


Chapter 35

The Cold War Begins, 1945-1952

Presented by:
Mr. Anderson, M.Ed., J.D.







I. Truman: The “Gutty” Man from Missouri

- “Accidental president” Harry S Truman presided over initial postwar period
 - Called “average man’s average man”
 - First president in many years without a college education
 - Had farmed, served as artillery officer in France during WWI, and failed as haberdasher
 - Moved into Missouri politics, rose from judgeship to U.S. Senate
 - Though protégé of notorious political machine in Kansas City, he managed to keep his own hands clean

I. Truman: The “Gutty” Man from Missouri (cont.)

- Started presidency with humility, but gained confidence to point of cockiness:
 - Gathered old associates of “Missouri gang” around him and was stubbornly loyal to them
 - Could be impulsive and stubborn
 - Cynics jibed, “To err is Truman”
 - Down-home authenticity
 - Few pretensions; rock-solid probity
 - A lot of old-fashioned character trait called moxie

II. Yalta: Bargain or Betrayal?

- **Yalta conference** (February 1945):
 - Final fateful conference of Big Three, at former tsarist resort on Black Sea
 - Stalin, Churchill and fast-failing Roosevelt
 - Momentous agreements and plans:
 - Final plans to smash buckling German lines
 - Assigned occupation zones in Germany
 - Stalin agreed Poland, with revised boundaries, should have representative government based on free elections



II. Yalta: Bargain or Betrayal? (cont.)

- Bulgaria and Romania to have free elections—another promise flouted
- Big Three announced plans for fashioning new international peacekeeping organization—United Nations
- Controversial decisions on Far East:
 - Lacking a tested atomic bomb, FDR wanted USSR to enter Asian war to pin down Japanese troops in Manchuria and Korea
 - » Would lessen U.S. losses if had to invade Japan
 - Stalin agreed to do so three months after Germany defeated,
 - In return, FDR agreed for USSR to receive:
 - » Southern half of Sakhalin Island and Japan's Kurile Island
 - » Control of railroads and two key seaports in China's Manchuria

II. Yalta: Bargain or Betrayal (cont.)

- When it turned out USSR not needed to defeat Japan, Roosevelt's critics charged:
 - He sold Jiang Jieshi (Chiang Kai-shek) down river by conceding control of Manchuria to Stalin
 - Also assailed “sell-out” of Poland and other Eastern European countries
- Roosevelt's defenders:
 - Stalin, with his red army, could have taken more of China
 - » So Yalta actually set limits on his ambitions
 - At time of Yalta, Soviet troops occupied East Europe, and a war to eject them unthinkable

II. Yalta: Bargain or Betrayal (cont.)

- Big Three not drafting comprehensive peace settlement:
 - Sketched general intentions and tested one another's reactions
 - More specific understandings among wartime allies awaited arrival of peace

III. The United States and the Soviet Union

- Little hope USA and USSR could reach cordial understanding on postwar world:
 - Communism and capitalism historically hostile social philosophies:
 - USA did not officially recognize USSR until 1933
 - Soviet skepticism nourished by long delays of Americans and British to open second front against Germany
 - Britain and America froze Soviet “ally” out of project to develop atomic weapons
 - Washington abruptly terminated lend-lease aid to USSR in 1945 and then spurned Soviet plea for reconstruction loan while approving a loan for England

III. The United States and the Soviet Union (cont.)

- Different visions of postwar world separated two:
 - Stalin aimed to guarantee security of Soviet Union
 - Twice in 1900s, Russia attacked through Poland
 - By maintaining Soviet sphere of influence in Eastern and Central Europe, USSR could protect itself as well as consolidate revolutionary base as world's leading communist country
 - Many Americans saw “sphere of influence” as ill-gained “empire”
 - Doubted Soviet goals purely defensive
 - “Sphere of influence” clashed with Roosevelt's and Wilson's “open world” —decolonized, demilitarized, democratized with strong international organization for global peace



III. The United States and the Soviet Union (cont.)

- Both isolated from world affairs before WWII
 - United States through choice
 - Soviet Union through rejection by other powers
- Both had “missionary” diplomacy—trying to export their political doctrines
- Some confrontation unavoidable between
 - Communistic, despotic Russia
 - Capitalistic, democratic America

III. The United States and the Soviet Union (cont.)

- “Grand Alliance” only a child of necessity
- In progression of events, suspicion and rivalry
 - Grew because of misperceptions and genuine conflict of interests between two superpowers
- **Cold War:**
 - Tense standoff lasted four and a half decades
 - Shaped Soviet-American relations
 - Overshadowed postwar international order in every corner of globe

IV. Shaping the Postwar World

- USA erected structures for more open world envisioned by Roosevelt
- 1941 Atlantic Charter proclaimed rights of
 - Self-determination
 - Free trade
 - “Freedom from fear and want” for all individuals
 - (See Thinking Globally in Chap 39)

IV. Shaping the Postwar World (cont.)

- **Bretton Woods Conference (1944):**
 - Western allies established
 - International Monetary Fund (IMF) to encourage world trade by regulating currency exchange rates
 - International Bank for Reconstruction and Development (World Bank) to aid economic growth in war-ravaged and underdeveloped areas
 - Three years later, GATT began global reduction in trade barriers
 - USA took lead in creating these bodies and supplied much of their funding
 - Soviets declined to participate

