

Transcript from the section of the *Reagan* documentary we watched in class.

Narrator: Reagan retreated to his new ranch in the mountains high above Santa Barbara. Rancho del Cielo: the ranch in the sky.

Ron Reagan: It was a place where he could ah, renew himself. And rejuvenate himself. And he would go out, you know, for hours at a time.

He'd just sort of disappear up into the hills and into the brush with you know sometimes with a chain saw. And, he, you know, was just happy as a clam out there, doing his ranch thing.

Dennis LeBlanc, Ranch Manager: His form of relaxation was very hard physical labor. He was not a type of man to relax. We started building fences. It's been over the course of quite a few years because he actually built the fences or designed the fences out of telephone poles. He designed it so when you looked at the fence everything was uniform. We started to just do it around the house. But then when we finished with that and we sat back and looked and said, well, wouldn't it look nice if we went around the pond. Well we went around the pond and we created a pasture. Well, the pasture needs fencing. So we went around the pasture. Then we built an orchard, and well, you know we should probably continue the fence around the orchard. These fences are not going anywhere.

Narrator: Reagan was killing time. Waiting while America ripened toward his conservative message. "People were rebelling," he observed, " (A) prairie fire, was...spreading across the land."

Smith: Stop and think what this country had been through by 1980. We had been through the Vietnam War, we'd been through Watergate. We'd seen one President after another tarnished, by scandal, ah by failure, ah by an assassin's bullet. Ah by 1980, we were pretty cynical. By 1980, we had just been through a couple of years of double-digit inflation. Ah we'd seen the Soviet Union seemingly on the march around the world, most notably, in Afghanistan.

Narrator: Reagan ran for president on a Conservative platform of less government and stronger defense. Promising to restore America's greatness.

Reagan: My fellow citizens of this great nation. With a deep awareness of the responsibility conferred by your trust, I accept your nomination for the Presidency of the United States. They say that the United States has had its day in the sun, that our nation has passed its zenith.

They expect you to tell your children that the American people no longer have the will to cope with their problems, that the future will be one of sacrifice and few opportunities. My fellow citizens, I utterly reject that view.

Maureen Reagan: He was so unhappy about what was happening to the country. The fact that people didn't believe in themselves, they didn't believe that they could make things better, that America was a nation in decline. All of those things and he knew in his heart those things were not true and he believed that as President he could make the American people look inside themselves and recreate what they needed to have their own American dream.

Morris: I think he felt sincerely in his heart that he was rescuing the United States from a period of poisonous self-doubt, loss of direction, loss of belief in itself. I think he felt in the late 1970s that he

could rescue Jimmy Carter's America and carry her back to the shore and make her alive again.

Narrator: Reagan kicked off his Fall campaign in Jersey City, with a great American symbol as a backdrop. He addressed a blue collar ethnic audience--appealing to their patriotism and to their growing sense of insecurity.

Reagan: Let it show on the record that when the American people cried out for economic help Jimmy Carter took refuge behind a dictionary. Well.

If it's a definition. If it's a definition he wants I'll give him one. A recession is when your neighbor loses his job. A depression is when you lose yours. And recovery is when Jimmy Carter loses his.

Meese: Most people don't remember now, but that was probably the worst economic situation the United States had been in since the Great Depression of the 1930s.

Anderson: Inflation was roaring, interest rates were going up.

People couldn't afford to buy a home. A lot of people remember very clearly if they were old enough to drive a car then, you couldn't buy gasoline no matter how much money you had. We had a hostage crisis in Iran. People were getting worried.

Narrator: Fifty-two American diplomats had been held hostage in Iran for a year. They were a daily reminder of America's impotence. And a political liability for Jimmy Carter.

Reagan: I believe this Administration's foreign policy helped create the entire situation that made their kidnap possible and I think the fact that they've been there that long is a humiliation and a disgrace to this country.

Narrator: Everyday the American hostages remained in captivity Carter's prospects for re-election dimmed.

