

Chapter 40- The Stalemated Seventies

1968-1980

Sources of Stagnation

- At the end of the 1960s and the beginning of the 1970s there was a sudden slump in productivity
- Possible causes were the increasing presence in the work force of women and teenagers who had fewer skills, declining investing in new machinery, the heavy costs of compliance, and the general shift of the American economy from manufacturing to services
- The Vietnam War precipitated painful economic distortions; the conflict drained tax dollars from needed improvements in education, deflected scientific skill and manufacturing capacity from the civilian sector touching off a sickening spiral of inflation (no tax increase in LBJ's time)
- Sharply rising oil prices in the 1970s, funding of Great Society programs—military spending and welfare spending are inherently inflationary because they put dollars in people's hands
- The twelve years following Nixon's inauguration was the longest and steepest inflationary cycle in American history; weaknesses in the nation's economy were laid bare—new factories with new technology of the German and Japanese allowed them to dominate industries; a stalemated, unpopular war and a stagnant, unresponsive economy heralded the end of the postwar era

A New Team on the Supreme Bench

- Nixon lashed out at the “permissiveness” and “judicial activism” of the Supreme Court presided over by Chief Justice Earl Warren; decisions of Warren Court reflected concern for individual
- In *Griswold v. Connecticut* (1965) the Court struck down a state law that prohibited the use of contraceptives—“right of privacy” that provided for protecting women's abortion rights
- In 1963 the Court (*Gideon v. Wainwright*) held that all defendants in serious criminal cases were entitled to legal counsel; (*Escobedo* and *Miranda*) ensured the right of pleading the 5th)
- Freedom of the press was endorsed by the Warren Court in the case of *New York Times v. Sullivan* (1964) that ruled that public figures could sue for libel only if they could prove that “malice” had motivated defamers—opened door for criticism of the public actions/politicians
- In *Engel v. Vitale* and *School District of Abington Township v. Schempp*, it voted against required prayers and Bible reading in the public schools (separation of church and state)
- The Court's determination to support black people in civil rights cases infuriated many southern-ers; conservatives maligned the Warren Court for not interpreting but rewriting Constitution

- The Court in *Reynolds v. Sims* ruled that state legislatures would have to be reapportioned according to the human population; from 1954 on, the Court came under relentless criticism
- President Nixon undertook to change the Court's philosophical complexion
- The Senate in 1969 confirmed the nomination of Warren E. Burger to succeed the retiring Earl Warren as chief justice and by 1971, the Court counted four conservative Nixon appointments
- The Burger Court that Nixon shaped proved reluctant to dismantle the "liberal" rulings of the Warren Court and even produced the momentous *Roe v. Wade* (1973) legalizing abortion

Nixon on the Home Front

- Nixon presided over significant expansion of the welfare programs that conservatives denounced
- He increase appropriations for Food Stamps and Medicaid as well as for the largest federal welfare program, Aid to Families with Dependent Children (AFDC) that targeted single mothers
- Nixon implemented the Supplemental Security Income (SSI), which gave benefits to disabled
- He signed legislation that raised pensions and provided for increases (Great Society expansion)
- The US had its lowest level of poverty rate in modern history in 1973 at eleven percent
- In his Philadelphia Plan of 1969 Nixon required construction-trade unions working on federal contracts in Philadelphia to establish "goals and timetables: for hiring black apprentices
- Extended to all federal contracts, the Philadelphia Plan required meeting hiring quotas
- Nixon's Philadelphia Plan drastically altered the meaning of "Affirmative action" (LBJ protected individuals against discrimination, Nixon conferred privileges on certain groups)
- In *Griggs v. Duke Power Co.* (1971) the Supreme Court justices prohibited intelligence tests or other devices that had the effect of excluding minorities or women from certain jobs
- Broad employment and education opportunities opened for minorities and women
- Critics assailed the new style of affirmative action as "reverse discrimination"
- Nixon created the Environmental Protection Agency (EPA) and the Occupation Health and Safety Administration (OSHA) in 1970—concern for the environment (Air Pollution Control)
- Author Rachel Carson gave the environmental movement a huge boost in 1962 when she published *Silent Spring* a muckraking piece that exposed the poisonous effects of pesticides
- The EPA and OSHA was armed—Clean Air Act of 1970 and Endangered Species Act of 1973
- Worried about creeping inflation, Nixon imposed a ninety-day wage and price freeze in 1971; to stimulate nation's sagging exports, he took the US off the gold standard and devalued the dollar

- Elected as a minority president, Nixon devised “southern strategy” to achieve a solid majority in 1972; the southern strategy emphasized an appeal to white voters by soft-pedaling civil rights and openly opposing school busing to achieve racial balance (foreign policy dominated 1972)

