

DON'T SAY IT—WRITE IT

cc: J.A. Roberts
File

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M S. M. ALVIS

XP-722

Dr. Calhoun says that opinions of people in Sales seem at best to support us for a volume of not more than 5,000 units for this pistol. Admittedly they are not close to this particular market but have a reasonable picture. If there was opportunity to make a more complete survey they might come up with something else. I believe that factors influencing their figures are:

1. Relatively higher price range as related to volume.
2. Limited to single shot.
3. Rather unconventional; i.e. bolt action. However, admittedly such innovations can often work for better or for worse from standpoint of customer acceptance. So perhaps best be termed as a "risk" item.

Dr. Calhoun feels that we probably would have a difficult time on getting into the line in the way of any favorable return for relatively little volume if the expenditures will run much more than \$100,000. I advised him of our disappointment in the results of the "quicke" estimate the Plant has put together at a figure 4 times this amount. He suggested we might want to reconsider the original idea of using the M/722 or the 40X receiver as is. Or in other words, with the original approach such as defined by the prototype to get us into business at a much lower cost.

In view of the above situation you may perhaps want to reconsider our plan or position with respect to present design. But on the other hand since there are so many unknowns, including the evaluation by the Sales Department, believe it best not to interfere with the design work which Howard Chambers has already been lined up to accomplish, pending further review of the situation this coming week.

SMA:T

THERE IS A SAFE WAY; DO IT THAT WAY