The Industrialized Democracies

The industrialized democracies of North America, Western Europe, and Japan grew in prosperity and went through social change during the Cold War. Throughout this period, the United States was the world’s wealthiest and most powerful country. By the end of the Cold War, however, Western Europe and Japan rivaled the United States economically.

AmericaProspersand Changes

In the postwar decades, American businesses expanded into markets around the globe. The dollar was the world’s strongest currency. Foreigners flocked to invest in American industry and to buy U.S. government bonds. America’s wealth was a model for other democracies and a challenge to the stagnant economies of the communist world.

America Plays a Central Role

During the Cold War, the United States was a global political leader. The headquarters of the League of Nations had been symbolically located in neutral Switzerland. The headquarters of the newly formed United Nations was built in New York City.

The United States also played a leading economic role. America had emerged untouched from the horrendous destruction of the Second World War. Other nations needed American goods and services, and foreign trade helped the United States achieve a long postwar boom. The long postwar peace among democratic nations

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**Vocabulary Builder**

Use the information below and the following resources to teach the high-use word from this section.

**High-Use Word**

**prosper, p. 616**

**Definition and Sample Sentence**

Gina prospered in college; she got excellent grades and made many friends.
helped to spread this boom worldwide. The World Bank, an international agency that finances world economic development, was headquartered in Washington, D.C. The International Monetary Fund (IMF), which overseas the finances of the world’s nations, was based there as well.

The Postwar American Boom
America’s economic strength transformed life in the United States itself. During the 1950s and 1960s, boom times prevailed. Recessions, or periods when the economy shrinks, were brief and mild. Although segments of the population were left behind, many Americans prospered in the world’s wealthiest economy. As Americans grew more affluent, many moved from the cities to the suburbs. The movement to communities outside an urban core is known as suburbanization. Suburbanites typically lived in single-family houses with lawns and access to good schools. Suburban highways allowed residents to commute to work by car.

During the postwar decades, many Americans also moved to the Sunbelt, or the states in the South and Southwest of the United States. Jobs in these states were becoming more plentiful than in the industrialized North, and the warmer climate was an added bonus. The growing availability of air conditioning and water for irrigation in states such as Arizona helped make the movement to the Sunbelt possible.

The wide popularity of American culture abroad vividly illustrated the global influence of the United States. The world embraced twentieth-century art forms such as American movies, television, and rock-and-roll music. American originals such as Elvis Presley, musical comedies, Hollywood romances, and action movies had a worldwide following.

The federal government contributed to the economic boom. Under President Truman, Congress created programs that helped veterans, the elderly, and the poor. Truman’s successor, Dwight Eisenhower, approved government funding to build a vast interstate highway system. Government programs also made it easier for people to buy homes.

America Prospers and Changes

Instruct

■ Introduce Point out the images on this page. Ask students to describe what these images reveal about American life and culture during the 1950s. Have they read to find out whether their predictions were accurate.

■ Teach Review ways that America’s economy was tied to global events. Ask What factors helped America’s economy thrive in the postwar years? America’s economy was undamaged in World War II and prospered after the war, so it could produce goods much needed by recovering nations. Foreign trade helped fund huge economic expansion. How did America’s economic prosperity affect the lives of people in the United States and abroad? (Many Americans were able to buy consumer goods and move to the suburbs; people abroad invested in American industry and looked to the United States as an economic model.)

■ Quick Activity Discuss the effects of American culture on the global community. Ask students how this may have contributed to today’s conflicts between Western and Muslim cultures.

Independent Practice

Have students create a chart showing causes and effects discussed in this section. Model the first entry on the board as Cause: lack of WW II damage. Effect: U.S. economy prospers during postwar years. For a completed version of the chart, see Note Taking Transparencies, 190.

Teach

America Prospers and Changes

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Democracy Expands Opportunities

Instruct

- Introduce: Vocabulary Builder Have students read the Vocabulary Builder term and definition. Ask students to predict what segments of the American population will prosper after World War II. Have them predict which segments will struggle to gain additional rights. Then have them read ahead to see if their predictions were accurate.

- Teach Write each black heading on the board. Ask students to volunteer phrases or sentences to put under each one. Then ask What problems faced America’s democracy during the 1950s and 1960s? (African Americans, other minorities, and women were denied equal rights in education, housing, and other areas. Economic opportunities were limited for many Americans.) How did Americans respond to these problems? (Many protested for equal rights, both within and outside the government. The government moved to support needy Americans.)

