

by the accuracy of the XP-100. In subsequent discussions of the single shot and a potential autoloading pistol, responsible Military personnel indicated there may be a place for a light, compact autoloading weapon for small people being armed by the United States (such as Southeast Asians), and survival of Military personnel confined in small places (tanks, aircraft). Apparent specifications are accuracy, ability to use 223 Remington ammunition, and a folding stock to permit either off hand or shoulder shooting.

32 Shot Cartridge Game - Research was instructed to add to their program the design of a gun for this game being developed. Substantial priority should be given to the design.

Electric Shotgun - A development program in conjunction with Bridgeport Research should be added to the Development Schedule.

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POWDER METAL DEVELOPMENT

The Powder Metal Department reviewed their eight month's performance to date of \$170,000 Sales, \$58,000 factory profit equivalent to 35% of Sales, and \$177,000 of unfilled orders. Their costs for determining factory profit include full allocated burden. Their major sources of business are Aerojet, Chicago Pneumatic, Sperry Rand and I.B.M. with orders being obtained by both negotiated and competitive bids. They are trying to develop orders for plug restrictors from Avco, Amrom, and Minneapolis Honeywell based on their successful performance for Aerojet.

Product Development expense for the year is \$3200 which was felt to be too low. The rate of expense has been increased by the metallurgist recently added. New product development includes magnetic alloys and higher strength materials for both ambient and elevated temperature. An evaluation of raw material manufacture has not been made because of the opinion Remington does not have a sufficient contribution for a profitable venture.

Major competition in high density powder metal are Super-Met, Keystone Graphite, and Press Met. They supply a good product in direct competition with Remington. The Treasurer suggested we review our pricing policy in an effort to discourage further competition. He suggested that too high a profit margin at this stage may overly encourage new entries into the market with a serious future effect on profit margin from both too many and low overhead suppliers.

In addition to the outside sale of powder metal parts, the plant produces 30 to 40 firearms components and about 4 chain saw parts. The Chairman asked the dollar value and resultant savings over machined parts for these components be determined for a Board presentation.

Meeting adjourned 11:30 a.m.

Next meeting October 15.

L. D. Cox
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Secretary