

In the light of the Model 878 and after considering the desirable and undesirable characteristics and qualities of all present design approaches, it is the opinion of the Research & Development Department that the XS-1 should be shelved in favor of added effort and attention to the XS-6/XC-6.

The Committee discussed various facets of present position in shotgun models and agreed in principle with the Research & Development Department's intention to shelve the XS-1. It was thought, however, that determination of design direction is not a Committee function and that all Departments should collaborate on a complete economic review and appraisal of the effect on Company volume and earnings of the various design directions and possible new model dates based on Sales Department forecasts. Decision on direction should come from such an approach.

XS-1 (Autoloader)

Preliminary design of the XS-1 has been completed for all standard gauges from 12 to 410.

As outlined earlier, this gun was proposed to be introduced on January 1, 1960.

The Plant has made a preliminary evaluation showing the economics that might be expected if the XS-1 were to replace the Sportsman-58 ADL.

This evaluation has been based on several assumptions including a retail price of \$136.45 for the XS-1 and the sale of 5,000 more shotguns per year with a line including the XS-1. These assumptions were not provided by the Sales Department.

The estimated appropriation required for the Model XS-1 is approximately \$272,000.

Assuming introduction of the XS-1, the shotgun line before and after would be anticipated to include the following -

<u>Before XS-1</u>	<u>After XS-1</u>
Model 870	Model 870
Model 878	Model 878
Model 11-48	--
Sportsman-58	--
--	Model XS-1