

Chapter 37- The Cold War Begins

1945-1952

Postwar Economic Anxieties

- The American people (140 million) cheered their nation's victories at the end of WW II
- In the 1930s joblessness and insecurity had pushed up the suicide rate and dampened the marriage rate—war had banished the blight of depression
- The economy faltered in the initial postwar years as the gross national product slumped in 1946 and 1947 from its wartime peak and with the removal of price controls, prices shot up 33%
- Epidemic of strikes swept the country (4.6 million in 1946 alone)—annoyed many conservatives
- In 1947 a Republican Congress passed Taft-Hartley Act over President Truman's veto ("slave labor law") that outlawed closed (all-union) shop, made unions liable for damages resulting from jurisdictional disputes among themselves, and made union leaders to take a noncommunist oath
- Labor's postwar efforts to organize in the South and West were hard compared to the Northeast's
- CIO's "Operation Dixie" aimed at unionizing southern textile workers and steelworkers and failed miserably in 1948 to overcome lingering fears of racial mixing; workers in the growing service sector of the economy proved much more difficult to organize (part-time, women)
- Union membership peaked in the 1950s and began a long, unremitting decline
- Democratic administration took steps to forestall an economic downturn by selling war factories to private businesses and secured passage of the Employment Act (1946) that created a Council of Economic Advisers in promoting maximum employment, production, and purchasing power
- The Servicemen's Readjustment Act of 1944, the GI bill, made generous provisions for sending the former soldiers to school—fear that employment markets would not be able to absorb 15 million returning veterans at war's end—8 million veterans proceeded to advance their education
- Act enabled the Veterans Administration to guarantee \$16 billion in loans for veterans to buy homes, farms, and small businesses—nurtured economic expansion in the late 1940s

The Long Economic Boom, 1950-1970

- GNP began to climb haltingly in 1948 and by 1950 the American economy surged onto a plateau of sustained growth that lasted for two decades (national income doubling in 1950s and 1960s)

- This economic boom transformed the lives of a majority of citizens; prosperity underwrote social mobility and paved the way for the eventual success of the civil rights movement and gave Americans confidence to exercise unprecedented international leadership in the Cold War era
- Millions of souls sought to make up for the sufferings of the 1930s depression
- Americans owning own homes, cars, washing machines, and 90% owned a television set (1920s)
- Urban offices and shops provided a bonanza of employment for female workers; the majority of new jobs created in the postwar era went to women—boom of the service sector (1/4 women)
- Culture glorified traditional feminine roles of homemaker and mother—feminist revolt in 1960s

The Roots of Postwar Prosperity

- WW II provided a powerful stimulus; US had used the war crisis to fire up its factories and rebuild its depression-plagued economy—much of the prosperity of the 1950s and 1960s rested on the underpinnings of colossal military budgets (“permanent war economy”)
- The economic upturn of 1950 was fueled by massive appropriations for the Korean War and defense spending accounted for some 10 percent of the GNP (aerospace, plastics, electronics)
- The military budget financed much scientific research and development
- Cheap energy fed the economic boom; American and European companies controlled the flow of abundant petroleum from the Middle East and kept prices low (consumption of oil)
- Americans engineered a six-fold increase in the country’s electricity-generation capacity
- Workers chalked up spectacular gains in productivity (rising educational level of work force)
- Productivity was the key to prosperity and doubled the average American’s standard of living
- There was an accelerating shift of the work force out of agriculture, which achieved productivity gains virtually unmatched by any other economic sector (giant agribusinesses thanks to mechanization and new fertilizers as well as gov’t subsidies and price supports)

The Smiling Sunbelt

- The economic changes of the post-1945 period shook and shifted the American people, amplifying the population redistribution set in motion by World War II; Americans on the move
- Families felt the strain as distances divided parents from children and siblings from one another
- Popularity of advice books on child rearing—Dr. Spock’s *The Common Sense Book of Baby and Child Care*—instructed millions of parents on how to take care of their children
- Striking was the growth of the “Sunbelt”—a fifteen-state area stretching from Virginia through Florida and Texas to Arizona and California—region increased in population at double the rate

