

NEW MORNING

POLITICS IS JUST LIKE show business,” Ronald Reagan told his campaign consultant Stuart Spencer in 1966, the year he was elected governor of California. “You have a hell of an opening, coast for awhile, and then have a hell of a close.” Reagan could not have better foreseen the course of his presidency.

Reagan’s Inauguration Day extravaganza exploded Carter’s down-home simplicity. In a mixture of stateliness and expense account chic, the events observed a victory of party but also a celebration of freedom as propounded by the conservative political movement, now triumphant after decades in the wilderness. Some participants, even on the right, thought the festivities offensive: “When you’ve got to pay \$2000 for a limousine for four days, \$7 to park, and \$2.50 to check your coat, at a time when most people in this country just can’t hack it, that’s ostentatious,” Barry Goldwater growled. The torrents of wealth and privilege—“a bacchanalia of the haves,” one critic called it—was the farthest thing from a ceremony of and by the people. But it was very much for the people, broadcast to the nation and the world in television images as the start of a new dispensation, one that despised government but reveled in power. To emphasize the stylistic as well as the symbolic dimensions of the change, Reagan’s men switched the swearing-in ceremony from the East to the West Front of the Capitol, a more telegenic site that also happened to look out toward Reagan’s real America.

Reagan’s inaugural address at once repudiated and evoked Franklin Delano Roosevelt’s address of 1933. Reagan outlined the coming of a new order that would break completely with the New Deal and the “modern

Republicanism" that accepted the New Deal's premises. Whereas Roosevelt had blamed economic disaster on a "generation of self-seekers" and "the rulers of the exchange of mankind's goods," Reagan assailed a "federal establishment" that had overtaxed the people, stifled business innovation, and worsened inflation. Roosevelt had promised bold, swift government action to attack the Great Depression; Reagan charged that "in the present crisis, government is not the solution to our problem," and promised to get government to "work with us, not over us; to stand by our side, not ride on our back."

Yet although Reagan preached pro-business conservatism, he spoke in a heroic idiom that purposefully echoed Roosevelt; and he exaggerated the direness of the difficulties he faced, so as to make 1981 look like 1933 and justify major actions. Like Roosevelt, Reagan said that the country was gripped by "terror," which he aimed to banish with American optimism and hard work—though in Reagan's case, the terror involved "runaway living costs," not mass unemployment, catastrophic business failures, or a collapse of the banking system. Like Roosevelt and the New Deal generation of Democrats (of which he had been one), Reagan identified chiefly with common Americans: shopkeepers, miners, and factory workers. (His speech did not once include the word "business" or "corporations.") To overcome the genuine emergency of stagflation, he proposed drastic anti-New Deal means while promising to achieve the New Deal ends of economic recovery and mass prosperity. But all of Reagan's Rooseveltian exhortations were misleading. The "present crisis" of which he spoke was an impetus but also a pretext for eliminating the New Deal—which had been the chief goal of the Republican right, new and old, for nearly half a century.

About foreign policy (a subject that, except for one sentence, Roosevelt omitted from his first inaugural address), Reagan spoke only briefly, sounding more statesmanlike than belligerent. He issued no clarion call to roll back the influence of the Soviet Union, let alone to win the cold war; he only vowed never to sacrifice national security. When John F. Kennedy pledged in 1961, at the height of the cold war, to "pay any price, bear any burden" in the cause of liberty, he spoke of "our foe," the communists; Reagan, in a more chastened tone, referred to "our potential adversaries"; "the enemies of freedom." Reagan did speak, if only indirectly and in passing, about bugaboos of the right wing such as the Panama Canal ("our own sovereignty is not for sale"), and he upbraided undemocratic terrorists who "prey upon their neighbors." More conspicuously, Reagan mentioned neither arms control, the centerpiece of détente; nor human rights, the foundation of Jimmy

Carter's foreign policy. The spirit of another Roosevelt dominated these passages on foreign policy: Reagan promised to speak softly and carry a big stick. (In time, he would give his ultraconservative supporters the impression that he was Theodore Roosevelt in reverse, speaking loudly but carrying, as Richard Viguerie put it, "a small twig.") If he intended to reassure the nation and the world that he was no trigger-happy extremist, Reagan also signaled that a new, more combative day had arrived in the conduct of American foreign affairs.

It was an impressive opening for a movement-inspired administration that eschewed traditional partisanship, yet which, unlike Carter's, could not have been less enamored of anti-politics. Over the next eight years, the Reagan administration would have early political successes despite failures and near-tragedy, but then coast and drift, at several points nearly being wrecked, before Reagan recovered and ended with a hell of a close. The politics of the Reagan administration were deeply conservative, even when some of its policies were not; and its triumphs in devastating the fiscal, judicial, and ideological foundations of liberal reform have left an enduring mark on American politics and government. Yet the Reagan years also defy easy definition as "conservative"; "hawkish," or "pro-business," let alone "Republican." Reaganism was its own distinctive blend of dogma, pragmatism, and, above all, mythology. Although it had tens of millions of followers, its theory resided not in a party, a faction, or a movement, but in the mind and the persona of one man: Ronald Wilson Reagan.

Reagan spent much of his life becoming someone else, turning himself from a midwestern small-town college boy into a leading man in Hollywood "B" films; from a leftist liberal Democratic union leader into an informant for the FBI and a Goldwater conservative Republican; from a television host into a right-wing celebrity and governor of California; and, finally, into the president of the United States. His abilities as an actor and his aptness for changing roles have fooled some critics into thinking he was merely a pitchman for his wealthy conservative backers—or even, as his absorbing if eccentric authorized biography put it, "an apparent airhead." But Reagan's experiences as a self-made and remade man formed the core of an American-style myth that became part of the substance as well as the style of his politics. He celebrated new departures, knowing that this was how Americans liked to think about their own lives, and about their nation, and he offered voters what they wanted—a new morning in a land where to-

morrow is always sunny and lies just around the corner. For Reagan, this was not just rhetoric; it was part of a worldview that deeply informed his presidency.

