

The problem with Mr. Spinney's projections is that, apparently he doesn't believe that the initiatives that have been put into place, are going to result in very much change in the way we do business.

I maintain that that certainly is an opinion which he is privileged to have, and certainly is an opinion that only time is going to demonstrate whether what I am telling you in my formal remarks today, is going to happen or not.

I hope to convince you that we are heading in the right direction. We are taking off from a level of improvement as the result of the initiatives that were put into effect 2 years ago by Frank Carlucci, and the ones that I have selected to emphasize, are going to accomplish a lot of traditional goals.

But, again, it takes time. That is my role in the Department of Defense to help put together management practices and prioritize our efforts, so that we do end up with substantial improvement in the way we spend the defense dollar.

The 32 initiatives are not really new. They are a list of sound business principles which have bubbled up over the years. They have been discussed individually or, in some cases, collectively, between industry and the Department of Defense for quite some time.

Two years ago, they needed to be emphasized and formalized, and that was done. The machinery for making them work had to be overhauled. That took the form of putting some teeth into the PPBS, or the planning, programing, and budgeting system to get realistic, as well as the DSARC, which is the Defense System Acquisition Review Council, headed up by Dr. DeLauer, and the Defense Resources Board, which I chair and which will be, as I mentioned earlier, making the hard choices as we come through the climax of the fiscal 1985 budget in July.

A lot of this has been set in motion, and I think it is time, I have been trying for the last couple of months, to evaluate the progress that was made and to modify where indicated.

Of those 32 initiatives, some are pretty well implemented. By implemented, I mean that the machinery is in place. But very frankly, there are some, that have to be pushed harder because they go down through several levels to get to everybody's attention.

Some of them are working very well, and in my opinion, don't need my attention or my interference; however you may want to look at them.

So what I have done, as I have told to some of you in private conversations, is to select six areas that appear to me to promise the most for the future, and I am trying to insure that those become solidly implemented. This is the challenge that I and everyone in DOD will face in the coming months.

The challenge, again, is not to rattle it around at the top level and put out a lot of directives which lose their affect somehow in the translation, but to make sure that these are pushed very vigorously all the way down to the so-called working level of the organization, as far down as it takes for these six major thrusts to be meaningful. Taking them one by one, starting with realistic budgeting.