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THE WHITE HOUSE
WASHINGTON

Craig -

As you will see,
this would be very
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JJ

Presidential Fellowship



PRESIDENTIAL FOLLOWSHIP
(as distinguished from leadership)

Leadership is the exercise of authority. Leaders demonstrate their stature by issuing orders, signing directives, telling real and potential followers what to do. What might be called "followship" is avoidance of issuing orders, or telling anyone what to do. It is selecting an obvious alternative, or approving a single recommendation.

People support leadership. They ignore followship, and seek leadership elsewhere.

The Cabinet/Cabinet-Council system of management as presently operated precludes any demonstration of presidential leadership. It promotes regular demonstrations of presidential followship:

- The President approves C/CC recommendations which have already been endlessly and publicly debated.
- The President selects from among alternatives already leaked and covered in depth by the media.
- He receives many briefings which require no decision at all.
- He decides issues which are either of little public interest, or are already well known and discounted by the public at large.

This Cabinet/Cabinet Council system is a fine management system. It makes for efficient and effective administration. It maximizes the management advantages of opportunity and minimizes administrative mistakes.

It is, to repeat, a lousy vehicle for demonstrating presidential leadership.

Once a year, in the State of the Union Message, the President has an opportunity to display leadership. That is, he has an opportunity to tell the people what they must



do, to tell the Congress what they must do, and to give, by implication, his marching orders to his Administration.

Usually, that opportunity is badly bungled. But, whether or not it is bungled, it is at best only a single chance, and is soon forgotten. Frequent and regular leadership demonstrations are essential to successful maintenance of the image.

President Reagan is at his very best in leadership form when he is stating that he "paid for the microphone, and will determine who will use it." Or when he is telling a dissident to "shup up" or where he makes a surprise proposal to advance the July tax reduction.

Approving a DOD-recommended MX basing system following months of public debate may not be followship, but it isn't leadership, either.

Support for the Senate-initiated Tax Equity and Fiscal Responsibility Act of 1982 was not leadership. Surprise, public, unequivocal rejection of a revenue enhancement program earlier in the year, following a Chamber of Commerce breakfast, was a demonstration of presidential leadership.

Approval of a long-awaited, publicly debated "Minority Business Enterprise" statement is not leadership. Leadership would have produced a surprise, public directive to OPD to find a way to help form new MOBE's, expand existing OMBE's, and to encourage 2,500 of our largest firms to find ways of increasing their commercial intercourse with minority businesses.

Leadership is publicly telling Jack Block to devise a means of distributing surplus dairy products to the poor. Followship is approving his much heralded plan, and then sending him out on the lawn to brief newsmen, and to the hill to brief legislators.

Leadership is publicly telling Martin Feldstein to convene a group to study and find ways to reduce unemployment and increase employment. Followship is to deny that any such plan is under consideration -- especially the part which contemplates taxing unemployment benefits.



Leadership is publicly pointing out that the high cost of medical care is breaking the back of middle America. The rich can afford it, and the poor get it free. Leadership would produce a public directive to HHS to turn heaven and earth to find a means of reducing medical costs. Followship will find the President rubber-stamping a set of widely discussed, heavily criticized proposals publicly characterized as being unfair and designed to deny health care benefits to the poor.

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Our critics have demonstrated that federal program proposals are very largely judged (at least for a spell) by the way they are first described publicly. We seem to have learned nothing from suffering repeatedly under this phenomenon.

Unless some drastic changes in our decision-announcing process are made, we will continue to have our new initiatives and programs announced first by the opposition and thoroughly described and labelled first by them, not by us. Because they are essentially fair to the taxpayers and middle income persons, our initiatives are successfully characterized as "unfair to the poor." They are making considerable progress in promoting that absolute antithesis of Americanism, class warfare, by falsely labelling our programs as "anti-poor," or "pro-rich."

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By demonstrating and constantly practicing presidential leadership instead of followship, this situation can be ameliorated if not actually turned around. How would it work? Let us look at some examples of up-coming initiatives.

Action being considered: Increase the Medicare Part A (Hospital) deductible (amount old folks pay out of their pockets) from \$350 to \$525.



What the President might say about it before it leaks:

"One of the flaws in our Medicare oldage health benefits program is the requirement that our elderly citizens are required to pay \$350 out of their own pockets toward their hospital care.

"The inequity and outright unfairness of the old system requires them to pay this cost each and every time they are hospitalized in a given year. Thus, the sicker you are during a year, and the more often you and more urgently you need hospital care, the more you have to pay yourself.

"This is just backward from what it should be. You should only have to pay the deductible once in a given year, with no payment at all for any subsequent hospitalization.

"This needed change, for the peace of mind of all those who may have to undergo hospitalization more than once a year, can be produced by a moderate increase of only \$14.58 a month for the year in which you are hospitalized. This is in addition to the present \$30 per month which you must pay all year for each time you are hospitalized.

"Best of all, our plan for an unlimited number of hospitalizations in one year in return for just one single deductible payment costs you absolutely nothing unless and until you require hospitalization. If you don't require hospitalization, you don't pay. So, in a very real sense, we are providing a hospital coverage insurance policy for which you pay absolutely no premium unless and until you are hospitalized. Then, though the initial payment is higher, all future hospitalization for that year is covered with absolutely no additional deduction payment.

"Therefore, I am today directing the Secretary of Health and Human Services to work with the Director of OMB to draw up the necessary budget language which will provide this much-needed relief to those who find it necessary to enter a hospital two or more times in a year.

"I sincerely hope that all those who profess to cherish and pursue fairness and equity for those who need it most will join me in getting this change through the Congress."

