

MATERIALS SUPPLY - contd.WOOD - contd.

blanks in December. For a 25% cost increase in all the walnut, the vendor will use sufficient veneer logs to guarantee supplying to current schedules. A single lot of blanks from veneer logs would cost 75% to 100% more than current and Production recommends this be done.

A vice-president of American Walnut visited the plant May 23. It would take 12 months to supply dried blanks. They may be able to supply green blanks in two months which could be dried at Ilion in six months. A potential of 15,000 blanks per month exists. It was agreed that Ilion kilns should be in operating condition.

Walnut supply is not tied up on contract. Missouri Valley Walnut Company has supplied the wood for 30+ years and is the lowest price of any bid ever received.

The long range program part of Exhibit 2 was reviewed in detail. Samples of various past approaches were shown.

Previous work with sawdust-chipboard construction produced heavy Stocks and unacceptable appearance.

Production is considering what broader approaches to take to assure an adequate supply of walnut.

The present vendor would sell the company to Remington. What there is to sell is being checked.

STEEL

The present steel supply problem is with tubing. One vendor is going out of the steel tube business.