

President Richard Nixon's *Vietnamization* Policy and
Détente with the People's Republic of China and the
Soviet Union, 1969-1972

An Economic and Distant Reading Analysis

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Abstract

President Richard Nixon's Vietnamization in 1969 and his détente with China and the USSR in 1972 were situated in the Cold War. Both of these political decisions were framed largely in the context of peace; however, war expenditures and trade reasons are also important factors for analysis. Using economic analysis and distant reading method, this paper finds that Nixon's Vietnamization of 1969 cannot be explained by cost reasons, the state of the U.S. economy, nor by cost-benefit considerations. Using the same method, this paper finds that Nixon's détente with the two states could have been due to the U.S.' trade deficits from 1968 to 1972 (except 1970) to open foreign markets for American products. Distant reading analysis of Nixon's 1971 address, however, revealed that plans of détente or trade possibilities cannot be inferred from this national address.

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Introduction

President Richard Nixon's "Address to the Nation on the War in Vietnam" on November 3, 1969 formally outlined the United States' (henceforth U.S.) plan to gradually withdraw from the war in Vietnam.¹ This *Vietnamization* policy necessitated both the increased role of the American-backed South Vietnamese fighters against the communist North Vietnamese and the departure of American soldiers.² Nixon's intention to disengage from the Vietnam War in his 1969 address was necessitated by several factors such as the argument for peace.³ On the domestic front, anti-war protests were gathering pace in the country along with explicit expressions of opposition from the political sphere.⁴ On the one hand, his strategy of gradual withdrawal was crucial in the context of the Cold War as allies might be alarmed that the greatest defender of the free world cannot be trusted to protect its allies. On the other hand, Nixon achieved a geopolitical success with his easing of relations with two important *unfriendly* states.

In 1972, the president visited the People's Republic of China (henceforth China) and the Soviet Union (henceforth USSR) to establish *détente* with these two countries.⁵ The "diplomatic surprise" of his China overture was already unveiled in his rhetoric through the years both before his presidency and during his administration, yet many observers were stunned at his July 15, 1971 announcement to visit China.⁶ Henry Kissinger, his national security adviser travelled covertly to China via Pakistan on July 9, 1971 to prepare the president's visit.⁷ Nixon's easing of relations with the USSR was driven both by economic

¹ John Woolley and Gerhard Peters, "Richard Nixon: Address to the Nation on the War in Vietnam," *The American Presidency Project*, University of California, Santa Barbara, <https://www.presidency.ucsb.edu/documents/address-the-nation-the-war-vietnam>, accessed April 29, 2021.

² Henry William Brands, *American Dreams: The United States since 1945* (Penguin Books, 2011), 169-171; Woolley and Peters, "Nixon: War in Vietnam."

³ Woolley and Peters, "Nixon: War in Vietnam."

⁴ Brands, *American Dreams*, 152-153.

⁵ *Ibid.*, 173.

⁶ Denise M. Bostdorff, "The Evolution of a Diplomatic Surprise: Richard M. Nixon's Rhetoric on China, 1952—July 15, 1971," *Rhetoric and Public Affairs* 5, no. 1 (Spring 2002): 42.

⁷ Evelyn Goh, "Nixon, Kissinger, and the "Soviet Card" in the U.S. Opening to China, 1971–1974," *Diplomatic History* 29, no. 3 (June 2005): 478; Joan Hoff, "A Revisionist View of Nixon's Foreign Policy," *Presidential Studies Quarterly* 26, no.1 (Winter 1996): 116; USC US-China Institute,

and political reasons as well as the recognition of international cooperation. Hoff asserts in his article that Nixonian détente was telling of the “domestic and international economic problems” that were challenging the U.S.⁸ Furthermore, he claims that Nixon was interested in international economics and international trade unlike Kissinger.⁹ This assertion suggests that Nixon was not only geopolitically-engaged but also economically-versed.

On the surface, Nixon’s decisions were strategic and political. His Vietnamization policy and détente with China and the USSR were part of the Cold War, and thus these actions of Nixon were interconnected and inseparable.¹⁰ Furthermore, Nixon was adamant to sever American participation in a far-flung war in Vietnam – a war that he considered a “distraction.” Herring maintains that the termination of the war in Vietnam was supposed to be augmented by the détente with the two states.¹¹ These decisions indicate the political and geostrategic priorities of the Nixon administration. Nevertheless, other non-political and non-geostrategic reasons may also have played their roles in the president’s decisions.

Aside from the aforementioned domestic pressure against the war, sustained American spending in the Vietnam War could also be a factor in Nixon’s decisions. Brands claims that the U.S. had a “record spending” on, inter alia, the Vietnam War and the previous president’s Great Society program.¹² Is it possible that increasing war costs compelled Nixon’s stance on the Vietnam War? The literature studied for this paper yields only scant details of the costs and hence a lacuna exists in the consideration of war spending as one of the reasons for Nixon’s Vietnamization. Moreover, Nixon’s détente, which was closely related to his Vietnamization policy could also be a strategy to commence trade with China and the USSR. Nixon did achieve “expanded trade” accords with the USSR in his visit in 1972.¹³ This implies that economic reasons did play a role in Nixon’s actions, however the

“Getting To Beijing: Henry Kissinger's Secret 1971 Trip,” University of Southern California Annenberg, <https://china.usc.edu/getting-beijing-henry-kissingers-secret-1971-trip>, accessed May 5, 2021.

⁸ Hoff, “Nixon’s Foreign Policy,” 117.

⁹ Ibid., 113-115.

¹⁰ George C. Herring, “The Cold War and Vietnam,” *AH Magazine of History* 18, no. 5 (October 2004): 18-20.

¹¹ Herring, “War and Vietnam,” 18-20.

¹² Brands, *American Dreams*, 193.

¹³ Herring, “War and Vietnam,” 20.

question remains to what extent did these factors – costs and trade – triggered Nixon’s decisions. Hence, this paper will investigate whether war expenditures and the trade balance were concrete reasons for his Vietnamization and détente.

To understand the contribution of these economic factors to Nixon’s political decisions, both domestic and international economic pressures on the U.S. during his term need to be examined. To operationalize the main question, this paper will be divided into two chapters – the first will investigate national defense costs and the second will investigate trade balance. A focus on the national defense expenditures in the first chapter will yield insights into the economic toll of the Vietnam War on the American economy. It is possible that government spending on the war was taking a substantial portion relative to the country’s yearly aggregate output. I hypothesize that government spending in national defense was increasing year-on-year relative to U.S.’ Gross Domestic Product. In the second chapter, an examination on the country’s trade balance will be informative of trade as a motivation for Nixon’s détente. I hypothesize that the country’s net exports (or total exports minus total imports) was declining or that the country was experiencing trade deficits and thus Nixon was compelled to establish good relations with China and the USSR to expand the U.S.’ trade partners to ease its deteriorating trade balance. Brands asserts that the U.S was experiencing trade deficits with countries such as Germany by the close of the 1960s.¹⁴

Method

The U.S. yearly Gross Domestic Product (henceforth GDP) is a neat and concise method to understand not only the domestic economic situation but also an indication to how much the country trades. War expenditures and trade balance can both be assessed from GDP figures with *trade balance* directly evident while *war expenditures* can be inferred using *national defense* figures under the *government spending* part of GDP.

