

DRAFT

JAR:T 9-9-64

| | | <u>Authorized</u> | <u>Additional</u> | <u>Total</u> |
|----------|---------------------------------------|-------------------|-------------------|--------------|
| TD 64250 | NEW RIM FIRE RIFLES | \$ 90,000 | \$ 25,000 | \$ 115,000 |
| TD 64262 | NEW BOLT ACTION CENTER FIRE RIFLES | 50,000 | 30,000 | 80,000 |

Preliminary funds for development of a new bolt action line was authorized and several designs have been reviewed and investigated for the best avenue to follow in producing models for Sales and Management evaluation.

Sales surveys revealed this to be a highly competitive field with the business divided up between some 18 different manufacturers or brands, comprising about 40 different models. Hence the selling prices are not proportional to cost but influenced by competition. Several plans were considered including that of starting with the basic Model 514 and adapted to clip or tubular magazines. However, it was found that such a re-design would be considerably more expensive than originally contemplated. The M/514 action was not designed to safely handle the higher pressures of the rim fire magnum ammunition.

Research was then faced with the problem of designing a new bolt action rim fire rifle which could be manufactured at the M/514 cost. It was found that the required equipment investment could not be justified with the limited volume. This led to consideration of a new design which would be adaptable to include versions of lower cost center fire rifles and shotguns.

Results of the investigation were favorable as to indicated return on investment. However, economics of the proposed bolt action shotguns were not attractive. Also it was felt that a low priced shotgun line might detract from Remington's prestige, and at the same time it appears that a better design for the rim fire and center fire versions might be attained by eliminating compromises necessary to accommodate shotguns.

With the proposed new lower priced center fire bolt action rifles it will be possible to penetrate a higher volume segment of the market. This could logically yield a number of prospective customers for our higher grade models.

The characteristics to be incorporated in these models are:

1. Ball bearing action
2. Match fire control
3. Monte Carlo stock
4. Adjustable sights
5. Straight bolt handle
6. Artillery type lock-up.