

BUSINESS MEETING - contd.STATUS OF NEW ITEM INTRODUCTIONS - contd.

- . Model 580 rim fire price is being increased to obtain break-even on full book costs. Consideration is being given to dropping this rifle and possibly replacing it with the Model 581 with a Magazine Insert.
- . Production is reviewing costs and economics of providing additional N/C cut checkering machine capacity.
- . R & D expects to present new generation guns in January, 1975.

COST ANALYSIS

Treasury reported a general overview of the projected future economy.

Treasury provided to each individual prior to the meeting a report - "High Spot Comments on Major Profit Problem Areas." Points of discussion in reviewing this report were:

- . The Model 3200 shotgun is in a loss position. Production was requested to evaluate the effect of going out of this business at the end of 1976.
- . Production was requested to determine why Nylon 66 costs are up 46% - 1968-1974.
- . Barrel prices will be increased \$5 and Parts 15% in 1975.
- . 1975 prices have gone out. A new wholesaler show in Atlanta on December 7-9 will give the opportunity to learn about 1975 demand and competitive pricing.
- . Firearms in total is a healthy business and it must be maintained. Model 3200 earnings problems must be solved. Six years ago, a sales forecast was reduced. It probably could have been achieved if we had gone ahead.

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