Reagan's humble upbringing contained as much shadow as sunshine. He was born in Tampico, Illinois, in 1911, the son of an alcoholic, unsuccessful traveling salesman and ardent Democrat, Jack Reagan; and his supportive, pious wife, Nelle (who brought her children into the Disciples of Christ church). Reagan then moved with his family to a succession of towns until they settled in Dixon, when he was nine. Reagan's father would never own his own home or business; his mother explained away the father's drinking as "a sickness"; the son dressed in hand-me-downs from his older brother, Neil. When the Great Depression hit Dixon in the early 1930s, Jack Reagan, his dreams of independence shattered, won a New Deal patronage job as the town's highest official for the Works Progress Administration. Squabbles with local relief officials ensued, throwing him into what his son recalled as "almost permanent anger and frustration." Ronald Reagan would later mold the story into a parable not of New Deal hopes but of big government's clumsy destructiveness.

By his own account, Reagan, as a boy, escaped from reality by becoming a "voracious reader," and his favorite books included uplifting tales of morally sound heroes and do-gooders who pull themselves out of poverty. The small-town rural, rhythms of life in Dixon—100 miles due west of Chicago, and much closer to the Mississippi River than the big city—left Reagan remembering his childhood as "a rare Huck Finn idyll." Twain's actual character, though, did not have an idyllic life; and much like Huck's friend Tom Sawyer, Reagan survived on his almost hyperactive imagination. Many children of alcoholics are said to have trouble separating illusion from reality. Whether or not this was true of Reagan, he did have a proven propensity in adulthood to conflate the two—thereby stoking his own desires while turning politics into a realm of dreams. "He had an inability to distinguish between fact and fantasy," one of his early girlfriends recalled.

After graduating as a scholarship student at the Disciples of Christ's nearby Eureka College (where, he later said, he majored in extracurricular activities, including drama and athletics), "Dutch" Reagan landed a job as an announcer at a local radio station in Davenport, Iowa, just down the Mississippi. There he re-created entire baseball games played by the Chicago Cubs in what is now called real time, relying only on sparse ticker tape reports. While traveling in California with the Cubs during spring training

in 1937, he took a screen test at the Warner Brothers studio, chasing his ambition to become a Hollywood leading man. He would never become a star like Clark Gable or Jimmy Stewart, but Reagan successfully freed himself from the obscurity of Davenport, and gave his imagination an enormous new range to roam.

During his quarter-century career as a film actor, Reagan played a wide assortment of character roles, including the dying football star George Gipp in *Knute Rockne: All-American*; the slightly moronic Professor Peter Boyd, who tries to teach human morals to a chimpanzee, in *Bedtime for Bonzo*; and, in 1942, the hero Drake McHugh, a carefree small-town trust fund heir who, with pluck and optimism, recovers from unspeakable horror in the dark melodrama *Kings Row*. During World War II, Reagan stayed in Hollywood and made films for the Army. Thereafter, he returned to acting, although his employer, Warner Brothers, decided not to make him a leading man, despite his success in *Kings Row*. Reagan also threw himself into politics by joining the Hollywood Democratic Committee, a pro-Soviet Union, pro-New Deal group, in 1943; by serving as president of the Screen Actors Guild (SAG) from 1947 to 1952; and by making speeches on behalf of President Harry S. Truman and the senatorial candidate Hubert H. Humphrey in 1948. It was a natural extension for Reagan, a passionate leftist New Dealer.

Reagan's transition from what he called a "hemophiliac liberal" to a hard-line conservative occurred incrementally. His battles with communist organizers and sympathizers of the Hollywood left within SAG made his earlier leftist sympathies seem naive—and persuaded him that liberals in general were well-intentioned dupes. (If, as his later backer Irving Kristol is supposed to have remarked, a neoconservative is "a liberal who has been mugged by reality," Reagan—who in the 1940s was close enough to members of the Communist Party to be considered a fellow traveler—was one of the original neoconservatives.) A crushing divorce from his wife, the celebrated actress Jane Wyman, pushed old friends to the background; his remarriage in 1952 to a bit-part actress, Nancy Davis (a former Chicagoan debutante and the stepdaughter of a wealthy conservative neurosurgeon, Loyal Davis), reinforced his move to the right. Reagan also complained that his personal income taxes were so high that he could actually put more money in the bank by cutting down on his acting work—a Hollywood lesson in how the welfare state penalized honest labor and encouraged sloth. When his film career faltered, he found television work as host of *G.E. Theater* and *Death Valley Days*, and as a publicist for General Electric, preach-

ing its antiregulatory gospel at the company's plants around the country in a stump speech that gradually became more pointedly political.*

Until he reached his mid-fifties, Reagan was more successful at shedding old roles than excelling in new ones. By 1964, he was a fading but still familiar Hollywood celebrity, who also happened to be the brightest star backing Barry Goldwater's run for the presidency against Lyndon Johnson. Late in the campaign, Goldwater's camp, in desperation (and over the strong objections of one insider, William Baroody of the American Enterprise Institute, but with the candidate's full approval), bought national television time for Reagan to deliver his standard anti-New Deal speech, now tweaked to become a plug for Goldwater. Appearing before a studio audience on October 27, Reagan pushed his various long-standing right-wing themes, including the charge, first made by an embittered Al Smith and familiar on the political fringe, that the New Dealers had taken the Democratic Party in the direction of Marx, Lenin, and Stalin. Here and there, the speech was callous and dismissive in a country-club jokester kind of way. ("We were told four years ago that 17 million people went to bed hungry every night. Well, that was probably true. They were all on a diet." The line brought resounding laughter from Reagan's conservative audience.) Yet in contrast to the bespectacled, unsmiling, at times prickly Goldwater, Reagan mostly said these very conservative things in a way that was startlingly attractive as well as authoritative. And instead of borrowing from conservative ideological gurus, Reagan took his rhetoric straight from Jefferson, Lincoln, and, especially, Franklin Delano Roosevelt. "You and I," he concluded, "have a rendezvous with destiny. We will preserve for our children this, the last best hope of man on earth, or we will sentence them to take the last step into a thousand years of darkness."

Conservative lore relates that Reagan's address electrified the nation, but it did not: one week later, Goldwater was trounced, and right-wing Republicanism seemed to have stepped into the darkness. But Reagan's appearance did bring in a windfall of campaign contributions; and it aroused conservatives, among some of Reagan's closest friends, a group of self-made sunbelt tycoons including the nursing home magnate Charles Z. Wick, the

* In 1959, alarmed executives at General Electric made Reagan remove from the speech an assault on the Tennessee Valley Authority, with which their company did business. Three years later, still frustrated by his ideological appeals, the corporation cut its ties with Reagan and canceled *G.E. Theater*. Reagan viewed the company's demands as outright censorship by establishment liberals.

drugstore multimillionaire Justin Dart, and the oilman Henry Salvatori. "We recognized that he had a certain magic quality—he didn't lose the audience," Wick recalled. California had a long tradition, dating back to the Progressive era, of citizen politicians coming to the fore irrespective of party ties—a large advantage for a would-be Republican political candidate who was a former Democrat. In 1966, a year of an intense backlash by voters against President Johnson and his Great Society programs, Reagan, financed by his millionaires' club, ran for governor and defeated the two-term incumbent, Edmund G. "Pat" Brown, by nearly 1 million votes.

