

The 1970s: A Crisis in Confidence

The "Overextended Society" of the 1970s was defined by:

- ⌘ Low economic growth & unemployment
- ⌘ Distrust of government
- ⌘ Watergate
- ⌘ "Passionless" clear leadership
- ⌘ An end of the Cold War

In the 1920s, the economy was so good that the decade was referred to as the "Roaring 20s"

In the 1950s, the economy was so good that the decade was referred to as the "Affluent Society"

The economy & mood in America were so **bad** in the 1970s that the decade was called the "Overextended Society"

To punish Israel's allies when Egypt
The fuel shortage led to a 200% increase
Led to worst recession since Depression

In the 1970s, 2 great oil shocks hit the U.S. economy:

- ⌘ In 1973, the Arab members of OPEC initiated a 5% cut on production & an embargo against the U.S.
- ⌘ The Iranian Revolution in 1979 cut off oil & led to another gas-shortage & soaring interest rates



The Search for an Energy Policy

These oil shocks hit its dependency on

Mandated gas mileage requirements, speed limits, & price controls on domestic oil

Nuclear plants & Alaskan oil pipeline

Environmental impact

- ⌘ The new concept of Energy (1977) emphasized conservation & domestic energy production
- ⌘ Still...U.S. oil imports rose 50% from 1973 to 1979

Workers' wages did not keep up with rising prices
The 1970s economy grew stagnant:

A stagnant economy & hamburger prices
STAGFLATION High inflation

1970s experienced stagflation:
⌘ Due to Vietnam, deficit spending, global food shortage, oil shocks

Neither Ford nor Carter could stop "stagflation;" Carter's policies actually drove interest rates up as high as 20%

Gerald Ford Presidency (1974 to 1977)

- ❖ Only non-elected VP and President.
- ❖ Famous quote: **"HEALING PROCESS MUST BEGIN"**
- ❖ Pardoned Richard Nixon and granted amnesty
- ❖ Did little domestically or in foreign affairs because Congress was controlled by the Democrats.
 - Instituted campaign to "Whip Inflation Now" (WIN)
- ❖ He was a Republican
- ❖ 1975, Saigon fell to the North Vietnam and Vietnam was united under Communism.
- ❖ HELSINKI ACCORDS



Ford Becomes President

- When Gerald Ford took over the Presidency following Nixon's resignation, he was viewed as a popular and noncontroversial political figure.
- Ford named New York Governor Nelson Rockefeller as Vice President, rounding off an administration in which neither the President nor the Vice President had been elected.

The Nixon Pardon

- At the beginning of Ford's presidency, *Time* magazine noted "a mood of good feeling and even exhilaration in Washington." However, this was soon to change.
- A month after Nixon's resignation, Ford pardoned the former President for "all offenses" he might have committed, avoiding future prosecution.
- This decision proved to be unpopular, both among the general public and among Nixon loyalists still facing prosecution. As a result, many Republicans were voted out of office in the 1974 congressional elections.

Economic Problems

The Economy Stalls

- Preoccupation with Watergate had prevented Nixon from dealing with the economy.
- By 1974, both inflation and unemployment were rising making the economy stagnant. Economists named this situation **stagflation**.
- Although Ford tried to restore public confidence in the economy with the voluntary "Whip Inflation Now," or WIN program, he later recognized the need for more direct action.

Government Spending and Conflicts With Congress

- Although Ford was generally against government spending, he supported an increase in unemployment benefits and a tax cut in an effort to help the economy.
- Ford was often at odds with the Democratic-controlled Congress, which wanted the government to take a more active role in the economy.
- In response to Ford's vetoes, Congress created the highest percentage of veto overrides since the 1850s.

Foreign Policy—Southeast Asia

- When North Vietnam began a new offensive against the South in the spring of 1975, Ford asked for military aid to help South Vietnam.
- However, both Congress and the American people were against further involvement in Vietnam.
- To prevent such involvement, Congress was prepared to invoke the **War Powers Act**, a Nixon-era law limiting the President's ability to involve the United States in foreign conflicts without receiving a formal declaration of war from Congress.
- When Communist Cambodia captured the American merchant ship *Mayaguez*, Ford sent the marines to recapture the ship. Forty-one American lives were lost in the effort, but the incident dispelled impressions of American weakness in Southeast Asia.

Foreign Policy - Asia, Europe, and Africa

- **Asia** — Ford continued Nixon's goals of friendship with China and was the first American President to visit Japan.
- **Europe and the Soviet Union** — In 1975, Ford signed the **Helsinki Accords**, a series of agreements on European security. He also continued Strategic Arms Limitation Talks (SALT) with the Soviet Union.
- **Africa** — Ford's administration aimed to develop relationships with African countries newly independent from colonial rule.

