Why It Matters

Incredible change marked the last part of the twentieth century. The Cold War came to an end. Faith in government was shaken by presidential scandal. As the United States entered a new century, new challenges emerged. The American people responded to terrorism by looking for new ways to preserve and protect their ideals in a changing world. The following resources offer more information about this period in American history.

Primary Sources Library

See pages 978–979 for primary source readings to accompany Unit 11.

Use the American history Primary Source Document Library CD-ROM to find additional primary sources about Modern America.

The International Space Station

Decorative flag, computer art
“America, at its best, is compassionate.”
—President George W. Bush, 2001 Inaugural Address
Why It Matters

During the 1960s and 1970s, the American people’s view of the nation and the government changed. Some believed that the United States had lost its position as the economic and political leader of the free world. Yet the American system of constitutional government worked and survived.

The Impact Today

Today many Americans continue to express doubts about the political system. Mistrust of politicians, especially “Washington insiders,” has reduced voter turnout in elections. It has also spurred the creation of political movements outside the two major parties.

The American Journey Video  The chapter 31 video, “Watergate,” details the events in the Watergate controversy.
Celebrating the Bicentennial  Fireworks light up the Statue of Liberty during celebration of the nation’s 200th birthday on July 4, 1976.

1975
- 36 nations agree to Helsinki Accords

1976
- First test-tube baby born in London

1977
- Iranians take 52 U.S. hostages
- Accident at Three Mile Island
- Panama Canal treaties signed

1978
- First test-tube baby born in London
- Soviet troops invade Afghanistan

1979
- Iranians take 52 U.S. hostages
- Accident at Three Mile Island
- U.S. boycotts Moscow Olympics

1980
- U.S. boycotts Moscow Olympics
- Iranians release U.S. hostages

1981
- Iranians release U.S. hostages

1982
- Scientists identify AIDS
- U.S. boycotts Moscow Olympics

Why did President Nixon resign?
What led to better relations with China?
What happened in Iran in 1979?
Who won the election of 1980?
To improve relations with the Communist world, President Richard Nixon made a historic visit to China in February 1972. Nixon later described how he felt upon his arrival in Beijing, the Chinese capital: “... The Star Spangled Banner’ had never sounded so stirring to me as on that windswept runway in the heart of Communist China. ... As we left the airport, [Chinese leader Zhou Enlai] said, ‘Your handshake came over the vastest ocean in the world—twenty-five years of no communication.’”

**Easing the Cold War**

In his Inaugural Address on January 20, 1969, President Richard M. Nixon told the American people, “The greatest honor ... is the title of peacemaker.” Many Americans wondered whether Nixon fit the role of peacemaker. During his years in Congress, he had gained a reputation as a fierce enemy of communism. Few people imagined that Nixon, the anti-Communist crusader, would introduce policies to improve America’s relations with the Communist world.
Behind the Iron Curtain

President Nixon intended to leave his mark on foreign policy. He hoped to build a more stable, peaceful world by reaching out to the Soviet Union and the People’s Republic of China. In the summer of 1969, Nixon visited several countries, including Romania—the first time an American president had gone behind the iron curtain. Nixon wanted to find areas of common interest and cooperation with these Cold War opponents.

Détente

To help him in this task, Nixon appointed Henry Kissinger, a Harvard University professor, as his national security adviser. Kissinger and Nixon shared a belief in realpolitik—policies based on national interests rather than political ideology. They believed that peace among nations would come through negotiation rather than through threats or force. President Nixon formulated a foreign policy plan of détente—attempts at relaxing, or easing, international tensions. As détente replaced confrontation, the United States and Communist states could begin working together to resolve issues that divided them.

Nixon realized that détente would work only if a balance of power existed. A balance of power is a distribution of power among nations to prevent any one nation from becoming too powerful. “It will be a safer world and a better world,” he declared,

“If we have a strong, healthy United States, Europe, Soviet Union, China, Japan—each balancing the other, not playing one against the other.”

When did the United States and China establish full diplomatic relations?
Since the Communist takeover of China in 1949, the United States had refused to recognize the People’s Republic of China, the most populated nation on the earth. Instead the United States recognized the anti-Communist Chinese government under Chiang Kai-shek in exile on the island of Taiwan.

By the time Nixon became president, however, each side had good reasons for wanting to improve relations. China distrusted and feared the Soviet Union. The United States hoped that recognition of China would help end the war in Vietnam and drive a deeper wedge between the two Communist powers.

The winds of change began to blow in the fall of 1970 when Nixon told reporters that he wanted to go to China. Noting this change in tone, the Chinese responded by inviting an American table-tennis team to visit the country in April 1971. A week later the United States announced the opening of trade with China. “Ping-Pong diplomacy” was accompanied by secret talks between American and Chinese officials about forging closer ties between the two nations. After Kissinger made a secret trip to China in July 1971, President Nixon announced that he would visit Beijing, the Chinese capital, “to seek the normalization of relations.”

In February 1972 Nixon arrived in China for a week-long visit. Nixon and China’s premier Zhou Enlai agreed to allow greater scientific and cultural exchange and to resume trade. Although formal diplomatic relations were not established until 1979, Nixon’s trip marked the first formal contact with China in more than 25 years.

The Soviet Union

Nixon followed his history-making trip to China with a visit to Moscow, the Soviet capital, in May 1972. The Soviets eagerly welcomed the thaw in Cold War politics. They wanted to prevent a Chinese-American alliance and to slow the costly arms race. They also hoped to gain access to United States technology and to buy badly needed American grain. Soviet leader Leonid Brezhnev remarked,

“There must be room in this world for two great nations with different systems to live together and work together.”

While in Moscow, President Nixon signed the Strategic Arms Limitation Treaty, or SALT I. This landmark treaty, the result of talks begun in 1969, restricted the number of certain types of nuclear missiles in American and Soviet arsenals. Although SALT I did not end the arms race, it greatly reduced tensions between the United States and the Soviet Union.

The United States and the Soviet Union also agreed to work together in trade and science. Nixon—and the world—hoped that a new era of cooperation would bring greater stability to world affairs.

Reading Check  Identifying What is détente?