- In 1950s, CA accounted for one-fifth of the entire nation's population growth (most populous)
- The South and Southwest were a new frontier for Americans after World War II; pioneers came in search of jobs, a better climate, and lower taxes (jobs in abundance, military installations)
- Federal dollars poured into the Sunbelt but southern and western politicians led the cry against gov't spending—shifts of population and wealth broke historic grip of the North on political life

The Rush to the Suburbs

- In all regions America's migrants (if they were white) fled from the cities to the new suburbs as gov't policies encouraged this movement—Federal Housing Administration (FHA) and Veterans Administration (VA) home-loan guarantees made it more economically attractive to own a home
- Tax deductions for interest payments on home mortgages provided financial incentive and gov't-built highways sped commuters from suburban homes to city jobs further facilitated migration
- About one in four Americans lived in the suburbia by 1960 and the construction industry boomed in the 1950s and 1960s to satisfy this demand (innovators like the Levitt brothers)
- Specialized crews worked from standardized plans and worked in parts
- "White flight" to the suburbs left the inner cities (NE and MW) black, brown, and broke
- Migrating blacks from the South filled up the urban neighborhoods abandoned by middle-class
- Gov't policies aggravated this spreading pattern of residential segregation; FHA administrators, citing risk, often refused them mortgages for home purchases (public housing projects)

The Postwar Baby Boom

- Of all the upheavals in postwar America, none was more dramatic than the "baby boom"—the huge leap in the birthrate in the decade and a half after 1945 (marriages increased)
- Demographic explosion that added more than 50 million babies by the end of the 1950s but after peaking in 1958, fertility rates dropped replacement figures by 1973
- This cycle of births begot a bulging wave along the American population curve (industry)
- A lucrative market for manufacturers of canned food and baby products developed as well as the clothes industry as the babies of the postwar boom aged in the ensuing years
- The job market of the 1980s was affected as a "secondary boom" of children occurred in 1990s

Truman: The "Gutty" Man from Missouri

- Presiding over the postwar period was an "accidental president"—Harry S. Truman

- The problems of the postwar period were staggering and the new president first approached his tasks with humility but he eventually gained confidence to the point of cockiness
- Truman had down-home authenticity, few pretensions, rock-solid probity, and moxie

Yalta: Bargain or Betrayal?

- The Soviet Union continued to be the great enigma; at the conference at Teheran in 1943, where Roosevelt had first met Stalin man to man, much had remained unresolved—especially questions about the postwar fates of Germany, Eastern Europe, and Asia
- A final fateful conference of the Big Three had taken place in February 1945 at Yalta—final plans were laid for smashing the buckling German lines, Stalin agreed that Poland should have a representative gov't that Bulgaria and Romania have free elections (both flouted) and made plans for a new international peacekeeping organization—the United Nations
- The most controversial decision concerned the Far East; Roosevelt wanted Stalin to enter Asian war but Moscow needed inducements to bring it into Far East (3 months after Germany's defeat)
- In return the Soviets were promised Sakhalin Island and joint control over the railroads of China's Manchuria and special privileges in two key seaports (Stalin control over China)
- Moscow was not necessary to knock out Japan—contributed to overthrow of Chiang Kai-shek
- Yalta was not a peace settlement draft and the agreements were quite elastic (Russians)

The United States and the Soviet Union

- History provided little hope that the US and Soviet Union would reach cordial understandings
- The Washington gov't in 1945 ended vital lend-lease aid to a battered USSR in 1945 and spurned Moscow's plea for a \$6 billion reconstruction loan while giving \$3.75 billion to Britain
- Stalin aimed above all to guarantee the security of the Soviet Union—he was determined to have friendly gov'ts along the Soviet western border, especially in Poland (sphere of influence)
- Doubting Soviet goals of defense, many Americans remembered the Bolshevik call for world revolution and Stalin's emphasis on spheres only led to further skepticism towards "Red Russia"
- Both countries had been largely isolated from world affairs before World War II and both nations had a history of conducting a kind of "missionary" diplomacy—of trying to export to the entire world the political doctrines precipitated out of their revolutionary origins
- America and the USSR found themselves over the body of battered Europe—the Grand Alliance of the US, Soviet Union, and Britain had been only of necessity and suspicion and rivalry between communistic, despotic Russia and capitalistic, democratic America was inevitable