Reagan: Earlier this evening I spoke on the phone with President Carter. He called, John Anderson called. But the President pledged the utmost in cooperation in the transition that will take place.
[Applause]

And now just, all I can say to all of you is thank you. And thank you for more than just George Bush and myself. Thank you because if the trend continues we may very well control one house of the Congress for the first time in a quarter of a century.

Narrator: The Republicans did gain control of the Senate. Reagan beat Carter in a landslide, carrying 44 states. It was a great victory for Reagan and the conservative movement.

Reagan: I, Ronald Reagan, do solemnly swear. That I will faithfully execute the office of the president of the United States.

Narrator: When Ronald Reagan took office in 1981 expectations were low. At a time when America faced an economic crisis and an escalating cold war, many wondered if anyone could manage the country. Least of all, a former Hollywood "B" actor. "Things could go very badly in the first year, "

Reagan's staff had warned, "resulting in an erosion of [Republican] momentum and public confidence."

But Reagan projected great assurance. He believed, like Franklin Delano Roosevelt 50 years before him, that his mission was to restore America's trust in itself.

Reagan: It is time for us to realize that we are too great a nation to limit ourselves to small dreams. We're not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

Smith: He and Franklin Roosevelt have so much in common. They're both great communicators, they're both buoyant optimists. They both came to Washington, in periods of great economic distress. But, there's a major, major difference, apart from one being a liberal, one being a conservative.

FDR was a great improviser. He made up the New Deal, almost day by day.

Reagan came to office with a very fixed set of beliefs and an agenda to try and implement those beliefs.

Will: Ronald Reagan had a few very simple precepts. Government was too big, taxed too much, and the Soviet Union was getting away with murder internationally. You guys work out the details.

Narrator: The key guys in the Reagan White House were Chief of Staff James Baker, who knew how Washington worked and Edwin Meese and Michael Deaver, who knew from Sacramento how Reagan worked. Deaver had another assignment: the first lady. To this "Troika," Reagan delegated unprecedented authority.

Anderson: In some ways he governed like a Turkish pasha. He assembled people around him, brought people in, talked to them, made it clear to them what he wanted to do, and then the attitude seemed to be, OK, now you know what I want to do, let's do it. And he just assumed that these things would be done.

Narrator: The future would expose the weakness of Reagan's propensity to delegate. But for most of his first term the troika served him well.

Senator Howard Baker, Majority Leader: The Carter administration had made a terrible mistake by sending up so much legislation in their first hundred days that all the focus became very diffused. We didn't make that mistake. I said look our 100 day plan says we are to have 3 priorities and those 3 priorities are economic recovery, economic recovery, and economic recovery, and that's what we oughta focus on for the first 100 days and carry out our plan.

Narrator: It would come to be known as "the Reagan Revolution." On its surface it was simple. A tax cut, reductions in domestic spending, and a balanced budget. But Reagan also wanted a military buildup to confront the Soviet Union.

Stockman: I have to say that I am not one to shrink from a tough task. But I must also say-- and I think every Cabinet member here will agree with me-- that the goals that you gave us are extraordinarily difficult to reconcile.

Narrator: Budget Director David Stockman warned Reagan that without deep cuts, budget deficits could rise as high as one hundred billion dollars. But Reagan was convinced that his tax cut would

stimulate productivity and ignite an economic boom. The government would then collect enough taxes to balance the budget. It was called supply side economics, and even prominent Republicans were skeptical.

Sen. Howard Baker: I came out of a meeting with the President, when he had described his ah, ah economic program, which entailed pretty good sized tax cuts and, and I was asked by the gaggle of reporters outside the northwest entrance to the west wing of the Capitol what I thought of it, and I uttered the words that probably should go at the very top of the list of things I never should have said. I said, "Well, altogether it's a riverboat gamble." And it was.

