

the desired improvement in accuracy using Remington 40-X ammunition. They have pointed out that a program designed to evaluate different barrel dimensions and pick optimum dimensions would be very expensive and time-consuming. However, the provision of a number of barrels having the dimensions recommended by Bridgeport Research and Development is not a very difficult task, and, in accordance with the request of the committee, ten barrels will be prepared to these dimensions for evaluation at Ilion and Bridgeport.

#### MODEL 524

The recommendation made at the previous meeting concerning the introduction of the Model 524T has not yet been acted on by Management. In order to meet the warehouse schedule, Ilion has taken steps to insure that they can move rapidly if authorization is received. 83

Careful consideration of the general rim fire line shows that, if the proposed program is adopted, equipment for making the Model 524 will not be available after 1958. Therefore, we would be introducing a model with a two-year life. In addition, the program calls for the immediate deletion of the Model 521T and an increase during 1958 in the list price of the Model 513T, which would result in modest earnings for this model. Also, it was pointed out that the Sales Department now questions whether they could meet the forecast for the Model 524T at a retail price of \$64.95. A reduction in the forecast at this price, or retention of the forecast at a lower selling price, would lead to a sharp reduction in expected operative earnings.

Considering all these factors, it appeared that the increased operative earnings from the introduction of the Model 524T for a two-year period would be quite small. The introduction of any new model requires promotional effort, extra effort on the part of the Ilion Plant during the early production period, provision of spare parts at the time of retirement of the model, and other special activities not reflected directly in the cost. It was believed that the small increase in operative earnings did not justify all of this activity and for this reason the committee took the following action.