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RONALD WILSON REAGAN, 1911- 2004

Ronald Reagan Dies at 93

Popular President Changed the Political Landscape

June 06, 2004 | Johanna Neuman

Ronald Reagan, the Hollywood actor who became one of the most popular presidents of the 20th century and transformed the political landscape of an era with his vision of conservative government, died Saturday at his home in the Bel-Air neighborhood of Los Angeles. He was 93.

His wife, Nancy, his greatest fan and fierce protector, was at his side. For 10 years, he suffered from Alzheimer's, an incapacitating brain disease. In 1994, he bade a poignant farewell to "my fellow Americans." In a hand-written letter, made public by his office, he said he was setting out on "the journey that will lead me into the sunset of my life."

In a statement relayed by chief of staff Joanne Drake, who represents the family, Nancy Reagan said: "My family and I would like the world to know that President Ronald Reagan has passed away.... We appreciate everyone's prayers." Drake said Reagan's death came at 1 p.m. and was caused by pneumonia, complicated by Alzheimer's.

The disease robbed Reagan of his ability to remember much of his own remarkable history: that he had served eight years as governor of California and eight more as president of the United States, and that he had led America's politics rightward toward the middle. Only one Democrat has succeeded him: Bill Clinton, a "new Democrat," who did as much or more to achieve such conservative goals as balancing the federal budget and changing welfare than anything Reagan himself accomplished.

Reagan inspired a missionary corps of conservatives who hold countless elected offices and government jobs to this day. Others have been elected since he left the White House. Indeed, biographer Lou Cannon likened the Reagan revolution to a time bomb, citing political analyst Michael Barone's tally showing that more Reagan Republicans won congressional seats in 1994 than they did when he was president. Even in his final years, he was a role model. President George W. Bush, who tugged the country even farther right, has called Reagan "a hero in the American story."

As recently as last month, Nancy Reagan had said her husband's disease was worsening. "Ronnie's long journey has finally taken him to a distant place where I can no longer reach him," she said. When he died, she and Reagan's son and daughter Ronald Prescott Reagan and Patti Davis were at the family home, chief of staff Drake said. She said son Michael Reagan arrived a short time later. He had spent all day Friday with his father.

Reagan's death brought accolades and condolences from around the world. President George W. Bush was told while visiting Paris to mark the anniversary of D-day. "It's a sad hour in the life of America," Bush said, adding that Reagan "leaves behind a nation he restored and a world he helped save." Former British Prime Minister Margaret Thatcher, Reagan's contemporary and political ally, declared that "millions of men and women ... live in freedom today because of the policies he pursued."

Former presidents offered statements of praise. Gerald R. Ford called Reagan "an excellent leader of our nation during challenging times." Bill Clinton said, "He personified the indomitable optimism of the American people ... [and kept] America at the forefront of the fight for freedom." George H.W. Bush said, "We had been political opponents and became close friends. He could take a stand ... and do it without creating bitterness."

In California, Gov. Arnold Schwarzenegger called Reagan "a great American patriot" and said, "He was a hero to me."

World and national leaders were expected to gather at the National Cathedral in Washington for Reagan's funeral, after his body lies in state for two days at the Reagan presidential library and museum near Simi Valley, and then for two days in Washington at the Capitol Rotunda. Then the body was to be returned to the presidential library for private burial. Details of the arrangements were not final.

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Optimism Was Catching

As the nation's 40th president, Reagan left lasting contributions to the world, his nation and the people he served. Graced with a gift for storytelling, a ready wit and a visceral understanding of the aspirations of his countrymen, Reagan had the rare distinction of leaving office more popular than when he arrived.

Part of his gift was his ability to make Americans, shaken by the Vietnam War and the scandal of Watergate, feel good about themselves. His optimism was real and unyielding. Once, after surgery for colon cancer, he told reporters: "I didn't have cancer. I had something inside of me that had cancer in it, and it was removed." It helped that he was an actor. "There have been times in this office," he once told interviewer David Brinkley, "when I've wondered how you could do the job if you hadn't been an actor."

People called him the Gipper, because he played Notre Dame football star George Gipp in the 1940 movie "Knute Rockne -- All American." On his deathbed, Gipp urges Coach Rockne to implore the Fighting Irish to "win one for the Gipper." As president, Reagan urged his fellow Americans to do the same, time and again: to write Congress for tax relief, to vote Republican -- so they, too, could win one for the Gipper.

People also called him the Great Communicator, because he understood the presidency was a pulpit, and he used it to preach. Mostly his sermons were about a simple kind of conservatism: cut taxes so investments of the wealthy would trickle down to the poor; build America's military might so world Communism would topple and fall. "Mr. Gorbachev," he shouted, at the Brandenburg Gate in Berlin during a visit in June 1987, "tear down this wall!"

Ten years later, after the Berlin Wall had tumbled and the Soviet empire collapsed, Reagan was strolling in Armand Hammer Park near his home. The Toledo Blade reported that a Ukrainian from Ohio and his 12-year-old grandson asked if Reagan would sit on a park bench with the boy for a picture. He obliged. The grandfather later told the New York Times that they had thanked him for opposing communism.

Yes, Reagan replied, that had been his job.

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Pluses and Minuses

Reagan left a tangled legacy.

He presided over a historic agreement to ban intermediate range nuclear missiles with the Soviet Union, which he had reviled as an "evil empire." But he also presided over a debacle in Lebanon with uncounted victims, including 241 U.S. troops, mostly Marines; and he presided over the Iran-Contra affair, a scandal that severely damaged his administration.

Reagan's tenure produced lower inflation, interest rates and unemployment. But his term also saw a busted budget and record deficits, which made America a net importer and tripled the national debt. It "mortgaged much of our future vitality," said conservative columnist George F. Will. Nearly 15 years passed before the nation was able to post a surplus.

The president himself was a man of striking contradictions, say Jane Mayer, a New Yorker magazine staff writer, and Doyle McManus, the Times' Washington bureau chief, in their book, "Landslide: The Unmaking of the President, 1984-1988." He was a gifted leader, they write, but he could be detached and indecisive. He was an overwhelmingly popular politician, they say, but he could be shy and intensely private and kept a personal distance from almost everyone except his wife, Nancy.

"On balance, Reagan was a strong man, but an extraordinarily weak manager," biographer Cannon said in his book "President Reagan: The Role of a Lifetime." He restored public confidence in the presidency, Cannon wrote, "without mastering the difficult art of wielding presidential power." Reagan often said: "Government is not the solution to our problems. Government is the problem." In fact, Cannon said, "Reagan thought so little of government that he did not think enough about it." As a result, he treated the presidency with a hands-off style of management that tested the abilities of those charged to run the executive branch, sometimes with unhappy results.

