items, using the quarter-inch electric drill, etc., how do you insure continued standardization if, in subsequent buys, the vendor of the standardized item is not the lowest bidder?

MR. MORRIS: We admittedly have a problem of potential continuing conflict between our desire on the one hand to obtain competition, and a desire on the other hand to simplify and standardize. I don't think we've reached any final consistent philosophy in this respect. It's a matter of cost effectiveness trade-offs again. In the reflect area where we reduced to seven I would suspect that we did not degrade or limit competitive opportunity. In the drill area where we reduced to one, we may have; I don't really know.

We, as indicated, think we can accomplish savings on the order of 25% where we move from a captive sole-source situation to a more free and open competitive situation. Depending on the unit price of the item and the volume used, I think we've got to continually look at standardization on the one hand versus price reductions on the other, and keep optimizing those decisions. This is going to be a continuing problem for us.

QUESTION: Mr. Secretary, I'm somewhat concerned about the growth of non-profits. Since you, in your tenure, have helped establish LMI, I understand, would you explain your reason for wanting the LMI and perhaps list some of the projects that you have encouraged?

MR. MORRIS: Yes. The President of LMI is in the room with us today and I'm sure he'd be glad to speak further. LMI was conceived in