

WARTIME TO PEACETIME: THE TRUMAN ADMINISTRATION DURING THE EARLY PHASE OF POST-WW2 RE-CONVERSION

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Abstract

The paper deals with the policies of the Truman Administration in the months following the end of World War Two. The main emphasis is placed on the analysis of several statements and addresses of President Truman, above all his *21-Point Program for the Reconversion Period* presented to the joint session of Congress on 6 September 1945. Various aspects of the United States' re-conversion are discussed, e.g. that of industrial plants, the closing down of wartime agencies, the lifting of wage and price controls, the restoration of collective bargaining, the management of liberated and occupied territories. Last but not least, the assistance to veterans is treated. In addition, the paper tries to place the early Truman presidency into a broader historical perspective reaching as far back as to George Washington's warning against entangling peacetime alliances. The analysis of Truman Administration's documents shows, the author argues, that the U.S. was ready to return to peacetime endeavours and hardly intended to get involved in the Cold War.

Keywords: United States, WWII, Harry S. Truman, Post-War Re-conversion

Introduction

The present paper will deal with the transition processes in the United States immediately after World War Two. In the post-war years, the Truman Administration took a historic step in departing from isolationism, which had prevailed in peacetime ever since George Washington's Farewell Address (1796). The first president admonished then the new American

nation “to steer clear of permanent Alliances, with any portion of the foreign world”.¹

The United States turned from an isolationist to a global as well as globalist power after the war. This transformation was by no means easy for the Democratic administration. The Republicans achieved a major victory in Congressional elections of 1946. Their campaign was based on the demands to reduce taxes, national debt, and foreign aid. The Republicans resorted to the Anglophobe rhetoric, threatening the “special relationship” between the U.S. and the U.K. To counter the isolationism of the Republicans, the Truman Administration invoked Franklin D. Roosevelt, who continued to enjoy, for many months and years after his death, a demigod status.²

The American Society experienced a significant transformation in the post-war decade. At the moment of victory over Germany and, a few months later, over Japan, most Americans believed that they would move from wartime economy, wartime society and wartime conditions to normality. They expected peaceful bliss. However, things did not prove to be that simple. In fact, the pre-war decade was far from normal, too unique to return to. The Americans were troubled by the Great Depression in 1930s, the most protracted economic slump of modern history. After the death of Franklin D. Roosevelt a few weeks before the end of war in Europe, it became the task of his vice-President, Harry S. Truman, to deal with the re-conversion to peaceful times. A leading academic biographer of Truman, Alonzo L. Hamby, states – too categorically – that “virtually nothing had been done to plan for re-conversion when Truman became president”.³

Casualties Compared

The American nation survived World War Two relatively unscathed. Its losses were incomparably lower than those suffered by the nations whose territories became theatres of war. The total of approximately 400,000 Americans were killed in World War Two, virtually all of them military personnel.⁴ In other

¹ President Washington’s Farewell Address. The text was partially authored by James Madison and Alexander Hamilton. Full text of the Address is available at *The Papers of George Washington*, <http://gwpapers.virginia.edu/documents/farewell/transcript.html>.

² See e.g. William E. Leuchtenburg, *In the Shadow of FDR* (Ithaca: Cornell University Press, 1983).

³ Alonzo L. Hamby, *Man of the People: A Life of Harry S. Truman* (New York and Oxford: Oxford University Press, 1995), 375.

⁴ The U.S. population amounted to about 132 million in 1940.

countries that participated in the war, the proportion of civilian population in the casualties total was very high. It is estimated that 55 million people were killed worldwide in World War Two, including approximately 30 million civilians. This figure includes close to 6 million Jews who died in the Holocaust. The USSR lost 20 to 30 million people, one in every eight citizens, almost half of whom were civilians. China lost approximately 15 million people, two thirds of them civilians, Germany 7 million, half of them civilians, Poland 5.5 million, all but 120,000 civilians, Japan lost approximately 2 million people, mostly military personnel.⁵

From Isolationism to Involvement

During the nineteenth and early twentieth centuries the balance of power environment and the deep-rooted isolationism protected the United States from the ugly facts of world politics. The American public was mostly indifferent to international conflicts. The Americans were like spectators of other teams' ball game, occasionally indulging, for brief periods, in idealistic or interest-oriented interventionism, after which a swift withdrawal followed. This can be stated, above all, about the United States' behaviour after the end of World War One.

