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AMENDING THE JOHN F. KENNEDY CENTER ACT

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HEARING

BEFORE THE

SUBCOMMITTEE ON

BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

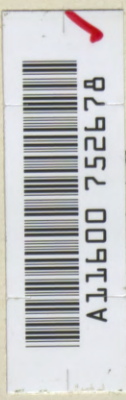
NINETY-SECOND CONGRESS

FIRST SESSION

ON

S. 2900

A BILL TO AMEND THE JOHN F. KENNEDY CENTER ACT
TO AUTHORIZE FUNDS FOR OPERATION AND MAINTENANCE
OF THE NONPERFORMING ARTS FUNCTION OF
THAT CENTER



DECEMBER 2, 1971

SERIAL NO. 92-H28

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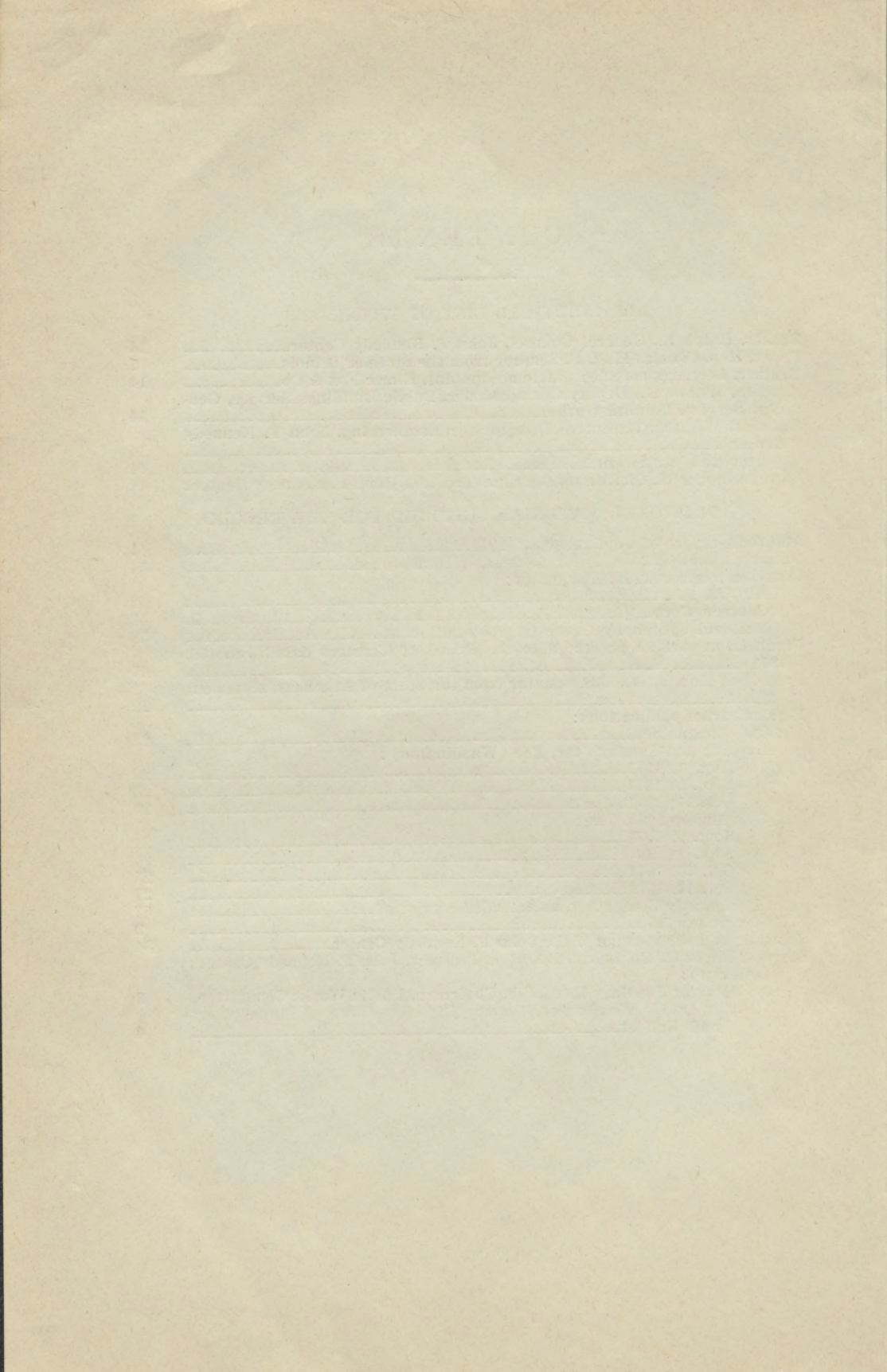
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AMENDING THE JOHN F. KENNEDY CENTER ACT

THURSDAY, DECEMBER 2, 1971

U.S. SENATE,
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 10:05 a.m., pursuant to call, in room 4200, New Senate Office Building, Senator Mike Gravel (chairman of the subcommittee) presiding.

Present: Senators Gravel, Boggs, and Cooper.

Also present: M. Barry Meyer, chief counsel; J. B. Huyett, Jr., chief clerk; Marshall Lancaster and Clark Norton, professional staff members.

Senator GRAVEL. The hearing will come to order.

Good morning. Today, the Subcommittee on Buildings and Grounds will consider S. 2900, a bill to authorize \$1.5 million in appropriations each fiscal year to defray certain operating costs of the John F. Kennedy Center for the Performing Arts.

The Kennedy Center has asked for this authorization because of the large number of nonpaying tourists who have visited the Center since its opening last summer. Most of these visitors have come not to buy tickets to performances, or to buy meals in the Center's restaurants, but instead to view the Center as a point of interest and as a memorial to the late President Kennedy. Their number is now estimated at between 8,000 and 12,000 each day. At present, they are admitted to the Center without charge.

The board of directors of the Kennedy Center contends that because of this large number of tourists the Center is acting as a public memorial, much like the Washington Monument and the Lincoln and Jefferson Memorials. It is the Center's position that the Congress should subsidize this memorial function.

At this point, I will insert in the record a copy of S. 2900, together with a letter and attachments from Mr. Stevens to Chairman Randolph which further explains the Kennedy Center's request for this authorization.

