Study Questions
1. Why didn’t the US sink back into the Great Depression once the war was over?
2. How did the end of the war affect American workers?
3. What was the goal of Harry Truman’s Fair Deal?
4. Why did most of the Fair Deal fail to pass the Congress?
5. What was in the Taft-Hartley Act, and why did labor unions—and President Truman—oppose it so vociferously?
6. What circumstances led to the creation of the short-lived Dixiecrat Party?
7. The smart money was betting that Harry Truman would lose the 1948 election. What conditions led to this assumption?
8. How did Truman manage to win the 1948 election, despite the odds?
9. How successful was Truman’s second term? Why?
10. Why did a second Red Scare begin after World War II?
11. Why was the Hiss case an important development in this Red Scare?
12. Why were Julius and Ethel Rosenberg executed? What effect did their case have on the beliefs of Americans?
13. Who is Joseph McCarthy, and why did he become enormously powerful in the early 1950s?
14. Why were Republicans so quick to rally around McCarthy?
15. What factors explain McCarthy’s fall from grace?

American Society and Politics After the War

The crises overseas were not the only frustrations the American people encountered after the war. The nation also faced serious economic difficulties in adapting to the peace. The resulting instability contributed to an increasingly heated political climate.

The Problems of Reconversion

The bombs that destroyed Hiroshima and Nagasaki ended the war months earlier than almost anyone had predicted and propelled the nation precipitously into a process of reconversion.

There had been many predictions that peace would bring a return of Depression unemployment, as war production ceased and returning soldiers flooded the labor market. But there was no general economic collapse in 1946—for several reasons. Government spending dropped sharply and abruptly, to be sure: $35 billion of war contracts were canceled at a stroke within weeks of the Japanese surrender. But increased consumer demand soon compensated. Consumer goods had been generally unavailable during the war, so many workers had saved a substantial portion of their wages and were now ready to spend. A $6 billion tax cut pumped additional money into general circulation. The Servicemen’s Readjustment Act of 1944, better known as the GI Bill of Rights, provided economic and educational assistance to veterans, increasing spending even further.

1 Often called, even more simply, the “GI Bill.” “GI was an abbreviation for “government issue,” and was widely used—indeed, still is—as a nickname for US soldiers.
This flood of consumer demand ensured that there would be no new depression, but it contributed to more than two years of serious inflation, during which prices rose at rates of 14 to 15 percent annually....

Compounding the economic difficulties was a sharp rise in labor unrest, driven in part by the impact of inflation. By the end of 1945, there had already been major strikes in the automobile, electrical, and steel industries. In April 1946, John L. Lewis led the United Mine Workers out on strike, shutting down the coal fields for forty days. Fears grew rapidly that without vital coal supplies, the entire nation might virtually grind to a halt.\(^2\) Truman finally forced the miners to return to work by ordering government seizure of the mines. But in the process, he pressured mine owners to grant the union most of its demands, which he had earlier denounced as inflationary. Almost simultaneously, the nation’s railroads suffered a total shutdown—the first in the nation’s history—as two major unions walked out on strike. By threatening to use the army to run the trains, Truman pressured the workers back to work after only a few days.

Reconversion was particularly difficult for the millions of women and minorities who had entered the work force during the war. With veterans returning home and looking for jobs in the industrial economy, employers tended to push women, blacks, Hispanics, Chinese, and others out of the plants to make room for white males. Some of the war workers, particularly women, left the work force voluntarily, out of a desire to return to their former domestic lives. But as many as 80 percent of women workers, and virtually all black, Hispanic, and Asian males, wanted to continue working. The postwar inflation, the pressure to meet the rising expectations of a high-consumption society, the rising divorce rate, which left many women responsible for their own economic well-being—all combined to create among women a high demand for paid employment. As they found themselves excluded from industrial jobs, therefore, women workers moved increasingly into other areas of the economy (above all, the service sector).

The Fair Deal Rejected

Days after the Japanese surrender, Truman submitted to Congress a twenty-one-point domestic program outlining what he later termed the “Fair Deal.” It called for expansion of Social Security benefits, the raising of the legal minimum wage from 40 to 65 cents an hour, a program to ensure full employment through aggressive use of federal spending and investment, a permanent Fair Employment Practices Act, public housing and slum clearance, long-range environmental and public works planning, and government promotion of scientific research. Weeks later he added other proposals: federal aid to funding for the St. Lawrence Seaway, nationalization of atomic energy, and perhaps most important, national health insurance—a dream of welfare-state liberals for decades, but one deferred in 1935 when the Social Security Act was written.\(^3\) The president was declaring an end to the wartime moratorium on liberal

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\(^2\) Coal is still an important element in American electricity production; in the 1940s it played an even larger role in keeping electric plants going. Also, many Americans heated their homes with coal during that era.

