

tation in the distribution network would be a welcome improvement in the pellet gun business. Pellet guns, incidentally, carry a dealer net price of 35% off list, which leads to some discounting at retail. The distributor mark-ups appear to be the same as for firearms.

In connection with retail price, it should be pointed out that consumers apparently will pay a price premium of up to 30% for a pellet gun over the cost of a comparable 22 rifle because of the advantages the pellet gun offers in quietness and safety. Moreover, there is a trend towards increased prices for the better pellet guns--Sheridan recently increased its retail price from \$27.50 to \$33.50, and early in 1965 . Crosman increased the price of its CO<sub>2</sub> pellet pistol from \$24.50 to \$27.50.

- Population density--The quietness and shorter range of pellet guns, together with the fact that they can be fired indoors in easily constructed ranges, suggest that there will be an increased trend towards their use, notwithstanding fairly widespread local regulations to the contrary, most of which are aimed towards prohibition of purchase by those under 16. There is evidence that a substantial number of purchasers already own firearms, but they also want pellet guns for plinking, backyard shooting, and basement target practice. As places where firearms can be used become fewer and farther away, we can expect that the trend towards pellet guns will accelerate.
- Young shooters--Pellet rifles compete with rim fire rifles for a share of the market for a boy's first gun, and are frequently purchased by parents as a safer alternate to a 22. A good Remington pellet rifle could be expected to enhance Remington's acceptance among today's young shooters who tomorrow will comprise the bulk of our firearms market.

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