

# From Détente to the Carter Doctrine

by Sophia



## WHAT'S COVERED

Economic stagnation and rising inflation—“stagflation”—were not simply consequences of domestic problems. Rather, the economic troubles that the United States experienced during the 1970s were connected to changes in the global economy. In addition, new countries, regions, and organizations vied for international influence as the Cold War persisted. In response to these changes, Richard Nixon and subsequent presidents made ongoing adjustments to American foreign policy.

This tutorial examines U.S. domestic issues and foreign policy, from *détente* to the Carter Doctrine, in four parts:

## 1. International Economic Competition

One reason successive presidential administrations were unable to end **stagflation** during the 1970s was the significant change in the international economy that impacted America’s economic climate.



### TERM TO KNOW

#### Stagflation

High inflation combined with high unemployment and slow economic growth.

The industrial development of America’s allies in Western Europe and Asia—especially Germany, Japan, and South Korea—challenged the global dominance of the U.S. economy, which had continued since the end of World War II. This was, in part, a result of the support that the United States provided to these nations to help them recover from the war.

➞ **EXAMPLE** To contain communism, American companies and the federal government invested in the economies of its allies. By the beginning of the 1970s, those investments had started to pay off, to the extent that products manufactured by these countries were successfully competing with American-made goods.

The increased American appetite for imports filled foreign central banks with billions of U.S. dollars, the value of which was based on an international gold standard. When the value of U.S. dollars in foreign banks surpassed the value of U.S. gold reserves in 1971, President **Richard Nixon** decided to allow the U.S. dollar to flow freely against the price of gold.



### PEOPLE TO KNOW

## Richard Nixon

Conservative Republican politician who won the tumultuous presidential election of 1968 by appealing to a “silent majority” of Americans who looked unfavorably upon the social upheaval of the 1960s and by promising an honorable exit from Vietnam.



### MAKE THE CONNECTION

Although Nixon’s decision marked the beginning of the end of the U.S. dollar’s dominance in international trade, it helped to establish the monetary system used in the global economy today (i.e., the system in which the values of international currencies “float” in relation to each other).

Nixon’s decision lowered the value of the U.S. dollar in comparison to the currencies of economic competitors. This process is known as “devaluing.” For a brief time, it stimulated the export of American-made goods because they were now cheaper overseas. The move also temporarily curtailed domestic inflation and reduced the dependence on imports.

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## 2. The Oil Embargo

The devaluation of the dollar added flexibility to the global economy, but Nixon’s decision upset some in the international community and increased volatility in the world economy. This became evident in the fall of 1973.

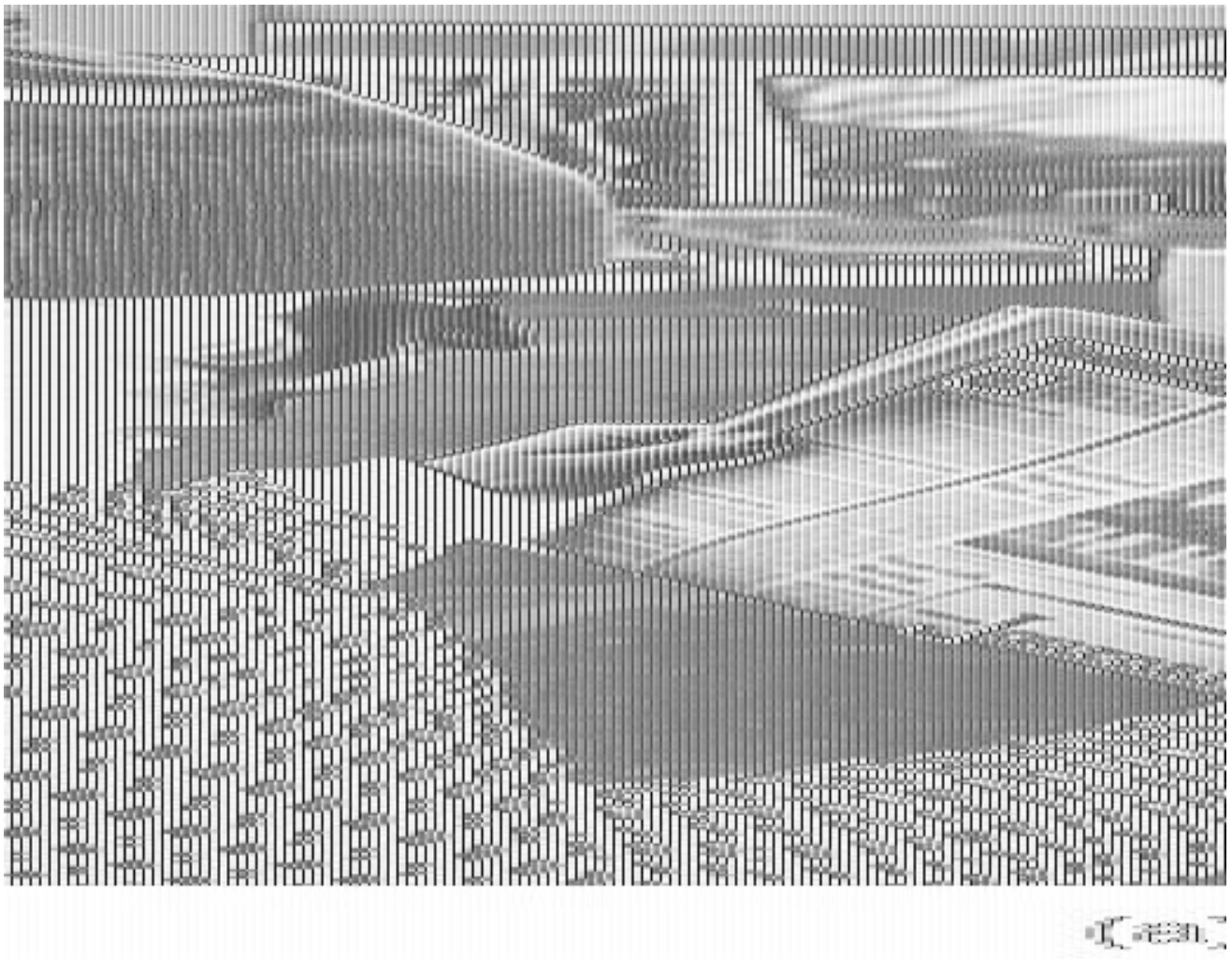
In October 1973, Syria and Egypt jointly attacked Israel in what is known as the Yom Kippur War to recover territory that was lost in a conflict with the Israelis several years earlier. The United States supported Israel, which earned it the enmity of Arab nations. Many of the oil-producing states in the Middle East also objected to Nixon’s devaluation of the U.S. dollar, which was the currency commonly used to pay for oil shipments.