But he also could be a very personal president. He shared jellybeans from a jar in the Oval Office. A recent collection, "Reagan: A Life in Letters," revealed that he hand-wrote an astonishing assortment of notes to friends, adversaries, world leaders and plain folks, from Soviet leader Leonid Brezhnev to a seventh-grader who requested federal help because his mother had declared his bedroom a disaster area. Reagan's letters asked whether governments truly reflected the needs of their people, told of his imaginings about a ballistic missile defense system and suggested, with a fatherly chuckle, that the youngster volunteer to clean up his room himself.

Many Americans saw in him things they also wanted to believe about themselves, said cultural historian Garry Wills, in his book "Reagan's America: Innocents at Home." They were convinced, Wills wrote, that both he and they were hopeful and independent, strong and God-fearing, as well as destined to be extraordinary. They shaped their faith in him and in themselves to accommodate any uncomfortable realities, Wills said, and they ignored his inconsistencies.

This helped to shield Reagan from political disapproval. Confounding opponents, he seemed at times to be immune to controversy. "The Teflon-coated presidency," complained former Rep. Patricia Schroeder (D-Colo.), when criticisms would not take hold, but slipped off instead like grease on a nonstick frying pan.

Reagan was protected, too, by his style. He did not turn political foes into personal enemies. House Speaker Thomas P. "Tip" O'Neill, an earthy populist from Boston who championed liberal causes with a fervor to match Reagan's devotion to conservative crusades, often went from Capitol Hill down to the White House at the end of the day for a quiet chat between two Irish pals.

"There's just something about the guy that people like," O'Neill once explained to the Washington Post. "They're rooting for him, and of course they're rooting for him because we haven't had any presidential successes for years -- Kennedy killed, Johnson with Vietnam, Nixon with Watergate, Ford, Carter and all the rest." O'Neill remembered how Reagan would say to him, "Tip, you and I are political enemies only until 6 o'clock. It's 4 o'clock now. Can we pretend that it's 6 o'clock?"

Finally, Reagan was sustained by his sense of humor, which he often exercised in times of adversity. When a would-be assassin gunned him down outside a Washington hotel during the third month of his presidency, he quipped to a doctor laboring to save his life: "I hope you're a Republican."

As in "win one for the Gipper," when Reagan did not have a good line of his own, he borrowed one from a movie in which he had appeared, or which he especially liked. To Reagan, the presidency was often the stage for a well-rehearsed script. He tapped the talents of a stable of writers, including the eloquent Peggy Noonan.

On the 40th anniversary of D-day, she provided his tribute on the palisades of Normandy to American veterans who had flown to France for the occasion. "These are the boys of Pointe du Hoc," he intoned, his delivery a marvel of dramatic narrative and pauses at the punch lines. "These are the men who took the cliffs. These are the champions who helped free a continent. These are the heroes who helped win a war."

Veterans cried, said the Washington Post, adding that he had moved "even reporters and Democrats to tears."

His writers knew history. Left to himself, Reagan sometimes garbled it. This mattered little, however, because he had perfect pitch for its music. "Reagan would embody great chunks of the American experience, become deeply involved with them emotionally, while having only the haziest notion of what really occurred," Wills says. "He had a skill for striking 'historical' attitudes combined with a striking lack of historical attention."

What he was doing was acting, but it served him well, even in times of trouble. Alexander M. Haig caused a stir, for example, by resigning abruptly as secretary of state after battling the White House staff and embarrassing the administration with an emotional pronouncement following the assassination attempt that "I am in control here."

As Reagan prepared to answer questions from reporters about Haig's departure, he regaled his aides with jokes. Chief of Staff James A. Baker cautioned against levity at serious moments.

"Don't worry, Jim," Reagan replied. "I'll play it somber."

And he did.

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Small Town Roots

Ronald Wilson Reagan was born Feb. 6, 1911, in Tampico, Ill., the second son of John Edward Reagan and Nelle Wilson Reagan.

His father, an Irish-Catholic Democrat, was a shoe salesman and charming storyteller, but he had a restless spirit and a drinking problem. In the early years of Reagan's childhood, his father had difficulty holding a job.

The Reagans moved from one small town to another in rural Illinois. For a brief period, they resided on the South Side of Chicago. By the age of 8, he had lived in seven homes. In 1920, when Reagan was 9, the family settled down at last in the small community of Dixon, about 100 miles due west of Chicago.

Dixon was where Reagan went to high school, played football and fell in love with a preacher's daughter. It was where he took up his famous duties as a lifeguard in Lowell Park, northeast of town on the Rock River. He was credited with saving 77 lives.

He was "Dutch" Reagan then, a nickname given to him when he was a baby by his father, who thought he looked like "a fat little Dutchman." Reagan preferred "Dutch" to Ronald, which he considered not manly.

His mother was a pious woman who had a big influence on her sons, Neil and Ronald. Cheerful and energetic, she taught that people were innately good and could achieve great things with perseverance. She gave Ronald his first taste of acting: playing parts in moralistic church skits, some of which she wrote.

By contrast, in an early autobiography, "Where's the Rest of Me? The Ronald Reagan Story," he described coming home to find his father "flat on his back on the front porch and no one there to lend a hand but me. He was drunk, dead to the world. I wanted to let myself in the house and go to bed and pretend he wasn't there." Instead, the scrawny 11-year-old tugged his father inside and put him to bed.

Reagan said that he felt no resentment and credited his mother. "She told Neil and myself over and over that alcoholism was a sickness -- that we should love and help our father and never condemn him for something that was beyond his control." But it scarred him: As a youngster, he tried to avoid the trouble that alcoholism caused at home; as an adult, Cannon said, sometimes he could not bring himself to confront the trouble that infighting caused on his White House staff.

After high school, Reagan enrolled in Eureka College, a small Christian school 21 miles east of Peoria. Early on, he found his public voice. The college president, under fire for restrictions against smoking, dancing and staying out after 9:30 p.m., compounded his problems by threatening to eliminate courses and fire teachers to save money.

Reagan, the freshman representative, was asked to speak on behalf of students who were in revolt. "He did not call for a return to law and order or ask the students to protest to the trustees through established channels," writes Bill Boyarsky, a retired Times city editor, political writer and columnist, in his book, "Ronald Reagan: His Life & Rise to the Presidency." Nor did he criticize the faculty for supporting the students, as he did during student unrest when he was the governor of California.

