
(1) The Western World: An Overview.
(2) The Western European Democracies.
(3) North American Prosperity.
(4) The Soviet Union: Rise and Fall of a Superpower.
(5) A new Era in Eastern Europe.

USSR launches Sputnik.          USSR collapses.                     Euro is introduced.
_____________________________________________________________________________

(1) The Western World: An Overview.

Setting the Scene.
Since WWII various economic, political, and social trends have shaped western world.

Europe: The Cold War and After.
Cold War divides Europe into two hostile alliances for more than 40 years after WWII.
Warsaw Pact. Communist nations of Eastern Europe dominated by Soviet Union.
NATO. Western democracies led by USA.

The superpowers avoid direct confrontation but some issues bring both to brink of war.

Nuclear Threat. Superpowers produce huge arsenals to have power to deter the other.


End of Cold War.
      One by one, communist governments collapse. USSR breaks up into republics.

NATO’s New Role.
1999. Former communist nations - Hungary, Poland, Czech Republic – join NATO.
      NATO debates if it should be Europe’s peacekeeper and protector of human rights.
      NATO sends military forces into both Bosnia and Kosovo.

Economic and Political Trends.
Right-wing parties are discredited because they supported fascism during the war.
So left-wing parties take over postwar governments in France, Italy, and Germany.

The Welfare State.
A welfare state keeps capitalism but takes responsible for social and economic needs.
Roots in 1800s when Germany, Britain set up unemployment insurance and pensions.

The Oil Shock.
      Higher oil prices cause inflation and slows economic growth. ‘Stagnation.’

Economic Shifts.
1980s. Manufacturing shifts from Western factories. Japan enjoys dramatic growth.

Toward European Unity.
      EC ends tariffs and allows workers and capital to move more freely across nations.
1990s. EC becomes European Union which issues the euro as single currency in 1999.
      EC looks to growth since Eastern European countries seek admission.

Social Trends.
(2) The Western European Democracies.

Setting the Scene.
Government policies let people in Western democracies have more freedom and prosperity.

Britain: Changing Policies.
1945. Britain votes in Labour Party with hopes it could help recovery from WWII. Government nationalizes industries, builds housing for poor, free medical care. Britain gives up global leadership to its ally, USA.
1973. Britain joins Common Market. (But later rejects euro and retains the pound.)
1979. Britain votes in Conservative Party that denounces the welfare state as costly. Margaret Thatcher, P.M. for 11 years, stresses individuals, reduces welfare.
1997. Labour return to power. Tony Blair, new P.M., aims between right and left.
1998. Peace accord is signed that would bring self-rule to Northern Ireland.

France: Revival and Prosperity.
1958. Charles De Gaulle sets up Fifth Republic. President with great power.
1968. Youth revolts shake France.
1970s. France (like Britain) nationalizes industries and expands social welfare benefits.
1980s. Socialists, led by Francois Mitterand, wins power just as global recession hits.

Germany: Division and Reunification.
1949. West Germany is in western alliance. East Germany lies in Soviet orbit. USA wants to strengthen West Germany against communist Eastern Europe. Konrad Adenauer is chancellor or chief minister from 1949 to 1963. He guides rebuilding of cities, factories, and trade. ‘Economic Miracle.’
1961. Berlin Wall is built. Mass German migration from east to west stops.
1969. Chancellor Willy Brandt eases tensions with communist nations. ‘Ostpolitik.’
1990. German voters approve reunification of the two Germanys. Helmut Kohl becomes chancellor of a united Germany. Prosperous West Germans have to pay higher taxes to finance rebuilding in east. East Germans have to get used to a market economy. Unemployment rises.

