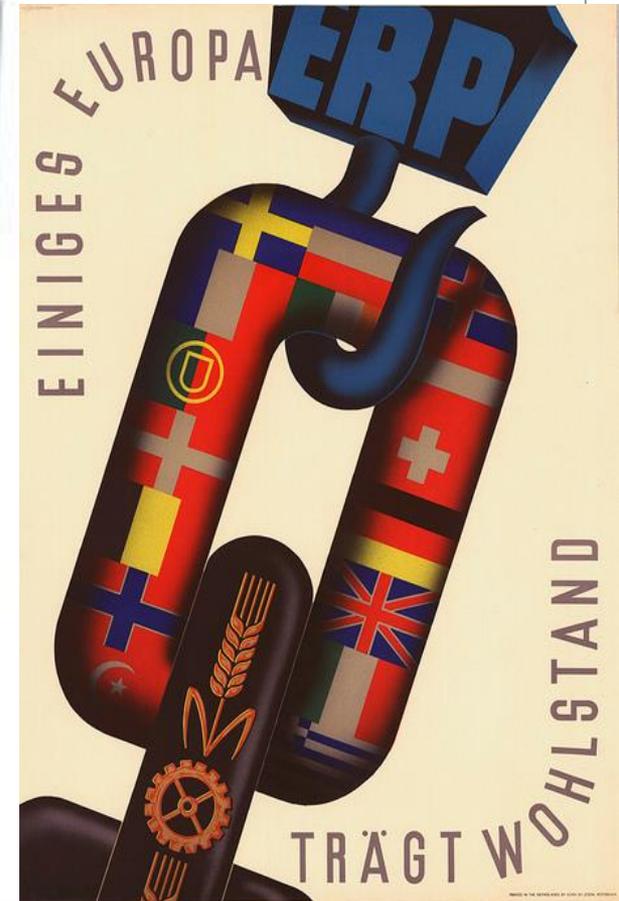
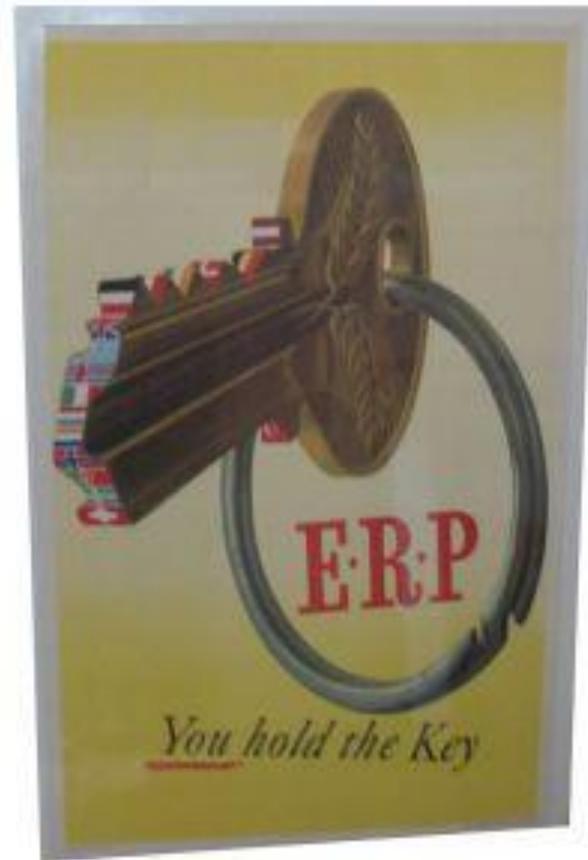
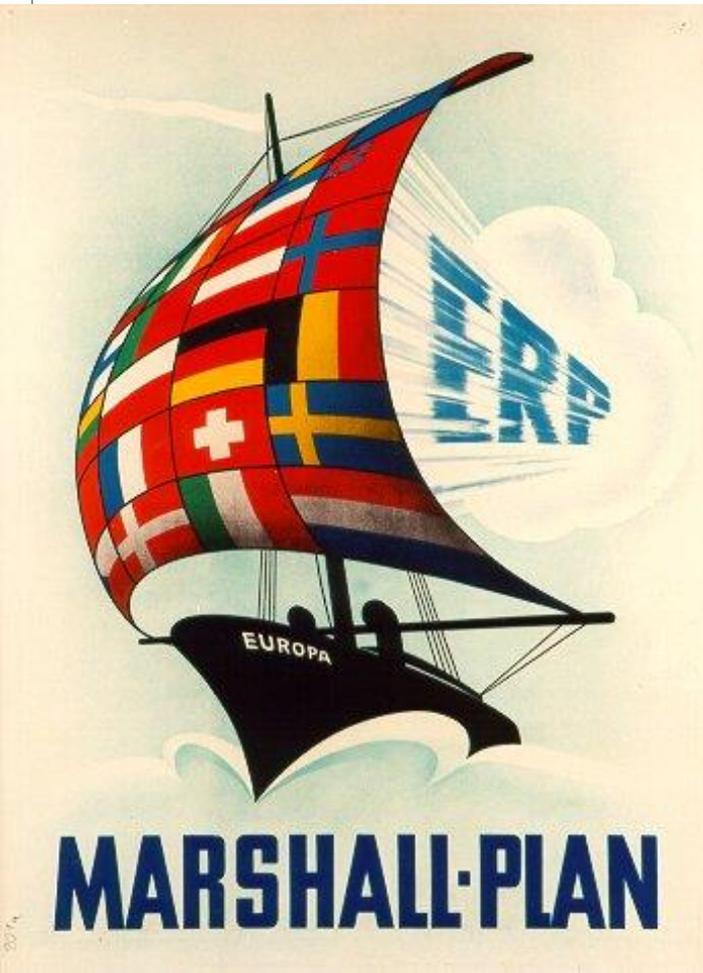


The Modern Age

<https://youtu.be/e4kYKe37aWI>



American Economic Superiority . . .



