

Model 700 Custom Bolt Action Rifle

Research stated samples for the Field Force will be shipped the week of April 6. The gun writers are being informed of this new grade but are being asked to withhold copy until Remington decides to market the rifle nationally.

Research displayed a Model 700 Custom with a myrtle instead of French walnut stock. The Committee in general did not feel its appearance is comparable to French walnut. In addition, Research described the process difficulties with myrtle, questioning if the \$50 added selling price mentioned over French walnut would offset the additional cost. Research will review their recommendations, with General Management.

XR Series Rim Fire Rifles

Research reviewed their current design approach for a new rim fire series which will also include a series of low cost, low priced, bolt action center fire rifles and shotguns. The Committee asked that the origin of the rim fire series investigation, its objectives, and the chronology through the several concepts be reviewed for clarification.

Origin and Objective Of Investigation

A special subcommittee completed an Analysis of the Rim Fire Line on July 3, 1963. Their analysis indicated Remington has 24% of the market units with our twelve models competing against eighteen manufactures and 135 competitive rifles. Our earnings from rim fire rifles is disproportionately low as indicated by rim fire unit sales being 50% of total firearms, dollars sales 25% of total firearms, and operative earnings 15% (full book basis) of total firearms. The bolt action series are the poorest performers, ranging from operative losses to barely breakeven on a full book basis. This is due to the disproportion between the low price structure and the basic manufacturing cost of the stock, barrel, and receiver not being proportionately low compared to higher priced, higher margin models. However, all rim fire rifles earn a profit on an out of pocket basis, and firearms earnings would drop if any one of them were discontinued. Nevertheless, the poor earnings from the rim fire line detracts from the firearms earnings objective.