Analyzing Political Cartoons

“Ping-Pong diplomacy” improved relations between the United States and the People’s Republic of China. What nations do the players represent?
The Middle East

President Nixon’s foreign policy aimed to maintain world stability without being drawn into regional disputes. The president wanted to avoid any involvement that might lead to another situation like Vietnam. Nixon stated that the United States would help in “the defense and development of allies and friends” but not take “basic responsibility” for the future of those nations. A crisis soon arose in the Middle East that tested this policy.

Arab-Israeli Tensions

Since the founding of the Jewish state of Israel in 1948, the United States had supported Israel in its struggles against its Arab neighbors. Tensions between Israel and the Arab states had erupted in war in 1948, 1956, and 1967. The Six-Day War of 1967 left Israel in control of east Jerusalem, the West Bank, the Golan Heights of Syria, and the Gaza Strip and Sinai Peninsula of Egypt. The 1967 war also increased the number of Arab refugees. Thousands of Palestinians now lived in Israeli-held territory, and thousands more lived in neighboring Arab states. The Palestinians’ demand for their own homeland became another source of instability.

Yom Kippur War

War erupted again on October 6, 1973. Egypt and Syria attacked Israel in an attempt to regain territory lost in the Six-Day War. Because the attack occurred on Yom Kippur, a major Jewish holiday, the conflict became known as the Yom Kippur War.

The United States pressured Israel to accept a cease-fire. A cease-fire came, but not before the Israelis had regained most of the territory lost in the initial Arab advance. Israel also had taken additional territory from Syria and Egypt.

Angry at the United States for supporting Israel, Arab oil-producing states imposed an embargo—a ban on shipments—of oil to the United States and to other nations not seen as “friendly.” The embargo caused an oil shortage in the United States. Long lines of cars formed at gas pumps and Americans became angry as gas prices skyrocketed.

Shuttle Diplomacy

President Nixon sent Kissinger, now secretary of state, to the region to gain the trust of Arab leaders and to negotiate some type of agreement.
between Israel and its Arab neighbors. During the next two years, Kissinger engaged in shuttle diplomacy—traveling back and forth between the capitals of Israel, Egypt, and Syria trying to resolve the oil crisis and forge a lasting peace.

Early in 1974, Golda Meir, the prime minister of Israel, and Anwar el-Sadat, the president of Egypt, reached agreements that separated Israeli and Arab forces in the Sinai Peninsula and Golan Heights. Then in March 1974, Kissinger persuaded the Arab nations to end the oil embargo. Kissinger also improved relations with Egypt, the largest and most powerful Arab state, by promising large amounts of foreign aid.

Reading Check Summarizing What happened in the U.S. as a result of the oil embargo?

Latin America

The Nixon administration sought to protect its interests in Latin America and to prevent the spread of communism. In 1970 the South American country of Chile elected Salvador Allende president. Allende was a follower of Karl Marx, the founder of communism. When the new Chilean government took over American businesses in Chile, the United States protested. Nixon and his foreign-policy advisers feared an increase in Soviet influence in Chile and the spread of communism in Latin America.

With the backing of the CIA (Central Intelligence Agency), a small group of Chilean military leaders under General Augusto Pinochet overthrew the government and killed Allende. The United States immediately recognized the new military dictatorship and restored foreign aid to Chile.

The situation in Chile reflected another aspect of Nixon’s foreign policy. Although willing to pursue détente with China and the Soviet Union, the president was still determined to contain the spread of communism—and Soviet influence—in the world.

Reading Check Explaining Why did the United States oppose Salvador Allende?
Main Idea
Nixon tried to deal with the nation’s economic problems, but was forced to resign due to the Watergate scandal.

Key Terms
revenue sharing, affirmative action, stagflation, deficit, impeachment, amnesty, underemployment

Reading Strategy
Organizing Information As you read the section, list three challenges that Nixon faced during his presidency.

Read To Learn
• how Nixon struggled with domestic problems.
• how the Watergate scandal affected politics.

Section Theme
Continuity and Change Economic problems and political scandal marked the 1970s and troubled both Richard Nixon and Gerald Ford.

Preview of Events
1972
June 1972
Break-in at Watergate occurs

1973
1974
August 1974
Nixon resigns the presidency

December 1974
CIA’s secret files revealed

1975

AN American Story
President Nixon had grave concerns about the state of American society. “We live in a deeply troubled and profoundly unsettled time. Drugs, crime, campus revolts, racial discord, draft resistance—on every hand we find old standards violated, old values discarded.” Nixon believed that a “silent majority” of middle-class Americans shared his concerns about increasing crime and social disorder. In an ironic twist of events, however, the Nixon administration itself would get caught up in a web of illegal activities.

Nixon’s Domestic Program
In his 1968 presidential campaign, Nixon had pledged to bring “law and order” back to American society. He also vowed to reduce government’s role in people’s lives.

Nixon’s drive to restore law and order involved “cracking down on crime” and imposing stiffer penalties on lawbreakers. To strengthen the power of the police Nixon used federal funds to help state and city police forces.
The Courts

Nixon thought the federal courts should be tougher on criminals. “As a judicial conservative,” he said, “I believe some Court decisions have gone too far in weakening the peace forces against the criminal forces in our society.” During his presidency, four vacancies arose on the Supreme Court. Nixon hoped that the justices he appointed—Warren Burger as chief justice, and Harry Blackmun, Lewis Powell, and William Rehnquist—would shift the Court to a more conservative position. The decisions of the new justices did not fully meet the president’s conservative goals, however.

New Federalism

Nixon wanted to reduce federal involvement in people’s lives and to cut federal spending. He pledged to “reverse the flow of power and resources from the states and communities to Washington and start power and resources flowing back . . . to the people.” To accomplish this goal, he introduced a program called the New Federalism.

One part of the New Federalism called for giving the states some of the revenue earned from federal taxes for use at the state and local levels. This revenue sharing became law in 1972.

Nixon also sought to end or scale back many Great Society programs begun under President Johnson. He promised to “quit pouring billions of dollars into programs that have failed.” He abolished the Office of Economic Opportunity, the agency that had led Johnson’s War on Poverty.