Reagan: It's time to recognize that we've come to a turning point. We're threatened with an economic calamity of tremendous proportions, and the old business as usual treatment can't save us. Together we must chart a different course. On February 18, I will present in detail an economic program to Congress. It will propose budget cuts in virtually every department of government.

Narrator: The cuts fell most dramatically on programs designed to help the poor. "I'm trying to undo LBJ's Great Society," Reagan wrote in his diary. "It was his war on poverty that led us to (this) mess." Reagan also called for a 30 percent tax cut across the board. All tax payers would benefit. But the wealthy would benefit the most. Speaker of the House Tip O'Neill vowed to fight. Reagan's program, he said "(soaked) the poor to subsidize the rich."

Tip O'Neill: He and I don't agree on his plan whatsoever. I believe in the plan of fairness. Very easy to put the question. The question is this: Do you make over 50,000 dollars or less than 50,000 dollars. If you make over 50,000 dollars then you are for the Republican plan because that's who it's geared for.

Reagan: Just here to meet with the leadership and talk about our problems.

Narrator: Reagan faced a formidable task. For his economic package to become law, he would need to convince 26 of O'Neill's Democrats to break rank. In the first one hundred days of his presidency Reagan met with 467 legislators and phoned many more.

Once he called 29 members of congress in a single night.

James A. Baker III, Chief of Staff: He never once ah moaned about having to make a Congressional call because President Reagan understood that we judge our Presidents on the basis primarily of their success, in getting their programs through the legislative branch. We would give him a script for each of these Congressional calls and he never, he never missed it. He was an extraordinarily hard worker.

Richard Darman, Presidential Aide: Most of America thought that he was someone who watched television and went to bed. He didn't. Every single night he would do a stack of work. He would almost obsessively go through every single bit of paper he would get. Indeed, the First Lady early on complained that I was keeping him up too late at night, but the too late was 2:30 in the morning.

Narrator: In his effort to sell his program Reagan's best weapon was his power of persuasion.

Maureen Reagan: He had the ability to project out of himself, that's what actors do. They make you feel happy or sad. They make you laugh and cry. They make you feel all of the emotions. And so when you're in politics and you want to get a message across to people you have to be able to... to go in front of yourself and to project out to those people.

Michael K. Deaver, Deputy Chief of Staff: All you wanted to do is fix the camera on his head and let him talk. You didn't need him to walk around the desk or sit on the corner and do all of those things that people have to do to make politicians interesting. He was able to speak in ways that the American people believed and in a language that they understood. He vocalized their frustrations and hopes and fears and gave them a vision.

Reagan: During recent months many of you have asked, what can you do to help make America strong again. I urge you again to contact your Senators and Congressmen. Tell them of your support for this bipartisan proposal. Tell them you believe this is an unequalled opportunity to help return America to prosperity and make government again the servant of the people.

James Baker: He would make a speech ah televised national address and say, call your Congressman, call your Senator, help me out. Here's what I want to do. And boy, the calls would flood the, would flood the Congressional switchboards. It was very, very effective.

Narrator: With every appeal, Reagan's conservative agenda gained momentum. By March two thirds of Americans favored the President's program --especially the tax cut.

"Sometimes I have to pinch myself to see if this is real," said Deaver. "So do I," Reagan replied with a smile.

On March 30th, seventy days into his presidency, Reagan delivered yet another pitch -- to a union convention at the Washington Hilton Hotel. At 2:25 he left the meeting and approached his limousine.

Deaver: I ran to the car behind the limousine. I thought we were going to the White House. We started going over dividers on Connecticut Avenue and ah I realized when we came into the port of the George Washington Hospital that we were going there. I jumped out of the car and Reagan's getting out of the car, and he always had this thing where he would pull his pants up to be sure they were just right, button his coat again, which he did when he got out of the limousine. And I thought, he's fine - walked into the hospital, the minute he hit the door, he went down.

Nancy: When I got there, um, everybody's still telling me, he hasn't been shot, he hasn't been hit. And I think it was Mike Deaver who was standing waiting for me and I think he was the one who told me, that ah, he'd been hit.

