WILLIAM HOWARD TAFT AND DOLLAR DIPLOMACY

- Roosevelt's successor, William Taft (1909-1913), did not carry a big stick
- Taft adopted a foreign policy that was mildly expansionist but depended more on investors’ dollars than on the navy's battleships
- Taft's policy of trying to promote U.S. trade by supporting American enterprises abroad was given the name dollar diplomacy

DOLLAR DIPLOMACY IN EAST ASIA AND LATIN AMERICA

- Taft believed that private American financial investment in China & the nations of Central America would lead to greater stability there, while at the same time promoting U.S. business interests
- Taft's policy was thwarted by one major obstacle: growing anti-imperialism both in the U.S. & overseas

RAILROADS IN CHINA

- Taft wanted U.S. bankers to be included in a British, French, and German plan to invest in railroads in China & Taft succeeded in securing American participation in an agreement signed in 1911
- In the northern province of Manchuria, however, the U.S., was excluded from an agreement between Russia & Japan to build railroads there
- In direct defiance of the U.S. Open Door policy, Russian & Japan agreed to treat Manchuria as a jointly held sphere of influence

INTERVENTION IN NICARAGUA

- To protect U.S. investments, the U.S. intervened in Nicaragua's financial affairs in 1911, & sent in marines when a civil war broke out in 1912
- The marines remained, except for a short period, until 1933

THE LODGE COROLLARY

- Henry Cabot Lodge, a Republican senator from Massachusetts, was responsible for another action that alienated both Latin America & Japan
- A group of Japanese investors wanted to buy a large part of Mexico's Baja Peninsula, extending south of California
- Fearing that Japan's gov't might be secretly scheming to acquire the land, the Senate in 1912 passed a resolution known as the Lodge Corollary to the Monroe Doctrine that said non-European powers such as Japan would be excluded from owning territory in the Western Hemisphere
- President Taft opposed the corollary, which also offended Japan and angered Latin American countries

WOODROW WILSON AND MORAL DIPLOMACY

- In his campaign for president in 1912, the Democratic candidate Woodrow Wilson called for a New Freedom in gov't & promised a moral approach to foreign affairs
- Wilson said he opposed imperialism & the big-stick and dollar-diplomacy policies of his Republican predecessors

MORAL DIPLOMACY

- In his first term as president (1913-1917), Wilson had limited success applying a high moral standard to foreign relations
- Wilson & Sec. of State William Jennings Bryan hoped to demonstrate the U.S. respected other nations & supported the spread of democracy

RIGHTING PAST WRONGS

- Hoping to demonstrate that his presidency was opposed to imperialism, Wilson took steps to correct what he viewed as wrongful past policies
  1. THE PHILIPPINES: Wilson won passage of the Jones Act of 1916, which granted full territorial status to that country, guaranteed a bill of rights & universal male suffrage to Filipino citizens, & promised Philippine independence as soon as a stable gov't was established
  2. PUERTO RICO: An act of Congress in 1917 granted U.S. citizenship to all the inhabitants & also provided for limited self-gov't
  3. THE PANAMA CANAL: Wilson persuaded Congress in 1914 to repeal an act that had granted U.S. ships an exemption from paying the standard canal tolls charged other nations. Wilson's policy on Panama Canal tolls angered American nationalists like Roosevelt & Lodge but pleased the British, who had objected to the U.S. exemption
  4. CONCILIATION TREATIES: Wilson's commitment to the ideals of democracy & peace was shared by his Sec. of State, William Jennings Bryan. Bryan arranged with Wilson's approval, 30 conciliation treaties in which nations pledged to submit disputes to international commissions & observe a one-year cooling-off period before taking military action

MILITARY INTERVENTION IN LATIN AMERICA

- Wilson's commitment to democracy & anti-colonialism had a blind spot with respect to the countries of Central America & the Caribbean
- Wilson went beyond both Roosevelt & Taft in his use of U.S. marines to straighten out financial & political troubles in the region
- Wilson kept marines in Nicaragua & ordered troops into Haiti in 1915 & the Dominican Republic in 1916
- Wilson argued that such intervention was necessary to maintain stability in the region & protect the Panama Canal
**CONFLICT IN MEXICO**
- Wilson’s moral approach to foreign affairs was severely tested by a revolution & civil war in Mexico
  - Wanting democracy to triumph there, he refused to recognize the military dictatorship of General Victoriano Huerta, who had seized power in Mexico in 1913 by arranging to assassinated the democratically elected president

**TAMPICO INCIDENT**
- To aid a revolutionary faction that was fighting Huerta, Wilson asked for an arms embargo against the Mexican gov't & sent a fleet to blockade the port of Vera Cruz
  - In 1914, several Americans went ashore at Tampico where they were arrested by Mexican authorities & soon released
  - General Huerta refused to apologize, as demanded by a U.S. naval officer, & Wilson in retaliation ordered the U.S. Navy to occupy Vera Cruz
  - War between Mexico & the U.S. seemed imminent, but war was averted when South America’s ABC powers: Argentina, Brazil, & Chile offered to mediate the dispute as this was the first dispute in the Americas to be settled through joint mediation

**PANCHO VILLA AND THE U.S. EXPEDITIONARY FORCE**
- General Huerta fell from power in late 1914 & was replaced by a more democratic regime led by Venustiano Carranza
  - Almost immediately, the new gov't was challenged by a band of revolutionaries loyal to Pancho Villa
  - Hoping to destabilize his opponent's gov't, Villa led raids across the U.S.-Mexican border & murdered several people in Texas & New Mexico
  - In March 1916, President Wilson ordered General John Pershing to pursue Pancho Villa into Mexico
  - This expeditionary force was in northern Mexico for months without being able to capture Villa
  - President Carranza eventually protested the American presence in Mexico
  - In January 1917, the growing possibility of U.S. entry into WWI caused Wilson to withdraw Pershing’s troops