Active participation in foreign affairs has always involved serious risks. At least in two respects the risks of American foreign policy choices dramatically increased after World War Two. First, the United States was no longer shielded by the distance from potential adversaries, which had previously made it unnecessary to make explicit advance commitments. It could no longer wait to discover where its vital interests lay until they had been brought home by vivid demonstrations, as in the cases of World Wars One and Two. The United States assumed a dominant position in the non-Communist world, and her economic and military pre-eminence placed upon her a continuing burden of initiative. Secondly, the development of military technology during and after World War Two transformed war risks from limited to unlimited. It became very difficult to avoid the advance formulation of policies involving the assumption of a possibility of war.

⁵ For figures on American casualties in all wars until the early 1990s, see the pages of the U.S. Department of Veterans Affairs, Fact Sheet: America's Wars, <http://www1.va.gov/opa/fact/amwars.asp>.

The key American post-war foreign relations emphases – the policy toward the USSR, the membership in the United Nations, the recognition of the new State of Israel as well as the non-recognition of the People's Republic of China, the overall Cold War policies and the participation in the arms race – reflected the American public opinion. The attitudes and preferences of the American public in the 1940s were well documented by public opinion research organizations. In *The Public and American Foreign Policy, 1918–1978*, Ralph B. Levering came to the conclusion that the American foreign policy copied to a surprising degree the sometimes dramatic changes of the public opinion, from interwar isolationism to pro-Soviet attitudes and support for wartime cooperation with the Soviets during World War Two to the Cold-War consensus reflecting the fear of what was perceived as a Soviet threat.⁶

Wartime and Post-War Economy

In contrast to the developments in Europe and Asia, where destruction and fragmentation prevailed, the American economy during and immediately following World War Two was characterized by rapid industrial renewal and growth. In the last months of 1941, the military spending reached the level of \$2 billion a month; in the first six months of 1942, it skyrocketed to \$100 billion. In 1939, the federal budget amounted to \$9 billion; by 1945 it had grown to \$166 billion. These massive increases in government spending had profound – and for the most part positive – effects on American society. Almost overnight the crippling unemployment of the Great Depression had been wiped out; in fact, the labour market significantly increased with the war, ultimately creating 17 million new jobs over four years. Women and minorities, especially African Americans, entered the industrial marketplace on an unprecedented scale. These population segments became integral parts of the American industrial economy during the war. The wave of thousands of African American workers who migrated from the agricultural South to the industrialized North helped to redistribute the fruit of the nation's economic activities. For the first time, the beneficiaries included large numbers of African Americans. In the two decades following 1940, the

⁶ Ralph B. Levering, *The Public and American Foreign Policy, 1918–1978* (New York: Morrow, 1978).

members of this minority almost doubled their average income, sharing, even if unequally, in the nation's renewed prosperity.

Re-conversion

In the summer of 1945, the United States began to face the challenges of post-war re-conversion. Already on 8 August, two days after the nuclear bomb had been dropped on Hiroshima, one day before the use of the second bomb against Nagasaki and two days before the Japanese government accepted the surrender terms of the Potsdam Declaration, President Truman wrote a letter to J. A. Krug, Chairman of the War Production Board who was soon to become the Secretary of the Interior, on the need to speed up re-conversion.⁷ Truman ordered Krug to expand the production of materials for the upcoming civilian use, to limit the manufacturing of products that required scarce materials, to prevent hoarding, to remove bottlenecks which could hamper re-conversion, and to allocate scarce materials to the production of low-cost products.

In a statement made on 13 August to mark the tenth anniversary of the Social Security Act, Truman clearly indicated that he wished to remain faithful to the legacy of Franklin Delano Roosevelt and his New Deal. Truman claimed that “social security [had] become an essential part of the American way of life”, pointing to the fact that the national system of old-age and survivors' insurance covered 40 million workers.⁸ Unemployment protection was provided to approximately 36 million workers. The anniversary statement foreshadowed his Fair Deal program. Truman also announced a further extension of the coverage of the Social Security Act.

