Chapter 1

Losing Control: The United States in 1980

The Americans were not a happy people as the 1970s ended. The Gallup Poll in January 1979 reported that some 55 percent of respondents expected the coming year to be "worse" than the preceding one; only 33 percent anticipated something "better." In March the same organization found that 69 percent of Americans were "dissatisfied" with "the way things are going in the United States"; by August the figure was up to a record 84 percent. That year *Business Week* published a special issue on the theme of "The Decline of US Power." Another set of polls in 1980 found that Americans believed that their lives "five years ago" had been better than "at the present time," and a *Newsweek* cover asked "Has America Lost Its Clout?" A few years later Ronald Reagan would be credited with restoring American self-confidence, but at the end of the 1970s pessimism rather than optimism was the prevailing sentiment among the public at large.[1]

The decade of the 1970s may not have witnessed the tumult of the "Sixties," but these years had offered Americans scant reason to rejoice. The traumatic war in Vietnam had ended ingloriously, the most powerful nation on earth forced into shameful retreat. Not just the whole of Vietnam, but Cambodia too fell to the communists. International rebuffs to the United States had continued through the decade. There were pro-Soviet governments in Portugal's former African colonies, and in 1979 left-wing groups seized power even in the Americas, in Nicaragua and Grenada. It was communism rather than capitalism that seemed to be winning the battle for the soul of humankind. The Soviet Union, believing that history was moving in its direction, was encouraging developing nations and nationalist forces around the world to join it in resisting capitalist

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imperialism. Only a generation earlier a victorious United States had seemed to have the globe at its feet.

In those happy years following World War II, too, the American economy had been truly redoubtable, and its managers were confident of maintaining full employment and an improving standard of living. But in the 1970s an exceptional inflation juddered upward through the decade, remorselessly eroding the savings and living standards of millions. For decades the United States had been able to rely largely on its own resources, but no longer. Bewildering events in the Middle East (together with rapidly increasing world demand) quadrupled the price of oil on the world markets in 1974 and sent it soaring again in 1979, and the consequent shortages forced motorists waiting in gas lines to contemplate the sobering truth that the United States was no longer self-sufficient in energy. The political system offered little comfort. Since the 1960s public confidence in Washington had generally been falling. Richard Nixon had exited the presidency gracelessly and in disgrace, the only president to have had to resign his high office. The Watergate scandal had rendered a massive blow to public confidence in government. As many as 70 persons, including cabinet members and White House aides, had pleaded guilty to or were convicted of crimes associated with Watergate. It was by no means irrational in 1979 to expect the worse of the future. John Updike caught the mood in his novel set in that year, *Rabbit Is Rich*, which begins with: "Running out of gas, Rabbit Angstrom thinks … The fucking world is running out of gas … the people out there are getting frantic, they know the great American ride is ending."[2]

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In 1941 *Time* publisher Henry Luce had spoken of "the American Century," anticipating an era in which American values would pervade the world. While the Cold War soon destroyed the optimism of that vision, the postwar era in many ways proved a golden one for the United States, indeed a "Golden Age" in Eric Hobsbawm's phrase for the developed capitalist world in general. In 1945, Norwegian scholar Geir Lundestad has written, that the United States "was really unique in history": "In the overwhelming size of its economy, in its superior military strength, and in its popular message to the world, its soft power, the United States was in a league of its own."[3]

The American economy grew steadily and at times powerfully – Gross Domestic Product (GDP) almost doubled in real terms between 1947 and

1970. Increases in real wages allowed most if not all Americans to partake of the material rewards of what Harvard economist John Kenneth Galbraith ironically dubbed the “affluent society.” Historians and social scientists sometimes described American society in the 20 years after 1945 in terms of abundance, homogeneity, consensus, and conformity. To historian David Potter, Americans were a “people of plenty.” Sociologist David Riesman spoke of Americans becoming more “other-directed,” anxiously taking their cues from their peers, in contrast to the “inner-directed” behavior of their forebears. The political historian Godfrey Hodgson argued that virtually all those in public life in those years, Democrats and Republicans alike, were exponents of “consensus liberalism,” agreed on the need for an anti-communist foreign policy abroad and a mixed economy and a modest welfare state at home.[4]

By the 1970s these characterizations were wearing thin, partly because of the political convulsions of the 1960s, which helped to expose the class, racial, and ethnic divisions in American society, and partly because the economy was no longer performing miracles. Demographic changes were also subtly reconfiguring the social landscape. The liberal consensus of postwar America was disappearing into the past; neither liberalism nor consensual values were much favored by these changing circumstances. There were vigorous liberal and progressive causes animating the 1970s, among them feminism and environmentalism, but these were matched by a range of conservative movements, such as anti-abortion and anti-tax crusades. It was neither a liberal nor a conservative era, but one characterized by a growing awareness of limits and an unease that the outside world was uncomfortably intruding on the American way of life. Broadly, however, the economic, social, and demographic changes served to weaken further the “big government” liberalism associated with the Democratic Party, which had generally enjoyed electoral dominance since the 1930s.

