

cc: F.E. Morgan - Bdpt.

~~H.D. Cox~~ - Elton ✓

S. M. Alvis - "

RAM

Elton, New York  
September 13, 1963

G. M. Calhoun  
Bridgeport

M/40X CENTER FIRE PRICING

Custom Shop personnel were much chagrined to learn that consideration was being given to raising the price of the M/40X Center Fire. The feeling here is that all the efforts to reduce costs, to the point where the Custom Shop showed a measurable profit over factory cost, were of small consequence if a price increase of \$20.00 per rifle is introduced with its consequent reduction in volume.

Actually, the factory cost of the M/40X-B Center Fire is running as much as \$20.00 less than the M/40X. There are several reasons for this reduction.

1. It is no longer necessary to do extra operations in the Custom Shop on the stock. This probably accounts for about \$5.00 of the \$20.00.
2. The trigger guard is the standard M/700 affecting a savings of more than \$5.00 over the previous hand made guard.
3. Nearly a third increase in volume has helped increase lot sizes of the standard items such as stocks, barrels, and receivers. Stocks and receivers are now being made in larger quantities than the Rim Fire 40X.
4. Improved processing of barrels has reduced targeting expense considerably.

We feel that an increase in price will actually reduce the dollar volume of sales. For this reason our recommendation is that the list price remain at \$187.95.

*MHW*  
M. H. Walker

Elton Research Division

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