

Group 1
Readjustment
& Recovery

Postwar America

MAIN IDEA

The Truman and Eisenhower administrations led the nation to make social, economic, and political adjustments following World War II.

WHY IT MATTERS NOW

In the years after World War II, the United States became the economic and military power that it still is today.

Terms & Names

- GI Bill of Rights
- suburb
- Harry S. Truman
- Dixiecrat
- Fair Deal

One American's Story

Sam Gordon had been married less than a year when he was shipped overseas in July 1943. As a sergeant in the United States Army, he fought in Belgium and France during World War II. Arriving back home in November 1945, Sam nervously anticipated a reunion with his family. A friend, Donald Katz, described Sam's reactions.

A PERSONAL VOICE DONALD KATZ

"Sam bulld through the crowd and hailed a taxi. The cab motored north through the warm autumn day as he groped for feelings appropriate to being back home alive from a terrible war. . . . [He was] nearly panting under the weight of fear. . . . *Back home alive . . . married to a girl I haven't seen since 1943 . . . father of a child I've never seen at all.*"

— Home Fires

Sam Gordon met his daughter, Susan, for the first time the day he returned home from the war, and he went to work the next morning. Like many other young couples, the Gordons began to put the nightmare of the war behind them and to return to normality.



▲ GIs returned home to their families after World War II with new hope, but also with new problems.

Readjustment and Recovery

By the summer of 1946, about 10 million men and women had been released from the armed forces. Veterans like Sam Gordon—along with the rest of American society—settled down to rebuild their lives.

THE IMPACT OF THE GI BILL To help ease veterans' return to civilian life, Congress passed the Servicemen's Readjustment Act, or the **GI Bill of Rights**, in 1944. In addition to encouraging veterans to get an education by paying part of their tuition, the GI Bill guaranteed them a year's worth of unemployment benefits while job hunting. It also offered low-interest, federally guaranteed loans. Millions of young families used these benefits to buy homes and farms or to establish businesses.

HOUSING CRISIS In 1945 and 1946, returning veterans faced a severe housing shortage. Many families lived in cramped apartments or moved in with relatives. In response to this housing crisis, developers like William Levitt and Henry Kaiser used efficient, assembly-line methods to mass-produce houses. Levitt, who bragged that his company could build a house in 16 minutes, offered homes in small residential communities surrounding cities, called **suburbs**, for less than \$7,000.

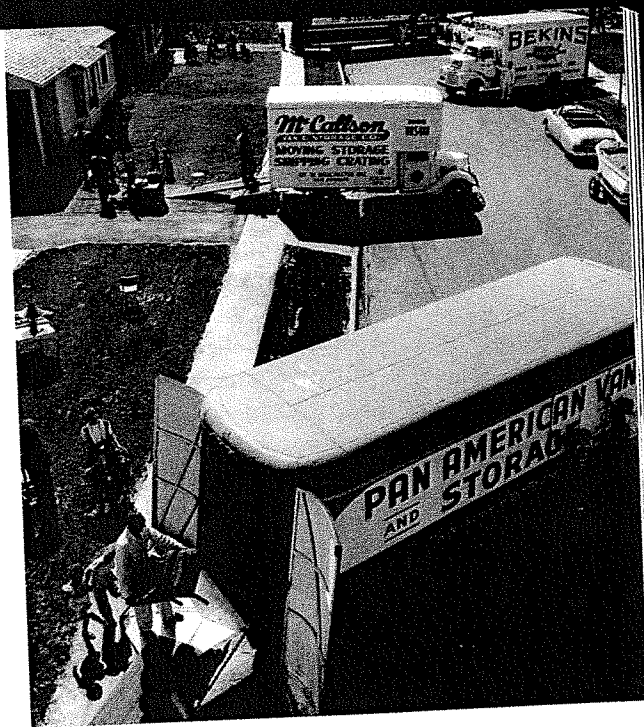
Levitt's first postwar development—rows of standardized homes built on treeless lots—was located on New York's Long Island and named Levittown. These homes looked exactly alike, and certain zoning laws ensured that they would stay the same. Despite their rigid conformity, Americans loved the openness and small-town feel to the planned suburbs. With the help of the GI Bill, many veterans and their families moved in and cultivated a new lifestyle.

REDEFINING THE FAMILY Tension created by changes in men's and women's roles after the war contributed to a rising divorce rate. Traditionally, men were the breadwinners and heads of households, while women were expected to stay home and care for the family. During the war, however, about 8 million women, 75 percent of whom were married, entered the paid work force. These women supported their families and made important household decisions. Many were reluctant to give up their newfound independence when their husbands returned. Although most women did leave their jobs, by 1950 more than a million war marriages had ended in divorce.

ECONOMIC READJUSTMENT After World War II, the United States converted from a wartime to a peacetime economy. The U.S. government immediately canceled war contracts totaling \$35 billion. Within ten days of Japan's surrender, more than a million defense workers were laid off. Unemployment increased as veterans joined laid-off defense workers in the search for jobs. At the peak of postwar unemployment, in March 1946, nearly 3 million people were seeking work.