One such influence was the growth of the Sunbelt, that great swath of western and southern states stretching from California to Virginia. As a “postindustrial” economy shifted to light industry, science and medicine, high technology and services, the old industrial centers of the North – the “rustbelt” – shed jobs and people. Many new enterprises were located in the South, some of them attracted by the availability of non-unionized labor and others by the federal contracts consequent upon the Cold War investment in the US military. Lavish Cold War spending also benefited the West, whose fabled climate and lifestyle proved attractive to many. During the years of heady defense expenditure occasioned by the Vietnam War, the rate of capital formation and income growth in the Sunbelt reached twice that of the Northeast. The populations of such cities as New York, Cleveland, Detroit, and Pittsburgh actually dropped in the 1970s; the Sunbelt boom cities of Los Angeles, Houston, Miami, and Atlanta gained people. Houston was said to be the "golden buckle" of the Sunbelt, and in 1982 it became the nation's fourth largest city. In 1970 the Northeast and Midwest together still commanded a majority of US population, but by 1980 the South and the West constituted 52.4 percent of American residents, a proportion that continued to grow. The South alone was home to a third of American population, allowing it considerable electoral clout. Its emerging prosperity worked to the political advantage of the Republicans, who began to challenge the Democrats as the dominant party of the region – although if business values brought some into the Republican fold the party was also helped by white men apparently switching from a Democratic Party overwhelmingly supported by the recently energized black vote.

Broadly favoring conservative causes, too, was the growth of suburbs across the nation, not least in the Sunbelt but also in other regions too. In a sense Sunbelt suburbanization tended to undermine the distinctiveness of the South, for suburbs everywhere promoted what one historian has called an "ethos of middle-class entitlement." While it was mainly white families who moved to suburban homes, in search of housing, good schools, and a safe environment, their outlook was shaped in significant degree by class and property considerations even if these could not be entirely divorced from racial concerns. By 1980 suburbs accounted for 60 percent of urban dwellers, an expanding constituency to which politicians were sensitive. A high proportion of new jobs were being created in the suburbs, many of which were not dormitories but complex communities in their own right, with an array of businesses, schools, churches, medical centers, and shopping and entertainment malls. They had become the characteristic places in which Americans had come to "live, learn, work, shop, play, pray, and die," what one author in 1991 dubbed "edge cities." By that date they housed two-thirds of American office facilities. Many of them were also prosperous, particularly those close to major cities like New York and Washington. Of the 21 counties in the country with the highest per capita incomes in 1985, 20 were suburban.[5]

Suburbs may have had some common characteristics but they varied greatly from one to another. Each social group, whether upper-middle-class white professionals or self-made ethnics, tended to seek out their own kind, a process often abetted by developers, real estate agents, and municipal officials, so that suburbs became class-segmented, each reflecting the predominance of a particular income or racial group. As early as 1970 one regional planner was lamenting that "vast areas of New York's suburbs are now one-class, one-race (often one-religion) in residential composition." The very poor tended to be left behind in the city centers as the jobs fled, among them blacks and other minorities, often unable to articulate a political voice. Suburban taxpayers did not always give high priority to the educational and welfare services of the inner cities, an agenda that tended to accentuate the contrast between decaying cities and their affluent outskirts. This spatial fragmentation militated against political mobilization, and the political influence of the traditional urban machines diminished. Suburban voters tended to look to politicians to protect their interests as homeowners, taxpayers, and consumers. Entrepreneurial values, self-help philosophies, and Christian evangelicalism flourished in many if not all of the well-to-do suburbs of the South and West, receptive territory for conservative politics.[6]

Paralleling the rise of the Sunbelt and the suburbs was the "deindustrialization" of the old manufacturing centers of the North and Northeast. Between 1967 and 1987 Philadelphia lost 64 percent of its manufacturing jobs and Chicago 60 percent. Such traditional industries as textiles and steel were suffering massively from foreign competition, and the auto industry too was in serious trouble. By 1980 Japanese cars had won 22 percent of the American market. Hundreds of thousands of workers in the old industrial cities were laid off, and many of them remained there, unable to relocate to the areas where new jobs were being created, perhaps because they lacked the requisite skills. The decline in the populations of the industrial cities was paralleled by declining union memberships, with long-term implications for the Democratic Party, which counted urban conurbations and labor unions among its core constituencies. In time the suburbs of the North would follow the Sunbelt in developing light, high-tech and service industries. A manufacturing company would be displaced as the largest employer in a community by a high-tech park or a health complex. But at the end of the 1970s it was urban decay that commanded worried attention.

As some northern cities deteriorated into decidedly bleak environments, fears were expressed about the emergence of an "underclass." *Time* magazine in 1977 talked about "the unreachables," who generated a high proportion of "the nation's juvenile delinquents, school dropouts, drug addicts and welfare mothers." The mass poverty of earlier eras had disappeared, and the number living below the "poverty line" had dropped dramatically in the 1960s, but discussions of the underclass evoked images of a permanent, irreducible minority beyond the reach of social and political institutions. The term served the interests of conservatives scornful of the effects of Great Society reform while also carrying the message that politically the truly wretched were powerless, unable to mobilize in their own interests. Most poor people could not be categorized as an underclass, though its imputed existence, suggestive of a black hole into which others might tumble, helps to account for the surly disquiet felt by many American wage earners in the later decades of the century. The poor were helpless too because they were scattered across the immensity of metropolitan and small-town America, and they were divided between themselves in another way. Among them were displaced family farmers and farm workers, forced off their homesteads in the Midwest, Great Plains, and the West as they too encountered foreign competition and declining prices. A high and increasing proportion were African Americans or recent immigrants, often harboring mutual animosities in the scramble for survival. These migrants were arriving in the cities as jobs were leaving them.[7]

American urban society was being reshaped by the extraordinary numbers of foreigners pouring into the country. Mass immigration, it had been thought, was a thing of the past, cut off by barriers erected in the 1920s. As striking as the numbers was its unfamiliar character, Third World rather than reassuringly European. Most immigrants were Hispanics, fleeing the poverty and political regimes of Mexico, the Caribbean, and parts of South America, but a rising number were Asians. Americans generally had been taught by the civil rights struggles of the 1960s to value ethnic diversity, and this understanding was reinforced by the increasing racial and ethnic variety of urban America. If some authors had lamented a perceived homogeneity in American society in the 1950s, in the 1970s it became fashionable to celebrate multiculturalism.

