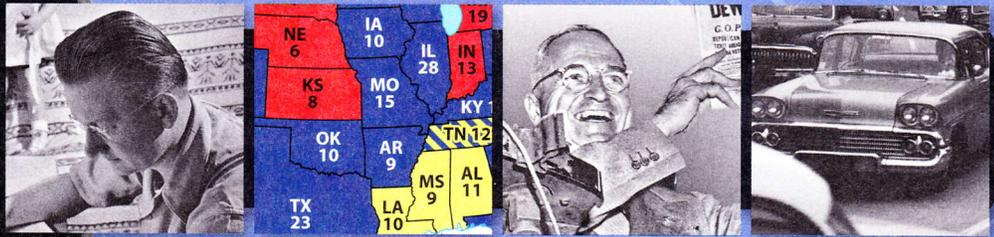


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- ✓ CHART/GRAPH New Home Construction
- ✓ MAP The Interstate Highway System
- ✓ VIDEO Truman and Eisenhower
- ✓ INTERACTIVE SELF-CHECK QUIZ



## LESSON 1

# Truman and Eisenhower

ESSENTIAL QUESTION • How does prosperity change the way people live?

### Reading HELPDESK



#### Academic Vocabulary

- legislator • abandon

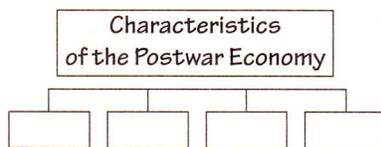
#### Content Vocabulary

- closed shop
- right-to-work laws
- union shop
- dynamic conservatism

#### TAKING NOTES:

##### Key Ideas and Details

**Organizing** As you read, complete a graphic organizer like this one by listing characteristics of the postwar economy.



## IT MATTERS BECAUSE

In the postwar era, Congress limited the power of unions and rejected most of President Truman's plan for a "Fair Deal." When Eisenhower became president, he cut back some government programs but approved billions of dollars for the expansion of the interstate highway system.

## Return to a Peacetime Economy

**GUIDING QUESTION** What happened when the nation returned to a peacetime economy, and how did government try to ease the transition?

After the war, many Americans feared the return to a peacetime economy. They worried about unemployment and a recession because military production had stopped and millions of former soldiers needed work. Despite such worries, the economy continued to grow after the war. Increased consumer spending helped ward off a recession. After so many years of economic depression and wartime shortages, Americans rushed out to buy consumer goods.

The Servicemen's Readjustment Act of 1944, popularly called the GI Bill, also boosted the economy. The act provided funds to help veterans establish businesses, buy homes, and attend college. The postwar economy did have problems in the early years after the war. A greater demand for goods led to higher prices. The resulting inflation soon triggered labor unrest. As the cost of living rose, workers in the automobile, steel, electrical, and mining industries went on strike for better pay.

Truman was afraid that the miners' strikes would drastically reduce the nation's energy supply. He ordered the government to take control of the mines. He also pressured mine owners to grant the union most of its demands. Truman even stopped a strike that shut down the nation's railroads by threatening to draft the striking workers into the army.

Labor unrest and high prices prompted many Americans to call for a change. The Republicans seized on these feelings during

the 1946 congressional elections, and won control of both houses of Congress for the first time since 1930.

The new conservative Congress quickly set out to limit the power of organized labor. In 1947 **legislators** passed the Taft-Hartley Act, which outlawed the **closed shop**, or the practice of forcing business owners to hire only union members. This law also allowed states to pass **right-to-work laws**, which outlawed **union shops** (shops requiring new workers to join the union). It prohibited featherbedding, or limiting work output in order to create more jobs. It also banned using union money to support political campaigns. Truman, however, vetoed the bill, arguing that it was a mistake:

#### PRIMARY SOURCE

“[It would] reverse the basic direction of our national labor policy, inject the Government into private economic affairs on an unprecedented scale, and conflict with important principles of our democratic society. Its provisions would cause more strikes, not fewer.”