The most reasonable way to contextualize and analyze Nixon’s Vietnamization and détente as functions of the economic situation is to begin examining GDP from the end of the Second World War in 1945 to his détente in 1972. Next, war expenditures will be analyzed in the first chapter using the national defense data. If indeed national defense costs grew relative to the country’s GDP since 1945, then the hypothesis is that U.S. participation and expenditures in the Vietnam War became untenable since there were other projects that the

¹⁴ Brands, *American Dreams*, 193; Cheol S. Eun, Bruce C. Resnick, and Tuugi Chuluun, *International Financial Management* 9th Edition (New York: McGraw Hill LLC, 2021), 33-36.

government was supporting such as the space program and environmental policies, and therefore American support for the South Vietnamese needed to be abandoned.¹⁵

After the analysis of national defense spending figures, the final step in the first chapter is to link the analysis with Nixon's 1969 "Address to the Nation on the War in Vietnam."¹⁶ By using distant reading technique using Voyant Tools on the digital document of the speech from the University of California, Santa Barbara's (henceforth UCSB) *The American Presidency Project* this step will help determine whether war costs were a major component of his decision in this national address.¹⁷ The choice for distant reading despite its contentious place "in the humanities" instead of close reading has to do with the possibilities that distant reading (or *macroanalysis*) technique can bring to analysis using the digital humanities' method of "Information Visualization."¹⁸ Through this technique, most used words in a text and their interconnections can be visualized, and thus understanding of the meanings of the words and their use can be established in a neat manner. Clearly, close reading technique could also have been employed in combination with distant reading, however, I believe that close reading technique can be fully harnessed in a future study that focuses solely on Nixon's speeches that are used in this paper. The application of distant reading method using Voyant Tools in this paper is also a study in itself – of the prospects of distant reading as a means for further acquiring and enhancing knowledge in the humanities through technology.

In the second chapter, U.S. net exports or trade balance will be examined from 1945 to 1972. Since the year-on-year trend of GDP has already been established in the first chapter, the analysis will begin with U.S.' exports, then imports, and finally net exports or the trade balance from 1945 to 1972. The hypothesis is that the U.S. was experiencing decreasing net exports or worse, trade deficits, and thus Nixon was compelled to establish good relations with China and the USSR to expand the U.S.' trade partners to alleviate its deteriorating trade balance. Next, the empirical analysis will be linked with Nixon's 1971 *The Challenge of*

¹⁵ Brands, *American Dreams*, 166-171.

¹⁶ Woolley and Peters, "Nixon: War in Vietnam."

¹⁷ Stéfán Sinclair and Geoffrey Rockwell, Voyant Tools, <http://voyant-tools.org/>.

¹⁸ Jänicke et al., "On Close and Distant Reading in Digital Humanities: A Survey and Future Challenges," *STAR – State of The Art Report*, Eurographics Conference on Visualization (EuroVis) (2015): [Pages 1-3], <https://www.informatik.uni-leipzig.de/~stjaenicke/Survey.pdf>, accessed May 6, 2021.

Peace speech where he outlined his administration's economic policy using distant reading technique.¹⁹ This national address was delivered a full month after his announcement to visit China and may contain important indications of trade motivations.

Admittedly, the method for both chapters is not entirely infallible since Nixon's possible war spending concerns for Vietnamization and trade motivations for détente could have been delineated in his statements that are excluded in the analysis of this paper. It is also possible that other methods could also prove more insightful such as the exclusive close reading of Nixon's speeches without resorting first to quantitative data. A further caution in the analysis presented in this paper – *causality* cannot be ascertained in a case like this, however, by investigating national defense expenditures and trade balance, economic considerations can be given their rightful analyses within Nixon's Vietnamization and détente.

¹⁹ John Woolley and Gerhard Peters, "Richard Nixon: Address to the Nation Outlining a New Economic Policy: 'The Challenge of Peace,'" *The American Presidency Project*, University of California, Santa Barbara, <https://www.presidency.ucsb.edu/documents/address-the-nation-outlining-new-economic-policy-the-challenge-peace>, accessed April 29, 2021.

Chapter 1: National Defense expenditures as Indications of Vietnam War costs

This chapter discusses and analyzes the developments from 1945 to 1972 of U.S. GDP, government spending, and national defense expenditures. Starting from 1945 and not later, such as Nixon's presidential inauguration year of 1969, is a deliberate choice to discern the postwar long-term developments of not only GDP but also the main (sub)components that will be analyzed in this chapter – government spending and national defense expenditures. Afterwards, Nixon's rhetoric in his key 1969 address will be examined using distant reading technique.

Quantitative and Textual Data

The empirical data that was used for analysis is Table 1.1.5 “Gross Domestic Product” from the dataset “Section 1 Domestic Product and Income” from the U.S. Bureau of Economic Analysis. This dataset includes 57 tables and covers yearly figures that begins primarily either from 1929 or from 1930. Quarterly figures are also available which starts mostly from the first quarter of 1947. The use of *nominal* GDP and not *real* GDP from the dataset is due to the uncertainty of *which* real GDP to use from the dataset for analysis – “Quantity Indexes” or “Chained Dollars.” Hence, nominal GDP or GDP that has not been adjusted for inflation provided the necessary data that was used for analysis without the uncertainty of which *correct* real GDP to use. To adjust for inflation, the price indexes for GDP, government spending, and national defense from Table 1.1.4 of the same dataset were used to obtain real values of these three elements with 1972 as base year. The (calculated) figures are presented in Tables 1 and 2 in the Appendix.²⁰

Tables 1.1.4 and 1.1.5 start from 1929 and end in 2020. All components of GDP are further subdivided into different categories such as the division of government spending into “Federal” and “State and local.” The federal government spending is further subdivided into “National defense” and “Nondefense,” and it is the former that is indicative of Vietnam War expenditures.²¹

²⁰ United States Bureau of Economic Analysis, “National Data: National Income and Product Accounts: Section 1 Domestic Product and Income,”

https://apps.bea.gov/iTable/itable.cfm?isuri=1&reqid=19&step=4&categories=flatfiles&nipa_table_list=1, first accessed April 25, 2021, latest download May 13, 2021.

²¹ United States Bureau of Economic Analysis, “Section 1 Domestic Product and Income.”

The textual component for analysis in this chapter is Nixon’s 1969 “Address to the Nation on the War in Vietnam.”²² The digital text is from the UCSB *The American Presidency Project*, a project that was established in 1999 and hosts various digital documents made by U.S.’ presidents over the years. The project sources its documents and other materials from multiple sources such as, among others, *The Public Papers of the Presidents* and *Messages and Papers of the Presidents of the United States*.²³

GDP and its components

There are three approaches or estimates of GDP – it can be approximated via (1) *income*, (2) *production*, and (3) *spending*. The spending estimate is used in this paper since it provides an equation that not only presents different components of GDP that can be used for individual analysis as in war expenditures and trade balance but also because this approach sums *consumption*, *investment*, *government spending*, and *net exports* that is revealing of the overall yearly state of the U.S. economy.²⁴

In an equation form, the spending estimate of GDP is composed of:

$$Y \equiv C + I + G + X - M, \text{ where}$$

Y is *GDP* or “aggregate demand,” C is *consumption* which measures “the goods and services purchased by consumers,” I is *investment* that measures “purchase by firms of new plants or new machines” plus “purchase by people of new houses or apartments,” G is *government spending* which amounts to “the purchases of goods and services by the federal, state and local governments,” X is *exports* which are “domestically produced goods and services that are purchased by households, firms, and governments in other countries,” and finally M (or IM) which are “goods and services purchased by households, firms, and governments in the home economy that are produced in other countries.”²⁵

²² Woolley and Peters, “Nixon: War in Vietnam.”

²³ *The American Presidency Project*, University of California, Santa Barbara, <https://www.presidency.ucsb.edu/>, accessed April 29, 2021.

²⁴ Olivier Blanchard, Alessia Amighini, and Francesco Giavazzi, *Macroeconomics: A European Perspective* 3rd Edition (New York: Pearson Education Limited, 2017), 21-22, 47-51; Yann Algan et al., *The Economy*, Version 1.12.0, CORE Project (Electric Book Works, 2017), e-book, <https://www.core-econ.org/the-economy/book/text/13.html#133-measuring-the-aggregate-economy>, accessed April 25, 2021.

²⁵ Blanchard, Amighini, and Giavazzi, *Macroeconomics*, 47-48; Algan et al., *The Economy*, e-book.

Since the foci of this paper are on national defense and trade balance, only the figures on *government spending* and *net exports* will be examined along with the selected components that constitute these two terms. Nevertheless, it is important to first determine the development of the U.S. economy through GDP to establish when the U.S. was experiencing positive or negative growth.