The encouragement of ethnic identity and the return of mass immigration were occurring at a time when the economy was no longer performing at the gratifying level a generation of Americans had come to expect. The historian Arthur Schlesinger suggested that the two were related, attributing the cult of ethnicity to a waning optimism in the American future in an age of straitened circumstances. Each group, perhaps, sensed the need to fend for itself. Demoralized ghetto residents in particular chafed at the seeming unresponsiveness of the economic and political systems, and racial and ethnic hostilities on occasion flared into violence. Miami blacks vented resentments against Cuban refugees in 1980 in riots that took 18 lives.[8]

The straitening circumstances that worried Schlesinger were reflected in the sobering economic figures. GDP had increased by a fraction over 50 percent in the heady 1960s; in the 1970s growth slowed to under 36 percent.

Unemployment, just 4.5 percent in 1965, had jumped to 8.3 percent in 1975. Inflation was savaging the economy. No one could miss the escalating costs of everyday goods – hamburger meat up from 88 cents a pound in 1970 to $1.86 in 1980, milk up from 28 to 59 cents a quart, gasoline from 37 cents to $1.60 a gallon. The higher job losses, unnerving price rises, and decaying urban centers sent home the lesson that the good years were over. For economists this depressing conclusion was confirmed by the productivity figures, which had slowed to anemic annual rates of increase, and in some years actually registered a decline. It was becoming evident that American resources were limited; the panacea of endless economic growth was no longer there to perform its magic. As President Jimmy Carter observed in 1979, "we cannot afford to live beyond our means." Banker Paul Volcker, the new head of the Federal Reserve Board, echoed him: "We have lost that euphoria that we had fifteen years ago, that we knew all the answers to managing the economy." In Congress, journalist Thomas Edsall noticed, debate was shifting "from the relatively peaceful arguments over the cutting up of a growing pie to a bitter fight over which groups will be forced to take smaller shares."[9]

These demographic, social, and economic changes, with their tendency to accentuate differences and disunity, could not but have implications for American politics. Academics were beginning to discern the emergence of a "new American political system" by the end of the 1970s. It was a system in which power was diffused and politics more fragmented, in which political parties, although still prominent, were not the integrative forces they had once been, and in which presidents found their authority frustratingly constrained. Political scientist Anthony King spoke of the "atomisation" of politics, of a situation in which "fewer and fewer cohesive blocs are to be found in the American polity." Further, the holders of elective office, such as presidents and congressmen, seemed to have yielded some of their authority to professional elites, bureaucrats, judges, and interest groups, non-elected bodies who nonetheless were often intimately involved in policy making.[10]

The electorate itself was less dependable. Voters were becoming less partisan, less inclined to back a particular party through thick and thin; the proportion of voters designating themselves "independent" was increasing markedly, and voters were also showing less enthusiasm about actually going to the polls. There had been a postwar high in voter turnout of 63 percent in the presidential election of 1960, but by 1980 the figure was down to 53 percent. As the electorate was becoming less engaged and less partisan it was also growing more suspicious of Washington. While 42 percent of Americans had expressed a "great deal" of confidence in Congress in 1966, by 1981 the figure had plunged to 16 percent. A disenchanted electorate, however, could represent an opportunity for a presidential candidate who was not closely identified with Washington.[11]

Paradoxically, while the electorate was becoming more volatile, professional politicians were tending to become more partisan. Partly this was a consequence of the low voter turnouts in primary elections and other features of the electoral environment, which allowed committed activists to exert pressure in the choice of candidates. For a complex blend of reasons too, each party was tending to lose its restraining wing. Through much of its history, the labor and northern liberal elements in the Democratic Party had been countered by its highly conservative southern bloc, but in the aftermath of the civil rights revolution southern Democrats were having to accommodate themselves to black voters, and some lost their seats to Republicans. While the Democrats were shorn of their conservative bloc, the Republicans were losing their liberal wing, as grassroots activists grew dissatisfied with those leaders who seemed too ready to bow to the discredited consensus politics of the postwar era. As each party became somewhat less heterogeneous in terms of its constituent elements, the ideological gulf between them tended to grow, intensifying the adversarial character of party politics. Where opinion polls showed that the public at large was mostly of middling disposition on many issues, reformist elements tended to tug the Democratic Party to the left of center while conservative activists nudged the Republicans to the right.

Partisanship in national politics was also encouraged by the phenomenon of divided government. In most years after 1968 one major party held the White House while the other controlled Congress, which meant that each branch flexed its muscles against the other. Not only did this internecine branch warfare underline the lack of comity in Washington, serving further to erode popular trust of politicians, it also accentuated a tendency to recruit the criminal justice system to the political process. Between the early 1970s and the mid-1980s the number of indictments brought by federal prosecutors against national, state, and local officials multiplied 10 times. Many were low-level officials, but cabinet officers and White House aides found themselves targets too. The "consensual" style that some political leaders at least had attempted to cultivate in the 1960s would be largely replaced by the 1990s by "attack politics," a process abetted by the rise of the 24-hour news cycle.[12]