Helsinki Accords

- 1975 Conference on security and cooperation held in Helsinki, Finland
- Between Eastern and Western Europe
- Agreement sets forth basic human rights all nations acknowledge and accept - Soviets generally ignore
- Sought cooperation between Soviets & the west to recognize & accept spheres of influence throughout Europe & the world



The Nation's Birthday

- America's **bicentennial**, or 200th anniversary, provided Americans, discouraged by Watergate, Vietnam, and the economy, an opportunity to celebrate.
- Parades, concerts, air shows, political speeches, and fireworks took place on and around July 4, 1976, the 200th anniversary of the signing of the Declaration of Independence.



Jimmy Carter's Presidency

- ❖ Americans were attracted to Carter
 - "Washington outsider"
 - Unwilling to participate in consensus politics, alienates key Democrats
- ❖ Human Rights Diplomacy
- ❖ Panama Canal
- ❖ Camp David Accords (1978)
- ❖ Iran Hostage Crisis (1979)
- ❖ Afghan Invasion (1980)
- ❖ Inflation
- ❖ Rising Interest Rates
- ❖ Gives 'crisis of confidence' speech reflecting what voters see in him
- ❖ Loses re-election campaign to Reagan



Carter's Presidency

- Although Gerald Ford had the advantage of being the **incumbent**, or current office holder, he faced strong opposition from Republicans inside his own party during the 1976 presidential election. Democrat James Earl ("Jimmy") Carter won the election by a narrow margin.
- Carter had no national political experience and lacked an ability to win reluctant politicians over to his side. Nevertheless, he was well-liked for his informal approach to the presidency.
- As President, Carter appointed more women and minorities to his staff than previous administrations.

Carter's Domestic Policies—Economic Issues and Deregulation

Economic Issues

- Carter had inherited an unstable economy in which inflation and unemployment continued to grow.
- In response, Carter cut federal spending, mostly on social programs. This cut angered liberal Democrats.
- As bond prices fell and interest rates rose, Americans lost confidence in Carter and his economic advisors.

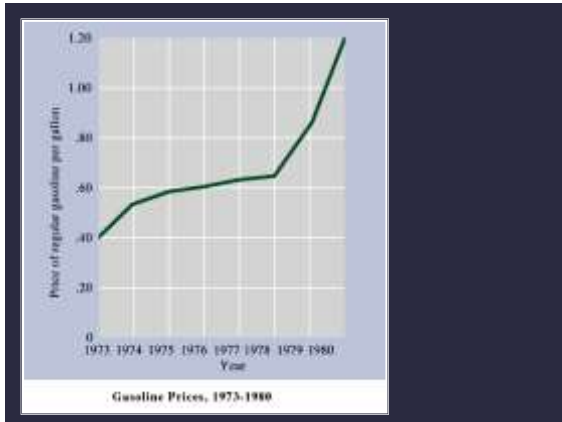
Deregulation

- Carter felt that government controls on certain industries, put in place in the 1800s and early 1900s, hurt competition and increased consumer costs.
- His move toward deregulation, the reduction or removal of government controls, affected the energy, railroad, trucking, and airline industries.
- This move, which continued during the next two administrations, also angered many Democrats.

Energy Issues

Energy Issues During Carter's Presidency

- **Carter's Energy Plan** — To save on rising oil prices, Carter asked Americans to conserve fuel in their homes, cars, and businesses. He also created a new Cabinet department, the Department of Energy.
- **Response to Carter's Energy Plan** — States that produced oil and gas fiercely opposed Carter's conservation plans. The National Energy Act, passed in 1978, incorporated many of Carter's directives.
- **Alternative Energy Sources and Three Mile Island** — One of Carter's goals was to seek alternative energy sources. A partial meltdown of a nuclear reactor at Three Mile Island near Harrisburg, Pennsylvania, eroded people's confidence in nuclear power.



Civil Rights Issues

- Carter's concern for moral values influenced his civil rights actions. Soon after taking office, he granted **amnesty**, or a general pardon, to those who had evaded the draft during the Vietnam War.
- Many of Carter's staff appointments won the approval of African Americans. However, many African Americans were disappointed by his weak support for social programs.
- Affirmative action policies, which aimed to make up for past discrimination against women and minorities, were a controversial issue during Carter's presidency. In the landmark case ***Regents of the University of California v. Bakke***, the Supreme Court ruled that race could be a factor in school admissions but that numerical quotas could not be used.

Carter's Foreign Policy

Camp David Accords

- In 1978, Carter brought Egyptian President Anwar el-Sadat and Israeli Prime Minister Menachem Begin together for negotiations at Camp David.
- The resulting framework for Middle East peace, known as the **Camp David Accords**, was an important step toward peace in the Middle East.
- Under its terms, Israel agreed to withdraw from the Sinai Peninsula, and Egypt became the first Arab country to recognize Israel officially.

Soviet-American Relations

- Although détente was at a high point when Carter took office, by the end of his term it was effectively dead.
- Soviets were angered by Carter's support of Soviet **dissidents**, writers and other activists who criticized the actions of their government.
- Although a second round of **Strategic Arms Limitation Talks (SALT II)** was begun, the resulting treaty was never ratified. Still, both nations followed its terms.