IV. Shaping the Postwar World (cont.)

- U.N. Conference opened on April 25, 1945:
 - Roosevelt shrewdly moved to establish new international body before war's conclusion
 - Meeting in San Francisco, representatives from fifty nations fashioned United Nations Charter
 - USA took lead, but USSR participated
- **United Nations (U.N.):**
 - Successor to League of Nations
 - Differed in many ways:
 - League adopted rules denying veto to any party to a dispute

IV. Shaping the Postwar World (cont.)

- U.N. provided that no member of Security Council, dominated by Big Five (USA, Britain, France, USSR, and China), could have action taken against it without its consent
- U.N. General Assembly could be controlled by smaller countries
- In contrast to American reception of League in 1919, Senate approved U.N. Charter on July 28, 1945, by vote of 89 to 2

IV. Shaping the Postwar World (cont.)

- U.N., headquartered in New York City, had some initial successes:
 - Helped preserve peace in Iran, Kashmir, and other trouble spots
 - Played large role in creating new Jewish state of Israel
 - U.N. Trusteeship Council guided former colonies to independence
 - UNESCO, FAO, and WHO brought benefits to peoples across globe

IV. Shaping the Postwar World (cont.)

- New atomic technology tested spirit of cooperation, and U.N. failed badly:
 - USA proposed separate agency to have world-wide authority over atomic energy, weapons, and research
 - Soviet Union responded with call for total outlawing of nuclear weapons by every nation, but USA refused
 - Soviet Union used veto to scuttle proposals at U.N.
 - Opportunity to tame nuclear monster lost

V. The Problem of Germany

- Hitler's ruined Reich had created problems for all wartime Allies:
 - Agreed Nazism had to be cut out of German politics
 - Involved punishing Nazi leaders for war crimes
 - **Nuremberg war crimes trial** 1945-1946:
 - Tried 22 top culprits
 - Accusations included
 - » Crimes against laws of war and humanity
 - » Aggression contrary to solemn treaty pledges
 - Justice, Nuremberg-style, harsh
 - 12 accused Nazis executed



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V. The Problem of Germany (cont.)

- » Seven sentenced to long jail terms
 - » “Foxy Hermann” Goering escaped hangman by swallowing hidden cyanide capsule
 - » Other trials continued for years
- Critics condemned trials as judicial lynching:
 - » Because victims tried for offenses that had not been clearcut crimes when war began
- Beyond punishing top Nazis, Allies could agree on little about postwar Germany
 - Some American Hitler-haters wanted to dismantle German factories and reduce country to potato patch
 - Soviets, denied U.S. economic assistance, determined to rebuild by extracting reparations from Germans

V. The Problem of Germany (cont.)

- Both clashed with reality that healthy Germany industrial economy indispensable to European recovery
- Germany divided into four military occupation zones:
 - » Each one assigned to one of Big Four powers (France, Britain, America, and USSR) (see Map 35.1)
- Western Allies:
 - Refused to allow Moscow to bleed their zones of the reparations Stalin insisted he had been promised at Yalta
 - Began to promote idea of reunited Germany



V. The Problems of Germany (cont.)

- Communists responded by tightening grip on Eastern zone
- Soon apparent Germany would remain divided:
 - » West Germany became independent country, wedded to West
 - » East Germany, along with other Soviet-dominated Eastern European countries became nominally independent “satellite” states bound to Soviet Union
 - » Eastern Europe virtually disappeared from Western sight behind “iron curtain” of secrecy and isolation
 - » Division of Europe would last some four decades

V. The Problems of Germany (cont.)

- What about Berlin?
 - Deep within Soviet zone
 - Divided into sectors occupied by troops of each of four victorious powers
 - In 1948, after controversies over:
 - German currency reform and four-power control
 - Soviets abruptly closed rail and highway access to Berlin
 - Berlin huge symbolic issue for both sides

V. The Problems of Germany (cont.)

- Americans organized gigantic **Berlin airlift**:
 - U.S. pilots ferried thousands of tons of supplies a day to grateful Berliners
 - Western Europe took heart from demonstrated American commitment in Europe
 - Soviets lifted blockade in May 1949
 - Same year, two Germanys, East and West, established
 - Cold War congealed



VI. Cold War Deepens

- Stalin, seeking oil concessions, broke agreement to remove troops from north Iran
 - Stalin eventually backed down
- Moscow's hard-line policies in Germany, Eastern Europe, and Middle East wrought psychological Pearl Harbor
 - Americans upset by Kremlin's unwillingness to continue wartime partnership
 - Attitudes on both sides hardened

VI. Cold War Deepens (cont.)

- Truman's response to Soviet challenges:
 - **Containment doctrine:**
 - Crafted by George F. Kennan in 1947
 - Held that Russia, whether tsarist or communist, relentlessly expansionist
 - Argued flow of Soviet power could be contained by “firm and vigilant containment”
 - **Truman Doctrine:**
 - Truman embraced Kennan's “get-tough-with Russia” intellectual framework