The cost of election campaigns escalated prodigiously as television became their principal medium, and money talked. The 1970s and 1980s witnessed the rapid multiplication of Political Action Committees (PACs), through which interest groups channeled funds to politicians. Business, somewhat on the defensive during the liberal advances of the 1960s, was determined to recover its political clout. In 1974 there had been about 200 labor and only 90 corporate PACs; by 1980 the figures were 290 and 1153 respectively. The objective, said a leading advocate of the corporate drive, was to "increase business leverage in politics relative to labor and other groups." The desperate need for campaign funds, and the lack of prudence with which they were often accepted, is one reason for the increasing number of criminal indictments of politicians. Congress and the state legislatures tended to become forums in which lobbyists, mostly representing business, commercial, and professional bodies, and often dripping with cash, pursued their highly specific goals, colliding and colluding with one another. Yet the 1970s were also "boom years for the liberal groups," such as environmental, consumer, and good government bodies, several of them well funded and employing their own teams of lobbyists. One study found that in 1979 citizen groups constituted over a quarter of those testifying at congressional hearings, an impressive proportion. In these years too liberals also increased their institutional strength, and were able to exert some influence from their relatively secure positions in the universities, the media, and the federal and state bureaucracies.[13]

It was not only interest groups that seemed to be usurping the responsibilities of the elected branches of government. American presidents were sometimes frustrated by a sense that the White House had lost control of the bureaucracy. Lyndon Johnson's Great Society programs had spawned a new generation of government agencies, staffed by administrators seemingly eager to push outward the boundaries of their authority, and the regulatory thrust continued into the 1970s. Such regulations added significantly to business costs, and do much to explain the increase in business lobbying. Judges as well as bureaucrats were exerting an influence on public policy. The judiciary had always played a significant role in the American system of government, but its authority rose as that of the parties diminished and as gridlock paralyzed the legislative arena. The growth of rights consciousness in the wake of the civil rights movement of the 1960s encouraged individuals and groups to turn to the courts to establish their rights. Court decisions on culturally divisive issues such as abortion served to inject those issues into party politics. The increasing political salience of the courts meant that nominations to the judiciary, particularly to the Supreme Court, became highly fraught matters, the occasion of epic battles between White House and Senate.

The divers roles of interest groups, the bureaucracy, and the courts in policy making meant that decisions were often being made by bodies outside the control of voters. At the same time the intellectual climate was turning against government. Conservative intellectuals were able to use the growing public distrust to fashion a critique of the political order of the previous generation.

The intellectual move to the right was driven largely by the gloomy economic experiences. In the 1960s economists had boasted of their ability to "fine tune" the economy, but the economy no longer seemed responsive to their ministrations. "Stagflation" – the combination of miserly economic growth and high inflation – was not supposed to happen, and served to undermine confidence in "big government" or Keynesian solutions. The Chicago economist Milton Friedman argued that government spending and budget deficits encouraged inflation and disrupted the free market. Business schools, often the beneficiaries of corporate grants, gave headroom to his monetarist theories. Some formerly liberal intellectuals, several of them Democrats, also moved to the right, questioning the social engineering in government programs that did not seem to work. These "neoconservatives," together with the monetarists, helped to promote a change in the intellectual climate. They were soon joined by scores of defiantly conservative intellectuals, several of whom found refuge in the flourishing research institutes, such as the Heritage Foundation and the American Enterprise Institute.

A new conservative movement was being consciously created. From the 1970s there was a proliferation of highly partisan "think tanks," often handsomely supported by business corporations and rich entrepreneurs, a part of the larger process by which business was mobilizing on behalf of conservative causes. The Heritage Foundation, for example, described by Ronald Reagan as that "feisty new kid on the conservative block," was established in 1973 with a grant from the Colorado brewer Joseph Coors, and by 1985 it had an annual budget of over $10 million. Conservative journals were also appearing. The right-wing think tanks and journals in turn supplied a stream of articulate contributors to the radio and TV talk shows and newspaper opinion columns, and research papers to congressional staff. The free market conservatism boosted by such sources excoriated not only big-spending Democrats but also the compromises made with liberalism by moderate Republicans. The Republican right, once dismissed as anachronistic cranks by consensus liberals, was coming to draw on considerable intellectual resources. As Democratic Senator Patrick Moynihan observed, "in the course of the

1970s, without anyone quite noticing, the Republicans became a party of ideas."[14]

The right-wing think tanks were part of the New Right, an informal collection of conservative organizations that emerged by the late 1970s. Groups like the Conservative Caucus sought to mobilize grassroots support for right-wing candidates and target liberal office holders. The New Right embraced anti-government libertarians, traditional hard-line anti-communists, and enthusiastic groups of religious moralists. Among the latter was Jerry Falwell's Moral Majority, formed in 1979 to promote a range of "pro-God, pro-family" causes. Abetting their cause was a remarkable evangelical awakening. The kind of evangelical and fundamentalist Protestantism long associated with the South was spreading out across the land. Protestant evangelicals expanded the number of local TV and radio stations they controlled, and several "televangelists" won massive followings. One was Pat Robertson of the Christian Broadcasting Network; by 1979 this was a $50-million-a-year enterprise and its talk show was reaching five million viewers. Such television and radio broadcasts helped to fashion an unlikely nascent alliance, mobilizing both urban Catholics and small-town, evangelical and fundamentalist Protestants in defense of traditional family structures and a traditional morality. The Democratic Party in its heyday had reached into the masses with the help of the labor movement; the evangelical churches gave Republicans the opportunity to create a grassroots network of their own, complementing their support among the higher income groups.

