

Mr. BAKKE. That is right.

Mr. STUCKEY. Would this be guaranteed loan, also?

Mr. BAKKE. No, sir.

This particular program is to cover the purchase of aircraft by the carriers.

Mr. STUCKEY. In other words, a person purchasing say a DC-9 can turn around and lease it which is being done quite commonly now.

This type of loan would not be guaranteed.

Mr. BAKKE. No, sir, it would not.

Mr. STUCKEY. That is a shame.

The CHAIRMAN. If there are no other questions, thank you very much for coming and giving us the benefit of your views on this legislation.

Mr. Robert C. Lester, Washington attorney, Association of Local Transport Airlines.

I see you have a prepared statement. Would you present it for the record and summarize it?

STATEMENT OF ROBERT C. LESTER ON BEHALF OF JOSEPH P. ADAMS, EXECUTIVE DIRECTOR AND GENERAL COUNSEL, ASSOCIATION OF LOCAL TRANSPORT AIRLINES

Mr. LESTER. Yes, indeed, Mr. Chairman.

I want to express our pleasure at being able to appear here and present our views.

I regret General Adams who worked previously with the committee on prior legislation is unable to be here, but he is out of the country.

I can summarize our views.

A number of carriers would be the beneficiaries of this legislation, carriers in Alaska, Hawaii, continental United States, and Puerto Rico, and they are giving strong support to the legislation.

With that comment I think I can submit the statement for the record in support of the legislation.

If there are any questions, I would be happy to answer them for you.

(Mr. Adams' prepared statement follows:)

STATEMENT OF JOSEPH P. ADAMS, EXECUTIVE DIRECTOR AND GENERAL COUNSEL, ASSOCIATION OF LOCAL TRANSPORT AIRLINES, RELATING TO H.R. 13047

Dear Chairman Staggers and distinguished members of the House Interstate and Foreign Commerce Committee.

It is a pleasure to appear before you in support of H.R. 13047 which I consider one of the most successful Government programs with which I have been associated in my experience with the Government.

This guarantee loan program was first authorized for a five-year period. During that period, through September 7, 1962, 12 carriers received guarantees under the program for loans totalling \$42 million. These loans covered the purchase of 33 F-27's, 2 DC-6's, 14 Convair 240's and 340's, a Boeing 720, 3 Martin 404's and 13 helicopters.

In 1962, the program was extended for an additional five years, to September 7, 1967. During that period new loans totalling \$13.3 million were guaranteed for four carriers covering the purchase of 3 DC-9's, 4 DC-6's, 2 Hercules 382B's and 4 PC-6A's.

More significantly, the first such guaranteed loan made possible the first acquisition by an ALTA carrier member of modern, jet-powered aircraft and, by a strange coincidence, a second loan to the same company made possible the