

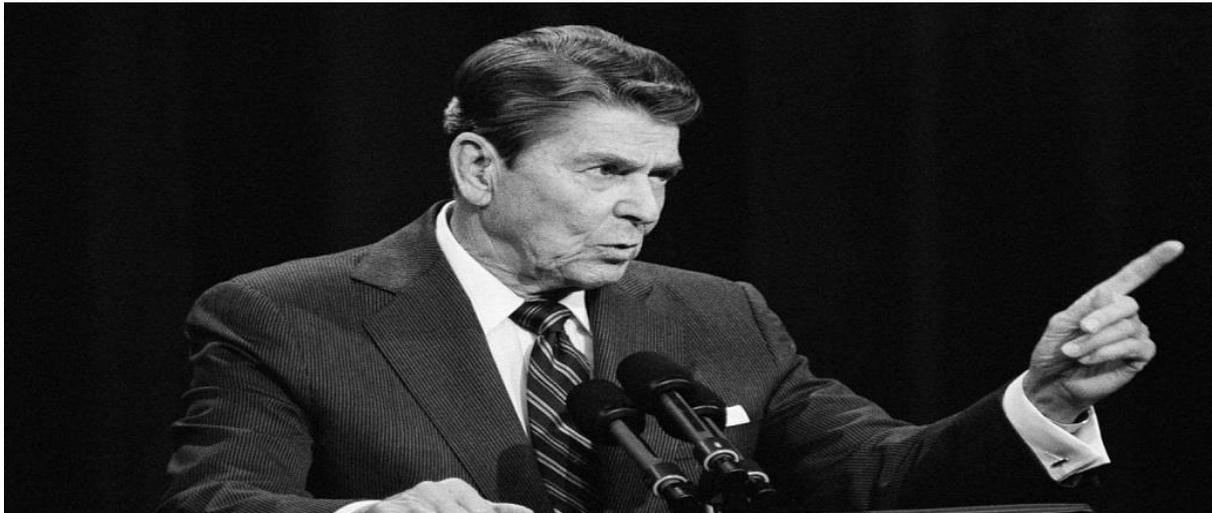


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Executive Search & Board Advisory

WHAT CAN WE BORROW FROM RONALD REAGAN?



"What we can borrow from Ronald Reagan... is that great sense of optimism. He led by building on the strengths of America, not running America down" Rudy Giuliani

Rudy Giuliani, the former mayor of New York City, holds his former boss, the 40th President of the United States, in high regard, to the point that he "copied what Ronald Reagan did as best I could as mayor of New York."

Rudy Giuliani was appointed by President Reagan, in 1981, to be the United States Associate Attorney General, the Department of Justice's third highest position. In this role, Giuliani supervised the United States Attorney offices nationwide, as well as federal law enforcement agencies, including the Bureau of Corrections, the Drug Enforcement Agency and the United States Marshals Service.

Why does Rudy Giuliani hold Ronald Reagan in such high regard and how did Reagan build on the strengths of America?

From 1981 through 1989, Ronald Reagan led a "great American comeback". He not only achieved what his critics said would be impossible; he made it look easy. His leadership transformed a struggling United States economy into growth that led to a generation of prosperity. He restored a neglected military, engineered the eventual defeat of the Soviet

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empire, without starting a war and without firing a shot. Through it all, he revived America's spirit, restored hopes, and strengthened faith.

As President of the United States, Reagan took risks and introduced policies not just to heal the economy but to make America the growth, jobs and investment leader of the world. He cut taxes heavily, dropping the personal tax rate all the way from 70 percent to 28 percent, while providing enterprises strong incentives to compete and restore the dollar. He went against the ever-expanding bureaucracy, reduced non-defence spending, and eliminated subsidies and price controls, all of which were met with resistance.

Reagan watched wave after wave of investment, innovation, and productivity gains build record growth and new jobs. A strong dollar slew double-digit inflation and restored confidence. Lower tax rates encouraged women to enter the workforce in large numbers, many of them starting up new businesses, while minority employment and enterprises also grew. The rising tide of growth gave birth to new industries, propelling America's technology boom in the 1990s. In short, the American people unleashed the most powerful post-war recovery in history, reducing poverty, raising incomes, and creating a prosperity that benefited every income group, rejuvenated communities, and lifted up the entire global economy.

What can we learn from Ronald Reagan's leadership?

1. Great Speaker

Prior to entering politics, Reagan was a Hollywood actor and radio sports announcer. He also began working for General Electric in 1954 as the host of the General Electric Theatre, a new television drama series. He also became active in General Electric's corporate relations and spent time going to manufacturing plants speaking to low and middle-level employees. This is where he developed speaking his speaking skills and the ability to get a read on his audience.

Reagan's great asset was his voice. Whilst President he revived the practice of delivering a weekly Saturday address on the radio. He did it in the style of "fireside chats", and it kept himself in touch with the American people.

2. Sense of humour

"A recession is when your neighbour loses his job. A depression is when you lose yours. And recovery is when Jimmy Carter loses his."

"The most terrifying words in the English language are: I'm from the government and I'm here to help."

Throughout his time as President, Reagan never lost his sense of humour demonstrated through two examples. Firstly, whilst critics insisted that he would fail disastrously, his favourite quip was "have you noticed, they don't call it Reaganomics anymore" as wave

after wave of investment, innovation, and productivity gains built record growth and new jobs.

Secondly, Reagan was shot and wounded in 1981 as he left a speaking engagement at the Washington Hilton Hotel. During this time, he never lost his humour, telling his wife Nancy Reagan when she came to see him "Honey, I forgot to duck". Another comment was directed to his surgeons as they entered the operating room as he joked "Please tell me you're all Republicans." One of the surgeons responded, "Today, Mr President, we're all Republicans." Within in weeks, Regan was back in his office. His grace and wit during the dangerous incident caused his popularity to soar.

3. Optimistic

"Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic 'yes.' "

Throughout his campaign for Presidency, Reagan challenged the American people to lift their sights. He emphasised that every America is created with the rights to life and liberty. He used the phrase "We are Americans!" to voice his optimism declaring the greater opportunity and potential that the country had to be creative and heroic, and to excel in imagining and building a better future. He was so determined to knock down any barrier that prevents individuals from reaching their dreams and the country achieving greatness.

4. Focus on the Big Picture and Delegate

"Are you better off than you were four years ago? Is it easier for you to go and buy things from the store than it was four years ago? Is there more or less unemployment in the country than there was four years ago? Is America as respected throughout the world as it was?"

Reagan focused on the big picture, in particular, he focused on the economy. Reagan was a delegator, keeping an eye on the ball but let his team handle smaller decisions. When he commenced as President, there was record interest rates, record inflation but he broke the back of the recession. He set forth a vision and policies and told the world America is back and, once again, will be doing great things. His goal was not just to heal the economy, but to make America the growth, jobs, and investment leader of the world. Accordingly, he cut taxes deeply and equally for everyone, eventually dropping the top rate all the way from 70 percent to 28 percent, while providing businesses strong incentives to compete and restoring a dollar as good as gold. He fought hard against ever expanding bureaucracy, reduced non-defence spending, and eliminated subsidies and price controls.

Reagan created an environment that is friendly to growth with the hero of economic growth the entrepreneur. It can encouraged men and women to take economic risks and allowed them to get rewarded if they succeed.

5. Negotiator

"The West will not contain Communism; it will transcend Communism."

Reagan's unyielding style has been credited with winning the Cold War and the eventual fall of the Soviet Union. He understood the necessity of negotiating from a position of strength and the critical importance of leverage. He also knew he had to back his words with action. Reagan wanted a strong national defence as it was essential to deterring Soviet ambitions, but had inherited a military weakened by years of neglect. He increased defence spending, in particular in procurement, and research and development.

In foreign policy, Reagan sought to achieve "peace through strength." Reagan reportedly took a "We win, they lose" approach to negotiations with the Russians. During the key nuclear-arms summit in Reykjavik, Iceland in October 1986, Gorbachev complained to Reagan at least ten times that the Russians were making all the concessions and the Americans were making none. In dramatic meetings with Soviet leader Mikhail Gorbachev, he negotiated a treaty that would eliminate intermediate-range nuclear missiles.

6. "Trust but verify"

The phrase "Trust but verify" was made famous by Ronald Reagan in December 1987 after the signing of the INF Treaty with Mikhail Gorbachev. The Russian leader quipped, "You repeat that at every meeting," to which Reagan replied, "I like it." The origin of the phrase is actually from a Russian proverb, "doveryai no proveryai".

7. Humility

"Our concern must be for a special interest group that has been too long neglected. It knows no sectional boundaries or ethnic and racial divisions, and it crosses political party lines. It is made up of men and women who raise our food, patrol our streets, man our mines and factories, teach our children, keep our homes, and heal us when we're sick—professionals, industrialists, shopkeepers, clerks, cabbies, and truck drivers. They are, in short, "We the people," this breed called Americans."

Reagan consistently gave credit to the American people. He always spoke with "we" as citizens connected the same values of family, faith, neighbourhood, work, peace, and freedom.

Asked at a press conference in Moscow in 1988, his last year in office, about the role he played in the great drama of the late 20th century, he described himself essentially as a supporting actor. "Mr Gorbachev," he said, "deserves most of the credit, as the leader of this country."

8. Passionate

"The people are watching and waiting. They don't demand miracles. They do expect us to act. Let us act together."

The Intra-Contra Affair threatened to bring down the presidency of Reagan. The Iran-Contra Affair was a secret United States arms deal that traded missiles and other arms to free some Americans held hostage by terrorists in Lebanon but also used funds from the arms deal to support armed conflict in Nicaragua. The controversial deal-making and the ensuing political scandal was a challenging time for Reagan. He went against members of his administration including Secretary of State George Schultz and Secretary of Defence Caspar Weinberger. Despite the fact that Reagan had promised voters he would never negotiate with terrorists, the two-term occupant of the White House left office as a popular president. He recovered because his instincts for the country's good was right and it was not for a corrupt purpose. He was passionate about saving the American people.

9. Legacy

"Every promise, every opportunity, is still golden in this land. And through that golden door, our children can walk into tomorrow with the knowledge that no one can be denied the promise that is America."

When Reagan commenced in the White House, the American people were starting to doubt themselves and the country. Reagan turned this around through his policies, his personal example and his words. He was comfortable being President. Reagan inspired Americans and recalled a special pride in their country. His words were backed up by his actions and successful policies. Therefore, his influence has established the grounding for the following Presidents to build upon.

10. Respect

"And let us never forget that in honoring our flag, we honor the American men and women who have courageously fought and died for it over the last 200 years, patriots who set an ideal above any consideration of self. Our flag flies free today because of their sacrifice."

Ronald Reagan had such respect for the presidential office that he always wore his jacket and tie in the oval office. He believed that his appearance should reflect the significance of his position as President and history of the Oval Office.

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