Celebrating the Camp David Accords:
Menachem Begin, Jimmy Carter, & Anwar Sadat

Arab-Israeli Peace

- Carter brings Egyptian president Anwar Sadat and Israeli Prime Minister Menachem Begin together for negotiation
- Historic treaty gives Israel first recognition by Arab nation
- **Camp David Peace Accords** signed in 1978
- Greatest feat of Carter's presidency



Soviet Invasion of Afghanistan, 1979



Soviet Invasion of Afghanistan

- Late in 1979, the Soviet Union invaded neighboring Afghanistan to bolster a Soviet-supported government there. Carter called the invasion "a clear threat to the peace" and took steps to show American disapproval of the Soviet aggression.
- As one of these steps, Carter imposed a boycott on the 1980 summer Olympic Games to be held in Moscow. Sixty other nations eventually joined the boycott.

SOVIET-AFGHANISTAN WAR



- Afghanistan, an Islamic country along the southern border of the Soviet Union, had been run by a Communist, pro-Soviet government for a number of years.
- However, a strong Muslim rebel group known as the *mujahideen* was intent on overthrowing the Afghan government.
- Fearing a rebel victory in Afghanistan, the Soviet Union sent troops to Afghanistan in late 1979.
- While the Soviets had superior weaponry, the rebels fought the Soviets to a stalemate by using guerrilla tactics and intimate knowledge of the country's mountainous terrain.

SOVIET-AFGHANISTAN WAR



- After suffering thousands of casualties, the last Soviet troops pulled out of Afghanistan in February 1989.
- Fighting between rival factions continued for years.
- By 2000, the Taliban, a radical Muslim faction, controlled 90 percent of Afghanistan.

Soviets in Afghanistan

- USSR invades in 1979 when communist regime is threatened by Shiite Muslim faction
- Soviets get bogged down & fight long & fruitless war
- US backs Muslim rebels at the time for anti-communism goals
- Carter boycotts 1980 Olympics and embargoes grain sales
- Soviets withdraw after 10 years

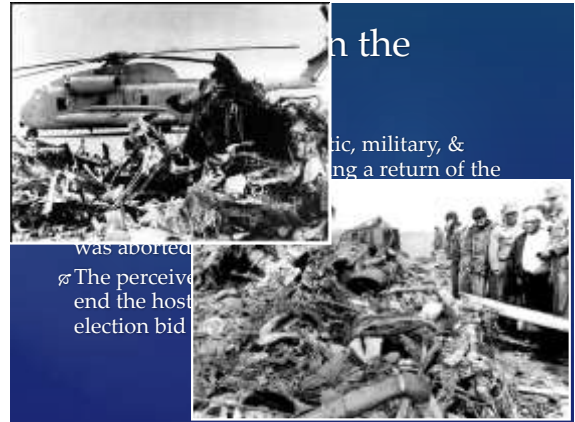


The Iranian Hostage Crisis



The Iran Hostage Crisis

- In January 1979, revolution broke out in Iran, replacing its pro-American shah, Mohammed Reza Shah Pahlevi, with Ayatollah Ruholla Khomeini, an anti-Western leader.
- When Carter allowed the displaced shah to enter the United States for medical treatment, angry Khomeini followers seized the American embassy in Tehran, Iran's capital. Fifty-two Americans were taken hostage and moved from place to place over the course of 444 days.
- Carter's failed attempts to secure the hostages' freedom decreased his popularity and made his chances for reelection appear slim.



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Iranian Hostage Crisis

- Fundamentalist Muslim movement overthrows Shah of Iran for Ayatollah Khomeini
- US allows Shah in country for medical treatment
- Iranians take 52 Americans in embassy hostage - hold until Carter leaves office



Human Rights

- Carter vows to make human rights concerns paramount in dealing with other nations instead of strategic concerns
- But to facilitate cooperation, Carter overlooks violations in China, Iran, South Korea and the Philippines
- Carter recognizes Sandinistas in Nicaragua because of friendliness to US
- Carter pays Panamanians back for violations of national sovereignty by guiding return of Panama Canal

Limiting Nukes

- Carter proposes further reduction of nuclear weapons with SALT II treaty negotiated with Soviets
- Congress wary of treaty - Carter withdraws before vote
- Reagan campaigns for US to regain strength against the "Evil Empire"
- After 1980, Reagan wants more nuclear weapons with a Strategic Defense Initiative (SDI or Star Wars) as satellite shield against Soviet warheads

The 1980 Election

- By the end of Carter's term, his administration had lost the confidence of many Americans. Although Carter ran for reelection, the nation instead chose conservative Republican candidate Ronald Reagan by a landslide.
- In early 1981, following months of secret talks, Iran agreed to release the hostages. President Reagan sent Carter to greet the hostages as they arrived at a U.S. military base in West Germany.