As the 1960s lurched to a close, the fantastic quarter-century economic boom of the post–World War II era also showed signs of petering out. By increasing their productivity, American workers had doubled their average standard of living in the twenty-five years since the end of World War II. Now, fatefully, productivity gains slowed to the vanishing point. The entire decade of the 1970s did not witness a productivity advance equivalent to even one year’s progress in the preceding two decades. At the new rate, it would take five hundred more years to bring about another doubling of the average worker’s standard of living. The median income of the average American family stagnated in the two decades after 1970, and failed to decline only because of the addition of working wives’ wages to the family income (see the chart on p. 939). The rising baby-boom generation now faced the depressing prospect of a living standard that would be lower than that of their parents. As the postwar wave of robust economic growth crested by the early 1970s, at home and abroad the “can do” American spirit gave way to an unaccustomed sense of limits.

Sources of Stagnation

What caused the sudden slump in productivity? Some observers cited the increasing presence in the work force of women and teenagers, who typically had fewer skills than adult male workers and were less likely to take the full-time, long-term jobs where skills might be developed. Other commentators blamed declining investment in new machinery, the heavy costs of compliance with government-imposed safety and health regulations, and the general shift of the American economy from manufacturing to services, where productivity gains were allegedly more difficult to achieve and measure. Yet in the last analysis, much mystery attends the productivity slowdown, and economists have wrestled inconclusively with the puzzle.

The Vietnam War also precipitated painful economic distortions. The disastrous conflict in Southeast Asia drained tax dollars from needed improvements in education, deflected scientific skill and manufacturing
Economic Woes

capacity from the civilian sector, and touched off a sickening spiral of inflation. Sharply rising oil prices in the 1970s also fed inflation, but its deepest roots lay in government policies of the 1960s—especially Lyndon Johnson’s insistence on simultaneously fighting the war in Vietnam and funding the Great Society programs at home, all without a tax increase to finance the added expenditures. Both military spending and welfare spending are inherently inflationary (in the absence of offsetting tax collections), because they put dollars in people’s hands without adding to the supply of goods that those dollars can buy.

When too many dollars chase too few goods, prices rise—as they did astonishingly in the 1970s. The cost of living more than tripled in the dozen years following Richard Nixon’s inauguration, in the longest and steepest inflationary cycle in American history.

Other weaknesses in the nation’s economy were also laid bare by the abrupt reversal of America’s financial fortunes in the 1970s. The competitive advantage of many major American businesses had been so enormous after World War II that they had small incentive to modernize plants and seek more efficient methods of production. The defeated German and Japanese people had meanwhile clawed their way out of the ruins of war and built wholly new factories with the most up-to-date technology and management techniques. By the 1970s their efforts paid handsome rewards, as they came to dominate industries like steel, automobiles, and consumer electronics—fields in which the United States had once been unchallengeable.

The poor economic performance of the 1970s hung over the decade like a pall. It frustrated both


The Nixon Wave  During Richard Nixon’s presidency, Americans experienced the first serious inflation since the immediate post–World War II years. The inflationary surge grew to tidal-wave proportions by the late 1970s, when the consumer price index rose at an annual rate of more than 10 percent.

policymakers and citizens who keenly remembered the growth and optimism of the quarter-century since World War II. The overachieving postwar generation had never met a problem it could not solve. But now a stalemated, unpopular war and a stagnant, unresponsive economy heralded the end of the self-confident postwar era. With it ended the liberal dream, vivid since New Deal days, that an affluent society could spend its way to social justice.

Nixon “Vietnamizes” the War

Inaugurated on January 20, 1969, Richard Nixon urged the American people, torn with dissension over Vietnam and race relations, to “stop shouting at one another.” Yet the new president seemed an unlikely conciliator of the clashing forces that appeared to be ripping apart American society. Solitary and suspicious by nature, Nixon could be brittle and testy in the face of opposition. He also harbored bitter resentments against the “liberal establishment” that had cast him into the political darkness for much of the preceding decade. Yet Nixon brought one hugely valuable asset with him to the White House—his broad knowledge and thoughtful expertise in foreign affairs. With calculating shrewdness he applied himself to putting America’s foreign-policy house in order.

The first burning need was to quiet the public uproar over Vietnam. President Nixon’s announced policy, called “Vietnamization,” was to withdraw the 540,000 U.S. troops in South Vietnam over an extended period. The South Vietnamese—with American money, weapons, training, and advice—could then gradually take over the burden of fighting their own war.

The so-called Nixon Doctrine thus evolved. It proclaimed that the United States would honor its existing defense commitments but that in the future, Asians and others would have to fight their own wars without the support of large bodies of American ground troops.

Nixon sought not to end the war, but to win it by other means, without the further spilling of American blood. But even this much involvement was distasteful to the American “doves,” many of whom demanded a withdrawal that was prompt, complete, unconditional, and irreversible. Antiwar protesters staged a massive national Vietnam moratorium in October 1969, as nearly 100,000 people jammed Boston Common and some 50,000 filed by the White House carrying lighted candles.

Undaunted, Nixon launched a counteroffensive by appealing to the “silent majority” who presumably supported the war. Though ostensibly conciliatory, Nixon’s appeal was in fact deeply divisive. His intentions soon became clear when he unleashed tough-talking Vice President Agnew to attack the “nattering nabobs of negativism” who demanded quick withdrawal from Vietnam. Nixon himself in 1970 sneered at the student antiwar demonstrators as “bums.”

By January 1970 the Vietnam conflict had become the longest in American history and, with 40,000 killed and over 250,000 wounded, the third most costly foreign war in the nation’s experience. It had also become grotesquely unpopular, even among troops in the field. Because draft policies largely exempted college students and men with critical civilian skills, the armed forces in Vietnam were largely composed of the least privileged young Americans. Especially in the war’s early stages, African Americans were disproportionately represented in the army and accounted for a disproportionately high share of combat fatalities. Black and white soldiers alike fought not only against the Vietnamese enemy but also against the coiled fear of floundering through booby-trapped swamps and steaming jungles, often unable to distinguish friend from foe among the Vietnamese peasants. Drug abuse, mutiny, and sabotage dulled the army’s fighting edge. Morale appeared to have plummeted to rock bottom when rumors filtered out of Vietnam that soldiers were “fragging” their own officers—murdering them with fragmentation grenades.
Domestic disgust with the war was further deepened in 1970 by revelations that in 1968 American troops had massacred innocent women and children in the village of My Lai. Increasingly desperate for a quick end to the demoralizing conflict, Nixon widened the war in 1970 by ordering an attack on Vietnam’s neighbor, Cambodia.

Cambodianizing the Vietnam War

For several years the North Vietnamese and Viet Cong had been using Cambodia, bordering South Vietnam on the west, as a springboard for troops, weapons, and supplies. Suddenly, on April 29, 1970, without consulting Congress, Nixon ordered American forces to join with the South Vietnamese in cleaning out the enemy sanctuaries in officially neutral Cambodia.

Angry students nationwide responded to the Cambodian invasion with rock throwing, window smashing, and arson. At Kent State University in Ohio, jumpy members of the National Guard fired into a noisy crowd, killing four and wounding many more; at historically black Jackson State College in Mississippi, the highway patrol discharged volleys at a student dormitory, killing two students. The nation fell prey to turmoil as rioters and arsonists convulsed the land.

Nixon withdrew the American troops from Cambodia on June 29, 1970, after only two months. But in America the Cambodian invasion deepened the bitterness...
between “hawks” and “doves,” as right-wing groups physically assaulted leftists. Disillusionment with “whitey’s war” increased ominously among African Americans in the armed forces. The Senate (though not the House) overwhelmingly repealed the Gulf of Tonkin blank check that Congress had given Johnson in 1964 and sought ways to restrain Nixon. The youth of America, still aroused, were only slightly mollified when the government reduced draft calls and shortened the period of draftability, on a lottery basis, from eight years to one year. They were similarly pleased, though not pacified, when the Twenty-sixth Amendment in 1971 lowered the voting age to eighteen (see the Appendix).