Instead, Boyarsky says, "he offered a resolution calling for a student strike." Reagan's emotional appeal prevailed: All but a few students refused to attend classes. Ultimately, the president of Eureka College resigned.

In his autobiography, Reagan said he discovered while he was making his strike speech "that an audience has a feel to it, and, in the parlance of the theater, the audience and I were together.... It was heady wine."

When he graduated from Eureka in 1932, the nation was deep in the Depression. "We didn't live on the wrong side of the railroad tracks," Reagan said later about those meager years, "but we lived so close to them we could hear the whistle real loud."

Even in the depths of the nation's economic catastrophe, Reagan was determined to succeed. He wanted to be a broadcaster. He was attracted to radio partly by the new president, Franklin Delano Roosevelt. Memorizing portions of FDR's first inaugural address, Reagan later echoed Roosevelt's cadence. As for FDR's New Deal politics, "I was a near-hopeless hemophilic liberal," Reagan wrote later. "I bled for 'causes.'"

He landed a part-time announcer's job at WOC in Davenport, Iowa. Within a year, WOC had merged with its big-sister station, WHO in Des Moines, and Reagan was hired as a sports announcer and re-created Chicago Cubs games.

Reagan often told a story during his presidency of how he would get abbreviated information about a game in progress by telegraph and relay it to listeners as if he were describing the action. Except once, when the ticker died.

"When the [telegraph] slip came through, it said, 'The wire's gone dead.' Well, I had the ball on the way to the plate," Reagan recalled to a group of baseball players at a Hall of Fame lunch at the White House in 1981. "So I had Billy [Jurgens] foul one off.... And I had him foul one back at third base and described the fight between the two kids who were trying to get to the ball. Then I had him foul one that just missed being a home run." Finally, with Reagan sweating and listeners wondering about this odd succession of foul balls, the ticker started to click again.

"And the slip came through the window, and I could hardly talk for laughing," Reagan recalled. "It said, 'Jurgens popped out on the first pitch.' "

Radio loved Reagan's voice, but he longed to be an actor. WHO sent him to Catalina Island in 1937 to cover the Cubs during spring training. While he was in California, he wrangled a screen test and signed a contract for \$200 a week with Warner Brothers studio.

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Private and Public Transition

Reagan acted in 52 movies cast as a good guy and in one made-for-TV film, "The Killers," cast as a villain. He later said he regretted making the picture. It was considered too violent for television and was released in theaters just as his political career began.

In 1940, he married actress Jane Wyman, and they appeared together in a sequel to their first pairing in "Brother Rat." It was called "Brother Rat and a Baby." Within a year, their first child was born, a daughter they named Maureen Elizabeth. Later they adopted a son, Michael Edward. Their daughter died in August 2001 of melanoma. She was 60.

Reagan's big movie break came with "Knute Rockne -- All American," the film that immortalized the Gipper. But his most challenging part came in "Kings Row," a 1942 picture in which he played a small-town playboy whose legs are needlessly amputated by a vicious surgeon. Both he and critics called it his best performance.

He became a board member of the Screen Actors Guild. Stars who commanded big money -- Robert Montgomery, Cary Grant, James Cagney -- welcomed him as an equal.

Reagan's film career was sidetracked by World War II, and it never recovered. Disqualified from combat because he was nearsighted, he was sent to the First Motion Picture Unit of the Army Air Forces in suburban Culver City, which made over 400 training films. He was discharged on Dec. 9, 1945, as a captain.

His involvement with the Screen Actors Guild increased, and with it a growing interest in public life, which Wyman complained took all his time. In 1948, their marriage -- to Reagan's painful surprise -- headed for divorce. It was for him a personal trauma. "The plain truth was," he said, "that such a thing was so far from even being imagined by me that I had no resources to call upon."

The trauma coincided with his first stirrings of conservatism. He remained a Democrat, urging Dwight D. Eisenhower to run for president as a Democrat and campaigning for Helen Gahagan Douglas in her futile U.S. Senate race against Richard M. Nixon. It would not be until the early 1960s that he switched parties. "I didn't leave the Democratic Party," he said. "The party left me."

By 1947, Reagan had become president of the Screen Actors Guild. He was swept up in ideological turmoil that tormented Hollywood. The House Un-American Activities Committee began investigating claims of Communist influence within the studios. Writers and actors were blacklisted. Some never worked again.

Reagan was convinced that Communists intended to seize control of the movie industry so it could be used as "a worldwide propaganda base." The remedy, he wrote in "Where's the Rest of Me?" was "that each American generation must be re-educated to the precariousness of liberty."

Reagan and other actors appeared before HUAC to testify to their opposition to Communism. They "lent [their] names" to the luster of its hearings, say Larry Ceplair and Steven Englund in their book, "The Inquisition in Hollywood."

In 1952, he married Nancy Davis, a young actress whose mother, Edith Luckett, had been on stage and whose stepfather, Dr. Loyal Davis, was a prominent neurosurgeon. She gave up acting to devote herself to her husband. They had two children, Patricia Ann and Ronald Prescott.

For Reagan, there was comfort in having a family again.

Enter General Electric, stage right. For eight years, beginning in 1954, Reagan served GE as the host of a televised series of dramas. He also was its goodwill ambassador to employees and to civic and business groups around the country. While his motive was to make money, over time the experience of speaking to business people helped crystallize his views and prepared him for active politics.

His talks, initially only lighthearted reminiscences of Hollywood's Golden Age, began to grow more serious. In speeches with titles like "Encroaching Government Controls" and "Our Eroding Freedoms," he broadened his scope to include a wide range of national issues. At first, he confined his deepest political beliefs to private communications -- a 1960 letter to Vice President Richard M. Nixon, for instance, in which he said of John F. Kennedy: "Under the tousled boyish haircut is still old Karl Marx."

By 1962, his speeches had become more political -- and more controversial. Under pressure, General Electric ended the arrangement. He had become so popular, he said, that at least three years of bookings had to be canceled.

"It would be nice to accept this as a tribute to my oratory," Reagan later wrote. "But I think the real reason had to do with a change that was taking place all over America. People wanted to talk about and hear about encroaching government control. And hopefully they wanted suggestions as to what they themselves could do to turn the tide."

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Moving to World Stage

Reagan's political fortunes rose from the ashes of Republican presidential nominee Barry Goldwater's spectacular defeat in 1964. Reagan offered a friendly antidote to Goldwater's strident rhetoric. Reagan's tone suggested patriotic concern and continuity with the past. Unlike Goldwater, he could sell conservatism with a smile.