- The two powers provoked each other in a tense standoff known as the Cold War—over 45 years long, it overshadowed the entire postwar international order in the globe and also molded societies and economies and the lives of individual people all over the planet

Shaping the Postwar World

- The US managed at war's end to support Roosevelt's vision of an open world
- In 1944, in NH, the Western Allies established the International Monetary Fund (IMF) to encourage world trade by regulating currency exchange rates and founded the International Bank for Reconstruction and Development (World Bank) to promote economic growth in areas
- The US took the lead in creating these bodies but the Soviets declined to participate
- Even after Roosevelt's death, the United Nations Conferences opened on April 25, 1945
- Roosevelt chose both Republican and Democratic senators for the American delegation and met in San Francisco with representatives from fifty nations who then fashioned the United Nations charter, that featured the Security Council dominated by the Big Five powers (US, Britain, USSR, France, and China), each of whom had the right of veto and the Assembly (others)
- The Senate approved the document on July 28, 1945, by a vote of 89 to 2
- The United Nations had a permanent home in New York City helped preserve peace in Iran, Kashmir, played a large role in creating Israel, and guided colonies to independence
- Through UNESCO, FAO, and WHO, the U.N. brought benefits to the people all over the world
- The US failed to control the fearsome new technology of the atom; US delegate Baruch called for a UN agency with worldwide authority over atomic energy, weapons, and research but the Soviet delegate countered that possession should just be outlawed by every nation
- But both plans collapsed as countries were unwilling to give up what they already had

The Problem of Germany

- The Allies agreed only that the cancer of Nazism had to be cut out of the German body politic, which involved punishing Nazi leaders for war crimes—the Allies tried twenty-two top culprits at Nuremberg, Germany, during 1945-1946 (committing crimes against laws of war/humanity)
- Justice was tough as twelve were hung, and seven sentenced to long jail terms (years of trials)
- Beyond punishing the top Nazis, the Allies could agree on little about postwar Germany
- American Hitler-haters wanted to dismantle German factories while the Soviets were determined to rebuild land by extracting enormous reparations from the Germans (denied money by US)

- The reality was that an industrial, healthy German economy was indispensable to the recovery of Europe—Germany with Austria had been divided at war's end into four military occupation zones, each assigned to the Big Four powers (France, Britain, America, and the USSR)
- The Western Allies wanted a reunited Germany while the communists tightened their grip on their Eastern zone; West Germany eventually became an independent country
- Eastern Europe virtually disappeared from Western sight behind the “iron curtain” of secrecy and isolation that Stalin clanged down across Europe from the Baltic to the Adriatic
- Berlin lay in the middle of the Soviet region and the Soviets put a blockade against Berlin; at stake was not only the fate of the city but also a test of wills between Moscow and Washington
- The Americans organized a gigantic airlift as pilots delivered supplies to Berliners
- The Soviets finally lifted their blockade in May 1949 and the governments of the two Germanys, East and West, were formally established; the Cold War had been icily set

