

## US History

### The Nixon, Ford, & Carter Years

#### Learning Target:

*I can define malaise and examine how this accurately describes the mood of the country and the economy in the 1970s.*

### 3. Economic Woes

Malaise – 1. An indefinite feeling of debility or lack of health.  
2. A vague sense of mental or moral ill-being.

-People, nations, and economies can all feel malaise - 1970s led to a collective malaise for America

#### The Sickened Economy

-US had been accustomed to steady economic growth since WWII  
-Recessions had been short and always followed by strong economic growth  
-Americans now facing an economy where their children might do worse than their parents

#### Inflation & Unemployment

-Inflation increased from 1-3% to 20%  
-Unemployment ballooned to 10% had been under 5% since 1945  
-Economists usually see either high inflation or high unemployment separately but not together  
-Stagflation – High unemployment and high inflation Why?

#### Stagflation & Oil

-Price of oil skyrocketed due to the OPEC embargo on the US  
-Price of oil is independent of other economic factors and caused the price of all goods to go up  
-Any good shipped by truck or plane saw its prices increase drastically  
-OPEC's embargo was eventually lifted but the price of gas tripled from 1970-1980

#### Nixon, Ford, & Carter

-All three were unable to fix the economy

-Nixon tried to reverse deficit spending  
-Attempted to raise taxes and cut the budget to reverse deficit spending  
-Congress refused to cooperate with his plan

-Ford started his economic program W.I.N. (Whip Inflation Now)  
-Americans asked to conserve fuel and energy  
-No real incentive for Americans to change their behavior, few did - not very successful

-Carter tried tax and spending cuts but still saw inflation top 18%  
-Spending cuts fell mostly on social programs which angered liberal democrats  
-Slowing economy also led to high unemployment & business failures angering Republicans  
-Economic woes eventually led to the election of Reagan over Carter