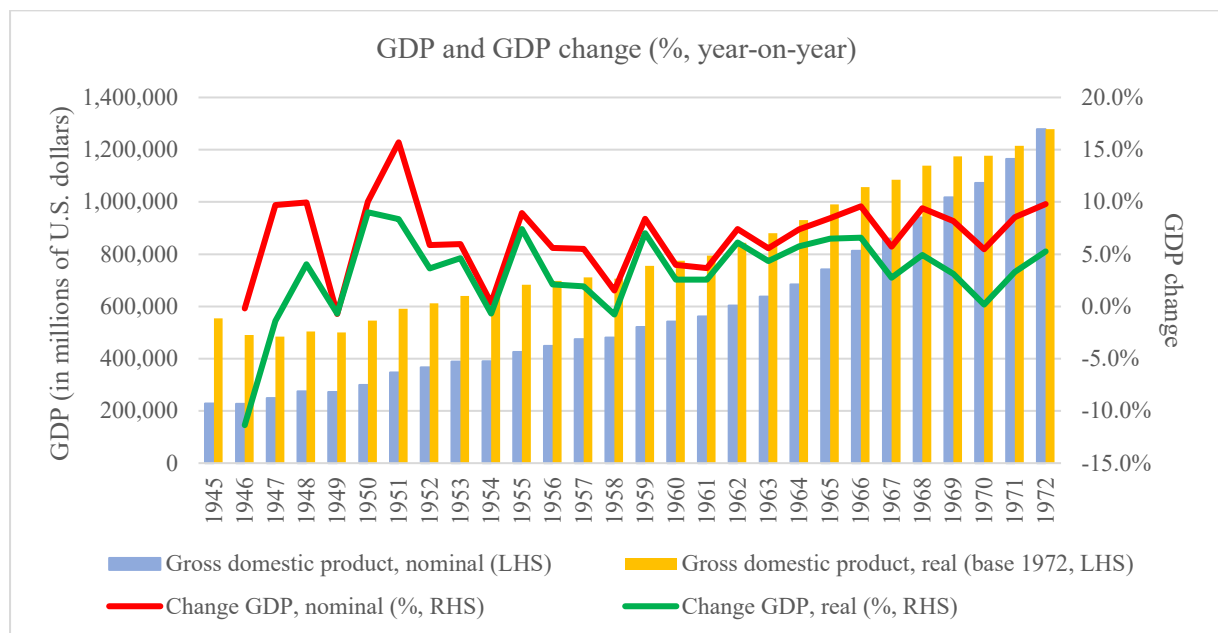


Figure 1. Nominal and real, in millions of U.S. dollars: GDP and GDP change (% year-on-year), 1945-1972.

Source: U.S. Bureau of Economic Analysis (see note 20).

Figure 1 shows GDP development from 1945 to 1972. In both nominal and real terms, GDP expanded consistently except for the years 1946, 1949, 1954 (only real), and 1958 (only real). Relative from one year to the next, real GDP change increased by 9% in 1950, the highest in the period studied. From 1959 until 1968, real GDP consistently increased without a single episode of negative growth, although never reaching over 7%.

From Nixon's Vietnamization in 1969 to his détente in 1972, real GDP change was positive with a peak of 5.3% in 1972. GDP change, however, was higher in the election year of 1968 at 4.9% than in 1969. From this positive development of real GDP, it cannot be concluded that Nixon's Vietnamization and détente were due to the poor state of the U.S. economy. Nevertheless, it is important to determine how much of GDP growth was actually due to government spending in order to establish whether GDP was primarily driven by government spending and not by private spending.

Government Spending and National Defense Spending

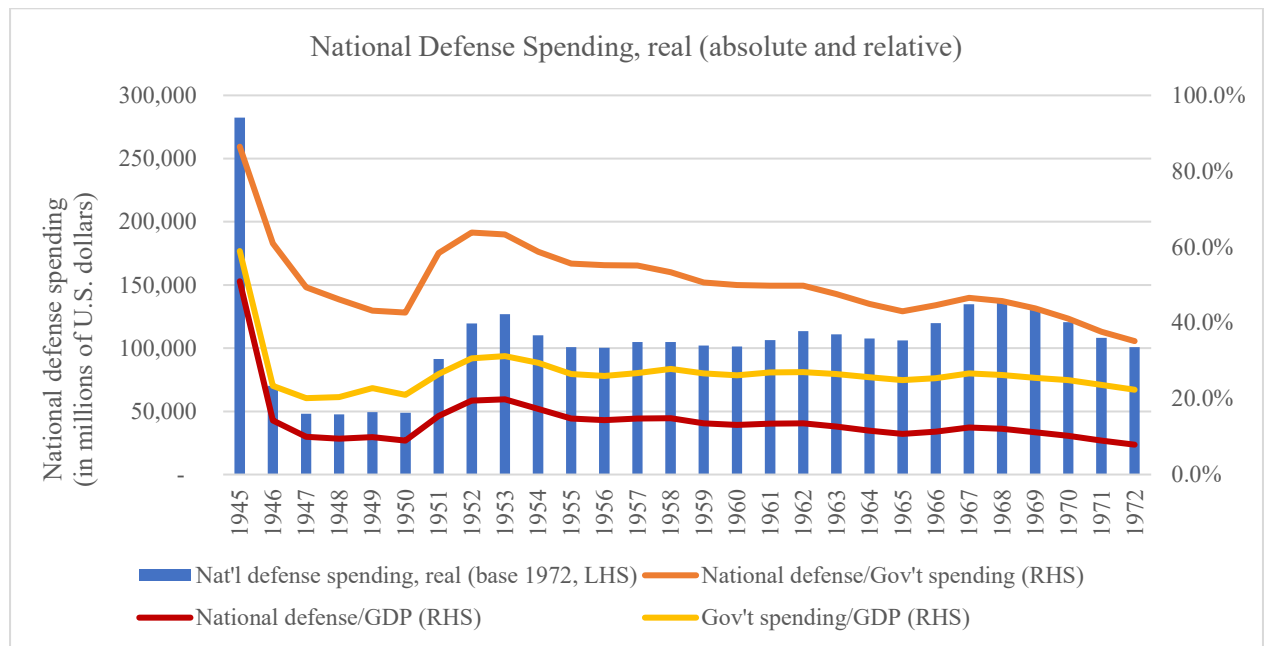


Figure 2. Real, in millions of U.S. dollars: Absolute national defense spending, government spending-to-GDP, national defense spending-to-GDP, and national defense spending-to-government spending; 1945-1972.

Source: U.S. Bureau of Economic Analysis (see note 20).

Figure 2 shows that the proportion of real government spending to real GDP was consistently above 20% from 1946 to 1972 as represented by the yellow line. In 1945, a massive 58.9% of GDP was due to government spending, reflecting the high government spending in the closing year of the Second World War. From 1951 to 1964, government spending-to-GDP amounted to more than a quarter of the American GDP, suggesting that private spending was responsible for a little less than three-quarters of GDP during this period.

Figure 2 also shows the increase in real national defense spending in 1951. Before that year, national defense expenditures remained relatively low from 1947 to 1950 with less than 50 billion U.S. dollars (henceforth USD) in expenses which shows the possible decreased priority of national defense after the U.S. gained superpower status after the Second World War. A sudden increase is observed in 1951 which potentially demonstrates the increasing Cold War investments by the government and the “first American war of containment,” the Korean War.²⁶ From this year up until 1972, national defense spending stayed above 90 billion USD peaking in 1968 at an amount of more than 136 billion USD. This upsurge in spending was preceded by initial increases in 1966 of approximately 120

²⁶ Jonathan Lipman, Barbara Molony, and Michael Robinson, *Modern East Asia: An Integrated History* (London, United Kingdom: Laurence King Publishing Ltd, 2011), 328-331.

billion USD and in 1967 of nearly 135 billion USD, reflecting the increase in costs of its participation in the Vietnam War. This reveals that President Lyndon Johnson's administration did spend more on the war in Vietnam compared to earlier administrations, which could be a motivation for Nixon's Vietnamization. Furthermore, the increase in national defense spending could also point to the anxiety of the U.S. in the midst of the Cold War and a reflection of its fear – whether real or imagined – of losing its place as the postwar dominant power.