Narrator: A deranged lone gunman, John Hinckley, Jr., had fired six bullets at the president. One ricocheted off Reagan's limousine, and tore into his left lung missing his heart by an inch.

Patti Davis: I was afraid he would die and that he would die without me really knowing who my father was. I knew how close to death he was once I got to Washington, the country didn't know until years later.

Nancy Reagan: He was so white. I have never seen anybody so white, and he had that thing over his face to help him breathe and there was blood. And, ah, he opened his eyes and saw me, and um, that's when he said, "Honey I forgot to duck."

Narrator: Reports of Reagan's courage reassured an anxious nation.

Deaver: That was that moment when we really saw inside the man. We really saw what he was made of -- ah to be able to have that grace and that humor, at that particular time in this life.

Ron Reagan: The quips to the doctors, about you know, "I hope you're all Republicans" and all that kind of stuff, and "Honey, I forgot to duck." You know, that wasn't some invention of somebody. He was actually doing that. And you know, probably going through his mind is gee, I hope I'm not putting these people out.

Reporters: How are you feeling Mr. President? How do you feel? How do you feel?

Reagan: Great.

Reporters: What are you going to do when you get to the White House Mr. President. What are you going to do when you get home?

Reagan: Sit down.

Narrator: Reagan returned to the White House twelve days after being shot. Only those closest to him knew how transforming his near death experience had been.

Smith: I think it confirmed everything he'd ever been taught, beginning by his mother about God's plan for him as an individual. Mother Teresa, came to the White House, with no fanfare, not long after the assassination attempt, and met privately with the President. And at the end of the meeting, she told the President that God had a plan for him and that God had intended for him to suffer.

Morris: That was when he decided that the life which had been spared was now going to have to be put to the service of the God who had saved him. He became much more devout and evangelical from that moment on. His thoughts became slower, his speech became slower, he deliberated more, he hesitated more when he spoke. He lost his quickness. And for the rest of the presidency, it was a very, very slow and steady mental and physical decline.

Sam Donaldson, Journalist: Mrs. Reagan never recovered. Mrs. Reagan was horrified. And she gave immediate instructions to Michael Deaver who was her contact in the Chief of Staff's Office, words to the effect, "This will never happen again--you see to it." And they saw to it. He never walked across an airport tarmac. He never worked a fence line. He never got out of his limousine on a public sidewalk but it began to close down the presidency, even more from the standpoint of access to the average citizen, the average voter in this country.

Lou Cannon, Biographer: It took Reagan out of most of the routine of being President. In a sense it aborted the inner life of the Presidency.

Put the Reagan Presidency on this track where Reagan was more distanced than he should have been from decision making.

Narrator: On April 28th, four weeks after the attempt on his life, a barely recovered Reagan received a hero's welcome from Congress

Reagan: Thank you. Thank you. You wouldn't want to talk me into an encore would you? Mr. Speaker, Mr. President, distinguished members of the Congress, honored guests and fellow citizens, I have no

words to express my appreciation for that greeting. I have come to speak to you tonight about our economic recovery program and why I believe it's essential that Congress approve this package.

Christopher Matthews: There he was, almost Lazarus -- like standing before the Congress. Here's a guy who had survived a very ah deadly shot of an assassin and to come back with such élan and to ask for support was big stuff. I mean, you're talking about Hollywood drama here and he played it for all it was worth and he should have. And I think that that's when he probably ran his vote up over the top.

Congressman: On this vote the ayes are 238 the nays are 195.

Narrator: The Senate voted overwhelmingly in favor of his economic package. In the House, Reagan had convinced enough Democrats to break rank. He rejoiced in what he called "the greatest political win in half a century."

Tip O'Neill: Mr. President. Congratulations you're a tough adversary. Well. No hard feelings old pal. It's a great two party system we have. We gave our best, and ah you outdid us. As a matter of fact you stunned us. I never figured you could beat us that badly. You're a little stunned yourself. Well listen I want to wish you all the success in the world. The fiscal policy of the nation now belongs to you. You've got two clear-cut victories up here.

