Sugar and the Spanish-American War

Although Spain had lost most of its colonies in the Americas in the early 19th century, it kept control over Cuba, Puerto Rico, and a few other islands in the Caribbean Sea. Cubans rebelled against the Spanish to protest the harsh conditions of sugar cane workers in the 1890s. Sugar cane is a tall grass that can be processed into white sugar, molasses, or alcohol. During the 1700s and 1800s, sugar cane was produced on large plantations that required huge labor forces for operation. Even though the majority of the sugar produced in Cuba was sold to the U.S., Spain was unwilling to let go of the last few pieces of its Empire. A Spanish army was sent to crush the rebellion; many nations, including the United States, were sympathetic to the plight of the Cuban rebels. In 1898, the battleship U.S.S. Maine was mysteriously blown up in the Havana harbor, killing 250 American sailors. The Spanish-American War began after the United States declared war on April 21, 1898; the U.S. defeated Spain after 10 weeks of fighting. American naval power was superior to the Spaniards, and the infantry that occupied Cuba met little resistance from Spanish forces, who were already spread thin from fighting Cuban insurgents as well as suffering from yellow fever. As a result of the Spanish-American War, the United States acquired its first colonies- Puerto Rico in the Caribbean and Guam and the Philippines in the Pacific. Cuba decided to remain independent, but American influence was still felt for many years after.

U.S. Economic Involvement in Latin America

In the late 1800s and early 1900s, U.S. involvement in the politics and economics of Latin America was pervasive. Latin American nations needed help establishing their economies, especially after the damage caused by their wars for independence. According to the Monroe Doctrine, the United States would assist Latin America and prevent the return of European control. In 1904, Theodore Roosevelt expanded this doctrine further when the Dominican Republic failed to repay its debts. In the Roosevelt Corollary, Roosevelt promised that the United States would intervene in any Latin American countries that could not repay their debts to European and U.S. investors.

Meanwhile, the independent nations of Latin America- in Mexico, Central America, and South America- became dependent on both the United States and Great Britain for their trade and economic prosperity. Latin American elites studied abroad in Europe, where they sold their cash crops. Although they were no longer colonies, Latin American nations became part of informal imperialism, or imperialism based solely on the economic influence of another nation.
Growing an Economy

During this time, Latin American countries experienced tremendous economic growth and prosperity based on the export of a few raw materials, such as tobacco, coffee, and bananas. With the money made from those exports, companies built factories in Latin America and began to produce their own textiles, construction materials, and luxury items. Since Latin American countries needed to sell their exports to fund industrialization, this system made their economies dependent on Western nations. To maintain their wealth, Latin American elites continued to export raw materials and accept manufactured goods, such as textiles and machinery, from the United States and Europe.

As the economy grew, a middle class developed in Latin American society that included lawyers, merchants, shopkeepers, businesspeople, schoolteachers, professors, bureaucrats, and military officers. These middleclass Latin Americans looked to the United States as an economic model, particularly for industrialization. As industrialization increased, a working class grew to meet the need for laborers. In response to the growing middle and working classes, urbanization began to reshape Latin America.

The Panama Canal

The idea of creating a water passage across the isthmus of Panama to link the Atlantic and Pacific Oceans dates back to at least the 1500s, when Charles V of Spain sent expeditionary teams to survey the area. The realization of a route that would cross the mountainous, jungle terrain was deemed impossible at the time. The idea, though, remained tantalizing as a potential trade shortcut from Europe to eastern Asia.

France was the first country to attempt the task. Count Ferdinand de Lesseps, the builder of the Suez Canal in Egypt, and his construction team broke ground on a planned sea-level canal in 1880. Four months of incessant rains caused heavy landslides; additionally, there was no effective means for combating the spread of yellow fever and malaria that devastated the workforce. De Lesseps realized it was too difficult to excavate for a sea-level canal and funding was pulled from the project in 1888. Following the deliberations of the U.S. Isthmian Canal Commission, the U.S. purchased the French assets in the Canal Zone for $40 million in 1902. The project officially commenced on May 4, 1904, powered entirely by electricity. In October 1913, President Woodrow Wilson operated a telegraph at the White House that triggered the flooding of the final stretch of dry passageway at Culebra Cut.

The Panama Canal officially opened on August 15, 1914. Completed at a cost of more than $350 million, it was the most expensive construction project in U.S. history to that point. It proved to be a vital component to expanding global trade routes in the 20th century. The transition to local oversight began with a 1977 treaty signed by U.S. President Jimmy Carter and Panama leader Omar Torrijos, with the Panama Canal Authority assuming full control on December 31, 1999. Recognized by the American Society of Civil Engineers as one of the seven wonders of the modern world in 1994, the canal hosted its 1 millionth passing ship in September 2010.