In a fund-raising address televised to the nation, Reagan honed "the speech," as it was known during his GE days, into a clarion call. Americans saw the smoothest, most articulate, most attractive champion of the Republican cause in a generation. Biographer Bill Boyarsky says Reagan's speech, "A Time for Choosing," stirred conservatives just as William Jennings Bryan's "Cross of Gold" speech had electrified farmers and factory workers in 1896.

Goldwater lost to Lyndon Johnson, but Reagan won national acclaim.

The next spring, Holmes P. Tuttle, a wealthy Los Angeles car dealer who had promoted the fund-raising speech, invited other millionaires to support Reagan in a race for governor of California. The millionaires, later known as Reagan's "kitchen Cabinet," hired the California campaign management team of Stuart Spencer and Bill Roberts. They, in turn, hired professors to brief Reagan on state issues and broaden his command of literary allusions.

His years on television for GE, then as host of "Death Valley Days," had made Reagan a familiar face. But it brought criticism as well. Democrats derided him as a puppet who mouthed words scripted by others. In "An American Life," a later autobiography, he recalled that incumbent Gov. Edmund G. "Pat" Brown aired an ad in which he told schoolchildren, "I'm running against an actor," then added, "and you know who killed Lincoln, don't you?"

Reagan, for his part, gave versions of "the speech" at every opportunity. He argued that government was too big, taxes were too high and regulation was strangling business. Often he ended with, "Ya basta!" It was Spanish for, "Enough, already!"

Californians said yes, overwhelmingly.

Reagan defeated Brown by nearly 1 million votes and swept Republicans into every major executive office except attorney general.

During his eight years in Sacramento, Reagan's performance foreshadowed his stewardship in Washington. Against Democratic majorities among lawmakers for most of the time in both places, he portrayed himself as a "citizen politician" determined to "squeeze, cut and trim" and get government off "the backs of its people."

The champion of striking students at Eureka College vowed to restore order at protest-torn campuses throughout California and was pleased to see the firing of nationally respected University of California President Clark Kerr. Reagan also supported the first-ever UC student tuition.

He appointed a former member of the John Birch Society to head his Office of Economic Opportunity and to campaign against legal assistance for the rural poor. In a compromise, Boyarsky writes, he gave up a permanent ceiling on welfare appropriations, but he succeeded in reducing welfare rolls.

Squeezing, cutting and trimming government were harder. In his first year, he proposed slashing the state budget by an unprecedented 10% -- but ended up signing a spending program 10% larger than his predecessor's. He kept proclaiming "squeeze, cut and trim," but his budgets, hammered by inflation, ballooned from his first of \$4.6 billion to his last of \$10.2 billion. He signed what at the time was the biggest state tax increase in the nation's history: \$844 million in the first year, \$1.01 billion in the second. It marked the first of a roller-coaster series of tax increases and rebates.

One of his most remarkable flip-flops involved his opposition to payroll withholding of state income taxes. "My feet are in concrete," he said, over and over. But in 1970, when the state faced a serious cash flow crisis, Reagan finally gave in. "That sound you hear," he told reporters, "is the concrete breaking around my feet." That same year he found himself in a personal controversy. He had paid no state income tax himself because of "business reverses."

As he campaigned, he had been dismissive of some environmental concerns. "You know, a tree is a tree," he said. "How many more do you need to look at?" But as governor, he signed some of the nation's strictest air and water quality laws, increased state parkland and started requiring environmental impact reports on state construction projects.

He signed a historic abortion reform bill authored by a Democrat that vastly liberalized the procedure in California. Advocates promoted it as a model for other states. Later, as a national political figure, Reagan would hold the support of the most militant anti-abortionists, while doing relatively little to advance their cause.

"Reagan was not as good as the Republicans like to think, or as bad as the Democrats would have you believe," declared Democratic Assembly Speaker Jesse M. Unruh, who had opposed him unsuccessfully when he ran for a second term.

Reagan's march on Washington began almost as soon as he reached the state Capitol. He ran for president in 1968, but fell to Nixon. By 1975, when Reagan completed his second term as governor, Nixon had resigned in disgrace. Reagan began an all-out, two-year drive to wrest the 1976 nomination from

incumbent Gerald R. Ford, an appointed vice president who became president on the resignation of Nixon. Reagan fell short by a handful of delegates to the Republican national convention.

But Ford lost to Jimmy Carter, and Reagan became the front-runner to challenge Carter in 1980. This time Reagan was not to be denied. He flirted with asking former President Ford to be his running mate, but negotiations faltered -- so he turned to George Bush, who in the primaries had called his fiscal policy "voodoo economics." By 1983, Reagan vowed, he would cut taxes, boost defense spending and balance the budget.

Under Carter, Americans had been battered by double-digit inflation, stagnant growth and a fuel shortage that caused long lines at gasoline stations. They had been humiliated by the imprisonment of 52 Americans who were being held hostage in Iran and by Carter's unsuccessful efforts to free them, including an aborted military rescue that cost the lives of eight American servicemen.

Reagan preached optimism. If he were elected, America would stand tall again, he said, and competence would return to Washington.

"Are you better off now than you were four years ago?" he asked voters.

Absolutely not, they responded, and gave him a resounding victory: 51% of the vote to Carter's 41%. Independent John Anderson won nearly 7%.

Reagan won the electoral vote 489 to 44.

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Tumultuous First Term

When Reagan took office at the age of 69, he was better positioned than any Republican since Eisenhower to lay a firm hand on government. He froze hiring and new regulations. He swept even low-level Democrats out of their jobs and replaced them with Republicans. He won a 25% cut in personal income taxes and big tax breaks for businesses. He called for deep cuts in social programs, and he increased Pentagon spending by more than 9% per year between fiscal 1981 and 1984.

To presidents with programs, their first 100 days in office are important. Reagan did not have that long. On his 70th day, he was shot by John W. Hinckley Jr., a 25-year-old drifter who had hidden in a crowd of reporters outside the Washington Hilton, where Reagan had just spoken to labor leaders. A .22-caliber bullet entered his chest under his left shoulder. It careened off a rib and lodged in his left lung -- within an inch of his heart. The bullet was removed during a two-hour operation, but not before he had lost nearly half his blood and edged close to death.

Reagan had been in far graver danger than he let on. He had walked into the hospital and did not collapse until he was out of sight. "Honey, I forgot to duck," he told Nancy, borrowing a line from boxer Jack Dempsey.