Reagan was badly underprepared for his new position. (When asked, after the election, what he would do, he replied with a quip that was both amusing and revelatory: "I don't know. I've never played a governor.") Yet during his two terms in Sacramento, the character actor gradually learned his part—and he displayed an unexpected pragmatic side that belied his simplistic antigovernment rhetoric. Publicly, he took a very hard line against dissenters on campus who had made Berkeley and then other branches of the University of California hotbeds of antiwar protest. He stood firmly, in speech after speech, for reducing the size and power of state government. But once the novice found his footing, and understood that governing was far more complicated than he had imagined, Reagan displayed his greatest skills as a behind-the-scenes, bipartisan negotiator—listening as well as preaching, compromising when necessary with Democratic legislators, and then taking the lion's share of credit for whatever was achieved. Never deeply engaged either in the day-to-day duties of his job or by its substantive details, Governor Reagan eventually learned how to set a basic ideological direction for his hardworking staff and then jump into the fray when needed, with a stirring speech or some backroom charm and persuasion. It was a style he would carry with him into the White House, along with his openness to bargaining and compromising when the chips were down.

The overall results in California were mixed. Although he sharply curbed the growth of the state bureaucracy and delivered \$4 billion in relief from property taxes, Reagan sponsored and signed state tax increases higher than Californians had ever known, to offset the hidden deficits he had inherited from the Brown administration. (To ease the pain of the tax hike, he also approved an overhaul of the state's regressive revenue by increasing the tax burden on corporations, banks, and high-income individuals.) In 1966, Reagan pledged to attack the state's soaring crime rate, and in office he signed scores of bills stiffening the criminal justice system; but by the time he stepped down in 1974, the state's homicide rate had doubled,

and the figures for armed robbery were even worse. The signal reform of his second term, cleaning up what Reagan called the state's "welfare mess," significantly reduced the welfare rolls by tightening eligibility requirements and substantially increased payments to those who remained on relief—but Reagan exaggerated his own role in what was actually a bipartisan effort to address what liberals as well as conservatives recognized as a serious state problem. One feature of welfare reform in which the governor took special pride, a community back-to-work program, proved a dismal failure and was discontinued six months after he left office.

Still, if his accomplishments were uneven, Reagan had successfully exchanged the role of "citizen-politician" for that of a competent "citizen-governor." His tax increases (as well as his reluctant decision, in 1967, to sign a liberal abortion law) caused some hard-line conservatives to denounce him as a heretic, but Reagan shrugged the attacks off, knowing that they would soften his own image as a dogmatic extremist. His negotiations with the Democratic kingpins in California, including the state assembly speakers Jesse Unruh and, later, Bob Moretti, schooled him in the arts of legislative cajoling, wheeling, and dealing. Although his last-minute try for the Republican nomination in 1968 was amateurish, he handled his defeat with grace. Two years later, amid heavy Republican losses nationwide, he won reelection by routing Unruh. He left Sacramento in January 1975 a popular Republican governor, even as his party was gasping for breath after Watergate. Over the next five years, he expanded his political connections and refined the mythos of Reaganism, which eventually lifted him into what his finest biographer has called "the role of a lifetime."

In 1972, George McGovern ran on the slogan, "Come home, America," and was clobbered by Richard Nixon. To Republicans and, finally, the majority of voters, McGovern's appeal signaled a retreat from the liberal cold war interventionism of the Truman Doctrine into a defeatist isolationism, as well as an embrace of the permissive counterculture of the 1960s. In 1980, and then throughout his presidency, Ronald Reagan, in his own way, also bade America to come home, while he conjured up visions of a brave new national destiny. The odd mixture of restoring traditional assets while creating new opportunities, prospects, and benefits formed the mythic core of Reaganism. Its slogan might have been borrowed from the title of one of the hit films of the day: *Back to the Future*.

Home, in Reaganite mythology, was a re-created bygone place of close-

knit families and neighbors. It might be a small town like Bedford Falls in Frank Capra's film *It's a Wonderful Life* (1942); or a heartwarming big-city immigrant and ethnic enclave like those evoked in the 1950s by the hit television series *I Remember Mama* and *The Goldbergs*; or the nineteenth-century pioneer family settlement shown in the 1970s in the perennial television series *Little House on the Prairie*, which stayed on the air two years into Reagan's first term. Home, in this half-remembered, half-invented rendering, was a simpler America, where folks never bothered to lock their doors and friends helped friends—where friends, in fact, formed one big happy family. ("The success story of America," Reagan would remark as president, "is neighbor helping neighbor.") It was a land before a time of ghetto riots, flag-burners, and national leaders who broke the law or who spoke of the country's malaise. Trouble—as personified by Lionel Barrymore's evil Mr. Potter in *It's a Wonderful Life*—sometimes reared its head in the Reaganite homeland, but decent Americans always rallied 'round and, by the grace of God, defeated the villains' plots. At home, in Reaganite mythology, there were only happy endings.

Reaganism's mystique of home stood in paradoxical relation with a decidedly unparadisaical element of Reaganite myth, the legend of the rugged, competitive individual, willing to brave fortune in chancy ventures, his eye fixed on the horizon. The classic film figure in this connection is the lone cowboy, stoic but adventuresome; translated into Reagan's America, it was the unfettered, hardworking entrepreneur who takes risks and, living by the inexorable market laws of supply and demand, either fails the test or makes a fortune. The accumulation of great wealth, exemplified by Reagan's own self-made backers in the sunbelt, was not incidental to this side of Reaganism. ("What I want to see above all," Reagan remarked as president, "is that this country remains a country where someone can always get rich.") But there were broader moral and collective virtues in the individualist legend, which made it seem compatible with the communitarian romance. According to Reaganism, anything less than perfect freedom to pursue one's individual dreams was the surest sign of tyranny and privilege. Without its fearless pioneers, America could never have achieved the material progress that makes possible the continued security and happiness of home. But without the support, pleasures, and moral constraints of home, individualism has no direction. Together, they defined what Reagan celebrated as "the extraordinary strength and character of this breed of people we call Americans," people of all backgrounds and conditions "bound together in that community of shared values of family, work, neighborhood, peace, and freedom."

