

RIM FIRE RIFLESCOST REDUCTION STUDY - SINGLE SHOT BOLT ACTION RIFLE

The Research and Development Department reported that the economics for the rolling block low cost rim fire rifle are being developed based on the preliminary design and will be completed for review the week of April 9th. Four (4) alternative bolt action designs have been prepared and are designated as follows:

BBC	Blow back closed bolt
BBO	Blow back open bolt
BA	Conventional bolt action
SB	Straight pull bolt action

The disposition of these will be determined after the economics of the rolling block have been studied.

The Committee reviewed the economics of selling a Nylon 10 single shot rifle based on the Nylon 11 and 12 designs, to replace the Model 510 and 514. The economics, attached as Table 1, indicated that this would reduce operative earnings by \$94,000 a year. The alternative to this is to complete development of the low cost single shot rifle under study, striving for sufficient sales potential and low cost to replace the Models 510 and 514 on a justified basis. An economic analysis indicates that the replacement can be justified if the low cost rifle can be produced for an out-of-pocket cost in the range of \$8.00. Preliminary indications are that the rolling block rifle being evaluated may achieve this goal cost.

Accordingly, the Committee agreed that the introduction of the Nylon 10 single shot rifle, as described, should not be considered. The alternative course of a low cost single shot rifle should continue to be pursued. The Nylon 10 rifle shown in the Number 2 Sales Forecast and 1962-1966 Five Year Sales Forecast as being available in 1963 will be eliminated in favor of the low cost rifle with potential introduction in 1964. The availability of the low cost single shot rifle in 1964 is in accord with the Development Schedule approved by Management on April 2, 1962. The sale of Models 510 and 514 will continue through 1963, estimated at essentially the 1962 volume of 5,000 and 23,000, respectively. The Plant production and procurement schedules will be revised accordingly.

The status of expenditures for Project AD N-11, authorizing the Nylon 11, Nylon 12, and Nylon 14, was reviewed as shown on page 10. Approximately \$273,000 of the \$409,000 authorized has been expended. The unexpended balance was originally intended to provide the Nylon 14, and would be sufficient to do so. However, recent competitive activity in this price class has reduced forecast volume below the