

resin or some other polymer of approximately half of the unit cost of Nylon. The figure indicates that a volume for volume replacement of the Model 514 will increase operative earnings at least \$35,000 with adequate return on total capital required. The return on total capital decreases with volume due to the total capital required consisting primarily of working capital. The working capital required for the rolling block rifle is less than for the Model 514 on a volume for volume basis due to the former's lower factory cost. Consequently the total capital required is a negative quantity on a volume for volume replacement basis resulting in an infinite return, from which point the return must drop as the replacement volume of the rolling block increases.

On the basis of this information, the Sales Department suggested that model work on the modern type stock and separate fore-end be undertaken. The Committee concurred. 83

The Treasurer's Department suggested that if this rifle as presently conceived is successfully commercialized, that other old styles of arms be investigated for potential in the firearms line.

XR-6 M-14 (N-66) TRAINING RIFLE

The Sales Department reported on discussions of the nylon stock rim fire training rifle with Military personnel. They were impressed but had mixed feelings on the Government's use of a rim fire training rifle. They did suggest several changes to satisfy Military requirements and that the proposal then be discussed with Springfield Armory and the Ordnance Command. The indications were that should an order develop, the first order would be for approximately 5,000 with a total potential of 1 Million. The latter would be available to be shared in by other manufacturers.

Research funds have been authorized to make the changes suggested, following which Springfield Armory and the Ordnance Command will be contacted for further discussions.

Sales reported that Harrington and Richardson have a wood stock rim fire training rifle available to sell at less than \$65.00.

Meeting adjourned at 11:25 a.m.

L. D. Cox

L. D. COX
Secretary,
Operations Committee-Illion Division

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