

APPRAISING MILITARY SMALL ARMS

By Robert C. Ankony, PhD

Appraisal will always be more an art than a science, but this author proposes a technique that provides a bit of predictability to the valuation of military arms.

Each year tens of thousands of surplus military small arms are imported into the United States for commercial sale. Of these, most will make excellent shooters, however in terms of financial investment, how can a collector or dealer distinguish between the two?

In contrast to blue books that just describe the current value of specific firearms, this article intends to identify and explain certain variables that can measure the potential of any modern military firearm (post 1898) to **appreciate in value**. For this purpose a Firearm Appraisal Scale is presented later in this article to score a firearm.

Methodology

Sixteen variables are illustrated to establish a comprehensive method for assessing a firearm's potential to increase in value. This potential whether with one or more variables is hereafter referred to as "explanatory power." Thus, unlike a casual evaluation of a firearm, the multiple variables presented here will scrutinize a firearm with an assortment of measurements. As a result, much greater explanatory power is achieved.

Please read each of the variables carefully as many specify unique details. Some of the variables are obvious while others are subtle. Each variable is accompanied by a common example that depicts the highest and lowest score for that variable. Since it is impossible to list all the examples of a variable, simple judgment can infer the score in between.

It is important to note if a variable does not relate to a particular firearm, the average score for that variable must be substituted to make the effect of that variable neutral. Further,

because each variable can have different explanatory power, the maximum and minimum scores of some of the variables will differ. The sum score of the variables is the "investment score." This score can range on a five-point scale from "excellent" to "bad."

To ensure accuracy it is vital to be candid when scoring a firearm. Score the firearm only as it relates to that variable. In addition, since a degree of subjectivity is required when scoring a firearm on most of the variables, it is advisable to err in the direction of an underestimation to assure greater confidence in your investment score.

One final note, because of the diversity of the variables, very few firearms can achieve maximum scores. Consequently, an investment score of "very good" is significant. Firearms having a score of "poor" or "bad" should not be purchased for investment.

Explanation of variables

1. **Price** measures the degree to which a firearm costs below or above the current market as this has an immediate effect on its ability to appreciate. Using this criteria the highest value is "well below" with a maximum score of fifty (i.e., 50% or more below, e.g., a firearm worth \$500 is available for \$250). The lowest value is "well above" with the minimum negative score of fifty (i.e., 50% or more above, e.g., a firearm worth \$250 is available for \$500). Note, under this classification if a firearm was recently purchased at the current market price, or if the purchase price is dated or is unknown, score it with the average, i.e., zero.

2. **Country's Significance** measures the twentieth century historical relevance of the country where the firearm was manufactured. Using this criteria the highest value is "very high" with a maximum score of thirty (e.g., firearms manufactured in Germany, the United States, or the Soviet Union). The lowest value is "very low" with the minimum score of zero (e.g., firearms manufactured in Mexico, Sweden, or Switzerland).

To elaborate on the possibility of scores for this variable, Great Britain would have a value of twenty five, France a value of twenty, Japan a value of fifteen, Italy a value of ten, and Czechoslovakia a value of five. Also note, under this classification if a firearm was manufactured in one country

specifically for another (e.g., in Germany for Mexico), score it with the lowest value.

3. **Manufacturer's Desirability** measures the appeal for a specific company or armory of manufacturer. Using this criteria the highest value is "very high" with a maximum score of ten (e.g., a German Luger manufactured by DWM). The lowest value is "very low" with the minimum score of zero (e.g., a German Luger manufactured by Erfurt).

Again note, if a firearm does not relate to a specific variable, score it with the average. For instance, a US M1941 Johnson rifle would receive a score of five on this variable as all were manufactured by Cranston Arms Company.

4. **Quality of Machining** measures the quality of construction of a firearm. Using this criteria the highest value is "excellent" with a maximum score of ten (e.g., a US M1928 Thompson submachine gun). The lowest value is "poor" with the minimum score of zero (e.g., a British Mark II Stein submachine gun). Note, under this classification if a firearm is made from contemporary stampings or with a plastic stock (e.g., a US M16 rifle), score it with the average.

5. **Action Desirability** measures the appeal for a firearm having a more rapid method of functioning. Using this criteria the highest value is "very high" with a maximum score of twenty (e.g., a machine gun). The lowest value is "very low" with the minimum score of zero (e.g., a bolt action rifle).

To further detail the possibility of scores for this variable, a semiautomatic rifle or pistol would receive a score of ten here and a revolver a score of five. Also note, under this classification the specific method of its function is irrelevant (e.g., gas, recoil, or blowback).

6. **Matching Parts** measures the degree to which a firearm retains its matching numbered or coded parts (i.e., not numbered but denoted with a manufacturer's code, e.g., "SA" for Springfield Armory). Using this criteria the highest value is "all" with a maximum score of thirty. The lowest value is "none" with the minimum score of zero.