On 16 August, Truman proposed measures to provide for industrial peace during re-conversion, aiming at the prevention of strikes and lockouts. He put forward six points: (1) to hold a conference of organized labour and industry to achieve agreement on labour disputes; (2) the disputes

⁷ See Truman's Letter to the Chairman, War Production Board, on Measures To Speed Reconversion (8 August 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/index.php?pid=102&st=&st1>.

⁸ See Statement by the President on the 10th Anniversary of the Social Security Act (13 August 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/index.php?pid=106&st=&st1>.

where no compromise would prove possible were to be handled by the War Labor Board; (3) wage and price controls should continue until the expiry of the Stabilization Act (30 June 1946); (4) unforeseeable wage-rate hardships during re-conversion were to be handled by the War Labor Board; (5) the existence of the War Labor Board should be put an end to as soon as the post-war wage stabilization had been achieved; and (6) the U.S. Conciliation Service should be built up to enable an effective system of disputes' conciliation and arbitration in a democratic manner.⁹

At the news conference held on 23 August, Truman announced that public holidays would be again observed as non-work days and that a 40-hour working week would be established wherever possible.¹⁰

On 27 August, Truman sent a letter to the Senate and House Committees on Military Affairs on Army Manpower Requirements. He drew the legislators' attention to the potential dangers of the immediate post-war period: while millions of veterans deserved demobilisation, the newly occupied territories, especially those of enemy nations in Europe and in the Pacific, needed continued policing. Therefore, occupation forces were to be maintained "at safe levels". Truman asked Congress not to suspend induction to the military service of those who had not done their part yet. An alternative would have been to ask those who had done their duty to make "further sacrifice" by serving extra time. He mentioned the need to "establish the broad national policies to govern full demobilization, occupation and world security".¹¹ This formulation indicates that Truman understood that the extent of U.S. power in the post-war period would be global. He proposed that young men aged from 18 to 25 should be called up for a period of maximum two years. On the other hand, war veterans who did not wish to remain in the service were to be discharged.

The estimated number of volunteers by July 1946 would not exceed 800,000, a figure far lower than that required by Eisenhower and MacArthur (1.2 million). The President also warned Congress against a premature legal termination of the "emergency" or "war".

⁹ See Statement by the President Proposing Measures To Insure Industrial Peace in the Reconversion Period (16 August 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/viewpapers.php?pid=111>.

¹⁰ See The President's News Conference (23 August 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/viewpapers.php?pid=114>.

¹¹ See Truman's Letter to the Chairmen of the Senate and House Committees on Military Affairs on Army Manpower Requirements (27 August 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/viewpapers.php?pid=121>.

On 30 August, Truman appointed George E. Allen his personal representative to study the problem of the liquidation of war agencies. One day later, on 31 August, Truman signed an Executive Order abolishing the Office of War Information (OWI).¹² This agency, established in 1942, was headed by Elmer Davis, journalist and radio news commentator for CBS and later for ABC radio. Davis was appointed in 1941 by President Franklin D. Roosevelt. The OWI had both domestic and foreign roles. It was considered both a psychological warfare instrument against the enemy as well as a tool of government propaganda on the home front, winning the American people for the support of wartime efforts and programs.¹³ Truman understood the need for the continuation of “foreign information operations”, which should be an “integral part” of the conduct of U.S. foreign affairs. The foreign information functions of OWI would be transferred to the State Department. Truman considered “American private organizations and individuals in such fields as news, motion pictures and communications” to be the “primary means of informing foreign peoples about this country”. The 31 August Executive Order terminated government information activities aimed at the American people, stating that the “domestic work of OWI, such as cooperation with the press, radio, motion pictures, and other informational media in explaining governmental programs”, was no longer necessary.

Truman’s 21-Point Program for the Re-conversion Period

Several days after the Japanese surrender, Truman was able to present to Congress a comprehensive re-conversion program in a message which turned out to be of fundamental importance.¹⁴ The New York Times stated on Truman’s message: “Some Democrats saw in it a great state document [...]”.

¹² See Statement by the President Upon Signing Order Concerning Government Information Programs (31 August 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/index.php?pid=127&st=&st1>.