New combustibles fueled the fires of antiwar discontent in June 1971, when a former Pentagon official leaked to The New York Times the “Pentagon Papers,” a top-secret Pentagon study that documented the blunders and deceptions of the Kennedy and Johnson administrations, especially the provoking of the 1964 North Vietnamese attack in the Gulf of Tonkin.

**Nixon’s Détente with Beijing (Peking) and Moscow**

As the antiwar firestorm flared ever higher, Nixon concluded that the road out of Vietnam ran through Beijing and Moscow. The two great communist powers, the Soviet Union and China, were clashing bitterly over their rival interpretations of Marxism. In 1969 they had even fought several bloody skirmishes along the “inner border” that separated them in Asia. Nixon astutely perceived that the Chinese-Soviet tension afforded the United States an opportunity to play off one antagonist against the other and to enlist the aid of both in pressuring North Vietnam into peace.

Nixon’s thinking was reinforced by his national security adviser, Dr. Henry A. Kissinger. Bespectacled and German-accented, Kissinger had reached America as a youth when his parents fled Hitler’s anti-Jewish persecutions. In 1969 the former Harvard professor had begun meeting secretly on Nixon’s behalf with North Vietnamese officials in Paris to negotiate an end to the war in Vietnam. He was meanwhile preparing the president’s path to Beijing and Moscow.

Nixon, heretofore an uncompromising anticommunist, announced to a startled nation in July 1971 that he had accepted an invitation to visit Communist China the following year. He made his historic journey in February 1972, enjoying glass-clinking toasts and walks on the fabled Great Wall of China. He capped his visit with the Shanghai Communiqué, in which the two nations agreed to “normalize” their relationship. An important part of the accord was America’s acceptance of a “one-China” policy, implying a lessened American commitment to the independence of Taiwan.

Nixon next traveled to Moscow in May 1972 to play his “China card” in a game of high-stakes diplomacy in the Kremlin. The Soviets, hungry for American foodstuffs and alarmed over the possibility of intensified rivalry with an American-backed China, were ready to deal. Nixon’s visits ushered in an era of détente, or relaxed tension, with the two communist powers and produced several significant agreements in 1972, including a three-year arrangement by which the food-rich

Some Chicken, Some Egg, 1975 This cartoon pokes fun at Henry Kissinger as a global statesman. Serving first as President Nixon’s national security adviser and then as secretary of state in the Nixon and Ford administrations, the German-born Kissinger brought with him to Washington a sophisticated—some said cynical—view of the world honed during his nearly two decades as a political science professor at Harvard.
United States agreed to sell the Soviets at least $750 million worth of wheat, corn, and other cereals.

More important, the United States and the USSR agreed to an anti-ballistic missile (ABM) treaty, which limited each nation to two clusters of defensive missiles, and to a series of arms-reduction negotiations known as SALT (Strategic Arms Limitation Talks), aimed at freezing the numbers of long-range nuclear missiles for five years. The ABM and SALT accords constituted long-overdue first steps toward slowing the arms race. Yet even though the ABM treaty forbade elaborate defensive systems, the United States forged ahead with the development of “MIRVs” (multiple independently targeted reentry vehicles), designed to overcome any defense by “saturating” it with large numbers of warheads, several to a rocket. Predictably, the Soviets proceeded to “MIRV” their own missiles, and the arms race ratcheted up to a still more perilous plateau, with over sixteen thousand nuclear warheads deployed by both sides by the end of the 1980s.

Nixon’s détente diplomacy did, to some extent, deice the Cold War. Yet Nixon remained staunchly anti-communist when the occasion seemed to demand it. He strongly opposed the election of the outspoken Marxist Salvador Allende to the presidency of Chile in 1970. His administration slapped an embargo on the Allende regime and the Central Intelligence Agency worked covertly to undermine the legitimately elected leftist president. When Allende died during a Chilean army attack on his headquarters in 1973, many observers smelled a Yankee rat—an impression that deepened when Washington warmly embraced Allende’s successor, military dictator General Augusto Pinochet. Even so, by checkmating and co-opting the two great communist powers, the president had cleverly set the stage for America’s exit from Vietnam, although the concluding act in that wrenching tragedy remained to be played.

**A New Team on the Supreme Bench**

Nixon had lashed out during the campaign at the “permissiveness” and “judicial activism” of the Supreme Court presided over by Chief Justice Earl Warren. Following his appointment in 1953, the jovial Warren had led the Court into a series of decisions that drastically affected sexual freedom, the rights of criminals, the practice of religion, civil rights, and the structure of political representation. The decisions of the Warren Court reflected its deep concern for the individual, no matter how lowly.

In *Griswold v. Connecticut* (1965), the Court struck down a state law that prohibited the use of contraceptives, even among married couples. The Court proclaimed (critics said “invented”) a “right of privacy” that soon provided the basis for decisions protecting women’s abortion rights.

In 1963 the Court held (*Gideon v. Wainwright*) that all defendants in serious criminal cases were entitled to legal counsel, even if they were too poor to afford it. More controversial were the rulings in two cases—*Escobedo* (1964) and *Miranda* (1966)—that ensured the right of the accused to remain silent and to enjoy other protections when accused of a crime. Those decisions erected safeguards against confessions extorted under the rubber hose and other torture. In the case of *New York Times v. Sullivan* (1964), the Court ruled
unanimously that public figures could sue for libel only if they could prove that “malice” had motivated their defamers, opening a wide door for freewheeling criticism of the public actions as well as the private lives of politicians and other officials.

In two stunning decisions, *Engel v. Vitale* (1962) and *School District of Abington Township v. Schempp* (1963), the Court outraged religious conservatives when it invoked the First Amendment, which requires the separation of church and state, to prohibit required prayers and Bible reading in public schools. The Warren Court also struck at the overrepresentation of cow-pasture agricultural districts in state legislatures. Adopting the principle of one-man-one-vote, the Court in *Reynolds v. Sims* (1964) ruled that the state legislatures, both upper and lower houses, would have to be reapportioned according to the human population, irrespective of cows. States’ rightsers and assorted right-wingers raised anew the battle cry “Impeach Earl Warren.”

From 1954 on, the Court came under relentless criticism, the bitterest since New Deal days. But for better or worse, the black-robed justices were grappling with stubborn social problems spawned by midcentury tensions, even—or especially—if duly elected legislatures failed to do so.

Fulfilling campaign promises, President Nixon undertook to change the Court’s philosophical complexion. Taking advantage of several vacancies, he sought appointees who would strictly interpret the Constitution, cease “meddling” in social and political questions, and not coddle radicals or criminals. The Senate in 1969 speedily confirmed his nomination of white-maned Warren E. Burger of Minnesota to succeed the retiring Earl Warren as chief justice. Before the end of 1971, the Court counted four conservative Nixon appointments out of nine members.

Yet Nixon was to learn the ironic lesson that many presidents have learned about their Supreme Court appointees: once seated on the high bench, the justices are fully free to think and decide according to their own beliefs, not according to the president’s expectations. The Burger Court that Nixon shaped proved reluctant to dismantle the “liberal” rulings of the Warren Court; it even produced the most controversial judicial opinion of modern times, the momentous *Roe v. Wade* decision in 1973, which legalized abortion (see p. 978).
Nixon on the Home Front

Surprisingly, Nixon presided over significant expansion of the welfare programs that conservative Republicans routinely denounced. He approved increased appropriations for entitlements like Food Stamps, Medicaid, and Aid to Families with Dependent Children (AFDC), while adding a generous new program, Supplemental Security Income (SSI), to assist the indigent aged, blind, and disabled. He signed legislation in 1972 guaranteeing automatic Social Security cost-of-living increases to protect the elderly against the ravages of inflation when prices rose more than 3 percent in any year. Ironically, this “indexing” actually helped to fuel the inflationary fires that raged out of control later in the decade.

