

The Production Department questioned adding these features without increasing the selling price. They cited the marketing situation created by offering a Model 870 at \$89.95 along side a Sportsman 68 at \$134.95, both having essentially the same appearance. The Production Department also questioned a common checkering pattern for all Custom Checkered grades within a given model, and if this did not indicate that a single grade rather than A and ADL should be marketed.

The Sales Department replied that the economics indicated adding these features without an increase in price is justified by the increased earnings resulting from the additional volume. They agree that the pricing policy should result in maximum sales income, allowing for the relationship between selling price and sales volume. The Sales Department stated that increased competition is creating pressure for more value at the same price. They did agree that the pricing policy and grade structure with Custom Checkering should be reviewed. The Sales Department also stated that the indicated change over date of mid-1963 may be unacceptable. It may be better to defer it till January, 1964 if it can not be accomplished January, 1963. 83

The Treasurer's Department questioned the authority of the Committee to commit the interim expenditures. They suggested that Management approval of these be obtained. The Production Department concurred, stating that work should be continued to capitalize on any time available despite the indication that the change over may be deferred to January, 1964.

The Committee established the following four part program:

1. The Secretary will prepare a letter to Management requesting authorization of interim funds of \$16,000 to continue work pending authorization of the Part III. These funds are not in addition to those to be requested in Part III but would be included in it when authorized.
2. The Production Department will complete the economics and project preparation. This will be coordinated with the Sales Department relative to prices and grade structure.
3. A schedule for change over to Custom Checkering will be prepared compatible with the Sales Department's marketing requirements for introduction.
4. Hand checkered samples will be prepared for Committee and Management approval. Prior to doing this, stocks