¹³ Library of Congress in Washington DC has a large collection of photographs produced by OWI and its immediate predecessor, Farm Security Administration. There are approximately 108,000 photographs in the collection. Many are available at <http://memory.loc.gov/ammem/fsaallquery.html>.

¹⁴ See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period (6 September 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/index.php?pid=136&st=&st1>.

Republic [sic!] spokesmen found in it a continuation of the New Deal and a sign that the Truman administration had decided to go to the left.”¹⁵

Truman stated at the beginning that the Congress reconvened “at a time of great emergency. It is an emergency about which, however, we need have no undue fear if we exercise the same energy, foresight, and wisdom as we did in carrying on the war and winning this victory.” He added that “president Roosevelt, as early as the Fall of 1943, began to set up machinery which he foresaw would become necessary to meet the re-conversion period. The Congress in its wisdom has adopted some of that machinery by statute, and has improved and added to it. As a result, Government agencies, for some time, have been able to plan for the immediate and long-range steps which now have to be taken.”¹⁶

Truman then formulated briefly the chief tasks which the United States faced immediately: (1) as the armed forces were no longer needed [!], the country should demobilise as soon as possible; (2) war contracts were to be cancelled and settled as quickly as possible; (3) war plants were to be cleared to permit peacetime production; (4) prices and rents were to be upheld until fair competition could operate to prevent inflation and consumers’ hardship; (5) wages were to be subjected to control in order to prevent inflationary price rises; (6) most wartime government controls were to be abolished in order to speed up and encourage re-conversion and expansion; (7) only those controls were to be kept which were necessary to help re-conversion and expansion by preventing bottlenecks, shortages of material, and inflation; and finally (8) a rapid decrease of wage incomes or purchasing power was to be prevented.

In the second part of his message of 6 September, Truman presented his re-conversion program in a comprehensive, if not too cohesive program consisting of 21 points. Truman addressed many problems that he expected to affect immediate post-war developments and made several proposals for the transition time. It is obvious from the text that he was still “in the shadow of FDR”.¹⁷ His social policy was to be eventually called “Fair Deal for all Americans” in the January 1949 State of the Union Address.¹⁸

¹⁵ *The New York Times*, 7 September 1945.

¹⁶ Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period.

¹⁷ Truman’s (and also subsequent presidents’) struggle with the giant figure of the late Franklin Delano Roosevelt is analyzed in Leuchtenburg, *In the Shadow of FDR*.

¹⁸ See Annual Message to the Congress on the State of the Union (5 January 1949), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/index.php?pid=1013&st=&st1>.

Fearing a large-scale unemployment during the transitional period, Truman began with unemployment compensation. There were more than 15,000,000 workers not protected under the existing unemployment insurance laws. Many of them did not manage to accumulate savings before the war due to the Great Depression. He also recommended a revision of the Fair Labor Standards Act of 1938. This proposal by Truman foresaw the increase of a minimum wage – of 40 cents an hour then – in order to increase the living standard of low-income earners to a decent level. Truman argued that “healthy national economy cannot be secure so long as any large section of our working people receive substandard wages. The existence of substandard wage levels sharply curtails the national purchasing power and narrows the market for the products of our farms and factories.” Moreover, agricultural workers, who were not covered by the Fair Labor Standards Act, were to be guaranteed minimum wage. However, Truman remained unspecific as to the amount representing the minimum: “I therefore recommend that the Congress amend the Fair Labor Standards Act by substantially increasing the minimum wage specified therein to a level which will eliminate substandards of living, and assure the maintenance of the health, efficiency, and general well-being of workers.” During World War Two, the U.S. economy was held stable by means of rationing and wage and price controls. What was the right moment to lift them? The demand for war commodities was decreasing. A further decrease could result from the cancellation of war-related contracts. Truman reminded Congress of economic difficulties in the aftermath of World War One when the short-lived price drops were followed by dramatic inflation and a stock market crash. He warned that a combination of pent-up demand and “speculative excesses” could lead to the lowering of incomes and an increase in unemployment. Therefore, the Office of Price Administration would eliminate rationing only gradually, as soon as individual commodities came into balance with demand. Since the Japanese surrender, Truman pointed out, rationing on gasoline, fuel oil, stoves, and processed foods had been ended. The post-war economic stabilization required that “rents and the prices of clothing, food, and other essentials remained in place”. The Americans, Truman demanded, were “entitled to buy washing machines, vacuum cleaners, automobiles and other products at prices based on our traditional system of high output and low unit costs.”¹⁹ There was

¹⁹ See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period (6 September 1945), *Harry S. Truman Library & Museum*, <http://trumanlibrary.org/publicpapers/index.php?pid=136&st=&cst1=>.

also a need to build one to one and a half million homes per year in the post-war decade.