Amid much controversy, Nixon in 1969 implemented his so-called Philadelphia Plan, requiring construction-trade unions to establish “goals and timetables” for the hiring of black apprentices. Nixon may have been motivated in part by a desire to weaken the forces of liberalism by driving a wedge between blacks and trade unions. But whatever his reasoning, the president’s new policy had far-reaching implications. Soon extended to all federal contracts, the Philadelphia Plan in effect required thousands of employers to meet hiring quotas or to establish “set-asides” for minority subcontractors.

Nixon’s Philadelphia Plan drastically altered the meaning of “affirmative action.” Lyndon Johnson had intended affirmative action to protect individuals against discrimination. Nixon now transformed and escalated affirmative action into a program that conferred privileges on certain groups. The Supreme Court went along with Nixon’s approach. In Griggs v. Duke Power Co. (1971), the black-robed justices prohibited intelligence tests or other devices that had the effect of excluding minorities or women from certain jobs. The Court’s ruling strongly suggested to employers that the only sure protection against charges of discrimination was to hire minority workers—or admit minority students—in proportion to their presence in the population.

Together the actions of Nixon and the Court opened broad employment and educational opportunities for minorities and women. They also opened a Pandora’s box of protest from critics who assailed the new style of affirmative action as “reverse discrimination,” imposed by executive order and judicial decision, not by democratically elected representatives. Yet what other remedy was there, defenders asked, to offset centuries of prejudice and opportunity denied?

Among the legacies of the Nixon years was the creation in 1970 of the Environmental Protection Agency (EPA) and a companion body, the Occupational Health and Safety Administration (OSHA). Their births climaxed two decades of mounting concern for the environment, beginning with the establishment in Los Angeles of the Air Pollution Control Office in 1950. Author Rachel Carson gave the environmental movement a huge boost in 1962 when she published Silent Spring, an enormously effective piece of latter-day muckraking that exposed the poisonous effects of pesticides. Legislatively armed by the Clean Air Act of 1970, the Endangered Species Act of 1973, and similar laws, the EPA and OSHA stood on the frontline of the battle for ecological sanity. They made notable progress in the ensuing decades on reducing automobile emissions and cleaning up befouled waterways and toxic waste sites. Impressed by

Author Rachel Carson (1907–1964) Some call her the mother of the modern conservation movement because of the impact of her 1962 book, Silent Spring.
the new environmentalist mood, Congress refused after 1972 to pay for any more of the huge irrigation projects that had watered—and ecologically transformed—much of the arid West over the preceding half-century.

Worried about creeping inflation (then running at about 5 percent), Nixon overcame his distaste for economic controls and imposed a ninety-day wage and price freeze in 1971. To stimulate the nation's sagging exports, he next stunned the world by taking the United States off the gold standard and devaluing the dollar. These moves effectively ended the "Bretton Woods" system of international currency stabilization that had functioned for more that a quarter of a century after World War II.

Elected as a minority president, with only 43 percent of the vote in 1968, Nixon devised a clever but cynical plan—called the "southern strategy"—to achieve a solid majority in 1972. Appointing conservative Supreme Court justices, soft-pedaling civil rights, and opposing school busing to achieve racial balance were all parts of the strategy.

The Nixon Landslide of 1972

But as fate would have it, the southern strategy became superfluous as foreign policy dominated the presidential campaign of 1972. Vietnam continued to be the burning issue. Nearly four years had passed since Nixon had promised, as a presidential candidate, to end the war and "win" the peace. Yet in the spring of 1972, the fighting escalated anew to alarming levels when the North Vietnamese, heavily equipped with foreign tanks, burst through the demilitarized zone (DMZ) separating the two Vietnams. Nixon reacted promptly by launching massive bombing attacks on strategic centers in North Vietnam, including Hanoi, the capital. Gambling heavily on foreign forbearance, he also ordered the dropping of contact mines to blockade the principal harbors of North Vietnam. Either Moscow or Beijing, or both, could have responded explosively, but neither did, thanks to Nixon's shrewd diplomacy.

The continuing Vietnam conflict spurred the rise of South Dakota senator George McGovern to the 1972 Democratic nomination. McGovern's promise to pull the remaining American troops out of Vietnam in ninety days earned him the backing of the large antiwar element in the party. But his appeal to racial minorities, feminists, leftists, and youth alienated the traditional working-class backbone of his party. Moreover, the discovery shortly after the convention that McGovern's running mate, Missouri senator Thomas Eagleton, had undergone psychiatric care forced Eagleton's removal from the ticket and virtually doomed McGovern's candidacy.

Nixon's campaign emphasized that he had wound down the "Democratic war" in Vietnam from some 540,000 troops to about 30,000. His candidacy received an added boost just twelve days before the election when the high-flying Dr. Kissinger announced that "peace is at hand" in Vietnam and that an agreement would be settled in a few days.

Presidential Election of 1972
(with electoral vote by state)

Nixon buried McGovern in this election, but when his administration soon thereafter began to sink in a swamp of scandals, bumper stickers appeared in Boston proclaiming, "Don't blame me, I'm from Massachusetts."
The Bombing of Cambodia

Nixon won the election in a landslide. His lopsided victory encompassed every state except Massachusetts and the nonstate District of Columbia. He piled up 520 electoral votes to 17 for McGovern and a popular majority of 47,169,911 to 29,170,383 votes. McGovern had counted on a large number of young people’s votes, but less than half the 18–21 age group even bothered to register to vote.

The dove of peace, “at hand” in Vietnam just before the balloting, took flight after the election. After the fighting on both sides had again escalated, Nixon launched a furious two-week bombing of North Vietnam in an ironhanded effort to force the North Vietnamese back to the conference table. This merciless pounding drove the North Vietnamese negotiators to agree to cease-fire arrangements on January 23, 1973, nearly three months after peace was prematurely proclaimed.

Nixon hailed the face-saving cease-fire agreements as “peace with honor,” but the boast rang hollow. The United States was to withdraw its remaining 27,000 or so troops and could reclaim some 560 American prisoners of war. The North Vietnamese were allowed to keep some 145,000 troops in South Vietnam, where they still occupied about 30 percent of the country. The shaky “peace” was in reality little more than a thinly disguised American retreat.

The Secret Bombing of Cambodia and the War Powers Act

The constitutionality of Nixon’s continued aerial battering of Cambodia had meanwhile been coming under increasing fire. In July 1973 America was shocked to learn that the U.S. Air Force had secretly conducted some thirty-five hundred bombing raids against North Vietnamese positions in Cambodia, beginning in March 1969 and continuing for some fourteen months prior to the open American incursion in May 1970. The most disturbing feature of these sky forays was that while they were going on, American officials, including the president, had sworn that Cambodian neutrality was being respected. Countless Americans began to wonder what kind of representative government they had if the United States had been fighting a war they knew nothing about.

Defiance followed secretiveness. After the Vietnam cease-fire in January 1973, Nixon brazenly continued large-scale bombing of communist forces in order to help the rightist Cambodian government, and he repeatedly vetoed congressional efforts to stop him. The years of bombing inflicted grisly wounds on Cambodia, blasting its people, shredding its economy, and revolutionizing its politics. The long-suffering Cambodians soon groaned under the sadistic heel of Pol Pot, a murderous tyrant who dispatched as many as 2 million of his people to their graves. He was forced from power, ironically enough, only by a full-dress Vietnamese invasion in 1978, followed by a military occupation that dragged on for a decade.

Congressional opposition to the expansion of presidential war-making powers by Johnson and Nixon led to the War Powers Act in November 1973. Passed over Nixon’s veto, it required the president to report to Congress within forty-eight hours after committing troops to a foreign conflict or “substantially” enlarging American combat units in a foreign country. Such a limited authorization would have to end within sixty days unless Congress extended it for thirty more days.

