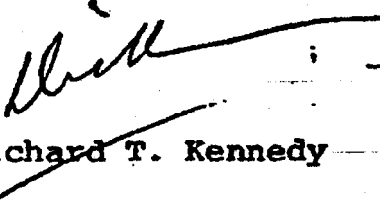


**UNDER SECRETARY OF STATE  
FOR MANAGEMENT  
WASHINGTON**

**TO: Admiral James Nance  
Deputy Director to the President  
for National Security Affairs**

**SUBJECT: Proposed Presidential Memorandum**

During our recent discussion we touched on the suggestion of a Presidential memorandum to heads of agencies regarding conserving resources in government operations overseas. Attached is a possible draft of such a memorandum. I have also given a copy informally to Bill Schneider at OMB.

  
Richard T. Kennedy

**Attachment:**

**Proposed memorandum.**

State Dept. review completed.

**MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**

**SUBJECT: Improving Government Operations Overseas.**

My inaugural pledge to curb the size and cost of government applies to our overseas activities as well as to domestic programs. As part of my Economic Recovery Program, therefore, I want our operations abroad to reflect national priority objectives and our representation kept to the minimum necessary to achieve those objectives. To meet agreed overseas requirements, each Department and agency will receive those resources which are required and justified, which I expect you to use efficiently, with appropriate precautions against waste, fraud, mismanagement, duplication of functions and unnecessary redundancy.

I am directing that the Secretary of State, in close cooperation with the heads of the agencies involved, organize and lead a careful review of possibilities for savings and improvements in our operations overseas, particularly those with longterm or institutional impact. Preparing a tight FY83 budget will require advance interagency coordination and planning of our overseas operations, including staffing. As you formulate your requests for overseas resources, therefore, I ask that you give full weight to the views of Chiefs of Mission, along with those of the Secretary of State, who must plan for delivery of mission-wide support.

The Secretary of State will be communicating on these issues with you in the coming weeks. I urge you to cooperate with him. Should your efforts identify issues which involve legislative or executive action, I invite appropriate recommendations.