On civil rights issues, Nixon took a conservative position aimed at appealing to white voters. For example, Nixon opposed busing. Busing was used to promote racial integration by transporting students from mostly white or African American neighborhoods to racially mixed schools.

At the same time, however, his administration worked to carry out federal court orders to integrate schools. The Nixon administration also promoted affirmative action, or preference to minorities in jobs where they had previously been excluded. A practical politician, President Nixon did accept new government programs that had popular support. He approved the creation of two new agencies—the Occupational Safety and Health Administration (OSHA) to ensure workers’ safety and the Environmental Protection Agency (EPA) to protect the environment.

Economics

Economic Problems

While attempting to change the direction of government, President Nixon had to deal with serious economic problems. Industry and manufacturing were declining because of foreign competition. Businesses and consumers struggled with inflation—a general rise in the prices of goods and services—fueled by international competition for raw materials and the increasing cost of oil. The United States also faced slow economic growth and high unemployment.
Seeking Economic Stability

President Nixon tried a number of approaches to reduce inflation. He began by cutting federal spending. At the same time, he called for a tight money policy. Interest rates were raised so that people would borrow less and spend less. With less money in circulation, prices dropped. However, as demand slowed, business began to cut back and output fell. These steps slowed economic growth and brought on stagflation—a combination of rising prices and a sluggish economy.

Nixon then switched tactics. He temporarily froze wages and prices and issued guidelines for any future increases. This put a brake on inflation, but the economy remained in a recession.

Later, Nixon tried a third approach—increasing federal spending to stimulate the economy. Although this policy helped revive the economy for a short time, it also created a budget deficit in which government spending was greater than government revenue. None of Nixon’s policies managed to restore the economy to its previous strength, and economic problems continued to trouble his administration.

Analyzing What was stagflation?

Nixon’s Second Term

Looking ahead in 1971 to the presidential campaign of 1972, Nixon had doubts about his chances for reelection. The war in Vietnam had not yet ended, and the easing of tensions with China had not yet occurred. Businesses and consumers had to struggle with the effects of inflation. The president and his supporters wanted to ensure his reelection.

A Campaign Against Enemies

To help plan his campaign strategy, Nixon relied on a small group of loyal aides. The aides closest to the president were John Ehrlichman, his chief domestic adviser, and H.R. Haldeman, his chief of staff.

In their drive to win reelection, the president and his closest advisers, it was later revealed, stretched, and sometimes crossed, the boundaries of the law. In 1971, for example, Nixon asked his aides for an “enemies list” of people considered unfriendly to the administration. He then ordered the FBI and the Internal Revenue Service (IRS) to investigate some of these people. Nixon justified such actions as necessary to maintain national security, arguing that those who challenged government policies posed a serious danger to the nation.

Nixon’s campaign committee collected millions of dollars. It used some of this money to create a secret group—nicknamed “the plumbers”—to stop leaks of information that might hurt the administration. Some campaign money also went to pay for operations against Nixon’s Democratic foes, but that party had many problems of its own.

Landslide Victory

The Democratic Party was split. Candidates competing for the nomination included: former vice president Hubert Humphrey, Senators Edmund Muskie of Maine and George McGovern of South Dakota, and former governor of Alabama George Wallace. Muskie and Humphrey could not gain enough support. Wallace’s campaign was cut short in May 1972 by a would-be assassin’s bullet that left him paralyzed.

McGovern, the most liberal of the four candidates, won the nomination. Many democrats and labor union leaders were cool towards McGovern’s candidacy.

The Democrats’ lack of unity as well as an upsurge in the economy and the prospect of peace in Vietnam brought about a landslide victory for President Nixon.

Nixon button and McGovern tie
led to a landslide victory for Nixon. He won 60.7 percent of the popular vote. The Republican victory in the electoral college was even more lopsided—520 to 17.

The Energy Crisis

During Nixon’s second term as president, severe economic problems confronted the nation. One of the most critical problems was the cost of fuel, especially imported oil. The U.S. economy depended heavily on oil. Much of this oil came from the Middle East. Arab oil-producing countries belonged to OPEC, the Organization of Petroleum Exporting Countries. In 1973 these countries placed an embargo on all oil shipments to the United States. At the same time, they raised their prices.

The sharp price increases and the five-month embargo damaged the nation’s economy. Many companies had to lay off workers, while others raised their prices. Angry consumers complained about the high prices and the long lines at gas stations.

The president imposed emergency measures to conserve oil. Nixon also urged Americans to conserve energy voluntarily. Congress reduced speed limits on highways because a vehicle burns less fuel at lower speeds.

To deal with the long-range problem of dependence on imported oil, Nixon urged development of domestic oil, especially in Alaska, which possessed vast, untapped oil reserves.

Reading Check Evaluating Why were gasoline prices increasing during this period?

The Watergate Crisis

During Nixon’s second term, what seemed like a small scandal turned into a presidential crisis. The scandal began with the president’s reelection campaign. In June 1972, his reelection committee had wanted information about the Democrats’ campaign plans. Members of the Nixon campaign ordered “the plumbers” to break into the headquarters of the Democratic National Committee to install telephone listening devices—bugs. This break-in set events in motion that would rock the presidency and the nation.

A Third-Rate Burglary

Sometime after midnight on June 17, 1972, Frank Wills, a security guard at the Watergate office-apartment complex in Washington, D.C., noticed tape covering the locks on doors leading to an underground parking garage. “I took the tape off,” he later recalled, “but I didn’t think anything of it.” About an hour later, he found that someone had retaped the locks. Wills decided to call the police.

Frank Wills’s discovery led to the arrest of five men who had broken into Democratic Committee headquarters in the Watergate complex. The arrests of “plumbers” Gordon Liddy and E. Howard Hunt followed soon afterward. Investigations revealed that Liddy and Hunt were connected to the Nixon campaign and were paid from White House funds.

Sign of the times

Motorists line up outside a Virginia gas station. Why did Americans face higher fuel prices and gas shortages?
The White House denied any involvement. Nixon’s press secretary, Ronald Ziegler, dismissed the break-in as a “third-rate burglary.” The president declared that “no one in the White House staff, no one in the administration . . . was involved in this bizarre incident.”