Narrator: On August 13th, 1981 Reagan headed for his Ranch in the Sky to sign the bill which would turn his conservative agenda into law.

Darman: It was perfect for the imagery of the western, uh, romantic, uh, American tradition. Symbolically, an ideal place to start, um, the ratification of step one of the Reagan Revolution.. And so, it was a well chosen set, at least in concept. In reality, the particular day turned out to be one where you couldn't see much of anything. There was this tremendous fog that poured in. You could hardly see the President when he came out to sign the bill. So yes, the thought did cross my mind that maybe we were all doing something in a fog that is without as clear a vision as we should have had of what we were up to.

Narrator: The bill Reagan signed that day did not include a balanced budget. Without further cuts, the United States would face the largest deficit in its history.

Reporter: How much more in budget cuts are you going to have to make over the next couple of years and will you still be able to balance the budget in '84.

Reagan: Well, this has always been our goal and will continue to be our goal, but remember that we always said that there were further budget cuts for the coming years, for '83 and '84.

Narrator: That Fall, budget director David Stockman told Reagan he would have to cut deep into defense spending --the keystone of his anti-Soviet policy-- and social security if he wanted a balanced budget.

Darman: When he was presented with the question of whether he would reduce the rate of growth of defense, he decided not to and concluded that though he didn't want the deficit, um, he...the country would tolerate it if the economy were strong.

Caspar Weinberger, Secretary of Defense: He always phrased it this way -- if it were a question of

balancing the budget or regaining strong military capabilities, he'd always opt for the latter. And he never never wavered in that.

Cannon: He had a chance to tackle entitlements, he had a chance to break Social Security costs and he wasn't willing to do it because he would have forfeited his most precious asset, his popularity, to do it. And he wasn't willing to do that.

Narrator: Those were fateful decisions. Reagan would never again have as good an opportunity to adjust his budget and avoid the ballooning deficits of the decade ahead. That year, the economy took a downward turn.

By November, blue-collar workers, who had voted for Ronald Reagan, were losing their jobs. Inflation had prompted the Federal Reserve Board to increase interest rates. Reagan was forced to admit that the nation was headed into a recession.

Reporter: Mr. President, your Secretary of the Treasury Donald Regan, yesterday gave a rather pessimistic view of the Nation's economy. I think he called it a "real downer" that we were facing. Do you share his ah pessimistic view of the economy? Are we in for a real downer in your opinion?

Reagan: Well now, I don't know what his definitions is of a "real downer" I think that we're going to have some hard times for the next few months. I think we're going to see a pickup in the economy, and I think that Don Regan believes this also, in Spring or latest early Summer.

Narrator: That Spring, when the president vacationed at the home of actress Claudette Colbert there were no signs of improvement.

Reagan who had seen himself as coming to America's rescue began to be cast as callous and insensitive; "splashing...in the lap of luxury, while Americans go hungry," one reporter wrote. But the press reserved its harshest criticism for the First Lady. Calling attention to her designer dresses. Her lavish entertainment. Her millionaire friends. And her decision to spend 210 thousand dollars on new china.

The extravagance added to the perception of insensitivity -- a perception Reagan bitterly resented.

Morris: His invariable line when the subject of poverty and homelessness was raised was I know about, all about the Depression because I was out hitchhiking across the landscape looking for work in the depths of the Depression. I know about poverty. Actually it was just a matter of a couple of weeks. He got a job very quickly and from January 1933 onward never had to look anywhere for a salary check.