(The material referred to follows:)

(1)

S. 2900

IN THE SENATE OF THE UNITED STATES

NOVEMBER 23, 1971

Mr. PERCY (for himself and Mr. FULBRIGHT) introduced the following bill;
which was read twice and referred to the Committee on Public Works

A BILL

To amend the John F. Kennedy Center Act to authorize funds for operation and maintenance of the nonperforming arts function of that center.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 8 of the John F. Kennedy Center Act, as
4 amended (72 Stat. 1968) is amended by inserting “(a)”
5 immediately after “SEC. 8.” and by adding at the end there-
6 of the following new subsection:

7 “(b) There is hereby authorized to be appropriated to
8 the Board not to exceed \$1,500,000 per fiscal year for the
9 public costs of maintaining and operating the nonperform-

1 ing arts functions of the John F. Kennedy Center for the
 2 Performing Arts.”

3 SEC. 2. The amendments made by the first section of
 4 this Act shall be applicable to the fiscal year beginning July
 5 1, 1971, and to each fiscal year thereafter.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS,
 November 22, 1971.

HON. JENNINGS RANDOLPH,
 Chairman, Committee on Public Works, U.S. Senate,
 Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Board of Trustees of the Kennedy Center, I wish to bring to your attention an immediate and critical funding difficulty faced by the Trustees caused by moneys advanced to carry out its public, memorial functions and to seek the assistance and recommendations of the Public Works Committee. You will recall that I met with you a week ago to discuss this problem.

You may be aware that on July 14, 1971, there was introduced in the other body bipartisan legislation, H.R. 9801, to provide federal support for the costs of operation and maintenance of the Center as related to its non-performing arts, national memorial functions. The premise for this authorizing legislation for an annual appropriation of up to \$1.5 million is that the Kennedy Center is more than a performing arts institution because it performs functions similar to the Washington Monument and Lincoln and Jefferson Memorials, the costs of which are met by the Congress. In fact, since the Kennedy Center opened its doors to the public, an estimated 8,000 to 12,000 tourists have entered the building each day as visitors to the memorial and not as performance-goers.

The Committee can no doubt appreciate that these large numbers of visitors, who have not been charged admission to the building in accordance with the policy at other memorials for whom tours have been provided free-of-charge, have required large expenditures of funds for security, maintenance, utilities, and other expenses normally incurred in keeping open the doors of a public building. At the end of May, 1971, the Kennedy Center estimated the funds required to keep the doors open to the public at \$1.8 million per year. A copy of a statement of William A. Schmidt, former Commissioner of Public Buildings and now the Center's Executive Director for Engineering, is enclosed.

Although hearings were held before the Sub-committee on Public Buildings and Grounds of the House Public Works Committee on July 22, 1971, H.R. 9801 has yet to be reported out of that Committee. Today, the need is critical because the Kennedy Center has been required to meet these so-called "non-performing arts" expenses since July 1, 1971 without federal assistance.

The Committee is well aware that the authorization and appropriation legislation enacted by the Congress into law in 1969 was premised on a GSA cost estimate for construction for the Center of \$66.4 million. But for developments not anticipated in 1969, the Trustees, acting through the General Services Administration, would have been able to complete the building within that limitation.

As the 1969 legislation was passed by the Congress, the Trustees began to be faced by inordinate difficulties at the construction site. In the late fall of 1969, a major subcontractor walked off the job site. The first work stoppage was only the beginning of the unanticipated difficulties. It precipitated additional walk-offs in 1970 and also the assertion of over \$6.1 million in unanticipated delay damage claims. The most prudent course to take, and which was taken, in the face of the difficulties has been the advance by the Trustees out of private, non-appropriated funds, of about \$2.0 million against these claims, which should settle for a total of about \$3.0 million according to reasonable estimates by GSA. Only by making this advance from private funds has construction been continued thereby minimizing the impact of further unprecedented cost escalation

and avoiding an incompleated shell of a building on the Potomac. The result has been the completion of the building in September, 1971, and an opening which has been acclaimed throughout the world and has added immeasurably to American life.

Having to meet the unanticipated financial burdens including these delay damage claims, and also having to meet the public costs of operating a memorial to an assassinated President, the Trustees now find that they are without immediate funding required to make final payments under the construction contract.

To fulfill its present financial commitments, the Trustees require immediately an appropriation of the \$1.5 million to cover the public costs of operating the Kennedy Center as a memorial. We require another \$3.0 million to meet the unanticipated costs resulting from the delay damage claims. The Trustees have canvassed virtually all private sources, including foundations, seeking these additional funds, but without success. (We have found that private sources are unwilling to contribute for construction of the Center, although we have met with better success in raising funds for educational purposes.)

We urgently request your views and recommendations on the course which the Trustees should take at this critical juncture so that we can receive the required financial assistance before Congress adjourns. The alternative may be to close our doors. More particularly, we request your views whether we might proceed immediately to obtain \$1.5 million for the Center's "non-performing arts" costs and the other \$3 million for the unanticipated delay damage claims costs. The latter amount might be in the form of a borrowing authority.

For your information, we are enclosing copies of communications which we have had with the Administration concerning the \$1.5 million annual appropriation for "non-performing arts" costs, which indicate full White House support therefor.

I would be happy to meet with you and the Committee at any time to discuss the problems raised in this letter. We are, as always, most appreciative of the support and guidance which the Committee has provided for the Kennedy Center.

Sincerely,

ROGER L. STEVENS.

Enclosure.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS,
August 19, 1971.

Mr. CASPAR W. WEINBERGER,
Deputy Director, Office of Management and Budget,
Washington, D.C.

DEAR MR. WEINBERGER: The Board of Trustees of the John F. Kennedy Center for the Performing Arts transmits herewith for your consideration a proposed appropriation to provide funds in the amount of \$1.5 million for the memorial, non-performing arts function of the Center, retroactive to the beginning of and for Fiscal Year 1972. This request for appropriation is subject to favorable action by the Congress on H.R. 9801, or comparable legislation, which now is pending before the House Public Works Committee.

The \$1.5 million requested is only a portion of the estimated operating funds requirement of the Kennedy Center during the current fiscal year. The total operating expenditures of the Center during Fiscal Year 1972 is projected at approximately \$7 million, as set forth in Exhibit A. Current estimates indicate that operations and maintenance costs pertinent to non-performing arts activities will total \$2,384,000.00. Of this amount, \$1,884,215.00 is allocable to the Center's non-performing arts function, as is more fully set forth in the attached Exhibit B.

A federal contribution of \$1,500,000.00 toward this total estimated non-performing arts costs is the limit recommended by the House Public Works Committee and, accordingly, the ceiling established in H.R. 9801. The additional \$384,215 attributed to and required for the non-performing arts function will be met from performing arts and concession revenues and from private donations after the federal appropriation is exhausted.

