

The Sales Department provided a forecast breakdown of Sportsman-58 and Model 870 sales including the above four models. These breakdowns were recorded in Minute No. 7, 1958. The Plant and Treasurer's Department have prepared economics that reflect the following for the first year -

Model No.	870 SBL	870 TBL	Spts-58 SBL	Spts-58 TBL
Retail Price	\$137.85	\$166.35	\$181.35	\$214.45
Net Price	74.70	90.15	98.28	116.21
Operative Earnings	29.09	27.54	40.92	43.37
% of Net Selling	38.9%	30.5%	41.6%	37.3%

Proposed retail prices are \$15.00 higher than comparable present Skeet and Trap models.

Operative earnings on the four proposed models exceed those for present comparable walnut stock Skeet and Trap grade guns.

An expenditure of \$5,000, chargeable to operations, will be required for development and start up.

	Result of Proposal First Year
Forecast quantity	+ 2,500
Sales	\$241,660
Operative earnings	148,260
Net earnings	65,480
<u>Return on investment</u>	
Total capital required	84.8%
Total additional investment after completion	90.7%

The program appears economically good. The Sales Department proposes by offering these four models to gradually ease its way into blonde stocked shotguns.

The Committee desires to see samples of the proposed models, having viewed similar guns but with bleached walnut wood parts in place of the proposed maple. Subject to viewing samples, the Committee approved the Sales Department's proposal to introduce the four models in light wood.

It is pertinent that with the change to maple for the blonde wood Model 572 and with maple in this program, the Plant will be permitted to abandon bleaching by the first of the year. Maple takes advantage of present equipment, has sanding advantages and represents a savings in cost.