

FIREARMSGENERALFIREARMS DEVELOPMENT SCHEDULE

The Committee reviewed the preliminary draft of the firearms development schedule. The Secretary will revise the schedule as directed and reissue it for final approval at the November meeting.

CUSTOM CHECKERING

Progress was reported on producing Custom Checkered Model 870 shotguns for January, 1963 announcement and preparing the Part 3 Project to complete the Models 742, 760, and 11-48 for January, 1964 announcement. 83

Model 870 Shotgun - Facilities are essentially complete and Custom Checkered stock production will begin October 15. This timing will provide a sufficient warehouse quantity to announce in January.

Models 742, 760, and 11-48 - The Part 3 Project has been approved on the Plant and sent to Bridgeport for authorization. The Committee approved hand checkered Models 742, 760, and 11-48 that had been cooperatively prepared by Research, Production and Sales. The Sales Department will take the three models to Bridgeport for General Management's approval. The models are based on a single field grade instead of two. They have an impressed pistol grip using the principle of Custom Checkering to replace the grip cap. Sales said some change is needed in the impressed grip pattern, and there is sufficient time to do this before they are introduced in January, 1964.

The project economics in Table 1 attached indicates \$110,000 additional net annual earnings, equivalent to 29% return on \$381,000 total capital required. The models, selling prices, grade specifications, and volumes for the economics are shown in Table 2. The total project expenditure will be \$141,000, or \$60,000 over the Part 2. The product costs are based on the present finishing process. The earnings assume an increase in the price of the Model 870 \$5.00 over its present "A" Grade price and no change in the price of the other models. Earnings of the single grade Model 742 and 760, at least equal to those of a two grade structure, are based on the additional sales volume the single grades will produce.