Investigation

Meanwhile, two newspaper reporters for the Washington Post, Bob Woodward and Carl Bernstein, began publishing a series of articles that linked the burglary to the Nixon campaign. As the election approached, however, fewer than half of the American people had even heard of the Watergate break-in.

John Sirica, the federal district court judge presiding over the trial of the Watergate burglars, resolved to uncover the truth. Eventually, one of the burglars, James McCord, admitted that White House aides had lied about their involvement and had pressured the burglars “to plead guilty and remain silent.”

The Impact of Watergate

The Watergate scandal had threatened the foundation of American democracy—constitutional law. Yet, the system worked. The legislative and judicial branches reasserted their powers to rein in the executive branch.

“I would say only that if some of my judgments were wrong, and some were wrong, they were made in what I believed at the time to be the best interest of the nation.”

—Richard Nixon, August 8, 1974

A Scandal Unravels

Early in 1973 the Senate voted to hold hearings on Watergate. As pressures mounted, Nixon shook up the White House staff. He fired the White House counsel, John Dean, and forced aides H.R. Haldeman and John Ehrlichman to resign. He also declared that he would take responsibility for the mistakes of others because “there can be no whitewash at the White House.” Nixon also agreed to Senate demands to appoint a special prosecutor—someone independent of the Justice Department—to investigate Watergate. Archibald Cox took the job.

The Senate Watergate hearings began in May 1973. Chaired by Senator Sam Ervin of North Carolina, the hearings slowly revealed the inner workings of the Nixon White House. The most damaging testimony came from John Dean. Dean testified that there had been a cover-up and that Nixon himself directed it, but he produced no evidence to confirm his account.
Then in July investigators learned that a secret taping system had recorded all conversations in the president’s office. Ervin and Cox demanded the tapes. President Nixon refused and claimed executive privilege, insisting that release of the tapes would endanger national security.

When Cox requested a court order to get the tapes in October, Nixon ordered his attorney general, Elliot Richardson, to fire Cox. Richardson refused—and then resigned. Deputy Attorney General William Ruckelshaus also refused to carry out the order and resigned. Finally, Nixon found a Justice Department official willing to fire Cox. This Saturday Night Massacre, as the resignations and firing became known, resulted in a storm of public protest.

In the middle of this turmoil, another scandal struck the administration. The Justice Department charged Vice President Spiro Agnew with taking bribes while governor of Maryland. On October 10, 1973, he resigned. Nixon appointed Representative Gerald R. Ford of Michigan, the Republican leader of the House, to succeed Agnew. Congress quickly confirmed the nomination.

The Crisis Deepens

Public outrage over the Saturday Night Massacre forced Nixon to appoint a new special prosecutor, Leon Jaworski. Meanwhile, the House of Representatives began considering impeachment—the constitutional provision to remove a president from office. If the House charged Nixon with committing “high crimes and misdemeanors,” he would then be tried in the Senate. If a two-thirds majority of senators found him guilty, he would no longer be president.

In April 1974, Nixon decided to release printed copies of some of the tapes. These transcripts, heavily edited and missing significant portions, led to new protests. Nixon refused court orders to hand over the unedited tapes. Appeals reached the Supreme Court, which ruled on July 24 that the president had to surrender the tapes.

At the end of July, after weeks of closed hearings, the House Judiciary Committee adopted three articles of impeachment, charging the president with obstruction of justice, abuse of power, and contempt of Congress. Nixon released the tapes on August 5. A conversation on one tape revealed that the president had ordered a cover-up of the Watergate break-in just a few days after it happened. The conversation provided the crucial piece of evidence that linked Nixon to Watergate.

Nixon Resigns

Public reaction and the prospect of an impeachment trial forced Nixon to resign. On the evening of August 8, 1974, he went on national television to announce his decision.

The next morning a tearful Richard Nixon said good-bye to his staff and then left the White House by helicopter. He was succeeded by Gerald Ford, who became the first U.S. president never elected to the office of president or vice president.

The Watergate crisis revealed that the system of checks and balances could work to remove a president that abused his power and violated the Constitution. Congress passed laws to correct some of the abuses. However, the scandal damaged the public’s faith in their political institutions and leaders.

Who succeeded President Nixon?

A Time for Healing

After Nixon’s helicopter left the White House, Gerald Ford was sworn in as president. Ford assured Americans, “Our long national nightmare is over.” To fill the office of vice president, Ford selected Nelson Rockefeller, a highly respected
Ford defended his action, the new president never fully regained the trust and popularity he had enjoyed in his first weeks in office.

**Spying on American Citizens**

In December 1974, Americans were startled to learn that the CIA had spied and kept secret files on some American citizens. A few months later, they discovered that the FBI also had secret files. President Ford appointed special commissions to investigate CIA and FBI misconduct. He and Congress began working on new laws to regulate the activities of the two agencies.

**Vietnam Amnesty**

Yet another controversy arose when President Ford offered amnesty, or protection from prosecution, to men who had illegally avoided military service during the Vietnam War. Ford promised that these people would not be punished if they pledged loyalty to the United States and performed some type of national service. While many people approved of amnesty, others thought it was too lenient. Supporters of the Vietnam War argued that draft dodgers and deserters should be punished.

**Ford and Foreign Affairs**

With little experience in foreign affairs, Ford relied on Henry Kissinger, his secretary of state, and continued the policies of the Nixon administration. Ford extended the policy of détente with the Soviet Union. In late 1974, he met with Soviet leader Leonid Brezhnev to discuss arms control. The two leaders reached a preliminary agreement on limiting nuclear weapons.

In July 1975, Ford traveled to Helsinki, Finland, where he signed the Helsinki Accords with the Soviet Union and various Western nations. The countries pledged to respect the human rights and civil liberties of their citizens.

The Ford administration also worked to improve relations with China. When Chinese Communist chairman Mao Zedong died in 1976, a more moderate government came to power. The new Chinese leaders wanted to expand economic and political ties to the United States, and the two nations moved a little closer.
A Troubled Economy

The economic problems that the Nixon administration faced continued to plague President Ford. Inflation remained high and unemployment rose.