—from a message to the U.S. House of Representatives, June 20, 1947

Despite President Truman’s concerns, Congress passed the Taft-Hartley Act in 1947 over his veto. Supporters of the act claimed that the law held irresponsible unions in check. Labor leaders, however, called the act a “slave labor” law, insisting that it erased many of the gains that unions had made since 1933.

#### READING PROGRESS CHECK

**Explaining** How did the GI Bill help the nation transition from a wartime economy to a peacetime economy?

## Truman’s Program

**GUIDING QUESTION** *How did the Truman administration seek to continue New Deal goals?*

The Democratic Party’s loss of control in Congress in the 1946 elections did not dampen President Truman’s plans. After taking office, Truman had proposed domestic measures to continue the work of Franklin Roosevelt’s New Deal. He worked to push this agenda through Congress.

### Truman’s Legislative Agenda

Truman’s proposals included expanding Social Security benefits and raising the minimum wage. He also proposed public housing and slum clearance, a program to ensure full employment through federal spending and investment, a system of national health insurance, and long-range environmental and public works planning.

In February 1948, Truman also boldly asked Congress to pass a broad civil rights bill. The bill would protect African Americans’ right to vote. It would also abolish poll taxes and make lynching a federal crime. He issued an executive order barring discrimination in federal employment and ending segregation in the armed forces. Most of Truman’s legislative efforts failed as a coalition of Republicans and conservative Southern Democrats defeated many of his proposals.

**legislator** one who makes laws as a member of a legislative body for a political unit

**closed shop** an agreement in which a company agrees to hire only union members

**right-to-work law** a law making it illegal to require employees to join a union

**union shop** a business that requires employees to join a union

The GI Bill provided funds for veterans to attend college after the war. By 1947, nearly half of all those attending college were veterans.

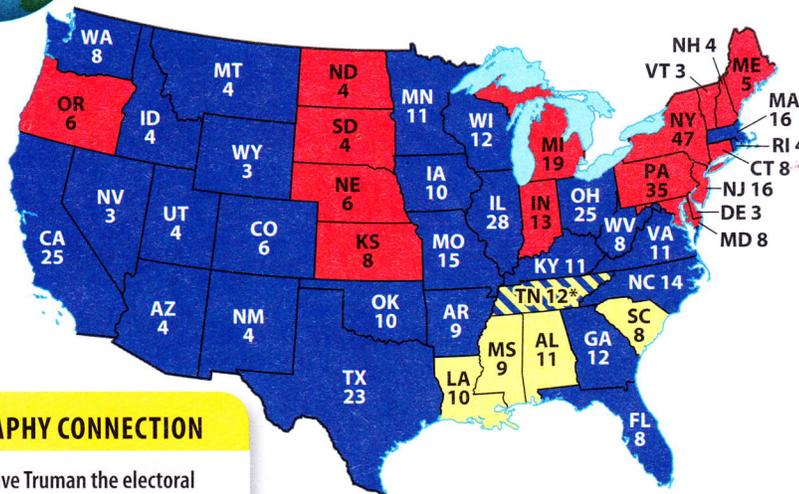
#### CRITICAL THINKING

**Making Inferences** Why were so many college students veterans in 1947?

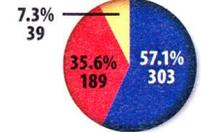




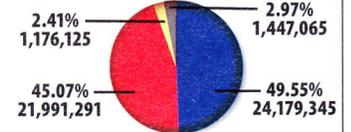
## Presidential Election of 1948



ELECTORAL VOTE  
TOTAL: 531



POPULAR VOTE  
TOTAL: 48,793,826



\* Eleven electors in Tennessee voted for Truman and one voted for Thurmond

### GEOGRAPHY CONNECTION

Key states give Truman the electoral victory.

