miscellaneous rim fire items. Extreme flexibility re-
quirements, combined with a relatively high-speed
equipment line, has been the challenge--both from a
technical and cost standpoint.

"In recent meetings, Marketing has agreed to try
to define a product strategy which will provide a better
route to improved production facilities at a reasonable
investment cost and lower technical risk.

"Charts XXVIII through XXX summarize the programs.

"For shotshell, programs with forecasted milestone
dates are shown for each of our key shotshell manufacturing
areas.

"For center fire, we expect to complete prototyping
by year-end 1981. Assuming success, and our confidence
is high, our entire center fire facility could be modernized
by year-end 1984.

"For rim fire, we will strive to have a product strategy
this fourth quarter and an equipment plan defined by the
third quarter, 1981. That phase of work would be followed
by development of an equipment line for production."

FIREARMS DEVELOPMENT PROGRAMS

C. B. Workman discussed Firearms Development Programs and
plans for 1980 and 1981 as follows:

"This presentation covers our basic objectives,
reviews the organization changes that have taken place
to meet those objectives, and highlights the various
projects included in our Research budget.

"The primary objective of the Firearms Research
Division is to develop products that will be successful
in the marketplace. This requires a balanced program of
frequent improvements to current arms, timely announce-
ments of major products, and an aggressive effort directed
at process and materials research.

"To accomplish this objective, an organization must
be staffed with the right proportions of product knowledge
and technical training.

"A look at the headcount for the past several years
(Chart XXXI) shows little change until 1980. However, a
look at the composition of the various sections will show
how the teams that are necessary to develop new products
are taking shape. Charts XXXII through XXXIV show the
significance of the change in the number of exempt salary