The War Powers Act was but one manifestation of what came to be called the “New Isolationism,” a mood of caution and restraint in the conduct of the nation’s foreign affairs after the bloody and futile misadventure in Vietnam. Meanwhile, the draft ended in January 1973, although it was retained on a standby basis. Future members of the armed forces were to be volunteers, greatly easing anxieties among draft-age youth.

The Washington Post (July 19, 1973) carried this news item:

“American B-52 bombers dropped about 104,000 tons of explosives on Communist sanctuaries in neutralist Cambodia during a series of raids in 1969 and 1970 . . . . The secret bombing was acknowledged by the Pentagon the Monday after a former Air Force major . . . described how he falsified reports on Cambodian air operations and destroyed records on the bombing missions actually flown.”
The Arab Oil Embargo and the Energy Crisis

The long-rumbling Middle East erupted anew in October 1973, when the rearmed Syrians and Egyptians unleashed surprise attacks on Israel in an attempt to regain the territory they had lost in the Six-Day War of 1967. With the Israelis in desperate retreat, Kissinger, who had become secretary of state in September, hastily flew to Moscow in an effort to restrain the Soviets, who were arming the attackers. Believing that the Kremlin was poised to fly combat troops to the Suez area, Nixon placed America's nuclear forces on alert and ordered a gigantic airlift of nearly $2 billion in war materials to the Israelis. This assistance helped save the day, as the Israelis aggressively turned the tide and threatened Cairo itself before American diplomacy brought about an uneasy cease-fire.

America's policy of backing Israel against its oil-rich neighbors exacted a heavy penalty. Late in October 1973, the Arab nations suddenly clamped an embargo on oil for the United States and for other countries supporting Israel. Americans had to suffer through a long, cold winter of lowered thermostats and speedometers. Lines of automobiles at service stations lengthened as tempers shortened and a business recession deepened.

The “energy crisis” suddenly energized a number of long-deferred projects. Congress approved a costly Alaska pipeline and a national speed limit of fifty-five miles per hour to conserve fuel. Agitation mounted for heavier use of coal and nuclear power, despite the environmental threat they posed.

The five months of the Arab “blackmail” embargo in 1974 clearly signaled the end of an era—the era of cheap and abundant energy. A twenty-year surplus of world oil supplies had masked the fact that since 1948 the United States had been a net importer of oil. American oil production peaked in 1970 and then began an irreversible decline. Blissfully unaware of their dependence on foreign suppliers, Americans, like revelers on a binge, had more than tripled their oil consumption since the end of World War II. The number of automobiles increased 250 percent between 1949 and 1972, and Detroit's engineers gave nary a thought to building more fuel-efficient engines.

By 1974 America was oil-addicted and extremely vulnerable to any interruption in supplies. That stark fact deeply colored the diplomatic and economic history of the 1980s, 1990s, and beyond. The Middle East loomed ever larger on the map of America's strategic interests, until the United States in 1991 at last found itself pulled into a shooting war with Iraq to protect its oil supplies. (See pp. 983–985.)

The Middle Eastern sheiks, flexing their economic muscles through OPEC (Organization of Petroleum Exporting Countries), approximately quadrupled their price for crude oil after lifting the embargo in 1974. Huge new oil bills wildly disrupted the U.S. balance of international trade and added further fuel to the already raging fires of inflation. The United States took the lead in forming the International Energy Agency in 1974 as a counterweight to OPEC, and various sectors...
of the economy, including Detroit’s carmakers, began their slow, grudging adjustment to the rudely dawning age of energy dependency. But full reconciliation to that uncomfortable reality was a long time coming.

**Watergate and the Unmaking of a President**

Nixon’s electoral triumph in 1972 was almost immediately sullied—and eventually undone—by the so-called Watergate scandal. On June 17, 1972, five men were arrested in the Watergate apartment-office complex in Washington after a bungled effort to plant electronic “bugs” in the Democratic party’s headquarters. They were soon revealed to be working for the Republican Committee for the Re-election of the President—popularly known as CREEP. The Watergate break-in turned out to be just one in a series of Nixon administration “dirty tricks” that included forging documents to discredit Democrats, using the Internal Revenue Service to harass innocent citizens named on a White House “enemies list,” burglarizing the office of the psychiatrist who had treated the leaker of the Pentagon Papers, and perverting the FBI and the CIA to cover the tricksters’ tracks.

Meanwhile, the moral stench hanging over the White House worsened when Vice President Agnew was forced to resign in October 1973 for taking bribes from Maryland contractors while governor and also as vice president. Congress invoked the Twenty-fifth Amendment (see the Appendix) to replace Agnew with a twelve-term congressman from Michigan, Gerald (“Jerry”) Ford.

Amid a mood of growing national outrage, a select Senate committee conducted widely televised hearings about the Watergate affair in 1973–1974. Nixon indignantly denied any prior knowledge of the break-in and any involvement in the legal proceedings against the burglars. But John Dean III, a former White House lawyer with a remarkable memory, accused top White House officials, including the president, of obstructing justice by trying to cover up the Watergate break-in and silence its perpetrators. Then another former White House aide revealed that a secret taping system had recorded most of Nixon’s Oval Office conversations. Now Dean’s sensational testimony could be checked against the White House tapes, and the Senate committee could better determine who was telling the truth. But Nixon stubbornly refused to produce the taped evidence. Moreover, on October 20, 1973, he ordered the “Saturday Night Massacre,” firing his own special prosecutor appointed to investigate the Watergate scandal, as well as his attorney general and deputy attorney general because they had refused to go along with firing the prosecutor.

Responding at last to the House Judiciary Committee’s demand for the Watergate tapes, Nixon agreed in the spring of 1974 to the publication of “relevant” tapes.
portions of the tapes, with many sections missing (including Nixon’s frequent obscenities, which were excised with the phrase “expletive deleted”). But on July 24, 1974, the president suffered a disastrous setback when the Supreme Court unanimously ruled that “executive privilege” gave him no right to withhold evidence relevant to possible criminal activity. Skating on thin ice over hot water, Nixon reluctantly complied.

Seeking to soften the impact of inevitable disclosure, Nixon now made public three subpoenaed tapes of conversations with his chief aide on June 23, 1972. Fatally for his own case, one of them revealed the president giving orders, six days after the Watergate break-in, to use the CIA to hold back an inquiry by the FBI. Nixon’s own tape-recorded words convicted him of having been an active party to the attempted cover-up. The House Judiciary Committee proceeded to draw up articles of impeachment, based on obstruction of justice, abuse of the powers of the presidential office, and contempt of Congress.

The public’s wrath proved to be overwhelming. Republican leaders in Congress concluded that the guilty and unpredictable Nixon was a loose cannon on the deck of the ship of state. They frankly informed the president that his impeachment by the full House and removal by the Senate were foregone conclusions and that he would do best to resign.

Left with no better choice, Nixon choked back his tears and announced his resignation in a dramatic television appearance on August 8, 1974. Few presidents had flown so high, and none had sunk so low. In his Farewell Address, Nixon admitted having made some “judgments” that “were wrong” but insisted that he had always acted “in what I believed at the time to be the best interests of the nation.” Unconvinced, countless Americans would change the song “Hail to the Chief” to “Jail to the Chief.”