It followed, in Reaganite myth, that the great destroyer of homes and individuals was intrusive big government. Big government tried to supplant the bonds of neighborhood and community; it blocked individual initiative and risk; it weakened the people's moral fiber (and even denied the existence of God's grace); it sought to make freedom-loving Americans into its servile dependents. Socialism and communism (interchangeable terms in the Reaganite vocabulary) were the perfect examples of big government, but New Deal liberalism was a dangerous variation which, unless destroyed root and branch, would lead America down the totalitarian path of the Soviet Union. Some liberals (as Reagan had learned during his union days) worked consciously and secretly toward sovietizing America; others were well-intentioned do-gooders seduced by a satanic force that disguised itself as humanitarian. While stealing from hardworking people what was rightfully theirs (through taxes), big government also promised things to others (prosperity, security in old age, income supplements) that they could truly earn only on their own. Big-government liberalism was as un-American as the British monarchy was in 1776. "Did we forget," Reagan asked, "that the function of government is not to confer happiness on us, but to give us the opportunity to work out happiness for ourselves?"

Reaganism was nostalgic in the literal and original sense of the term, a longing to return to the homeland, which the afflicted one desperately fears he will never see again. Such nostalgia was, as it remains, a recurring theme in American literature, appearing in works as different as *The Great Gatsby*, *Gone With the Wind*, and the stories of Zane Grey. And it was hardly unprecedented in American politics, especially in the aftermath of social or political trauma. In the late 1940s, one cumulative effect of the Great Depression and World War II was a rage for upbeat, entertaining Americana, "in the spirit," the historian Richard Hofstadter wrote, "of sentimental appreciation rather than critical analysis." Nor was Reaganism the only nostalgic response to the social, economic, and political shocks of the 1960s and 1970s: Jimmy Carter's appeal to moral purity and Edward Kennedy's rhapsodies to the good old liberal cause and "the dream [that] shall never die" cast their own nostalgic glow. But Reaganism alone, with its attack on big government, capitalized fully on the antigovernment mood created by Vietnam, Watergate, the hostage crisis in Iran, and the losing battle against stagflation. Whereas Nixon had promised law and order and governed lawlessly, and Carter had promised Americans a government as good as its people and then failed to govern effectively, Reaganism promised to get government out of the way almost entirely, recover the first principles of

the American Revolution, and (in a conservative twist on a radical slogan of the 1960s) return power to the people. Restoring the energetic spirit of the past, according to Reaganite myth, was the only way to ensure a prosperous, innovative, secure, communal American future, where a free citizenry could dream big dreams, begin all over again, and make its dreams come true—just as Ronald Reagan did.

The myths of Reaganism defied American history. From the era of Alexander Hamilton to the era of the Internet, major economic innovation has proceeded in this country with substantial government aid and involvement. Even at its most entrepreneurial, American corporate capitalism had long since outgrown the simplified, market-driven individualism that Reaganism posited as the essence of freedom. For the vast majority of Americans, activist government, working on their own behalf or their forebears', had overcome economic and social conditions that blocked access to the full promise of American life. The three major policy changes Reagan promised in 1980—deep cuts in taxes, sharp increases in military spending, and an end to federal deficits—flatly contradicted each other in the light of all experience. Past conservatives who had advanced the stripped-down principles of Reaganism on the national level had been repudiated.

But Reagan had the excellent fortune to emerge as a presidential contender just as Democratic liberalism fell into intellectual confusion and political decay. The electorate, despite misgivings, was prepared to give antigovernment conservatism a chance. More important, Reagan had the optimistic temperament and rhetorical skills to turn right-wing Republicanism into Reaganism—no longer a crabby rejection of modern life or a dour Calvin Coolidge-like promotion of big business (much as Reagan admired Coolidge),* but an outgoing, energizing, even sensuous ideal of a bountiful, limitless American future open to everyone who was determined to succeed. His conservatism had nothing to do with veneration of tradition or a fixed hierarchy: “[T]here never was a politician less interested in the past,” one biographer has written. Nor was the relaxed, divorced former actor from California in the least priggish or moralistic, no matter how much his politics appealed to those who were. In aiming to undo the actual New Deal, Reaganism represented a New Deal in American conservatism,

* On taking office, Reagan replaced Harry Truman's portrait in the Cabinet Room with Coolidge's. And the important elements of the supply-side economics Reagan embraced recapitulated ideas first propounded by Coolidge's secretary of the treasury, Andrew Mellon.

aligning, as never before in the nation's history, pro-business economics and regression on civil rights with democratic, even populist, forward-looking political appeals.

There was a final utopian element in Reaganism, in the area of foreign policy, which surfaced only toward the close of Reagan's presidency and which more than anything else distinguished his outlook from ordinary right-wing Republicanism—the myth of everlasting world peace coupled with Reagan's abiding abhorrence at the thought of all-out nuclear warfare. With his unyielding anticommunism, Reagan, to be sure, was second to none in championing military preparedness. After taking office, he began the nation's largest military buildup since World War II. Describing the intervention in Vietnam as a “noble” war long after conventional wisdom deemed it a needless disaster, Reagan resolutely insisted that the United States had to overcome the postwar defeatist syndrome he associated with liberal Democrats and conservative realists alike. He distrusted negotiations with the Soviet Union over arms control, approved secret military actions in Central America that flouted the Constitution, and expressed fascination with scriptural forecasts of Armageddon.

Yet deep down, Reagan was neither a doomsday man nor especially militaristic. In what his aides considered some of his loopier moments, he would muse aloud about how the nations of the world might drop all their differences if the planet earth were to come under serious threat of attack by aliens from outer space. The scenario (like many of Reagan's scenarios) seemed to come straight out of Hollywood—in particular, from a science-fiction thriller of 1951, *The Day the Earth Stood Still*, in which an alien threatens to destroy the world if the earthlings do not eliminate their nuclear weapons. (Reagan spoke openly and fairly frequently about this film and about its lasting impact on him.) But Reagan's scenario also contained elements of his old liberal self, only inverted: beyond the cold war, according to Reaganism, beckoned a world that neither liberals who favored “peaceful coexistence” nor more orthodox conservatives and neoconservatives could yet imagine in the 1980s—a postcommunist world of peace and harmony where, as Reagan said, “we would find out once and for all that we really are all human beings here on earth together.” At bottom, Reaganism had its own global humanitarian vision. This vision of decency, in combination with utterly unforeseen events at home and abroad, would help the Reagan presidency, after severe testing and failure, achieve its own happy ending.