Rising unemployment was not the nation's only postwar economic problem, however. During the war, the Office of Price Administration (OPA) had halted inflation by imposing maximum prices on goods. When these controls ended on June 30, 1946, prices skyrocketed. In the next two weeks, the cost of consumer products soared 25 percent, double the increase of the previous three years. In some cities, consumers stood in long lines, hoping to buy scarce items, such as sugar, coffee, and beans. Prices continued to rise for the next two years until the supply of goods caught up with the demand.

While prices spiraled upward, many American workers also earned less than they had earned during the war. To halt runaway inflation and to help the nation convert to a peacetime economy, Congress eventually reestablished controls similar to the wartime controls on prices, wages, and rents. **A**



A The suburbs were a mass phenomenon, even on moving day.

Background
See unemployment rate on page R47 in the Economics Handbook.

MAIN IDEA

Identifying Problems

A What problems did Americans face after World War II?

REMARKABLE RECOVERY Most economists who had forecast a postwar depression were proved wrong because they had failed to consider consumers' pent-up accumulation of needs and wants. People had gone without many goods for so long that by the late 1940s, with more than \$135 billion in savings from defense work, service pay, and investments in war bonds, Americans suddenly had money to spend. They snatched up everything from automobiles to houses. After a brief period of postwar economic readjustment, the American economy boomed. The demand for goods and services outstripped the supply and increased

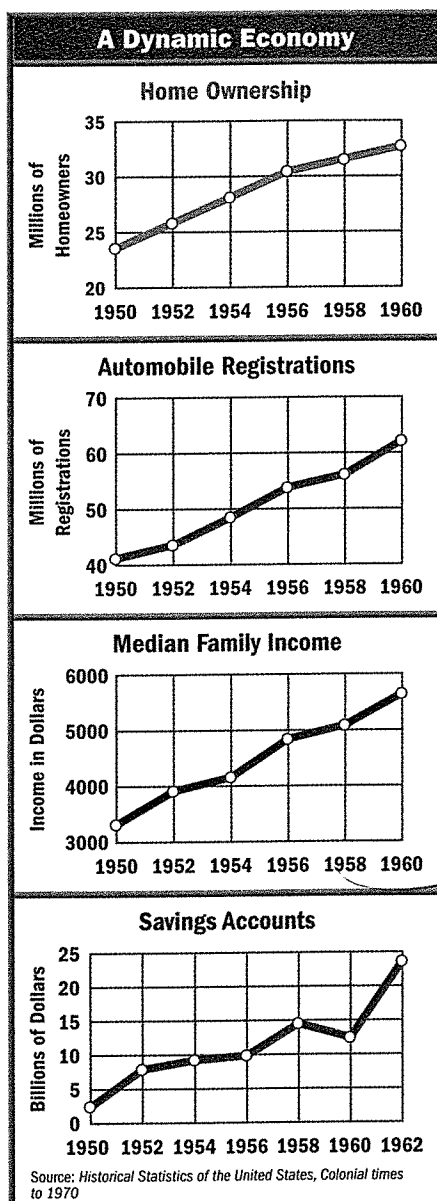
production, which created new jobs. Judging from the graphs (shown left), many Americans prospered in the 1950s in what the economist John Kenneth Galbraith called "the affluent society."

The Cold War also contributed to economic growth. Concern over Soviet expansion kept American defense spending high and people employed. Foreign-aid programs, such as the Marshall Plan, provided another boost to the American economy. By helping nations in Western Europe recover from the war, the United States helped itself by creating strong foreign markets for its exports. **B**

MAIN IDEA

Analyzing Causes

B What factors contributed to the American postwar economic boom?



SKILLBUILDER

Interpreting Graphs

- From 1950 to 1960, by what percentage did each of the economic indicators shown above increase?
- Which years show the biggest increases for each of the graphs above?

Meeting Economic Challenges

Despite an impressive recovery, Americans faced a number of economic problems. Their lives had been in turmoil throughout the war, and a desire for stability made the country more conservative.

PRESIDENT TRUMAN'S INHERITANCE When **Harry S. Truman** suddenly became president after Franklin D. Roosevelt's death in 1945, he asked Roosevelt's widow, Eleanor, whether there was anything he could do for her. She replied, "Is there anything we can do for you? For you are the one in trouble now." In many ways, President Truman was in trouble.

A PERSONAL VOICE HARRY S. TRUMAN

"I don't know whether you fellows ever had a load of hay fall on you, but when they told me yesterday what had happened [Roosevelt's death], I felt like the moon, the stars, and all the planets had fallen on me."

—excerpt from a speech, April 13, 1945

Despite his lack of preparation for the job, Truman was widely viewed as honorable, down-to-earth, and self-confident. Most important of all, he had the ability to make difficult decisions and to accept full responsibility for their consequences. As the plaque on his White House desk read, "The Buck Stops Here." Truman faced two huge challenges: dealing with the rising threat of communism, as discussed in Chapter 18, and restoring the American economy to a strong footing after the war's end.