Hinckley, who had a history of psychiatric problems, was trying to impress actress Jodie Foster, whom he idolized. He had fired six shots, wounding four people. Press secretary James Brady was hit in the head and has been in a wheelchair since. Hinckley was committed to a mental institution.

Twelve days after the shooting, Reagan was back at the White House. His strength and gallant demeanor touched the public. Characteristically, however, he did not change his long-standing opposition to gun control. Brady, on the other hand, became a national leader in the fight to curb handguns.

Despite the interruption, Reagan lost little momentum. In the middle of his first summer as president, more than 11,000 federal air traffic controllers, members of one of the few unions to support him, walked off their jobs -- and he fired them. It was a blow to organized labor, already in decline. But it showed that Reagan meant what he said, especially about guarding the economy against inflation. Before the end of his first summer as president, Congress had enacted his historic tax cut and his budget legislation largely intact.

To justify increasing defense spending while slashing taxes, Reagan had embraced supply-side economics -- a theory that enjoyed little standing among many economists. Supply-siders held that higher spending and lower taxes would not increase the deficit. Instead, the theory held, tax cuts would unleash such a wave of economic growth that government income would actually rise.

It did not happen. As defense spending rose and the tax cuts kicked in, the predicted surge in economic growth did not materialize. The deficit soared toward record levels. Eventually, the national debt nearly tripled. Before Reagan's first year was up, the nation's economy plunged into the worst downturn in years. By March of 1982, Reagan, who had acknowledged "a slight and, I hope, a short recession," was reduced to denying that the nation was in a depression. Unemployment reached a 41-year record of 10.8% that November, and the global effects of the slowdown did severe damage to Third World debtor nations and the world's banking system.

Reagan's budget director, David Stockman, was among the disillusioned. He granted a series of devastating interviews to William Greider, who published them in the Atlantic Monthly, quoting Stockman as saying, "None of us really understands what's going on with all these numbers."

"Stay the course!" Reagan urged the nation, insisting that supply side simply needed more time. But even Republicans feared that without additional revenue, the deficit would reach uncontrollable proportions. Republican senators forced him to accept a three-year, \$100-billion tax increase.

Reagan sought to pass it off as closing loopholes.

The economic turmoil cost the Republicans 25 seats in the House of Representatives. But Democrats were hesitant to press their own solutions for the recession, and when Reagan's tax increase began boosting economic indicators in the fall of 1983, the president could claim full credit.

All the while, superpower relations degenerated to an unnerving low. Arms control negotiations stalled. Some Americans, including a number of religious leaders, urged a freeze on nuclear weapons. To blunt the movement, Reagan assailed the Soviet Union as an "evil empire." He called communism "another sad,

bizarre chapter in human history whose last pages even now are being written." He announced a plan to develop a space-based defense system, called the Strategic Defense Initiative (SDI), to destroy Soviet missiles before they could reach the United States.

Moscow bristled.

American critics said SDI would never work. They named the system Star Wars, after the George Lucas space fantasy film. But Reagan would not give it up, and it became a persistent stumbling block to an arms control agreement.

In September of 1983, a Soviet fighter shot down an unarmed South Korean airliner that had strayed into Soviet air space over a Russian peninsula. The attack killed 269 people, including a U.S. congressman. Although an isolated incident, it deepened fear of a superpower conflict.

In the Middle East, the administration tried hard to bring peace. Reagan sent Marines into Lebanon as part of a multinational force to end warfare between Christians and Muslims. But the administration was divided. Reagan's advisors showed signs of the infighting that would come to cost him dearly during his second term. Defense Secretary Caspar W. Weinberger opposed the mission in Lebanon. But Reagan, encouraged by Secretary of State George P. Shultz, stepped up U.S. involvement.

Pro-Iranian terrorists crashed a bomb-laden van into the U.S. Embassy in Beirut, killing 63 people, including 17 Americans. Reagan held the Marines in place despite the increasing risk.

Terrorists struck again. A truck filled with explosives broke through inadequate defenses around a Marine barracks in Beirut. It blew the building to pieces and killed 241 U.S. servicemen.

It was "the saddest day of my presidency," Reagan wrote in "An American Life," and "perhaps the saddest day of my life."

On the day after the bombing, he ordered Marines and Army Rangers to invade the Caribbean island of Grenada to oust a cadre of Cuban troops, effectively overthrow a new Marxist government and bring home 800 American medical students. Many allies and a number of Democratic leaders called the invasion meddling in Grenada's affairs and suspected that it was intended to distract Americans from the horror in Beirut.

The facts show otherwise, Cannon said. Although Reagan did not issue his formal order for the invasion until the day after Beirut, planning for a military evacuation of the students from Grenada had been underway for four days, and Reagan and his advisors had reached a consensus to invade the island one day before.

In the end, the 5,000-member invasion force, facing little opposition, sustained 19 fatalities. But Americans reveled in the show of military muscle.

During all of this, Reagan refused to bring the Marines home from Lebanon. He left them at risk for three more months until he quietly ordered all 1,500 to retreat to the safety of U.S. Navy ships offshore.

By now the economy was back up. The president and the Federal Reserve had curbed inflation, "the most enduring," Cannon judged, "of Reagan's economic legacies."

The president, who might have been doomed by recession and plagued by misadventures abroad, basked in respect. As the 1984 election approached, he held a big lead in the polls.

His television commercials declared: "It's morning again in America."

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Triumph and Scandal

Reagan campaigned on patriotism, prosperity and military strength. His opponent, Walter F. Mondale, who was Carter's vice president, failed to seize on a compelling issue. He saddled himself with a pledge to raise taxes. He said Reagan would raise taxes too, but would not be candid enough to admit it ahead of time.

A poor performance during one debate gave Reagan his only uneasy moment. It prompted speculation that the president, well past 73, might be too old for the job. When the matter came up in the next debate, he remarked with a disarming smile, "I want you to know that ... I will not make age an issue of this campaign. I am not going to exploit, for political purposes, my opponent's youth and inexperience."

Even Mondale, 56, laughed.

Reagan won by the largest electoral raw vote landslide in history. He received 59% of the popular vote, carried 49 states and got 525 electoral votes -- to Mondale's 13.

Even before his second inauguration, planning was underway for Reagan to visit Germany for the 1985 economic summit on the 40th anniversary of the defeat of the Nazis. Chancellor Helmut Kohl asked him to honor dead German soldiers as an act of reconciliation. Touched by Kohl's emotion and eager to reciprocate his support as an ally, Reagan agreed -- and kept his word, despite relentless objections from Elie Wiesel and other Jewish leaders, as well as groups of American veterans, prominent Republicans and his own wife, Nancy.

