rental requirement is not so iron-clad as to preclude, in proper cases, the granting of deviations for rent-free use should special circumstances warrant. We are aware, however, of no past instance in which such a waiver was requested.

SOME FACTS AND FIGURES

As presently constituted, the heavy press program is being carried out at seven separate locations across the nation by six different companies. The Aluminum Company of America occupies Air Force Plant 47 at Cleveland, Ohio, and utilizes two Government-owned forging presses, one 50,0000 tons and the other 35,000 tons; while in its own facility at Lafayette, Indiana, ALCOA operates a 14,000 ton Government-furnished extrusion press. Wyman-Gordon of North Grafton, Massachusetts, one of our earliest lessees, is in possession of Air Force Plant 63, with Government-owned forging presses of 7,700, 18,000, 35,000, and 50,000 tons. The Curtis-Wright Corporation at Air Force Plant 49 in Buffalo, New York, uses a 12,000 ton Government-owned extrusion press. In Halethorpe, Maryland, at Air Force Plant 50, Kaiser Aluminum operates two 8,000 ton Government-furnished extrusion presses, and in Madison, Illinois, the Dow Chemical Company, in its own facility, has a 14,000 ton Government-owned extrusion press. Rounding out the picture is the Harvey Aluminum, Inc., of Torrance, California. Also in its own plant, Harvey employs two Government-furnished extrusion presses of 8,000 and 12,000 tons. In all, the Government has a $220 million investment in the heavy press program. By way of comparison, the lessees report that they have put in some $19 million of their own funds.

The Government-owned presses have been furnished to the firms involved usually under an instrument known as a facilities lease. Arrangements of this type are authorized by law, Section 2667, of Title 10, United States Code. In some cases, as we have seen the Government not only has provided the presses but the land, buildings, and supporting equipment as well. In other cases, although the press and auxiliary equipment are Government-furnished, privately owned plant facilities are being utilized.

Aluminum is the primary raw material involved in the extrusions and forgings, although advances in the art of metallurgy have made possible the processing of exotic "space age" metals such as titanium and zirconium, but to a more limited extent.

TERMS AND CONDITIONS OF LEASES

The Committee has already been provided with a spread sheet outlining the pertinent terms and conditions of the leases. I should like to deal briefly with a number of these provisions. The first is the clause which establishes a priority for Air Force and other Government use. Obviously, since the press program was initiated essentially as an Air Force program, supported by funds justified by the Air Force and, therefore, an Air Force responsibility, the lease requires first priority in the utilization of the presses for Air Force and other Government work, as against commercial business. While no specific direction is contained in the lease as to how the first priority contract right is to be invoked or enforced, we are aware of no problem that has necessitated an interpretation of the provision or raised any question as to its effectiveness. This may be due to an excess available capacity in the heavy press industry.

The next provision I would like to comment upon deals with the matter of maintenance. For those of you who have seen the heavy presses, I am sure you realize why the label "elephant tools" is so appropriate. Like any large complex piece of machinery, these presses must be strictly maintained. Some of this is no more than a matter of routine lubrication. But maintenance may be far more extensive and can consist of non-recurring items such as the replacement of major parts. We call this latter type "abnormal maintenance." Since the Government owns the presses, it would not be equitable to require the lessee to pay for "abnormal maintenance" out of its own capital. Instead, we have offset some of the cost of "abnormal maintenance" against the gross rentals due. Section 2667(b)(5) of Title 10, United States Code, the basic leasing authority invoked here, specifically allows the cost of "maintenance, protection, repair, or restoration" of the leased property to be taken into account as part or all of the consideration for the lease. In other instances, we have funded "abnormal maintenance" directly. Of course, "abnormal maintenance" varies from press to press, depending upon the age of the equipment, its size, how well it was constructed in the first place, the extent of its use, and other considerations. Over-