MAIN IDEA

Summarizing
What actions
President
Truman took to
deal with labor
strikes?

TRUMAN FACES STRIKES One economic problem that Truman had to address was strikes. Facing higher prices and lower wages, 4.5 million discontented workers, including steelworkers, coal miners, and railroad workers, went on strike in 1946. Although he generally supported organized labor, Truman refused to let strikes cripple the nation. He threatened to draft the striking workers and to order them as soldiers to stay on the job. He authorized the federal government to seize the mines, and he threatened to take control of the railroads as well. Truman appeared before Congress and asked for the authority to draft the striking railroad workers into the army. Before he could finish his speech, the unions gave in. ☺

"HAD ENOUGH?" Disgusted by shortages of goods, rising inflation, and labor strikes, Americans were ready for a change. The Republicans asked the public, "Had enough?" Voters gave their answer at the polls: in the 1946 congressional elections, the Republican Party won control of both the Senate and the House of Representatives for the first time since 1928. The new 80th Congress ignored Truman's domestic proposals. In 1947, Congress passed the Taft-Hartley Act over Truman's veto. This bill overturned many rights won by the unions under the New Deal.

Social Unrest Persists

Problems arose not only in the economy but in the very fabric of society. After World War II, a wave of racial violence erupted in the South. Many African Americans, particularly those who had served in the armed forces during the war, demanded their rights as citizens.

TRUMAN SUPPORTS CIVIL RIGHTS Truman put his presidency on the line for civil rights. "I am asking for equality of opportunity for all human beings," he said, "... and if that ends up in my failure to be reelected, that failure will be in a good cause." In 1946, Truman created a President's Commission on Civil Rights. Following the group's recommendations, Truman asked Congress for several measures including a federal antilynching law, a ban on the poll tax as a voting requirement, and a permanent civil rights commission.

Congress refused to pass these measures, or a measure to integrate the armed forces. As a result, Truman himself took action. In July 1948, he issued an executive order for integration of the armed forces, calling for "equality of treatment and opportunity in the armed forces without regard to race, color, religion, or national origin." In addition, he ordered an end to discrimination in the hiring of government employees. The Supreme Court also ruled that the lower courts could not bar

In 1947, Jackie Robinson joined the Brooklyn Dodgers, angering some fans but winning the hearts, and respect, of many others.

HISTORICAL SPOTLIGHT

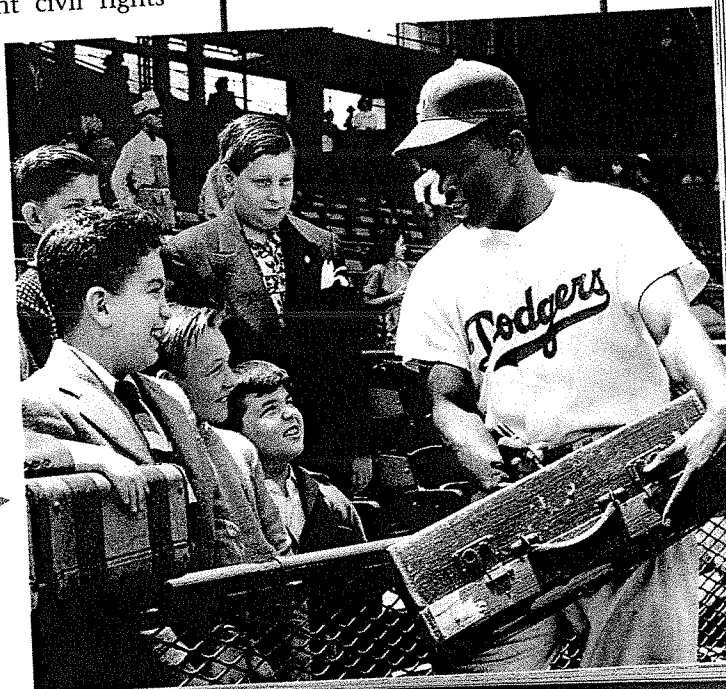
JACKIE ROBINSON

Jackie Robinson took a brave step when he turned the Brooklyn Dodgers into an integrated baseball team in 1947. But he—and the country—had a long way to go.

Unhappy fans hurled insults at Robinson from the stands. Some players on opposing teams tried to hit him with pitches or to injure him with the spikes on their shoes. He even received death threats. But he endured this with poise and restraint, saying,

"Plenty of times, I wanted to haul off when somebody insulted me for the color of my skin but I had to hold to myself. I knew I was kind of an experiment."

In 1949, Robinson was voted the National League's most valuable player. He later became the first African American to be inducted into the Baseball Hall of Fame.



Summary
Conclusion:
Truman's actions
were based
on the needs
of the
country rather
than individual
interests.