VI. Cold War Deepens (cont.)

- Went before Congress on March 12, 1947
- Asked for \$400 million to bolster Greece and Turkey
 - Support for those resisting “Communist aggression”
- Congress granted money and thus support for open-ended commitment of vast proportions
- Exaggerating Soviet threat, Truman pitched message in charged language of holy global war against godless communism to overcome any revived isolationism

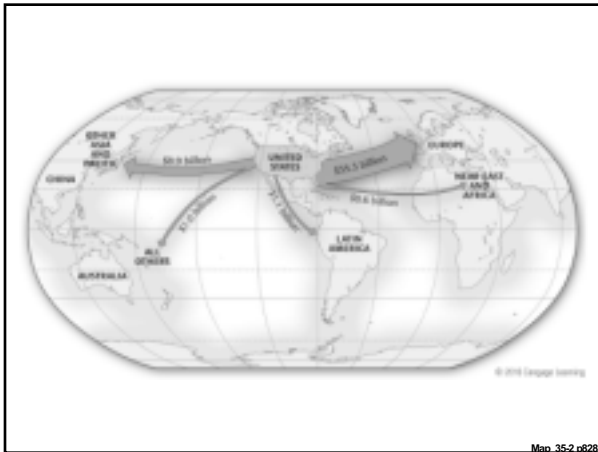


VI. Cold War Deepens (cont.)

- Threats in war-ravaged Western Europe:
 - Especially France, Italy, and Germany
 - Danger of being taken over from inside by Communist parties
 - On June 5, 1947, Secretary of State George Marshall invited Europeans to get together and work out *joint* plan for economic recovery
 - If they did, USA would provide substantial financial assistance
 - This cooperation eventually led to creation of European Community (EC)

VI. Cold War Deepens (cont.)

- **Marshall Plan:**
 - Met in Paris in July 1947 to thrash out details
 - Marshall offered same aid to USSR and its allies, but under terms USSR could not accept
 - Called for spending \$12.5 billion over four years in 16 cooperating countries (see Map 35.2)
 - Congress at first balked at mammoth sum
 - Looked huge when added to \$2 billion already provided for European relief
 - As Cold War tensions escalated, Congress voted initial appropriations in April 1948



VI. Cold War Deepens (cont.)

- Marshall Plan a spectacular success:
 - U.S. dollars assisted anemic Western European nations
 - “Economic miracle” drenched Europe in prosperity
 - Communist parties in Italy and France lost ground
 - Two countries saved from communism
- Truman on May 14, 1948 officially recognized state of Israel on day of its birth
 - Antagonized oil-rich Arabs who opposed such a state in British mandate territory of Palestine
 - Decision greatly complicated USA-Arab relations

VII. America Begins to Rearm

- Soviet menace resulted in creation of huge new national security apparatus
 - National Security Act 1947:
 - Created Department of Defense
 - Headed by new cabinet office, secretary of defense
 - Under the secretary, were civilian secretaries of the navy, the army, and the air force
 - Uniformed heads of each service brought together as Joint Chiefs of Staff





VII. America Begins to Reform (cont.)

- Established National Security Council (NSC) to advise president on security matters and
- Central Intelligence Agency (CIA) to coordinate government's foreign factgathering

– Congress:

- Authorized "Voice of America" (1948) to beam American radio broadcasts behind iron curtain
- Resurrected military draft: conscription of selected young men from 19 to 25
 - Selective Service System shaped millions of young people's educational, marital, and career plans

VII. America Begins to Reform (cont.)

- USA decided to join defensive European Pact—
North Atlantic Treaty Organization (NATO):
 - To bolster containment and help reintegrate Germany
 - Treaty signed in Washington on April 4, 1949
 - Twelve original signatories pledged to
 - Regard an attack on one as an attack on all
 - Respond with “armed force” if necessary
 - Senate approved treaty in July by vote of 82 to 13
 - Membership boosted to 14 in 1952 when Greece joined and to 15 in 1955 by addition of West Germany

VII. America Begins to Reform (cont.)

- NATO pact epochal:
 - Dramatic departure from American diplomatic convention
 - Gigantic boost for European unification
 - Significant step in militarization of Cold War
 - NATO became cornerstone of all Cold War American policies toward Europe
 - Pundits summed up NATO's three-fold purpose:
 - “To keep the Russians out, the Germans down, and the Americans in”

VIII. Reconstruction and Revolution in Asia

- Reconstruction in Japan:
 - Simpler than Germany because a one-man show
 - MacArthur led program for democratization of Japan
 - Top “war criminals” tried in Tokyo from 1946 to 1948
 - 18 sentenced to prison terms; 7 hanged
 - MacArthur successful and Japanese cooperated to an astonishing degree
 - MacArthur-dictated constitution adopted in 1946:
 - » Renounced militarism; provided for women's equality
 - » Introduced Western-style democratic government
 - » Paved way for Japan's phenomenal economic recovery



