

Research and Development expects to have a model shop autoloading gun available by September 1, 1958. However, with two rifles and two shotguns (XC1 and XC2, XS1 and XS2) all under development, the Sales Department was requested to establish a priority list for work on these four models.

RIM FIRE RIFLES

MODEL 552 LIGHTWEIGHT

The Sales Department has recommended introduction of the Model 552 Lightweight in buckskin tan and crow wing black similar to the Model 572 and in green similar to the proposed Model 572 (see below), and has forecast 10 000 regular and 20,000 lightweight guns in place of 25,000 regular grade. A summary of economics was presented showing total increase in investment after completion of this program of \$191,400 with increased net earnings of \$26,800, giving 12.5% on the total capital required of \$214,300 and 14% on the investment in the first year. In the third year, after tool amortization, the return on total capital would be 17.6% and on investment of 19.9%. Operative earnings as a percent of net selling price would be slightly less than for the standard grade but the increased volume and net earnings are very attractive.

Decision:

The Operations Committee, Arms Division, recommends the introduction of Model 552 Lightweight on January 1, 1959 in crow wing black, buckskin tan and green, at initial list price of \$62.25.

MODEL 555

Research and Development preflight testing has been completed and a report is attached.

The Ilion Plant reported that process engineering, tool design and tooling are proceeding satisfactorily and the pilot operations should start in the latter part of July. Pur-