The Center assumed beneficial occupancy of much of the memorial building on or around July 1, 1971. During the "start-up" period between July 1, 1971 and the opening date of September 6, 1971, all of the component costs which total the \$2,384,000.00 are being incurred, including security, equipment maintenance, utilities (including air conditioning), and janitorial service. In light of these

critical needs of the Kennedy Center during its start-up period, when performing arts and concession revenues are negligible, we request early inclusion of this appropriation in a supplemental request to the 1st Session of the 92d Congress. Without this federal support it will be financially infeasible to keep the Center's doors open to memorial visitors without an estimated \$1.75 charge for admission.

The Trustees are most appreciative of your consideration and cooperation and of the continued assistance of the staff of the Office of Management and Budget.

Sincerely,

ROGER L. STEVENS, *Chairman.*

Attachments.

EXHIBIT A

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

ESTIMATED CASH EXPENDITURES AND SOURCES, TYPICAL YEAR OPERATIONS (FISCAL YEAR 1972 COSTS/
MAY 31, 1971 ESTIMATES)

	Performing arts	Nonperforming arts
EXPENDITURES		
Costs partially attributed to nonperforming arts function:		
Security.....	(1)	\$285,000
Operation and maintenance.....	\$130,476	417,524
Utilities.....	171,428	548,572
Janitorial services.....	181,928	582,072
Shop and other equipment.....	3,810	12,190
Management and administration.....	12,143	38,857
Subtotal.....	499,785	1,884,215
Total.....	2,384,000	
Primary performing arts costs:		
Costs of concert hall, Opera House, Eisenhower Theater when in operation.....		² 1,411,000
General and administrative.....		942,000
Theater, jazz festivals costs.....		350,000
Education programs.....		200,000
Production of mass.....		350,000
Production of ariodante.....		150,000
Advertising.....		100,000
Other production costs.....		400,000
Repayment of concession advance ³		700,000
Subtotal.....		4,603,000
Grand total estimated cash expenditures.....		6,987,000
SOURCES		
Funds from building operation and private grants:		
Hall rentals.....	² 2,420,000	
Production income.....	1,000,000	
Concession advance ³	1,000,000	
Private grants for festivals.....	300,000	
Concessions income.....	500,000	
Education fund grants.....	200,000	
Unrestricted private grants.....	67,000	
Subtotal.....	5,487,000	
Requested Federal authorization and appropriation: Federal funding of non-performing arts function of the memorial (for which an additional \$384,215 is to come from non-Federal sources).....	1,500,000	
Total estimated cash sources.....	6,987,000	

¹ Cost of security for the performing arts function of the memorial is estimated at \$82,000 for a typical year operations and is included as part of the \$1,411,000 costs of concert hall, opera house, Eisenhower theater when in operation figure.

² The 2 figures designated by this footnote are typical year costs and revenues. The 2 figures will be lower than indicated in fiscal year 1972 because the halls will be in operation for less than a full year. All other figures are actual estimated expenditures and sources for fiscal year 1972.

³ The Kennedy Center has been advanced \$3,500,000 from the garage concessionaire in accordance with the concession agreement executed in 1959. \$1,000,000 will be used for working capital during the Center's 1st year of operation. The remaining \$2,500,000 has been, or will be, used to make payments in settlement of delay damage claims asserted in connection with construction of the Center. It is expected that part or all of this \$2,500,000 will be recovered either from the architect (which matter is under investigation by the Department of Justice) or from the general and subcontractors (which matter is under investigation by the General Services Administration, the Center's agent for design and construction). It is anticipated that the \$3,500,000 will be repaid in 5 annual installments of \$700,000, or sooner with funds recovered from the architect and general and subcontractors. The Center is obligated to begin paying interest and deferred interest on the \$20,400,000 of Federal revenue bonds issued under the John F. Kennedy Center Act on Dec. 31, 1978. The \$3,500,000 will be repaid to the garage concessionaire by the end of fiscal year 1977. Escrow of funds to meet the Dec. 31, 1978 obligation will begin July 1, 1977, or sooner if funds are recovered as indicated above.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

ALLOCATION OF OPERATIONS AND MAINTENANCE EXPENSES TO NON-PERFORMING ARTS ACTIVITIES AND ALLOCATION OF \$1.5 MILLION FEDERAL APPROPRIATION

I. Total expenses

The following expenses are attributable primarily to the non-performing arts activities of the John F. Kennedy Center or are attributable in part to such activities. None are attributable primarily to performing arts activities.

A. Primarily Non-Performing Arts Costs. Total security-----	\$285,000
Security.—Guard salaries including supervisors (27 guards); \$250,000. Supplies, materials, uniforms: \$10,000. Physical protection support, television, etc.; annual charge: \$25,000. (Additional security required primarily for performing arts activities will be financed from performing arts receipts.)	
B. Costs to be Allocated between Performing Arts and Non-Performing Arts Activities of the Kennedy Center. Total equipment maintenance-----	548,000
Operation and Maintenance of Mechanical and Electrical Equipment.—(excludes theater and backstage equipment) Wages, supplies and materials for operation: \$273,000. Maintenance repairs: \$200,000. Elevator and escalator maintenance: \$75,000.	
Utilities.—(necessary to keep the building open seven days per week). Total electric building. Total utilities-----	720,000
Janitorial Services.—(seven days per week). Daily periodic servicing—wages and supplies: \$690,000. Window washing: \$14,000. High cleaning: \$25,000. Cleaning chandeliers: \$10,000. Relamping: \$8,000. Trash removal: \$17,000. Total janitorial service-----	764,000
Shop and Other Equipment.—(Initial cost will be borne in full by performing arts activities, totaling \$81,000). Annual costs for crafts and custodial: \$16,000. Total shop and other equipment--	16,000
Management and Administration.—(Costs of management of the theaters are not included in this category). Building Manager, administrative and clerical salaries: \$49,000. Supplies and materials: \$2,000. Total management and administration-----	51,000
Total expenses-----	2,384,000

II. Allocation of expenses

Over a period of one year, it is estimated that the theaters will average two dark days per week. Therefore, two sevenths of each of the costs set forth in Section I, with the exception of Security, is allocable to the non-performing arts activities. In addition, because ten hours of a total of fifteen hours per day of operations will be primarily non-performing arts activities, two thirds (10/15) of the remaining costs (again excluding security) should be allocated to non-performing arts activities. As pointed out earlier, the Security listed should be completely allocated to non-performing arts activities.