VIII. Reconstruction and Revolution in Asia (cont.)

- Reconstruction in China
 - Opposite of Japan:
 - Bitter civil war raged between Nationalists vs. communists
 - Washington halfheartedly supported Nationalist government of Generalissimo Jiang Jieshi
 - Communists led by Mao Zedong (Mao Tse-tung)
 - Corruption and ineptitude in Jiang's regime eroded popular confidence in his government
 - Communist armies forced Jiang in 1949 to flee to island of Formosa (Taiwan)

VIII. Reconstruction and Revolution in Asia (cont.)

- Collapse of Nationalist China a major defeat for America and its allies in Cold War—worst to date:
 - Nearly ¼ of world's population—some 500 million — swept into communist camp
 - “Fall of China” became bitterly partisan issue in USA
 - Republicans assailed Truman for having “lost China”
 - Claimed Democrats had deliberately withheld aid from Jiang
- More bad news:
 - Sept. 1949: Truman announced Soviets had exploded an atomic bomb

VIII. Reconstruction and Revolution in Asia (cont.)

- To outpace Soviets in nuclear weaponry, Truman ordered development of Hydrogen bomb
 - “H-bomb” much more powerful than atomic bomb
 - J. Robert Oppenheimer led group of scientists in opposition to development of thermonuclear weapons
 - Albert Einstein declared, “annihilation of any life on earth has been brought within the range of technical possibilities”

VIII. Reconstruction and Revolution in Asia (cont.)

- United States explored first hydrogen device in 1952
- Soviets countered with their first H-bomb explosion in 1953
- Nuclear arms race entered perilously competitive cycle
 - Only constrained by recognition that truly hot Cold War would destroy world



IX. The Korean Volcano Erupts

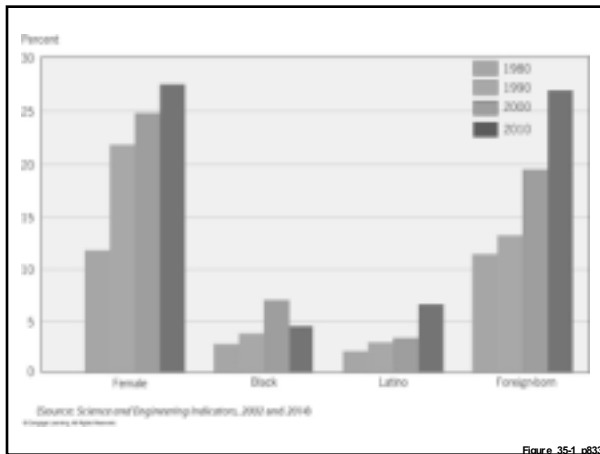
- New shooting phase to Cold War: June 1950 in former Japanese colony
 - After WWII, Soviet troops accepted Japan's surrender north of thirty-eighth parallel
 - American troops did so south of 38th parallel
 - Both superpowers professed to want reunification and independence of Korea
 - As in Germany, each side helped set up rival regimes above and below parallel

IX. The Korean Volcano Erupts (cont.)

- By 1949, both sides had withdrawn forces:
 - Left a bristling armed camp
 - Two hostile regimes eyed each other suspiciously
- Explosion came on June 25, 1950
 - Spearheaded by Soviet-made tanks, North Korean army rumbled across 38th parallel
 - South Korean forces pushed to Pusan in south
- Truman viewed incident through “containment doctrine” that any relaxation in America's guard would invite communist aggression



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IX. The Korean Volcano Erupts (cont.)

- Prompted massive expansion of U.S. military
 - **National Security Council Memorandum Number 68 (NSC-68):**
 - Recommended USA quadruple defense spending
 - Truman ordered massive buildup, well beyond what was necessary for Korea:
 - U.S. had 3.5 million men under arms
 - Spent \$50 billion per year on defense budget—some 13% of GNP

IX. The Korean Volcano Erupts (cont.)

- NSC-68 key document of Cold War period:
 - Marked major step in militarization of American foreign policy
 - Reflected sense of almost limitless possibility that pervaded postwar American society
 - Rested on assumption that enormous American economy could bear without strain huge costs of gigantic rearmament program
 - Said one NSC-68 planner: “There is practically nothing the country could not do if it wanted to do it”

IX. The Korean Volcano Erupts (cont.)

- Truman and United Nations:
 - On June 25, 1950, obtained unanimous condemnation of North Korea as aggressor:
 - Security Council called all U.N. members, including USA, to “render assistance” to restore peace
 - Two days later, Truman ordered American air and naval units to support South Korea
 - Ordered General MacArthur’s Japan-based troops into action alongside beleaguered South Koreans
 - So began ill-fated **Korean War**

IX. The Korean Volcano Erupts (cont.)

- United States’ role:
 - Simply participating in U.N. “police action”
 - In fact, United States provided 88% of U.N. contingents
 - MacArthur, appointed U.N. commander of entire operation:
 - Took orders from Washington, not from Security Council

X. The Military Seesaw in Korea

- MacArthur landed behind enemy's line at Inchon on September 15, 1950:
 - Succeeded brilliantly
 - North Koreans scrambled back behind “sanctuary” of thirty-eighth parallel
 - U.N. Assembly tacitly authorized crossing by MacArthur
 - Truman ordered MacArthur northward as long as no armed intervention by Chinese or Soviets (see Map 35.3)
- Americans raised stakes in Korea:
 - Brought China into dangerous game