By the 1970s Europe and Japan challenged America’s world economic supremacy. Inexpensive and efficient Japanese cars flooded the American market. European products also provided strong competition to American-made goods.

This foreign competition led to factory closings in the United States and massive layoffs of workers. America began to suffer from underemployment; that is, people worked in jobs for which they were overqualified or that did not fully use their skills. Underemployment resulted, in part, from the loss of jobs to foreign competition.

The actions of OPEC continued to influence the American economy, also. Although the oil shortage caused by the embargo of 1973–1974 had eased, OPEC kept oil prices high, and the high prices contributed to inflation. The American economy seemed to be crumbling and Ford struggled for a solution.

Ford’s Response

To fight inflation Ford launched a campaign called Whip Inflation Now (WIN), a voluntary program of wage and price controls. He called on Americans to save their money rather than spend it and to plant their own gardens to counter rising food prices. Although the effort led to a small drop in inflation, the economy declined and the nation headed into recession.

Spending Cuts

Another approach Ford urged for controlling inflation was to cut government spending. However, the Democratic-controlled Congress wanted to maintain or increase spending for social programs. Ford vetoed several congressional spending bills in an attempt to control spending, but his actions did not curb inflation.

To stimulate the economy and encourage economic growth, Ford persuaded Congress to pass a tax cut. Although the cut did bring some improvement in the economy, it led to larger budget deficits as government revenue declined and spending remained the same or increased. Despite his efforts, President Ford was unable to solve the nation’s economic problems.

Reading Check Evaluating How did Europe and Japan challenge the U.S. economy?
Predicting Consequences

Why Learn This Skill?
Did you ever wish you could see into the future? Predicting future events is very difficult. You can, however, develop skills that will help you identify the logical consequences of decisions or actions.

Learning the Skill
Follow these steps to help you accurately predict consequences.

• Review what you already know about a situation by listing facts, events, and people’s responses. The list will help you recall events and how they affected people.
• Analyze patterns. Try to determine what the patterns show. Are some consequences more likely to occur than others?
• Use your knowledge and observations of similar situations. In other words, ask yourself, “What were the consequences of a similar decision or action that occurred in the past?”
• Map out all possible consequences or outcomes.
• Analyze each of the potential consequences by asking, “How likely is it that this will occur?”
• Make a prediction.

Practicing the Skill
Candidates for public office often make campaign promises based on how they think voters will respond. Use the information in the chart below to help you predict what type of candidate would be elected president in 1980. Answer the questions.

1. Review the facts and events listed on the chart. What patterns do you notice? What do the facts tell you about the 1970s?
2. Recall similar situations in which voters faced hard times. What kind of president do you think Americans would want?

Applying the Skill
Predicting Consequences Read newspapers for articles about an event that affects your community. Make an educated prediction about what will happen. Explain your reasoning.

Glencoe’s Skillbuilder Interactive Workbook CD-ROM, Level 1, provides instruction and practice in key social studies skills.

Events of the 1970s

<table>
<thead>
<tr>
<th>Events of the 1970s</th>
<th>Results and Reactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEC oil embargo causes a shortage of fuel.</td>
<td>Americans feel helpless and angry.</td>
</tr>
<tr>
<td>President Ford vetoes programs in health, housing, and education to reduce government spending.</td>
<td>Many people lose jobs, and the nation suffers the worst recession in 40 years.</td>
</tr>
<tr>
<td>Ford pardons Nixon.</td>
<td>Americans feel frustrated.</td>
</tr>
<tr>
<td>To conserve energy, Americans buy smaller, imported cars.</td>
<td>American workers suffer unemployment as several automobile plants close.</td>
</tr>
<tr>
<td>Americans learn CIA and FBI have secret files on citizens.</td>
<td>Americans become angry at government’s abuse of power.</td>
</tr>
</tbody>
</table>
**Main Idea**
Jimmy Carter approached economic and foreign policy issues differently than Nixon or Ford, but was still unable to win reelection.

**Key Terms**
trade deficit, human rights, apartheid, fundamentalist

**Reading Strategy**
*Classifying Information* As you read the section, re-create the diagram below and list three treaties that the Carter administration negotiated.

**Read To Learn**
- how President Carter emphasized human rights in foreign policy.
- what actions Carter took to improve the economy.

**Section Theme**
*Global Connections* Despite some failures, Carter saw success in treaties dealing with the Middle East and arms reductions.

**Preview of Events**
- **1976** Jimmy Carter wins the presidency
- **1977** Panama Canal treaties signed
- **1978** Camp David Accords lead toward Arab-Israeli peace
- **1979** Iranians take 52 Americans hostage

**American Story**

Jimmy Carter brought a simple lifestyle to the White House. For example, to save money President Carter once planned to visit his hometown of Plains, Georgia, by car instead of by helicopter. He soon discovered that it was much less expensive to go by helicopter. Carter later stated about going by car: “A good portion of the Georgia State Patrol had been marshaled to block every country crossroads for more than 60 miles! It was obvious that I was not simply one of the people anymore.”

**The Election of 1976**
As the 1976 elections approached, President Ford hoped to win the election outright. But Ford’s prospects did not look particularly good. Although he had helped to restore confidence in government, Watergate was still fresh in the minds of the American people. In early 1976, Jimmy Carter ran as a Democratic candidate in the presidential primary election in New Hampshire. Few voters knew who Carter was. Then Carter began winning key primary elections.
Stressing his integrity, religious faith, and his standing as an outsider, Carter gathered enough delegates to win the Democratic nomination. Senator Walter Mondale of Minnesota ran as vice president.

Meanwhile President Ford had struggled to gain the Republican nomination. He faced a strong challenge from the former governor of California, Ronald Reagan, who was favored by party conservatives. Ford chose Senator Bob Dole of Kansas as his running mate.

During the campaign, Ford tried to stress his achievements as president. Carter promised to clean up the government and ran as much against the memory of Nixon and government corruption as against Ford. Carter won in a very close election, gaining 50.1 percent of the popular vote to Ford’s 48 percent. To a great extent, Carter owed his margin of victory to support from African American Southern voters.