For the industrial giant like the United States it was much easier to produce machines and gadgets than to increase quickly the raw material extraction and agricultural production. Truman warned that some food items like sugar, oil, and fat would continue to be in short supply well into 1946. The elimination of rationing should not proceed at the cost of American relief efforts to stabilize economically and aid the liberated areas in Europe and other war-ravaged territories. The president argued: "We have a moral obligation to the people of these liberated areas. More than that, our own enlightened self-interest tells us that hungry people are rarely advocates of democracy," adding, more pragmatically and perhaps more persuasively, that "the rehabilitation of these countries, and indeed the removal of American occupational troops, may be unnecessarily delayed if we fail to meet these responsibilities during the next few months."²⁰ Truman requested the Congress to extend the provisions of the Second War Powers Act of 1942, in order to achieve an orderly and stabilized re-conversion.

The wartime powers were to be terminated and the executive agencies created for the duration of the war liquidated. The wartime statutes had not automatically expired due to the unconditional surrender of enemies only. A formal state of peace needed to be restored. Truman admonished the Congress that the time was not yet ripe for the formal proclamation of the end of hostilities or even the termination of the state of war. This would, Truman emphasized, "cause great confusion and chaos in the Government", which did not seek "to exercise wartime powers beyond the point at which it is necessary to exercise them". The wartime agencies should be able to continue their work during re-conversion and their activities should be brought to an end possibly soon. The president suggested that proposals for legislative changes relevant to reorganization of executive agencies be submitted jointly by the Executive and the Legislature.

In 1945, the American nation still remembered vividly the hardships of the Great Depression, especially the high unemployment rates persisting in the 1930s. The wartime economy, in contrast, reached full employment. It even had to resort to new sources of workforce like middle-class white women and African Americans from the rural South. The continuation of full employment in immediate post-war time was perceived as vitally

²⁰ Ibid.

important. Truman reminded of the “economic bill of rights” put forward by the late Franklin Roosevelt in his message to Congress on the State of the Union, presented on 11 January 1944.²¹ This address became one of Roosevelt’s great speeches, perhaps the greatest of the last years of his life. The term “bill of rights” was of course a reference to the first 10 Amendments to the U.S. Constitution. Roosevelt demanded equal rights for all, irrespective of social position, race or religious affiliation. These rights included, in the first place, the right to work and to decent earning. The farmers were to receive fair prices for their produce, businessmen had the right to trade free of unfair competition and domination by monopolies, families had the right to decent homes, individuals had the right to medical care, citizens had the right to receive protection from economic hardship in old age, sickness, accident, and unemployment, and the citizens had the right to good education.

Truman made it clear that he would seek to provide these economic rights, including social security, to all American citizens in the post-war period. However, he did not plan to rely on government-provided security in the first place. Rather, he wanted the government to inspire private sector with confidence. He phrased the need for full employment in traditional American rhetoric: “Full employment means full opportunity for all under the American economic system. [...] Full employment means opportunity to get a good peacetime job for every worker who is ready, able, and willing to take one. It does not mean made work, or making people work. [...] Full employment means opportunity to reduce the ratio of public spending to private investment without sacrificing essential services.”²²

One of the key post-war decades’ issues, the need to overcome the discrimination against the minorities, was also addressed. Emphasizing the removal of remaining discrimination, which was in accordance with the “American ideal” and represented “one of the fundamentals of our political philosophy”, foreshadowed Truman’s often neglected or at least underestimated Executive Order 9981 signed on 26 July 1948, by which the United States Armed Forces were desegregated.²³ In the U.S. federal system,

²¹ See Address of the President Delivered by radio from the White House (11 January 1944), *Mid-Hudson Regional Information Center*, <http://www.mhric.org/fdr/chat28.html>.

²² See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period.

²³ See Executive Order 9981 (26 July 1948), *Harry S. Truman Library & Museum*, <http://www.trumanlibrary.org/9981a.htm>.

which gives great prerogatives to individual states, it was impossible for Truman to abolish discrimination beyond the federally controlled armed forces and agencies. However, Executive Order 9981 was an important step in the right direction. It should be noted here, however, that as early as in 1941 President Franklin Roosevelt issued Executive Order 8802 banning racial discrimination in defence industries and the government.²⁴ Truman's decision to desegregate the military was an act of considerable political courage. It came just over four months before the 1948 presidential elections and the conventional wisdom would have advised him not to do anything to cause dissatisfaction among the Southern Democrats. It should be noted that three other Democratic presidents in the twentieth century, Woodrow Wilson, Franklin Delano Roosevelt and John F. Kennedy, were very cautious not to upset the Southern white electorate, which had traditionally supported the Democrats and without whose votes no Democratic presidential candidate was believed to stand a chance. Truman's political courage was statesmanlike; it contrasts sharply with the vacillations of Bill Clinton in early 1993 concerning the discrimination of gays in the military. In November 1948, Truman won, in spite of opinion polls that had predicted his defeat by Thomas Dewey, prompting the *Chicago Tribune* to print a story of Dewey's victory.²⁵

Truman also proposed the setting up of the Fair Employment Practice Committee (FEPC), which would continue to work during the re-conversion period and was intended to become a permanent institution. The United States Employment Service (USES) was to continue until at least the end of June 1947 to assist the veterans in finding jobs. This task was found to be "fully as difficult as the mobilization of manpower for war".²⁶

The re-conversion process was to affect the American farmers, too. Although the farm population had decreased by 5 million as against 1940, the per capita food production had grown by more than a third. Truman asked the Congress to aid farmers to return to peacetime production,

²⁴ See Executive Order 8802, Reaffirming Policy of Full Participation in the Defense Programs by All Persons, Regardless of Race, Creed, Color, or National Origin, and Directing Certain Action in Furtherance of Said Policy (25 June 1941), *Our Documents*, <http://www.ourdocuments.gov/doc.php?flash=true&doc=72&page=transcript>.

²⁵ For a facsimile of the *Chicago Tribune* front page of 3 November 1948, see *Library of Congress*, http://www.loc.gov/exhibits/treasures/images/at0069_4s.jpg. The famous photograph of Harry Truman holding a copy of the erring newspaper is available at <http://memory.loc.gov/master/pnp/cph/3c10000/3c15000/3c15000/3c15068u.tif>.

²⁶ See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period.

reminding them of the great hardship that befell American farmers after World War One, when the prices of farm produce dropped by more than 50 percent over a period of one year (1920–1921). In fact, the American farmers were one of the few social groups that remained depressed even during the generally prosperous 1920s. Truman pointed to one specific source of support for the farmers: 500 million dollars set aside by the Congress from lend-lease funds. The strengthening of the farm sector would lead to the stimulation of exports and to larger markets in the future. It was also necessary to improve crop insurance and agricultural research.

The post-war period would bring new international challenges. The United States would need a “long-range program for the national security”. As a peace-loving victorious nation, Truman argued, the U.S. needed to continue “an armed occupation of the lands of our defeated enemies until it is assured that the principles for which we fought shall prevail in the reconstruction of those lands”.²⁷ Therefore, the real presence of American land, sea, and air power was to be maintained. For this purpose, replacements had to be found for the veterans serving abroad. Truman warned Congress that there would not be enough volunteers and that recruitment procedures would have to remain in place. He also promised to keep the legislators informed on the national security developments, including the use and control of atomic energy.

During World War Two, the importance of science and technology became obvious. Truman stressed the need for cooperation between universities, industry and government; in all probability, he was unaware of the pitfalls of such cooperation which gradually became obvious during the post-war decades. It was only in January 1961 that the outgoing American president Dwight D. Eisenhower coined the term “military-industrial complex”, pointing to the dangers which such cooperation represented for the freedom of academic endeavour.²⁸ Truman asked Congress to establish a centralized federal research agency which would support basic natural science research as well as scientific enquiry in social sciences, medicine and public health. The new agency was to offer scholarships to gifted young people, and above all coordinate scientific research supported until then by several departments and agencies of the Federal Government. He added,

²⁷ Ibid.

