



Violence Policy Center

1140 19th Street, NW
Suite 600
Washington, DC 20036

202.822.8200 voice
202.822.8205 fax
www.vpc.org web

CASHING IN ON THE NEW MILLENNIUM

HOW THE FIREARMS INDUSTRY EXPLOITS Y2K FEARS TO SELL MORE GUNS



The Violence Policy Center is a national non-profit educational organization that conducts research and public education on firearms violence and provides information and analysis to policymakers, journalists, grassroots advocates, and the general public. The Center examines the role of firearms in America, analyzes trends and patterns in firearms violence, and explores new ways to reduce firearm-related death and injury.

This report was authored by Marty Langley.

This study was funded with the support of The Center on Crime, Communities & Culture of The Open Society Institute, The George Gund Foundation, The Joyce Foundation and The John D. and Catherine T. MacArthur Foundation.

Past studies released by the Violence Policy Center include:

- *Firearms Production in America—1999 Edition* (November 1999)
- *When Men Murder Women: An Analysis of 1997 Homicide Data* (October 1999)
- *Gold Medal Gunslingers: Combat Shooting Targets the Olympic Games* (July 1999)
- *One Shot, One Kill: Civilian Sales of Military Sniper Rifles* (May 1999)
- *Start 'Em Young: Recruitment of Kids to the Gun Culture* (April 1999)
- *License to Kill, and Kidnap, and Rape, and Drive Drunk...* (March 1999)
- *Who Dies?—A Look at Firearms Death and Injury in America* (February 1999)
- *Making a Killing: The Business of Guns in America* (January 1999)
- *Young Guns: How the Gun Lobby Nurtures America's Youth Gun Culture* (March 1998)
- *Target America: Can the Flood of Foreign Assault Weapons Be Stopped?* (March 1998)
- *Where Did You Get That Statistic?—A Firearms and Firearms Violence Bibliography and Research Guide for Advocates Working to Reduce Firearms Violence* (February 1998)
- *That Was Then, This is Now: The NRA and the Gun Industry Talk About Assault Weapons—From Both Sides of Their Mouths* (December 1997)
- *Joe Camel With Feathers: How the NRA with Gun and Tobacco Industry Dollars Uses Its Eddie Eagle Program to Market Guns to Kids* (November 1997)
- *Cease Fire: A Comprehensive Strategy to Reduce Firearms Violence* (Revised, October 1997)
- *Kids Shooting Kids: Stories From Across the Nation of Unintentional Shootings Among Children and Youth* (March 1997)
- *Gun Shows in America: Tupperware® Parties for Criminals* (July 1996)

Violence Policy Center
1140 19th Street, NW
Suite 600
Washington, DC 20036

202-822-8200 phone
202-822-8205 fax
www.vpc.org web

© December 1999
Violence Policy Center

Section One: The Marketing of Y2K

As the end of the millennium approaches, it would seem that the Y2K computer bug has been examined from every possible angle. Businesses and government alike have been forced to evaluate their computer systems and upgrade those that appear susceptible. Responsible leaders have sought to dampen hysteria and avoid “hyping” the possibility of millennial turmoil. But one industry has capitalized shamelessly on the Y2K issue: gun manufacturers. The firearms industry has mounted a major campaign to sell more guns and increase its profits by exploiting divisive social fears.

The gun industry has been struggling with a shrinking or stagnant market for many years, with its primary market—white males—being nearly saturated. As a result, gun manufacturers have introduced new, more lethal products in an attempt to bolster sales. These have included assault weapons, sniper rifles, and smaller, more powerful handguns known as pocket rockets. At the same time, the industry works to market its products to new segments of the population such as women, children, and minorities. Whether targeting men or women, the firearms industry constantly exploits fear of violent criminals to sell more guns.

The Y2K bug allows the firearms industry to combine several marketing strategies. Manufacturers have brought out special Y2K firearm models, stressed the necessity to arm the whole family, and promoted the ultimate “fear-marketing” opportunity—the end of the world as we know it.