X. The Military Seesaw in Korea (cont.)

- Chinese involvement:
 - Would not sit by and watch hostile troops approach boundary between Korea and China
 - MacArthur boasted he would “have the boys home by Christmas”
 - In Nov. 1950, tens of thousands of Chinese “volunteers” fell upon his rashly overextended line
 - Hurling U.N. forces back down peninsula
 - War became stalemate near thirty-eighth parallel

X. The Military Seesaw in Korea (cont.)

- MacArthur pressed for drastic retaliation, while Washington refused to enlarge already costly conflict:
 - Europe, not Asia, was administration's first concern
 - USSR, not China, loomed as more sinister foe
- MacArthur sneered at concept of "limited war"
 - Truman bravely resisted calls for nuclear escalation
 - When MacArthur criticized president's policies publicly, Truman had no choice but to remove insubordinate MacArthur from command on April 11, 1951
 - Many Americans criticized Truman's decision
 - Reflected popular passions of Cold War at home



XI. The Cold War Home Front

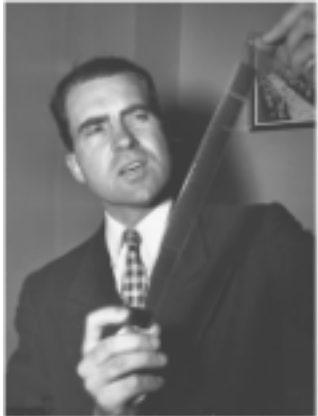
- Cold War deeply shaped political and economic developments at home after WWII
- New anti-red chase accelerated by fears of communist spies in USA:
 - In 1947, Truman launched massive "loyalty" program
 - Attorney general drew up list of 90 supposedly disloyal organizations
 - Loyalty Review Board investigated more than three million federal employees
 - Some 3,000 of whom either resigned or were dismissed, none under formal indictment

XI. The Cold War Home Front (cont.)

- Individual states became involved
 - Loyalty oaths demanded of employees, especially teachers
- 1949: 11 communists brought before New York jury for violating Smith Act of 1940:
 - First peacetime anti-sedition law since 1798
 - Convicted of advocating overthrow of American government by force, defendants sent to prison
 - Supreme Court upheld convictions in *Dennis v. United States* (1951)

XI. The Cold War Home Front (cont.)

- House of Representatives in 1938 established **House Un-American Activities Committee** – (HUAC) to investigate “subversion”
 - In 1948, Richard M. Nixon, ambitious committee member, led chase after Alger Hiss:
 - Prominent ex-New Dealer
 - Distinguished member of “eastern establishment”
 - Accused of being a communist agent in 1930s
 - Hiss demanded right to defend himself
 - Dramatically met chief accuser before HUAC in August 1948
 - Hiss denied everything but was caught in falsehoods



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XI. The Cold War Home Front (cont.)

- Convicted of perjury in 1950; sentenced to 5 years in prison
- Julius and Ethel Rosenberg:
 - Allegedly “leaked” atomic data to Moscow
 - Convicted in 1951 of espionage
 - Went to electric chair in 1953
 - Only people in American history ever executed in peacetime for espionage
 - Sensational trial and electrocution, combined with sympathy for two orphaned children, began to sour some citizens on excesses of red-hunters

XI. The Cold War Home Front (cont.)

- Was America really riddled with Soviet spies?
 - Soviet agents did infiltrate some government agencies, though without severely damaging consequences
- Some conservatives used red brush to tar anyone involved in social change as “subversive”
- Red hunt turned into a witch hunt:
 - 1950: Truman vetoed McCarran Internal Security Bill:
 - Authorized president to arrest and detain suspicious people during “internal security emergency”
 - Critics: bill smacked of police-state tactics
 - Congress enacted bill over Truman's veto



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XI. The Cold War Home Front (cont.)

- Senator Joseph R. McCarthy: most dangerous practitioner of demagogic anticommunism
 - February 1950: accused Secretary of State Dean Acheson of knowingly employing 205 Communists
 - McCarthy never identified a single actual communist
 - His Republican colleagues encouraged him to attack
 - His rhetoric grew bolder as did his accusations
 - He saw red hand of Moscow everywhere
 - **McCarthyism** flourished in seething Cold War atmosphere of suspicion and fear

XI. The Cold War Home Front (cont.)

- McCarthy most ruthless red-hunter and did most damage to American traditions of fair play and free speech
- Careers of countless officials, writers, and actors ruined by “Low-Blow Joe”
- Politicians trembled in face of such attacks
- At peak of his power, McCarthy controlled personnel policy in State Department
 - Resulted in severe damage to morale and effectiveness of professional foreign service
 - Deprived government of a number of Asian specialists
 - Damaged America's international reputation for fair and open democracy