Explaining How did Carter represent himself in the 1976 presidential campaign?

**An Informal Presidency**

Carter, an “outsider” with no experience in national politics, did not fit the image of a typical politician. A former governor of Georgia, Carter liked to say he was just a peanut farmer from a small town called Plains who wanted to serve his country.

From the beginning, Carter set a down-to-earth tone. At his inauguration he wore an ordinary business suit rather than formal clothing. After the ceremony, Carter and his family walked up Pennsylvania Avenue from the Capitol to the White House instead of riding in the traditional limousine. These gestures symbolized Carter’s desire to create a more informal presidency. Carter wanted to be seen as an average American.

**Struggling With the Economy**

When Carter took office, the nation still suffered from high inflation and unemployment. Carter tried to jolt the economy out of recession by increasing federal spending and cutting taxes. Both measures were meant to stimulate economic growth. Unemployment came down, but inflation took off. Carter then reversed course and proposed spending cuts and a delayed tax cut.

Carter’s reversals on economic policies made him seem weak and uncertain. As an outsider, the president had trouble gaining support for his programs in Congress. Although Carter needed the backing of congressional Democrats, his administration made little effort to work with them.

**Energy Crisis**

Carter made energy policy a priority. The high costs of energy added to inflation. In addition, as American money flowed overseas to purchase oil, the nation faced a growing trade deficit—the value of foreign imports exceeded the value of American exports.

In April 1977, Carter presented the National Energy Plan, aimed at resolving the energy crisis. To stress the need to reduce energy use, for example, the president turned down the thermostat in the White House.

**Picturing History**

Jimmy Carter and his wife, Rosalynn, worship with African American leaders, including Coretta Scott King, widow of Dr. Martin Luther King, Jr. Why was Carter viewed as an “outsider” in national politics?
Carter’s plan included the creation of a Department of Energy to coordinate energy policy, research funds to explore alternative sources of energy, and tax policies to encourage domestic oil production and energy conservation. Congress enacted a weakened version of the plan in 1978.

**Nuclear Power**

In the late 1970s, Americans became more concerned about the threats of nuclear power. In March 1979 a major accident occurred at the Three Mile Island nuclear power plant near Harrisburg, Pennsylvania.

An anti-nuclear protest movement soon spread. President Carter, however, was unwilling to halt the nuclear energy program, which provided more than 10 percent of the nation’s energy needs. At the same time, supporters of nuclear power argued that, with proper safeguards, nuclear power provided no danger to the environment.

**Reading Check** Identifying What economic problems did Carter face when he took office?

---

**Foreign Affairs**

Carter based his foreign policy on human rights—a concern that governments around the world grant greater freedom and opportunity without the threat of persecution or violence. He proposed that any nation that violated human rights should not receive aid and support from the United States.

Carter withdrew economic and military aid from such countries as Argentina, Uruguay, and Ethiopia because of human rights violations. He condemned South Africa for its policy of apartheid, racial separation and economic and political discrimination against non-whites.

Carter’s human rights diplomacy sometimes caused problems in the United States. In 1980 Cuban dictator Fidel Castro allowed thousands of Cubans, including criminals and political prisoners, to leave Cuba.

Beginning in April, Cuban refugees began leaving from Mariel Harbor; most were en route to Florida. The United States, however, had trouble absorbing such large numbers of people. Some of the emigrants were detained in refugee

---

**People In History**

During the 1960s, Wilma Mankiller lived in California and was active in the women’s rights movement and the Native American rights movement. In the 1970s, she took this activism back to her roots in northeast Oklahoma and applied it to the government of her tribe, the Cherokee Nation.

In 1985, Wilma Mankiller became the Cherokee chief, the first woman to ever serve as a chief of a major Native American group. She often faced opposition, but was reelected and held the top position for almost ten years. As chief, she was responsible for 140,000 people and a 75 million-dollar budget.

During her time as the leader of the Cherokee, Mankiller focused on lowering unemployment, increasing educational opportunities, and improving community health care. She also created the Institute for Cherokee Literacy to preserve Cherokee traditions and culture.
camps. In June, President Carter ordered other Cubans be moved to federal prisons to await removal hearings. Then, in September, Castro sealed off the boatlift. About 125,000 Cuban refugees had entered the United States.

Carter had learned that a foreign policy based on a single issue, human rights, had many limitations. Even so, the president continued to speak out on the issue.

**The Panama Canal**

Carter also acted to end Latin American bitterness over the Panama Canal. Over the years, U.S. ownership of the canal and its control of the Canal Zone had caused friction between the United States and Panama. Carter signed two treaties with Panama in 1977. The treaties turned the U.S.-controlled Panama Canal over to Panama by the year 2000 but guaranteed that the canal would remain a neutral waterway open to all shipping. Some Republicans in the Senate tried to block ratification of the treaties, charging that Carter was giving away U.S. property. The Senate approved the treaties in 1978.

**The Middle East**

President Carter sought to bring peace to the Middle East. When peace talks between Israel and Egypt stalled in 1978, Carter invited Israeli prime minister Menachem Begin and Egyptian president Anwar el-Sadat to Camp David, Maryland, for a summit meeting.

For two weeks, the three leaders discussed issues dividing Israel and Egypt. In September 1978 they announced an agreement. Known as the Camp David Accords, the agreement led to an Egyptian-Israeli peace treaty signed at the White House in March 1979. The treaty marked the first time that Israel and an Arab nation had reached a peace agreement.

**The Soviet Union**

Carter criticized Soviet human-rights violations, but at the same time, he continued negotiations on arms control. In June 1979, the president signed a second Strategic Arms Limitation Treaty, or SALT II. Critics in the Senate charged that the treaty gave the Soviets an advantage, and the Senate delayed ratification.

Any hope of the Senate approving SALT II disappeared in December 1979, when Soviet troops invaded Afghanistan, a country in southwestern Asia bordering the Soviet Union. Carter ordered sanctions against the Soviet Union. The United States and other nations refused to take part in the Olympic Games in Moscow. In addition, the United States imposed a grain embargo on the Soviet Union.