- 1 THE WORLD IN SPATIAL TERMS** *In which state did one elector not vote with the rest of the state's electors?*
- 2 PLACES AND REGIONS** *In which region did Thurmond enjoy the most electoral support?*

**abandon** to withdraw protection, support, or help

Harry Truman gleefully shows the incorrect headline declaring his election defeat.

### CRITICAL THINKING

*Identifying Central Ideas*

What made Truman's victory such a surprise?

### The Election of 1948

As the 1948 presidential election approached, most observers gave Truman little chance of winning. Some viewed his administration as inept. In addition, fractures in the Democratic Party seemed to doom his campaign. Two groups **abandoned** the party at that summer's convention. A group of Southern Democrats, angry at Truman's support of civil rights, formed the States' Rights, or Dixiecrat, Party. They nominated South Carolina governor Strom Thurmond for president. Liberal Democrats who were frustrated by Truman's ineffective domestic policies and critical of his anti-Soviet foreign policy formed a new Progressive Party. Henry A. Wallace was their presidential candidate. Besides these two new challengers, Truman faced his Republican opponent, New York governor Thomas Dewey. Dignified and popular, Dewey seemed unbeatable.

Truman remained confident of reelection, however. He traveled more than 20,000 miles by train and made more than 200 speeches. He attacked

the majority Republican Congress as "do-nothing, good-for-nothing" for refusing to enact his legislative agenda. However, his attacks were not entirely accurate. The "Do-Nothing Congress" had passed his aid program to Greece and Turkey and the Marshall Plan. Congress had passed the law that created the Department of Defense, the National Security Council, and the CIA. It had permanently established the Joint Chiefs of Staff and set up the air force as an independent branch of the military. It also had passed the Twenty-second Amendment, which limited a



president to two terms in office. But because Congress's actions were in areas that did not affect most Americans directly, Truman's charges began to stick.

Supported by laborers, African Americans, and farmers, Truman won a narrow but stunning victory over Dewey. In addition, the Democratic Party regained control of both houses of Congress.

## The Fair Deal

Truman's 1949 State of the Union address repeated his previous domestic agenda. "Every segment of our population and every individual," he declared, "has a right to expect from our Government a fair deal." Whether intentional or not, the president had coined a name—the Fair Deal—to set his program apart from the New Deal.

The 81st Congress did not completely support Truman's Fair Deal. Legislators did raise the legal minimum wage to 75¢ an hour. They increased Social Security benefits by over 75 percent and extended them to 10 million additional people. Congress also passed the National Housing Act of 1949, which provided for the construction of low-income housing and for long-term rent subsidies. Congress refused, however, to pass national health insurance or to provide aid for farmers or schools. Led by conservative Republicans and Dixiecrats, legislators also opposed Truman's civil rights legislation.

### READING PROGRESS CHECK

**Making Connections** What components of the New Deal did Truman adopt as part of his legislative agenda?

## The Eisenhower Years

**GUIDING QUESTION** *How did Eisenhower's presidency signal a more conservative direction for the government?*

In 1950 the United States went to war in Korea. The war consumed the nation's attention and resources, ending Truman's Fair Deal. By 1952, with the war at a bloody stalemate and his approval rating dropping quickly, Truman decided not to run again.

With no Democratic incumbent to face, Republicans pinned their hopes on a popular World War II hero: Dwight Eisenhower, former commander of the Allied Forces in Europe. The Democrats nominated Illinois governor Adlai Stevenson.

The Republicans adopted the slogan "It's time for a change!" The warm and friendly Eisenhower, known as "Ike," promised to end the war in Korea. "I like Ike" became the Republican rallying cry. Eisenhower won the election in a landslide. The Republicans also gained an eight-seat majority in the House, while the Senate became evenly divided between Democrats and Republicans.