XI. The Cold War Home Front (cont.)

- Went too far when he attacked U.S. Army
 - Military fought back in 35 days of televised hearings (spring 1954) in **Army-McCarthy hearings**:
 - Up to 20 million watched hearings
 - McCarthy publicly cut his own throat by parading his essential meanness and irresponsibility
 - Senate formally condemned him for “conduct unbecoming a member”
 - Three years later McCarthy died of chronic alcoholism
 - “McCarthyism” a label for dangerous forces of unfairness/fear, unleashed by democratic society

XI. The Cold War Home Front (cont.)

- Cold War shaped American culture
 - Many interpreted conflict between capitalist West and communist East in religious terms
- Theologian Reinhold Niebuhr cast Cold War as a battle between good and evil
 - Divided world into two camps: “children of light” vs. “children of darkness”
- Religious belief of any kind became distinguishing feature of “American Way”
 - Congress in 1954 inserted words “under God” into Pledge of Allegiance

XI. The Cold War Home Front (cont.)

- Radical voices muzzled
- Even moderate civil rights activists slandered as communists or fellow travelers
- Cold War also created pressure on USA to live up to its democratic ideals
- Created new opportunities for civil rights activists to press USA on civil rights claims
 - See Truman's landmark **Executive Order 9981**, desegregating Armed Forces (1948)

XII. Postwar Economic Anxieties

- Decade of 1930s had left deep scars:
 - Joblessness and insecurity pushed up suicide rate and dampened marriage rate
 - Babies went unborn—pinched budgets and sagging self-esteem wrought a sexual depression
 - War banished blight of depression
 - A faltering economy threatened to confirm worst predictions of doomsayers:
 - Who foresaw another Great Depression
 - Gross national product (GNP) slumped in 1946-47
 - Epidemic of strikes swept country

XII. Postwar Economic Anxieties (cont.)

- Growth of organized labor annoyed conservatives
 - Congress passed **Taft-Hartley Act** (1947) over Truman's veto
 - Outlawed “closed” (all-union) shop
 - Made unions liable for damages that resulted from jurisdictional disputes among themselves
 - Required union leaders to take a noncommunist oath
 - CIO's **Operation Dixie**:
 - Aimed at unionizing southern textile workers and steel workers
 - Failed because white workers feared racial mixing
 - Service workers proved difficult to organize
 - Union membership peaked in 1950s, then began slow decline

XII. Postwar Economic Anxieties (cont.)

- Democratic administration took steps to forestall economic downturn:
 - Sold war factories and government installations to private business at fire-sale prices
 - Secured passage of **Employment Act of 1946**:
 - Made government policy “to promote maximum employment, production, and purchasing power”
 - Created three member Council of Economic Advisers to provide president with data and recommendations on implementation
 - 1944 passage of Servicemen's Readjustment Act
 - Better known as GI Bill of Rights, or **GI Bill**

XII. Postwar Economic Anxieties (cont.)

- Feared job market not able to absorb so many returning vets
- Offered \$20 a week for up to 52 weeks in compensation
- Generous provision for sending former soldiers to school
- Some eight million veterans advanced their education
- Most attended technical and vocational schools
- Some two million attended colleges and universities
- Total spent on education = \$14.5 billion in taxpayer dollars
- Act enabled Veterans Administration to guarantee \$16 billion in loans for vets to buy homes, farms, and small businesses
- Act nurtured robust and long-lived economic expansion and profoundly shaped entire history of postwar era



XIII. Democratic Divisions in 1948

- 1948 election:
 - Republicans (won control of Congress in 1946)
 - Gathered in Philadelphia in 1948 to choose their presidential candidate
 - Nominated Thomas E. Dewey again
 - Democrats chose Truman:
 - In face of vehement opposition by southern delegates
 - Alienated by his strong stand in favor of civil rights for blacks, especially his decision in 1948 to desegregate military

XIII. Democratic Divisions in 1948 (cont.)

- Truman's nomination split party:
 - Embittered southern Democrats from thirteen states
 - Met in convention in Birmingham, Alabama
 - Nominated Governor J. Strom Thurmond of South Carolina on States' Rights party ticket
 - Henry A. Wallace also threw his hat in:
 - Nominated at Philadelphia by new Progressive party
 - Opposed Truman's get-tough-with-Russia policies
 - With Democrats split, Dewey's victory seemed assured



XIII. Democratic Divisions in 1948 (cont.)

- Truman delivered over 300 hundred speeches
 - Lashed out at Taft-Hartley “slave-labor” law
 - And “do-nothing” Republican Congress
- Whipped up support for his
 - Program of civil rights
 - Improved labor benefits
 - Health insurance
- On election night, *Chicago Tribune* early edition: “DEWEY DEFEATS TRUMAN”



XIII. Democratic Divisions in 1948 (cont.)

- Election results:
 - Truman swept to stunning triumph
 - Thurmond took 39 electoral votes in South
 - Truman won 303 electoral votes, primarily from South, Midwest, and West
 - Dewey's 189 electoral votes principally from east
 - To make it sweeter, Democrats regained Congress
 - Truman's victory rested on farmers, workers, and blacks, all of whom were Republican-wary