Note, under this classification if: 1. the firearm parts are

not numbered or coded but appear to be matching (i.e., they have similar finish and wear), score it with the maximum; 2. the firearm parts are matching but the receiver has an importation marking, score it with the average; or 3. the firearm parts are matching but the receiver was remanufactured, the crest was removed, or the barrel was rechambered once it was sold into surplus, score it with the minimum.

7. **Technologically Innovative** measures the technological contribution of a firearm. Using this criteria the highest value is "very much" with a maximum score of twenty (e.g., a French M1917 Saint Etienne -- first common military semi-auto rifle, or German MP44 -- first true selective-fire assault rifle). The lowest value is "very little" with the minimum score of zero (e.g., a German Kar. 98k or Japanese Type 38 Arisaka bolt action rifle). To elaborate on the possibility of scores for this variable, a Canadian Mark III Ross or Swiss M1911 Schmidt Ruben straight pull bolt action rifle would receive a score of ten here.

8. **Symmetry of Design** measures the firearm's visual appeal and harmony of design. Using this criteria the highest value is "excellent" with a maximum score of ten (e.g., a German MP40 Schmeisser submachine gun). The lowest value is "poor" with the minimum score of zero (e.g., an Australian Mark 1/42 Owen submachine gun).

9. **Compact Model** measures the appeal for the smaller version of a firearm model. This criteria is a simple dichotomy. The highest value is "yes" with a maximum score of ten (e.g., a US M1898 Krag carbine or paratrooper stocked US M1 carbine). The lowest value is "no" with the minimum score of zero (e.g., a US M1898 Krag rifle or full stocked US M1 carbine). Note, under this classification if a firearm was not produced in a smaller version, score it with the average.

10. **Reliability** measures the degree to which a firearm model is perceived as dependable. Using this criteria the highest value is "excellent" with a maximum score of ten (e.g., a Russian AK47 Assault rifle). The lowest value is "poor" with the minimum score of zero (e.g., a French M1915 Chauchat light machine gun).

11. **History** measures the degree to which a firearm model took part in significant military history. Using this criteria the highest value is "very much" with a maximum score of thirty (e.g.,

a US M1 rifle). The lowest value is "very little" with the minimum score of zero (e.g., a Chilean M1895 rifle).

Note, this classification does not measure an **individual** firearm's history as those factors would uniquely affect that firearm's value. For instance if a firearm was known to be used by a particular person or during a certain battle.

12. **Condition** measures the degree to which a firearm maintains its original condition. Using National Rifle Association criteria, the highest value is "mint" with a maximum score of twenty. The lowest value is "poor" with the minimum score of zero.

Note, under this classification "mint," "perfect," and "new" are considered synonymous. Also note, if a firearm has been refinished, score it with the minimum. However, if it was professionally performed (i.e., it was done without rounding any edges or obliterating any markings), score it with the average.

13. **Availability** measures the degree to which a firearm model is rare due to its brief production or attrition from time. Using this criteria the highest value is "very rare" with a maximum score of fifty (e.g., a US M1942 Liberator pistol). The lowest value is "very common" with the minimum score of zero (e.g., a British No.1 Mark III Enfield rifle).

14. **Importation Prohibited** measures the degree to which a particular type of firearm (not model) is restricted from importation. This criteria is a simple dichotomy. The highest value is "yes" with a maximum score of fifty (i.e., any machine gun). The lowest value is "no" with the minimum score of zero (i.e., any other firearm).

This variable requires further explanation. Although other firearms can periodically be found abroad and be imported and sold as surplus in this country, machine guns can never be (except to government agencies or as parts without receivers). Thus, the only firearms of this type that are available to collectors are those that were federally registered in this country prior to May 1986. This reduces their supply to that which was legally here--there will be **no more**.

In addition, since a dealer in machine guns must pay \$500 in

federal taxes annually to deal in those weapons, and a private buyer must pay a \$200 federal tax on each machine gun purchased, the dealer or buyer adds those expenses to each firearm when they sell. This process is repetitive. As a result, machine guns increase in price extraordinarily fast, which makes their possession very lucrative to any dealer or collector who bought one or more at the lower price a few years ago (e.g., a US M50 Reising submachine gun could be purchased for \$500 several years ago now costs over \$2,000).

Also note, although US M1 rifles and carbines are also prohibited from importation they are not viewed under this classification for the following reasons. First, their supply is not limited to those that are federally registered; second, they are released through the Civilian Marksmanship Program; third, original receivers are available; and fourth, new receivers can be manufactured.

15. **Market Restricted** measures the degree to which a firearm is lawfully regulated in the domestic market, as the less this factor is present the larger the population it can be sold to. Using this criteria the highest value is "very little" with a maximum score of twenty (e.g., a Curio and Relic rifle). The lowest value is "very much" with the minimum score of zero (e.g., a post May 1986 dealer sample machine gun).