- Quick Activity On the board, post King’s “I have a dream” quotation from the text (“I have a dream that one day this nation will rise up. . . . all men are created equal.”) Then refer them to the biography of King on this page. Ask students to connect King’s words with his actions and biography. Then have them summarize his goals and hopes for equal rights in America, particularly for African Americans.

Answer

The U.S. economy relied on sales in overseas markets. It also needed oil produced overseas, so it suffered when oil prices rose in the 1970s.

An Oil Shock Brings Recession However, America’s growing dependence on the world economy brought problems. In the early 1970s, a political crisis in the Middle East led to decreased oil exports. Oil prices soared worldwide. Waiting in long lines for scarce and expensive gasoline, Americans became aware of their dependence on imported oil and on global economic forces.

In America and in the other industrialized democracies, which were even more dependent on imported oil, higher prices for oil left businesses and consumers with less to spend on other products. The decade of post-war prosperity ended with a serious recession in 1974. During the 1970s and 1980s, the world’s economies suffered a series of recessions alternating with years of renewed prosperity.

Checkpoint How was the U.S. economy linked to the broader global economy during the Cold War?

Democracy Expands Opportunities

Although America prospered after World War II, the American promise of equality and opportunity had not yet been fulfilled for ethnic minorities and women. In the postwar decades, these groups demanded equality. In American politics, liberals and conservatives offered contrasting programs to increase opportunities for the American people.

Segregation and Discrimination The prosperity of the postwar years failed to benefit all Americans equally. Although slavery had been abolished a century before, many states denied equality to African Americans and other minority groups. These groups faced legal segregation, or forced separation, in education and housing. Minorities also suffered discrimination—unequal treatment or barriers—in jobs and voting. After World War II, President Harry Truman desegregated the armed forces. Then, in 1954, the U.S. Supreme Court made a landmark ruling, Brown v. Board of Education of Topeka, declaring that segregated schools were unconstitutional.

History Background

Gandhi and the Civil Rights Movement The U.S. Civil Rights Movement was heavily influenced by the ideas of Mahatma Gandhi. The Indian leader’s nonviolent protests, which helped free India from British rule in the 1940s, set a standard for peaceful civil disobedience that many civil rights activists, including Martin Luther King, Jr., openly emulated. One such act sparked the Civil Rights Movement in 1955, when Rosa Parks refused to give up her seat to a white man on a public bus.

Cesar Chavez, who fought for farm workers’ rights through the United Farm Workers’ union, also found inspiration in Gandhi’s sacrifices. Like Gandhi, Chavez enacted boycotts and hunger strikes to gain attention to his cause. One of his strikes in 1988 lasted for 36 days.
Chapter 18 Section 2

Americans Demand Civil Rights

By 1956, a gifted preacher, Dr. Martin Luther King, Jr., had emerged as a leader of the civil rights movement. This movement aimed to extend equal rights to all Americans, and particularly African Americans. King organized boycotts and led peaceful marches to end segregation in the United States. In 1963, King made a stirring speech, “I have a dream,” he proclaimed, “that one day this nation will rise up and live out the true meaning of its creed: ‘We hold these truths to be self-evident, that all men are created equal.’” Americans of all races joined the civil rights movement. Their courage in the face of sometimes brutal attacks stirred the nation’s conscience: Asians, Latinos, Native Americans, and other groups joined African Americans in demanding equality. The U.S. Congress outlawed public segregation, protected voting rights, and required equal access to housing and jobs. Poverty, unemployment, and discrimination still plagued many African Americans. However, some were elected to political office or gained top jobs in business and the military.

Women Demand Equality

Women too faced discrimination in employment and other areas. Inspired by the civil rights movement, women fought gender-based discrimination during the 1960s and 1970s. The women’s rights movement won laws banning discrimination against women. More women also gained higher salaries and positions in politics and business.

The Government’s Role Grows

During the 1960s, the government further expanded social programs to help the poor and disadvantaged. Under Presidents John F. Kennedy and Lyndon Johnson, both Democrats, and Martin Luther King, Jr.

In 1966, President Johnson signed the Civil Rights Act of 1966. This law outlawed discrimination in federal employment. Two years later, in 1968, the Voting Rights Act was signed. This law protected the voting rights of all citizens, regardless of race. The government continued to support civil rights efforts. In 1969, Johnson appointed a civil rights activist, Thurgood Marshall, to the Supreme Court. This landmark appointment made Marshall the first African American to serve on the Court.

