

*Carbine  
this model  
Deferred - per comm memo  
start Oct. 1961*

D.E. Miller  
H.J. Hackman  
S.M. Alvin  
M.H. Walker  
L.D. Cox  
A.J. Seckner } In  
J.J. Phillips } turn  
Estimate File #2227

Ilion, New York  
September 29, 1961

H. K. FAULKNER (2)  
ATTENTION: C. L. JONES

*cost*  
ESTIMATED ECONOMICS FOR PROPOSED  
MODEL 700 CARBINE, 30-06 CALIBER  
Reference: Letter LDCox to Ilion Plant Personnel 9-15-61

Attached are two (2) sheets showing estimated economics for the Model 700 Carbine based on both "Full Book" and "Out-of-Pocket" methods of costing.

For your information, you will also find attached, a copy of L.D. Cox's letter of 9-15-61, outlining special features tentatively established for the M/700 Carbine version on which our factory costs are predicated.

Information received did not specify selling price or anticipated volume. The various prices and quantities shown were, therefore, selected and used for comparison.

To permit a direct comparison with economics prepared for the M/700 "A" and M/700 "ADL", the M/700 project year was used in developing "Full Book" costs. This may present a rather optimistic picture when we consider present plant volume and forecasting. The Model "700" project year represents production of 366,500 guns (First Year), and 439,500 guns (Third Year).

Engineering and tooling charges for this gun are estimated at \$15,400 and are included in all First Year costs. R&D development expenditures are expected to total \$3,500 and are in addition to any costs shown.

Since production volumes have little or no effect with "Cash" costing, only one (1) set of economics were prepared for Third Year "Out-of-Pocket".

D. E. Miller  
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Methods & Standards Section

Att.  
RFKerr:sm