16. **Ammunition Price** measures the degree to which ammunition is available for a firearm at a reasonable cost, as the greater this factor is present the more it increases a firearm's potential to increase in value. Using this criteria the highest value is "very low" with a maximum score of ten (e.g., 9 mm Luger ammunition). The lowest value is "very high" with the minimum score of zero (e.g., 7.62 mm Russian Nagant ammunition). Note, under this classification if ammunition is not available, score it with the minimum.

Firearm appraisal scale

All variables outlined in this article measure the impact on firearm **demand**, except for the variables of "**Availability**" and "**Importation Prohibited**" which measure the impact on firearm **supply**. Still, each variable is an independent variable as each influences the dependent variable, **the ability of a firearm to appreciate in value**.

Variables are scored according to their explanatory power. Thus, "critical" variables have a maximum score of 50, "very important" variables have a maximum score of 30, "important" variables have a maximum score of 20, and "meaningful" variables have a maximum score of 10. The sum of the variable scores is the investment score. This score can range from 380 to negative 50. A negative score can only be obtained with the variable "**Price.**" If a negative score is acquired on that variable it must be subtracted from the total.

The five categories of the investment score and their respective range of scores are: "excellent" 380 to 295, "very good" 294 to 209, "good" 208 to 123, "poor" 122 to 37, and "bad" 36 to negative 50. The mean score of 165 for these categories serves as a baseline for comparison.

The higher an investment score the more rapid a firearm should appreciate in value. Again, firearms having a score of "poor" or "bad" should not be purchased for investment.

The following Firearm Appraisal Scale provides a collector or dealer a method to make rapid evaluations of military weapons. After writing the manufacturer and model of a firearm in the upper right-hand margin of the scale, a firearm is scored on each of the sixteen variables in the adjacent blank space and totaled below.

Limitations

There are several limitations that should be noted about the variables and the scale presented. First, precise adherence to instructions is required as some variables can appear confusing (e.g., "**Price**" is mathematically a continuous variable that can range from positive to negative).

Second, when designing any instrument of measurement, every effort must be made to assure the variables are exhaustive and mutually exclusive. In other words, there should be a category for everything logical and every possibility should fit into one and only one category. This is a rigorous requirement and weakness must be acknowledged here. For instance, the variable "**Country's Significance**" has ambiguity (overlap) with the variable "**History.**" This can affect the reliability of obtaining

consistent results. However, if one remains aware of the definitions submitted this weakness can be eliminated.

Lastly, since the scale is relatively new, time could present other variables of significance. There are many insignificant variables. For example, parts availability, original packaging, or additional accessories. To reduce complexity these variables were eliminated for their weakness in explanatory power and for being peripheral in nature.

ANKONY MILITARY FIREARM APPRAISAL SCALE

Firearm Manufacturer and Model:

<u>Variable</u>	<u>Highest Value</u>	<u>Lowest Value</u>	<u>Score</u>
1. <u>Price</u>	Well Below 50	Well Above -50	_____
2. <u>Country's Significance</u>	Very High 30	Very Low 0	_____
3. <u>Manufacturer's Desirability</u>	Very High 10	Very Low 0	_____
4. <u>Quality of Machining</u>	Excellent 10	Poor 0	_____
5. <u>Action Desirability</u>	Very High 20	Very Low 0	_____
6. <u>Matching Parts</u>	All 30	None 0	_____
7. <u>Technologically Innovative</u>	Very Much 20	Very Little 0	_____
8. <u>Symmetry of Design</u>	Excellent 10	Poor 0	_____
9. <u>Compact Model</u>	Yes 10	No 0	_____
10. <u>Reliability</u>	Excellent 10	Poor 0	_____
11. <u>History</u>	Very Much 30	Very Little 0	_____
12. <u>Condition</u>	Mint 20	Poor 0	_____
13. <u>Availability</u>	Very Rare 50	Very Common 0	_____
14. <u>Importation Prohibited</u>	Yes 50	No 0	_____
15. <u>Market Restricted</u>	Very Little 20	Very Much 0	_____
16. <u>Ammunition Price</u>	Very Low 10	Very High 0	_____

Total: _____

<u>Maximum Variable Score</u>	<u>Investment Score</u>	<u>Mean Score</u>
Critical 50	Excellent 295 to 380	165
Very Important 30	Very Good 209 to 294	
Important 20	Good 123 to 208	
Meaningful 10	Poor 37 to 122	
	Bad -50 to 36	

Note, if the variable "**Price**" is scored in the negative, subtract it from the total. If a variable is nonapplicable, score it with the average.

Dr. Robert C. Ankony, PhD, is a criminologist and an NRA Life Life Member. He is also a former detective/sergeant and a US Army Ranger who served in Vietnam.

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