The pending authorizing legislation, H.R. 9801 establishes a ceiling of \$1.5 million on federal appropriations, which is 79.6 (%) per cent of the total cost of \$1,884,215 allocable to the nonperforming arts function. Therefore, the federal appropriation is 79.6 (%) per cent of the total of each component of the \$1,884,215.

	Estimated expenses	Allocable to nonperforming-arts activities	Requested Federal appropriation for nonperforming-arts expenses
Security-----	\$285,000	\$285,000	\$226,885
Operation and maintenance-----	548,000	417,524	332,386
Utilities-----	720,000	548,572	435,712
Janitorial services-----	764,000	582,072	463,381
Shop and other equipment-----	16,000	12,190	9,704
Management and administration-----	51,000	38,857	30,931
Total-----	2,384,000	1,884,215	1,500,000

Senator GRAVEL. I will also place in the record a copy of the John F. Kennedy Center Act to appear at the end of today's proceedings. (See p. 57.)

To our witnesses who are here this morning on behalf of the Kennedy Center, let me say that we are anxious to help you resolve your financial problems. This subcommittee has a genuine interest in keeping the Center open. We have handled the authorizations for the Center since its inception, and this is hardly the time for its doors to be closed to the public.

However, the burden of proof this morning rests upon those who are seeking the \$1.5 million in annual appropriations. Only 2 years ago, this committee authorized \$7.5 million in new appropriations and \$5 million in borrowing authority for the Kennedy Center, upon the assurance of the Board of Trustees that the total cost would not exceed \$66.4 million. At that time, the committee flatly stated that the cost of the Center had risen beyond the reasonable limit. I quote Senate Report 91-327:

"* * * the committee wants it clearly understood that the Center must be completed within the proposed cost of \$66,400,000 and if, by any chance, this figure has been underestimated any additional funds required must be raised by the Board of Trustees through private subscription."

I trust that our witnesses will deal with this question in their statements today.

The first gentleman we are very happy to have with us is our very distinguished colleague, the Senator from Illinois, Senator Percy, Senator, the floor is yours.

STATEMENT OF HON. CHARLES H. PERCY, A U.S. SENATOR FROM THE STATE OF ILLINOIS

Senator PERCY. Mr. Chairman, I would like to take this opportunity to thank the members of this subcommittee and the members of its staff for expediting these hearings and making it possible to testify for myself and for Roger Stevens, Ambassador Blair, Ralph Becker, and others who have been deeply involved in the Kennedy Center for Performing Arts.

As the members of this subcommittee know, this bill that I have introduced, S. 2900, with the cosponsorship of Senators Fulbright and Tunney, both of whom serve as Trustees of the Kennedy Center, would authorize an appropriation for the expenses incurred in the nonperforming arts aspects of the John F. Kennedy Center for Performing Arts. As do Senator Fulbright and Senator Tunney, I appear here today wearing two hats. In my responsibilities, I appear as a Trustee designated by the President of the Senate to represent the Senate on the Kennedy Center Board, but also as a Republican on the Appropriations Subcommittee that will be handling this. Should this committee see fit to authorize these funds we would be able to mark up our appropriations bill expeditiously and I can assure you that the full amount that would be authorized would be appropriated by us.

Mr. Chairman, I know you share my view that the Center represents a much-needed investment in the performing arts in this country. This enterprise, begun by President Eisenhower, nurtured along by Presi-

dent Kennedy, furthered by President Johnson and completed during this administration, has enjoyed as well the strong continuing assistance and interest of this committee over these 14 years.

I am a new Senator compared to those on this committee who have seen this project through from start to finish. And I do want to take this opportunity to thank the Senators on this committee and members of the staff, and give credit to them for guiding to completion what I believe to be an extremely important new dimension in America's cultural life.

It is simply impossible to depict adequately the degree of enthusiasm and support that this Center has all over the country. Every performing arts group in America feels that they have had a part in it. I met last evening with 160 corporation heads who are here at the Business Council meetings. Many of these companies feel as though they had become an integral part of helping to raise the private funds that have gone into this venture. I think it has been very wise that we have required investment of private funds by individual corporations, foundations, and other groups. So, truly, this is a National Center; everyone feels as though they are a part of it.

The marble structure on the banks of the Potomac ranks among the greatest performing arts structures in capitals throughout the world and certainly is a showcase for the arts in this country. If we could have criticized Washington, D.C., as a capital before, I think it would be in this area. I personally felt this when I came here. We didn't even have a home for the National Symphony. The difference the Center has made in Washington this past few months since the Center has opened has been the difference between night and day—suddenly we have a jewel of culture right here in Washington.

The bill presently under consideration will enable the Kennedy Center to fulfill its mission by providing much needed funds for the nonperforming arts aspects of the Kennedy Center program. By nonperforming aspects, I am talking specifically about expenses such as security, utilities, maintenance and operation incurred because the Center is intended to be more than a performance hall; it is expected to be available, as well, as a tourist attraction for millions of visitors each year as a memorial to the late President Kennedy. In this respect it is similar to the Washington Monument and Lincoln and Jefferson Memorials. The expense of these other memorials is, of course, borne by the Federal Government and, in my opinion, the same should hold true to this extent for the Kennedy Center. I should emphasize at this point that S. 2900 is intended in no way to subsidize performing arts expenses. It relates only to expenses connected with the nonperforming public or memorial aspects of the Center.

We have some distinguished experts here today who can explain better than I how a \$1.5 million amount was arrived at. I expect them to go into some detail in explaining the nature of these expenses. Having studied their justification with some care, I can report to this committee that I am completely convinced that only through this appropriation can we expect to meet the demands being placed on the Center.

The funds which have been raised through private sources and ticket receipts have had to be channeled already in large portion to these nonperforming arts areas in order to keep the building open to the public. If this continues we will no doubt fall short of our requirements to

carry out the performing arts and educational aspects of the Kennedy Center. Obviously, if this occurs, the quality of programs will be severely diluted.

Mr. Chairman, if we fail to appropriate funds, there seems to be only one real alternative: close the buildings to the public, as is done in other theaters, keeping it open only at performance times. But, in my opinion, this would be both tragic and contrary to the important services attributable to the memorial aspect of the Center.

I wouldn't want to be a Senator, handling the complaints that I get from people from my home, if they came to Washington and took their children out there and couldn't get into the Center. If we decide against these additional funds I would estimate the Center would close in about a week and we would then have to open it by popular demand by a vote on the Senate and House floors. It is one of the first places people want to go.

I have dropped in a number of times during the course of the day. It is right on my way home. I am always impressed with the tremendous number of people going through that building; the awe with which they go through it.