For these reasons, the Arab members of the Organization of Petroleum Exporting Countries (OPEC) imposed an embargo on oil shipments to the United States from October 1973 to March 1974. In addition, all OPEC member nations agreed to raise the price of oil from \$3 a barrel to almost \$12 a barrel—an increase of over 300%.

Prices at the pump increased accordingly—from 38 cents per gallon before the embargo to 55 cents per gallon by June 1974. The prices of other goods, the manufacture and transportation of which involved oil and gas, also rose.

The embargo, and the resulting energy crisis, contributed to domestic stagflation during the 1970s. The combination of stagflation and the oil embargo made it appear as if the American economy had run out of gas.

Faced with high fuel prices, some consumers panicked. As a result, the demand for gasoline sometimes surpassed the supply. Some gas stations limited the amount of gasoline that customers could purchase. When the gas in their tanks ran low (or out), station owners closed their stations until they received another shipment.



The oil embargo of 1973–1974 triggered a rush to purchase gasoline. Gas stations around the country served long lines of cars waiting to fill up. Fuel shortages led station owners to develop ways to ration gasoline to their customers (a), such as the “flag policy” used by stations in Oregon (b).



#### DID YOU KNOW

During the oil embargo, car owners sometimes waited in line for hours for gasoline. In New Jersey, these lines were sometimes 4 mi long.

As drivers waited in line for gasoline, they recognized that the oil embargo illustrated America’s dependence on foreign oil and vulnerability to negative political and economic developments overseas.

Cheap oil enabled economic growth, the migration to suburbia, and other manifestations of American prosperity following World War II.



#### DID YOU KNOW

The United States represented only 6% of the world’s population in 1973, but it consumed one third of the global oil produced.

However, by the 1970s, much of the oil that fueled American economic growth came from overseas—mainly, from the Middle East.

➔ **EXAMPLE** In 1973, the Middle East provided over 40% of America’s oil imports and 30% of

America's overall oil supply.

After the oil embargo ended in the spring of 1974, oil prices continued to rise. Inflation soared to 12.2% by the end of the year. Just as the Vietnam War exposed the limits of U.S. military power, the oil embargo and increased international economic competition led some to believe that the nation was no longer a superpower.

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### 3. *Détente*

Changes in the international arena during the 1970s were reflected in America's **containment** policy and Cold War geopolitics.



#### TERM TO KNOW

##### Containment

The U.S. strategy to limit the expansion of communism abroad during the Cold War.

The Nixon administration gave foreign policy a high priority. When he took office during the Vietnam War, President Nixon recognized that five major economic powers—the United States, Western Europe, the Soviet Union, China, and Japan—dominated world affairs. Nixon looked for opportunities to pit competing powers against each other for the benefit of the United States.