Indigenous Americans

The American Indian Movement (AIM) was formed in 1968 by a group of Native American activists. AIM sought to protect Native American land rights and to demand the return of tribal lands seized by the government. Some groups, such as the Black Panthers and the Nation of Islam, led by Malcolm X, also promoted civil rights and social change. Malcolm X refused to challenge whites and instead focused on creating a separate black community.

Women’s Rights

During the 1960s and 1970s, women fought for equal rights in the workplace and other areas. The feminist movement won laws to protect women from discrimination. More women also entered politics and business. In 1973, the Supreme Court ruled in the landmark case Roe v. Wade, which made abortion legal in all states.

Differentiated Instruction

Gifted and Talented

Tell students that by the 1970s, most of America’s minority groups were represented by at least one prominent civil rights group and that each group’s goals and tactics varied. La Raza defended the rights of Mexican Americans. The American Indian Movement protested the treatment of Native Americans, demanding the return of tribal lands seized by the U.S. government. Some groups, such as the Black Panther Party and the Nation of Islam, led by Malcolm X, did not always espouse or adhere to the principle of non-violence. Yet the majority of activists were content using politics and persuasion to reach their goals. Have students choose two groups, research their methods, and create a chart comparing and contrasting their methods and their effectiveness.

Answer

BIOGRAPHY

He continually put his life and freedom at risk for his beliefs.
Western Europe Rebuilds

Instruct

■ Introduce Read aloud the Primary Source selection. Ask students to summarize what it says about postwar Berlin. Remind students of the terrible physical and economic havoc wrought by World War II.

■ Teach Create two columns on the board, labeled Problems and Solutions. Have students list the problems that Western Europe faced in the postwar years and the steps nations took to solve those problems. Write their answers on the board. Discuss the role of the Marshall Plan, colonial independence, and the welfare state in both problems and solutions. Then display Color Transparency 180: European Nations Grant Aid Under the Marshall Plan to illustrate the European recipients of Marshall Plan aid.

■ Analyzing the Visuals Direct students to the photo on this page. Ask them to describe the factors that contributed to conditions in Germany before and after World War II. Challenge them to explain how West Germany was able to recover so quickly, and why other nations, such as Britain, faced slower recoveries.

Answers

The U.S. government stepped in to end segregation and discrimination; to improve life for veterans, the elderly, and the poor; and to expand transportation and housing opportunities.

Caption: Loss of electricity, possible homelessness, uncertainty about cleaning up and rebuilding.

Congress funded Medicare, providing health care for the elderly. Other programs offered housing for the poor.

Republicans Respond In the 1980s, President Reagan and the Republican Party called for cutbacks in taxes and government spending. They argued that cutting taxes was the best way to improve opportunities for Americans. Congress ended some social programs, reduced government regulation of the economy, and cut taxes. At the same time, however, military spending increased.

The combination of increased spending and tax cuts greatly increased the national budget deficit, or the shortfall between what the government spends and what it receives in taxes and other income. To deal with the deficit, Republicans pushed for deeper cuts in social and economic programs, including education, welfare, and environmental protection.

Checkpoint Over time, how did the U.S. government expand opportunities for Americans?

Western Europe Rebuilds

Americans arriving in Europe as liberators or occupiers in 1945 were astonished at the damage that the war had inflicted. Germany in particular lay in ruins. Many Europeans had suffered grievously. However, Western Europe recovered economically more rapidly than anyone had expected—and then moved on to even higher standards of living.

Germany Divided and Reunited

At the end of World War II, the United States, Britain, and France—all democracies—occupied the western portion of Germany. The goal had been to hold elections throughout Germany for a single German government, but disputes between the Soviet Union and the Western powers led to Germany’s division into two separate countries by 1949. West Germany became a member of NATO, while East Germany became a member of the Warsaw Pact. For 40 years, differences between the two Germanies widened.

Wartime Destruction in Germany

Many German cities suffered serious wartime damage. In this photo, civilians walk through the rubble left by wartime bombing in Nuremberg, Germany, in 1945. What challenges would residents of a city face after such heavy destruction?

Primary Source

"There are no homes, no shops, no transportation, no government buildings. Only a few walls... Berlin can now be regarded only as a geographical location heaped with mountainous mounds of debris."

—New York Herald Tribune, May 3, 1945

The Vision of Lyndon B. Johnson

The tall Texan dreamed of bridging the United States of poverty and inequality. When Lyndon B. Johnson became president, he oversaw sweeping social reforms. First, he helped get Kennedy’s pending legislation passed. The Civil Rights Act of 1964 outlawed discrimination. The Voting Rights Act of 1965 and the Twenty-Fourth constitutional amendment expanded the right to vote.

