November 20, 1974

TO:

P. H. Burdett	R. L. Hall
J. P. McAndrews	J. H. Hodgson
E. Sparre	A. J. Hermandorfer
G. M. Calhoun	E. F. Barrett
J. G. Williams	D. S. Foote
H. M. Pierce, Jr.	B. K. Daubenspeck
R. A. Partnoy	R. B. Hartman
E. Sapp	W. E. Leek
L. J. Scott	J. H. Sweeney
N. L. Oldridge	T. J. Sharpe

FROM: H. M. Stoessel

83

OPERATIONS COMMITTEE MEETING - AMMUNITION
NOVEMBER 25, 1974
High Spot Comments on Major Profit Problem Areas

Ammunition profitability has generally suffered in a squeeze between rising costs and competitive pricing. Looking at the year-to-date September 30 this year in comparison with 1968, the Company's most profitable year, margins are down on every major ammunition category as follows:

	To Date - September 30, 1974 Sales (Dollars in thousands)	Operative Earnings as % of Sales 1974	1968
Ammunition			
Shotshells	$29,044	2.7%*	23.2%
Rim fire cartridges	12,518	11.5 **	27.2
Center fire cartridges	18,901	11.5	14.1
Sub-Total	60,463	7.3	21.4
Miscellaneous			
Empty shotshells	83	10.2	15.3
Empty primed and unprimed metallics	282	6.7	15.5
Primers	758	(62.9)	(5.6)
Wads	309	2.6	21.9
Bullets	120	3.8	5.7
Shot	220	(1.0)	2.2
8 gauge (DESA)	1,174	(12.1)	-
All other	162	(33.3)	35.8
Total Miscellaneous	3,108	(20.4)	5.6
Total Excluding LIFO***	$63,571	5.9	20.8
Total Including LIFO***	$63,571	(3.2)	
Military			5.6
Total Including Military			16.9

Note: Data are for domestic business only which fairly reflect the Company's consolidated (domestic, export, and Remington Arms of Canada) situation. Source is "Statement of Operative Earnings from Sales - Domestic" which excludes the effect of LIFO from product line earnings for 1974.

*Includes cost of bonus barrels - $133
**Includes cost of bonus Nylon 66 - $249
***Does not include targets and abrasive products