**Crisis in Iran**

In the 1970s, Iran was one of the strongest U.S. allies in the Persian Gulf region, an area vital to Western oil needs. Shah Mohammed Reza Pahlavi, the ruler of Iran, used U.S. aid to build up a powerful military force. Many Iranians, however, complained about corruption in the government. Others objected to Western influence in the country, which they felt weakened traditional Muslim values.

In January 1979, Islamic **fundamentalists**—people who believe in strict obedience to religious laws—forced the shah to flee Iran. The new ruler, Muslim leader Ayatollah Khomeini, was hostile to the United States because of its support of the shah.
The Election of 1980

The Iranian crisis damaged the president politically. By the time the election campaign began, Carter’s popularity among the public had declined dramatically.

The Republicans nominated Ronald Reagan for president in 1980. In marked contrast to Carter, Reagan radiated charm and confidence. His conservative message of lower taxes, reduced spending, stronger defense, and a restoration of American pride attracted Americans weary of government and economic problems. When Reagan asked, “Are you better off now than you were four years ago?” most Americans answered, “No!”

Reagan swept to victory, with an electoral vote margin of 489 to 49. Republicans also gained control of the Senate for the first time since 1954. The election resulted in a bitter defeat for Jimmy Carter, who only 4 years earlier had promised a new era in American politics.

A final disappointment for Carter came in January 1981. During the last weeks of his presidency, he worked to obtain the release of the hostages. The Iranians finally did release them—after Ronald Reagan took the oath of office.

Reading Check Evaluating How was Reagan perceived differently than Carter?

Geography Draw a world map and label the different countries that Carter dealt with during his presidency.
Like many immigrants who come to the United States, Ernesto Galarza arrived facing the challenge of adjusting to his adopted country. This excerpt from his autobiography, *Barrio Boy*, tells the story of how Galarza and his mother, Doña Henriqueta traveled from Mexico to California to meet his uncles, Gustavo and José. His story describes experiences common to those arriving in the United States then and now.

**READ TO DISCOVER**

Unable to speak English and unfamiliar with the customs in the United States, 6-year-old Galarza and his mother embarked on a new life. Their trip was a journey into another world for young Ernesto. As you read, think about what it would be like to move to a new country.

**READER’S DICTIONARY**

*barrio*: Spanish word for “neighborhood”

*Tucson*: a city in southeastern Arizona

*Sacramento*: the capital of California

In the sunny morning of the next day we walked back to the station. Our train was still there, the flats and boxcars and coaches deserted, Mexican and American soldiers walking back and forth. “Look, the American flag,” my mother said. It was flying over a building near us. Down the street, beyond the depot, there was a Mexican flag on a staff. “We are in the United States. Mexico is over there.” . . .

. . . In *Tucson* we found our way to the address Gustavo had sent. It was a small hotel where the clerk spoke Spanish. He took us down a long, dark hall to a room, where I immediately began to explore the remarkable inventions of the Americans.

. . . Regularly we went to the hotel to ask for mail from Gustavo. Almost always there was a letter with money, but it was many weeks before we received the most important one of all, the one that had the pass and the instructions for the trip. We were to take the train to *Sacramento*, go to the Hotel Español and stay there until Gustavo and José came for us.

. . . And from what I saw in the coach on that long ride, the Americans were indeed different. They ate the repulsive sandwiches with relish. They put their feet, shoes and all, on the seats in front of them. When the men laughed it seemed more like a roar, and if they were close by it scared me. Doña Henriqueta frowned and admonished me. “Be careful I never hear you braying like that.” Many of them kept their hats on as if they didn’t know that the inside of a coach was like the inside of a house, and wearing your hat in either a sure sign of being *mal educado* [ill-mannered].

From *Barrio Boy* by Ernesto Galarza. © 1971 by the University of Notre Dame Press. Used by permission of the publisher.

**ANALYZING LITERATURE**

1. **Recall and Interpret** What observations do Ernesto and his mother make about Americans?

2. **Evaluate and Connect** What parts of Ernesto’s story are probably shared by all people coming to a new place?

**Interdisciplinary Activity**

**Descriptive Writing** Imagine that you are Ernesto writing a postcard to a friend in Mexico. Describe your impressions of America and of the people you’ve seen.
What were people's lives like in the past?

What might our lives be like in the future? These two pages will give you some clues to everyday life in the U.S. as you step back—and look ahead—with TIME Notebook.

Profile

After getting HIV from a blood-clotting drug when he was just 13, **RYAN WHITE** was asked to speak before a Presidential Commission on AIDS in 1988:

“I CAME FACE TO FACE WITH DEATH AT thirteen years old. I was diagnosed with AIDS: a killer. Doctors told me I’m not contagious. Given six months to live and being the fighter that I am, I set high goals for myself. It was my decision to live a normal life, go to school, be with my friends, and enjoy day-to-day activities. It was not going to be easy.

The school I was going to said they had no guidelines for a person with AIDS…. We began a series of court battles for nine months, while I was attending classes by telephone. Eventually, I won the right to attend school, but the prejudice was still there.”

**Ryan White**

**FUTURE SHOCK**

**Population Growth in the United States**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ESTIMATED POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>281,421,906</td>
</tr>
<tr>
<td>2020</td>
<td>324,927,000</td>
</tr>
<tr>
<td>2040</td>
<td>377,350,000</td>
</tr>
<tr>
<td>2060</td>
<td>432,011,000</td>
</tr>
<tr>
<td>2080</td>
<td>497,830,000</td>
</tr>
<tr>
<td>2100</td>
<td>570,954,000</td>
</tr>
</tbody>
</table>

**MINI TO THE MAX**

**Future Medicine**

“TAKE 200 TINY ROBOTS and call me in the morning.” Don’t laugh. Your doctor may be saying that to you sometime during the next few decades.

Nanotechnologists are researchers and makers of microscopic robots. In the future, these germ-sized robots—called nanomachines—will cruise through your body, making sure everything’s running in order. They’ll report back to a mainframe that’s also in your body to report on your condition. Then the tiny robots will scrape away blockages in the arteries, clean up dangerous cancer cells, and blast away blood clots.

