

THE WHITE HOUSE

WASHINGTON

July 24, 1976

MEMORANDUM FOR: THE SECRETARY OF DEFENSE

SUBJECT: Management Initiatives

I think you will concur that our meeting yesterday on management issues was worthwhile. Many of the initiatives we have taken and many we have proposed to Congress -- like our proposals for block grants, deregulation, and regulatory reform -- have had a positive impact on the **general** management of government.. Yesterday's meeting gave us an opportunity to focus solely on our managerial **objectives** and what our management priorities should be in the next two years.

As a follow-up to the meeting, I have over twenty specific sets of actions that I expect each of you to undertake. Some are to be done in the coming weeks. Some extend through FY 1978. These actions are directed at improving the processes within your agencies for setting priorities **and** for making and implementing decisions. They relate to evaluating and reducing the burden **of** Federal regulation, to cost reduction and to personnel management.

Each of these initiatives I **consider** important. As suggested in the meeting, just as it is more exciting to build a new 'boat than to scrape away the barnacles year after **year**, there is a tendency to give higher priority to a new dramatic policy initiative than to consider the programs we already have to see how they can be improved -- to scrape away the "barnacles", that build up over **time** around almost any program or agency.

Within the next day or two OMB will confirm in writing to each of you what action I am requiring, how I should be kept informed and how its staff will help you carry out these initiatives.

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I expect each of you to allocate whatever personal time is required to ensure that these initiatives are carried out on schedule. I know you have the capacity. And I know from the meeting that you have the will.

As I said at the close of our meeting, separate sessions devoted exclusively to management issues can serve a very useful purpose. I expect to continue to have such meetings, at least quarterly, and I have tentatively scheduled the next one for September. Judging from your enthusiasm at getting on with the job, it should be a very useful meeting.

*Gerald R. Ford*