Johnson added his own vision, the Great Society, and declared a war on poverty. The first piece of legislation, The Economic Opportunity Act of 1964, introduced Medicare and Medicaid. Yet these programs did not do enough to mend the fractured society. The culture would continue to break apart over politics, the war in Vietnam, racism, and other issues.

History Background

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Independent Practice

Have students write a short paragraph supporting or opposing the European welfare state. Each position should clearly explain how the welfare state would help or harm its citizens. Tell students to adopt the voice of a group in European society that held one of these views.

Monitor Progress

As students complete their paragraphs, circulate to review aspects of the welfare state. Confirm that students have accurately described its features, chosen an appropriate group, and successfully developed an argument for or against the welfare state.

While West Germany had a democratic government, East Germany was a communist state. While West Germany enjoyed an economic boom, East Germany’s command economy stagnated. Before the Berlin Wall was built, millions of East Germans fled to the freedom and prosperity of West Germany. After the wall was built, some East Germans still managed to escape, but others were shot as they tried to cross the border.

In 1989, as Soviet communism declined, Germany moved toward reunification. Without Soviet backing, East German communist leaders were unable to maintain control. They were forced to reopen their western borders. Quickly, East Germans demanded reunification with the West. In 1990, German voters approved reunification.

**West Germany’s “Economic Miracle”** Early in the Cold War, the United States rushed aid to its former enemy through the Marshall Plan and other programs. It wanted to strengthen West Germany against communist Eastern Europe. From 1949 to 1963, Konrad Adenauer (AHN uh now ur) was West Germany’s chancellor, or prime minister. He guided the rebuilding of cities, factories, and trade. Because many of its old factories had been destroyed, Germany built a modern and highly productive industrial base. Despite high taxes to pay for the recovery, West Germans created a booming industrial economy.

**Britain’s Narrowed Horizons** Britain’s economy was slow to recover after the war. Despite U.S. assistance through the Marshall Plan, Britain could no longer afford a large military presence overseas. Therefore, Britain abandoned its colonial empire in the face of demands for independence. After several years of economic hardship, however, Britain’s economy recovered during the 1950s and 1960s. Although Britain did not enjoy a boom like Germany’s, its living standard did improve.

**Other European Nations Prosper** Most European nations emerged from World War II greatly weakened. Like Britain, European colonial powers such as Belgium and the Netherlands gave in to demands for independence from former colonies. France was forced to abandon its
Japan Is Transformed

Instruct

- **Introduce: Key Terms** Ask students to locate the key term gross domestic product (GDP) in blue in the textbook and explain its meaning. Explain that Japan’s gross domestic product (GDP) soared in the postwar years. Given the total destruction Japan experienced during World War II, ask students to consider how the nation might have achieved such an economic transformation.

- **Teach** Trace the changes in Japan’s political and economic structure after World War II. Ask: How did Japan change in the postwar years? (It became a democracy and successfully rebuilt its industrialized economy.)

- **Quick Activity** Display Color Transparency 183: Japan’s Economic Recovery After World War II. Use the lesson suggestion in the transparency book to guide a discussion on Japan’s transformation.

**Color Transparencies, 183**

Building Britain’s Welfare State

Britain’s Labour Party won support after World War II by expanding social programs and the government’s role in the economy.

- **Connect to Our World**
  
  **Connections to Today** Japan’s economic recovery after World War II was evident in the two cities destroyed by atomic bombs: Hiroshima and Nagasaki. Before they were attacked, Hiroshima was mainly a military center and Nagasaki was a major shipbuilding center. After the war, Japan’s new capitalist economy spurred large rebuilding projects. Modern architectural marvels were built, large parks and monuments were constructed in memory of the victims, and new industries developed. Today, Hiroshima is the largest industrial city in its region, home to numerous rubber, chemical, and automobile factories. Nagasaki is once again a major shipbuilding center, and now also supports a large tourism industry.

**Limiting the Welfare State**

In 1979, British voters turned to the Conservative Party, which denounced the welfare state as costly and inefficient. The Conservative government reduced social welfare programs and returned government-owned industries to private control. Faced with soaring costs, other European nations also moved to limit social welfare benefits and to privatize state-owned businesses during the 1980s and 1990s.