Smoking Pistol Exhibit A
The tape-recorded conversations between President Nixon and his top aide on June 23, 1972, proved mortally damaging to Nixon’s claim that he had played no role in the Watergate cover-up.
The “Smoking Gun” Tape, June 23, 1972, 10:04–11:39 A.M. The technological capability to record Oval Office conversations combined with Richard Nixon’s obsession with documenting his presidency to give the public—and the Senate committee investigating his role in the break-in of the Democratic National Committee headquarters in the Watergate Office Tower—rare access to personal conversations between the president and his closest advisers. This tape, which undeniably exposed Nixon’s central role in constructing a “cover-up” of the Watergate break-in, was made on Nixon’s first day back in Washington after the botched burglary of June 17, 1972. In this conversation with White House Chief of Staff H. R. Haldeman, Nixon devised a plan to block a widening FBI investigation by instructing the director of the CIA to deflect any further FBI snooping on the grounds that it would endanger sensitive CIA operations. Nixon refused to turn over this and other tapes to Senate investigators until so ordered by the Supreme Court on July 24, 1974. Within four days of its release on August 5, Nixon was forced to resign. After eighteen months of protesting his innocence of the crime and his ignorance of any effort to obstruct justice, Nixon was finally undone by the evidence in this incriminating “smoking gun” tape. While tapes documented two straight years of Nixon’s Oval Office conversations, other presidents, such as Franklin Roosevelt, John F. Kennedy, and Lyndon Baines Johnson, recorded important meetings and crisis deliberations. Since Watergate, however, it is unlikely that any president has permitted extensive tape recording, depriving historians of a unique insight into the inner workings of the White House. Should taped White House discussions be part of the public record of a presidency, and if so, who should have access to them? What else might historians learn from a tape like this one, besides analyzing the Watergate cover-up?

Haldeman: . . . yesterday, they concluded it was not the White House, but are now convinced it is a CIA thing, so the CIA turn off would . . .

President: Well, not sure of their analysis, I’m not going to get that involved. I’m (unintelligible).

Haldeman: No, sir. We don’t want you to.

President: You call them in.

President: Good. Good deal! Play it tough. That’s the way they play it and that’s the way we are going to play it.

Haldeman: O.K. We’ll do it.

President: Yeah, when I saw that news summary item, I of course knew it was a bunch of crap, but I thought ah, well it’s good to have them off on this wild hair thing because when they start bugging us, which they have, we’ll know our little boys will not know how to handle it. I hope they will though. You never know. Maybe, you think about it. Good!

President: When you get in these people when you . . . get these people in, say: “Look, the problem is that this will open the whole, the whole Bay of Pigs thing, and the President just feels that” ah, without going into the details . . . don’t, don’t lie to them to the extent to say there is no involvement, but just say this is sort of a comedy of errors, bizarre, without getting into it, “the President believes that it is going to open the whole Bay of Pigs thing up again. And, ah because these people are plugging for, for keeps and that they should call the FBI in and say that we wish for the country, don’t go any further into this case,” period!

The nation had survived a wrenching constitutional crisis, which proved that the impeachment machinery forged by the Founding Fathers could work when public opinion overwhelmingly demanded that it be implemented. The principles that no person is above the law and that presidents must be held to strict accountability for their acts were strengthened. The United States of America, on the eve of its two-hundredth birthday as a republic, had eventually cleaned its own sullied house, giving an impressive demonstration of self-discipline and self-government to the rest of the world.

The First Unelected President

Gerald Rudolph Ford, the first man to be made president solely by a vote of Congress, entered the besmirched White House in August 1974 with serious handicaps. He was widely—and unfairly—suspected of being little more than a dim-witted former college football player. President Johnson had sneered that “Jerry” was so lacking in brainpower that he could not walk and chew gum at the same time. Worse, Ford had been selected, not elected, vice president, following Spiro Agnew’s resignation in disgrace. The sour odor of illegitimacy hung about this president without precedent.

Then, out of a clear sky, Ford granted a complete pardon to Nixon for any crimes he may have committed as president, discovered or undiscovered. Democrats were outraged, and lingering suspicions about the circumstances of the pardon cast a dark shadow over Ford’s prospects of being elected president in his own right in 1976.

Ford at first sought to enhance the so-called détente with the Soviet Union that Nixon had crafted. In July 1975 President Ford joined leaders from thirty-four other nations in Helsinki, Finland, to sign several sets of historic accords. One group of agreements officially wrote an end to World War II by finally legitimizing the Soviet-dictated boundaries of Poland and other Eastern European countries. In return, the Soviets signed a “third basket” of agreements, guaranteeing more liberal exchanges of people and information between East and West and protecting certain basic “human rights.” The Helsinki accords kindled small dissident movements in Eastern Europe and even in the USSR itself, but the Soviets soon poured ice water on these sputtering flames of freedom.

Western Europeans, especially the West Germans, cheered the Helsinki conference as a milestone of détente. But in the United States, critics increasingly charged that détente was proving to be a one-way street. American grain and technology flowed across the Atlantic to the USSR, and little of comparable importance flowed back. Moscow also continued its human rights violations, including restrictions on Jewish emigration, which prompted Congress in 1974 to add punitive restrictions to a U.S.-Soviet trade bill. Despite these difficulties, Ford at first clung stubbornly to détente. But the American public’s fury over Moscow’s double-dealing so steadily mounted that by the end of his term, the president was refusing even to pronounce the word détente in public. The thaw in the Cold War was threatening to prove chillingly brief.

Defeat in Vietnam

Early in 1975 the North Vietnamese gave full throttle to their long-expected drive southward. President Ford
urged Congress to vote still more weapons for Vietnam, but his plea was in vain, and without the crutch of massive American aid, the South Vietnamese quickly and ingloriously collapsed.

The dam burst so rapidly that the remaining Americans had to be frantically evacuated by helicopter, the last of them on April 29, 1975. Also rescued were about 140,000 South Vietnamese, most of them so dangerously identified with the Americans that they feared a bloodbath by the victorious communists. Ford compassionately admitted these people to the United States, where they added further seasoning to the melting pot. Eventually some 500,000 arrived (see “Makers of America: The Vietnamese,” pp. 954–955).

America’s longest, most frustrating war thus ended not with a bang but a whimper. In a technical sense, the Americans had not lost the war; their client nation had. The United States had fought the North Vietnamese to a standstill and had then withdrawn its troops in 1973, leaving the South Vietnamese to fight their own war, with generous shipments of costly American aircraft, tanks, and other munitions. The estimated cost to America was $118 billion in current outlays, together with some 56,000 dead and 300,000 wounded. The people of the United States had in fact provided just about everything, except the will to win—and that could not be injected by outsiders.

Technicalities aside, America had lost more than a war. It had lost face in the eyes of foreigners, lost its own self-esteem, lost confidence in its military prowess, and lost much of the economic muscle that had made possible its global leadership since World War II. Americans reluctantly came to realize that their power as well as their pride had been deeply wounded in Vietnam and that recovery would be slow and painful.

**Feminist Victories and Defeats**

As the army limped home from Vietnam, there was little rejoicing on the college campuses, where demonstrators had once braved tear gas and billy clubs to denounce the war. The antiwar movement, like many of the other protest movements that convulsed the country in the 1960s, had long since splintered and stalled. One major exception to this pattern stood out: although they had their differences, American feminists showed vitality and momentum. They won legislative
At first glance the towns of Westminster and Fountain Valley, California, seem to resemble other California communities nearby. Tract homes line residential streets; shopping centers flank the busy thoroughfares. But these are no ordinary American suburbs. Instead they make up “Little Saigons,” vibrant outposts of Vietnamese culture in the contemporary United States. Shops offer exotic Asian merchandise; restaurants serve such delicacies as lemongrass chicken. These neighborhoods, living reminders of America’s anguish in Vietnam, are a rarely acknowledged consequence of that sorrowful conflict.