Special Y2K Edition Guns

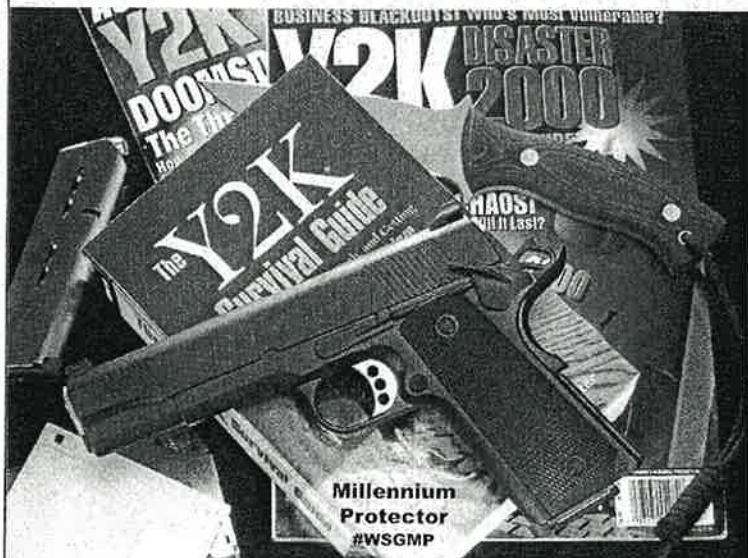
[T]he ultimate solution to your Y2K home protection concerns.

—Advertisement, Wilson Combat , *Gun World*, October 1999

Several manufacturers have released special edition Y2K guns, including the Bushmaster Y2K Limited Edition AR-15 assault rifle and the Wilson Combat Millennium Protector .45 pistol. One Wilson Combat ad promises, “The new Millennium Protector will give you security and peace of mind in these uncertain times with its accuracy, total reliability and fast handling.” The ad continues:

Should one of the worst case Y2K scenarios happen and power disruptions materialize, you could find yourself responsible for the protection of yourself and your family. In a situation like this, there is no such thing as having equipment TOO GOOD! The new Millennium Protector is a use-specific custom handgun built for one purpose, self-defense.¹

Introducing the all NEW Millennium Protector .45 Auto, the ultimate solution to your Y2K home protection concerns. The new Millennium Protector will give you security and peace of mind in these uncertain times with its accuracy, total reliability and fast handling.



NEW

Ask about
our New
**Custom
Tactical
Knives**

NEW

The new Millennium Protectors will sell quickly, so call one of our experienced customer satisfaction representatives **TODAY** at **1-800-955-4856** to find out more and to insure prompt delivery. Our experience is added security in the knowledge that you can protect your family with one of the finest custom handguns available.

2234 CR 719-72 • Berryville, AR 72616
www.wilsoncombat.com • e-mail: info@wilsoncombat.com



The hoped-for marketing potential of special Y2K models is illustrated by a controversy that erupted between two major gunmakers over the model name "Survivor." According to the gun industry publication *Firearms Business*, H&R 1871 filed suit against Colt's Manufacturing Company, claiming that Colt's new "Survivor" revolver infringed on a trademark held by H&R and used on a line of shotguns. *Firearms Business* reported that H&R planned to aggressively market its Survivor line with the release of a special Y2K edition, and that Colt's sought the same market for its revolver. According to *Firearms Business*, "The 'Survivor' name is a key element in both companies' plans to capitalize on market opportunities raised by expected Y2K banking and infrastructure problems."² In a recent report titled *Project Megiddo*, the Federal Bureau of Investigation warns of the potential for violence associated with the new millennium from militias and other extremist groups.³ By marketing special edition Y2K guns, the firearms industry has done its part to ensure that these groups are well armed.

The Consumer Gun Press

One might also need to quickly stop a dog or dogs who through starvation revert to wild beasts. Dogs take a lot of killing, so a powerful round and good shot placement will be necessary should this distasteful task arise.

