

## Unit 12: Gerald Ford and Jimmy Carter

### Ford Takes Over

- Sept. 8, 1974 – President Gerald Ford granted a full pardon to Richard Nixon – approval rating dropped from 71% to 50 %
- Sept. 16<sup>th</sup> 1974 – announced a plan of amnesty for those who had evaded military service in Vietnam – could regain their rights of citizenship, if they performed two years of public service
- By 1975 – the American economy was in its worst recession since the Great Depression – tried to revive the economy, but his Whip Inflation Now (WIN) plan failed – tried to limit federal authority, balance the budget, and keep taxes low – vetoed more than 50 bills Congress passed during the first two years of his Presidency
- Aug. 1975 – met with leaders of NATO and the Warsaw Pact – signed the Helsinki Accords – recognized the Eastern Europe borders established at the end of WW II – Soviets promised to uphold certain basic human rights
- *Mayaguez* Incident – Cambodia seized an American cargo ship – marines sent to free the 39 member crew from a heavily fortified island – crew had already been released, Ford knew this, 15 marines killed

### The Election of 1976

- Americans craved an honest President - Carter, an outsider, presented himself as uncorrupted by the world of Washington politics
- Republican party split with a strong challenge by the former Governor of California, Ronald Reagan
- Reagan captured millions of conservative voters by calling to an **end of government regulation of business, major cut in federal spending on social programs, and a tougher line against the Soviet Union**
- Ford won the nomination by a hair but the Republican party did not support his campaign with much enthusiasm
- Carter won by a slim margin - less than 2 million votes separated the two - electoral votes 297 Carter and 240 Ford

### The New President

- Carter did not have a clear plan for the nation when he took office - Carter and his White House staff also lacked experience in working with Congress - most came from Georgia

### A Stagnant Economy

- Carter inherited Ford's economic woes - high inflation and high unemployment
- tried to stimulate the economy by creating more federally funded jobs - public works and job training - with more people at work consumer demand would rise strengthening the sluggish economy
- when this did not work he did an about-face - asked Congress to reduce federal spending and also asked business and industry to follow voluntary wage and price guidelines
- neither method worked - Carter took office with inflation at 6% and left office with it at 18%
- major reason for the rise in inflation was skyrocketing oil prices

### Carter's Energy Policy

- by 1977 U.S. importing 50% of its oil
- one of Carter's chief goals was to reduce this dependence - **Department of Energy** formed to find ways to conserve energy and the development of new sources of energy – wind, geothermal and solar
- President called on Americans to "turn down the thermostat, wear sweaters and drive less"
- deregulate natural gas which would cause prices to rise forcing Americans to use less
- **National Energy Act** - partial relaxation of the controls on the price of natural gas - gave tax benefits to people who installed energy-saving devices in their homes and businesses

### The Energy Crisis of 1979

- **OPEC** raised the price of oil 70% - price of a barrel of crude oil increased from \$3 in 1973 to \$30 in 1980
- rise in gas prices, long lines at the gas pump and angry motorists
- this increase caused a rise in prices throughout the entire economy
- **Three Mile Island** - valve stuck, the reactor overheated threatening a meltdown which would have spewed radiation for miles around - only a partial meltdown which took weeks to control
- nuclear energy had always been advertised as a safe, inexpensive alternative to fossil fuels
- **windfall profit tax** - used to help poor people with their energy costs and help develop new sources of energy

## **Crisis of Confidence**

- met with advisors - described "a crisis of the American spirit" - Americans had lost a "unity of purpose"
- his analysis was sharp and correct in many of his observations - but not a politically smart move - Americans did not want to hear any more bad news
- 1980 Carter's popularity dropped lower than Richard Nixon's during Watergate - his honesty and candor which had won him the presidency was now costing him popular support.

## **World Affairs in the Carter Years**

- foreign policy dedicated to the promotion of human rights
- Carter believed that the U.S. should use its diplomatic and economic power to pressure other nations into behaving more humanely
- seemed inconsistent - cut foreign aid to dictators in Uruguay and Argentine, not strategically important and continued to support dictatorships in South Korea and the Philippines whose backing the U.S. needed

## **The Panama Canal Treaty**

- 1977 - gradually give control of the Canal Zone to Panama - required the canal to remain neutral and the U.S. claimed the right to defend the canal with force if necessary
- polls indicated the majority of Americans opposed the "giveaway" - backers claimed it would improve relations with Panama and protect American interests - also tell other Latin American countries that the "big stick" policy of the past had ended - John Wayne, a conservative, came out in support of the treaty and eventually the tide turned and in 1978 the Senate ratified the treaty

## **Camp David Accords**

- engineered a peace treaty between Israel and Egypt was the greatest diplomatic success of his presidency
- no Arab leader had ever visited Israel and all denied its existence
- Egypt's President Anwar Sadat visited Israel and met with Menachem Begin and called for a peace treaty between the two countries
- talks soon stalled, so Carter invited them to Washington to a summit conference at Camp David
- considered a very risky move politically - met for 2 weeks in Sept. of 1978 - reached an accord
- Israel would give back territory seized in prior wars and in return Egypt would recognize Israel's right to exist

## **Relations with the Soviet Union**

- improving relations with the Soviet Union was also a goal of Carter's
- canceled plans to build the B-1, halted development on the neutron bomb, which was designed to kill people but not destroy property - moved ahead in arms limitations - SALT II
- nuclear balance became the focus of SALT II - U.S. had three types of nuclear forces - land-based missiles, submarine-based missiles, and bombers - made up the "triad"
- the idea is that the Soviets could never figure out how to wipe out all 3 parts of our nuclear force, thus the U.S. would always be able to retaliate after a surprise Soviet attack - this ability to strike back lay at the heart of deterrence
- treaty collapsed when the Soviets invaded Afghanistan
- Carter called for the boycott of the 1980 Olympics in Moscow, an embargo on grain exports and a shelving of SALT - none worked - a severe blow to Carter's Presidency

## **The Iranian Hostage Crisis**

- the Shah was viewed as a pillar of stability in the middle east - U.S. had returned him to power in 1953
- had economic problems while he spent \$15 million on American weapons between 1974 -78
- the revolution to oust the Shah received support from a broad spectrum of the urban masses - Shah forced into exile in January 1979 - the Ayatollah Khomeini - leader of the Islamic fundamentalists seized control of the revolution
- in October of 1979 - Carter allowed the Shah to come to America for cancer treatments - in Tehran demonstrators marched in fury at Carter's aid to the hated Shah
- on November 4, 1979 Islamic revolutionaries stormed the American Embassy and took 52 American hostages - Khomeini insisted that the hostages would not be released until the U.S. returned the Shah and all of his wealth

- seemed to Carter the entire nation was being held hostage - finally in April 1980 he gave in to a military strike - the mission was ill-conceived and poorly executed - when several helicopters broke down and a collision occurred in the desert killing 8 American servicemen the mission was aborted
- Carter spent the remainder of his Presidency trying to secure the release of the hostages - secret negotiations involving frozen Iranian assets almost secured the release of the hostages but not before Inauguration Day, Jan. 10, 1981 - Reagan became President and the hostages were released the same day