The Democratic Party was by no means destined to electoral failure, for the proportion of the electorate identifying themselves as Democrats in 1980, around 40 percent, was still substantially larger than the number of Republicans. But the convulsions within the party triggered by the Vietnam War and the unease over the welfare and racial policies it had adopted in the 1960s had served to erode some of its core constituencies. Organized labor, long a force for a liberal agenda, was losing members with the decline of traditional industries. Further, some working- and middle-class urban ethnics deserted the Democrats over "law and order" and what they perceived as indulgent attitudes toward black Americans. Suburban growth meant that more Democrats were elected representing a white middle class less interested in the party's traditional agenda. Rather than the "party of the people," the Democrats risked being seen as a party of special interests such as blacks, feminists, and a shrunken organized labor. Liberalism, and with it the Democratic Party, thought one journalist, had "degenerated into an alliance of civil rights activists, trade unionists and feminists with wealthy social liberals from Hollywood and Wall Street." Still, the party benefited from some new influences. The postwar "baby boom" generation was reaching maturity, and many of its members had been inspired by the activism of the 1960s. Some of these retained liberal sensibilities as they made careers in education, social work, law, and even finance, remaining close to the Democratic Party and strengthening its commitment to the kind of "social" liberalism represented by civil rights and environmentalism, if not the labor issues of old.[15]

As the economy failed to produce the largesse on which a growing standard of living depended, government found itself caught uncomfortably between the insistent demands of interest groups and the suspicious gaze of the voters. The political process did not seem to be providing much of an answer to the problems of the 1970s. The major parties themselves were each deeply racked by dissension. In 1976 the new conservative hope, Ronald Reagan, had tried and failed to win the leadership of the Republican Party from a sitting incumbent, Gerald Ford. For the Democrats, in 1980 the liberal champion Edward Kennedy tried and failed to wrest the presidential nomination from an incumbent president, Jimmy Carter. On both occasions, the centrist incumbents, with all the advantages that office brought, saw off these insurgencies from the wings. But these revolts of the right and the left suggested that the consensual style of politics of the postwar era had had its day. The 1976 movie *Network* captured something of the popular mood, with its protagonist's repeated refrain: "I'm as mad as hell, and I'm not gonna take it any more!" Economic, social, and demographic change was undermining the bases of the old political order, deepening the disheartening sense that the United States was drifting out of control.

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The election of Ronald Reagan to the presidency in 1980 is sometimes treated as a repudiation of "the Sixties," the tempestuous decade which conservatives equated with an assault on traditional moral values and the burgeoning of meddlesome government. Certainly Reagan's popularity with American conservatives owed something to his reproofs of student activism and Great Society social engineering, but his eventual elevation to the White House is better explained in terms of the history of the 1970s, particularly its last years. The movements of the 1960s had been inspired by a spirit of activism, by a conviction that individuals and groups could make a difference and that government could effect change for the better.

That sense that Americans were in some measure masters of their own destiny was dispelled by the experiences of the 1970s. Americans turned to Ronald Reagan not so much in a rejection of the 1960s as in an attempt to restore the feeling of empowerment that the 1960s had offered.

By the mid-1970s the successive crises associated with Watergate, Nixon's abdication, the oil shock and the faltering economy had already shaken the public's confidence in government down to an unaccustomed low. According to one poll, public trust in government dropped from 61 percent of those surveyed in 1964 to 22 percent in 1976. Jimmy Carter, a born-again Christian and wealthy peanut farmer who had been governor of Georgia, was the beneficiary of this disaffection, as he was later to be the victim. He was able to campaign for the presidency as an outsider, untainted by the corruption and incompetence associated with Washington. As he liked to boast: "I'm not a lawyer, I'm not a member of Congress, and I've never served in Washington." Jimmy Carter, promising that he would not lie to the American people, rode to the White House on the back of this distrust, berating the "lack of competence and integrity" of the existing political leadership.[16]

Carter's temperamental earnestness might have seen him through good times, but circumstances conspired against him. He was one of the unluckiest presidents ever. Within months of his assuming office his Director of the Budget was obliged to resign over allegations of mismanagement and corruption in his previous career as a banker, calling into question both Carter's judgment and his assumption of the moral high ground, and his approval rating promptly dropped. As one aide put it, the public began to think he "was just like every other president." But it was the last two years of Jimmy Carter's administration that led many Americans to believe that he was not up to the job.[17]

For a period Carter had been able to point to some successes, such as a reasonable economic performance, the prospect of peace in the Middle East following his brokering of the Camp David Accords between Israel and Egypt in 1978 (which indeed brought a lasting settlement between those two countries), and his securing of a treaty to pass control of the Panama Canal Zone to Panama. This last measure, however, angered a portion of the right. Conservative columnist George Will saw it as presaging the "vanished mastery" of the United States. The Democrats did lose seats in both houses of Congress in November 1978, but the numbers were not large for a mid-term election. The years 1979–1980, however, constituted an era of virtually unending crisis. Three phenomena in particular combined to convey the impression to Americans that their government was helpless in the face of events. The economy, especially inflation, was behaving spectacularly badly, immigrants were pouring at will over the country's borders, and an Islamic state was holding American citizens hostage. The government in each case, it seemed, had no effective response.[18]

With the approach of the 1980 election the weaknesses of the economy came to a head. The annual inflation rate was running at about 12 percent and the prime interest rate peaked at 21.5 percent. Real wage rates were declining and about eight million were unemployed. As incumbent governments tend to do when they are beset by deteriorating economic conditions, the Carter administration attributed some blame to external factors, such as the escalating price of oil. Its Republican opponents insisted that America's ills were home grown and within the power of leadership to solve. Further, the Republicans believed they had the answer.

