cc: G.M. Calhoun M.H. Walker

llion, New York May 3, 1971

F. L. M.C. JANA Bridgepart

> L CDEL 40x-2 - Experimental single shot Center fire rifle

This morning discussed the proposal for the M/40X "Classic" rifle with Malker. Belinve we are still awaiting quotation from Pajen on stocks for the 375 and 456 Magnum caliber M/700 rifles. We understood earlier that about the best they could promise would be 25 per month. We would need this volume for some mouths to cover on the back order situation. The Mood shop in Custom Asea is now able to produce about 40 stocks a month, which should enable us to improve on back order situation of C-Grade rifles.

Walker still feels that we would have to depend upon the Custom shop making barrels for these rifles. Apparently barrels of these dimensions are not satisfactory through the GFM process because of chambers being too eccentric. We would expect the cost for the actions being made in this way to be very nearly as high as that for C-Grades. So it would not be a profitable item if has to be priced to meet the Ruger rifle. We would probably be all right at a \$300 selling price. Mike seems to feel that a good portion of the market demand for single shot hunting rifle is the lure for a classic falling block rifle rather than for the bolt action. Perhaps we would need some sort of a market test from a limited run to confirm this. The feeling at the moment is that we need to recurs our supply position on the big bore rifles, and can consider this further as soon as we can better confirm Pajen's price and capacity to supply stocks.

As to barrel capacity, we may expect some future reduction in the number of Government orders for test barrels. If this happens we can then absorb more work for a  $N_c/40\%$  job.

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S. M. Alvis, Langer Hion Assearch & Ivision