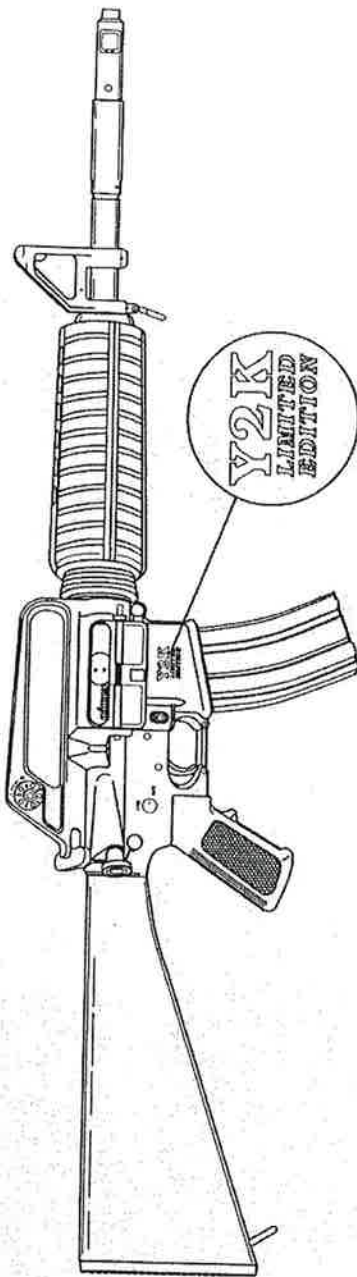
—"Facing Y2K With a Colt Python," *Handguns*, September 1999

A key marketing tool of the firearms industry is the "gun press," in particular those magazines aimed at the retail gun buyer, such as *Guns & Ammo* and *Gun World*. Official National Rifle Association publications such as *American Rifleman* and *American Guardian* also play a key role. This "consumer gun press" has been relentless in its hype of a pending Y2K crisis, and the multitude of guns required to survive it. Articles in the gun press promote the same theory as the industry: to survive Y2K, it is vital to be well armed.

Magazine headlines illustrate the climate of fear the gun press promulgates in order to use Y2K to the industry's advantage: "Y2K Survival Guide to Revolvers," "Survive Y2K—Guns and Gear You Need," and "Coping with the Upcoming Computer Collapse: Being Forewarned as Well as Forearmed Will Help You Survive the Coming Y2Kaos," to name a just a few.⁴

While some articles in the gun press present frightening scenarios in order to promote firearms in general, others recommend specific models for use in warding off Y2K marauders, such as, "Facing Y2K With a Colt Python," and "Smith & Wesson's Model 10 Revolver: A Good Choice as a Y2K Handgun".⁵

"Y2K Limited Edition" Carbine - with 11.5" Barrel; 5.5" AK 74 Type Muzzle Brake; A1 Upper Receiver
Includes Unique Limited Edition Engraving on Magazine Well



Bushmaster EXCLUSIVE

Y2K LIMITED EDITION

— FEATURES —

- Special "Y2K" Engraving
- Hard Plastic Carry Case
- 11½" Barrel
- AK Type 74-Muzzle Brake
- 30-Round .223 Magazine
- Limited Production

All Bushmaster Rifles are made to Military Specifications

Barrels: Chrome lined bore and chamber. Made from best grade chrome moly vanadium steel.

Receivers: Forged lightweight aircraft quality featuring a cartridge case deflector, last round bolt hold-open and raised ridges for magazine release button protection

Finish: Government spec manganese phosphate finish to protect against rust and corrosion.

— OPTIONAL ACCESSORIES —

- Extra 30-RD Magazines
- Tactical Light with remote switch
- Trijicon reflex sight with mount

CALL TODAY!

800-243-3006

Sold Exclusively by

INTERSTATE ARMS

TO STOCKING FFL DEALERS ONLY

Circle reader service number 161.

The Industry Press

Are you ready for the new millennium? I'm not talking about stocking up on food, fuel, and toilet paper, but rather business! Are you cashing in on the new millennium?