Other Democratic Nations.
Scandinavian countries of Norway, Sweden, Denmark create extensive welfare programs.
Italy.
Long-term regional differences continue to divide country: urban north versus rural south. Political divisions lead to instability. No one political party can win a lasting majority. Italy experiences one coalition (temporary alliance) government after another. Mafia.
1970s. Dictators die. Spain (Franco). Portugal (Salazar). Democracies follow. Enter EU.
1974. Greece (ruled by military since 1967) tries to bring Cyprus under Greek rule. Cyprus is inhabited by Greeks and Turks. Greece and Turkey near war.
1975. Incident leads to downfall of military regime. Greece return to democratic rule.
(3) North American Prosperity.

The United States: A Global Superpower.
1945. USA is world’s greatest military power and only nation that has atomic bomb. But USA fears communist expansion, especially after USSR develops its A-bomb.

Global Commitments.
USA builds bases overseas and organizes military alliances. Fleet and air patrols.
USA provides economic aid to help Europe rebuild and assist developing nations.

Korea and Vietnam.
1950. Korean War begins. Communist north invades noncommunist South Korea. American troops are majority of UN force sent to protect South Korea.
Anticommunist fears grow in America during war.
Senator Joe McCarthy charges many Americans with communist sympathies.
1960s. Vietnam has a communist north and a noncommunist south.
To prevent communist rebels winning power in south USA gets involved.
Presidents Kennedy and Johnson send growing number of American troops.
Soon, there are a half million American troops in South Vietnam.

Antiwar protests spread from college campuses to city streets.


The Only Superpower.
1991. USSR collapses. USA is now the only superpower. World policeman.
USA leads multinational force against Iraq which had invaded Kuwait.
USA helps restore Haiti’s elected leader to power.
USA and UN send peacekeepers into Bosnia and Kosovo.

Economy and Government.
1950s. USA economy is booming. American factories are untouched by WWII.

USA and Global Economy.
1970s. USA sees problem in interdependence. OPEC raises oil prices (causing inflation).
Inflation contributes to Third World debt problem which affects American banks.
USA faces stiffer competition from Asian production. Loses manufacturing jobs.
American firms move operations to Asia or Mexico to take advantage of low wages.

Wider Role for Government.
The role of government in the economy grows in the USA as it did in Europe.
President Truman offers benefits to help veterans attend college and buy homes.
Truman expands FDR ‘New Deal.’ Provides greater Social Security to elderly and poor.
President Eisenhower funds interstate highway system that changes face of the nation.
1960s. Congress funds Medicare that provides medical care to the elderly (65+).
Other programs: job training; housing for the poor.

The Conservative Response.
1980s. President Reagan call for cutbacks in government spending on social programs.
Congress does cut back on welfare programs but it increases military spending.
National budget deficit is gap between what government spends and what it takes in taxes.
It is the opposite of a surplus which is when government spends less than its tax intake.

Civil Rights and Society.
1956. Martin Luther King emerges as leader of civil rights movement. Like Gandhi.

Canada.
Canada is an industrial power. But has 1/10 population of USA. In NAFTA (USA, Mexico).
Quebec Separation issue. French-speaking people see themselves as ‘distinct society.’
(4) The Soviet Union: Rise and Fall of a Superpower.

Setting the Scene.
The Soviet Union collapses and is replaced by Russia and other independent republics.

Soviet Government and Economy.
After WWII USSR is superpower with sphere of influence from Baltic to the Balkans.


1956. Khrushchev shocks Communists by denouncing Stalin for abuse of power. He talks ‘peaceful coexistence,’ but sends tanks to crush Hungarian revolt.

1957. Soviets launch Sputnik, first artificial satellite to orbit earth. Tech superiority.


Failure of the Command Economy.
Workers have lifetime job security but little incentive to produce better-quality goods. Command economy could not match free market. Few consumer goods: shoes, TVs, cars.

Foreign Policy Issues.


1979. Soviets invade Afghanistan to ensure Soviet influence in that neighbor.

Collapse of Soviet Empire.
1985. Mikhail Gorbachev comes to power. Seeks to end Cold War tensions. Gorbachev has two-pronged effort at reform:

(1) Glasnost or openness. Ends censorship. Encourages discussion of problems.