Doctors predict that living to be 100 or older won’t be any big deal—possibly in this generation. And you may have the nanorobots to thank for it!
**MILESTONES**

**HARMONIZED. MICHAEL JACKSON** with 45 rock stars as they sing the tune Jackson co-wrote with Lionel Ritchie called “We Are the World.” On April 5, 1985, about 5,000 radio stations around the world played the song at the same time—all in an effort to raise money for starving people in Africa. After just one year, “We Are the World” made over $44 million.

**REleased.** Fifty-two American **HOSTAGES** after 444 days in captivity in Iran. Held by terrorists who were angry over America’s favorable treatment of Iran’s former ruler, the group was snatched from the U.S. Embassy in Iran. The fact that the U.S. couldn’t negotiate their release was a factor in **president Jimmy Carter’s** 1980 election loss.

**SPILLED.** Over 11,000,000 gallons of crude oil in the clean waters of Prince William Sound, Alaska, in March 1989. A huge tanker struck a coral reef, dumping hundreds of thousands of barrels of crude oil into the water, devastating commercial fishing and wiping out precious Alaskan wildlife.

**FUTURE SHOCK**

**What You Do Today Affects Tomorrow’s World**

In May 2001, there were about 284 million people in the United States. India’s population was about 1.03 billion. But Americans use 25 percent of the world’s resources and cause 25 to 30 percent of the world’s waste. Compared to the typical person in India, the average U.S. citizen uses:

- **50 times** more steel
- **56 times** more energy
- **170 times** more synthetic rubber
- **170 times** more newsprint
- **250 times** more motor fuel
- **300 times** more plastic

**NUMBERS**

**U.S. AT THE TIME**

- **11,600** The number of air traffic controllers who went on strike in 1981, grounding the nation’s commercial airlines.
- **70¢** The amount earned by a woman for every dollar earned by a man in 1987.
- **$229,000,000** Ticket sales from the movie, *E.T., the Extra-Terrestrial*, released in 1982—one of the highest-grossing films ever.
- **50%** The percent of all African American children living in poverty in 1989.
- **1,200,000** Los Angeles children in 1986 who observed a moment of silence in honor of astronaut and teacher Christa McAuliffe who was killed when the space shuttle Challenger exploded.

---

**President Carter**

**Oil-covered sea bird found in Prince William Sound, Alaska.**
Reviewing Key Terms
On graph paper, create a word search puzzle using the following terms. Crisscross the terms vertically and horizontally, then fill in the remaining squares with extra letters. Use the terms’ definitions as clues to find the words in the puzzle. Share your puzzle with a classmate.

1. détente 5. deficit
2. embargo 6. impeachment
3. shuttle diplomacy 7. amnesty
4. stagflation 8. human rights

Reviewing Key Facts
9. Which two nations were the focus of Nixon’s attempt to ease Cold War tensions?
10. What was shuttle diplomacy?
11. Explain why President Nixon was forced to resign.
12. What did Congress do in the aftermath of Watergate?
13. Why did the United States lose its place as a world economic leader in the 1970s?
14. What did President Carter do to resolve the energy crisis?
15. How did Carter bring temporary peace to the Middle East?

Critical Thinking
16. Analyzing Themes: Global Connections What was Nixon’s main reason for establishing friendly relations with the Soviet Union?
17. Analyzing Information What did Nixon do to create a New Federalism?
18. Analyzing Themes: Global Connections What did Carter think the United States should do to any nation that violated human rights?
19. Drawing Conclusions How did Carter’s support of the shah of Iran ignore the interest of Islamic fundamentalists in that country?
20. Analyzing Themes: Continuity and Change Re-create the diagram below and describe how the foreign policies of Ford and Nixon were alike.

Ford and Carter
- Ford grants pardon to Nixon
- Ford continues détente with Soviet Union
- Inflation rises
- Carter makes energy policy a priority
- Carter bases foreign policy on human rights
- Carter works to bring peace in Middle East

Nixon and Watergate
- Nixon introduces New Federalism
- Economy suffers under inflation
- White House involvement with Watergate break-in revealed
- Vice President Agnew resigns
- Nixon appoints Gerald Ford as new vice president
- Nixon resigns presidency

Nixon’s Foreign Policy
- Nixon opens relations with China and the Soviet Union
- U.S. backs an overthrow of Communist Chilean government

Search for Stability

Reviewing Key Terms
Reviewing Key Facts
Critical Thinking
21. In what year did gasoline consumption first exceed 120 billion gallons?
22. How much more did a gallon of regular gasoline cost in 1980 than in 1973?
23. Based on billions of gallons of gas consumed, in which year shown on the chart was the environment most polluted with automobile fumes?

**Practicing Skills Activity**

24. **Predicting Consequences** Review the skill on predicting consequences on page 909. Then read the following statements and predict three consequences for each. Rank the three consequences in order of most likely to occur to least likely to occur.
   - If a person in a public office, including the president, commits a crime, he or she should not be pardoned.
   - Engineers develop an effective, efficient electric-powered automobile.
   - The school year is lengthened by 30 days.

25. **Serving on a Jury** Find people from your school or city who have served on a jury. Ask them to recall their impressions of the experience. With a partner, think about what happens if you have received a jury notice in the mail. Write a description of what you would do next and what you would expect to happen. Then note what you plan to tell the judge about your understanding of a juror’s responsibilities. Share your writing with the class.

26. **Expository Writing** Review the chapter and make a list of the successes and failures of Presidents Nixon, Ford, and Carter. Based on your list, which of the three would you vote for in a presidential election today? Explain your choice.

**Citizenship Cooperative Activity**

**Alternative Assessment**

**Standardized Test Practice**

Directions: Choose the best answer to the following question.

Which of the following was a key feature of the Carter administration?

A foreign policy based on human rights
B emphasis on formality
C clear economic policies
D close cooperation with Congress

Test-Taking Tip:
Eliminate answers that you know are wrong. For example, Carter was different from his predecessors because he was personally casual. Therefore answer B must be wrong.