XIII. Democratic Divisions in 1948 (cont.)

- Fourth point of Truman's inaugural address
 - Thereafter known as “Point Four”
 - Lend money and technical aid to underdeveloped lands to help them help themselves
 - Truman wanted to spend millions to keep underprivileged peoples from becoming communists
 - Rather than billions to shoot them after they became communists
 - Program officially launched in 1950
 - To help impoverished nations in Latin America, Africa, Middle East, and Asia

XIII. Democratic Divisions in 1948 (cont.)

- Sweeping **Fair Deal** reform program
 - Presented to Congress in 1949 for:
 - Improved housing
 - Full employment
 - National health insurance
 - Higher minimum wage
 - Better farm price supports
 - New TVAs
 - Extension of Social Security

XIII. Democratic Divisions in 1948 (cont.)

- Most proposals killed by opposition from congressional Republicans and southern Democrats
- Only major successes:
 - Raised minimum wage
 - Provided for public housing in Housing Act of 1949
 - Extended old-age insurance to more beneficiaries in Social Security Act of 1950

XIV. The Long Economic Boom, 1950–1970

- 1950s economic surge:
 - U.S. economic performance became envy of world
 - National income nearly doubled in 1950s
 - Nearly doubled again in 1960s
 - Shot through trillion-dollar mark in 1973
 - Americans, 6% of world's population, enjoyed about 40% of planet's wealth
 - Fantastic eruption of affluence
 - Prosperity underwrote social mobility
 - Paved way for success of civil rights movement

XIV. The Long Economic Boom, 1950–1970 (cont.)

- Funded vast new welfare programs (e.g., Medicare)
- Gave Americans confidence to exercise unprecedented international leadership
- Americans drank deeply from gilded goblet:
 - Made up for sufferings of 1930s
 - Determined to “get theirs” while getting was good
 - “Middle class” households (earn between \$3,000 and \$10,000 a year) doubled to include 60% of Americans by mid-1950s
 - 60% of families owned their own homes in 1960, compared to 40% in 1920s
 - 1960: nearly 90% of families owned a television

XIV. The Long Economic Boom, 1950-1970 (cont.)

- Women reaped great rewards:
 - Urban offices and shops provided bonanza of employment
 - Great majority of new jobs created went to women
 - Especially as service sector outgrew manufacturing sector
 - Women accounted for $\frac{1}{4}$ of U.S. workforce at end of WWII and nearly $\frac{1}{2}$ by 1990s
 - Yet popular culture glorified traditional feminine roles of homemaker and mother
 - Clash between demands of suburban housewifery and realities of employment eventually sparked feminist revolt in 1960s

XV. The Roots of Postwar Prosperity

- What propelled economic growth:
 - Second World War itself:
 - USA used war to fire up factories and rebuild economy
 - Much rested on underpinnings of colossal postwar military budgets (see Figure 35.2)
 - Fueled by massive appropriations for Korean War and defense spending (10% of GNP)
 - Pentagon dollars primed pumps of high-technology industries—aerospace, plastics, and electronics

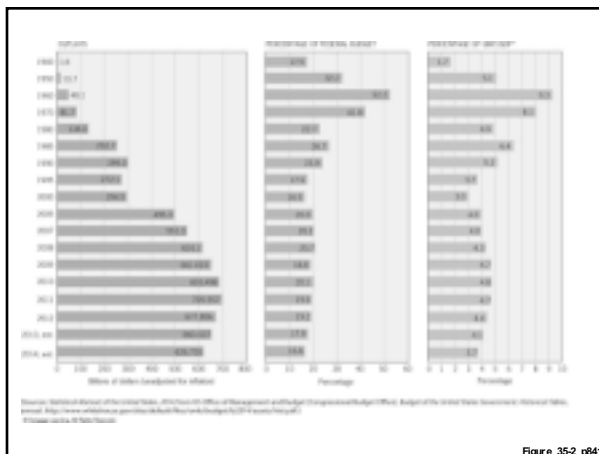


Figure 35.2 p841

XV. The Roots of Postwar Prosperity (cont.)

- Military budget financed much scientific research and development ("R and D")
 - Unlocking secrets of nature key to unleashing economic growth
- Cheap energy fed economic boom:
 - Americans and Europeans controlled flow of abundant petroleum of Middle East to keep prices low
 - Americans doubled oil consumption (1945-'70) as they:
 - Built endless ribbons of highways
 - Installed air-conditioning in homes
 - Engineered sixfold increase in country's electricity-generating capacity between 1945-'70

XV. The Roots of Postwar Prosperity (cont.)

- Spectacular gains in worker productivity
 - 1950s: on average productivity increased 3% per year
 - Enhanced by rising educational level of work force
 - By 1970, nearly 90% of school age population enrolled in educational institutions
 - Better educated and better equipped workers in 1970 could produce twice per hour as much as in 1950
 - Rising productivity in 1950s and 1960s virtually doubled average American's standard of living in postwar years
- Changes in nation's basic economic structure
 - Accelerating shift of work force out of agriculture



XV. The Roots of Postwar Prosperity (cont.)

- Consolidation produced giant agribusinesses able to employ costly machines
- With mechanization, new fertilizers, government subsidies and price supports:
 - One farmworker could now feed 50 people, compared to 15 people in 1940s
 - Farmers now plowed fields in air-conditioned tractor cabs, listening to stereophonic radios
 - By end of 1900s, farmers made up only 2% of working Americans—yet fed much of world