- World War II = HUGE economic boost for the U.S.
- U.S. replaces Britain as the world's economic superpower
 - 1945 = U.S. is producing 50% of the world's Gross National Product
 - 1945 = U.S. controls 2/3 of the world's gold
- BUT, WWII was also problematic . . .
 - U.S. is producing an insane amount of exportable goods . . .
 - . . . But who is going to buy them?



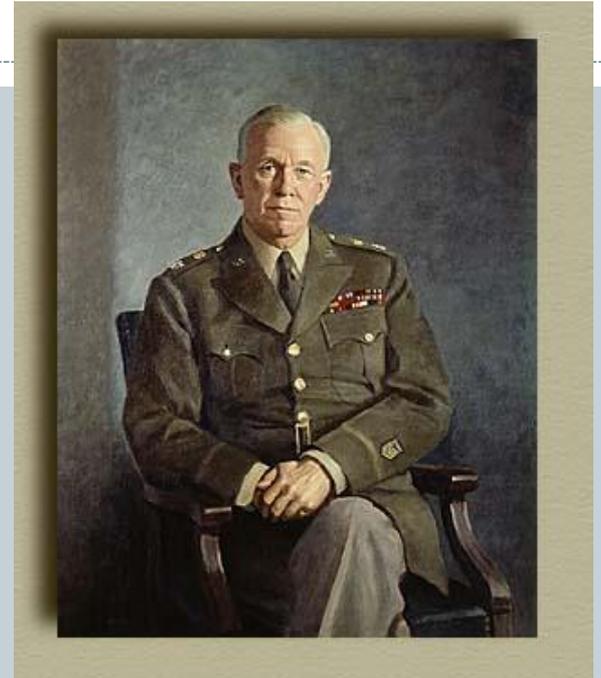
. . . And the European Economic Collapse



- Worries that Europe would never recover . . .
 - Displaced Persons
 - 30% decrease in industrial production
 - Massive destruction of infrastructure
 - 50% decrease in agricultural production
- Immediate economic situation?
 - Black markets
 - Weak currency



The Marshall Plan



- Worries about Soviet influence in Europe
 - 1947 = U.S. gave economic aid to Turkey and Greece
- June 1947 = Marshall outlines the European Recovery Program (ERP)
 - Began operations in April 1948
 - Soviets rejected the plan
- ERP invested billions of dollars in Europe's economy, but with two conditions:
 - Nation-states had to cooperate
 - Had to break down trade barriers
- \$12,000,000,000 invested (1947-1952)

An American Europe?



- American administrators, educators, financiers sent to Europe . . .
 - Encouraged the creation of European welfare states
- Office of European Economic Cooperation
 - Centralized planning of the European recovery
 - Worked to open up free markets and tear down trade barriers
- The exception of West Germany:
 - Wanted a “free enterprise with a social conscience”
 - Still maintained decent industrial productivity
 - By mid-1950s = most successful and powerful economy in Europe



The “Common Market”



- **Toward a transnational economy . . .**
 - 1946 = “Benelux” (Belgium, Netherlands, Luxembourg)
 - 1950 = Schuman Plan (France, West Germany)
 - 1951 = European Coal & Steel Community (“Benelux” + Schuman Two + Italy)
 - 1957 = European Economic Community
- **The emerging idea of a “Common Market”**
 - Labor and capital needed to flow freely between nation-states for those states to adequately benefit from economic globalization
 - Supported by the United States
 - Great Britain had reservations (only joined in 1973)

Recovery in Japan



- The Japanese “economic miracle”
- Economic costs of war:
 - Displaced persons
 - Loss of colonies and military influence
- 1947 = Americans begin emphasizing recovery
 - Liberalization of the economy
 - ✦ Decimation of the *zaibatsu*
 - ✦ MacArthur’s push for land reform
 - Demilitarization = investing that money elsewhere . . .
- 1954-1967 = triple the economic growth of the U.S.
 - 1956 = economy back to pre-WWII GNP
 - 1968 = third largest economy in the world

Recovery in the Soviet Union



- 1949 = Council for Mutual Economic Assistance (Comecon)
 - Worked for the benefit of the Soviet Union
 - ✦ Territorially and economically
- De-Stalinization = mixed bag
 - Krushchev was interested in some reforms . . .
 - . . . But nothing too radical
 - ✦ 1956 Polish Uprising and the 1956 Hungarian Revolution
 - Repressed, with little liberalization
 - Marginalized Western Marxists
- 1964 = higher food prices than ever before, millions more people, economy in decline (but high military spending)



Problems in the Eastern Bloc



- **Initially, economic up-tick:**
 - East Germany, especially (doubled production by 1955)
 - Several satellite states see economic growth after WWII
 - BUT, Soviet collectivization is frustrating . . .
- **East Germany poses the largest problem**
 - Soviets see too much mobility between East and West Berlin
 - 1961 = Berlin Wall
- **Alexander Dubcek & Czechoslovakia**
 - Wanted “socialism with a human face”
 - Instigated “Prague Spring” in 1968, liberalizing and democratizing the Czechoslovakian Communist government
 - ✦ Soviets occupied Czechoslovakia; Dubcek & Co. responded with passive resistance