

CONFIDENTIAL

cc: W. L. Clay
Gail Evans
H. A. Brown (2)

Bridgeport, Connecticut
February 1, 1955

TO: M. R. WARDEN
R. H. COLEMAN
H. K. FAULKNER
DEWEY GODFREY
H. M. STOESEL
G. M. CALHOUN

FROM: H. A. BROWN

SUBJECT: 244 Remington Cartridge and Model 722 Rifle to Handle It

Reference: Previous letter to Staff dated December 7, 1954.

It is now proposed to introduce this new cartridge in two bullet sizes with ballistics and additional annual sales volume as follows:

	Max. Avg. Pressure	Muzzle Velocity	Quantity Per Year	List Price*
75-Gr. Ptd. Soft Point	50,000 p. s. i.	3,500 f. p. s.	350,000	\$182.50 per M
90-Gr. Ptd. S.P. C.L.	50,000 p. s. i.	3,200 f. p. s.	150,000	182.50 per M
			500,000	

*Same as 257 Roberts.

Additional annual sales of Model 722 rifles are estimated at 2,500 guns.

The revised summary of cost and earnings is as follows:

	244 Cartridge	M/722 Rifle	Total
Additional Annual Volume	500,000	2,500	
Retail Price	\$ 182.50/M	\$ 82.20 ea.	
Net Sales Price	\$ 97.05/M	\$ 45.23 ea.	
Total Annual Sales	\$48,526.00	\$113,075.00	\$161,601.00
Operative Earnings per Year	\$ 8,540.00	\$ 23,590.00	\$ 32,130.00
" " per Year as % of Sales	17.6%**	20.9%	19.9%
Net Earnings per Year	\$ 3,971.00	\$ 10,969.00	\$ 14,940.00
Expenditure	\$18,700.00	\$ 10,500.00	\$ 29,200.00
Working Capital	33,000.00	45,000.00	78,000.00
Total Capital	\$51,700.00	\$ 55,500.00	\$107,200.00
Less: Charges to Operations	18,700.00	4,100.00	22,800.00
Total Investment	\$33,000.00	\$ 51,400.00	\$ 84,400.00
Return on Total Capital	7.7%	19.8%	13.9%
Return on Investment	12.0%	21.3%	17.7%

**Operative earnings from 257 Roberts, 100-gr. Ptd. S.P. Core-Lokt are 15.0% of sales.

Re: 244 Rem. Ctge. and M/722 Rifle to Handle It

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To obtain additional sales volume and earnings, the Operations Committee, Arms and Ammunition Divisions, recommends addition of the proposed new cartridge and modified rifle as early as possible.

Your approval is requested.



H. A. Brown
Chairman Operations Committee

hab/heh