— "It's Time to Sell the New Millennium!," *Shooting Industry*, September 1999

Another arm of the gun press serves those within the industry itself: manufacturers, distributors, and retailers. While the consumer gun press attempts to influence what retail purchasers will buy, the industry press shows those on the other side of the counter innovative ways to sell more guns and improve their bottom line.

The industry press was quick to realize the opportunity that Y2K presented gun sellers. In the January 1999 issue of *Shooting Sports Retailer*, editor Bob Rogers predicted, "Amidst social turmoil and disintegrating economic underpinnings, you will sell more guns in 1999 than you've ever sold in your life."⁶

Shooting Industry counseled, "Business experts in every industry are urging their clients to 'Sell the Millennial Experience.' Now is the time to prepare. To top it all off, work up a t-shirt: 'I Survived The Millennium Shopping at ____ (your shop) ____.'"⁷

At the retail level the firearms industry consists largely of independent retailers. There are very few chains of gun sellers. As a result, the industry press plays a key role in articulating coherent, industry wide strategies for selling guns. The marketing strategies presented in *Shooting Sports Retailer* and *SHOT Business* are widely read by those in the industry as these magazines are sent free of charge to all Federal Firearm License holders who request them.

Results

I don't think a lot is going to happen with Y2K, but we're going to sell the heck out of it anyway.

— "Y2K Concerns Fueling Firearms Markets," *Firearms Business*, April 1, 1999

As a result of the firearm industry's relentless marketing of Y2K, gun sales have been strong. The gun industry began to see returns on its marketing push as early as April of this year. According to a report in the April 1, 1999 *Firearms Business*, "Sales on almost every firearms-related product have been brisk throughout most of the first quarter..." and, "Almost everyone involved believes the strong market is the direct result of consumer concerns about Y2K...."^{8a}

^a Another factor in the increase in gun sales this past year was the consideration of new federal gun control legislation following the mass shooting at Columbine High School in Littleton, Colorado on April 20, 1999.

By the middle of the year strong sales resulted in tight supplies for many companies. In particularly short supply were AR-type assault rifles. According to *Firearms Business*:

The two major suppliers based on current market share, Colt's Manufacturing and Bushmaster, each are allocating every rifle in the category. Market sources say the condition results from a combination of the firms beginning the year with limited stocks and consumer interest spurred by the Y2K phenomenon.⁹

As the end of the year approaches, more quantitative results can be measured. Most firearm manufacturers are privately held and do not make their earnings public. However, Sturm, Ruger & Company—one of the largest firearm manufacturers in America—is publicly held. According to filings made with the Securities and Exchange Commission, Ruger recorded sales of \$55.4 million for the third quarter of 1999, up from \$43.4 million for the same period in 1998, a 27.8 percent increase. In addition, the report noted:

Firearms unit shipments increased 29.4% for the three-month period and 23.7% for the nine-month period ended September 30, 1999 from the comparable 1998 periods. The unit increase reflects continued strong overall market demand.¹⁰

Consequences

Taking advantage of Y2K has proven to be smart business for the firearms industry, but its legacy for the rest of the country has yet to be felt. While the New Year may come with little impact felt from the Y2K bug itself, the guns sold as a result of the gun industry's Y2K hype will be used in homicides, suicides, and unintentional shootings for decades to come.

Section Two: Quotes from Selected Consumer Gun Magazines

"Coping With The Upcoming Computer Collapse," Robert Hausman, *Guns & Ammo*, February 1999, pp. 30-31

Being forewarned as well as forearmed will help you survive the Y2Kaos.

Portable generators are being purchased for use if the electric lights go out. And they have begun to buy guns and a goodly supply of ammo, in case they find themselves having to protect their loved ones, as well as their stored food supplies, from the inevitable bands of rioters, plunderers, looters and common criminals who may run roughshod through America's cities when systems begin to fail next January 1.

For those thinking that if things get bad next year, a firearm can always be purchased at their local dealers—think again! Remember, the new National Instant Criminal Background Check System by which all firearms sales through licensed dealers must be processed is in effect. When performing an "instant" background check, the NICS is heavily computer-dependent in retrieving and documenting the backgrounds of gun buyers. If the government's computers are unable to reliably function beginning January 1, 2000, it could cause an "instant" halt to all firearms sales nationwide. Now that you are forewarned, there is no excuse not to be forearmed.