\(^3\) National health insurance would remain a liberal dream for six more decades, until the passage of the Patient Protection and Affordable Care Act in 2010. “Obamacare,” as it is better known, requires almost all Americans to purchase health insurance. Citizens too poor to afford insurance will receive subsidies from the government to help defray the cost.
reform. He was also symbolizing, as he later wrote, “my assumption of the office of President in my own right.”

But the Fair Deal programs fell victim to the same public and congressional conservatism that had crippled the last years of the New Deal. Indeed, that conservatism seemed to be intensifying, as the November 1946 congressional elections suggested. Using the simple but devastating slogan “Had Enough?”, the Republican Party won control of both houses of Congress.

The new Republican Congress quickly moved to reduce government spending and chip away at New Deal reforms. The president bowed to what he claimed was the popular mandate to lift most remaining wage and price controls, and Congress moved further to deregulate the economy. Inflation rapidly increased. When a public outcry arose over the soaring prices for meat, Senator Robert Taft, perhaps the most influential Republican conservative in Congress, advised consumers to “Eat less,” and added, “We have got to break with the corrupting idea that we can legislate prosperity, legislate equality, legislate opportunity.” True to the spirit of Taft’s words, the Republican Congress refused to appropriate funds to aid education, increase Social Security, or support reclamation and power projects in the West. It defeated a proposal to raise the minimum wage. It passed tax measures that cut rates dramatically for high-income families and moderately for those with lower incomes. Only vetoes by the president finally forced a more progressive bill.

The most notable action of the new Congress was its assault on the Wagner Act of 1935. Conservatives had always resented the new powers the legislation had granted unions; and in the light of the labor difficulties during and after the war, such resentments intensified sharply. The result was the Labor-Management Relations Act of 1947, better known as the Taft-Hartley Act. It made illegal the so-called closed shop (a workplace in which no one can be hired without first being a member of a union). And although it continued to permit the creation of so-called union shops (in which workers must join a union after being hired), it permitted states to pass “right-to-work” laws prohibiting even that.

Repealing this provision... would remain a goal of the labor movement for decades. Outraged workers and union leaders denounced the measure as a “slave labor bill.” Truman vetoed it, but both houses easily overruled him the same day.

4 Some of these controls had remained in place even after the war ended.
5 Indeed, his nickname was “Mr. Conservative.” He was the son of President William Howard Taft.
6 Many southern states are right-to-work states, and after big Republican gains in the 2010 mid-term elections, a number of traditionally labor-friendly states, including Michigan, Indiana, and Wisconsin, have also passed such laws. Labor unions bitterly oppose right-to-work laws.
The Taft-Hartley Act did not destroy the labor movement, as many union leaders had predicted. But it did damage weaker unions in relatively lightly organized industries such as chemicals and textiles; and it made more difficult the organizing of workers who had never been union members at all, especially women, minorities, and most workers in the South.

The Election of 1948

Truman and his advisers believed the American public was not ready to abandon the achievements of the New Deal, despite the 1946 election results. As they planned strategy for the 1948 campaign, therefore, they placed their hopes in an appeal to enduring Democratic loyalties. Throughout 1948, Truman proposed one reform measure after another. Although Congress ignored or defeated them all, the president was building campaign issues for the fall.

There remained, however, the problem of Truman’s personal unpopularity—the assumption among much of the electorate that he lacked stature, that his administration was weak and inept—and the deep divisions within the Democratic Party. At the Democratic Convention that summer, two factions abandoned the party altogether. Southern conservatives reacted angrily to Truman’s proposed civil rights bill (the first major one of the century) and to the approval at the convention of a civil rights plank in the platform (engineered by Hubert Humphrey, the mayor of Minneapolis). They walked out and formed the States’ Rights (or “Dixiecrat”) Party, with Governor Strom Thurmond of South Carolina as its presidential nominee. At the same time, the party’s left wing formed a new progressive Party, with Henry A. Wallace as its candidate. Wallace supporters objected to what they considered the slow and ineffective domestic policies of the Truman administration, but they resented even more the president’s confrontational stance toward the Soviet Union.