It is important, however, to also determine the share of national defense spending-to-government spending as well as national defense spending-to-GDP. National defense spending-to-government spending decreased constantly from 1953 until 1965 and remained below 50% until 1972. A downward trend of the proportion is observed in Figure 2 which is represented by the (topmost) orange line. The proportion, however, stayed above 40% and only decreased below this percentage in 1971, two years after Nixon's 1969 speech. On the one hand, the decreasing share of national defense spending to overall government spending could mean that the U.S. government changed its priorities to focus more on government programs that were intended for purposes beyond national defense such as The Great Society program.²⁷ On the other hand, the proportion remained above 35%, which suggests that national defense spending was still an important component in American life and remained a priority for the country albeit slightly lower than previous years.

National defense spending-to-GDP, represented by the (bottommost) red line, generally follows the same downward trend as the proportion of national defense-to-government spending. Nonetheless, there are some minor differences. For instance, the increase observed in 1951 for the proportion of national defense-to-government spending is also observed in the increase of national defense-to-GDP. The shares of national defense-to-GDP in the years 1952 and 1953, however, were 19.5% and 19.8% respectively and the shares of national defense-to-government spending in the years 1952 and 1953 were 63.8% and 63.3% respectively. These differences demonstrate that national defense spending increased for these two consecutive years relative to GDP but decreased relative to government spending and indicate that other components of the GDP were responsible for this slight difference.

To summarize, in real terms national defense spending remained high after 1950 and stayed above 100 billion USD from 1952 onwards; however, national defense spending

²⁷ Brands, *American Dreams*, 122-127, 139, 193.

relative to government spending and GDP were already decreasing as early as 1954. Nixon’s Vietnamization could have been influenced by the increasing national defense expenditures but in relative terms the same inference could be not derived. The decreasing proportion of national defense to government spending as well as to GDP before Nixon’s Vietnamization in 1969 show that the government was already spending a higher proportion to other activities not related to defense. Hence, the evidence and its analysis cannot explain Nixon’s decision to withdraw from the war due to cost reasons.

Nixon’s rhetoric in his 1969 “Address to the Nation on the War in Vietnam”

The same observations from the previous section are also evident in Nixon’s rhetoric in his 1969 speech. Through uploading the URL of the UCSB *The American Presidency Project*’s Nixon’s “Address to the Nation on the War in Vietnam” on the Voyant Tools text analysis the following result was obtained.²⁸



Figure 3. Voyant word cloud of the “Address to the Nation on the War in Vietnam.”
Source: UCSB *The American Presidency Project* and Voyant Tools (see note 28).

Figure 3 exhibits the most used words in Nixon’s speech. The large words represent the most frequent words that were used in his speech. The magnitude of the word “vietnam” and “war” in the image is not unexpected since the topic of the address was about the Vietnam War and hence nothing can be meaningfully derived from these two words. The next largest word is “peace” and its magnitude delineates the thematic importance of this word. It is not surprising that the argument for peace was a central theme in Nixon’s speech that suggests the public function of his speech – for positive optics both domestically and internationally. By focusing

²⁸ Woolley and Peters, “Nixon: War in Vietnam”; Sinclair and Rockwell, Voyant Tools.

on the argument for peace, Nixon could politically escape from the exacting judgements from the increasingly restive protesters and delay or break the violent protest strategies. Brands states that some protester organizations “espoused violence in America” which included bombings.²⁹ One important word in the word cloud is “withdrawal” which represents one of the core intentions of the president in the speech. The thread for people or characters is also principally present such as in the words “american,” “americans,” “people,” “vietnamese,” and “president.” This thematic thread’s focus on people or characters could indicate Nixon’s strong emphasis on human agency and *intention*. Words that convey *structure* are largely absent in the word cloud, such as “economy.” Hence, Nixon’s speech could be interpreted as an intention-driven address that emanated the centrality of human action as crucial to the solution in the Vietnam problem.

As observed in the word cloud, there is an evident absence of the words “expenditure,” “costs,” “defense” in the speech. In the digital document itself, the words “costs,” “expenditure,” and “expenditures” do not exist, however, the words “cost” and “defense” exist in the document but are not used in the context of economic reasons.³⁰ This implies that Nixon was framing the Vietnamization policy in this particular speech as an argument largely for peace, for the withdrawal of American troops from Vietnam and to spare American lives from a faraway war. Caldwell asserts that never after the time of the Depression of the 1930s was “domestic stability” being endangered due to the response of the Americans to the country’s participation in the war.³¹ Nevertheless, Nixon’s *true* intentions could also have been concealed due to the very public nature of his office and the international position of his country. If Nixon would have argued for economic reasons for his Vietnamization policy for instance by presenting cost-benefit reasoning, the possibility of not only undermining his office but also damaging the reputation of the U.S. internationally could have potentially emerged.

In terms of the connections between the words used or which words are most frequently adjoined with another word, the following visualization was obtained.³²

²⁹ Brands, *American Dreams*, 153-154.

³⁰ Woolley and Peters, “Nixon: War in Vietnam”; Sinclair and Rockwell, *Voyant Tools*.

³¹ Dan Caldwell, “The Legitimation of the Nixon-Kissinger Grand Design and Grand Strategy,” *Diplomatic History* 33, no. 4 (September 2009): 633.

³² Woolley and Peters, “Nixon: War in Vietnam”; Sinclair and Rockwell, *Voyant Tools*.

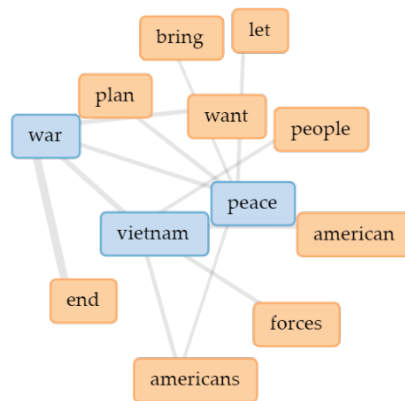


Figure 4. Voyant word links of the “Address to the Nation on the War in Vietnam.”
 Source: UCSB *The American Presidency Project* and Voyant Tools (see note 32).

Figure 4 shows that the word “vietnam” is mainly connected to “war” as can be observed by the light gray line connecting the two words. The word “war” is connected principally to the word “end” and suggests the strong intention of the Nixon administration to disengage in Vietnam and also to conclude the bloodshed. Another important word is “peace” which is connected to “americans,” “war,” “plan,” “bring,” and “let.” These connections show that Nixon’s speech largely connected peace with the Americans and indicate the importance of image management in the context of the Cold War, and hence largely in accordance with the interpretations from the word cloud above. By connecting the concept of peace with the American people, Nixon ensured the positive public opinion that could be obtained from the U.S. electorate and from international partners.

In this word links visualization, there is again a marked absence of anything that carries economic connotations. Words that could connect with national defense expenditures or government spending cannot be observed in these word links and thus war costs as reasons for Nixon’s Vietnamization cannot be inferred from this visualization. Importantly, the state of the U.S. economy or any hints about it were absent in his speech. The word “economic” did appear but only as a word that connected with the words “aid” and “assistance” to U.S. allies.³³ Therefore, Nixon communicated that the U.S. was a dependable ally and would not hesitate to financially help them in dire situations in addition to the country’s focus on peace as implied in his speech. The same conclusion from the word cloud above could be applied to

³³ Ibid.

the word links – that Nixon used the argument for peace and not for cost nor cost-benefit concerns conceivably to gain positive public opinion.