The Nixon Landslide of 1972

- Nearly four years had passed since Nixon had promised to end the war and win the peace but in spring of 1972, the North Vietnamese burst through the demilitarized zone on an offensive
- Nixon launched huge bombing attacks on strategic centers in N.V. including Hanoi and harbors
- The continuing Vietnam conflict spurred the rise of SD senator George McGovern to the 1972 Democratic nomination and he promised to pull American troops within ninety days
- His appeal to racial minorities, feminists, leftists, and youth alienated the working-class backbone of the party and his running mate, Eagleton underwent psychiatric care and withdrew
- Nixon’s campaign emphasized that the Democratic war in Vietnam was ending (540,000 to 30,000 troops) and days before the election, Dr. Kissinger announced, “Peace is at hand”
- Nixon won the election and his lopsided victory encompassed every state except MA and D.C.
- Nixon’s power was weakened by Republican election losses in both the House and Senate

Bombing North Vietnam to the Peace Table

- After fighting on both sides escalated, he launched a furious bombing of North Vietnam to force the North Vietnamese back to the conference table—this attack was the heaviest of the war
- Bombing drove negotiators to agree to cease-fire arrangements on January 23, 1973 (3 months)
- Nixon hailed the cease-fire agreements as “peace with honor”—the US was to withdraw troops and could reclaim POWs, the gov’t of S.V. would be permitted to continue receiving limited US support and an election would eventually be held to determine the future of the country
- The North Vietnamese was allowed to keep some 145,000 troops in South Vietnam (30%)

Watergate Woes

- On June 17, 1972 a burglary had occurred in the Democratic headquarters located in the Watergate complex in Washington where five men were arrested with “bugging” equipment
- They were working for the Republican Committee for the Re-election of the President (CREEP), which had managed to raise tens of millions of dollars (espionage and sabotage against D)
- Several White House aides and advisers were forced to resign; many were involved in the criminal obstruction of justice through cover-ups and payments of hush money

- The scandal in Washington provoked the improper/illegal use of the Federal Bureau of Investigation and the Central Intelligence Agency, even the Internal Revenue Service
- In the name of national security, Nixon's aids authorized burglary of Dr. Ellsberg's files, the man who had leaked the Pentagon Papers ("plumbers unit" created to plug leads of information)
- A Senate committee headed by Senator Sam Ervin conducted a widely televised series of hearings in 1973-1974 and John Dean III, a former White House lawyer, testified to the involvement; Dean in effect accused Nixon of the crime of obstructing justice

The Great Tape Controversy

- In July 1973, a former presidential aide reported the presence in the White House of "bugging" equipment installed under the president's authority; Nixon's conversations had been recorded
- Nixon had denied prior knowledge of the Watergate burglary or involvement in the cover-up
- Dean's testimony could be checked against the White House tapes, Nixon took refuge behind separation of powers and executive privilege but all were constitutionally dubious
- Vice President Agnew was forced to resign in October 1973 for taking bribes (kickbacks) from Maryland contractors while vice president; Nixon was now in danger of being removed by the impeachment route—Congress invoked 25th Amendment to replace Agnew with Gerald Ford
- After Agnew's resignation came the famous "Saturday Night Massacre" (10/20/73) in which Archibald Cox issued a subpoena for relevant tapes and other documents from the White House
- Nixon fired Cox and then accepted the resignations of the attorney and deputy attorney generals

The Arab Oil Embargo and the Energy Crisis

- The Middle East erupted in October 1973, when rearmed Syrians and Egyptians unleashed attacks on Israel in an attempt to regain the territory they had lost in the Six-Day War of 1967
- Kissinger, now secretary of state, flew to Moscow in effort to restrain the Soviets and Nixon placed America's nuclear forces on alert and ordered an airlift of nearly \$2 billion to Israel
- Israelis turned the tide and American diplomacy brought about an uneasy cease-fire
- Late in October 1973, the Arab nations suddenly clamped an embargo on oil for the US and for other countries supporting Israel; tempers shortened and a business recession deepened
- The "energy crisis" energized a number of long-deferred projects; Congress approved a costly Alaska pipeline and a national speed limit of fifty miles per hour to conserve fuel
- The five months of Arab embargo in 1974 signaled the end of an era of cheap/abundant energy

- American oil production peaked in 1970 and then began irreversible decline (tripling oil consumption since the end of WW II, the number of automobiles increase 250 percent in 20 years)
- By 1974 America was oil addicted and extremely vulnerable to any interruption in supplies
- The Middle East though OPEC quadrupled their price for crude oil after lifting the embargo in 1974 and new oil bills wildly disrupted the US balance of international trade and inflation rose
- The US took the lead in forming the International Energy Agency in 1974 to counter OPEC

