


The economics have been developed using the Model 600 costs as the magnum operative earnings are only slightly higher than the regular model. The estimated project expenditure would be \$109,200 of which \$31,000 would be capitalized. Based on 8,000 additional sales over the Model 600 forecast, there is an indicated return of 48.3% for Positions "A" and "B" and 39.2% for Position "C" (including development and operating charges). Exhibit 1 attached covers the economic calculation.

The sales of the Model 600, 35 caliber do not warrant the continuance. The Operations Committee approved dropping the 35 caliber in 1967.

You may indicate approval by signing the attached New Products Approval.


V. G. DeReus, Secretary
Operations Committee

VGD:I
Attachments