

	<u>Spt. 48</u> <u>&amp; 11-48</u>	<u>Spt. 58</u>	<u>Spt. 58</u>	<u>Total</u>
Grade	A	A	ADL	
Retail Price	\$122.95	\$124.95	\$136.95	
Cal. Year 1958	15,000	-	45,000	60,000
Cal. Year, 1959	10,000*	45,000**	15,000**	70,000

\* 11-48A only

\*\* Because of a difference in time interval chosen, the Ilion estimates were based on 50,000 and 10,000.

The new summary shows that in 1959, the addition of a Sportsman-58 A Grade would increase operative earnings by \$207,850 or 45.3% of the increase in net selling price. In 1961 (assuming the Sportsman-58 is still in the line) the increase in operative earnings would have changed to \$230,000 or 47% of the change in net selling price. Although the summary shows that the operative earnings as a percent of net selling price for the Sportsman-58 A grade are lower than for the Sportsman-58 ADL as we expected, the overall increase in volume and the return on this increase are attractive. It was reported that there would be no change in investment except for the increase in working capital. 83

The Sportsman-58A as represented in these figures would be similar to the Sportsman-58 ADL except that it would have no checkering, no roll marking on the receiver and no grip cap.

#### Decision:

The Operations Committee, Arms Division, recommends to the Management the introduction, on January 1, 1959, of the Sportsman-58 A Grade in 12, 16 and 20 gauges at a retail price of \$124.95.

#### Ejector

The Ilion Plant reported that Research pilot testing of 12 gauge guns with the double step ejector was completed satisfactorily and that production was released in April. 16 gauge pilot guns were assembled in April and after completion of successful plant testing, Research selected ten guns for pilot testing which is now being carried on. Some difficulty was encountered in 20 gauge due to an interference between the ejector