Before South Vietnam fell in 1975, few Vietnamese ventured across the Pacific. Only in 1966 did U.S. immigration authorities even designate “Vietnamese” as a separate category of newcomers, and most early immigrants were the wives and children of U.S. servicemen. But as the communists closed in on Saigon, many Vietnamese, particularly those who had worked closely with American or South Vietnamese authorities, feared for their future. Gathering together as many of their extended-family members as they could assemble, thousands of Vietnamese fled for their lives. In a few hectic days in 1975, some 140,000 Vietnamese escaped before the approaching gunfire, a few dramatically clinging to the bottoms of departing helicopters. From Saigon they were conveyed to military bases in Guam and the Philippines. Another 60,000 less fortunate Vietnamese escaped at the same time over land and sea to Hong Kong and Thailand, where they waited nervously for permission to move on. To accommodate the refugees, the U.S. government set up camps across the nation. Arrivals were crowded into army barracks affording little room and less privacy. These were boot camps not for military service but for assimilation into American society. A rigorous program trained the Vietnamese in English, forbade children from speaking their native language in the classroom, and even immersed them in American slang. Many resented this attempt to mold them, to strip them of their culture.

Their discontent boiled over when authorities prepared to release the refugees from camps and board them with families around the nation. The resettlement officials had decided to find a sponsor for each Vietnamese family—an American family that would provide food, shelter, and assistance for the refugees until they could fend for themselves. But the Vietnamese people cherish their traditional extended families—grandparents, uncles, aunts, and cousins living communally with...
parents and children. Few American sponsors would accommodate a large extended family; fewer Vietnamese families would willingly separate.

The refugees were dispersed to Iowa, Illinois, Pennsylvania, New York, Washington, and California. But the settlement sites, many of them tucked away in rural districts, offered scant economic opportunities. The immigrants, who had held mainly skilled or white-collar positions in Vietnam, bristled as they were herded into menial labor. As soon as they could, they relocated, hastening to established Vietnamese enclaves around San Francisco, Los Angeles, and Dallas.

Soon a second throng of Vietnamese immigrants pushed into these Little Saigons. Fleeing from the ravages of poverty and from the oppressive communist government, these stragglers had crammed themselves and their few possessions into little boats, hoping to reach Hong Kong or get picked up by ships. Eventually many of these “boat people” reached the United States. Usually less educated than the first arrivals and receiving far less resettlement aid from the U.S. government, they were, however, more willing to start at the bottom. Today these two groups total more than half a million people. Differing in experience and expectations, the Vietnamese share a new home in a strange land. Their uprooting is an immense, unreckoned consequence of America’s longest war.
and judicial victories and provoked an intense rethinking of gender roles. (On the roots of this movement, see “Makers of America: The Feminists,” pp. 958–959.) Thousands of women marched in the Women’s Stride for Equality on the fiftieth anniversary of women’s suffrage in 1970. In 1972 Congress passed Title IX of the Education Amendments, prohibiting sex discrimination in any federally assisted educational program or activity. Perhaps this act’s biggest impact was to create opportunities for girls’ and women’s athletics at schools and colleges, giving birth to a new “Title IX generation” that would reach maturity in the 1980s and 1990s and help professionalize women’s sports as well. The Equal Rights Amendment (ERA) to the Constitution won congressional approval in 1972. It declared, “Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.” Twenty-eight states quickly ratified the amendment, first proposed by suffragists in 1923. Hopes rose that the ERA might soon become the law of the land. Even the Supreme Court seemed to be on the movement’s side. In Reed v. Reed (1971) and Frontiero v. Richardson (1973), the Court challenged sex discrimination in legislation and employment. And in the landmark case of Roe v. Wade (1973), the Court struck down laws prohibiting abortion, arguing that a woman’s decision to terminate a pregnancy was protected by the constitutional right of privacy. But the feminist movement soon faced a formidable backlash. In 1972 President Nixon vetoed a proposal to set up nationwide public day care, saying it would weaken the American family. Antifeminists blamed the women’s movement for the rising divorce rate, which tripled between 1960 and 1976. And the Catholic Church and the religious right organized a powerful grassroots movement to oppose the legalization of abortion. For many feminists the most bitter defeat was the death of the ERA. With ratification by thirty-eight state legislatures, the amendment would have become part of the Constitution. Conservative spokeswoman Phyllis Schlafly led the campaign to stop the ERA. Its advocates, she charged, were just “bitter women seeking a constitutional cure for their personal problems.” In 1979 Congress extended the deadline for ratification, but ERA opponents dug in their heels. The amendment died in 1982, three states short of success.

The Abortion Wars

Pro-choice and pro-life demonstrators brandish their beliefs. By the end of the twentieth century, the debate over abortion had become the most morally charged and divisive issue in American society since the struggle over slavery in the nineteenth century.

The Seventies in Black and White

Although the civil rights movement had fractured, race remained an explosive issue in the 1970s. The Supreme Court in Milliken v. Bradley (1974) blindsided school integrationists when it ruled that desegregation plans could not require students to move across school-district lines. The decision effectively exempted suburban districts from shouldering any part of the burden of desegregating inner-city schools, thereby reinforcing
“white flight” from cities to suburbs. By the same token, the decision distilled all the problems of desegregation into the least prosperous districts, often pitting the poorest, most disadvantaged elements of the white and black communities against one another.

Affirmative-action programs also remained highly controversial. White workers who were denied advancement and white students who were refused college admission continued to raise the cry of “reverse discrimination,” charging that their rights had been violated by employers and admissions officers who put more weight on racial or ethnic background than on ability or achievement.

One white Californian, Allan Bakke, made headlines in 1978 when the Supreme Court, by the narrowest of margins (five to four) upheld his claim that his application to medical school had been turned down because of an admissions program that favored minority applicants. In a tortured decision, reflecting the troubling moral ambiguities and insoluble political complexities of this issue, the Court ordered the University of California at Davis medical school to admit Bakke, and declared that preference in admissions could not be given to members of any group, minority or majority, on the basis of ethnic or racial identity alone. Yet at the same time, the Court said that racial factors might be taken into account in a school's overall admissions policy for purposes of assembling a diverse student body. Among the dissenters on the sharply divided bench was the Court's only black justice, Thurgood Marshall. He warned in an impassioned opinion that the denial of racial preferences might sweep away years of progress by the civil rights movement. But many conservatives cheered the decision as affirming the principle that justice is colorblind.

Inspired by the civil rights movement, Native Americans in the 1970s gained remarkable power through using the courts and well-planned acts of civil disobedience. But while blacks had fought against segregation, Indians used the tactics of the civil rights movement to assert their status as separate semisovereign peoples. Indian activists captured the nation’s attention by seizing the island of Alcatraz in 1970 and the village of Wounded Knee, South Dakota, in 1972. A series of victories in the courts consolidated the decade's gains. In the case of United States v. Wheeler (1978), the Supreme Court declared that Indian tribes possessed a “unique and limited” sovereignty, subject to the will of Congress but not to individual states.

The Bicentennial Campaign and the Carter Victory

America’s two-hundredth birthday, in 1976, fell during a presidential election year—a fitting coincidence for a proud democracy. Gerald Ford energetically sought nomination for the presidency in his own right and won the Republican nod at the Kansas City convention. The Democratic standard-bearer was fifty-one-year-old James Earl Carter, Jr., a dark-horse candidate who galloped out of obscurity during the long primary-election season. A peanut farmer and former Georgia
A well-to-do housewife and mother of seven, Elizabeth Cady Stanton (1815–1902) was an unlikely revolutionary. Yet this founding mother of American feminism devoted seven decades of her life to the fight for women’s rights.

Young Elizabeth Cady drew her inspiration from the fight against slavery. In 1840 she married fellow abolitionist Henry Stanton. Honeymooning in London, they attended the World Anti-Slavery Convention, where women were forced to sit in a screened-off balcony above the convention floor. This insult awakened Stanton to the cause that would occupy her life. With Lucretia Mott and other female abolitionists, Stanton went on to organize the Seneca Falls Convention in 1848. There she presented her Declaration of Sentiments, modeled on the Declaration of Independence and proclaiming that “all men and women are created equal.” She demanded for women the right to own property, to enter the professions, and, most daring of all, to vote.

