

FIREARMSSHOTGUNSMODEL 1100 AUTOLOADING SHOTGUNProduction Status - 12 GaugeManufacturing Cost

The Committee reviewed the first quarter manufacturing cost summary for the Model 1100 indicating an actual cost of \$68.92 compared to a forecast cost of \$56.36.

Production stated there are at least two reasons for the excess cost:

- The RK-W wood finish with its high sanding cost to obtain the desired "leveling". The Plant is working intensively on the problem. The F&F Department has affirmatively answered a request for their assistance and the results of their current laboratory work will be reviewed at Elion April 29. The automatic spraying facilities being investigated can reduce the manual spraying cost but will not affect the manual sanding which is the major cost.
- High reject rate at gallery and resultant re-work, primarily for failure to blow back on light loads. Recent Research and Plant effort has reduced the reject rate for this reason from 50% down to 8% which should improve the cost. This was not a problem in early production, but became a gradually increasing problem as manufacture progressed.

The Production Department expects it will be six to twelve months before manufacturing costs approach project goals.

Research is assigning their personnel to the Model 1100 production problem as required.

The Treasurer's Department suggested the economics be determined of limited production versus supplying the market demand during the current high cost manufacturing year.

The Chairman stressed the importance of reducing the Model 1100 manufacturing cost quickly. He asked the subject be reviewed each month as part of the Committee agenda to judge progress.

Back Ordered Grades

Initial warehouse of the 3 inch Magnum is still planned before the