

RIM FIRE RIFLESMODEL 552 LONG RIFLE ONLY

Research reported that one Model 552 has been modified by increasing the weight of the Action Bar so that only Long Rifle Cartridges will operate the gun. This modification did not, however, prevent an occasional blown head. The cause of blown heads is being investigated further. None of the tests to date have indicated a safety problem when a blown head occurs.

The Chairman noted that the deflector currently can be removed from the Model 552 Receiver. He asked that Research evaluate whether the deflector should be permanently attached. He also asked Marketing to review the 552 Owner's Manual, and ensure that it contains a warning not to remove the deflector.

MISCELLANEOUSREVIEW OF NOVEMBER BUSINESS MEETING

The Chairman recalled that the Company's firearms business plan was reviewed in some detail at the November Operations Committee Meeting. In the discussion, it was stated that one objective in firearms was to increase pretax Return on Investment to the peak 1975-1977 level of 26% by 1985. Later in the meeting it was disclosed that the pretax Return on Investment, based on the 5-year forecast, was 21% in 1985.

Obviously, either the objective was not realistic or performance projected in the forecast is not satisfactory. Therefore, Management has requested Marketing, Production, Research, Treasurer's and Business Services to undertake an immediate review of strategies, plans, options, etc., and the forecast, including forecast procedures, to determine whether the 26% pretax return can be attained, and, if not, provide an analysis of the reasons.

GENERAL DISCUSSION

The following items were presented in general discussion following the regular agenda.