~~(A copy of the directive to HHS is attached)~~



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It doesn't take much imagination to envision what could be made of a well-placed, premature leak of this same information:

"President Reagan is stepping up his war on the poor, the elderly and the disabled. His newest, staggering blow to their meager finances is a proposal to make Medicare beneficiaries pay \$525 out of their own shallow pockets for admission to a hospital.

"Tip O'Neil goes to the wailing wall, etc."

The point is that government and public affairs are not static. The motion of events is constant, even though it may vary drastically in depth and direction. There is no way to "wait and see," or "stop, I want to get off." Success and leadership belong to the ones who seize them. Failure and followship accrue to those who hold back for the perfect moment, or wait until success is assured before stepping out.

All incumbents are candidates.

Those who act like candidates by calling for new initiatives, new reforms, new improvements, etc. are, per se, the preceived leaders. Those who abandon the tactics of campaigning for "statemanship," or depend solely upon avoiding mistakes for public support and approbation are doomed to the vulnerabilities of followship, and the failure which inevitably follows when you play for a tie. For there is no known passive way to stay even in the stream of events. You either have a clear view of where you want to end up (and constantly swim hard to get there) or else you give up the initiative and let the current carry you to oblivian.

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What needs to be done is neither difficult nor complex.

The President simply needs to huddle very quietly and regularly with a small group of advisors and review the needs and potential initiatives. From these, the most promising and technically feasible should be selected for pursuit.



Schedule these items for orderly announcement after painstaking, detailed, confidential verification of the basic facts and feasibility. Then immediately after private consultation with the Cabinet/Agency official concerned, publicly issue an order or directive to that official to do what you have already agreed upon. Not unlike throwing yourself a pass.

It is most likely that such directives will order a policy or feasibility study. A typical implementing scenario might go like this:

1. Release, with covering statements, the directive/order through normal channels at the White House, and simultaneously at the Department/Agency.
2. Release in-house produced 3-min tape cassettes (sound-only for radio, audio-visual for TV) of President making his covering statement.
3. Make no comment, "explanation," backgrounder, or any other elaboration. Refer inquiries to the cognizant Department/Agency. It is very important that the announcement be complete and accurate and phrased exactly as we wish the White House and the President to be quoted, and that no second-guessing, interpretation, re-phrasing, background briefing, etc. take place. The Agency/Department concerned will be carefully coached and instructed on how to respond. This is a special art form which need not be discussed here.

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EXAMPLE

The President and his advisors select a set of initiatives for possible pursuit. Among them is a proposal to require that, for group health insurance premiums to be deducted as a business expense, the coverage must include, as a minimum, the same catastrophic coverage as prescribed for Medicare beneficiaries. This will result in Medicaid savings, and in increased revenues from un-allowed deductions. It could cause some employers to cancel their employees' coverage.



1. Prepare a directive to HHS telling them to determine the feasibility of such a program, how many persons affected, in what way, all the pros and cons, cost, savings, etc.
2. Prepare a covering statement somewhat as follows:

President Ronald Reagan took a significant step today in his fight to bring fairness, equity and economy into America's health care delivery systems. In a directive to HHS, the President has ordered a study of the feasibility of requiring that all persons covered by employer-paid health programs must receive the same level of catastrophic health coverage as is being provided to Medicare beneficiaries.

"It is way past time that American wage-earners be given the same level of catastrophic illness coverage as their tax dollars are buying for Medicare recipient."

3. Issue statement and directive, and cassettes, then refer everyone to HHS for technical back-up, and a carefully arranged, consistent response.

That's all there is to it.

A Theoretical directive follows:



- SAMPLE -

1. As you know, the Soviet Union has, after many years and with huge expenditures of funds, achieved the capacity to relocate most of its population away from potential nuclear target areas.

2. This capacity has laid a heavy requirement on the U.S. to match this capability as quickly as possible, and to the maximum feasible extent. Otherwise, the Soviets can, anytime they choose, relocate their population to safety, leaving our population largely at hostage. With their own population relocated, they might then be tempted to impose their will on their european or asiatic neighbors militarily, while under the impression that the U.S. would not respond because its own population was unprotected.

3. This hazardous situation impelled us to initiate a massive Civil Defense preparation effort of our own. We simply had no choice.

4. However, I have now concluded that our current efforts to organize state and local governments, and to plan for mandatory mass population movements is not feasible:



- The American people, understandably, will not allow themselves to be summarily ordered out of their hometowns and neighborhoods on short notice.
- Very few so-called "host" communities can be ordered, ahead of time, to receive large numbers of evacuees.
- Existing transportation modes and systems are incapable of moving whole populations significant distances in less than a matter of days.

5. Consequently, you are hereby directed to cease your present Civil Defense efforts, as currently constituted, and substitute therefor a new Civil Defense plan which will have the following characteristics:

- Participation by individuals and their families is to be entirely voluntary. State and local governments will plan for their own participation only in a voluntary mode wherein they purvey information, put on demonstrations, and help to educate the public regarding the options open to them, etc.



- "Host" communities will not be mandated. Possible relocation routes and host areas will be part of the voluntary educational programs stressing free choice alternatives.

- Since Soviet population relocation will require several days to complete, all U.S. planning, education and organization will be based upon the assumption that we will know about it as soon as it starts, and the entire voluntary relocation process will have at least 8 to 10 days in which to complete whatever individual voluntary movement is chosen, if any.

The entire plan will stress freedom of choice, and maximum federally prepared, locally conducted education/information programs so that each individual's choice of a course of action will be based on full knowledge of alternatives, probabilities and possibilities. Properly planned, many of these local education/information programs can to a great extent be held in abeyance until the first day of warning, should it ever come.