**Toward European Unity** Greater economic cooperation helped fuel Europe’s economic boom during the 1950s and 1960s. In 1952, six nations—West Germany, the Netherlands, Belgium, Luxembourg, France, and Italy—set up the European Coal and Steel Community. This agency established free trade in coal and steel among member states by eliminating tariffs, or fees, and other barriers that limited trade. This small start spurred economic growth across Western Europe and led to further regional cooperation. In 1957, the same six European nations signed a treaty to form the European Economic Community. This was an organization dedicated to establishing free trade among member nations for all products. The European Community
gradually ended tariffs and allowed workers and capital to move freely across national borders. In later years, the European Community expanded to include British and other European countries.

**Checkpoin**t: What were some advantages and disadvantages of the welfare state in Europe?

**Japan Is Transformed**

In 1945, Japan, like Germany, lay in ruins. It had suffered perhaps the most devastating damage of any nation involved in World War II. Tens of thousands of Japanese were homeless and hungry.

**American Occupiers Bring Changes**

Under General Douglas MacArthur, the Japanese emperor lost all political power. Japan’s new constitution established a parliamentary democracy. Occupation forces also introduced social reforms. They opened the education system to all people, with legal equality for women. A land-reform program bought out large landowners and gave land to landless farmers. The United States also provided funds to rebuild Japan’s cities and economy.

In 1952, the United States ended the occupation and signed a peace treaty with Japan. Still, the two nations kept close ties. American military forces maintained bases in Japan, which in turn was protected by American nuclear weapons. The two countries were also trading partners, eventually competing with each other in the global economy.

**Japan Develops a Democracy**

Over the years, democracy took root in Japan. The Liberal Democratic Party (LDP) dominated the government from the 1950s to the 1990s. The LDP, however, differs from political parties in the United States. The LDP is a coalition, or alliance, of factions that compete for government positions.

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**Independent Practice**

Have students write a paragraph comparing and contrasting Japan’s postwar transformation with that of Germany’s. Encourage students to find the common and disparate factors in the experiences of these two nations. If students are having trouble, recommend they draw a Venn diagram to help them organize the information.

**Monitor Progress**

- As students work on their paragraphs, circulate to ensure they are using examples from both Japan’s and Germany’s recovery efforts to show the similarities and differences between the two nations.
- Check Reading and Note Taking Study Guide entries for student understanding.

**Answers**

- **Advantages included expanded social benefits such as old-age pensions and unemployment insurance. Disadvantages included higher taxes and greater government regulation, or control of industry.**
- **Caption:** by giving them a source of capital, or wealth

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**Link to Humanities**

Akira Kurosawa: One of the twentieth century’s finest film directors, Akira Kurosawa was the first Japanese director to win an audience and acclaim outside Japan’s borders, thus opening the Japanese cinema to the West. Born in Tokyo in 1920, Kurosawa was a talented painter who took a job as an assistant director at a film studio. His movies, with their rich visuals and rich ideas, have influenced numerous filmmakers in Hollywood and Hollywood has, in turn, influenced his own moviemaking. For example, he directed the epic The Seven Samurai because he wanted to make a Japanese western. This film, which follows seven unemployed samurai who are hired by peasant farmers to defend their village, was later remade as an American western, The Magnificent Seven.
An Economic Miracle Relies on Exports
Like Western Europe, Japan achieved an economic miracle between 1950 and 1970. Its gross domestic product (GDP) soared year after year. GDP is the total value of all goods and services produced in a nation within a particular year. Japan’s success was built on producing goods for export. At first, Japan sold textiles. Later, it shifted to selling steel and machinery. By the 1970s, Japanese cars, cameras, and televisions found eager buyers on the world market. From a wide range of Japanese electronic goods were competing with Western, and especially American, products.

How did Japan enjoy such success? After World War II, Japan, like Germany had to rebuild from scratch. Also, like Germany, it had successfully industrialized in the past, so it quickly built efficient, modern factories. Finally, the government protected home industries by imposing tariffs and regulations that limited imports.

These policies, along with the high quality of Japanese exports, resulted in a trade surplus for Japan. Thus is, Japan sold more goods overseas than it bought from other countries. By the 1970s, United States manufacturers were angered by what they saw as unfair competition, and the United States pushed Japan to open its economy to more imports. However, Japan’s trade surplus persisted.

Quick Write: Brainstorm Possible Solutions
To write a problem-solution essay, you first need to brainstorm possible solutions to a problem you have defined. In this section, you learned that European welfare states offered social benefits but that these benefits were very costly. List possible solutions to this problem, and explain the advantages and disadvantages of each.

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