²⁸ Eisenhower’s Farewell Radio and Television Address to the American People (17 January 1961), *The Eisenhower Presidential Library and Museum*, <http://www.eisenhower.archives.gov/farewell.htm>.

nevertheless, that “the Federal research agency here proposed should in no way impair scientists’ freedom”.²⁹

The war expenditures in the 1946 fiscal year were expected to drop by 40 billion dollars as against the previous year, but they would still represent 50 billion dollars, out of the total expenditures of 66 billion dollars. The government expenditures would continue at high levels throughout the 1947 fiscal year. “Total war effort cannot be liquidated overnight”, Truman stated.³⁰

Much attention was given in the 6 September address to the veterans’ issue. The legal framework was prepared in the 1944 Servicemen’s Readjustment Act (also known as the GI Bill).³¹ Of course, the veterans as well as the dependants of the fallen soldiers were provided for during the war already. The measures proposed by Truman included insurance coverage exceeding the total of 135 billion dollars, increased financial and health-care compensation for war-disabled persons and offered various services and benefits to veterans like vocational training, mortgage guarantees, right to re-employment, unemployment support, counselling, and the establishment of about 9,000 information centres for veterans nationwide. President Truman recommended Congress to expand veteran assistance programs, especially those under the *National Service Life Insurance Act*, and pointed to large-scale efforts to provide opportunities to returning veterans, like the Columbia River and the Missouri River Basin projects which were to provide farms to the veterans.

Truman reminded Congress that the war had interrupted the education of many young people and led to the depletion of natural resources, which had had to be used without consideration to their future availability. The water reservoir building as well as search for new ore deposits had to be suspended. Truman specifically referred to the Tennessee Valley Authority project as a model for future government New-Deal-style efforts. Similar projects of regional development were to be implemented elsewhere, especially in the areas mentioned in the previous paragraph and in the Central Valley in California. Such public projects, Truman pointed out, would be beneficial to provide employment.

²⁹ See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period.

³⁰ Ibid.

³¹ Servicemen’s Readjustment Act (1944), also known as the GI Bill of Rights. *U.S. Statutes at Large* (78th Cong., 2nd Sess.): 284–301. Signed into law by President Roosevelt on 22 June 1944.

The U.S. Congress was therefore expected to make available additional funds for new public works, provide money for the construction of new federal buildings, and release funds for the highway program, which would require no less than 3 billion dollars over the next three years. The construction of the Inter-American Highway to reach the Panama Canal Zone was to be continued and as many as 3,000 new airports were to be built (to reach the total of 6,000 airports over the next 10 years). Appropriations were needed to build other elements of infrastructure such as streets, sewers, water-supply systems, hospitals, airports, schools, and other public facilities. Truman also demanded that in implementing public sphere improvements, discrimination based on race, creed, or colour should be prevented.

Some European beneficiaries of lend-lease programs had incurred large debts. Truman's administration admitted that most of the dollars owed by foreign states would not be repaid but it refused to cancel all lend-lease obligations, proposing to settle the debts by agreements with individual governments in order to achieve a sound world-wide economy by means of carrying out the "Bretton Woods proposals for an international monetary fund and an International Bank" and by extending the operations of the Export-Import Bank. Truman repeated his earlier pledge that the United States would do everything "reasonably possible to help war-torn countries to get back on their feet".³² The *United Nations Relief and Rehabilitation Administration* (UNRRA) was to be appropriated the remaining 550 million lend-lease dollars committed by the U.S. earlier. The total United States share in the UNRRA program in Europe and Asia would amount to 1.35 billion dollars, Truman stated.³³ In fact, the total U.S. grants to the UNRRA were to reach approximately 3.25 billion dollars. The surplus military and lend-lease goods were to be used for the program as well.

Congress was also asked to learn from America's poor preparedness for the war and her dependence on foreign sources of raw materials. The United States was to maintain stockpiles of strategic materials for any

³² See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period.