The Unmaking of a President

- The continuing impeachment inquiry cast damning doubts on Nixon's integrity; responding to the House Judiciary Committee's demand, Nixon agreed to the publication of portions of tapes
- In the spring of 1974, confronted with demands for the rest of the material, Nixon flatly refused
- On July 24, 1974, the Court ruled that "executive privilege" gave him no right to withhold from the special prosecutor portions of tapes relevant to criminal activity; Nixon finally complied
- The House Judiciary Committee pressed ahead with its articles of impeachment and in July 1974 the committee adopted that first article that charted obstruction of "administration of justice"
- Nixon took a step on August 5, 1974 by making public three subpoenaed tapes of conversations with his chief aide in 1972 to soften the impact of inevitable disclosure (more than that, he had before told the American people on television that he had known nothing of the Watergate hush)
- The public backlash proved to be overwhelming; Republican leaders informed the president that his impeachment by the full 'House and removal by the Senate were foregone conclusions and they made it clear that he would best serve his nation by resigning with honor (benefits)
- Nixon announced his resignation in a television appearance on August 6, 1974—the nation had survived a constitutional crisis, which proved that impeachment machinery forged by Founding Fathers could work when public opinion overwhelmingly demanded that it be implemented

The First Unelected President

- Gerald Ford, the first man to be made president solely by a vote of Congress, entered the White House in August 1974 with handicaps—he was suspected of being dim-witted and Ford had been selected, not elected, vice president and charges of illegitimacy hung about him
- Ford granted a complete pardon to Nixon for any crimes he may have committed as president and the Democrats were outraged; Ford explained that he only wanted to end Nixon's agony, heal wounds, and let the country get on with its business, but suspicions arose about Ford

- Ford first sought to enhance the détente with the Soviet Union that Nixon had crafted and in July 1975 President Ford joined leaders in Helsinki, Finland to sign several sets of historic accords
- It officially wrote an end to WW II and the Soviets signed agreements guarantee more liberal exchanges of people and information between East and West and protecting human rights
- Western Europeans cheered the Helsinki accords as a milestone of détente; American grain and technology flowed across the Atlantic to the USSR while almost nothing came back
- American public's fury over Moscow's double-dealing mounted to the end of his term

Defeat in Vietnam

- Early in 1975 the North Vietnamese gave full throttle to their drive southward and Ford urged Congress to vote more weapons for Vietnam; his plea was in vain and South Vietnam collapsed
- Remaining Americans had to be frantically evacuated by helicopter, the last of them on April 29, 1975 and also rescued were about 140,000 South Vietnamese—feared a bloodbath by the reds
- Ford admitted these people to the US and eventually some 500,000 arrived
- The Americans had not lost the war, their client nation had; the US had withdrawn troops in '73
- The estimated cost to America was \$118 billion with some 56,000 dead and 300,000 wounded
- Technicalities aside, America had lost more than war; it had lost face in eyes of foreigners, lost its self-esteem, lost confidence in its military prowess, and lost much of the economic muscle

Feminist Victories and Defeats

- The antiwar movement had long since splintered and stalled; one major exception to this pattern stood out: American feminists showed vitality and momentum (Women's Strike for Equality)
- In 1972 Congress passed Title IX of the Education Amendments, prohibiting sex discrimination in any federally assisted educational program or activity—athletics, Title IX generation
- The Equal Rights Amendment (ERA) to the Constitution won congressional approval in 1972 and declared that equality of rights under the law shall not be denied on account of sex
- In *Reed v. Reed* (1971) and *Frontiero v. Richardson* (1973), the Court challenged sex discrimination in legislation and employment; in the landmark case of *Roe v. Wade* (1973) the Court struck down laws prohibiting abortion (woman's decision was protected by privacy)
- In 1972 President Nixon vetoed a proposal to set up nationwide public day care, saying it would weaken the American family; antifeminists blamed women's movement for rising divorce rate and the Church organized a powerful grassroots movement to oppose legalization of abortion

- For many feminists, the bitterest defeat was the death of the ERA; conservative spokeswoman Phyllis Schlafly led campaign to stop the ERA; the amendment died in 1982, three states short

The Seventies in Black and White

- The Supreme Court in *Milliken v. Bradley* (1974) 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
- The decision distilled all the problems of desegregation into the least prosperous districts
- Affirmative action programs remained highly controversial; white calls of reverse discrimination
- In the Bakke case of 1978, the Court 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
- In the 1970s a resurgence of Native American political power occurred inspired by the civil rights movement (Indians used the tactics of the civil rights movement to assert their status)
- Indian activists captured the nation's attention by seizing Alcatraz in 1970 and Wounded Knee, South Dakota in 1972; In the case of *US v. Wheeler*, the Court declared that Indian tribes possessed a "unique and limited" sovereignty, subject to the will of the Congress but not states