Reagan opened his first term by displaying a political shrewdness that had usually seemed to elude Jimmy Carter. With the Republicans suddenly in command of the Senate, and with conservative Democrats in the House, especially those from the South, feeling political heat, Reagan was in a position to turn his bare popular majority into an electoral mandate. But he left little to chance. Well before his inauguration, Reagan traveled to Washington to charm and establish working relations with leaders on Capitol Hill, including his main future adversary, Speaker of the House Tip O'Neill. The inauguration itself was partly a signal to the city's high society that, unlike its austere, vaguely scolding predecessor, the Reagan administration would exude glamour and excitement. Tongues wagged with enthusiasm, a relieved Hugh Sidey of *Time* magazine reported, that at last "fun and class would return to social events."

Reagan brought with him from California longtime advisers and aides, including his firmly conservative former chief of staff Edwin Meese III (who had led the crackdown against the rebels at Berkeley) and his close friend and chief media consultant Michael Deaver. His cabinet also included former associates in California—among them his personal attorney, William French Smith, whom he appointed attorney general—as well as some Washington holdovers (above all, as secretary of state, Nixon's favorite, Alexander Haig). As secretary of the treasury, he chose the Wall Street maverick and champion of free markets Donald Regan, who had been chairman of Merrill Lynch. But Reagan installed as his chief of staff a redoubtable former adversary with experience in Washington, George Bush's campaign manager in 1980, the canny Republican (and ex-Democrat), James Baker III.

Given the new president's inveterately passive management style, Baker promised to bring efficiency and drive as well as inside-the-Beltway political intelligence to the Oval Office. And under Baker, the new administration would not make Jimmy Carter's mistake of trying to accomplish too many different things right away; nor would it fail to cultivate harmonious and productive relations on Capitol Hill. Initially (and at the urging of, among others, the exiled Richard Nixon, whose advice Reagan quietly sought and took very seriously), the administration would focus on its domestic priorities—passing enormous budget reductions to go along with the largest tax cut in American history, as well as restricting the federal regulatory oversight of corporate America.

The push for deregulation had actually begun in earnest under Jimmy Carter, who worked with a coalition of congressional conservatives and lib-

erals (including Edward Kennedy) to help consumers obtain lower prices and to aid ailing industries, including the airlines and trucking, by lifting federal restrictions and demanding sharper competition. But under Reagan, the cause became an all-out pro-business crusade that drew no distinctions between regulations restraining business competition and those designed to enforce laws protecting the public's health and safety.

When Reagan was sworn in on January 20, he immediately signed an order imposing a hiring freeze on all federal agencies, including regulatory agencies. Nine days later, a second order from the White House forbade the agencies from issuing any new rules. Reagan also appointed strong advocates of deregulation as the heads of the Securities and Exchange Commission, the Federal Communications Commission, the Commerce Department, and the Department of the Interior. (The new secretary of the interior, James Watt, vowed to follow what he called the scriptural injunction "to occupy the land until He returns," by which he meant more mining, more cutting of timber, and more drilling for oil.) Secretary of Commerce Malcolm Baldrige, the former CEO of Scoville, a manufacturing corporation, released a hit list of the most offensive, antibusiness regulations; the list included restrictions on hazardous waste, air pollution, and the spread of potential carcinogens.

While Reagan quietly made his appointments and began waging revolution by bureaucratic decree, public attention was fixed on economic and fiscal policy. Opinion inside the White House was not unanimous in support of the supply-side fiscal ideas that Reagan favored. Baker was deeply skeptical. Richard Wirthlin (the president's chief pollster, who had a PhD in economics), Reagan's campaign research director Martin Anderson, and Anderson's friend and ally Alan Greenspan, all argued that although huge tax cuts would certainly worsen the federal deficit (which Reagan had pledged to erase by the end of his first term), they were unlikely to generate business expansion on the scale that the supply-siders predicted. Reagan, however, staunchly believed that federal taxes were confiscatory, that they stifled growth, and that government spending on social programs was the primary cause of inflation. Although his grasp of supply-side theory remained uncertain, he found irresistible the supply-siders' exuberant forecasts of a painless fiscal revolution.

One strong influence on the president during the campaign of 1980, Congressman Jack Kemp, had already cosponsored legislation, the Kemp-Roth Bill, which would slash federal tax rates by about 27 percent over three

years—the basis for what would become Reagan's own proposal, the innocuously named Economic Recovery Tax Bill of 1981. At the new Treasury Department, Donald Regan installed several supply-side crusaders, including, as assistant secretary for economic policy, Paul Craig Roberts, who had helped draft the Kemp-Roth Bill. The point man for the president's effort, however, would be the young former congressman from Michigan David Stockman, whom Reagan appointed as head of the Office of Management and Budget (OMB). As an undergraduate Stockman had espoused the fervent antigovernment ideology of the left (he had been a member of the radical Students for a Democratic Society), but he now had an equally fervent, antigovernment devotion to the magical properties of Arthur Laffer's supply-side curve. At the OMB, Stockman feverishly prepared the administration's new budget proposals, running through the computer one set of data after another about projected economic growth, in order to affirm that sharply reduced tax rates would, indeed, produce both prosperity and higher government revenues.

On February 18, Reagan announced his budget cuts, amounting to \$47 billion in new reductions from Carter's final budget, with the heaviest burden falling on programs designed to aid the poor. Combined with the tax cuts, the spending reductions would, the administration predicted (on the basis of Stockman's numbers), reverse the \$55 billion deficit projected for 1981 and, by 1984, produce government surpluses. The next day, Donald Regan announced projections that business investments, as a portion of gross domestic product, would rise to unprecedented levels over the next two years.

The public, looking for any bold move that promised to remedy the economy, immediately registered its approval in opinion surveys, and leading bankers expressed their joy. Economic forecasters, though, were dubious about the administration's rosy predictions; and the Dow Jones average immediately dipped by more than thirteen points. Reagan had gathered support for his program in Congress from leading so-called boll weevil southern conservative Democrats (including the cosponsor of the budget cuts, Representative Philip Gramm of Texas, who would soon switch parties); but it remained unclear whether Reagan's program could overcome Tip O'Neill's opposition, survive the committee vetting process, and siphon off enough Democratic support to gain approval in the House for the cuts. By March, the president had begun an all-out public relations offensive, both on television and on Capitol Hill.