The results from the Voyant Tools text analysis were attained purely from the uploaded URL and not from a “txt” file. This may affect the results obtained if the second method is used instead of the URL approach. Using the URL approach, other words on the webpage that are not directly related to the speech appear to be included in the results of Voyant Tools.³⁴ The choice to let the results of the text analysis tool to remain uncalibrated for stopwords is to emphasize what word connections would emerge if no adjustments were made in the tool’s results. A future study with a thorough investigation of Nixon’s rhetoric in his speech – by selecting and applying certain stopwords such as “administration,” “american(s),” and “vietnamese” and by using close reading technique – would possibly yield different assessments than presented here. In combination with *discourse analysis* of Nixon’s rhetoric, *sentiment analysis* of public opinion through utilization of (historical) newspapers and surveys could also enrich the analysis in the future.

In conclusion, Nixon’s Vietnamization policy appears not to be driven by economic considerations such as the untenability of the national defense expenditures as demonstrated by the results of the method applied and the individual analysis of those results. As presented above, absolute national defense costs did increase but relative costs did not increase. Moreover, the examination of his speech using Voyant Tools yielded non-economic factors in terms of the state of the U.S. economy in his Vietnamization policy. Hence, the hypothesis that U.S. participation in the Vietnam War increased national defense expenditures relative to the country’s GDP and therefore became untenable is not supported by the analysis of the evidence used in this paper.

³⁴ The output of the Voyant Tools for this speech reveals that words that point to webpage navigation buttons such as “Spoken Addresses and Remarks” are also included, however, the majority of the output is the speech. Of the 4,920 words on the digital document, 344 words can be considered negligible. This means that circa 93% of the words on the entire digital document originates from the body of the speech.

Chapter 2: Trade Balance as a Possible Factor in Nixon's détente

This chapter focuses on the U.S. exports and imports of goods and services as well as the difference between these two economic indicators, or the country's trade balance or net exports from 1945 to 1972. The hypothesis for this chapter is that the U.S. was experiencing decreasing net exports or worse, trade deficits, and thus Nixon was compelled to establish good relations with China and the USSR to expand the U.S.' trade partners to alleviate its deteriorating trade balance. Afterwards, Nixon's influential 1971 *The Challenge of Peace* speech will be analyzed using Voyant Tools text analysis to determine if indeed the trade balance was a factor in his détente.

Quantitative and Textual Data

The figures for exports and imports from Table 1.1.5 from the same dataset employed in the first chapter, were used for analysis. These figures are in nominal terms (not adjusted for inflation). Hence, the price indexes of exports and imports from Table 1.1.4 were used to adjust the nominal exports and imports figures. The year 1972 was used as base. After the real exports and imports figures were established, real imports were deducted from real exports to obtain the real net exports or the country's inflation-adjusted trade balance. The (calculated) figures can be viewed in Table 3 in the Appendix.³⁵

The textual component for analysis is Nixon's 1971 *The Challenge of Peace* speech.³⁶ The digital document, in webpage format, is from the UCSB *The American Presidency Project*. The URL of this webpage was uploaded to Voyant Tools website to extract the most used words and the interconnections between the words.³⁷ This second method will aid in determining whether Nixon's détente was the result of U.S. trade deficits or hints at détente as the outcome of his country's deteriorating trade balance. This speech was chosen for analysis because it was delivered a full month after his announcement to visit China and may contain important indications of trade motivations. Moreover, this was when Nixon decided to defer gold-USD convertibility; it was therefore of huge economic importance.

³⁵ United States Bureau of Economic Analysis, "Section 1 Domestic Product and Income."

³⁶ Woolley and Peters, "Nixon: Challenge of Peace."

³⁷ Woolley and Peters, "Nixon: Challenge of Peace"; Sinclair and Rockwell, Voyant Tools.

Trade Balance

The U.S. trade balance in real terms along with its components – exports and imports – are shown below in the graph.

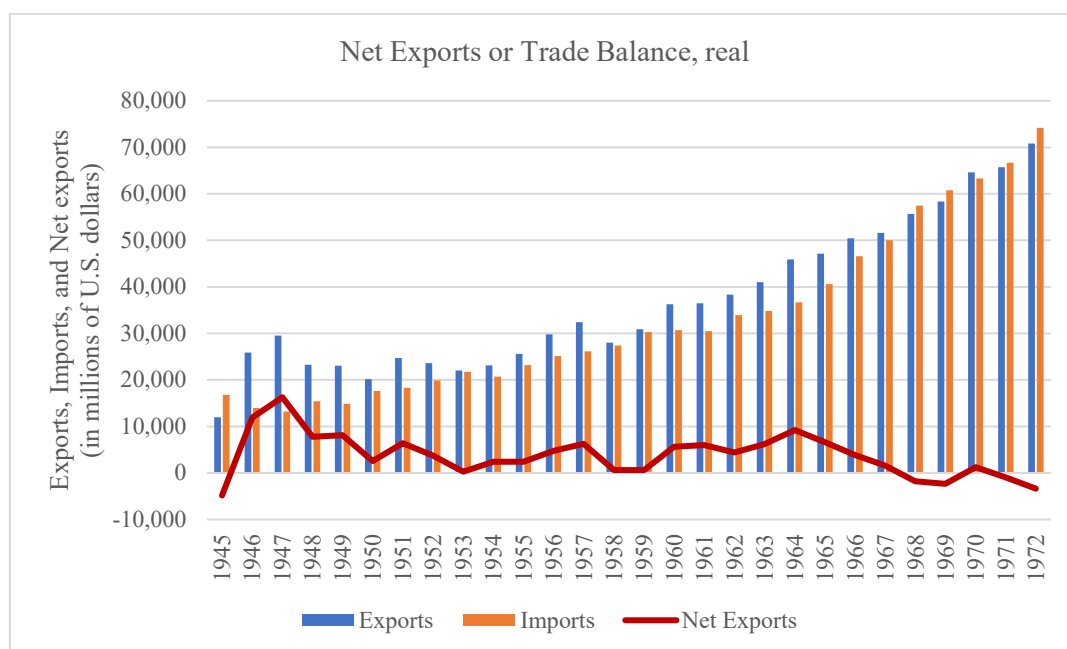


Figure 5. Real, in millions of U.S. dollars: U.S. Trade Balance, 1945-1972.
Source: U.S. Bureau of Economic Analysis (see note 20).

Figure 5 shows the exports and imports of goods and services in real terms as represented by the blue and orange bars. The red line shows the U.S. real net exports. In 1945, U.S. exports were relatively small compared to the subsequent years. The low level of exports is as expected as the country was still recovering from the Second World War. In 1946, U.S. exports substantially increased to almost 26 billion USD from the previous year's exports of nearly 12 billion USD. The more than twofold rise in real exports indicates the rapid postwar recovery of U.S. manufacturing along with its services sector. This is in keeping with Brands statement that the U.S. was the foremost manufacturing leader after the Second World War as well as setting the "postwar order of international economics."³⁸ As observed in the graph, the rise in exports is sustained until 1947, however, in 1948 exports decreased.

The year 1956 marked the beginning of nearly 30 billion USD of exports until the end of the period in 1972 with the exception of 1958 with only about 28 billion USD. From Nixon's first year of presidency in 1969 until 1972, exports rose continuously and implies the continued good economic governance of his administration when considered at the level of exports and not relative to imports which will be discussed below. As Figure 5 shows,

³⁸ Brands, *American Dreams*, 192.

exports generally followed an increasing trend and there is no indication that the American portion of the manufacturing and services sector that were consumed by foreigners declined. On the contrary, exports increased in real terms, revealing the healthy state of the economy. Nevertheless, exports are only one part of the narrative and the whole picture represented by the trade balance can only be appreciated by also investigating U.S. imports.