The ceremony would be at a cemetery in Bitburg. Protests exploded into outcries when snow melted on the graves and revealed that 49 SS troops were among the 2,000 German soldiers buried there. Wiesel begged Reagan to abandon the Bitburg visit, citing SS participation in the Holocaust. "One million Jewish children perished," he pleaded. "If I spent my entire life reciting their names, I would die before finishing the task. Mr. President, I have seen children -- I have

seen them being thrown in the flames alive. Words, they die on my lips.... May I, Mr. President, if it's possible at all, implore you to do something else ... to find another way, another site. That place, Mr. President, is not your place. Your place is with the victims of the SS."

Reagan added a stop to honor the Jews who had died at the Bergen-Belsen concentration camp, but it hardly helped. When the president finally visited the German graves, he lost a measure of his stature in the Jewish community.

"Within two months of Bitburg," Cannon said, "Reagan would authorize the first stages of a backdoor deal with Iran that would demonstrate in even greater measure ... [his] inadequate historical understanding, political naivete and awesome presidential stubbornness." Emboldened by his landslide reelection, the Reagan administration reached beyond what was legal and provided arms to the Iranians in return for American hostages in Lebanon -- and used proceeds to finance a war by guerrillas, called Contras, trying to overthrow the Marxist government of Nicaragua.

The deal developed into a scandal called Iran-Contra, and it cost the president mightily.

Nicaragua's governing coalition, the Sandinistas, supported guerrillas of its own, who were trying to overthrow pro-American leaders in El Salvador. The Sandinistas, Reagan told the Washington Post, were "terrorists" in a "revolution being exported to the Americas."

As early as 1981, Reagan had approved a request by William J. Casey, his CIA director and a longtime cold warrior, for \$19 million to help the Contras overthrow the Sandinista government in the name of democracy and anti-communism. It was secret money, and it went to 500 insurrectionists -- including national guard members in the former regime of despised Nicaraguan dictator Anastasio Somoza. Reagan called them "freedom fighters" and "the moral equal of our Founding Fathers."

Rightists won control of the Salvadoran assembly, and they elected as president Roberto d'Aubuisson, suspected of being tied to the unsolved murder of Oscar Arnulfo Romero, a Catholic archbishop and outspoken foe of the far right. Now Reagan found himself supplying covert aid to members of a deposed despot's national guard, who were trying to overthrow the lawful government of Nicaragua, in defense of a right-wing leader in El Salvador who was associated with death squads.

Reagan did not flinch. In 1982, the Washington Post disclosed his covert aid. He won several fights in Congress to send the Contras official assistance, but he lost others, and by May of 1984 the Contras were broke. Robert C. McFarlane, the president's national security advisor, said Reagan told him to keep the Contras together "body and soul."

McFarlane passed the instruction along to a Marine lieutenant colonel, Oliver North, who was a member of the National Security Council staff.

Congress passed an amendment, called Boland II, barring the use of funds to support, either directly or indirectly, any military or paramilitary operations in Nicaragua. Less than a month before his reelection, Reagan signed the legislation. But he thought that helping the Contras was the "right thing to do," according to Cannon. "He had no interest whatever in the legal restrictions that Congress believed it had imposed on him."

At the same time, his second term brought an acute deterioration in his White House team, with disastrous consequences. He allowed James A. Baker, his pragmatic chief of staff, to trade jobs with Donald Regan, his secretary of the Treasury. For four years, said Jane Mayer and Doyle McManus, Baker had helped guard Reagan "from his own worst instincts." Regan, on the other hand, let Reagan be Reagan. The loss of Baker at the White House, along with his political savvy, was widely blamed for many of the subsequent troubles that befell the president.

Regan and McFarlane distrusted each other; Cannon said they barely spoke. McFarlane also was at odds with Secretary of State Shultz and Secretary of Defense Weinberger, especially on Iran. McFarlane wanted to woo Iran away from Soviet influence, even if it meant encouraging the sale of Western arms to Iran for its ongoing war against Iraq. Shultz and Weinberger opposed it adamantly. American policy forbade selling arms to Iran and other sponsors of terrorism.

To Reagan, this was yet another wrangle over government policy. He was not really interested in government, Cannon said. He "was so obviously wearied by extensive analysis, particularly of foreign policy, that aides plunged into arcane material at their peril. If Reagan became sufficiently bored, he simply nodded off."

He had even less appetite for personal conflicts among his staff. "Reagan had learned in childhood from his father's alcoholic eruptions to withdraw at any sign of disharmony," Cannon said.

In March of 1984, William Buckley, the CIA station chief in Beirut, had been kidnapped by terrorists linked to Iran, and CIA Director Casey told Reagan he wanted Buckley back. Moreover, Casey saw merit in McFarlane's Cold War view of Iran as a barrier against the Soviet Union.

Terrorists took more hostages, seven Americans in all.

This seized Reagan's attention like no policy debate ever could. It evoked what Mayer and McManus call the "hard-liner's soft touch." The danger, they say, "was that, left to his own good intentions, the president would confuse the human interest with the national interest.... There was no clearer example of this danger than in his approach to the hostages."

In August 1985, McFarlane later testified, Reagan secretly approved the first of eight shipments of missiles and missile parts to Iran. Four of the shipments were made through Israel, which provided the arms and received replacements from the United States. The other shipments were made directly.

Reagan signed three "findings," or authorizations, for the secret sales. One spoke of freeing the hostages. Attached to another was a memo. Cannon says Reagan did not bother to read it, so Adm. John Poindexter, who had succeeded McFarlane as national security advisor, initialed it on Reagan's behalf. It approved using a private agent as a go-between.

North already had arranged for such an agent. He called it the Enterprise. It was a network of secret operatives, shadow corporations and Swiss bank accounts. He could use them to do something that might be illegal under Boland II but would further a cause dear to the president. He could divert profits from the Iranian arms sales to the Contras. It would keep them together "body and soul."

Secretly, Cannon says, North and the Enterprise demanded far more money from the Iranians than they paid the Defense Department for the missiles; just two of the shipments had yielded \$6.3 million in profits. North kept none of the money for himself, but fellow operatives in the Enterprise pocketed some. North gave much of the rest to the Contras.

