

E. K. Paulkner
G. M. Calhoun

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and publicity. These barrels ordinarily increase the retail price of a center fire rifle by \$10.00. Since we have already shipped approximately 1,000 of the rifles which are now in trade or consumer hands, and since an increase in price would create a Fair Trade enforcement problem, no price revision is anticipated until January 1, 1964.

6. Elion will advise the Sales Department concerning the date when replacements will be available, on two schedules:

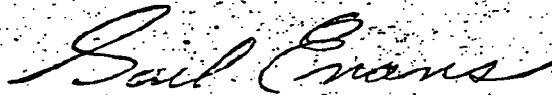
Schedule 1: Immediate replacement of occasional guns on individual customer complaints, and

Schedule 2: Replacement of inventory to resume shipment on the orders already on hand but held up.

The foregoing procedures were decided upon by the group to prevent unfavorable publicity, prevent a general return of Model 700 and Model 742 rifles in 6 mm. caliber, and to assure a minimum of cost absorption on product replacement.

If anyone attending the meeting misunderstands, or is in disagreement with any of the comments in this letter, please let me know at once.

Gail Evans/bmh



7/90
 C. E. Marshall
 Henry Bailey
 J. E. Hickey, Jr.
 P. E. Morgan
 Earl Larson
 H. E. Walker
 E. C. McManley

June 6, 1963

H. E. Paulkner
 G. E. Galtney

The following information summarizes our understanding concerning correction of difficulties encountered in customer experiences with performance of Model 700 rifles in 6 mm. caliber.

A meeting was held in H. E. Paulkner's office on June 6, 1963.

H. E. Paulkner	Earl Larson
Henry Bailey	H. E. Walker
G. E. Galtney	E. C. McManley
P. E. Morgan	Bill Evans

Corrections were decided as follows:

1. E. C. McManley will call Walter New, Editor of The American Rifleman, requesting return of the Model 700 in 6 mm. caliber for testing purposes. This rifle will be replaced as early as possible next week.
2. E. C. McManley will contact all writers who received Model 700 rifles in 6 mm. caliber, inquiring as to the performance of the rifles and suggesting replacement of any rifle whose performance was not in accordance with approved standards. At the same time, any rifle replaced in any writer will be accompanied by a shipment of improved ammunition.
3. Elton will stop all shipments of Model 700 6 mm. caliber rifles until suitable replacements are available.
4. When complaints are received on poor accuracy of Model 700 6 mm. rifles we will replace with a new gun of new specifications without question.
5. The Sales Department will decline all new orders, advising the customer that we cannot accept additional orders in 1963. This policy is being adopted because it is anticipated that stainless steel barrels will be required to assure performance that is in accord with our advertising.