In addition, many Democratic liberals unwilling to leave the party attempted to dump the president in 1948. Americans for Democratic Action (ADA), a coalition of liberals, tried to entice Dwight D. Eisenhower, the popular war hero, to contest the nomination. Only after Eisenhower had refused did liberals bow to the inevitable and concede the nomination to Truman. The Republicans, in the meantime, had once again nominated Governor Thomas E. Dewey of New York whose substantial reelection victory in 1946 had made him one of the nation’s leading political figures. Austere, dignified, and competent, he seemed to offer an unbeatable alternative to the president. Polls showed Dewey with an apparently insurmountable lead in September, so much so that some opinion analysts stopped taking surveys. Dewey conducted a subdued, statesmanlike campaign and tried to avoid antagonizing anyone. Only Truman, it seemed, believed he could win. As the campaign gathered momentum, he became ever more aggressive, turning the fire away from himself and toward Dewey and the “do-nothing, good-for-nothing” Republican Congress, which was, he told the voters, responsible for fueling inflation and abandoning workers and common people. To dramatize his point, he called Congress into a special session in July to give it a chance, he said, to enact the liberal measures

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At each party convention the delegates approve a party platform, a list of positions on which the candidates will stand as they run for election. Each individual item in these platforms, in a continuation of the carpentry analogy, is called a “plank.”
the Republicans had recently written into their platform. Congress met for two weeks and, predictably, did almost nothing.

The president traveled nearly 32,000 miles and made 356 speeches, delivering blunt, extemporaneous attacks. He had told Senator Alben Barkley of Kentucky, his running mate, “I’m going to fight hard. I’m going to give them hell.” He called for repeal of the Taft-Hartley Act, increased price supports for farmers, and strong civil rights protections for blacks. (He was the first president to campaign in Harlem.) He sought, in short, to re-create much of Franklin Roosevelt’s New Deal coalition. To the surprise of virtually everyone, he succeeded. On election night, he won a narrow but decisive victory: 49.5 percent of the popular vote to Dewey’s 45.1 percent (with the two splinter parties dividing the small remainder between them), and an electoral vote margin of 303 to 189. Democrats, in the meantime, had regained both houses of Congress by substantial margins. It was the most dramatic upset in the history of presidential elections.
THE FAIR DEAL REVIVED

Despite the Democratic victories, the Eight-first Congress was no more hospitable to Truman’s Fair Deal reform than its Republican predecessor. Truman did win some important victories, to be sure. Congress raised the legal minimum wage.... It approved an important expansion of the Social Security system... extending them to 10 million additional people. And it passed the National Housing Act of 1949, which provided for the construction of 810,000 units of low-income housing, accompanied by long-term rent subsidies [for the poor].

But on other issues—among them national health insurance and aid to education—he made no progress. Nor was he able to persuade Congress to accept the civil rights legislation he proposed in 1949, which would have made lynching a federal crime, provided federal protection of black voting rights, abolished the poll tax, and established a new Fair Employment Practices Commission to curb discrimination in hiring (to replace the wartime commission Roosevelt had established in 1941). Southern Democrats filibustered to kill the bill.

Truman did proceed on his own to battle several forms of racial discrimination. He ordered an end to discrimination in the hiring of government employees. He began to dismantle segregation within the armed forces. And he allowed the Justice Department to become actively involved in court battles against discriminatory statutes. In the meantime, the Supreme Court signaled its own growing awareness of the issue by ruling, in *Shelley v. Kraemer* (1948), that the courts could not be used to enforce private “covenants” meant to bar blacks from residential neighborhoods. The achievements of the Truman years made only minor dents in the structure of segregation, but they were the tentative beginnings of a federal commitment to confront the problem of race.

Headline in *Chicago Defender*, the nation’s largest black-owned newspaper, reporting Truman’s historic order that, for the first time, would have blacks and whites serving side-by-side in the same military units (Image: Library of Congress).

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8 These covenants made the buyer of a home promise that when the house was next sold it would not be sold to a black person. In Westchester County, many of these restrictive covenants also forbade sale of homes to Jews. If you live in a house built before World War II it may well have been once subject to one of these covenants.
Why did the American people develop a growing fear of internal communist subversion that by the early 1950s had reached the point of near hysteria? There are many possible answers, but no single definitive explanation.

One factor was obvious. Communism was not an imagined enemy in the 1950s. It had tangible shape, in Joseph Stalin and the Soviet Union. In addition, America had encountered setbacks in its battle against communism: the Korean stalemate, the “loss” of China, the Soviet development of an atomic bomb. Searching for someone to blame, many people were attracted to the idea of a communist conspiracy within American borders. But there were other factors as well, rooted in events in American domestic politics.

HUAC and Alger Hiss

Much of the anticommunist furor emerged out of the Republican Party’s search for an issue with which to attack the Democrats, and out of the Democrats’ efforts to stifle that issue. Beginning in 1947 (with Republicans temporarily in control of Congress), the House Un-American Activities Committee (HUAC) held widely publicized investigations to prove that, under Democratic rule, the government had tolerated (if not actually encouraged) communist subversion. The committee turned first to the movie industry, arguing that communists had infiltrated Hollywood and had tainted American with propaganda. Writers and producers, some of them former communists, were called to testify; and when some of them (“the Hollywood Ten”) refused to answer questions about their own political beliefs and those of their colleagues, they were jailed for contempt. Others were barred from employment in the industry when Hollywood, attempting to protect its public image, adopted a blacklist of those of “suspicious loyalty.”

More alarming to the public was HUAC’s investigation into charges of disloyalty leveled against a former high-ranking member of the State Department: Alger Hiss. In 1948, Whittaker Chambers, a self-avowed former communist agent who had turned vehemently against the party and become an editor at Time magazine, told the committee that Hiss had passed classified State Department documents through him to the Soviet Union in 1937 and 1938. When Hiss sued him for slander, Chambers produced microfilms of the documents (called the “pumpkin papers,” because Chambers had kept them hidden in a pumpkin in his garden). Hiss could not be tried for espionage because of the statute of limitations (a law that protect individuals from prosecution...
for most crimes after seven years have passed). But largely because of the relentless efforts of Richard M. Nixon, a freshman Republican congressman from California and a member of HUAC, Hiss was convicted of perjury and served several years in prison. The Hiss case not only discredited a prominent young diplomat; it cast suspicion on a generation of liberal Democrats and made it possible for many Americans to believe that communists had actually infiltrated the government.

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The Federal Loyalty Program and the Rosenberg Case

Partly to protect itself against Republican attacks, partly to encourage support for the president’s foreign policy initiatives, the Truman administration in 1947 initiated a widely publicized program to review the “loyalty” of federal employees. In August 1950, the president authorized sensitive agencies to fire people deemed no more than “bad security risks.” By 1951, more than 2,000 government employees had resigned under pressure and 212 had been dismissed.

The employee loyalty program became a signal throughout the executive branch to launch a major assault on subversion. The attorney general established a widely cited list of supposedly subversive organizations. The director of the Federal Bureau of Investigation (FBI), J. Edgar Hoover, investigated and harassed alleged radicals. The anticommunist frenzy quickly grew so intense that even a Democratic Congress felt obliged to bow to it. In 1950, Congress passed the McCarran Internal Security Act, requiring all communist organizations to register with the government and to publish their records, and creating other restrictions on “subversive” activity. Truman vetoed the bill. Congress easily overrode his veto.

The successful Soviet detonation of a nuclear weapon in 1949, earlier than generally expected, convinced many people that there had been a conspiracy to pass American atomic secrets to the Russians. In 1950, Klaus Fuchs, a young British scientist, seemed to confirm those fears when he testified that he had delivered to the Russians details of the manufacture of the bomb. The case ultimately settled on an obscure New York couple, Julius and Ethel Rosenberg, members of the Communist Party, whom the government claimed had been the masterminds of the conspiracy. The case against them rested in large part on testimony by Ethel’s brother, David Greenglass, a machinist who had worked on the Manhattan Project. Greenglass admitted to channeling secret information to the Soviet Union through other agents (including Fuchs). His sister and brother-in-law had, he claimed, planned and orchestrated the
espionage. The Rosenbergs were convicted and, on April 5, 1951, sentenced to death. After two years of appeals and protests by sympathizers, they died in the electric chair on June 19, 1953, proclaiming their innocence to the end.

All these factors—the HUAC investigations, the Hiss trial, the loyalty investigations, the McCarran Act, the Rosenberg case—combined with concern about international events to create a fear of communist subversion that by the early 1950s seemed to have gripped virtually the entire country. State and local governments, the judiciary, schools and universities, labor unions—all sought to purge themselves of real or imagined subversives. A pervasive fear settled on the country—not only the fear of communist infiltration but also the fear of being suspected of communism. It was a climate that made possible the rise of an extraordinary public figure, whose behavior at any other time might have been dismissed as preposterous.

McCarthyism

Joseph McCarthy was an undistinguished first-term Republican senator from Wisconsin when, in February 1950, he suddenly burst into national prominence [after a speech he gave] in Wheeling, West Virginia. [The next page is an excerpt from McCarthy’s Wheeling speech.]
Joseph McCarthy  
Speech to the Republican Women’s Club  
Wheeling, West Virginia   9 February 1950

Five years after a world war has been won, men’s hearts should anticipate a long peace —and men’s minds should be free from the heavy weight that comes with war. But this is not such a period—for this is not a period of peace. This is a time of “the cold war.” This is a time when all the world is split into two vast, increasingly hostile armed camps....