Fate intervened on March 30. John Hinckley Jr., the twenty-five-year-old, delusional son of an affluent Republican family in Texas, had, after repeated viewings of the film *Taxi Driver*, developed a fixation on the young actress Jodie Foster. Picking up on the film's subplot of an assassination, and hoping to impress Foster, Hinckley obtained a .22-caliber Rohm RG-14 revolver and, as Reagan was leaving a meeting with AFL-CIO delegates at the Washington Hilton, emptied it in the president's direction. Hinckley missed his target (though he severely wounded and permanently disabled Reagan's press secretary, James Brady), but a bullet ricocheted off the presidential limousine, slammed into Reagan's chest, and lodged near his heart. News bulletins, repeatedly showing film of the attack, reported that the president had weathered it well, rattling off one-liners to the doctors and to his stricken wife ("Honey, I forgot to duck"), unflinching in the face of the assault. In fact, he collapsed when he reached the hospital, and the bullet very nearly killed him.

Reagan's brush with death had an enormous impact. Right away, at the White House, Secretary of State Haig's sincere attempt to reassure the world that the government was secure—"As of now, I am in control *here*, in the White House, pending the return of the vice president" he said—sounded arrogant to reporters, who initiated Haig's fall from grace. More important, the fact that Reagan, now seventy, had survived a shooting after two decades of shocking assassinations seemed to many people a providential reversal in the nation's fortunes. Chief of Staff Baker certainly sensed as much. Once it became clear Reagan would live, Baker began planning a political strategy to capitalize on the new wave of public affection for the president, whose positive public approval ratings instantly soared to 70 percent. In mid-April, while Reagan was still convalescing in the White House residence, Baker and Michael Deaver asked him if he would make a special appeal for his economic program in a televised joint session of Congress. Reagan needed little persuading. Although several months of wheeling, dealing, and coaxing lay ahead—in which Reagan would play an active role—he more or less ensured the passage of his program when, exactly four weeks after he had been shot, he delivered his speech to Congress. ("The aura of heroism which has attended him since his wounding, deserved in large part by his demeanor under the extreme duress . . ." the House majority leader Jim Wright of Texas wrote in his diary, "assured a tumultuous welcome. It was a very deceptive, extremely partisan and probably very effective presentation.") On August 13, Reagan signed into law both the tax bill and the

budget bill, only slightly modified from the White House's original proposals.* The total cost in revenues over the next three years would be \$280 billion—to be more than covered, the administration insisted, by the wave of new receipts generated by new investment and aggressive new growth.

During the brief interim between the passage of these bills and presidential enactment, Reagan had another opportunity to display his unbending resolve. In 1980, although he was generally disliked by organized labor, he had received the endorsement of the Professional Air Traffic Controllers Organization (PATCO), a union of federal employees. But in early August 1981, when PATCO voted to strike over demands for increases in wages and benefits, Reagan ordered the controllers back to work within two days, after which, he declared, they would be fired. Some observers thought the president was bluffing; others that he was unnecessarily putting the entire airline industry at risk. But Reagan, convinced that the walkout was illegal and that it endangered public safety—and taking courage from the example of Calvin Coolidge who, as governor of Massachusetts, had broken a strike by policemen in Boston in 1919—did not back down.

Within two weeks, 11,000 controllers, more than half the membership of PATCO, had been dismissed; with support from military air personnel who had been reassigned as strikebreakers, the compliant remainder had returned 80 percent of all flights to their normal schedules; and PATCO was destroyed. Not in living memory had the federal government crushed a strike so effectively. "It struck me as singular," Donald Rumsfeld, now chief executive officer of the multinational pharmaceutical corporation G.D. Searle and Company, observed. "You had a president who was new to the office and not taken seriously by a lot of people. It showed a decisiveness and an ease with his instincts."

For liberals, in and outside the labor movement, the downfall of PATCO capped a seven-month political disaster even worse than the electoral tidal wave of 1980 had portended. A Republican president who had earned barely half of the popular vote—the lowest percentage of any victorious Republican since Benjamin Harrison in 1888—had, through merciful fortune and political skill, become a popular hero. Thanks to the boll weevil Dem-

* In its final form, one act cut income taxes by 5 percent on October 1 and by 10 percent in each of the next two years; taxes on capital gains fell 40 percent and taxes on investment income fell 28 percent. The budget-cutting Omnibus Budget Reconciliation Act wound up reducing federal spending by \$35 billion over the next fiscal year.

ocrats, the Reagan administration had a working majority in the House to go along with its majority in the Senate.

Important social programs for the needy and unprivileged—public assistance, food stamps, school lunch and job training programs, Social Security disability payments—had been slashed. With a 9 percent tax cut scheduled for each of the next three years, and with top marginal income tax rates reduced by nearly one-third, wealth would be redistributed toward the wealthy, while the government would be starved of funds to meet non-military needs—a reduction, by the administration's own estimates, of \$750 billion over the next five years. The labor movement, its numbers and influence tumbling into a drastic decline, was on the defensive as it had not been since the passage of the Taft-Hartley Act in 1947. The Reagan revolution was under way in earnest, with still more than three years to go, at the very least. Not since President James K. Polk came to office in 1845 had any president succeeded in completing so much of his announced agenda so quickly.

Demoralized liberals and leftists had no clear idea about how Reagan's assault might be stopped, let alone any strategy for stopping it. In the Senate, Edward Kennedy, having put his presidential ambitions aside at least temporarily, did lead some successful rearguard actions from his post as ranking member of the Committee on Labor and Human Resources. Kennedy, emerging as a skilled parliamentary tactician, struck tactical alliances with Republican moderates and blocked some of the most drastic proposed cuts in social services, including legal aid to the poor, assistance to low-income families for fuel purchases, and subsidies for school lunches. For the remainder of Reagan's presidency, Kennedy would fight relentlessly to salvage what he could of the liberal legacy. Still, when asked by a constituent in May 1981 to assess the political situation, Washington's highest-ranking Democrat, Tip O'Neill, was blunt: "I'm getting the shit whaled out of me." And all was elation at the other end of Pennsylvania Avenue, continuing the giddy mood that had begun with the inauguration and had intensified after John Hinckley's failed, mad assault on Reagan in March.

