

Decision

Contingent upon reviewing samples, the Operations Committee (Arms Division) recommends to Management the introduction of the following four shotgun models in blonde maple wood at the specified retail prices -

| | |
|------------------|----------|
| Model 870 SBL | \$137.85 |
| Model 870 TBL | 166.35 |
| Sportsman-58 SBL | 181.35 |
| Sportsman-58 TBL | 214.45 |

S-2 - Rifle Sights on Shotgun Extra Barrels

It has been proposed that extra barrels with rifle sights be offered for Sportsman-58, Model 11-48 and Model 870 shotguns. Prior to final development of economics, the Sales Department had requested time to revise prices for plain and vent rib barrels to eliminate discrepancies. This has been done and by letter of November 3, 1958 from W. H. Foster to N. F. Larsen, the Treasurer's Department was requested to prepare new economics on barrels with rifle sights based on a \$10.00 list premium over comparable plain barrels. These economics have been prepared and reflect the following -

| | <u>Third Year</u> | | |
|-------------------------|-------------------|--------------------|----------------|
| | <u>M/870 AP</u> | <u>Spts-58 ADL</u> | <u>M/11-48</u> |
| Quantity | 300 | 400 | 100 |
| Retail price | \$44.35 | \$54.35 | \$54.35 |
| Net selling price | 26.67 | 32.69 | 32.69 |
| Operative earnings/unit | 15.13 | 18.18 | 13.30 |
| % Net selling | 56.7% | 55.6% | 40.7% |

| | <u>Totals</u> | |
|--------------------|-----------------|-----------------|
| | <u>1st Year</u> | <u>3rd Year</u> |
| Quantity | 800 | 800 |
| Net sales | \$24,346 | \$24,346 |
| Operative earnings | 7,140 | 13,140 |
| % Net selling | 29.3% | 54.0% |

An expenditure of \$6,000 amortized in the first year is required for development and tooling.

Recent experience indicates that these barrels may have outstanding possibilities for Law Enforcement agencies. Tests have indicated accuracies exceeding expectations.