

The Plant cautioned that the guns exhibited at the shoots had bleached walnut stocks and that proposed maple would not have the grain or curl. The Sales Department recognizes this and is asking for light color wood comparable only to "A" grade walnut.

The Committee viewed a sample of the Sportsman-58 with bleached walnut stock and a sample of the Model 870 in light maple.

Detailed specifications of gold colored parts were discussed. It was tentatively agreed that the magazine cap, trigger, operating handle, pins and screws in the butt plate should be colored gold. Sample guns also had a colored carrier and carrier release.

The Sales Department's forecast of August 8 will be used to prepare new economics. For economics it will be assumed that guns with light wood and colored parts are to be list priced at \$15.00 more than comparable "ADI" models. 83

S2 - Rifle Type Sights on Shotgun Extra Barrels

In a letter dated September 2, 1958 the Plant outlined economics and expenditures for the provision of barrels with rifle sights for the Model 870, Sportsman-58 and Model 11-48 shotguns. The net result of estimated economics is operative earnings of \$12,075 on a volume of 800 barrels, representing 52.1% of net selling. These economics are based on the assumption that the retail selling prices for these barrels will be \$10.00 above the current retail selling prices of regular standard plain barrels.

The expenditure required to produce barrels with rifle front and rear sights would amount to \$6,000, to be amortized on the first-year volume of 800 barrels and reflected in the economics. Working capital would amount to approximately \$7,000.

The Sales Department believes there is a definite trend to rifle sights on shotgun barrels, particularly for deer hunting in areas where center fire rifles cannot be used. The Sales Department also remarked on the high price of barrels with sights for the Sportsman-58 and the Model 11-48 in relation to the price for the barrel for the Model 870. Inconsistencies do exist and, in the light of competitive prices for shotgun barrels, the Sales Department would like to review prices for all barrels. The Sales Department will do this and provide the Plant with a proposal on which economics can be developed on all shotgun barrels, including those with the proposed rifle sights.

The Sales Department would like to announce shotgun barrels with rifle sights on January 1, 1959. Delivery in a reasonable length of time thereafter would be satisfactory. It was agreed that it would be acceptable to start in 12 gauge 28" modified only.