

Arms Division Minute 4, 1958

Anticipating approval of this recommendation, Research and Development and DED are continuing to investigate methods of coloring the deflector on the Model 552 to match the color of the receiver.

MODEL 572 LIGHT WEIGHT

Following the last meeting, but prior to submission of the Operations Committee recommendation to Staff, the Sales Department withdrew its recommendation of green as the third color to be introduced in the Model 572. Teal-wing blue has been substituted for green, in the recommendation which has been submitted to Management. Approval has not yet been received. *

N. F. Larsen provided a cost analysis (attached) which showed that the additional 5,000 guns forecast for 1958 would provide increased sales of \$168,650 and net earnings of \$29,480 or 17.5% of sales. On a book basis, the operative earnings would be \$1.05 per gun (same as buckskin tan) or 3.1% of the net selling price. The required expenditure would be \$5,500 of which \$2,200 would be charged to operations, with \$59,100 in working capital. This would give a total required investment after completion of \$62,400 on which net earnings would be 47.2%.

Since the Sales Department has pointed out repeatedly that their 1958 forecast of 5,000 guns in the new color is predicated on the availability of these guns early in July, the Ilion Plant is making all possible preparations in anticipation of authorization to produce blue guns.

NYLON 66 (Model 555)

The Ilion Plant reported the status of their program as follows:

Process Engineering (initial phase)	90% complete
Tool design	70% complete
Tooling	40% complete

* Approved June 4, 1958