And I might also say that it is because of the attraction and because of the romance of the building, in effect, that we have had a terrific security problem. Virtually everything moveable is being attempted to be moved by curiosity seekers and souvenir hunters—the faucets in the washrooms; the crystal chandeliers in the elevators; anything that is reachable and detachable, and also some things that you wouldn't think could be detached.

Senator BOGGS. Don't they leave anything?

Senator PERCY. Senator Boggs, there is nothing left. I don't know what it is. And we can say that this characteristic, this desire to just take a little piece or a little part of the Kennedy Center back home is really a problem that we never anticipated. It is a problem of success. If it hadn't attracted that great number of people, we wouldn't have the problem.

I went there as a businessman would have. My only criticism of the management of the Center is I would have been coming in here for at least \$1.8 million. There are \$300,000 worth of additional expenses that I think could be directly attributable to this problem. I think their modest request of \$1.5 million is less than they could justify. But I certainly will back and support the decision of management, and their decision in this case was \$1.5 million.

I do feel quite obligated, however, to mention one other aspect of the Kennedy Center. And I think it is an aspect that this subcommittee, particularly this subcommittee, should be appraised of.

In 1969, on the floor of the Senate, I spoke in favor of an amendment to the Kennedy Center Act which appropriated funds and created a borrowing authority to complete construction of the Center. At that time I reported the view of the other trustees of the Center indicating that if this amendment passed, as it eventually did, they felt there would be no need to return to Congress again for construction funds, and I indicated further that in such case I would have nothing to do with any later request for additional construction funds.

In one of the earlier trustees meetings that I attended there was a discussion as to whether or not we should mothball two-thirds of the building. We simply couldn't get the money. Construction costs had

gone up so much, there were certain errors by GSA in their estimates of construction costs, steel needs, and so forth, the kind of errors that are frequently made in major construction projects. We simply didn't have the money to finish that building. We were going to grind to a halt. I took the position that I didn't come on that Board to start liquidating an asset that had already seen 10 or 11 or 12 years of activity by the members of this committee and others. We had to find a way to raise money and the public had to provide a portion of it and we had to redouble our efforts to go out and raise money privately. Ambassador Blair fortunately was brought in and he, with Roger Stevens, has done a magnificent job of raising private funds.

You will recall that at your request GAO made a full-scale fiscal examination of the Center in which it was estimated that the final construction cost would be \$66.2 million. I am pleased to say that this figure has proven its reliability except for the delay damage claims asserted subsequent to the completion of the GAO report by contractors and subcontractors. The claims were brought to our attention by the General Services Administration, the Government's agents for design and construction, and are based on allegations that these damages are due to the delay in constructing the building.

This controversy actually caused walkouts by the workers and a threatened shutdown of the facility which certainly would have caused even greater costs. The trustees advanced over \$2 million in private funds to prevent having to incur these costs and to continue construction of the building.

The trustees of the Kennedy Center are eager to have this committee fully informed of the full financial condition of the Center. This additional data should not distract us from our main objective of appropriating \$1.5 million for the nonperforming arts aspects. However, I will take this opportunity to press upon the committee the necessity of a full review and study of the problems the delay claims have posed.

Mr. Chairman, in asking this committee to undertake such a review, I do not feel that I am acting inconsistently in light of my earlier statements on this matter. These delay damage claims cannot properly be considered as part of the construction costs discussed in the 1969 legislation. They grew out of labor problems rather than the construction itself. Without the delay claims the project would have been completed for the estimated \$66.2 million.

The trustees insured the opening of the building in September by their stopgap action of advancing private funds, but the time of reckoning has come as to the payment of these delay claims. It is my hope that this committee will act to clear up this question in the very near future.

In the meantime, the most immediate and critical need is for the \$1.5 million requested in S. 2900. Those of us entrusted with responsibility for overseeing the successful operations of this great Center consider this need for funds to be of emergency proportions. It is heartening that this committee is sensitive to the nature of the crisis as well as demonstrated by your willingness to give this legislation such prompt and expeditious consideration in the very crowded days at this particular time.

I thought I had been asked on the Board because of my knowledge of choreography and the performing arts. I found I was faced 5 years

with labor strikes, financial statements, unbalanced budgets, and a necessity to raise funds. And we have all dug in as trustees to do whatever was needed. And it has been one of the most pleasant, somewhat arduous but pleasant, experiences that I have had in my responsibilities in the Senate.

I would like to comment on the foresight and the gifted talent that we have on this Board. I think we are very fortunate indeed to have the leadership that we have as represented in this room today. The value that could be placed on that I think would be in the millions, and it comes to us at a very, very low cost indeed.

But I do feel that we need to present the problem of these delay claim to the committee and we seek your counsel and advice on how we can settle these things. I sat in on and participated in early morning sessions when we finally decided we would go ahead with this building, because as soon as you stop that construction and try to settle these claims with people walking off the job, the costs would be millions more. And I think we saved several millions by having the tenacity to go ahead and borrow and ask for other funds. But we have a financial problem now and we seek your counsel and advice as to how we should handle it.

Senator GRAVEL. I want to thank you very much for your resolve in this matter.

As a member of the Appropriations Committee, do you think it is possible that we could get something into the supplemental that will be coming to the floor next week?

Senator PERCY. Absolutely.

Senator GRAVEL. So there is still time?

Senator PERCY. It depends upon your action, of course. We concur with the staff and with the members of this committee that we ought to work in a very orderly procedure. My concern was that the normal procedures would take so long that we would never solve the crisis that we have right now in time. But because of the cutting through the red-tape that has been done by your staff, I think we are able to do it. And I can assure you we will put it right in the markup and send it to the floor with enthusiasm if we have the authority from you.

Also I want to compliment the chairman of the full committee and the ranking member of the full committee because it was them who facilitated this. Senator Randolph and Senator Cooper and other members of the committee have been magnificent in support of this project and I have personally assured them both of the support for what they are doing. But they believe that this is the best way to do it and do it right out in the open where anyone who wants to can come in and find fault with what the Center has done on the subject and to investigate it further.

Senator GRAVEL. Do you have any knowledge of precisely when the markup will take place for the supplemental appropriations?

Senator PERCY. We have an Interior markup this afternoon at 1:30.

Senator GRAVEL. The supplemental will be the last of the grouping.

Senator BOGGS. If I may assist here, they have a tentative session scheduled at 5 p.m. this afternoon for a markup on the supplemental.

Senator GRAVEL. That is right. I will be there.