Through the Carter administration the global economy had been recoiling from the massive oil price hike of 1974, though thereafter the supply of oil had eased and with it the price. But any American tempted to think that his gasoline was safe once more was rudely disabused by the experiences of 1979, when supplies on the world market were disrupted following the fall of the Shah of Iran. At the end of June about 60 percent of gas stations were actually closed. "Nothing else," Carter's chief domestic policy adviser told him, "has so frustrated, confused, angered the American people – or so targeted their distress at you personally." Scuffles between motorists sometimes broke out in the long and surly lines that formed at the filling stations that summer; in one fight 40 people were injured. These mortifying scenes underlined the helplessness of government, and taught the hard lesson that the American way of life was at the mercy of obscure events in a far-off country. One bumper sticker read "Send the Marines for Oil Now."[19]

Reinforcing the message about the uncertainty of the energy supply was a crisis at the nuclear power plant at Three Mile Island, Pennsylvania, in March 1979, when the possible meltdown of a reactor threatened the lives of the half-million people living in the region, from which over 130 000 fled. If nuclear energy could not fuel cars, it could replace oil in power plants, but the Three Mile Island crisis stalled the development of the nuclear alternative and over a hundred reactor orders were cancelled. The United States was to be even more dependent on the supply of foreign oil, the main reserves of which were located in a notoriously unstable part of the world.

"One failure could cause the downfall of this administration – inflation," Jimmy Carter privately remarked on one occasion: "Almost everything is subservient to it in political terms." And so it proved. As the inflation rate intensified, Carter's approval rating diminished, reaching a mortifying low of 29 percent according to Gallup in June 1979. With high inflation went high interest rates, as the Federal Reserve Board under Paul Volcker severely contracted the money supply. This represented a dramatic shift in monetary policy. Some economic historians see Volcker's appointment to "the Fed" in August 1979 as a transformative moment in modern history, as he inaugurated a blistering war on inflation at the cost of rising unemployment. But inflation could not be killed overnight, and by the turn of the decade prices were rising at the fastest rate ever recorded in American history. No issue worried – scared – Americans more than the snowballing cost of living, which was destroying savings, negating wage increases, killing the dreams of many of buying their own homes or sending their children to college, and facing the elderly, the poor, and those on fixed incomes with the prospects of hunger and homelessness.[20]

If the government had lost control of the economy, it also seemed to have no control over American borders. Immigration, much of it illegal, had been rising fast, a phenomenon made graphic by the Mariel episode beginning in April 1980. Thousands of Cubans had sought refuge in the Peruvian embassy in Havana, and Cuba's president, Fidel Castro, eventually announced that they (and others wishing to join them) were free to leave the country via the port of Mariel, where their American relatives could collect them. This was an irresistible invitation to the excited Cuban communities in Florida, which dispatched thousands of small boats, and within weeks 125 000 Cubans had been boatlifted to safety. Much of this was at odds with US procedures, and Castro in effect was inciting a defiance of American immigration laws. After some prevarication, Carter promised that the United States would welcome the Marielitos with "an open heart and open arms." But the story did not end there. Popular sympathy for the Marielitos began to evaporate with press reports that Castro was opening jails and mental institutions so that he could dump their inmates on the good-hearted American public. The Marielito crisis, played out in television pictures and insistent headlines, underlined both the porous nature of American borders and the helplessness of government.

Both the energy crisis and the Marielito episode illustrated the United States' vulnerability to changing circumstances in the outside world. In the Middle East Iran had been its strongest ally, one that might preserve some kind of stability in the region, but through 1978 Iran was aflame. "The disintegration of Iran," Carter's National Security Adviser wrote to him, "would be the most massive American defeat since the beginning of the Cold War, overshadowing in its real consequences the setback in Vietnam."

Toward the end of 1979 and throughout 1980 this vulnerability was brought home to Americans in a singularly humiliating way. Carter had given permission for the deposed Shah of Iran to come to the United States for medical treatment. There were angry anti-American demonstrations in Iran, where the Ayatollah Khomeini had become the effective leader of a revolutionary fundamentalist regime, and in November the US Embassy in Tehran was invaded by hundreds of Islamic "students," who proceeded to hold 52 American diplomats hostage while demanding the return of the Shah. Intense anti-American feeling in the country kept the American captives walled in the embassy for week after week. The richest and most powerful nation on earth found itself helpless in the face of a bunch of foreign "students," who nightly tormented American television audiences by abusing the hostages or burning the American flag. "When I see what they do to that flag," said a longshoreman, "it just gets me in the heart."[21]

The Cold War was shading into the Age of Oil. Plotting American policy in the Middle East was made no easier by the historic commitment of the United States to the state of Israel, an immense burden in its dealings with the "Arab world." By the New Year the issues of Middle Eastern stability and containment of the Soviets had become intertwined.

Not that the Soviet Union was being contained. The Nixon and Ford administrations had sought a relaxation of tensions with the Soviet Union, and the Carter White House had struggled to maintain the principle of détente. An agreement with the Soviets on limiting strategic arms had been reached in June 1979 (SALT II), but public faith in the policies of détente was eroding, largely because of a massive Soviet defense build-up and Soviet adventures in Africa and Asia. During the 1960s the left had revolted against US foreign policy, but now a revolt came from the right, conservatives believing that the Soviets were taking advantage of the US reluctance to act forcefully in the aftermath of Vietnam. Jimmy Carter, who had hoped to reduce defense spending, felt obliged to raise it after all.

