

"New product developments will also continue to receive considerable attention during the next year and a half. Each of these programs is directed toward increased earnings or in support of future firearms programs. Our effort is greatest in center fire, and least in rim fire where for 1981 we have no formal product development commitments at this time.

"To be more specific, I have shown in Charts XIII and XIV the various items associated with our product development effort. To the right I have indicated the quarter and year that our detailed program schedules indicate warehouse availability can be achieved. These dates will be more specifically defined during the next month of firming up the development schedule.

"In center fire:

- We will be conducting load development work on a 7mm Mauser 140 grain PSP cartridge which will be used in 1981 for support of a special Model 700 offering chambered for that caliber. For purposes of expediency, we plan to use the Hornady bullet in this load. In addition:
- The 7mm BR case is being developed to support the XP-100 silhouette gun and to provide an estimated \$30,000 increase in pretax earnings.
- The 357 Super Magnum (the official name yet to be designated) is being developed in cooperation with Ruger for use in their Redhawk revolver.
- We continue development of a replacement for the 7mm Hornady bullet currently used in the 7mm-08 cartridge. The Remington version will be available in second quarter, 1981.
- The 'Extended Range' program has yet to be finally established; however, based on current Marketing Department information, it appears that we can begin establishing a warehouse position for some calibers as early as the third quarter, 1981.

"In shotshell, product development effort will be dedicated to support of the RTL and improved primer programs, Semi-Works production of 20 gauge steel shot loads for field evaluation, and design and demonstration of a new and lower cost component wad. In addition, development effort in support of the 'Extended Range' shotshell concept is a recognized need.

"In rim fire, our sole emphasis is on development of a solid nose version of the "Yellow Jacket" cartridge--to be designated "Scorpion"--for introduction late this year.