Ron Reagan: If you wanted something done by my father, if you wanted him to move a certain way on a certain policy, what you had to do was humanize it, bring him a person that's afflicted by some problem or another, and all of a sudden then it becomes very real to him

Deaver: He would have three or four checks, personal checks in the top drawer of his desk, in the Oval Office and he was always running out of those checks because he was writing checks to people. I went in there one time and he had written a check to some woman who was on welfare. And the next month he got his bank statement. Well, you know, the bank statement had these checks and her check wasn't in it. So, he called her on the phone and said you know, you haven't cashed that check. She said, oh no, I

framed it. He said, well my God I sent you that money so you'd have some money to eat. I'll send you another check, you keep that one framed and cash this one.

Matthews: Simply because he becomes aware of one person's plight and responds to it as human beings doesn't really solve the problem. I mean he's basically responsible for the economic management of the United States and he has to deal with that responsibility, not simply as an individual citizen.

Narrator: As the recession deepened through 1982, its effects were felt across America. Farmers were driven off their land by high interest rates. In the cities, homelessness became a scandal.

Thousands of businesses failed. Unemployment reached its highest level since the Great Depression.

"I prayed a lot during this period," Reagan wrote, "not only for the country and people who were out of work, but for help and guidance in doing the right thing."

Narrator: Pressure on Reagan to change course mounted. His program – now derided as "Reaganomics,"-- had not only failed to produce growth, but was leading the nation into fiscal disaster.

"We are really in trouble," Reagan confided to his diary. "Our projections are out the window...We look at two hundred billion dollar deficits if we can't pull off some miracles."

Even true believers were disillusioned. David Stockman, tired of arguing for cuts now urged the president to raise taxes.

"Reagan," wrote columnists Evans and Novak "was having to fight two thirds of his administration to save his economic program."

Smith: There are very few conventional politicians who would have stuck it out as he did. But he came to office imbued with a conviction that less government and lower taxes would resolve the pervasive sickness of the American economy. And what he saw in 1982 as, was the fever that was about to break.

Narrator: Reagan stayed the course. "I believed the economic recovery would work," he wrote, "because I had faith in those tax cuts and faith in the American people." But the American people were losing faith in Ronald Reagan.

Man: He'd better read the papers a little better, go down to the unemployment office and see all the people standing there, getting unemployment benefits -- those that can get em and those that have ran out of them and so forth. The president himself hasn't got the message yet.

Second Man: I don't like to turn to Welfare, but if that's what is gonna take to get by until this current economic situation is through that's what we'll have to do.

Third Man: I think the American dream is in the past. It's long gone.

Crowds: What do we want? Jobs. When do you want them? Now.

Narrator: On November 2, in critical mid-term elections, voters would pass judgment on Ronald Reagan and his conservative program. Reagan watched as the American people gave a vote of no

confidence by throwing twenty six Republicans out of the House. The political disaster his staff had feared was upon him.

Helen Thomas: With 11.6 million people out of work would you be willing to have some cutbacks in defense spending to help these people who are out of work.

Lou Cannon: Have you ruled out the possibility that would modify in anyway your call for an increased defense budget maybe just for this one year?

Narrator: Ronald Reagan had vowed to fight Communism. Now his defense build-up -- the chief weapon in his anti-Soviet crusade -- was coming under attack.

In what might have been the largest peace time gathering in American history, nearly one million people rallied in Central Park to call for a freeze in nuclear weapons production.

SOT: All of us want to live and we want life for our children and our grandchildren.

Narrator: Two years into his presidency the talk in Washington was of chaos and disarray.

"The question no longer is whether Reagan has failed," wrote a conservative analyst, "but the magnitude and ramifications of his failure."

By January 1983, Reagan's approval rating had plummeted to 35 percent. Her husband, Nancy confided to a reporter, might not seek a second term.

Richard Wirthlin, Pollster: I brought him the bad news that his job rating was low and... he was very serious for a moment and then he smiled and he then reached over and patted me on the arm and said, I know just what I can do about it. I'll go out and get shot again.

Narrator: If Reagan's presidency failed, his crusade to protect America from big government, begun in 1964 would fail with it. His crusade to save the world from communism, begun in 1946 would fail too. Ronald Reagan had come to office to rescue America. Now he was the one in need of rescue.