XVI. The Smiling Sunbelt

- Population redistribution begun by WWII:
 - Americans had always been a people on the move
 - After 1945, on average 30 million people changed residences every year
 - Families especially felt strain of separation
- Popularity of advice books on child-rearing:
 - Dr. Benjamin Spock's *The Common Sense Book of Baby and Child Care*
- In fluid postwar neighborhoods, friendships hard to sustain
- Mobility exacted high human cost in loneliness/isolation

XVI. The Smiling Sunbelt (cont.)

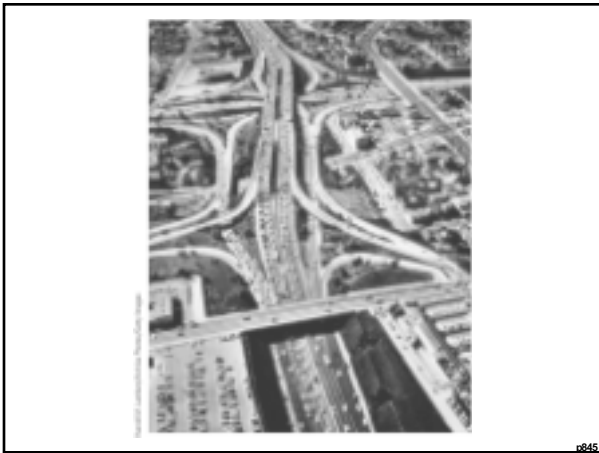
- Growth of **Sunbelt**—15-state area:
 - From Virginia through Florida, Texas, Arizona, California
 - Had population growth rate twice that of Northeast
 - California by 1963 = most populous state in USA
 - South and Southwest a new frontier
 - Distribution of population increase, 1958 (see Map 35.4)
 - Federal funds key to prosperity of South and West states:
 - Annually received \$444 billion more than North and Midwest by 2000s
 - New economic war between states shaped up
- Big effects on presidency and House of Representatives

[illegible]

- In all regions, whites fled cities for new suburbs (see Makers of America)
 - Government policies encouraged movement away from urban centers
 - Federal Housing Administration (FHA) and Veterans Administration (VA) offered home-loan guarantees
 - Tax deductions for interest payments on home mortgages a financial incentive
 - Government-built highways sped commuters to suburban homes; facilitated mass migration

- Home construction industry boomed in 1950s and 1960s
 - Levittown revolutionized techniques of home construction
 - Helped people move to suburbs
 - Critics wailed at monotony of suburban “tract” development
- “White flight” to suburbs left inner cities black, brown, and broke (see Makers of America in Chap. 36)
- Businesses (and their taxes) left cities for new suburban malls
- Government policies aggravated pattern of residential segregation by often denying FHA mortgages to blacks
 - Limited black mobility out of city, sent them to urban public housing projects— thus solidifying racial separation
 - Blacks missed out on huge increase in value of suburban homes







XVIII. The Postwar Baby Boom

• Baby boom:

- Huge leap in birthrate in fifteen years after 1945:
 - Record number of marriages at war's end
 - Began immediately to fill nation's empty cradles
 - Touched off demographic explosion adding 50 million to nation by end of 1950s
 - Crested in 1957
 - By 1973, fertility rates dropped below point necessary to maintain existing population without immigration

XVIII. The Postwar Baby Boom (cont.)

- Boom-or-bust cycle of births begot bulging wave along American population curve
 - For example, increased elementary school enrollments to nearly 34 million by 1970
 - Then a closing of elementary schools and unemployment of teachers in late 1970s
- By 1960s, economic shift of baby products to youth products (“youth culture”)
- Baby boomers continued to affect culture and economy as they aged

CHRONOLOGY

1944	Service's Readjustment Act (GI Bill) Britain: Third economic conference	1944-1945	Berlin blockade
1945	Spock publishes <i>The Common Sense Book of Baby and Child Care</i> Yalta conference United States ends lend-lease to USSR United Nations established	1945	SAPO established Communists defeat Nationalists in China Soviet explode their first atomic bomb
1945-1946	Nuremberg war crimes trial in Germany	1946	American economy begins postwar growth McCarthy and Taft begin McCarran Internal Security Bill passed by Congress over Truman's veto
1946	Employment Act creates Council of Economic Advisors Iran crisis Roosevelt's "Young Telegrams" lay out "containment doctrine"	1946-1953	Korean War
1946-1948	Tokyo war crimes trials	1947	Truman fires MacArthur Rooseberg convicted of treason
1947	Truman Doctrine Marshall Plan Taft-Hartley Act National Security Act creates Department of Defense, National Security Council (NSC), and Central Intelligence Agency (CIA)	1948	United States explodes first hydrogen bomb
1948	Israel founded; United States recognizes it "Voice of America" begins radio broadcasts behind iron curtain Alger War case begins Truman debates Dewey for presidency	1948	Army-McCarthy Hearings
		1949	British ends of U.S. blockade
		1950	U.S. birthrate falls below replacement level