### Eisenhower and "Dynamic Conservatism"

President Eisenhower had two favorite phrases. "Middle of the road" described his political beliefs, and "**dynamic conservatism**" meant balancing economic conservatism with activism that would benefit the country. Under the guidance of a cabinet filled with business leaders, Eisenhower ended government price and rent controls. Many conservatives viewed these as unnecessary federal regulations of the economy. Eisenhower's administration believed business growth was vital to the nation. His secretary of defense, the former president of General Motors, declared that "what is good for our country is good for General Motors, and vice versa."

### Truman's Fair Deal

“As we look around the country, many of our shortcomings stand out. . . . Our minimum wages are far too low. . . . Our farmers still face an uncertain future. And too many of them lack the benefits of our modern civilization. Some of our natural resources are still being wasted. We are acutely short of electric power. . . . Five million families are still living in slums and firetraps. . . . Proper medical care is so expensive that it is out of the reach of the great majority of our citizens. Our schools . . . are utterly inadequate. Our democratic ideals are often thwarted by prejudice and intolerance. . . . [E]very individual has a right to expect from our Government a fair deal.”

—from his State of the Union address, January 5, 1949

**DBQ** ANALYZING Why did Truman believe that reforms were needed?

**dynamic conservatism**  
a policy of balancing economic conservatism with some activism in other areas



The expansion of the federal highway system eased commuter traffic.

### ► CRITICAL THINKING

**Analyzing Information** How did the construction of the interstate highway system demonstrate Eisenhower's dynamic conservatism?

To cut federal spending, Eisenhower vetoed a school construction bill and agreed to slash aid to public housing. He also targeted aid to businesses, or what he called “creeping socialism.” Shortly after taking office, he abolished the Reconstruction Finance Corporation (RFC), which loaned money to banks, railroads, and other large institutions in financial trouble. Another agency, the Tennessee Valley Authority (TVA), also came under Eisenhower’s scrutiny. During his presidency, federal spending for the TVA fell from \$185 million to \$12 million. Eisenhower also supported some modest tax cuts.

In some areas, Eisenhower took an activist role. He especially pushed for two large government projects. As more Americans owned cars, the need for better roads increased. In 1956 Congress passed the Federal Highway Act, the largest public works program in American history. The act provided for a \$25 billion, 10-year project to build more than 40,000 miles (64,400 km) of interstate highways. Congress also authorized the construction of the St. Lawrence Seaway. This project included building a series of locks along the St. Lawrence River that would allow ships to travel from the Great Lakes to the Atlantic Ocean. The three previous administrations had failed to accomplish this feat because of differences with Canada over the waterway.

### Extending Social Security

Despite cutting federal spending and attempting to limit the government’s role in the economy, President Eisenhower agreed to extend the Social Security system to an additional 10 million people. He also extended unemployment payments to 4 million more citizens. Eisenhower even agreed to raise the minimum wage and to continue to provide some government aid to farmers.

By the time Eisenhower ran for a second term in 1956, the nation had successfully shifted back to a peacetime economy. The battles between liberals and conservatives over whether to continue New Deal policies would continue. In the meantime, most Americans focused their energy on enjoying what had become a decade of tremendous prosperity.

### ✓ READING PROGRESS CHECK

**Explaining** What conservative measures did Eisenhower take during his administration?

## LESSON 1 REVIEW



### Reviewing Vocabulary

- 1. Contrasting** How does a closed shop differ from a union shop?
- 2. Defining** What is meant by the term *dynamic conservatism*?

### Using Your Notes

- 3. Summarizing** Use the notes you completed to write a paragraph summarizing the state of the U.S. economy after World War II.

### Answering the Guiding Questions

- 4. Identifying** What happened when the nation returned to a peacetime economy, and how did government try to ease the transition?

- 5. Describing** How did the Truman administration seek to continue New Deal goals?

- 6. Analyzing** How did Eisenhower’s presidency signal a more conservative direction for the government?

### Writing Activity

- 7. ARGUMENT** Suppose that you are a member of Congress who heard Truman deliver his speech on the Fair Deal. Write a speech convincing your fellow members of Congress to pass or defeat Truman’s Fair Deal measures.