Let me assure you that we can act with that amount of time.

Senator BOGGS. I want to join the distinguished chairman in thanking you, Senator Percy, for your appearance here this morning. You

are always persuasive, but you certainly have been particularly persuasive with your very excellent testimony this morning to the committee.

Senator GRAVEL. Thank you again, Senator Percy.

I have a statement from Senator Fulbright that I would like to insert in the record and have it appear with the statement of Senator Percy.

(Senator Fulbright's statement follows:)

STATEMENT OF HON. J. W. FULBRIGHT, A U.S. SENATOR FROM THE STATE OF ARKANSAS

Mr. Chairman, I would like to thank you for the opportunity of appearing before this distinguished Subcommittee in consideration of S. 2900, which would authorize an annual appropriation of up to \$1.5 million for the public, memorial, or, in other words, nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. I appear today in a dual capacity: first as a concerned member of Congress and second as one of the three Senate designees to the Center's Board of Trustees.

This Committee can take particular pride in having authorized the building which now graces the banks of the Potomac. Many have helped to bring this project to fruition, but no group deserves higher praise than this Committee, which has monitored the entire project, lending critical assistance and advice to make the Center a reality.

Your work goes back to 1958 when you considered and approved a bill which I was honored to introduce, S. 3335, which was subsequently approved by the Senate. After similar action in the House on a bill introduced by the distinguished Congressman of New Jersey, Frank Thompson, and approved by President Eisenhower, the National Cultural Center was born. Though the National Cultural Center was conceived to be primarily supported by private funds, it nevertheless represented a truly historic milestone because of a national commitment to encourage the performing arts represented by a national institution.

The entire concept was vastly expanded in 1963, with greater federal participation, after the tragic death of President Kennedy who had shown a genuine interest in the National Cultural Center.

When the Kennedy Center was renamed as such to memorialize the late President, the Congress vested in the Board of Trustees responsibilities greater than anyone had previously envisioned for the National Cultural Center.

It is for assistance in meeting these added responsibilities that the Board of Trustees of the Kennedy Center seek the authorizing legislation of S. 2900, of which I am a co-sponsor. The justification for this annual appropriation is plainly evident. As a public memorial similar to the Washington Monument and Lincoln and Jefferson Memorials and as a public building of great interest to the millions of tourists who visit the Nation's Capitol yearly, the request of the Kennedy Center for operation and maintenance funds has strong precedent and, in fact, is quite reasonable under the circumstances.

The distinguished former Commissioner of Public Buildings, William A. Schmidt, who is now the Kennedy Center's Executive Director for Engineering, has thoroughly analyzed the costs of the Kennedy Center, which are comparable to those of these other memorials and public buildings, and has ascertained that a \$1.5 million authorization is justified. I understand that his testimony will clarify for the Committee the basis for the estimate that \$1.5 million is necessary for the non-performing arts functions of the Kennedy Center.

The Trustees of the Kennedy Center have succeeded in creating an appropriate memorial to the late President, which has brought a series of successful performing arts attractions to our Nation's Capitol. On September 8, 1971, the Opera House of the Kennedy Center opened and on the 9th of September the Concert Hall had its first performance. And the third great theater, the Eisenhower Theater, was opened on October 18, 1971. Numerous works, many original and involving the Nation's and the world's foremost artists have been presented

in the Kennedy Center during the past three months, and have received both national and international acclaim.

Every building has its critics, and the Kennedy Center is no exception; however, no critic has raised a question about the functional superiority of the Kennedy Center's three halls. All have been said to have acoustics equal to those of any in the world.

Thus, at the cost of approximately \$70 million, the Nation and its capital have been provided with a facility which is befitting to their stature in the world, but, even more importantly has introduced a new dimension to our national cultural fabric. And, I should point out that the taxpayers did not pay the full cost since over \$28 million of the total has been underwritten by private gifts and another \$20 million of the total cost is attributable to loans from the Federal Treasury which the Trustees of the Kennedy Center are committed to repay from the receipts from the parking garage of the building. The grant of Federal funds thus far is only \$23 million.

The \$1.5 million requested will not be used for any of the performing arts and educational functions of the Kennedy Center. It will defray non-performing arts expenses incurred because of the Center's unique dual function. Therefore, I urge the Committee's prompt approval of S. 2900 so that the Trustees can appropriately direct their attention to the Center's performing arts and educational activities.

I also understand that the Committee has been advised that the Trustees have an urgent immediate need for an additional \$3 million to meet delay damage claims which have been asserted by the contractors and subcontractors of the Kennedy Center, and which surfaced after the 1969 legislation. This revelation to the Committee has been made by the Trustees in the interest of sharing fully with the Congress problems of operation and construction of the facility. Our present preoccupation should be the appropriation of \$1.5 million for the memorial, non-performing arts aspect of the Center. However, I would recommend that in the near future this Committee consider amending the Act to provide a \$3 million additional borrowing authority which would alleviate the problem without an additional federal appropriation.

Such claims were unknown when the Congress first considered the 1969 amendments, the last amendments to the Kennedy Center Act. At that time, the Trustees indicated that the total budget for construction of the Kennedy Center was \$66.2 million. However, since the Congress first considered the 1969 amendments, the General Services Administration, the government's experienced agent for construction of public buildings, which was utilized by the Board of Trustees for the Kennedy Center, disclosed that the subcontractors and general contractors intended to assert claims against the government for damages due to excessive delay.

The total of these claims as of this date is approximately \$6 million and represents a cost item not contemplated at the time of the 1969 legislation. These were more than mere paper claims as critical subcontractors have walked off the job during the past two years in their efforts to obtain prompt settlement of the claims.

After reviewing all the claims and with the advice of General Services Administration, the General Accounting Office, and competent counsel, the Board of Trustees advanced from non-appropriated private funds money sufficient to let critical subcontractors complete their jobs in order to complete the building without further delay and escalation in cost. Now I hope this Committee will shortly consider an expanded borrowing authority to deal with this problem.

I believe we have achieved in the Nation's Capital a focal point for cultural activity in the United States of which we can be proud. But the energies of our Board must be directed to an ever improved and expanded performing arts program. This is why I support an appropriation by Congress to take care of non-performing arts aspects of the Center.

Thank you.

Senator GRAVEL. Our next witness this morning is Mr. Roger Stevens, the chairman of the John F. Kennedy Center for the Performing Arts. I wonder if you would have your colleagues join with you at the conference table and introduce them for the record.