Crystallizing the Cold War

- Stalin wanted to secure oil concessions in the West, including oil-rich Iran and in 1946 he broke an agreement to remove his troops from Iran and used the troops to aid a rebel movement
- He backed down after being challenged by Truman; Moscow's hard-line policies in Germany, Eastern Europe, and the Middle East wrought a psychological Pearl Harbor (goodwill to distrust)
- Truman's responses to Soviet challenges took form in 1947 with the “containment doctrine” that Russia, tsarist or communist, was relentlessly expansionary (crafted by George F. Kennan)
- Truman adopted a “get-tough-with-Russia” policy in 1947 and was triggered by the fact that Britain could no longer help defend Greece from communist pressures (and Turkey, too)
- The president went before Congress on March 12, 1947 and asked for support that came to be known as the Truman Doctrine--\$400 million to bolster Greece and Turkey, granted
- It was a sweeping commitment of vast proportions and critics complained that he overreacted
- Critics complained that the Truman Doctrine polarized the world into pro-Soviet and pro-American though it may have been Truman's fear of a revived isolationism
- Threat loomed in Western Europe (France, Italy, Germany) where key nations were still suffering from the hunger and economic chaos spawned by war (danger of Communism)
- On June 5, 1947, Secretary of States George C. Marshall invited the Europeans to get together and work out a joint plan for their economic recovery and then US would provide support, forced cooperation that gave a nudge to the eventual creation of the European Community (EC)
- The democratic nations of Europe rose enthusiastically to the Marshall Plan meeting in July 1947 in Paris where Marshall offered the same aid to the Soviet Union and its allies (declined)

- The Marshall Plan called for spending \$12.5 billion over four years to sixteen countries and Congress at first refused because US had contributed \$2 billion to the United Nations Relief
- A communist coup in Czechoslovakia awakened legislators and it was approved April 1948
- Truman's Marshall Plan revived the economy of Western European nations (Italy/France saved)
- Access to Middle Eastern oil was crucial to the European recovery program and to the health of the US economy but Arab nations resisted the creation of the Jewish state of Israel in Palestine
- Defying Arab wrath, Truman recognized state of Israel on May 14, 1948 (complications later)

America Begins to Rearm

- The Cold War, the struggle to contain Soviet communism, was not war, nor was it peace
- The Soviet menace spurred the unification of the armed serves as well as the creation of a huge new national security apparatus (National Security Act creating Department of Defense, 1947)
- Headed by a secretary of defense, the Department of Defense controlled the civilian secretaries of the navy, the army, and the air force (Joint Chiefs of Staff of each service)
- The National Security Act also established the National Security Council (NSC) and the Central Intelligence Agency (CIA) to coordinate the government's foreign fact gathering
- The "Voice of America" began beaming American radio broadcasts behind the iron curtain ('48)
- Also in 1948, Congress resurrected the military draft providing for the conscription of selected young men from nineteen to twenty-five years of age (Selective Service System)
- In 1948, Britain, France, Belgium, the Netherlands, and Luxembourg signed a treaty of defensive alliance at Brussels and invited the US to join them—America had traditionally avoided
- American participation would strengthen policy of containing the Soviet Union, provide a framework for reintegrating Germany, and reassure Europeans about the marauding Russian bear
- Truman decided to join eh European pact, called the North Atlantic Treaty Organization; its treaty was signed in Washington on April 4, 1949, an attack on one as an attack on all, approved
- NATO marked a departure form American diplomatic convention, a boost for European unification, and a significant step in the miniaturization of the Cold War (American policy)

Reconstruction and Revolution in Asia

- Reconstruction in Japan was facilitated by the American army under Allied commander Douglas MacArthur—democratization of Japan (Japanese "war criminals" punished)

- Japanese cooperated; constitution adopted in 1946, renounced militarism, and introduced Western-style democratic government paving the way for economic recovery
- In China a bitter civil war had raged between Nationalists and communists (Washington gov't supported Chiang Kai-shek while the communists triumphed under Mao Zedong (1949))
- The collapse of Nationalist China was a depressing defeat for America and its allies on the Cold War (500 million people were swept into the communist camp, issue of the fall of China)
- In September 1949, President Truman announced that the Soviets had exploded an atomic bomb and to outpace the Soviets, Truman ordered the development of the hydrogen bomb (more deadly), which was completed in 1952 while Soviets exploded their first H-bomb in 1953
- Nuclear "superiority" became a dangerous and delusive dream—peace through mutual terror