The Bicentennial Campaign and the Carter Victory

- Gerald Ford sought nomination for the presidency and won the Republican nod in 1976
- The Democratic candidate was James Earl Carter, a dark-horse candidate (Baptist)
- He ran against the memory of Nixon and Watergate as much as he ran against Ford
- Carter squeezed out a narrow victory with the South and the majority of African-Americans
- Carter enjoyed Democratic majorities in both houses of Congress; Carter created Department of Energy, passed \$18 billion tax cut in 1978 and pardoned ten thousand draft evaders of Vietnam
- Carter enjoyed political success at first but he had campaigned against the Washington "establishment" and he failed to consult adequately with the leaders

Carter's Humanitarian Diplomacy

- As a Christian, President Carter displayed an overriding concern for "human rights" as the guiding principle of his foreign policy (Carter and UN ambassador, Andrew Young, in the African nations of Rhodesia and South Africa championed the oppressed black majority)
- The president's most spectacular foreign-policy achievement came in September 1978 at Camp David where Carter invited President Anwar Sadat of Egypt and Prime Minister Menachem

Begin of Israel to a summit conference and on September 17, 1978 they signed an accord that held considerable promise of peace (Israel returned land and Egypt respected Israel's borders)

- Carter then resumed full diplomatic relations with China in early 1979 and proposed two treaties turning over complete ownerships and control of the Panama Canal by the year 2000 to Panama
- Overshadowing all international issues was the ominous reheating of the Cold War (Africa)

Economic and Energy Woes

- Prices had been rising feverishly, increasing at a rate of more than 10 percent a year by 1974
- Crippling oil-price hikes from OPEC in '74 dealt the reeling economy another body blow
- A stinging recession during Ford's presidency controlled the inflation rate only temporarily
- The soaring bill for imported oil plunged America's balance of payments deeply into the red as Americans paid more for foreign products than they were able to earn from selling their own
- The "oil shocks" of the 1970s taught Americans that they could never again seriously consider a policy of economic isolation—the nation's new economic interdependence meant that the US could not dominate international trade and finance as easily as it had earlier
- Deficits in the federal budget aggravated the US economy's inflationary ailments; Americans living on fixed incomes suffered from the shrinking dollar, interest rates were being pushed up
- The high cost of borrowing money shoved small businesses to the wall and strangled the construction industry; Carter said that the problems stemmed from dependence on foreign oil
- Carter wanted to embark on an energy crusade that he called the "moral equivalent of war"
- The president called for legislation to improve energy conservation but proposals in 1977 stalled
- In Iran, Mohammed Reza Pahlevi installed as shah of Iran by the CIA in 1953, was finally overthrown in January 1979 by Muslim fundamentalists resenting westernization
- The crippling upheavals soon spread to Iran's oil fields and as Iranian oil stopped flowing into the stream of world commerce, OPEC hiked up petroleum prices and gas lines formed again
- As the oil crisis deepened, President Carter retreated to Camp David in July 1979 summoning leaders from all over the world for advice; he chided citizens for being too materialistic
- Days later, he fired four cabinet secretaries and expanded the power of his Georgian staff

Foreign Affairs and the Iranian Imbroglio

- In June 1979, President Carter met with Soviet leader Brezhnev in Vienna to sign the SALT II agreements, limiting the levels of lethal strategic weapons in Soviet and American arsenals

- But conservative critics still suspicious of the Soviet Union shot down the SALT II treaty
- On November 4, 1979, a mob of anti-American Muslim militants stormed the US embassy and took all of its occupants hostage; the captors demanded that the Americans return the shah while the Iranian gov't refused to intervene against the militants who followed Ayatollah Khomeini
- The Soviet army aroused the West's worst fears on December 27, 1979 invading Afghanistan
- Carter slapped an embargo to the USSR and called for a boycott of the Olympics in Moscow
- Carter proposed the "Rapid Deployment Force" to respond to sudden crises (possible draft)
- The Soviet army met stiff resistance in Afghanistan and became known as "Russia's Vietnam"
- The Iranian hostage episode was Carter's bed of nails; he tried at first to apply economic sanctions and the pressure of world public opinion against the Iranians while waiting but the political turmoil in Iran continued and Carter at least ordered a rescue mission (failed)
- The disastrous failure of the rescue raid proved anguishing for Americans and the stalemate with Iran dragged on throughout the rest of Carter's term severely limiting Carter in 1980