Today we are engaged in a final, all-out battle between communistic atheism and Christianity. The modern champions of communism have selected this as the time, and ladies and gentlemen, the chips are down—they are truly down....

Ladies and gentlemen, can there be anyone tonight who is so blind as to say that the war is not on? Can there by anyone who fails to realize that the Communist world has said the time is now? . . . that this is the time for the show-down between the democratic Christian world and the communistic atheistic world?

Unless we face this fact, we shall pay the price that must be paid by those who wait too long.

Six years ago, . . . there was within the Soviet orbit, 180,000,000 people. Lined up on the antitotalitarian side there were in the world at that time, roughly 1,625,000,000 people. Today, only six years later, there are 800,000,000 people under the absolute domination of Soviet Russia—an increase of over 400 percent. On our side, the figure has shrunk to around 500,000,000. In other words, in less than six years, the odds have changed from 9 to 1 in our favor to 8 to 5 against us.

This indicates the swiftness of the tempo of Communist victories and American defeats in the cold war. As one of our outstanding historical figures once said, “When a great democracy is destroyed, it will not be from enemies from without, but rather because of enemies from within.” . . .

The reason why we find ourselves in a position of impotency is not because our only powerful potential enemy has sent men to invade our shores . . . but rather because of the traitorous actions of those who have been treated so well by this Nation. It has not been the less fortunate, or members of minority groups who have been traitorous to this Nation, but rather those who have had all the benefits that the wealthiest Nation on earth has had to offer . . . the finest homes, the finest college education and the finest jobs in government we can give.

This is glaringly true in the State Department. There the bright young men who are born with silver spoons in their mouths are the ones who have been most traitorous. . . .

I have here in my hand a list of 205 . . . a list of names that were made known to the Secretary of State as being members of the Communist Party and who nevertheless are still working and shaping policy in the State Department. . . .
[We now return to Mr. Brinkley’s narrative.]

No person of comparable stature had ever made so bold a charge against the federal government; and in the weeks to come, as McCarthy repeated and expanded on his accusations, he emerged as the nation’s most prominent leader of the crusade against domestic subversion.

Within weeks of his charges against the State Department, McCarthy was leveling accusations at other agencies. After 1952, with the Republicans in control of the Senate and McCarthy the chairman of a special subcommittee, he conducted highly publicized investigations of subversion in many areas of the government. His unprincipled assistants, Roy Cohn and David Schine, sauntered arrogantly through federal offices and American embassies overseas looking for evidence of communist influence. One hapless government official after another appeared before McCarthy’s subcommittee, where the senator belligerently and often cruelly badgered witnesses and destroyed public careers. McCarthy never produced solid evidence that any federal employee had communist ties. But a growing constituency adored him nevertheless for his coarse, “fearless” assaults on a government establishment that many considered arrogant, effete, even traitorous. Republicans, in particular, rallied to his claims that the Democrats had been responsible for “twenty years of treason,” that only a change of parties could rid the country of subversion. McCarthy, in short, provided his followers with an issue into which they could channel a wide range of resentments: fear of communism, animosity toward the country’s eastern establishment,” and frustrated partisan ambitions.

For a time, McCarthy intimidated all but a few people from opposing him. Even the highly popular Dwight D. Eisenhower, running for president in 1952, did not speak out against him, even though he disliked McCarthy’s tactics and was outraged at, among other things, McCarthy’s attacks on General George Marshall....

The Decline of McCarthyism

By 1954, however, the crusade against subversion was beginning to produce significant popular opposition—an indication that the anticommunist passion of several years earlier was beginning to abate. The clearest signal of that change was the political demise of Senator Joseph McCarthy.

During the first year of the Eisenhower administration, McCarthy continued to operate with impunity. But in January 1954 he overreached himself when he attacked Secretary of the army Robert Stevens and the armed services in general. At that point, the administration and influential members of Congress organized a special investigation of the charges, which became known as the Army-McCarthy hearings. They were among the first congressional hearings to be nationally televised. The result was devastating to McCarthy. Watching McCarthy in action—bullying witnesses, hurling groundless (and often cruel) accusations, evading issues—much of the public began to see him as a villain, and even as a buffoon. In December 1954, the Senate voted 67 to 22 to condemn him for “conduct unbecoming a senator.” Three years later, with little public support left, he died—a victim, apparently, of complications arising from alcoholism.