"Defying Y2K: Prepare Now So You Won't Have to Worry Later," Scott Stoddard, *American Survival Guide*, April 1999, p. 64

Provide your family with self defense tools. Hopefully they will be useful for both protection and hunting purposes. Teach your family how to use them safely and under what circumstances they should pull the trigger.

"Survive Y2K: Guns and Gear You Need," Jerry Ahern, *Gun World*, August 1999, pp. 40, 43

Age and health permitting, each person, for his or her own sake and for the welfare of the family unit, needs to be reasonably self-sufficient. As appropriate, this includes being armed with familiar firearms that can be operated efficiently and successfully as required.

Every appropriate member of the family should have a powerful sidearm.

Assuming we are arming a family of four, if the kids are sufficiently mature and properly trained, four handguns should be available.

"Y2 Care About Y2K," James Cord, *American Guardian*, August 1999, pp. 45, 57-58

Imagine the scope of the problem should computerized equipment fail. Your microwave would be just a fancy breadbox without a microchip. Your car would not start and your traffic lights, telephones and TVs would not function. There would be no water, electricity, 911 service or airplanes or subways because inside these chip-driven systems is a small time bomb.

[T]he extent of Y2K's damage cannot be predicted. Any economic ripple effects could cause a scarcity of goods and medical supplies. There is potential for hoarding, looting and rioting.

Additionally, the end of the millennium is meaningful to certain political and religious entities. It is also an opportune time to gain worldwide attention to a cause through an act of terrorism, especially with several million tourists crammed into the world's metropolises for millennium parties.

For instance, you may encounter looters trying to take advantage of a stressful situation or others who are not as prepared as you are, or there could be assaults by terrorist organizations. With regard to your family's safety, the subject of firearms must be addressed.

As with food and other supplies, stock enough ammunition to last for a few weeks of severe social unrest. How much that may be is a more difficult call to make. Unlike food, usage rates depend on a lot of factors—the type of firearm(s) you have and the rate at which you are likely to use the ammunition, the number of people in your household who may be armed, and the size and vulnerability of the property you could be protecting.

"Facing Y2K With a Colt Python," Leroy Thompson, *Handguns*, September 1999, pp. 51, 53

When I started thinking about a revolver for the Y2K scenario, I quickly decided that a four-inch-barreled, stainless steel .357 Magnum would be my first choice. The four-inch barrel is short enough for concealment or easy carry, yet it's long enough to allow good accuracy and the ability to reach out to 50 yards or more.

It's not impossible in an attempt to gain your money, food, transportation or weapons that an attacker might take a family member hostage. Despite the typical film or television response, putting down one's weapon is not the answer. Instead, each family member should be briefed on a code word that means, "Drop so I can take a head shot." However, one has to be utterly confident of the weapon to take a shot inches from the head of a loved one, even to save his or her life.

One might also need to quickly stop a dog or dogs who through starvation revert to wild beasts. Dogs take a lot of killing, so a powerful round and good shot placement will be necessary should this distasteful task arise.

"Smith & Wesson's Model 10 Revolver: A Good Choice as a Y2K Handgun," Walt Rauch, *Handguns*, September 1999, p. 55

If there is a Y2K problem, you'll need—among other things—a gun. If Y2K doesn't happen, you'll still have gained a measure of self-protection.

The best legal choice for self-defense in this vision of chaos is a rifle, of course, for a handgun or shotgun is a very short-range tool with which to fight. The problem is that while waiting for the apocalypse, if you live a relatively normal existence, you can't run around carrying a rifle with you all the time.

The underbelly of society looks for and exploits natural disasters as well as social disturbances, such as an unpopular court ruling.

"Top Ten: Y2K Survival Kit," Cameron Hopkins, *American Handgunner*, September-October 1999, p. 34

Rule One: Have a Gun

If the First Rule of Gunfighting is to have a gun, then the second surely must

be: never bring a handgun to a rifle fight.

