious appetite. A new wave of immigration brought labor from Southern Europe and Asia to feed this appetite. New supplies of coal, iron, and oil were discovered

Reconstruction was the period from 1865–77 during which the states that had seceded from the union were reintegrated into the United States.

Monetary policy is the government policy that controls the supply of money in the economy.

The **Long Depression** was period of economic stagnation that lasted from 1873 to 1879. The depression was a worldwide phenomenon reflecting the increasingly globalized economy of the late Victorian period.

and exploited. Electricity powered more and more of the country. The efficiency of agriculture, mining, textile manufacture, and steel production dramatically improved, creating new wealth across the country. **Infrastructure** networks multiplied throughout the land led by another wave of railway construction moving raw materials, finished goods and even consumers across all regions of the United States. New business models and financial vehicles accelerated the already dizzying pace of expansion. Terms like **vertical and horizontal integration** began to appear and monopolies, trusts and corporations became powerful archetypes of business organization. Money, legislation, and land from state and federal governments lubricated the entire process and iconic businessmen such as Rockefeller, Morgan, Carnegie, and Mellon arose as commanding figures in American society.

Such expansion must necessarily be accompanied by some dislocation. Rapid urbanization created poor living conditions in areas of many US cities. Workers toiled under poor working conditions, long hours, low wages and no job security. In response, workers began to organize into unions large and small, local and national. With this organization came conflict with those whose profits depended on the status quo. Strikes, demonstrations and riots dotted this period in all major industries from mining, to railways to the steel industry. New political alternatives such as socialism, Marxism and anarchism surfaced in response to worker exploitation.

It is against this backdrop of rapid economic and social change that the United States embarked on an increasingly expansionist foreign policy both within the Americas and around the world. Although this expansion coincided with another wave of European imperialism and shared many motives and elements with it, it was also distinct in its manifestation. It is to this expansion that we now turn.

Infrastructure is those sectors of the economy that assist in the production and distribution of raw materials, labor and goods. Infrastructure includes such things as railroads, telegraphs, roadways, canals, and shipping.

Vertical integration exists when a number of steps in the production of a single product are owned or controlled by a single company.

Horizontal integration exists when a single company owns or controls a number of firms in the same stage of production of a single product.

Discussion point

Canada and Latin American countries were developing resource-based economies during this period. How did the Long Depression affect this development? How did these effects compare with those in the United States?

Ideological reasons for US expansion

Monroe Doctrine

By the 1820s, the Spanish and Portuguese empires in the Americas had been replaced by nascent, and largely unstable independent states—states, the legitimacy of which, the United States unilaterally recognized in 1822. The Monroe Doctrine, however, was a product of the situation in Europe as much as it was reflective of the situation in Latin America. In the years following the Congress of Vienna, which rebuilt Europe following the Napoleonic Wars, Russia emerged as a dominant continental force, a European power with definite interests on the North American continent. Ideologically, much of the system set up at Vienna and after was designed to disempower nationalist independence movements of the very kind that were so recently triumphant in Latin America. In such a situation it was easy to conceive of situations in which European powers might feel the need to intervene in the western hemisphere.

Presidents of the United States, 1880–1929

President	Political Party	Years
Rutherford B. Hayes	Republican	1877–81
James Garfield	Republican	1881
Chester Arthur	Republican	1881–85
Grover Cleveland	Democratic	1885–89
Benjamin Harrison	Republican	1889–93
Grover Cleveland	Democratic	1893–97
William McKinley	Republican	1897–1901
Theodore Roosevelt	Republican	1901–09
William Taft	Republican	1909–13
Woodrow Wilson	Democratic	1913–21
Warren Harding	Republican	1921–23
Calvin Coolidge	Republican	1923–29
Herbert Hoover	Republican	1929–33