One day Michael Deaver said to the president, "Sometimes I have to pinch myself to see if this is real." Reagan just smiled and replied, "So do I."

By the end of 1982, the mood in Washington and across the nation had changed drastically—except, perhaps, inside the circles closest to the ever-upbeat Ronald Reagan.

The long-term economic and political effects of Reagan's early triumphs remain hotly debated to this day. Critics point out that the tax cut failed to stimulate business investment as promised, vastly increased the costly federal deficit, did nothing to improve real average hourly wages (which in 1986 would be lower than they had been for most of the 1970s), and severely aggravated economic inequality. Some detractors, most starkly the late senator Daniel Patrick Moynihan, have charged that "Reaganomics" was actually a cynical scheme to bankrupt the federal government and permanently forestall any resurgence of liberal reform. Reagan's admirers, especially supply-siders, have countered that the dramatic legislation of 1981 led to a recovery from the economic doldrums of the Carter years—a rebound in which the real disposable income per capita of the American population eventually rose. Clearly, though, events during the weeks and months after August 1981 raised serious doubts about the revolutionaries' economic stewardship.

Although he was always more interested in starving government to death through tax cuts than in anything else, David Stockman would never, at least publicly, renounce the supply-side dogma he proclaimed so loudly in the early months of Reagan's presidency. The title of his memoir, *The Triumph of Politics*, summarized his main charge: that Reagan (and virtually everyone else in Washington) betrayed the ideal by failing to legislate the requisite budget austerity and then return to the gold standard. Yet all through 1981, when he was at the height of his power and his celebrity in the media, Stockman was talking to his friend William Greider of the *Washington Post*—and he said things that did more to discredit supply-side theory than anything Reagan did or failed to do. Greider had promised Stockman that he would publish nothing of their conversations until after the Reagan program became law. The reporter was true to his word—and so his article, "The Education of David Stockman," was all the more explosive when it appeared in the *Atlantic* in November.

Stockman's insider view of how the Reaganites actually operated was devastating. He confessed that he had jiggered the figures he fed into the OMB computers in order to produce optimistic projections. He acknowledged that supply-side was less an economic theory than a faith, based on certain a priori assumptions about, in the supply-sider Jude Wanniski's phrase, "the way the world works." Worst of all, Stockman admitted that the original Kemp-Roth Bill, and supply-side theory in general, was just a euphemistic cover (he called it "a Trojan horse") for the so-called trickle-down idea dating back well into the nineteenth century and discredited since the onset of the Great Depression—the idea that further enriching the already rich

would eventually produce great economic benefits for lowlier Americans. "It's kind of hard to sell 'trickle-down,' so the supply-side formula was the only way to get a tax policy that really was 'trickle down,'" Stockman said; then he added, for emphasis, "Supply-side is 'trickle-down' theory."

Stockman's revelations were deeply embarrassing to supply-siders such as the *Wall Street Journal*, and an unexpected boon to congressional Democrats. (On receiving an advance copy of Greider's article, Senator Gary Hart of Colorado, a possible aspirant for the presidency in 1984, cheerfully read it into the *Congressional Record*.) In the White House, Meese, Deaver, and the always protective Nancy Reagan wanted Stockman fired for insubordination. Only the intervention of Jim Baker saved Stockman's scalp. (Baker was apoplectic because Stockman had allowed Greider to quote him directly, but he also prized Stockman's knowledge and was wary of the even more extreme supply-siders at the Treasury Department and on Capitol Hill.) After a much publicized "woodshedding" meeting with Reagan—in actuality, a mild scolding over a lunch of soup and tuna salad—Stockman kept his job.*

Unfortunately for the White House, though, its predictions about a fiscal turnaround and a brightening economy had begun to seem illusory even before the *Atlantic* article hit the newsstands. Stockman's budget calculations turned out to be woefully mistaken. In all his number crunching, Stockman had simply assumed strong economic growth and moderate inflation; he also budgeted in much deeper cuts in spending than were actually enacted. His projected new revenues never appeared; desperately, he tried, without success, to squeeze additional reductions out of various cabinet secretaries. The picture looked exceedingly grim: running revised figures through his computers, Stockman now projected that the deficit would rise from \$74 billion in 1980 to \$300 billion per year in the mid-1980s.

The deficit, generally viewed as inflationary, was blamed in part for pushing up interest rates and hampering the expected economic growth. The tax cuts and budget cuts, meanwhile, met with a disastrous reaction

* That same afternoon, Stockman held a press conference. Although he affirmed that all of Greider's quotations were accurate, he also denied that they really meant what they plainly did mean—a remarkable performance. Stockman also asserted that the president had never intended to mislead the public. See Douglas Brinkley, ed., *The Reagan Diaries* (New York, 2007), entry for November 12, 1981, 48–49, quotation on 49; "Transcript of Stockman's Statement and His News Conference," *New York Times*, November 13, 1981, p. D16.

on Wall Street, not at all what the administration had expected. Fearing the huge deficits, worsening inflation, and higher interest rates, investors stampeded to sell off their holdings. Stock prices began falling as soon as Reagan signed the new legislation in August. By the time the Dow Jones industrial average hit bottom in September, at 824 points, the overall value of blue-chip stocks had declined by 20 percent since April. As interest rates rose, bond prices fell. Other economic indicators were similarly dismal: purchases of new cars hit a twenty-year low; housing starts declined precipitously; businesses (chiefly small businesses) were going bankrupt at a rate 42 percent higher than in 1980. Reagan, unswayed, vetoed a congressional budget resolution and shut down some government offices for a day, thereby forcing lawmakers to trim an additional \$4 billion in proposed spending. But it was a drop in the bucket; and after Stockman's revelations were released, anger fixed on the administration, and especially on Reagan's supposed supply-side wizard. "Stockman was the original interior decorator of this economic house of ill repute," said Lane Kirkland, president of the AFL-CIO. "Now he has his story ready. He only played the piano in the parlor. He never knew what was going on upstairs."

In January 1982, the president publicly acknowledged what economists already knew, that the economy was in a recession. Stubbornly, Reagan vowed to seek no tax increases in 1982, as he blamed the downturn on the economic mismanagement of the Carter administration and the preceding thirty years of "binge" tax-and-spend government. If only Americans gave his reforms the chance to take hold, all would be well. But as winter turned to spring, and spring to summer, the turnabout did not arrive. Unemployment averaged out at 9.7 percent in 1982, the highest rate since the Great Depression. By November, 9 million Americans were out of work; also, 17,000 businesses had failed—the second highest figure since 1933. Reagan's personal popularity remained high, but his job performance rating plummeted below 50 percent. As the midterm congressional elections approached, the impression grew that Reagan's policies had brought not recovery but catastrophe on a scale unseen since the presidency of Herbert Hoover.

