

Research and Development reported that testing was not yet complete. Ten rifles have been fired for accuracy in a number of ways using three 5-shot groups in each case. The average of all groups varied from 1.6" to 1.9" depending on the method of testing. This is considered very excellent accuracy. Casualty testing has not yet been completed but five guns were tested with an overall malfunction of 1.2%. This testing is continuing.

The Sales Department reported that although the development schedule shows this gun due for announcement on June 1, 1957 consideration has been given to delaying announcement until January 1, 1958 because, first, it may be desirable to space more widely announcement of changes in the gun line and, second, the varmint season is essentially over for this year. However, as is shown in the warehouse schedule, 1000 rifles are already in the warehouse and an additional 2000 are rapidly nearing completion. It may be decided therefore to go ahead with announcement to prevent holding this expensive inventory for six months.

N. F. Larsen reported that with a list price of \$112.45 and a net selling price of \$60.81 operative earnings in the average year would be \$21.94 or 36.1% of net selling price. The first year operative earnings would be \$12.71 or 20.9% of net selling price.

In view of the above the following action was taken subject to satisfactory completion of the Research and Development casualty test.

Decision:

The Operations Committee (Arms Division) advises Management that it considers the Model 760 in .222 Remington caliber is ready for introduction and will yield an adequate return at an initial list price of \$112.45. The Committee calls the Management's attention to the fact that by July 1, 1957 there will be approximately 3000 rifles in the warehouse with an approximate factory cost of \$120,000.

Common Sight Line Stock

The project is now circulating in Bridgeport. It was noted once again that the Model 725 project which was sent to the Board of Directors assumes prior introduction of the common sight line stock.

RIM FIRE RIFLES

Color Master Line - Model 572

Difficulties in producing barrels for the 572 line are reflected in delays in the Color Master line. It is believed that these difficulties have been overcome and that introduction can now proceed according to schedule. On this basis the plant submitted the following revised schedule: