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to receiver cracking. The biggest problem is the unsightly appearance of hairline cracks; hence, Research & Development's recommendation for a camouflaging receiver decoration. The Sales Department agrees to this solution provided the design is a simple one comparable to the "D" grade Model 11-48 and s not a full scroll like the Sportsman-58. Research & Development will prepare design for Sales approval.

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One minor design change, involving a narrow cut extending from the rear of the operating handle slot, is being tried on a test gun to combat receiver cracking. As yet, it has not been tested. A major design change requiring removal of the interceptor latch groove in the receiver can, it is believed, remedy this problem. This is a long project however. It has been done in the XS-1 and XS-2 but there is insufficient time into incorporate this modification in the XS-3 design.

One of the early problems of the XS-3, that of a free and bouncing carrier and the possibility of its striking a shell primer, was discussed. Research & Development assures that a remedial angle on the carrier dog detent has solved this problem.

It was disclosed that a 3" Magnum version of the MS-3 would be possible with a few design changes. A 3" Magnum model would, however, be a different gun and could handle only 3" Magnum and high base loads. It would also be restricted to competitive 3" Magnum shells with their shorter loaded length. The Sales Department believes it best to postpone consideration of a 3" Magnum version for the time being for these reasons.

Freliminary estimates of economics based on the Sales forecast indicate that the XS-3 project may be doubtful since, although ever-all snotgen business is estimated to increase, the increase is derived from a gun (XS-3) with a relatively low list price at the expense of the Sportsman-58 ADL, a higher priced gun providing greater return. The contemplated receiver decoration mentioned earlier was not included in the factory estimate of cost.

In summation -

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1. Economics will be prepared immediately for evaluation.

- 2. If economics are satisfactory, the Plant will request approval to order components with long lead times.
- The Operations Committee, on the basis of economics, will make appropriate recommendation to Management.
- 4. If decision to proceed is forthcoming, the project will be completed and submitted.

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