Nixon's most notable accomplishment in this regard involved China. In August 1971, he reversed decades of U.S. hostility to the communist regime of the People's Republic of China when he announced that he would meet China's leader, Chairman **Mao Zedong**, in Beijing. Nixon and his advisors, most notably **Henry Kissinger**, hoped that the establishment of relations with China would prompt the Soviet Union to seek a more productive relationship with the United States.



#### PEOPLE TO KNOW

##### Mao Zedong

Leader of the communist revolution in China and chairman of the Chinese Communist Party from 1945 to 1976.

##### Henry Kissinger

U.S. secretary of state and National Security Affairs advisor under Presidents Nixon and Ford; played a critical role in the opening of diplomatic relations between the United States and the Chinese Communist Party in the 1970s.

Nixon arrived in China in February 1972. Chinese Premier and President **Zhou Enlai** agreed that the Soviet Union should be prevented from making advances in Asia. The trip did not result in an alliance between the United States and China, but both nations promised to seek trade agreements and to establish full diplomatic relations.



#### PEOPLE TO KNOW

##### Zhou Enlai

Premier of the People's Republic of China from 1949 to 1976 who held meetings with President Nixon during his historic visit to Beijing in 1972.



President Nixon and First Lady Patricia Nixon visited the Great Wall on their 1972 trip to China. The Chinese showed them the sights and hosted a banquet for them in the Great Hall of the People. Nixon was the first U.S. president to visit China following the communist victory in the civil war in 1949.



#### DID YOU KNOW

Diplomatic relations between the United States and communist China were formalized in 1979.

In May 1972, 3 months after visiting China, Nixon became the first American president to visit the Soviet Union. He met with Soviet leader **Leonid Brezhnev** in Moscow, where they discussed trade. They also signed the Strategic Arms Limitation Treaty (SALT), which froze the number of intercontinental nuclear missiles in each country's arsenal and banned further development of antiballistic missile systems.



#### PEOPLE TO KNOW

##### Leonid Brezhnev

Leader of the Soviet Union during the 1970s, when the United States and the Soviet Union adopted a policy of *détente* to lessen the tensions of the Cold War.

The negotiations reflected a new approach to containment that both leaders referred to as *détente*, or peaceful coexistence.



#### TERM TO KNOW

##### *Détente*

The relaxation of tensions between the United States and the Soviet Union during the 1970s.

**Gerald Ford**, Nixon's vice president who succeeded him as president in 1974 (following Nixon's resignation), further advanced *détente* in August 1975 when he, Soviet Premier Brezhnev, and representatives of 31 other countries signed the Helsinki Accords. This agreement, which was signed in Helsinki, Finland, recognized the territorial boundaries that had been established at the end of World War II, including the division of Germany. The accords also included a pledge by all signatories to protect human rights within their borders.



#### PEOPLE TO KNOW

##### Gerald Ford

Vice president to Richard Nixon; assumed the role of president from 1974 to 1977, following Nixon's resignation after the Watergate scandal.

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## 4. Shifting Focus to the Middle East

Despite proclamations of *détente*, tensions between the two superpowers persisted. During the early years of the Cold War, they contended in Europe; in the 70s, the superpowers confronted each other in the Middle East.

**Jimmy Carter**, who won the 1976 presidential election against Gerald Ford, took office in January 1977. He believed that U.S. foreign policy should be based on moral principles and national values. For example, he argued that the United States had failed in Vietnam because of the My Lai massacre and other atrocities, which were contrary to moral values.



#### PEOPLE TO KNOW

##### Jimmy Carter

Democratic president from 1977 to 1981 who attempted to reorient U.S. foreign policy toward promoting universal human rights while drawing a hard line against the Soviet Union and threats to American interests in the Middle East.

Instead of containment or *détente*, Carter sought to implement a foreign policy based on the observance of human rights.

➞ **EXAMPLE** In 1978, Carter ended American aid to the military dictatorship that governed Argentina, which had waged a “dirty war” against its citizens that killed approximately 30,000 people.

➞ **EXAMPLE** When leftist insurgents known as the Sandinistas overthrew Nicaraguan dictator Anastasio Somoza—a U.S. ally—in 1979, Carter refused to intervene.

Carter achieved a notable diplomatic success in the Middle East by bringing Israeli Prime Minister **Menachem Begin** and Egyptian President **Anwar Sadat** to the United States to negotiate peace. Their meetings at Camp David, the presidential retreat in Maryland, led to the signing of the Camp David Accords in September 1978. The accords made Egypt the first Arab nation to recognize Israel, which had been created in the Middle East in 1948. The accords led to the signing of a historic peace treaty between the two nations 1 year later.



#### PEOPLE TO KNOW

##### **Menachem Begin**

Israeli prime minister who, with the assistance of President Carter, signed the Camp David Accords with Egyptian President Anwar Sadat in 1978 to bring peace to their countries.

##### **Anwar Sadat**

Egyptian president who, with the assistance of President Carter, signed the Camp David Accords with Israeli Prime Minister Menachem Begin in 1978 to bring peace to their countries.



President Jimmy Carter meets with Egypt’s Anwar Sadat (left) and Israel’s Menachem Begin (right) at Camp David in 1978. Sadat was assassinated in 1981, partly because he had made peace with Israel.

Despite these successes, Carter’s foreign policy approach—and the *détente* policy in general—unraveled as a result of two conflicts in the Middle East in 1979:



- The Soviet invasion of Afghanistan
- The Iran Hostage Crisis

## 4a. The Soviet Invasion of Afghanistan

The Soviet Union invaded Afghanistan in late 1979 to rescue a communist government threatened by the Islamic revolution. In response to the invasion, President Carter backed away from his prior emphasis on human rights and issued the **Carter Doctrine**.



### TERM TO KNOW

#### Carter Doctrine

Jimmy Carter's declaration that interference with American interests in the Middle East would be considered an act of aggression and would be met with force, if necessary.

In addition, Carter placed an embargo on grain exports to the Soviet Union and announced that the United States would boycott the 1980 Summer Olympic Games, scheduled to take place in Moscow. He seemed to disregard his previous emphasis on moral values and human rights when he authorized aid to fundamentalist Muslims, known as the *mujahideen*, who fought the Soviets. One faction of this resistance became known as the Taliban.

## 4b. The Iran Hostage Crisis

The Iran Hostage Crisis presented an even more serious foreign policy challenge. Located on the southern border of the Soviet Union, Iran became a key U.S. ally following the CIA-engineered overthrow of Prime Minister Mohammad Mossadegh in 1953. The United States subsequently supported Mohammad Reza Pahlavi, the Shah of Iran, with billions of dollars in aid.

The Shah became increasingly unpopular among his people due to his brutal policies, which included the use of a secret police force to suppress dissent. The Shah's efforts to modernize Iran along Western lines also alienated Muslim clerics.

In February 1979, as the Shah's health deteriorated, a revolution inspired by exiled cleric **Ayatollah Khomeini** overthrew the government and established an Islamic republic. When President Carter permitted the ailing Shah to enter the United States for medical treatment in November 1979, a group of Iranian students and activists, including Islamic fundamentalists who opposed the Westernization and secularization of Iran, invaded the U.S. embassy in Tehran, taking 66 embassy employees hostage. The women and African Americans among them were soon released; 53 men remained in captivity.



### PEOPLE TO KNOW

#### Ayatollah Khomeini

Formerly exiled cleric who rose to power in Iran and declared Iran an Islamic republic after the Iranian Revolution in 1979 deposed the Shah.

Carter appeared weak and inept to many Americans during negotiations for the release of the hostages.

➞ **EXAMPLE** In April 1980, an attempt to save the hostages failed when a helicopter transporting a rescue team crashed in Iran.

As Carter approached the 1980 election against Republican challenger Ronald Reagan, the fate of the hostages remained in doubt.





## SUMMARY

Events during the 1970s revealed that the United States was increasingly impacted by international political and economic developments. Economic competition from European and Asian allies led to increased imports. An oil crisis exacerbated stagflation in the domestic economy. Cold War politics also reflected changing global circumstances. *Détente*, as practiced by Presidents Nixon and Ford, emphasized increased economic competition among the world powers and peaceful coexistence with the Soviet Union. Increased oil imports, as well as the Carter Doctrine and the Iran Hostage Crisis, illustrated the growing importance of the Middle East in international affairs.

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## TERMS TO KNOW

### Carter Doctrine

Jimmy Carter's declaration that interference with American interests in the Middle East would be considered an act of aggression and would be met with force, if necessary.

### Containment

The U.S. strategy to limit the expansion of communism abroad during the Cold War.

### Détente

The relaxation of tensions between the United States and the Soviet Union during the 1970s.

### Stagflation

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### Henry Kissinger

U.S. secretary of state and National Security Affairs advisor under Presidents Nixon and Ford; played a critical role in the opening of diplomatic relations between the United States and the Chinese

Communist Party in the 1970s.

**Jimmy Carter**

Democratic president from 1977 to 1981 who attempted to reorient U.S. foreign policy toward promoting universal human rights while drawing a hard line against the Soviet Union and threats to American interests in the Middle East.

**Leonid Brezhnev**

Leader of the Soviet Union during the 1970s, when the United States and the Soviet Union adopted a policy of *détente* to lessen the tensions of the Cold War.

**Mao Zedong**

Leader of the communist revolution in China and chairman of the Chinese Communist Party from 1945 to 1976.

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