Figure 5 shows that in 1945 imports exceeded exports by 4.8 billion USD and consequently a negative trade balance existed in this year. In 1946, the trade deficit was corrected both by the surge in exports and the decrease in imports. Imports declined further in 1947 by 704 million USD before it climbed steadily (except in 1949, 1954, and 1961) until 1972. Imports reached more than 60 billion USD in 1969 and reached their peak in 1972 with more than 70 billion USD worth of imports. In comparison to exports, imports also continuously increased but with only very slight reductions in the years 1947, 1949, 1954, and 1961. This can be observed in the American trade balance in the graph which shows that U.S. consumption of foreign goods and services exceeded U.S. exports on several occasions. Indeed, the U.S. bought more from some countries such as Germany which caused the increase in USD holdings of these countries that ultimately led to Nixon's suspension of USD-gold convertibility of the Bretton Woods system of global finance.³⁹

The trade balance in Figure 5 demonstrates a trend that inclines downwards. Nevertheless, there are also prominent peaks that can be observed such as in the year 1947 when exports exceeded imports by approximately 16 billion USD. In both 1951 and 1957, net exports hovered above 6 billion USD. The last substantial peak is in the year 1964 with net exports at 9 billion USD. A steady decline of the trade balance is noticeable in the graph after 1964 and with only a slight recovery in the year 1970 with a trade balance of approximately 1 billion USD. A trade deficit of around 1.8 billion USD existed in the election year of 1968 which was a sharp negative change of more than 200 percent from the previous year's net exports of around 1.6 billion USD. American net exports, however, comprised only a very small portion of U.S. GDP that can be observed in Table 3 in the Appendix. From 1945 to the end of the studied period in 1972, net exports did not even reach more than 3.4% of GDP.

The trade deficit further increased in Nixon's first year as president. In 1969 the trade deficit was about 2.4 billion USD which was followed by a slight recovery in 1970, however, in 1971 a trade deficit again occurred. In 1972, the year that Nixon established détente with

³⁹ Eun, Resnick, and Chuluun, *International Financial Management*, 33-36; Brands, *American Dreams*, 193.

China and the USSR, the trade deficit reached a trough of about 3.4 billion USD, the highest postwar trade deficit. Gordon argues that after 1970, U.S. *innovation* as measured by “growth of total factor productivity,” declined.⁴⁰ The American trade deficit can be perceived as a symptom of American innovative decline. Furthermore, U.S. allies such as Great Britain and France challenged the U.S. global production dominance after their postwar recovery with the aid of the American Marshall Plan. The American aid to Europe may seem a paradox from the point of view of the U.S. if this would lead to competition, however, “European revival” was the intended result by the U.S. not only for trade purposes but also to counter communism.⁴¹

The development of the U.S. trade balance and the trade deficits from 1968 to 1972 (except for 1970) suggests three things. First, that U.S. goods and services were shunned by foreign consumers. Second, Americans demanded and consumed more foreign-produced goods and services. Third, that the U.S. needed more trading partners to sell its products. The first implication means that other countries were producing products that were more price competitive in global markets than American products and thus foreign consumers tended to buy non-American goods and services. The second implication means that foreign products were becoming more popular among American consumers and thus domestic production of goods and services was not being stimulated by domestic demand. If indeed domestic demand for foreign products surpassed domestic products, then the need for foreign demand for American products became more crucial. Hence, Nixon’s *détente* could be situated in this last argument better than any other explanation. The development of the trade balance and the emergence of trade deficits from 1968 indicate the American impetus for *détente* to open foreign markets.

⁴⁰ Robert J. Gordon, *The Rise and Fall of American Growth: The U.S. Standard of Living since the Civil War* (New Jersey: Princeton University Press, 2017), e-book.

⁴¹ Brands, *American Dreams*, 192.

Nixon's rhetoric in his 1971 *The Challenge of Peace* speech

The same observations from the previous section cannot be derived from Nixon's own words in his 1971 *The Challenge of Peace* speech. The figure below exhibits the most used words in the speech which was obtained by uploading the URL of the UCSB *The American Presidency Project's* Nixon's "Address to the Nation Outlining a New Economic Policy: "The Challenge of Peace"" on the Voyant Tools text analysis.⁴²



Figure 6. Voyant word cloud of the "Address to the Nation Outlining a New Economic Policy: "The Challenge of Peace.""

Source: UCSB *The American Presidency Project* and Voyant Tools (see note 42).

Figure 6 shows the frequently used words in this 1971 speech of Nixon which carried a strong economic significance. As observed in the figure, the largest words are "new" and "american." In contrast to the previous chapter's main topic words of "vietnam" and "war" which were not meaningful by themselves because these words were nouns that projected the main topic of Nixon's 1969 speech, the word "new" from this later speech can be meaningful. Since the word is an adjective, "new" can be attached to words or phrases that were used to delineate Nixon's economic plans for the country. In the digital document, "new" appears 26 times. The first instance that it is used in the body of the speech is connected to the word "prosperity" and these two words are attached to the wider context of peace or "without war."⁴³ Nixon's emphasis on *peace* in the opening part of this speech indicates that peace remained a goal in his administration and this emphasis is consistent with his earlier Vietnamization speech of 1969. By connecting peace and prosperity, Nixon could offer the American public an assurance to solve the economic problems that confronted his

⁴² Woolley and Peters, "Nixon: Challenge of Peace"; Sinclair and Rockwell, Voyant Tools.

⁴³ Ibid.

country, such as inflation and unemployment, while simultaneously providing the Americans with a sense of achievement in terminating American participation in the war in Vietnam.⁴⁴ Undeniably, war was still very much present in American consciousness as the word also appears among the prominent words in the speech, which can be seen in the word cloud. The additional uses of “new” in the document reveal that the word is used almost exclusively in positive economic terms which points to the need of U.S. economic revitalization in that period.⁴⁵ Nevertheless, how *new* this economic policy was for the U.S. would need to be further examined in another study.

As observed in Figure 6, most used terms are economic in nature, however, the word “trade” does not appear in the word cloud. In the document itself, “trade” only appears four times, but Nixon employed the word efficiently in his speech despite exploiting the word sparingly. One such use of “trade” is in the contexts of the U.S. being “a forward-looking and trustworthy trading partner” and “cooperation.”⁴⁶ Importantly, Nixon mentions “trade balance” in this speech and its deterioration.⁴⁷ This observation is in keeping with Hoff’s claim that the U.S. was facing challenges that were economic in nature not only within the U.S. but also internationally, and Nixon’s interest in international trade.⁴⁸ As discussed earlier and as observed in Figure 5, Nixon’s early years of presidency until 1972 (except 1970) were unquestionably marked by trade deficits. In his speech, Nixon moreover discussed the competition posed by other countries after the U.S. helped them after the Second World War, which he framed as a positive development for these countries but a challenge for his own.⁴⁹ This was mentioned above with Brands’ assertion that postwar European upturn was the intention of the U.S. for trade purposes and as a strategy against communism.⁵⁰ These observations point to the trade and economic dilemma that the U.S. was facing that the administration needed to address, while at the same time not alienating its trading partners. Despite the lack of direct connection of the word with “détente,” Nixon’s strategic use of the

⁴⁴ Brands, *American Dreams*, 193; Woolley and Peters, “Nixon: Challenge of Peace”; Sinclair and Rockwell, Voyant Tools.

⁴⁵ Woolley and Peters, “Nixon: Challenge of Peace”; Sinclair and Rockwell, Voyant Tools.

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*

⁴⁸ Hoff, “Nixon’s Foreign Policy,” 117.

⁴⁹ Woolley and Peters, “Nixon: Challenge of Peace”; Sinclair and Rockwell, Voyant Tools.

⁵⁰ Brands, *American Dreams*, 192.

word “trade” in the speech indicates the potential of the U.S. as a trading partner for China and the USSR.

The word links visualization can be observed below in the graph which shows the connections between the words used or which words are most frequently adjoined with another word.⁵¹

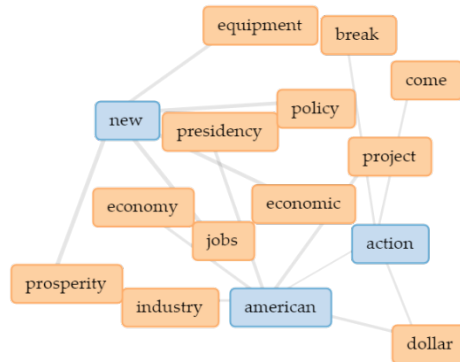


Figure 7. Voyant word links of the “Address to the Nation Outlining a New Economic Policy: “The Challenge of Peace.””