³³ See the Agreement for United Nations Relief and Rehabilitation Administration (9 November 1943), <http://www.yale.edu/lawweb/avalon/unrra001.htm>. The Congress accepted the United States' participation in a Joint Resolution To Enable the United States To Participate in the Work of the United Nations Relief and Rehabilitation Organization. The text of the resolution is available at <http://www.yale.edu/lawweb/avalon/unrra002.htm>.

emergency. Truman also promised to recommend a program which has not been implemented to this day: “a national health program to provide adequate medical care for all Americans and to protect them from financial loss and hardships resulting from illness and accident”.³⁴ In the spirit of the New Deal, the American social security system was to be expanded and education facilities improved.

Aid to Europe and the Implementation of the Servicemen’s Readjustment Act

In the statement made on 17 September 1945, Truman dealt with the aid to Europe. The provision of American aid was no longer a logistical problem, nor was it limited, in most commodities, by scarcity. Aid to Europe depended, above all, on financial resources. Truman repeated what he had said after his return from Potsdam: “If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hoped for world-wide peace must rest. We must help to the limits of our strength. And we will.”³⁵ It was above all coal, transportation and food that the “liberated people” of Europe needed most. The United States was shipping to Europe approximately 1.4 million tons of coal a month. The volume of this relief was to reach 8 million tons a month by January 1946.

By the spring of 1946, seven million servicemen as well as large numbers of servicewomen had returned home, determined to pick up where they had left off. To cushion the return to civilian life – and also to cushion the effect on the national economy – numerous laws were enacted that provided, among other things, for job recruitment, unemployment pay, insurance, home loans, and educational opportunities. The last category alone gave 12 million veterans access to technical and university education. By 1947, more than 4 million Americans were taking advantage of the *Servicemen’s Readjustment Act* of 1944 to receive a government-subsidised tertiary education. This piece of legislature was passed by the U.S. Congress and signed by President Roosevelt in June 1944. It provided, among other things, federal aid to veterans so that

³⁴ See Special Message to the Congress Presenting a 21-Point Program for the Reconversion Period.

³⁵ Statement by the President on the European Relief and Rehabilitation Program (17 September 1945), *Harry S. Truman Library & Museum*, <http://www.trumanlibrary.org/publicpapers/index.php?pid=143&st=&st1=>.

they could adjust to civilian life, be properly treated in hospitals, buy homes and businesses. Above all, it enabled them to obtain education. The GI Bill provided them with means to cover the costs of tuition, subsistence, books and supplies, and equipment needed to go back to school or college. The GI Bill increased substantially the enrolment of American institutions of higher learning. The university education was no longer confined to the middle or upper-middle class. The graduates extended the ranks of engineers and economists, above all. In addition, the university facilities were expanded. For example, the University of Michigan had fewer than 10,000 students prior to the war. By 1948, their numbers had far exceeded 30,000.

The 1946 Employment Act required the chief executive to submit an annual economic report. It established a council of economic advisers and declared the intention of the federal government to promote maximum employment, production, and purchasing power. Though it did not specifically endorse the economics of John Maynard Keynes, the act clearly foreshadowed policies of deficit spending and unbalanced budgets. In other areas, a number of wartime agencies was abolished by executive order.

Conclusion

The Truman Administration was faced with post-war re-conversion problems even before World War Two had ended. In America's transition from wartime to peacetime society we can distinguish several distinct activities. They included the winding-up of wartime agencies, transition to peacetime economy and the conversion of wartime plants and hardware to peaceful uses, various provisions for veterans and their families, the lifting of wage and price controls as well as the restoration of collective bargaining. In addition, the United States had to manage and police the territories of the defeated enemy nations as well as the liberated areas. From the several messages and statements quoted here it follows that President Truman intended in the early post-war period to continue the legacy of Franklin Delano Roosevelt's New Deal.

It can also be seen from the documentary evidence that in the early post-war period Truman planned to carry out a thorough demobilization of the United States armed forces, regardless of what the future adversaries were doing. This finding might be relevant for the endless discussions on the origin of the Cold War. In the immediate post-war period the former enemy nations became allies, while the former allies became potential adversaries.