As visionaries of a radically different future for women, early feminists encountered a mountain of hostility and tasted bitter disappointment. Stanton failed in her struggle to have women included in the Fourteenth Amendment to the U.S. Constitution, which granted African Americans equal citizenship. She died before seeing her dream of woman suffrage realized in the Nineteenth Amendment (1920). Yet by imagining women’s emancipation as an expansion of America’s founding principles of citizenship, Stanton charted a path that other feminists would follow a century later.

Historians use the terms “first wave” and “second wave” to distinguish the women’s movement of the nineteenth century from that of the late twentieth century. The woman most often credited with launching the “second wave” is Betty Friedan (b. 1921). Growing up in Peoria, Illinois, Friedan had seen her mother grow bitter over sacrificing a journalism career to raise her family.

Elizabeth Cady Stanton (1815–1902) and Two of Her Sons, 1848 In the same year, Stanton delivered her Declaration of Sentiments to the first Woman’s Rights Convention in Seneca Falls, New York. Modeled on the Declaration of Independence, it demanded equal political and social rights for women—issues that were still contentious a century and a half later.
“comfortable concentration camp” of the suburban home. The book struck a resonant chord and catapulted its author onto the national stage. In 1966 Friedan cofounded the National Organization for Women (NOW), the chief political arm of second-wave feminism.

Just as first-wave feminism grew out of abolitionism, the second wave drew ideas, leaders, and tactics from the civil rights movement of the 1960s. Civil rights workers and feminists alike focused on equal rights. NOW campaigned vigorously for an Equal Rights Amendment that in 1982 fell just three states short of ratification.

Second-wave feminism also had an avowedly radical wing, supported by younger women who were eager to challenge almost every traditional male and female gender role and to take the feminist cause to the streets. Among these women was Robin Morgan (b. 1941). As a college student in the 1960s, Morgan was active in civil rights organizations like the Congress of Racial Equality (CORE) and the Student Nonviolent Coordinating Committee (SNCC). Civil rights activism provided Morgan with a model for crusading against social injustice. It also exposed her to the same sexism that plagued society at large. Women in the movement who protested against gender discrimination met ridicule, as in SNCC leader Stokely Carmichael’s famous retort, “The only position for women in SNCC is prone.” Morgan went on to found WITCH (Women’s International Terrorist Conspiracy from Hell), made famous by its protest at the 1968 Miss America pageant in Atlantic City, New Jersey. There demonstrators crowned a sheep Miss America and threw symbols of women’s oppression—bras, girdles, dishcloths—into trash cans. (Contrary to news stories, they did not burn the bras.)

As the contrast between WITCH and NOW suggests, second-wave feminism was a remarkably diverse movement. Feminists in the late twentieth century disagreed over many issues—from pornography and marriage to how much to expect from government, capitalism, and men. Some feminists placed a priority on gender equality—for example, full female service in the military. Others defended a feminism of gender difference—such as maternity leave and other special protections for women in the workplace.

Still, beyond these differences feminists had much in common. Most advocated a woman’s right to choose in the battle over abortion rights. Most regarded the law as the key weapon against gender discrimination. By century’s end radical and moderate feminists alike could take pride in a host of achievements that had changed the landscape of gender relations beyond what most people could have imagined at midcentury. Yet, like Elizabeth Cady Stanton, second-wave feminists also shared the burden of understanding that the goals of genuine equality would take more than a lifetime to achieve.

The governor who insisted on humble “Jimmy” as his first name, this born-again Baptist touched many people with his down-home sincerity. He ran against the memory of Nixon and Watergate as much as he ran against Ford. His most effective campaign pitch was his promise that “I’ll never lie to you.” Untainted by ties with a corrupt and cynical Washington, he attracted voters as an outsider who would clean the disorderly house of “big government.”

Carter squeezed out a narrow victory on election day, with 51 percent of the popular vote. The electoral count stood at 297 to 240. The winner swept every state except Virginia in his native South. Especially important were the votes of African Americans, 97 percent of whom cast their ballots for Carter.

Carter enjoyed hefty Democratic majorities in both houses of Congress. Hopes ran high that the stalemate of the Nixon-Ford years between a Republican White House and a Democratic Capitol Hill would now be ended. At first Carter enjoyed notable success, as Congress granted his requests to create a new cabinet-level Department of Energy and to cut taxes. The new president’s popularity remained exceptionally high during his first few months in office, even when he courted public disfavor by courageously keeping his campaign promise to pardon some ten thousand draft evaders of the Vietnam War era.

But Carter’s honeymoon did not last long. An inexperienced outsider, he had campaigned against the Washington “establishment” and never quite made the transition to being an insider himself. He repeatedly rubbed congressional fur the wrong way, especially by failing to consult adequately with the leaders. Critics charged that he isolated himself in a shallow pool of fellow Georgians, whose ignorance of the ways of Washington compounded the problems of their greenhorn chief.

A Sad Day for Old Glory

In 1976 America’s bicentennial year, anti-busing demonstrators convulsed Boston, the historic “cradle of liberty.” White disillusionment with the race-based policies that were a legacy of Lyndon Johnson’s “Great Society” programs of the 1960s helped to feed the conservative, antigovernment movement that elected Ronald Reagan in 1980.

Carter’s Humanitarian Diplomacy

As a committed Christian, President Carter displayed from the outset an overriding concern for “human rights” as the guiding principle of his foreign policy. In the African nations of Rhodesia (later Zimbabwe) and South Africa, Carter and his eloquent U.N. ambassador, Andrew Young, championed the oppressed black majority.

The president’s most spectacular foreign-policy achievement came in September 1978 when he invited President Anwar Sadat of Egypt and Prime Minister Menachem Begin of Israel to a summit conference at Camp David, the woodsy presidential retreat in the Maryland highlands. Skillfully serving as go-between, Carter persuaded the two visitors to sign an accord (September 17, 1978) that held considerable promise of peace. Israel agreed in principle to withdraw from territory conquered in the 1967 war, and Egypt in return promised to respect Israel’s borders. Both parties pledged themselves to sign a formal peace treaty within three months.
Carter's Foreign and Economic Policies

The president crowned this diplomatic success by resuming full diplomatic relations with China in early 1979 after a nearly thirty-year interruption. Carter also successfully proposed two treaties turning over complete ownership and control of the Panama Canal to the Panamanians by the year 2000.

Despite these dramatic accomplishments, trouble stalked Carter’s foreign policy. Overshadowing all international issues was the ominous reheating of the Cold War with the Soviet Union. Détente fell into disrepute as thousands of Cuban troops, assisted by Soviet advisers, appeared in Angola, Ethiopia, and elsewhere in Africa to support revolutionary factions. Arms-control negotiations with Moscow stalled in the face of this Soviet military meddling.

Economic and Energy Woes

Adding to Carter’s mushrooming troubles was the failing health of the economy. A stinging recession during Gerald Ford’s presidency brought the inflation rate down temporarily, but virtually from the moment of Carter’s inauguration, prices resumed their dizzying ascent, driving the inflation rate well above 13 percent by 1979. The soaring bill for imported oil plunged America’s balance of payments deeply into the red (an unprecedented $40 billion in 1978).
The “oil shocks” of the 1970s taught Americans a painful but necessary lesson: that they could never again seriously consider a policy of economic isolation, as they had tried to do in the decades between the two world wars. For most of American history, foreign trade had accounted for no more than 10 percent of gross national product (GNP). But huge foreign-oil bills drove that figure steadily upward in the 1970s and thereafter. By the century’s end, some 27 percent of GNP depended on foreign trade. Unable to dominate international trade and finance as easily as they once had, Americans would have to master foreign languages and study foreign cultures if they wanted to prosper in the rapidly globalizing economy.

Yawning deficits in the federal budget, reaching nearly $60 billion in 1980, further aggravated the U.S. economy’s inflationary ailments. The elderly and other Americans living on fixed incomes suffered from the shrinking dollar. People with money to lend pushed interest rates ever higher, hoping to protect themselves from being repaid in badly depreciated dollars. The “prime rate” (the rate of interest that banks charge their very best customers) vaulted to an unheard-of 20 percent in early 1980. The high cost of borrowing money shoved small businesses to the wall and strangled the construction industry, heavily dependent on loans to finance new housing and other projects.

