

Lundine's Employee Plan OK'd For Chrysler

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WASHINGTON, D.C. — Rep. Stanley N. Lundine's amendment for the Chrysler Corp. to establish an Employee Stock Ownership Plan was approved yesterday by the House Banking Committee as part of the Chrysler Corp. Loan Guarantee Act of 1979.

Another amendment sponsored by the Jamestown Democrat to make \$100 million in loans and loan guarantees available to help employees interested in purchasing and operating plants that would otherwise close was approved by the full House on Wednesday. That was an amendment to the Economic Development and Public Works Act of 1979.

"These two important actions indicate Congress' growing commitment to the idea of employee ownership and employee stock ownership plans," Lundine said.

Lundine contends that the Employee Stock Ownership Plan for Chrysler will improve the chance of a successful bailout of Chrysler.

"Based on studies of other employee-owned companies we know that when workers have a direct interest in their firm, that productivity and profits are increased," Lundine said.

Under Lundine's Chrysler employee stock plan, which must be passed by the House and the Senate, the corporation must establish an additional 10 million shares of common voting stock, and the company, its employees and their representatives must work out a plan for employees to purchase two-thirds of the stock.

The remaining one-third of the shares must be contributed by the corporation to the employee stock plan.