Ferretting Out Alleged Communists

- Many citizens feared that communist spies were misdirecting foreign policy and in 1947 Truman launched a massive "loyalty" program in which the Loyalty Review Board investigated people
- Loyalty oaths increased; 1949 eleven communists were tried for violating the Smith Act of 1940, the first peacetime antisedition law since 1798; Supreme Court supported—*Dennis v. US* (1951)
- The House in 1938 established Committee on Un-American Activities—investigate subversion
- In 1948 committee member Richard M. Nixon led the chase after Alger Hiss (accused of being a communist agent) and Hiss denied everything but was convicted of perjury in 1950
- Some Americans, including President Truman, realized that the red hunt was turning into a witch hunt; In 1950 Truman vetoed the McCarran Internal Security Bill (police-state tactics)
- The stunning success of the Soviet scientists was attributed to communist spies—Julius and Ethel Rosenberg whom were convicted in 1951 of espionage and went to the electric chairs

Democratic Divisions in 1948

- Attacking high prices, the Republicans won control of Congress in the elections of 1946
- The Democrats did not really want to nominate Harry but their movement collapsed when war hero Dwight D. Eisenhower refused to be drafted (Truman chosen despite Southern opposition)
- Truman's nomination split the party wide open and southern Democrats held their own convention nominating Governor J. Strom Thurmond of South Carolina; former vice-president Henry A. Wallace was nominated by the new Progressive party (assailed "dollar imperialism")
- With the Democrats ruptured and the Republican congressional victory of 1946 just past, Dewey's victory for the Republicans seemed assured; Truman seemed to be doomed

- Truman made hundreds of speeches and whipped up support for his program of civil rights, improved labor benefits, and health insurance (increasing support for Truman)
- Truman had swept to a stunning triumph while the Democrats regained control of the Congress
- Truman's victory rested on farmers, workers, and blacks, Republican overconfidence
- In his inaugural address, Truman called for a "bold new program" ("Point Four") in which the plan was to lend US money and technical aid to underdeveloped lands to help themselves
- The program was launched in 1950 and brought badly needed assistance to impoverished countries, notably in Latin America, Africa, the Near East, and the Far East
- At home, Truman outlined a "Fair Deal" program that called for improved housing, full employment, a higher minimum wage, better farm price supports, new TVAs, and an extension of Social Security—most of the Fair Deal fell victim to congressional opposition

The Korean Volcano Erupts (1950)

- Korea heralded a new phase of the Cold War—a shooting phase—in June 1950
- At the end of war, Soviet troops had been north of the thirty-eighth parallel on the Korean peninsula while American troops had one likewise south of that line; both powers wanted to reunify Korea but as in Germany, each helped set up rival regimes above and below the parallel
- By 1949 when the Soviets and Americans had both withdrawn their forces, the peninsula had two hostile regimes eyeing each other and the explosion finally came on June 25, 1950
- Backed up Soviet-made tanks, the North Korean army marched into South Korea while President Truman reacted—the Korean invasion provided occasion for a vast expansion of the American military; Truman's National Security Council had recommended to quadruple defense spending
- Truman now ordered a massive military buildup and soon the US had 3.5 million men under arms and was spending \$50 billion per year on the defense budget (NSC-68)
- Truman took advantage of a Soviet absence from the United Nations Security Council on June 25, 1950 to obtain a unanimous condemnation of North Korea as an aggressor
- Officially, the US was simply participating in a United Nations "police action" (only on outside)

The Military Seesaw in Korea

- General MacArthur launched a daring landing behind enemy lines at Inchon and this gamble on September 15, 1950 succeeded brilliantly as North Koreans scrambled back to the 38th parallel
- Pursuing South Koreans had crossed the 38th parallel even though it was only to restore the line

- The Americans raised the stakes in Korea and the Chinese communists had publicly warned that they would not sit idly by and watch hostile troops approach the boundary between Korea and China—In November 1950, the Chinese fell on his overextended lines and UN forces reeled
- MacArthur, humiliated by this rout pressed for retaliation and favored a blockade of the Chinese coast and bombardment of Chinese bases in Manchuria; Washington refused costly conflict
- General MacArthur sneered at the concept of a “limited war” and Truman had no choice but to remove the insubordinate MacArthur from command; MacArthur returned to an uproarious welcome whereas Truman was condemned as an imbecile and appeaser of Communism
- Truce discussions began in July 1951 and talk dragged on for almost two years while men died