STATEMENT OF ROGER L. STEVENS, CHAIRMAN, BOARD OF TRUSTEES, JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS; ACCOMPANIED BY RALPH E. BECKER, GENERAL COUNSEL; WILLIAM SCHMIDT, EXECUTIVE DIRECTOR FOR ENGINEERING; WILBUR H. SANDERS, DEPUTY COMMISSIONER, PUBLIC BUILDING SERVICE, GENERAL SERVICES ADMINISTRATION; AND LEONARD REAMER; CPA, ELMER FOX & CO.

Mr. STEVENS. Thank you, Mr. Chairman.

I appear today with Ralph Becker, trustee and general counsel of the Center; Mr. William Schmidt, executive director for engineering of the Center; Mr. Wilbur Sanders, Deputy Commissioner of Public Building Service, GSA; and Mr. Leonard Reamer, CPA, with the Elmer Fox & Co., who has assisted us with various cost analysis.

I would like to have permission to have my statement filed and ask that that be done.

Senator GRAVEL. Without objection, it is so ordered.

(The statement together with attachments follows:)

STATEMENT OF ROGER L. STEVENS, CHAIRMAN, BOARD OF TRUSTEES, JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. Chairman, I am Roger L. Stevens, Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts. With me are Ralph E. Becker, Trustee and General Counsel of the Center; Mr. William Schmidt, Executive Director for Engineering of the Center; Mr. William Sanders, Deputy Commissioner of Public Building Service, G.S.A.; and Mr. Leonard Reamer, C.P.A., Elmer Fox and Company, who has assisted us with various cost analysis.

May I open by paying tribute to the untiring efforts of this Committee and its patience in listening to our problems, which have made the dream of a National Cultural Center, first signed into law in 1958 by President Eisenhower, and living memorial to the late President Kennedy a reality. I hope that you were pleased to see the fruition of your efforts with the opening of the Kennedy Center on September 6, 1971. On that night the Opera House had its first performance and on September 9, with the President in attendance, the Concert Hall was inaugurated. A two week opening festival of the arts inaugurated the Center bringing critical raves for the theaters, their marvelous acoustics and the attractions themselves. I would like to include in the record, with my statement a few of these many stories pointing out the many features of this Center which you have helped to create. Finally, on October 17, again with the President attending, our fine Eisenhower Theater was inaugurated, thus giving Washington, for the first time in its history, three great halls for the performing arts. On numerous occasions during the past weeks, we have been told that the Center has added a new dimension to the Nation's Capital.

With the Opening completed and thanks to 13 years of leadership of this Committee and the aid of corporations, foundations, and individuals who provided the matching funds, we realistically assessed the financial needs of the Board of Trustees, both in presenting the best in the performing arts to the public and also, under its mandate, in providing the sole Washington memorial to the late President John F. Kennedy. We have made such a comprehensive assessment and anticipate that hall rentals will be sufficient to cover the costs of presenting a full and diversified performing arts program during the coming year as well as provide discount tickets for those who would not otherwise be able to attend performances. Here I should point out that we have established a unique program so that students, military personnel, low income citizens, retired persons living on fixed incomes and the handicapped may attend and are now attending, performances put on in our three halls. This program has been funded by last spring's Gala and a series of performances donated by more than fifty of the world's greatest artists who have appropriately been labeled as our "Founding Artists." A list of these Founding Artists is attached to my statement.

To date our experience bears out our expectations that we can be self-sufficient in the performing arts area.

However, the Kennedy Center is more than a theater operation. It is a living memorial to the late President and many will visit the building each year separate and apart from those attending performances in the theater. In light of the Smithsonian's experience of six million visitors to its Museum of History and Technology during the past fiscal year, it is expected that millions of visitors will visit the Center building, for which matching funds were authorized by Congress in 1964 with bipartisan support. Even though our initial operation has not been during the tourist season, an average of 6,000 non-theater-going tourists have visited the Kennedy Center daily at no charge since early September. Submitted with my statement is a memorandum describing the basis for our estimate and describing the non-theater-going uses of the Center.

The proposed amendment to the John F. Kennedy Center Act will authorize the appropriation of up to \$1.5 million annually, for the costs incurred by the Trustees in serving these millions of visitors or put another way will help meet the Center's "non-performing arts" costs. It had originally been anticipated that a charge would be made for touring the building to help to partially offset the huge expenditures necessary to keep the building open so that all of the citizens of our country and people from all over the world could view the building, its many foreign gifts and the memorial sculpture. In former budget estimates, it was conservatively estimated that at least \$500,000 could be raised from admissions charges to defray these public costs. (It is clear that we underestimated the public's interest in the memorial, and I should add, the costs associated with the unexpected number of visitors to the building.) However, as the Committee is aware, Washington memorials do not charge for admission and it was decided that we should attempt to operate consistently with this federal policy, if possible, until Congressional guidance is received.

Our case obviously differs from a Broadway theater, or a theater anywhere else for that matter, which is open for three hours a day and closed for the balance, thus minimizing expenditures for utilities, personnel and all other expenses. The very nature of our facility requires that it be open to the public at least 12 hours a day 7 days a week; we ask that we not be saddled with responsibilities outside the performing arts realm which are properly in the public realm.

The Kennedy Center is a complex, fully enclosed structure which requires air conditioning, heating, substantial security protection services, maintenance, janitorial services and management. All of these services have been and will be necessarily incurred for tourist visitations and public interest activities. There is ample precedent for federal support of such activities in the annual appropriations made by the Congress for other memorials throughout the Nation.

An example is the overwhelming security expense incurred for visitors to the memorial. As in other theater houses, ushers and ticket takers can control theater patrons without the need for many additional protection personnel. But as a public memorial, the Center requires far more provision for protection than a regular theater house. The Committee is aware that all Government buildings have required ever increasing security measures. As can be seen from the newspaper article which I include with my statement, visitors (theatergoers and tourists alike) have taken as souvenirs practically everything that could be removed from the structure and we require substantial protection for public uses of the building.

To estimate the costs to carry on the non-performing arts functions at the Kennedy Center is a complex process. We have been able to discern these costs by drawing on the many years of experience of Mr. Schmidt, who was formerly the Commissioner of Public Buildings of G.S.A. He is present today to explain more fully the Center's request. Helping us to refine these costs has been Mr. Reamer, who has previously assisted the Smithsonian Institution in these areas and who is likewise available for questions. They worked closely with the remainder of the Center staff and in consultation with the office of Management and Budget, which has indicated its approval of the legislation. Mr. Becker would also be pleased to respond to any questions you might have, particularly concerning legislative history.

