Postwar Economy

- Fear that the economy would collapse after World War II
  - Would the GIs returning home find jobs available?
  - Could the Great Depression return?
- GI Bill of Rights (1944): helped veterans by providing tuition assistance for school & low interest govt. loans
- Tremendous economic boom occurs roughly from 1950 onward
  - After WW2 the U.S. is by far the richest nation in the world
  - Middle class grows to over 50%

Defense spending is a big reason for the economic prosperity

- Much of this growth will take place in the Sunbelt
- Move to suburbs, Levittown, and baby boom (next video!)

Truman Administration

- Truman had a tough time politically
- Truman was 1st President in the 20th century to use powers of the Presidency to challenge racial discrimination
  - Committee on Civil Rights (1946)
  - Desegregated the armed forces
- Republican controlled Congress passes the Taft-Hartley Act over Truman’s veto
  - Made “closed shops” illegal
- Republicans wanted to reduce growing power of unions
- Going into the Election of 1948 the Democrats were divided
  - Liberal Democrats supported Henry Wallace
  - Southern Democrats support Strom Thurmond (Dixiecrats)
- Most analysts pick Truman to lose
- Truman wins the election of 1948
Truman’s Fair Deal

- Truman’s domestic reform program was known as the “Fair Deal”
  - Called on extending programs and progress of the New Deal
    - extend Social Security benefits
    - increase minimum wage
    - national health insurance
    - Etc.
- Conservatives in Congress blocked most of his Fair Deal proposals
  - Exception was increase in minimum wage (40 cents to 75 cents an hour)

America in the Postwar World

- Unlike in the Post World War I period, the United States will play a key role in post World War II affairs
  - Following WW2 the U.S. is no longer isolationist
- The U.S. joins the United Nations (U.N.) in 1945
  - Member of the permanent U.N. Security Council
- International finance agreements established at the Bretton Woods Conference in 1944 sought to establish a stable global economy
  - IMF & World Bank was intended to help rebuild war-torn world and help promote international trade
  - Soviets viewed it as a tool to promote capitalism and rejected membership

COLD WAR BEGINS

- The Cold War will be an ideological, political, and military struggle between the U.S. and the Soviet Union (1945-1991)

United States vs Soviet Union
The Cold War Begins

Even prior to 1945 tensions existed between the two sides:
- Ideological conflict between capitalism and communism
- Wilson supported the “White Army” which sought to stop the Bolshevik Revolution (U.S. doesn’t recognize Soviet Union until 1933)
- Stalin was a brutal dictator and signed a nonaggression pact with Hitler in 1939

Tensions during WW2
- Stalin angry over the delays opening the 2nd front (not until 1944)
- Soviets were not included in the development of the atomic bomb
- The U.S. and the Soviets had very different visions for Eastern Europe

Yalta Conference & Post War Europe

- The Big Three met in Yalta in early 1945
  1. Discuss the post war plan
     - FDR and Churchill think Stalin agrees to allow representative government
  2. FDR wanted to get Stalin to agree to help out in the war against Japan
     - Fear that the allies would have to invade Japan to defeat them (no atomic bomb yet)
     - Stalin wants a buffer zone in Eastern Europe
     - Soviets suffered nearly half of deaths in World War II
     - Stalin refused to remove the “red army” from Eastern Europe and rigged elections brought pro-Soviet govt’s into power
     - Pro-Soviet puppet governments in the name of preserving Soviet security

The Fate of Europe: Containment

- March 1946 former PM Winston Churchill gives the “Iron Curtain” speech in Fulton, Missouri
  - Wanted western democratic nations to stop Soviet expansion together
- George Kennan develops the containment policy in “Long Telegram” Feb. 1946
  - The U.S. should work to stop Soviet expansion
  - Containment would guide U.S. policy throughout the Cold War
Both Greece and Turkey were under communist pressure.

- **Truman Doctrine** (March 1947): U.S. would provide military and economic aid to help prevent Greece and Turkey from falling to the communist
  - Truman does NOT send troops
- As a result of the economic hardships facing Europe in 1946-47, fear that communist may be voted into power in western Europe (France & Italy)
  - "European Recovery Program" by Sec. of State George Marshall (Marshall Plan) would provide billions of dollars of aid to Europe
    - Stop communism from spreading by providing economic aid
    - Western Europe rapidly rebuilds and communism does not spread
    - Soviets reject aid

- Following World War II Germany was divided & controlled by U.S., England, France, & the S.U.
- Stalin wanted a weakened Germany & want them to pay reparations- Starts to form German Democratic state
- In June 1948 Stalin decides to blockade Berlin
- Truman does not want to back down and look weak (Remember the failures of appeasement)
- Berlin Airlift provides the city of Berlin with supplies for nearly a year (Ends May 1949)
- Germany divided: 1) Federal Republic of Germany (west) 2) German Democratic Republic (east)


- **National Security Act** (1947) established 1) Dept. of Defense 2) National Security Council (NSC) 3) Central Intelligence Agency (CIA)
- **Arms race** between the U.S. and Soviet Union occurs
- 1949 Soviets test their 1st atomic bomb
- 1950 NSC-68 called for a massive military buildup
  - Implemented with Korean War
- 1952 U.S. test 1st hydrogen bomb
Cold War in Asia: China

- Chinese Civil War between Nationalist under Chiang Kai-shek vs. Chinese Communists led by Mao Zedong
- The U.S. provided lots of aid to nationalist forces
- Two Chinas:
  - 1949 Mao declares China to be a communist country (People's Republic of China)
  - Nationalist flee to Taiwan (Formosa)
- Republicans blame Truman for the “loss of China” to communism
  - 1946 Soviets also got the bomb

The 2nd Red Scare

- Widespread fear of communist influence and infiltration in American life

- Smith Act (1940) made it illegal to belong to an organization that advocated the overthrow of the govt. by force
- Federal Employee Loyalty Program (1947) investigated background of federal employees
- House of Un-American Activities Committee (HUAC) restarted after WW2 to search for communist influence in American life

Spies Among Us

- Alger Hiss case: State Department member accused of being a communist by Whittaker Chambers in 1948
- During the HUAC investigation Congressmen Richard Nixon makes a name for himself
- Hiss convicted of perjury and sent to jail
- Are there other Communists within the government?
- Julius & Ethel Rosenberg convicted of espionage in 1951 and executed in 1953
- Joseph McCarthy
KOREAN WAR

- Following WW2 Korea was divided at the 38th parallel
  - North of 38th: Soviets occupied
  - South of 38th: U.S. occupied
- By 1949 both countries withdrew their troops
- June 1950 North Korea invades South Korea
- In order to contain the spread of communism the U.S. (under the U.N.) comes to the defense of South Korea
- The war goes back and forth
- MacArthur called for expanding the war and criticized the "limited war" strategy
  - Truman fires the popular general
- Armistice eventually reached in 1953: Korea remained divided at 38th parallel
- Outcome: Containment worked!
  - Critics charged “soft on communism”
  - U.S. increases defense spending

“Nobody puts APUSH in the corner.”
Mr. Jocz rocking a super cool Soviet hat in Berlin. And yes, that is an ad for a German “Dirty Dancing” musical. Das original!