

RD-60
REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE



Bridgeport, Connecticut
 September 9, 1954

TO: W. L. CLAY (35)

FROM: S. M. ALVIS
 P. H. BURDETT

SUBJECT: OPERATIONS COMMITTEE-ARMS DIV.)
OPERATIONS COMMITTEE-AMMUNITION DIV.) CALIBER 244 REMINGTON

Recent minutes from both divisions indicate that consideration is being given to the introduction of the caliber 244 Remington in both the arms and ammunition lines. Broadly, this comprises the development of a new cartridge based on the suggestions of Warren Page of Field and Stream, and the chambering of the Model 722 for this cartridge.

At the present time it is foreseen that the cartridge will be loaded with two bullet types: a light varmint bullet in the range of 70 to 80 grains, and a heavier game bullet in the range of 90 to 100 grains. Goal velocities would be 3400 fps muzzle for the light bullet and 3200 fps muzzle for the heavier bullet. Every effort would be made to develop these ballistics using a modified 257 case, but in any event the loaded cartridge length would be kept to a maximum of 2.800" for adaptation to the Model 722 rifle.

If the development based on the 257 should be successful, the factory cost of the cartridge with the light bullet should be only approximately 0.3% higher than that for the 257 - 100 grain Pointed Soft Point and, for the heavy bullet, 3% higher than the 257 - 100 grain Pointed SPCL, and the factory cost for the rifle would be increased slightly due to change-over and scheduling costs. In this case the selling price for the 257 (\$172.50 per thousand for ammunition, and \$82.80 for the rifle) would be retained, and Sales estimates an additional volume to the extent of 300,000 cartridges per year for the light bullet, 100,000 cartridges per year for the heavier bullet, and 5,000 rifles.

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As these items have not yet been developed, accurate costs and returns cannot be provided at this time. However, the following information is available for your guidance:

Cartridge

With the selling price remaining the same as the 257 and with modest increases in the factory cost, the return as a percentage of selling price would be reduced slightly. Since the process has not been firmly established, change in working capital and return on investment cannot be predicted. However, it is expected that the development expense will be approximately \$5,000, and tools, gauges, and other startup costs approximately \$2,000.

Rifle

Since the factory cost is increased slightly and the selling price remains the same, the net return as a percentage of selling price should be only slightly less than for the present Model 722 rifle. Effect on working capital and resultant return as a percentage of investment cannot be calculated. However, it is estimated that the expenditure for tooling should amount to \$10,000 and the increase in working capital based on 5,000 guns per year would be approximately \$10,000. Development cost is estimated at \$2,000.

On the basis of this information and as a result of Sales Department interest in the addition of this cartridge to the line, it is proposed that cartridge development be carried forward based on the 257 case and that if this development is successful, detailed costs be prepared on both the cartridge and rifle as a basis for recommendation for addition to the line. Should the development based on the 257 be unsuccessful, the work would be carried only to the place where estimates could be made of the type of cartridge case needed and of the probable effect on cost. This additional information would then be forwarded to the Operations Committee in a form similar to the present submission, with recommendations for continued development or abandonment.

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On the above basis, approval is requested to add this item to the Arms and Ammunition Development Schedules, to be effective immediately and to be reflected in the next revisions of these schedules.

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PHB:ND