On Nov. 3, 1986, a Lebanese magazine, Al-Shiraa, told about a McFarlane visit to Iran and said he had sent weapons on Reagan's behalf. Three days later the Los Angeles Times and the Washington Post broke the first full story of the Iran arms sales. Diversion of profits to the Contras remained a secret, but Congress exploded in anger, and the trading of arms for hostages sputtered to a close.

By Cannon's count, Reagan had sold more than 2,000 missiles and in excess of 200 spare parts to Iran. Operatives in the Enterprise had pocketed \$4.4 million. Another \$3.8 million had gone to the Contras, in defiance of the law established by Boland II. The CIA's Buckley had died in captivity. Three American hostages had been released, but terrorists had taken three others in their stead.

The president's first reaction was a "no comment," his second, a denial. Then his denial became confusing: He said that Weinberger and Shultz had supported an initiative toward Iran, which he had already denied existed. He refused to concede that he had traded arms for hostages. "Our government has a firm policy not to capitulate to terrorist demands," he declared to the American people in a televised speech. "That no-concessions policy remains in force, in spite of the wildly speculative and false stories about arms for hostages and alleged ransom payments.

"We did not -- repeat, did not -- trade weapons or anything else for hostages."

This became his version of the truth, Cannon said, and the one that Reagan believed forever. A Los Angeles Times poll found, however, that only 14% of those who watched him on television believed him.

Atty. Gen. Edwin Meese III opened an inquiry. So did congressional committees and a bipartisan review board headed by former Sen. John G. Tower, a Republican from Texas. An independent counsel, former federal judge Lawrence Walsh, a Republican, began a criminal investigation.

Meese's investigation discovered the diversion of funds to the Contras. Now the attorney general and other top aides worried that the president might be impeached. McFarlane tried to kill himself. Reagan forced Poindexter to resign. He fired North, then called him "a national hero." The Tower commission said that Regan, as chief of staff, bore "primary responsibility for the chaos that had descended upon the White House." Reagan forced Regan to resign.

Walsh indicted 14 people, mostly lesser players. They included Poindexter, who was convicted of five felony counts of conspiracy, obstruction of Congress and lying to Congress. His conviction was overturned. Walsh charged Weinberger with perjury. But before Weinberger could be tried, he was pardoned by Reagan's vice president, George H.W. Bush, after he was elected president.

Ten others were convicted. Walsh found that Reagan had "participated or acquiesced in covering up the scandal."

Had he authorized sending money from Iran to the Contras? Walsh could not find out.

Reagan consistently denied it.

The answer was a mystery and might be forever.

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A Thaw in Cold War

In domestic policy, Reagan came under attack for responding too slowly to the growing health threat of AIDS, but he won praise, at least from conservatives, for keeping his pledge to change the Supreme Court.

In 1981, he appointed the first woman, Sandra Day O'Connor, a moderately conservative judge from Arizona. In 1986, he promoted conservative Justice William H. Rehnquist to be chief justice and appointed another conservative, Antonin Scalia.

He nominated Robert H. Bork, the conservative who fired special prosecutor Archibald Cox for Richard Nixon during Watergate. But the nomination was defeated after a battle that injected enduring bitterness into confirmation hearings. Reagan had to settle for Anthony M. Kennedy. While hardly a liberal, Kennedy later would vote against overturning Roe vs. Wade, which upholds the right to abortion.

Nor was Iran-Contra the only trouble abroad. In late 1985, four Palestinians hijacked the Italian cruise ship Achille Lauro with 400 passengers aboard. The hijackers surrendered in Egypt, but not before killing Leon Klinghoffer, 69, a New Yorker confined to a wheelchair. He was singled out because he was Jewish.

When an Egyptian plane tried to fly the hijackers home, U.S. Navy fighters forced it to land in Sicily, where they were arrested. The interception gave the administration a boost.

In April 1986, American planes struck Libya in retaliation for a terrorist attack on a West Berlin nightclub that claimed the life of a U.S. serviceman. Libyan officials said leader Moammar Kaddafi was not harmed, but three dozen civilians were killed, including his adopted daughter, and that nearly 100 people, including two of his sons, were injured.

The raid was sharply criticized internationally, but it, too, gained Reagan popularity at home.

His overwhelming triumph, however, was an improvement in superpower relations that presaged the end of the Cold War. Nothing displayed Reagan's capacity for political accommodation more clearly than his dealings with Soviet leader Mikhail S. Gorbachev.

During his second term, Reagan carried the burden of his anti-Soviet rhetoric and the stakes he had raised with SDI, his space-based defense program, into four summit meetings with Gorbachev. Reagan doggedly pursued both a reduction in nuclear weapons and better treatment for dissidents and Soviet Jews.

Reagan had three good reasons to reach out to Gorbachev, Cannon says. He had little to show for his first four years in foreign policy. He had built up the military and could bargain from strength. He was freer to deal with the Soviets than any other president because he, of all people, could not be accused of being soft on communism.

Reagan believed in Armageddon. It made him a visionary. "My dream ... became a world free of nuclear weapons ...," he said in "An American Life." Because "I knew it would be a long and difficult task to rid the world of nuclear weapons, I had this second dream: the creation of a defense against nuclear missiles, so we could change from a policy of assured destruction to one of assured survival."

But during negotiations, Cannon said, his two dreams clashed. The Soviets refused to retire any of their strategic long-range missiles unless Reagan gave up SDI, his proposed system of defensive missiles to knock down enemy weapons. SDI frightened the Soviets. If it ever worked, they said, it would provide a screen behind which the United States could launch an atomic attack of its own.

Moreover, they said, SDI violated an antiballistic missile treaty in effect since 1972. The treaty permitted laboratory research of antimissile components, but it banned testing and deployment.

On this, too, the Reagan administration was divided. Defense Secretary Weinberger and Assistant Defense Secretary Richard Perle wanted a broader interpretation of the treaty to permit testing. Secretary of State Shultz and Paul Nitze, his leading arms negotiator, said anything but the traditional interpretation would anger the Soviets and cause problems with allies and members of Congress.

As usual, Cannon says, Reagan tried to avoid the disagreement. He said he would interpret the ABM treaty broadly to permit testing, but as a matter of policy he would abide by the traditional interpretation and stop short of conducting any tests.

"A deliberate deceit," the Soviets responded.

So it was that prospects seemed dim when Reagan and Gorbachev sat down on Nov. 19, 1985, in Geneva for their first summit. Reagan was the first U.S. president since Eisenhower to go more than four years without meeting his Soviet counterpart. During those four years, there were three Soviet leaders. They "kept dying on me," he quipped.