(2) Perestroika. Restructure command economy. Produce consumer goods. Factory managers, not central planners, are made responsible for decisions.

Unexpected Results.
Gorbachev’s reforms bring economic turmoil. Shortages grow. Prices soar. Old-line Communists (whose jobs are threatened) denounce reforms. While other critics, like popular leader Boris Yeltsin, urge more change.


The Russian Republic.
1991. Boris Yeltsin becomes president of Russia, the largest Soviet republic.

Economic Problems.
Yeltsin privatizes more state-run industries and collective farms to solve problem. Changeover to market economy is painful. Unemployment soars. Prices skyrocket.

1998. Russia barely avoids financial collapse when it defaults or fails to make payments on much of its foreign debt. The value of currency, the ruble, collapses. Many banks and businesses close. People lose their life savings and jobs.

Political Problems.
1993. Russian people approve a new constitution but with no democratic tradition. Yeltsin clashes repeatedly with Russian parliament (many former Communists).
1994. Yeltsin fails to crush a revolt in Chechnya, an area with many Muslims.

Other Republics.
Other conflicts arise. Armenia seizes a piece of Azerbaijain. Georgia has civil war. Ukraine, Kazakhstan, Belarus give up nuclear arsenals for investments from West.
(5) A New Era in Eastern Europe.

Setting the Scene.
1989. Eastern European nations start to win their independence from Soviet Union.

Under Soviet Domination.
Locals are backed by Soviet power. Destroy rival parties. Silence critics.
Countries of Eastern European are in Soviet orbit. So are called satellites.

Unrest.
1950s. USSR forces satellites to sell natural resources on terms favorable to USSR.
Many people despise communist monopoly on power. Poland. East Germany.

Resistance and Repression.
1956. Imre Nagy, communist reformer and strong nationalist, gains power in Hungary.
Nagy ends one-party rule. He withdraws Hungary from Warsaw Pact.
Khrushchev responds with force. Freedom fighters die. Nagy is executed.
(Breshnev Doctrine says USSR has right to intervene in East Europe affairs.)

Yugoslavia’s Independent Path.
Josip Tito sets up communist government in Yugoslavia but stays independent.
Yugoslavia refuses to join Warsaw Pact and claims to be neutral in Cold War.

Poland’s Road to Democracy.
Stalin clamps down hard on Poland but communist persecution of RC Church backfires.
1956. Economic woes touch off riots and strikes.
Poles (led by Lech Walesa) organize Solidarity, an independent trade union.

Peaceful Transition.
1989. Gorbachev says he will not interfere in Eastern Europe.
Poland holds its first free election in 50 years. Solidarity candidates win.
1990. Lech Walesa is elected president of Poland.

Fall of Communist Governments.
Vaclav Havel, playwright, is elected president of Czechoslovakia.
1991. Berlin Wall is toppled. The two Germanys are reunited.
Eastern European countries are free. Withdraw from Warsaw Pact. Russian troops leave.

New Challenges.
Switch to free market economy leads to rising inflation, high unemployment, new crime.
1990s. Eastern Europe looks to West for aid and many try to join EU and NATO.
1999. New NATO members include Poland, Hungary, and Czech Republic.

Civil War in Yugoslavia.
Yugoslavia was created after WWI as homeland for the South Slavs. It consisted of various
republies – Serbia, Croatia, Bosnia, Herzegovina, Macedonia, Slovenia, and Montenegro.
Distinctive: Serbs (Orthodox Christians). Croats (Roman Catholics). Bosnians (Muslims).
All different groups speak one language – Serbo-Croatian. Serbs dominate multinationals.
Yugoslavia is left with only Serbia and Montenegro.

Fighting in Bosnia. Civil war between Muslims, Serbs, Croats.
1995. NATO launches air strikes against Bosnian Serb military. Forces peace talks.
1999. NATO launches air strikes against Serbia (guilty of ‘ethnic cleansing’ of Muslims).
Milosevic is charged with war crimes. Balkan region remains unstable.