Pay your money, take your choice. The Colt (or clone) AR-15 is still available in both pre- and post-ban configurations—yes, even in California.

If you like the 7.62mm NATO round—and who doesn't?—for its ability to penetrate hard cover, we recommend either the classic FN-FAL, available in pre-ban form, or a Springfield Armory M1A, legal everywhere.

Don't forget "ammunition feeding devices." The *ne plus ultra* of magazines for the AR is the C-Mag which holds 100 rounds (available from CFI at 817-268-1155). A device that holds two 30 rounders together is the Mag-Cinch (see photo) a \$15 widget that really works (available from Buffer Technologies at 573-634-8529).

"B4Y2K," Barrett Tillman, *American Handgunner*, September/October 1999, pp. 33-34

In other words, if you expect a gunfight, have a gun.

Secondly, stock up on common calibers of ammo: .223, .308, .45 and 9mm for starters. Rimfire guns and ammunition especially can be excellent trading stock because they're a good investment: buy low, sell high.

But since the Have Nots won't hesitate to break in and take from the Haves, plan on close contact. And plan on being outnumbered. High capacity rifles, pistols and shotguns are obvious choices.

Section Three: Quotes From Selected Industry Magazines

"Y2Kaos," Bob Rogers, *Shooting Sports Retailer*, January 1999, pp. 23-24

Amidst social turmoil and disintegrating economic underpinnings, you will sell more guns in 1999 than you've ever sold in your life.

"You'll need three things," echoed just about every computer programmer we researched for this report, "a rifle, a shotgun, and a handgun. And lots of ammo."

The fact is that, regardless of how mild or how stormy the seas of concern and believability over Y2K, the level of chaos is likely to raise considerable concern about firearms—not, in this case, that there are too many on the streets of America, but that there may be too few.

"H&R 1871 Sues Colt's Over New Revolver's Name," *Firearms Business*, March 1, 1999, p. 3

H&R 1871, Inc. says it has filed a lawsuit claiming that Colt's Manufacturing Company's "Survivor" multi-caliber revolver infringes on a trademark it has held for several years.

The "Survivor" name is a key element in both companies' plans to capitalize on market opportunities raised by expected Y2K banking and infrastructure problems.

H&R plans to aggressively market its Survivor shotgun line to take advantage of an anticipated run on personal protection guns later this year as consumers prepare for the millennium. A special "Y2K" edition is on the drawing board.

Colt's is seeking the same market for its revolver, saying it plans to target the Y2K niche in 1999 with the lightweight gun that adapts to fire any of 18 calibers of ammunition.

"Y2K Concerns Fueling Firearms Markets," *Firearms Business*, April 1, 1999, p. 3

Sales on almost every firearms-related product have been brisk throughout most of the first quarter, running well ahead of the 5 to 10 percent increases most market observers had predicted for 1999. Some wholesalers say business is about 20 percent ahead of the comparable 1998 period.

Almost everyone involved believes the strong market is the direct result of consumer concerns about Y2K, which have prompted many individuals to buy guns and ammunition and store food, water and cash.

"I don't think a lot is going to happen with Y2K, but we're going to sell the heck out of it anyway," said one wholesaler, who has supplemented his gun lines with such items as solar power radios and food items. "Anything that has to do with Y2K is hot right now. The fact that you have public officials saying there could be problems has helped build dealer and customer demand."

"A Realistic Look at Y2K," Massad Ayoob, *Shotgun News*, June 7, 1999, pp. 8-9

Predictions of societal breakdown have brought in many customers who may never have thought they'd set foot in a gun store. What should they be buying?

Home invasions happen faster than burglaries. You'll want a handgun on your person somewhere, instantly accessible.

The Los Angeles looters and, for the most part, those in the aftermath of Hurricane Andrew were scavengers motivated primarily by greed. In a scenario in which people were starving and desperate, you might find yourself facing more committed groups of antagonists. High capacity semiautomatic military rifles would come into their own.

