

RIM FIRE RIFLES - contd.MOHAWK 550 AND MODEL 514 RIM FIRE RIFLES - contd.

Exhibit 7 is a summary of the plant costs and earnings less the Model 550 and 514 rifles. In this case while some additional sales of the Models 580-581-582 are anticipated there is no appreciable effect on earnings since the net return on the additional sales in other models is not significant.

In the discussion it was indicated that if the Model 514 Bolt Action rim fire rifle is discontinued it is very questionable if Remington could ever justify the addition of another low cost rim fire rifle. In the case of the Model 580-581-582 series it was necessary to include the manufacture of the Model 788 center fire rifle in order to justify the expenditures.

The discussion covered the performance and quality of the Model 514 Bolt Action rim fire rifle as representative of the Remington quality line of guns.

Questions were raised regarding how long Model 514 rifle production could continue before major expenditures for repair or replacement of machinery would be required.

Committee Action:

No action was taken. Marketing will review the Remington market status which would result from discontinuing the Models 550 and 514. This will also allow time for General Management appraisal of the proposed program.

Production is to review the Model 514 machinery questions.

There was general agreement that the Model 550 should be discontinued in 1971.

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