What was seen as Soviet adventurism in the 1970s was capped in December 1979 when the Soviet Union invaded Afghanistan, where a regime respectful of Soviet interests was facing unrest. Control of that harsh land would put the Soviets within striking distance of the Gulf, with its huge reserves of oil. The action seemed further evidence that American Cold War policies were failing, and again underlined the helplessness of the United States, which had no effective means of responding. The invasion provoked widespread condemnation in the United States, doomed approval of the SALT II treaty, and aroused fears of Soviet incursions into the Gulf at a point when Americans had become highly aware of their dependence on it. “The Soviet invasion of Afghanistan is the greatest threat to peace since the Second World War,” said Carter. Any attempt to gain control of the Gulf region, he somberly warned in announcing the Carter Doctrine, would be “repelled by any means necessary, including military force.”[22]

The Carter Doctrine designated the secure flow of Gulf oil as a “vital interest” of the United States. But for the moment at least the doctrine was little more than rhetoric. There was little the United States could actually do to expel Soviet troops from Afghanistan. Carter imposed a grain embargo and called for a boycott of the Olympic Games, to be held in Moscow in July 1980, and the US Olympic Committee duly agreed. Banning farmers from selling grain to the Soviets and stopping athletes from going to Moscow, however, hardly suggested that the United States was calling the shots with respect to the Soviet Union, and meant that private American citizens were paying the price for governmental helplessness.

By the beginning of 1980, as the Soviet invasion of Afghanistan and the plight of the US hostages in Tehran competed for the headlines, Carter’s dilemmas had not abated. At first the hostage crisis had rescued him from the unpopularity the raging inflation had brought, but firm words and tortuous negotiations failed to release the hostages. As the months ticked by and as a presidential election loomed, Carter was under intense pressure to attempt some kind of military action. In April an attempt to rescue the hostages in Tehran with the use of helicopter gunships went tragically awry, photographs of the burnt bodies of American crewmen surviving as grim mementos of the failed mission. The hostage crisis was a humiliation from which the Carter administration could not recover. “Can you imagine how helpless we must look to the world right now?,” muttered Zbigniew Brzezinski, the National Security Adviser. The negotiations over the hostages dragged on agonizingly through the presidential campaign of 1980, which could well have turned in favor of Carter had the hostages been flown home before election day. “It’s a hell of a note being the President of the United States and going into the homestretch of a close race that will be decided not in Michigan or Pennsylvania or New York – but in Iran,” sighed Carter on the eve of the election. The negotiations were eventually concluded successfully on the last day of Carter’s term, by which time he had lost the presidential election.[23]

Even before the hostage crisis and the invasion of Afghanistan, a demoralized Carter had taken to television in his so-called “malaise speech” of July 1979, when he seemed to attribute the nation’s ills to “growing doubt about the meaning of our own lives and in the loss of a unity of purpose for our Nation.” But any president could have been doomed by the misfortunes that befell Jimmy Carter – the oil shortages, the escalating prices, the porous American borders, the Soviet adventurism, the hostages. "Poor bastard – he used up all of his luck in getting here," reflected the 1980 Democratic campaign chairman of Carter's presidency: "We've had our share of victories and defeats, but we've not had a single piece of good luck in the past three years." Moreover, these domestic and foreign afflictions were being visited on a country already pessimistic about its outlook. It was hardly surprising that in July 1980 some 77 percent of those polled disapproved of Carter's handling of his job, the worst rating of any president in the history of such polling.[24]

Carter's political stock was such that he could not even be sure of being renominated by his party. In the summer of 1979 only 34 percent of Democrats supported his conduct of the presidency, the lowest endorsement of a president by his party ever recorded. Rather conservative in fiscal policy, during his presidency Carter had sought to tug his party away from its big spending past, but New Deal liberals had not disappeared and many had been outraged at his policies. With Carter's popularity plummeting in 1979, in the autumn Senator Edward Kennedy announced himself a candidate for the Democratic nomination, and for a time he held a massive lead in the polls. On one occasion he dismissed Carter as a "clone of Reagan." At the end of the year, however, the seizure of the hostages precipitated a patriotic rally behind the president. While Carter's standing suffered during the travails of 1980, his position as president and his rival's own tarnished past enabled him to see off the liberal insurgency.[25]

Seeing off the Republican Party, however, was another matter. Long-term political, sociological, and intellectual trends were beginning to work to the advantage of conservative forces. Nonetheless, the Democrats still held handsome majorities in both houses of Congress; there were many more registered Democrats than Republicans in the electorate; and in the right circumstances the party could have retained the White House. Further, the Republican leadership, decimated by the fallout of the Nixon years, had few outstanding candidates to offer.

There was no shortage of unexceptional candidates. There was serious competition for the nomination in – for the Republicans – a promising year. In January 1980 as many as seven men competed in the early Iowa caucuses, although by the time of the national convention in July most had dropped out. One of the stronger contenders was George H.W. Bush, who entered the race trailing clouds of offices – as a former congressman, Ambassador to the United Nations, chief of the US Liaison Office in China, chair of the Republican National Committee, and Director of the CIA. It had been years, however, since he had campaigned for electoral office, and his opponents teased him for his celebrated "resumé." Another hopeful was John Anderson, an Illinois congressman whose reputation for integrity was an asset at a time when professional politicians were held in low esteem. But better placed to profit from the anti-Washington sentiment was the one-time movie actor Ronald Reagan. In fact George Bush led in Iowa, but by mid-March Reagan's bandwagon was rolling and he thereafter won most of the Republican primaries. John Anderson pulled out of the Republican race to launch a campaign for the presidency as an independent and Bush withdrew at the end of May.