Carter diagnosed America’s economic disease as stemming primarily from the nation’s costly dependence on foreign oil. Unfortunately, his legislative proposals in 1977 for energy conservation ignited a blaze of indifference among the American people, who had already forgotten the long gasoline lines of 1973.

Events in Iran jolted Americans out of their complacency about energy supplies in 1979. The imperious Mohammed Reza Pahlevi, installed as shah of Iran with help from America’s CIA in 1953, had long ruled his oil-rich land with a will of steel. His repressive regime was finally overthrown in January 1979. Violent revolution was spearheaded in Iran by Muslim fundamentalists who fiercely resented the shah’s campaign to westernize and secularize his country. Denouncing the United States as the “Great

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The History of the Consumer Price Index, 1967–2002  This graph shows both the annual percentage of inflation and the cumulative shrinkage in the dollar’s value since 1967. (By 2002 it took more than five dollars to buy what one dollar purchased in 1967.) Although consumer price increases slowed between 2000 and 2002, the rising cost of oil in 2004 reversed that trend. (Sources: Bureau of Labor Statistics and Statistical Abstract of the United States, relevant years.)
Satan” that had abetted the shah’s efforts, these extremists engulfed Iran in chaos in the wake of his departure. The crippling upheavals soon spread to Iran’s oil fields. As Iranian oil stopped flowing into the stream of world commerce, shortages appeared, and OPEC again seized the opportunity to hike petroleum prices. Americans once more found themselves waiting impatiently in long lines at gas stations or buying gasoline only on specified days.

As the oil crisis deepened, President Carter sensed the rising temperature of popular discontent. In July 1979 he retreated to the presidential mountain hideaway at Camp David, where he remained largely out of public view for ten days. Like a royal potentate of old, summoning the wise men of the realm for their counsel in a time of crisis, Carter called in over a hundred leaders from all walks of life to give him their views. Meanwhile, the nation waited anxiously for the results of these extraordinary deliberations.

When Carter came down from the mountaintop on July 15, 1979, he stunned a perplexed nation by chiding his fellow citizens for falling into a “moral and spiritual crisis” and for being too concerned with “material goods.” A few days later, in a bureaucratic massacre of almost unprecedented proportions, he fired four cabinet secretaries and circled the wagons of his Georgia advisers more tightly about the White House by reorganizing and expanding the power of his personal staff. Critics began to wonder aloud whether Carter, the professed man of the people, was losing touch with the popular mood of the country.

President Jimmy Carter (b. 1924) delivered what became known as his “malaise” speech (although he never used the word) on television in 1979. In time cultural conservatives would take up his theme to support their call for a return to “traditional values”:

“In a nation that was proud of hard work, strong families, close-knit communities, and our faith in God, too many of us now tend to worship self-indulgence and consumption. Human identity is no longer defined by what one does, but by what one owns. But we’ve discovered that owning things and consuming things does not satisfy our longing for meaning. We’ve learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose. . . . The symptoms of this crisis of the American spirit are all around us.”

Hopes for a less dangerous world rose slightly in June 1979, when President Carter met with Soviet leader Leonid Brezhnev in Vienna to sign the long-stalled SALT II agreements, limiting the levels of lethal strategic weapons in the Soviet and American arsenals. But conservative critics of the president’s defense policies, still regarding the Soviet Union as the Wicked Witch of the East, unsheathed their long knives to carve up the SALT II treaty when it came to the Senate for debate in the summer of 1979.

Political earthquakes in the petroleum-rich Persian Gulf region finally buried all hopes of ratifying the SALT II treaty. On November 4, 1979, a howling mob of rabidly anti-American Muslim militants stormed the United States embassy in Teheran, Iran, and took all of its occupants hostage. The captors then demanded that the American authorities ship back to Iran the exiled shah, who had arrived in the United States two weeks earlier for medical treatment.
World opinion hotly condemned the diplomatic felony in Iran, while Americans agonized over both the fate of the hostages and the stability of the entire Persian Gulf region, so dangerously close to the Soviet Union. The Soviet army then aroused the West’s worst fears on December 27, 1979, when it blitzed into the mountainous nation of Afghanistan, next door to Iran, and appeared to be poised for a thrust at the oil jugular of the gulf.

President Carter reacted vigorously to these alarming events. He slapped an embargo on the export of grain and high-technology machinery to the USSR and called for a boycott of the upcoming Olympic Games in Moscow. He proposed the creation of a “Rapid Deployment Force” to respond to suddenly developing crises in faraway places and requested that young people (including women) be made to register for a possible military draft. The president proclaimed that the United States would “use any means necessary, including force,” to protect the Persian Gulf against Soviet incursions. He grimly conceded that he had misjudged the Soviets, and the SALT II treaty became a dead letter in the Senate. Meanwhile, the Soviet army met unexpectedly stiff resistance in Afghanistan and bogged down in a nasty, decade-long guerrilla war that came to be called “Russia’s Vietnam.”

The Iranian hostage episode was Carter’s—and America’s—bed of nails. The captured Americans languished in cruel captivity, while the nightly television news broadcasts in the United States showed humiliating scenes of Iranian mobs burning the American flag and spitting on effigies of Uncle Sam.

Carter at first tried to apply economic sanctions and the pressure of world public opinion against the Iranians, while waiting for the emergence of a stable government with which to negotiate. But the political turmoil in Iran rumbled on endlessly, and the president’s frustration grew. Carter at last ordered a daring rescue mission. A highly trained commando team penetrated deep into Iran’s sandy interior. Their plan required ticktock-perfect timing to succeed, and when equipment failures prevented some members of the team from reaching their destination, the mission had to be scrapped. As the commandos withdrew in the dark desert night, two of their aircraft collided, killing eight of the would-be rescuers.

This disastrous failure of the rescue raid proved anguishing for Americans. The episode seemed to underscore the nation’s helplessness and even incompetence in the face of a mortifying insult to the national honor. The stalemate with Iran dragged on throughout the rest of Carter’s term, providing an embarrassing backdrop to the embattled president’s struggle for reelection.
## Chronology

<table>
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<th>Year</th>
<th>Events</th>
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| **1970** | Nixon orders invasion of Cambodia  
Kent State and Jackson State incidents  
Environmental Protection Agency (EPA) created  
Clean Air Act |
| **1971** | Pentagon Papers published |
| **1972** | Twenty-sixth Amendment (lowering voting age to eighteen) passed  
Nixon visits China and the Soviet Union  
Shanghai Communiqué begins “normalization” of U.S.-Chinese relations  
ABM and SALT I treaties ratified  
Nixon defeats McGovern for presidency  
Equal Rights Amendment passes Congress (not ratified by states)  
Title IX of Education Amendments passed |
| **1973** | Vietnam cease-fire and U.S. withdrawal  
Agnew resigns; Ford appointed vice president  
War Powers Act  
Arab-Israeli war and Arab oil embargo  
Endangered Species Act  
Frontiero v. Richardson  
Roe v. Wade |
| **1973-1974** | Watergate hearings and investigations  
Nixon resigns; Ford assumes presidency  
First OPEC oil-price increase  
International Energy Agency formed  
Milliken v. Bradley |
| **1974** | Helsinki accords  
South Vietnam falls to communists  
Carter defeats Ford for presidency  
Egyptian-Israeli Camp David agreement  
United States v. Wheeler |
| **1975** | Iranian revolution and oil crisis  
SALT II agreements signed (never ratified by Senate)  
Soviet Union invades Afghanistan |
| **1979-1981** | Iranian hostage crisis |

For further reading, see the Appendix. For web resources, go to [http://college.hmco.com](http://college.hmco.com).