

4. Estimated operative earnings at 11.3 per cent of sales are higher than the earnings on total rim fire rifle sales amounting to 10 per cent to date this year.
5. No additional investment is involved since the Model 521 is produced on the 500 Series equipment. It is understood that when the 500 Series rifles are deleted from the line in two years, the Model 521T will also be deleted.

After discussion, introduction of the Model 521T rim fire target rifle was approved by Management Staff at a retail price of \$54.95 each with the understanding that this model will be discontinued when the 500 Series rifles are obsolete.

In view of this decision, the Plant will start production immediately. They expect to produce fifty guns this month and twenty guns per day thereafter.

MODEL 552

The Sales Department reported that the acceptance of writers' and Field Representatives' guns has been excellent. A detailed report is in preparation by Sales and will be distributed as soon as it is completed.

DED exhibited guns in which a change has been made in the receiver casting to improve the finish on the feeding ramp. This results in a cavity in the bottom of the receiver which is clearly visible on the M/572 pump gun although not on the M/552. Samples have been furnished to the Sales Department for approval, with the understanding that if Sales approves they will submit the change for Management approval, which is required since the appearance of the gun will be changed.

Gallery Version

F. E. Morgan reported that eight guns have been tested in the New York City area, with each gun averaging over 30,000 rounds. The gallery operators considered the performance as good as any gallery gun they had ever seen.

Three specific difficulties were encountered, and each of these has been overcome through the minor design revisions: the fore-end support tore out, presumably because of severe handling on the counters; the receiver bushing for the fore-end support loosened; and hammer pins became loose.

An additional number of guns is being prepared for further testing, and will have revisions to overcome these difficulties. The Sales Department now suggests that 100 guns be put up for test in the New York area, to be considered as an extended field test. The advisability of this will be reconsidered when an economic evaluation is ready. This will be based on cost information which is now being compiled by the Ilion Plant.