

Well, gentlemen, this is all I'd like to cover up to this point. I'll be very happy, if you'd like, to answer some questions and discuss any aspects of this effort.

QUESTION: Sir, we've heard a lot about in-house savings, standardization, cost reduction programs; we've seen these columns of savings; but I've never seen any cost figures. How much is it costing us to accomplish these savings in-house?

MR. MORRIS: That's a good question, but I think the answer is in two parts. First, we endeavor wherever we can, to net out the cost of achieving a saving. Let's take price competition, for example. The procurement people and the auditor who goes over and validates a major savings like PRC-25, attempts to identify the direct costs which were needed, such as procurement of the data package.

However, we have not netted out, and I don't imagine we have actually identified in toto the manpower costs that take place at hundreds of locations on the part of people who are planning and carrying out these cost reduction efforts. I would hazard a guess that there is the equivalent of at least 2,000 people involved full-time in this effort. This is a cost we might have anyhow, and I think it's probably making it possible for these people and for their managements, to do the job that they would most want to do more effectively.

I think the cost would be miniscule, however, in relation to the gains