2nd Year	Present	Plan A	Plan B	Plan C	Plan D
11-48	2,500	-	-	-	-
870 AP	-	-	4,800	-	-
870 ADL	-	-	1,200	4,000	-
870 Super	-	-	-	2,200	3,200
Spts-58 ADL	-	3,500	2,400	-	2,200

3rd Year	Present	Plan A	Plan B	Plan C	Plan D
11-48	2,500	-	-	-	-
870 AP	-	-	2,880	-	-
870 ADL	-	-	720	2,200	-
870 Super	-	-	-	-	1,800
Spts-58 ADL	-	3,500	2,400	2,200	2,200

A study of this summary shows that in the third year, when any of the plans would be in full effect and when all tooling would have been amortized, appropriations from $390,000 to $502,000 would be required and operative earnings would be increased by $44,000 to $70,000, giving a return on total capital required of from 3.5% to 5.4%. Consideration of the Sportsman-58 alone, as shown on the first year summary, shows an appropriation required of $390,000 and a reduction in net earnings of $52,000, because of tool amortization. In subsequent years, however, net earnings would be increased by about $59,000, bringing a return of 6.3% net earnings on total capital required. A similar comparison of the effect of introducing the small gauges in the Model 870 only could not be obtained from the available figures, but the Ilion Plant estimated that the appropriation required would be similar to that for the Sportsman-58 or approximately $400,000. No forecasts were available on the Model 870 without presence of the Sportsman-58 but it could be shown from the figures presented that the operative earnings per gun were less for the Model 870 than for the Sportsman-58. Since the appropriation required was approximately the same, the return would be even less attractive.

Since it is probable that either the Model 870 or the Sportsman-58 or both will be obsoleted within the next five years, it would not seem to be a prudent risk of the Company's capital to recommend introduction of the 28 and 410 gauges in either the Model 870 or the Sportsman-58. The Committee decided, therefore, to drop both proposals.