In fact, the recession could be described reasonably as both a legacy of Carter's presidency and a product of Reagan's policies, but not in a sense most voters understood. Since Carter had appointed him chairman of the Federal Reserve System in 1979, Paul Volcker had continued to clamp down on the money supply, determined to rid the American economy of the inflation that he believed remained the chief obstacle to prosperity. The

policy worked—between 1980 and 1982, the rate of inflation dropped by more than half, from 13.5 to 6.2 percent—and this was enough for Reagan to ignore entreaties from Republicans on Capitol Hill that Volcker be removed. But after a slight, unexpected economic uptick in 1981 pushed Volcker to be more vigilant than ever, the Fed's tight money policy created, in effect, an intentional recession of surpassing severity.

During the 1980 campaign, Reagan had publicly opposed using recession as a cure for inflation. How much he quietly understood what the effects of Volcker's policies would be is unclear. Yet if he did understand and approve of Volcker's harsh measures, he paid politically for the economy's continued deterioration. Under pressure from James Baker and a chastened and alarmed David Stockman as well as congressional leaders (including traditional Republican conservatives headed by the Senate majority leader, Robert Dole), Reagan had to scale back his tax cuts in 1982 by negotiating and then signing the Tax Equity and Fiscal Responsibility Act (TEFRA)—a measure which, combined with added federal taxes on gasoline in an accompanying highway bill, produced what Baker's assistant Richard Darman called the greatest single tax hike in American history. These measures brought lamentations from supply-siders that perfidious forces within the White House had stabbed them in the back. Many, including Assistant Secretary of the Treasury Paul Craig Roberts, quit the administration in disgust; stories began circulating among true believers (and appearing on the editorial page of the *Wall Street Journal*) that Baker and Stockman were purposefully undermining the president's supply-side intentions.

They were utterly mistaken. Reagan was fully involved in these crucial decisions, and as fully in charge as he had always been on matters he cared about deeply. Far from being a dupe, he was governing as he had done since his days in California, holding out as long as possible, compromising when necessary, protecting his important gains while preparing to fight another day. With the tax bill of 1981, Reagan had cut the top marginal rate from 70 percent to 50 percent and slowed the growth of revenue—so much so that, even if some existing social programs proved too popular to be eliminated or to be severely modified, others would be cut drastically. And the chance that any new, expensive nondefense government program would win approval (or even be proposed) was vastly reduced for many years to come. Greider's article had affirmed Stockman's belief that the act of 1981 was intended to place a "tightening noose around the size of government." With that law in place, Reagan was willing to take the one step backward that

became necessary to safeguard, even fortify, his earlier two large steps forward.*

The enactment of TEFRA, moreover, was not the administration's first retreat on its economic proposals. Social Security payments had climbed by over 500 percent in the 1970s. To help salvage the system, Secretary of Human Services Richard Schweiker, in May 1981, proposed immediately reducing benefits for those who retired before the age of sixty-five—a more sudden and drastic version of a proposal already forwarded by a House subcommittee on Social Security. The plan, in its revised form, was a political gift to the Democrats, who did not waste it. Tip O'Neill said the proposal was a "breach of faith with those who have worked their whole lives" and vowed to do everything in his power to stop the president. The impact was devastating, even among Republicans. The Senate rejected the proposal, ninety-six to none; the House resoundingly turned down a move by the administration, proposed earlier, to eliminate a statutory provision setting minimum Social Security provisions; and the White House, facing political reality, chartered a bipartisan, public-private commission, chosen in part by O'Neill, to look into Social Security's difficulties.

Reagan himself had long criticized Social Security as a coercive government program, and the administration did succeed in cutting the system's disability payments. But overall the political blundering of the administration succeeded mainly in establishing Social Security even more as the untouchable "third rail" of national politics. Combined with the effects of the recession in 1982 and some of the earlier, highly publicized spending cuts that seemed hard-hearted, the fracas over Social Security put the White House (and Republicans generally) on the defensive about what became framed as the "fairness" issue.** Congressman Peter Rodino of New Jersey, a

* Reagan, by his own account, justified TEFRA to supply-siders as a necessary pragmatic and tactical move. "Met with Jack Kemp (alone) and later in leadership meeting," he wrote in his diary in early August. "He is adamant that we were wrong on the tax increase. He is in fact unreasonable. The tax increase is the price we have to pay to get the budget cuts." Douglas Brinkley, ed., *The Reagan Diaries* (New York, 2007), 96, entry for August 4, 1982.

** The most notorious of the cuts involved sharp reductions in the federal government's school nutrition program and caused the Department of Agriculture to allow participating schools to lower nutritional standards—for example, to classify tomato ketchup, inanelly, as a vegetable. After Democrats ridiculed the changes, Reagan quickly backed down and blamed unnamed agency officials, whom he accused of trying to "sabotage" his budget policies. Steven R. Weisman, "Reagan Abandons Proposal to Pare School Nutrition," *New York Times*, September 26,

major figure during the Watergate investigations, called on Republicans to save themselves and the country from “the wolves in wolves’ clothing” who had taken over their party. Entering the midterm campaign season, the Democrats devised a new slogan: “It’s not fair: It’s Republican.”

In the elections in November, the Democrats picked up twenty-seven House seats, solidifying their majority. Two months later, Reagan’s job approval rating sank to 35 percent, and less than 20 percent of those polled believed that the economy was improving. That Reagan could win reelection in 1984, let alone climb back onto his heroic pedestal, seemed, suddenly, a highly doubtful proposition.

Reagan the optimist appeared unfazed. During the congressional election campaign, he beseeched the voters to stick with his policies and “stay the course”—a course about which the country’s confidence had been shaken but not destroyed. (Polling data showed that although Republicans were taking the blame for the economic woes, nearly half the country still had a cautious wait-and-see attitude toward Reagan’s larger policies.) Into the new year, Reagan’s rhetoric did not change. In February 1983, he claimed that “all signs we’re now seeing point toward an economic recovery.” On economic policy, Reagan’s chief initial concern, his presidency’s hell of an opening was now over. He betrayed no doubt whatsoever that the show had several more reels to run.