

REMINGTON ARMS COMPANY, INC.

GENERAL INFORMATIONPROJECT NO. AD-53 PART III - ILION WORKSINTRODUCTION

Parts I and II of this project were authorized in total amount of \$62,100. Part II was authorized by the Board of Directors on April 16, 1953, in the amount of \$45,500 for continuing with the development of a new target rifle to replace the present Model 37. Expenditures and commitments through February 28, 1954 amount to \$26,050, with the design having been completed and a total of thirteen (13) rifles built for testing.

The proposed new Model 40-X has been designed using a number of parts and operations interchangeable with the Model 722 Center Fire Bolt Action Rifle. Proposed design makes it possible to offer the new rifle at a lower selling price, together with a substantial increase in forecasted sales volume.

The economic evaluation for the proposed new rifle is based on the latest design revisions. The comparative selling prices and operative earnings for the average year are as follows:

	Present M/37-AX	Proposed M/40-X		
		10-1b.	12-1b.	Combined
Sales Quantity	750	2,000	1,000	3,000
Retail Selling Price	\$109.90	\$89.95	\$99.95	\$93.28
Net Selling Price	\$ 70.04	\$57.32	\$63.69	\$59.44
Operative Earnings				
Dollars	_____	_____	_____	_____
Per Cent of Net Selling Price	_____	_____	_____	_____

DESCRIPTION OF PROPOSED WORK

It is now proposed to complete the development of this new target rifle to replace the present Model 37. Work contemplated includes the design and building of necessary tools, gages, together with required pilot and field testing before introducing this model.

PATENT SITUATION

An appropriate patent search has been made and it is concluded that the rifle may be manufactured without patent infringement and that it does not involve patentable novelty.

(Subdivision 3)
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