From the start, Reagan was relaxed and cordial. As Gorbachev, bundled against the cold, approached the mansion on Lake Geneva where they would hold their initial session, Reagan took off his overcoat and strode out onto the top step to greet him.

In "An American Life," he wrote: "As we shook hands for the first time, I had to admit -- as Margaret Thatcher and [Canadian] Prime Minister Brian Mulroney predicted I would -- that there was something likable about Gorbachev."

Reagan developed a personal sense of Gorbachev as someone he could deal with. But by afternoon the two of them were arguing about SDI. Reagan said the United States would never launch an initial strike with nuclear weapons and would prove it by sharing SDI technology with the Soviets.

Gorbachev did not believe him. For his part, the Soviet leader said that his nation had no aggressive intentions.

How could Americans believe that, Reagan asked, if Gorbachev did not believe him?

Reagan suggested some fresh air. He and Gorbachev strolled out to a pool house and talked in front of a blazing fire. They achieved no momentous breakthrough, but as they walked back, Reagan invited Gorbachev to meet again, this time in Washington. Gorbachev accepted and proposed a subsequent meeting in Moscow.

It set the stage for negotiation, not denunciation. The two leaders shared "a kind of chemistry," Reagan told Cannon. "Yes, we argued, and we'd go nose to nose. But when the argument was over, it was like it is with us. He wasn't stalking out of there and [saying] 'down with the lousy Americans' or anything. We fought it out, and maybe knew we were going to fight it out again, but when the meeting was over, we were normal."

In "An American Life," Reagan said he was reminded of his after-hours relationship with Tip O'Neill. The Soviet leader "could tell jokes about himself and even about his country, and I grew to like him more."

They ended the summit with a promise: to seek a 50% cut in nuclear weapons.

It looked impossible. Gorbachev remained adamant: no SDI, or no cuts. Reagan was committed to both: SDI and cuts. Worse, Cannon says, Reagan's advisors were more sharply divided than ever. Weinberger and Perle distrusted arms control and wanted SDI, at least partly to block an agreement. But Shultz and Nitze wanted an agreement so badly they were willing to give ground on SDI.

Gorbachev suggested meeting in Iceland or Britain before the Washington summit to see if he and Reagan could break the deadlock. Reagan chose Iceland. They met on Oct. 11, 1986, in Reykjavik. The two leaders argued about the missile cuts and about SDI, and their advisors negotiated through the night. By morning, they had neared agreement on the cuts -- but they remained far apart on SDI.

In "An American Life," Reagan says that Gorbachev would not budge on any SDI development outside the laboratory.

Reagan stood. "The meeting is over." He turned to Shultz. "Let's go, George. We're leaving."

Shultz was crushed, but Reagan was unfazed. "I went to Reykjavik determined that everything was negotiable except two things," he told the American people afterward. "Our freedom and our future."

Over the coming year, Shultz, Gorbachev and his advisors negotiated persistently to eliminate at least a lower level of weaponry: the U.S. and Soviet arsenals of intermediate and short-range missiles. In September 1987, Shultz and Soviet Foreign Minister Eduard Shevardnadze announced an agreement in principle on an Intermediate Nuclear Forces treaty, and Gorbachev came to Washington that December.

Crowds along the streets applauded him. Like an American politician, Gorbachev stopped his car, got out and shook hands.

On Dec. 8, Reagan and the Soviet leader sat at a White House table once used by Abraham Lincoln and put their names to a ban on all nuclear missiles with ranges of 300 miles to 3,400 miles.

The destruction of these missiles -- about 1,700 by the Soviet Union and 800 by the United States -- was well underway by the time Reagan left office.

As for the long-range missiles, it was obvious before the remaining Reagan-Gorbachev summit in Moscow that SDI would be an insurmountable obstacle to any reduction. But Reagan went to the Soviet Union anyway.

He received a welcome from the Russians to match Gorbachev's in America. As Reagan walked through the Arbat, where artisans sold their wares, crowds pressed forward to greet him. KGB agents charged the people, causing a panic. But their friendly intentions carried the day.

Reagan spoke to students at Moscow State University, offering them his vision of the American dream. He met with 96 dissidents and pressed Gorbachev on human rights.

Gorbachev already had allowed hundreds to emigrate who were on lists Reagan had given him, and he would free thousands more.

Reagan met three more times with Gorbachev. Once was in New York when the Soviet leader spoke to the United Nations; the second time was in San Francisco, after Reagan had left office; and the third time was in Moscow, when Reagan was nearly two years into retirement.

By now, Reagan was calling Gorbachev "my friend."

Reagan never abandoned what he said was his favorite Russian proverb, *doveryai no proveryai*: trust but verify. But the warmth of their friendship started the thaw that ended the Cold War.

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Going Home Happy

When he departed the White House and came back to California, Ronald Reagan had good reason to be satisfied. He had failed to balance the federal budget; the national debt had nearly tripled to \$2.68 trillion. But his recession, which Cannon calls "the worst since the Depression," had been followed by what would become the longest peacetime recovery in history.

Reagan had achieved an unprecedented breakthrough in arms control, and his diplomacy had been crucial to peace. He was, Gorbachev declared, a "great political leader."

His credibility with Congress and the American people, dismayingly low during Iran-Contra, had recovered. His achievements as well as his unyielding belief that nothing was impossible and his uncanny ability to persuade Americans to believe in him and in themselves had earned Ronald Reagan a job performance rating in the Gallup Poll of 63% when he left Washington. It had been 51% when he arrived.

On Jan. 11, 1989, when he bade farewell from the Oval Office, there were two things he was proudest of. "One is the economic recovery.... The other is the recovery of our morale. America is respected again in the world, and looked to for leadership."

The United States, he said, was a shining city upon a hill. "And how stands the city on this winter night? More prosperous, more secure and happier than it was eight years ago. But more than that. After 200 years, two centuries, she still stands strong and true on the granite ridge, and her glow has held steadily no matter what the storm...."

"As I walk off into the city streets, a final word to the men and women across America, who for eight years did the work that brought America back: My friends, we did it. We weren't just marking time, we made a difference. We made the city stronger, we made the city freer, and we left her in good hands.

"All in all, not bad. Not bad at all. And so, good-bye. God bless you. And God bless the United States of America."

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Times staff writers Richard T. Cooper in Washington and Carl Ingram in Sacramento and researchers Anna M. Virtue in Miami and Jacquelyn Cenacveira and Janet Lundblad in Los Angeles contributed to this story.

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