But a 10-pound sniper rifle is awfully heavy and bulky if you have to range outward away from home, especially on foot.

A light, fast-handling infantry rifle will be the most versatile.

Consider a collapsing or folding stock. It may also be easier to deploy out of a vehicle. If you're on foot, it will certainly be easier to conceal under something like a long coat, on a sling over your shoulder but under the garment.

History shows us that bad things are most likely to happen to people who aren't prepared for them.

"Y2K Phobia, Fact, or Money Maker," John J. Woods, *Shotgun News*, June 7, 1999, p. 10

Concern about the "Millennium Bug" has traffic flowing into the nation's gun shops and sporting goods stores.

In terms of numbers, nobody really seems to have a handle on any market segment estimate potential. It would be easy to generalize from site locations of people on the Internet chat rooms that concentrations of Y2Kists exist mainly in the American Northwest, specifically Montana, Idaho, Utah, Oregon, and Washington, but they reside all over the United States.

Whatever else the issue, more importantly these are customers that are spending bucks, big bucks getting ready for their own perception of what they think is the worst case scenario. So what does all this mean for SHOTGUN News advertisers, dealer networks, and our readership, if anything?

For distributors, retailers, and dealers stocking items oriented toward Y2K survivalist consumers the question is not will the Y2K collapse happen, but rather is there business profit to be generated from the event likelihood? Is this a viable market to prepare for quickly as time is ticking down? Is money to be made?

"Supplies Remain Tight; Many Products Allocated," *Firearms Business*, July 15, 1999, p. 3

One could logically expect that AR rifles would be in tight supply; they usually are when Congress considers gun control. The two major suppliers based on current market share, Colt's Manufacturing and Bushmaster, each are allocating every rifle in the category. Market sources say the condition results from a combination of the firms beginning the year with limited stocks and consumer interest spurred by the Y2K phenomenon.

"It's Time to Sell the New Millennium!," Russ Thurman, *Shooting Industry*, September 1999

Are you ready for the new millennium? I'm not talking about stocking up on food, fuel and toilet paper, but rather business! Are you cashing in on the new millennium?

Business experts in every industry are urging their clients to "Sell The Millennium Experience." While taking advantage of the Y2K "scare" is smart business, there may be as much profit in celebrating the new millennium.

Now is the time to prepare. To top it all off, work up a t-shirt: "I Survived The Millennium Shopping at *(your shop)* ."

Endnotes

1. Wilson Combat Advertisement, *Gun World*, October 1999, inside back cover.
2. "H&R 1871 Sues Colt's Over New Revolver's Name," *Firearms Business*, March 1, 1999, p. 3.
3. *Project Megiddo*, Federal Bureau of Investigation, accessed at www.fbi.gov
4. "Y2K Survival Guide to Revolvers," *Handguns*, September 1999, cover; Jerry Ahern, "Survive Y2K—Guns and Gear You Need," *Gun World*, August 1999, p. 38; and Robert Hausman, "Coping with the Upcoming Computer Collapse: Being Forewarned as well as Forearmed Will Help You Survive the Coming Y2Kaos," *Guns & Ammo*, February 1999, p. 30.
5. Leroy Thompson, "Facing Y2K With a Colt Python," *Handguns*, September 1999, p. 50; Walt Rauch, "Smith & Wesson's Model 10 Revolver: A Good Choice as a Y2K Handgun," *Handguns*, September 1999, p. 54.
6. Bob Rogers, "Y2Kaos," *Shooting Sports Retailer*, January 1999, p. 22.
7. Russ Thurman, "It's Time to Sell the New Millennium!," *Shooting Industry*, September 1999, p. 64.
8. "Y2K Concerns Fueling Firearms Markets," *Firearms Business*, April 1, 1999, p. 3.
9. "Supplies Remain Tight; Many Products Allocated," *Firearms Business*, July 15, 1999, p. 3.
10. Sturm, Ruger & Company, Form 10Q, filed with the Securities and Exchange Commission, November 10, 1999, accessed at www.sec.gov