Reagan had not always been a conservative; indeed, he admitted he had been guilty of "hemophiliac liberalism." That was an exaggeration, but he had voted four times for Franklin Roosevelt, inheriting the allegiance of his Irish Catholic father. Born in a small Illinois town in 1911, Reagan attended a small church-related college, distinguishing himself as an athlete, and after graduation found a position as a sports announcer for an Iowa radio station. Moving to Hollywood, his easy articulacy and good looks carried him to some acting success. Defective eyesight kept him out of combat during the war, which he spent in California making army morale films. Respected by his fellow actors, he became president of the Screen Actors Guild in 1947. Still a Democrat, he was a relatively conservative labor leader, deeply suspicious of communist machinations in local union politics, quietly sharing his knowledge of the Hollywood left with the FBI. When his screen career flagged he turned to television, from the mid-1950s becoming host of CBS's popular General Electric Theater. As he completed his transition from union to corporate spokesman he also moved politically to the right. He formally switched to the Republican Party in 1962 and won the admiration of conservatives for a resounding television speech shortly before the 1964 presidential vote, and two years later his celebrity swept him into the governorship of California. Reagan's spectacular victory in the biggest state in the union made him a major political figure, and he used the media attention he now commanded to further his rhetorical campaign against big government, high taxes, and 1960s-style permissiveness. He failed to win the Republican nomination against the incumbent Gerald Ford in 1976, but promptly turned his sights to the next presidential election.

By the spring of 1980 it was evident that Reagan would win the Republican nomination. The prospect of a Reagan–Carter contest was a bemusing one for political commentators. Reagan's rhetoric placed him well to the right of the electorate as a whole, and, in terms of popular perception, he was not yet the avuncular figure he would become. Some of his actions in the campaign had given pause to many, such as formally opening it in Philadelphia, Mississippi, where three civil rights workers had been notoriously murdered in 1964, and announcing "I believe in states' rights." Carter for his part was encumbered with the failings of his presidency. An article in *The Nation* joked that, "the Democrats seem intent on nominating the only candidate Ronald Reagan could possibly beat," while the Republicans were nominating "the only candidate Jimmy Carter could possibly beat." It was a mark of Reagan's limitations as a candidate that, despite the administration's travails, the president remained very much in the race. In October Carter was narrowly ahead in some polls.[26]

In his acceptance speech Reagan characterized Carter's economic policy as an "indigestible economic stew": "one part inflation, one part high unemployment, one part recession, one part runaway taxes, one part deficit spending and seasoned by an energy crisis." This was to be the central theme of his campaign, in which he linked Carter's handling of the economy with the evils of government. Reagan promised that as president he would trim the budget, and he strongly espoused a 30 percent reduction in income tax. This "supply-side" doctrine, which insisted that a tax cut would reinvigorate the economy as more resources were made available for investment, had the backing of many congressional Republicans and provided the party with a positive agenda for overcoming the celebrated economic "malaise." As the campaign drew to a close Reagan and Carter met in a televised debate. Carter efficiently demonstrated his command of the issues, but it was Reagan's confident poise that perhaps most impressed viewers, as he presented a persona far removed from the dangerous extremist of Democratic rhetoric. "There you go again," he gently responded to Carter's parries. In the final moments he looked directly at the television audience to ask: "Are you better off than you were four years ago?"

A significant number of wavering voters seem not to have made up their minds until the last week of the campaign, a particularly fraught time in the administration's frustrating negotiations with the Iranians. In many states the difference between the two major candidates was close, and it needed only a relatively small number to swing to Reagan to clinch the election, which he took with 51 percent of the popular vote. Although this was only a bare majority, he led Carter by a formidable 10 points. The independent, John Anderson, polled 7 percent, the best outcome for a third party candidate since 1968. The congressional elections also reflected disillusionment with the governing party. The Democrats' losses in the House of Representatives were their largest in a presidential year since 1920, although they did retain control. The senatorial elections were even more disappointing for the Democrats, with a loss of 12 seats, for which there was no Democratic precedent in the twentieth century, and the Republicans took command of that chamber.

Reagan's victory was decisive, although was not conclusive proof that the country had turned smartly to the right. In the popular vote he secured only three percentage points more than Gerald Ford had in 1976, and in an exit poll only 11 percent said they had voted for him because he was a conservative. Most striking was the scale of Democratic defections. A formidable 29 percent of those who had voted for Carter in 1976 actually plumped for Reagan in 1980. Others defected to John Anderson, among them such lifetime Democrats as Franklin D. Roosevelt Jr, and President Kennedy's widow, Jacqueline Onassis. Among those groups who would normally expect to give majority support to the Democratic candidate were blue-collar workers, who split 47 to 46 percent for Reagan; these "Reagan Democrats" were vital to his election. Some were perhaps swayed by the evangelical revival and the campaign activities of the Moral Majority, which succeeded in mobilizing some Catholics as well as Protestants for "pro-God, pro-family" policies. But the economy was uppermost in the public mind. About a third of the electorate thought they were "worse off" financially than a year before, and these broke to Reagan by 64 percent to 25 percent for Carter, and Reagan performed particularly well among blue-collar workers who believed their economic position to be declining. To adapt a phrase that Bill Clinton's team made popular in the 1992 presidential election, "it was the economy, stupid."[27]

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The outcome of the 1980 presidential election owed more to disarray in the Democratic Party and the unhappy coincidence of a number of domestic and foreign crises than to a resurgent conservatism. The unnerving inflation, the agonizingly long crisis over the imprisoned hostages, and the perception of a helpless and incompetent administration doomed Carter's bid to retain possession of the White House. There was a yearning in the public at large for deliverance from the sense that the nation had lost control of its destiny and for a restoration of happier times. Reagan was credited with being "a strong leader" by some voters, and perhaps they glimpsed in him some potential to be a savior. Pollsters found that a majority believed that he was the candidate most likely to "make America feel good about itself again."[28]