Source: UCSB *The American Presidency Project* and Voyant Tools (see note 51).

Figure 7 shows that the word “american” is mainly connected to the words “action,” “industry,” “presidency,” and “dollar.” The word “action” is mainly connected with “american,” “project” and “dollar.” These two words’ interconnections imply that Nixon equated his country as a doer or an achiever that takes necessary action when urgently needed. It is in this speech that Nixon challenged the supremacy of the Bretton Woods system of global finance which signified that the U.S. was taking the needed action due to the “potential external constraint on U.S. macroeconomic policy” as a consequence of the Bretton Woods system.⁵² By taking this action, Nixon did not hesitate to signal to its allies that despite the U.S. postwar security and economic assurance to its allies this did not translate to the total surrender of American interests.

Figure 7 also shows that the main word “new” is connected to “economy,” “equipment,” “jobs,” and “prosperity.” This suggests that this main word in Nixon’s speech

⁵¹ Woolley and Peters, “Nixon: Challenge of Peace”; Sinclair and Rockwell, Voyant Tools.

⁵² Paul R. Krugman, Maurice Obstfeld, and Marc J. Melitz, *International Economics: Theory and Policy* 11th Edition Global Edition (Harlow, United Kingdom: Pearson Education Limited, 2018), 605-608.

situates primarily in material terms, an observation that corresponds to the analysis of the word cloud above. Nevertheless, “peace” does not appear in the word links visualization above. This divergence from the word cloud (where “peace” is visualized) may be due to the fact that this word only appears eight times in the digital document.⁵³ On the one hand, despite the scarce use of this word by Nixon, its mention and use by the president delineates the crucial position of the U.S. in the Cold War climate. On the other hand, it is not entirely surprising that this word only barely appears since this speech was delivered with the economy as the core topic.

There is, however, a marked absence of the words “trade” and “détente” in the word links visualization. The latter does not even appear in the digital document.⁵⁴ Nonetheless, Nixon’s main argument in this speech did revolve around the American economy and its place in global finance. From these observations and through the word links visualization, Nixon’s plans of détente, or trade as the main reason for détente, cannot be inferred from this speech.

Similar to Chapter 1, the Voyant Tools text analysis’ results were derived exclusively from the uploaded URL and not from a “txt” file, which may affect the results obtained. Using the URL approach, other words on the webpage that are not directly related to Nixon’s 1971 speech appear to be also included in the Voyant Tools’ results.⁵⁵ There is the possibility to exclude certain words via stopwords, but similar to Chapter 1 the decision to let the results remain unmodified for stopwords is to emphasize what word connections would emerge if no adjustments were made. Nixon’s rhetoric in this 1971 speech could be closely examined in a future study – by selecting and applying certain stopwords such as the main topic words “new” and “american.” This technique in combination with close reading may yield different conclusions than presented in this chapter. The technique employed here can be combined with *discourse analysis* and *sentiment analysis* in the future that could deepen the analysis.

⁵³ Woolley and Peters, “Nixon: Challenge of Peace”; Sinclair and Rockwell, Voyant Tools.

⁵⁴ Ibid.

⁵⁵ The output of the Voyant Tools for this speech reveals that words that point to webpage navigation buttons such as “Spoken Addresses and Remarks” are also included, however, the majority of the output is the speech. Of the 2,941 words on the digital document, 462 words can be considered negligible. This means that circa 84% of the words on the entire digital document originates from the body of the speech.

In conclusion, Nixon's détente with China and the USSR does not seem to be driven by trade reasons despite the declining trade balance and the trade deficits the U.S. was experiencing from 1968 to 1972 (except 1970) as demonstrated by the results of the method employed. American trade balance could have been improved via opening of more foreign markets, however, other factors such as domestic politics, geostrategic motives, and the increased global production share of U.S. allies likely played a much bigger role. Hence, the hypothesis that that the country's net exports (or total exports minus total imports) was decreasing or that the country was experiencing trade deficits is supported by the analysis of the evidence as shown in Figure 5 and in Table 3 in the Appendix. Nevertheless, the hypothesis that Nixon was compelled to establish good relations with China and the USSR to ease its trade deficit is not supported by the evidence and its analysis in this paper.

Conclusion

The historic political decisions made by President Richard Nixon in 1969 and 1972 through his Vietnamization and détente were inextricable and connected with each other as Herring asserts. The fact that both decisions were situated in the Cold War era is telling of the priorities of the Nixon administration in these crucial years.⁵⁶ Nixon's Vietnamization and détente with China and the USSR can be analyzed in various ways, such as through domestic political analysis, strategic interaction analysis of international relations, or through economic analysis which this paper employed. By considering economic reasons as motivations for Nixon's political actions, the possibility of uncovering reflections beyond direct political and geostrategic motives could be enhanced.

Analyzing the U.S. real GDP figures and its (selected) subcomponents from 1945 to 1972 revealed that the country enjoyed considerable postwar growth except for a few occasions of negative growth. Real GDP change was also positive from Nixon's first year as president (1969) to 1972. Importantly, national defense spending relative to government spending and to GDP, decreased from 1954 to 1972 which suggest that spending by the government to other activities unrelated to defense was relatively higher. The analysis revealed that Nixon's Vietnamization of 1969 cannot be explained by cost reasons nor by the poor state of the U.S. economy. Furthermore, the analysis of Nixon's rhetoric in his 1969 "Address to the Nation on the War in Vietnam" using distant reading technique largely points to the argument for peace rather than economic or cost reasons. Both analyses do not support war costs or cost-benefit considerations as motivations for Nixon's Vietnamization.

Nixon's détente with China and the USSR in 1972 was analyzed through his country's real net exports or trade balance. The analysis revealed that the proportion of American real net exports to GDP was substantially low, which could be an indication of U.S. innovative decline. Moreover, the U.S. faced increasing competition from its allies in terms of global production following the latter's postwar recovery.⁵⁷ Indeed, the country increasingly saw trade deficits from 1968 to 1972 (except 1970) which could have compelled Nixon's détente with the two states to open foreign markets for American products. Distant reading analysis of Nixon's rhetoric in his address in 1971 – *The Challenge of Peace* – that informed about economic issues that his country was facing revealed that plans of détente or trade possibilities cannot be inferred from this important speech. Both analyses open the

⁵⁶ Herring, "War and Vietnam," 18-20.

⁵⁷ Brands, *American Dreams*, 192.

possibility for other factors, such as domestic politics and geostrategic concerns, as compelling reasons for détente rather than trade reasons despite the multiple trade deficits mentioned above.

The method applied in this paper considered economic reasons as possible factors for Nixon's actions in these years instead of reasons of intent or geopolitics. Notwithstanding the results – that Nixon's Vietnamization and détente did not stem directly from the factors that were analyzed in this paper; economic factors as possible reasons were given their rightful analyses. The Cold War context appears to play a much bigger role in Nixon's actions as these decisions were interconnected and inseparable as mentioned above. The utilization of digital humanities technique of visualization through Voyant Tools also opened the prospect of analyzing Nixon's Vietnamization and détente through distant reading. Importantly, the entire method applied in this paper does not aim to be authoritative but rather only provides possibilities to understanding and explaining these events.

