

CENTER FIRE RIFLESMODEL 742X MAGNUM RIFLE - AUTOLOADING CENTER FIRE
(Introduction 1977)

The New Gun Model Study Group reported. Testing of the six prototype Model 742X rifles will start in March. These rifles represent the original concept of two frame sizes which has been dropped in favor of one size. The schedule is to release design for manufacturing processing on June 1, 1974. Test results in March will determine whether or not this is possible.

Processing and estimating continue. Parts completed to date include 70% of the standard material and 54% of the standard labor. Projecting from this, a total factory cost of \$125.00 is indicated. This compares to the original hi-spot estimate of \$113.97 \pm 20% (updated for 6% wage increase to \$119.47 \pm 20%). Economic evaluations made to date were based upon a \$90.00 (-20%) factory cost.

Previous sensitivity analysis showed that factory cost affected return on capital investment significantly more than the investment itself affected the return. Processing and estimating has been directed toward minimum standard labor which is the factor that most influences factory cost. To achieve this it is indicated, on a very preliminary basis, that capital investment will increase significantly above the previous \$2,000,000 high spot estimate (perhaps to \$4,000,000).

Management requested that economics be updated and presented with charts at the March meeting. These should show the economic range, volume, selling price, investment - to give as much perspective to the program as possible. It is understood that final cost estimates will not be completed for this review.

MODEL 700 BOLT ACTION CENTER FIRE RIFLE - IMPROVEMENTS
(Introduction 1974)

Production reported that the previous schedule called for the #1 N/C cut checkering machine to be in operation in Ilion in