Dollar Diplomacy in the Honduras

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The presence of the US in the Caribbean and Latin America increased after the Spanish-American War.

The start of the construction of the Panama Canal ushered in an expansion of trade for the US.

As a result, the US played a more active role in the Caribbean and Latin America.
José Santos Zelaya López was the president of Nicaragua from 1893 to 1909.

In 1907 Nicaragua attempted to overthrow the president of Honduras at the time, Manuel Bonilla.

Miguel Dávila rises to power and becomes president of Honduras in 1908.

In 1908 President William Howard Taft noticed that Honduran debt was over $120 million.

- U.S. senses instability and attempts to aid Honduras financially through provisions for a US customs receivership.
  - Caused backlash in Honduras.
THE SITUATION

- Nicaragua invaded Honduras in 1907, and Bonilla was overthrown.
- This ushered in a period of chaotic instability.
  - US prompted to respond and stabilize Honduras.
- The US became involved because they disliked the role Zelaya was playing in regional affairs and wanted to protect the North American bananas trade from Nicaraguan influence.
- Marine forces were deployed to stop a Nicaraguan attack on Bonilla’s last defense at Amapala in the Golfo de Fonseca.
EL GOLFO DE FONSECA
ANALYZING THE SITUATION

- The US had only played a small role in internal Honduran political matters before this incident
  - There was not a resident US minister in Tegucigalpa, so the minister to Guatemala had been appointed to that position
- Dollar diplomacy was not very effective; Honduras did not completely collapse but anarchy and revolts were common
  - Devolved into war
This situation exemplifies that the imperialist ideals of America carried into the Progressive Era

- Remnants of Monroe Doctrine era

- Taft’s vision for money over war was idealistic and not geared towards real-life scenarios as well as Roosevelt’s Big Stick Diplomacy
After 1912, political leaders in Latin America detested Taft’s policy and attacked it. President Woodrow Wilson publicly stated that he would not engage in special interests in Latin America through diplomacy. The development of the banana production industry spurred organized labor movements in Honduras and the first major labor strikes in the nation’s history.
• This situation illustrates an example of Progressive policy that did not "move the country forward"
• The US’s intervention did not improve relations or conditions in Latin America and many Latin American citizens felt frustrated with the US
In your opinion do you think the US should have intervened in Honduras and Nicaragua’s dilemma? If not, why?

How would you have dealt with the situation if you were Zelaya? Dávila?

Who do you think had the most physical influence/power during this time period? Honduras or Nicaragua and why?

Why do you think Bonilla tried to rebel against Dávila? Would you have done the same thing if you were Bonilla?

To what extent does this situation in Central America reflect the current political tensions in Asia?
WORKS CITED

- Map #1 Image:
  - https://www.eda.admin.ch/content/dam/deza/Images/Karten/America_central_DEZA_en_web.jpg/jcr_content/renderings/cq5dam.thumbnail.588.368.png
Time for a Kahoot game to review all that we’ve learned about Taft’s Dollar Diplomacy in Honduras!

https://create.kahoot.it/share/miguel-davila-and-the-giant-peach/2a1abc50-fc49-4b17-88a6-105a9f0ce617