Conceivably, other factors such as individual *intentions* played a much more crucial role such as in the actions of Nixon and Kissinger. This does not nullify *structures* as feasible causes or influences to these events. An interesting prospect could be that *intersectionalities* of both intentions and structures are crucial to understanding Nixon's actions. For example, Nixon's intentions appeared to be largely influenced or even guided by the Cold War but at the same time structures such as the domestic and global economy or the proverbial *invisible hand* were also connected to both Nixon's and Kissinger's intentions and the Cold War geopolitics. Indeed, Cold War investments, such as in the space program, needed funding and thus interconnected to both economics and political intents. These observations open new opportunities for future research, such as investigating these intersectionalities using other methods. Exclusive close reading of historical documents can be employed for analysis as well as discourse analysis and sentiment analysis using other primary sources such as surveys. A further possibility is to build binomial logit or probit models to analyze Nixon's decisions – using “qualitative dependent variables” such as Nixon's decisions for Vietnamization and détente.⁵⁸ Despite the controversy of “cliometric” and (quantitative) economic history, new insights could be gained to understand not only large historical events

⁵⁸ A. H. Studenmund, *A Practical Guide to Using Econometrics* 7th Edition Global Edition (Pearson Education Limited, 2017), 408, 415-425.

but also *history from below* using these methods.⁵⁹ The theoretical and analytical choices for historians are many which open the possibilities for further enhancing contemporary historical knowledge.

⁵⁹ Gavin Wright, “Economic History, Quantitative: United States,” in *International Encyclopedia of the Social & Behavioral Sciences*, 2nd edition, Volume 7, ed. James D. Wright (Elsevier, 2015), 55-60, <http://dx.doi.org/10.1016/B978-0-08-097086-8.71056-7>; Chris Godden, “Economic History,” in *International Encyclopedia of the Social & Behavioral Sciences*, 2nd edition, Volume 7, ed. James D. Wright (Elsevier, 2015), 51-54, <http://dx.doi.org/10.1016/B978-0-08-097086-8.62109-8>; Anne E. C. McCants, “Economic History and the Historians,” *Journal of Interdisciplinary History*, L:4 (Spring, 2020): 547–566, https://doi.org/10.1162/jinh_a_01485.

APPENDIX

Table 1. Nominal and real: GDP, Absolute GDP change in millions of U.S. dollars, and Percentage GDP change.

Year	GDP	Change GDP (absolute, YOY)	Change GDP (%, YOY)	GDP, real (1972 prices)	Change GDP, real (absolute, YOY)	Change GDP, real (%, YOY)
1945	228,007			553,874		
1946	227,535	-472	-0.2%	490,940	-62,934	-11.4%
1947	249,616	22,081	9.7%	484,153	-6,787	-1.4%
1948	274,468	24,852	10.0%	503,735	19,582	4.0%
1949	272,475	-1,993	-0.7%	500,232	-3,503	-0.7%
1950	299,827	27,352	10.0%	545,307	45,075	9.0%
1951	346,914	47,087	15.7%	590,873	45,566	8.4%
1952	367,341	20,427	5.9%	612,321	21,448	3.6%
1953	389,218	21,877	6.0%	640,608	28,287	4.6%
1954	390,549	1,331	0.3%	636,319	-4,289	-0.7%
1955	425,478	34,929	8.9%	683,527	47,207	7.4%
1956	449,353	23,875	5.6%	698,001	14,475	2.1%
1957	474,039	24,686	5.5%	711,463	13,461	1.9%
1958	481,229	7,190	1.5%	705,846	-5,617	-0.8%
1959	521,654	40,425	8.4%	755,210	49,363	7.0%
1960	542,382	20,728	4.0%	774,599	19,389	2.6%
1961	562,210	19,828	3.7%	794,464	19,865	2.6%
1962	603,921	41,711	7.4%	843,126	48,663	6.1%
1963	637,451	33,530	5.6%	879,856	36,730	4.4%
1964	684,460	47,009	7.4%	930,577	50,722	5.8%
1965	742,289	57,829	8.4%	991,053	60,476	6.5%
1966	813,414	71,125	9.6%	1,056,393	65,340	6.6%
1967	859,958	46,544	5.7%	1,085,397	29,004	2.7%
1968	940,651	80,693	9.4%	1,138,731	53,334	4.9%
1969	1,017,615	76,964	8.2%	1,174,285	35,554	3.1%
1970	1,073,303	55,688	5.5%	1,176,494	2,209	0.2%
1971	1,164,850	91,547	8.5%	1,215,175	38,682	3.3%
1972	1,279,110	114,260	9.8%	1,279,110	63,935	5.3%

Source: U.S. Bureau of Economic Analysis (see note 20).

Table 2. Real, in millions of U.S. dollars: National defense spending and Government spending (or “Government consumption expenditures and gross investment”); Government spending relative to GDP, National defense spending relative to GDP, and National defense spending relative to Government spending.

Year	Nat'l defense spending	Gov't spending	Gov't spending/GDP	Nat'l defense/GDP	Nat'l defense/Gov't spending
1945	282,315	326,487	58.9%	51.0%	86.5%
1946	70,053	114,940	23.4%	14.3%	60.9%
1947	48,164	97,527	20.1%	9.9%	49.4%
1948	47,587	102,970	20.4%	9.4%	46.2%
1949	49,258	114,037	22.8%	9.8%	43.2%
1950	48,888	114,490	21.0%	9.0%	42.7%
1951	91,488	156,557	26.5%	15.5%	58.4%
1952	119,574	187,463	30.6%	19.5%	63.8%
1953	126,853	200,269	31.3%	19.8%	63.3%
1954	110,119	187,384	29.4%	17.3%	58.8%
1955	100,815	181,311	26.5%	14.7%	55.6%
1956	100,338	181,733	26.0%	14.4%	55.2%
1957	104,834	190,102	26.7%	14.7%	55.1%
1958	104,881	196,480	27.8%	14.9%	53.4%
1959	102,024	201,464	26.7%	13.5%	50.6%
1960	101,246	202,735	26.2%	13.1%	49.9%
1961	106,387	213,700	26.9%	13.4%	49.8%
1962	113,504	227,695	27.0%	13.5%	49.8%
1963	111,044	233,204	26.5%	12.6%	47.6%
1964	107,561	238,930	25.7%	11.6%	45.0%
1965	106,105	246,562	24.9%	10.7%	43.0%
1966	119,787	268,047	25.4%	11.3%	44.7%
1967	134,813	289,326	26.7%	12.4%	46.6%
1968	136,947	299,173	26.3%	12.0%	45.8%
1969	131,238	299,484	25.5%	11.2%	43.8%
1970	120,468	293,175	24.9%	10.2%	41.1%
1971	108,211	287,661	23.7%	8.9%	37.6%
1972	100,714	286,189	22.4%	7.9%	35.2%

Source: U.S. Bureau of Economic Analysis (see note 20).

Table 3. Real, in millions of U.S. dollars: Exports of goods and services, Imports of goods and services, and Net Exports; Net Exports relative to GDP.

Year	Exports	Imports	Net Exports	Net Exports/GDP, real
1945	11,979	16,819	-4,839	-0.9%
1946	25,877	13,939	11,937	2.4%
1947	29,506	13,235	16,272	3.4%
1948	23,239	15,443	7,797	1.5%
1949	23,024	14,897	8,127	1.6%
1950	20,161	17,608	2,553	0.5%
1951	24,705	18,300	6,406	1.1%
1952	23,636	19,910	3,726	0.6%
1953	22,053	21,781	272	0.0%
1954	23,120	20,707	2,413	0.4%
1955	25,589	23,203	2,386	0.3%
1956	29,814	25,087	4,727	0.7%
1957	32,412	26,139	6,273	0.9%
1958	28,030	27,381	649	0.1%
1959	30,914	30,263	651	0.1%
1960	36,281	30,663	5,618	0.7%
1961	36,475	30,458	6,018	0.8%
1962	38,316	33,914	4,402	0.5%
1963	41,045	34,827	6,218	0.7%
1964	45,888	36,679	9,209	1.0%
1965	47,174	40,583	6,590	0.7%
1966	50,438	46,613	3,825	0.4%
1967	51,589	50,010	1,579	0.1%
1968	55,666	57,462	-1,796	-0.2%
1969	58,380	60,737	-2,357	-0.2%
1970	64,601	63,327	1,273	0.1%
1971	65,721	66,707	-986	-0.1%
1972	70,843	74,216	-3,373	-0.3%

Source: U.S. Bureau of Analysis (see note 20).

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