Mr. Chairman, our appearance before the Committee this late in the session is prompted because of the Kennedy Center's urgent need to obtain assistance in meeting the costs which the Center has incurred to keep the building open to the non-theatergoing public. As I indicated, assistance in the amount of \$1.5 million is needed for the current fiscal year, which amount is to be fully justi-

fied in Mr. Schmidt's statement. Without federal support to date, the resources of the Trustees have been severely taxed in meeting these public, memorial costs.

The source of funds for these non-performing arts costs is the advance of \$3.5 million against rentals which was permitted under the garage concession contract with Apcoa. This advance has been used for essentially two purposes: for payment of approximately \$2.5 million against delay damage claims, which I will discuss later in my statement, and for payment of the costs of the opening weeks' performances with the remaining \$1.0 million. Because of the lack of admissions revenues from tourists and the lack of alternative federal assistance to date, some of this \$1.0 million has been used for the non-performing arts costs which are the subject of S. 2900, though needed for other obligations of the Kennedy Center. Today, there is no available funding source to continue meeting these public costs.

(For your information, the Trustees intend to repay the \$3.5 million APCOA advance out of parking revenues by 1977. This will enable us to meet our obligation to commence payment on the federal revenue bonds after 1978 out of parking revenues.)

Faced with the critical need to fund the public, non-performing arts costs being incurred by the Center, I convened an emergency meeting of the Board of Trustees and representatives of the Advisory Committee on November 10, 1971, to review the financial condition of the Center. It was agreed that there is no available private source of support for the non-performing arts costs. Prior to May, the Advisory Committee raised close to \$1 million, but since that time, the results of our fund raising efforts have been very disappointing. Thus, we turn to the Committee for help.

It has been suggested that the Committee might approve at this time only a one-time, emergency appropriation of \$1.5 million, deferring until the next session further consideration of S. 2900. Such a procedure would give the Committee time to fully consider the ramifications of permanent, authorizing legislation while yet providing the immediate relief needed by the Kennedy Center. We have no objection to such a procedure.

To make the record complete I would like to place before this Committee information on another facet of the Center's finances, of which we hope that we may obtain further consideration in the next session, if not appropriate at the present. Since the 1969 legislation was passed, the unanticipated question of claims, totaling \$6.1 million and asserted by the general contractor and subcontractors for damages due to excessive delay in construction of the Kennedy Center has surfaced.

The Committee is well aware that the authorization and appropriation legislation enacted by the Congress into law in 1969 was premised on a GSA cost estimate for construction for the Center of \$66.4 million. This figure was apparently verified by a special GAO study requested by the Committee. But for developments not anticipated in 1969, the Trustees, acting through the General Services Administration, would have been able to complete the building within that limitation.

As the 1969 legislation was passed by the Congress, the Trustees began to be faced by inordinate difficulties at the construction site. In the late fall of 1969, a major subcontractor walked off the job site. The first work stoppage was only the beginning of the unanticipated difficulties. It precipitated additional walk-offs in 1970 and also the assertion of the delay damage claims. The most prudent course to take, and which was taken by the Trustees in the face of such difficulties, was the advance of about \$2.5 million from non-appropriated funds, against these claims, which might settle for a total of about \$3.0 million, with possible counterclaims against the contractors and claims against the architect. Construction continued only because of this advance from non-appropriated fund, which advance minimized the impact of further unprecedented cost escalation and avoided an incomplete shell of a building on the Potomac. As a result, the building was completed and the September opening proceeded.

As I said at the outset, we want to advise the Committee about these delay damage claims, not anticipated in 1969, to respond to your inquiries, and to seek

your counsel and guidance in this regard. Mr. Sanders, Deputy Commissioner of GSA's Public Buildings Service, which has been the Center's agent for design and construction, is with us today and is also available to answer your inquiries.

In conclusion, I should briefly recite the history and organization of the Kennedy Center. It was established as the National Cultural Center by P. L. 85-784, signed into law by President Eisenhower on September 2, 1958. The original Act, adopted with strong bipartisan support in both houses, provided for a government-owned site upon which was to be constructed a cultural center financed by voluntary contributions. The Center was designed as the sole National memorial to the late President, and renamed the John F. Kennedy Center for the Performing Arts in P. L. 88-260, approved by President Johnson on January 23, 1964. This legislation had almost unanimous support of both parties, and had bipartisan sponsorship. Construction of the building commenced in early 1967.

The Center, a bureau of the Smithsonian Institution, is governed by a Board of Trustees, originally thirty but presently numbering forty-five. Of these, nine serve ex officio, three (Congressmen Frelinghuysen, Roncalio and Thompson) are appointed by the Speaker of the House of Representatives, three (Senators Fulbright, Percy and Tunney) by the President of the Senate, and thirty by the President of the United States. A complete list of officers and trustees is attached. The officers are elected annually by the Board.

The first Chairman of the Board was Secretary Arthur S. Fleming who was succeeded by Ambassador L. Corrin Strong, and in 1961 by me.

In addition to the Board of Trustees, the President has appointed an Advisory Committee, which is provided for in Section 2(c) of the Act. A list of the members is attached. With members representing 50 States, the Advisory Committee acts as a liaison with people throughout the Nation.

We are most appreciative of the Committee's consideration of this legislation and review of the Center's current difficulties.

Thank you very much.

FOUNDING ARTISTS

Julian "Cannonball" Adderley
Martina Arroyo
Burt Bacharach
Gina Bachauer
Pearl Bailey
Count Basie
Harry Belafonte
Tony Bennett
Jack Benny
Leonard Bernstein
E. Power Biggs
Richard Bonyng
Victor Borge
Diahann Carroll
Pablo Casals
Chamber Orchestra of Mexico
Chicago
Van Cliburn
Marlene Dietrich
Placido Domingo
Antal Dorati
Duke Ellington
Bill Evans
Gil Evans
5th Dimension
Virgil Fox

Nicoli Gedda
Dizzy Gillespie
Merle Haggard
Richie Havens
Earl "Fatha" Hines
Eugene Istomin
Danny Kaye
B. B. King
Dorothy Kirsten
Peggy Lee
Henry Mancini
Robert Merrill
Modern Jazz Quartet
New York Pro Musica
Birgit Nilsson
Jan Peerce
Karl Richter
Leonard Rose
Julius Rudel
Rudolf Serkin
Beverly Sills
Isaac Stern
Henryk Szeryng
Léopold Stokowski
Joan Sutherland
Clark Terry
Dionne Warwick
Andre Watts

The Advisory Committee on the Arts appointed by President Nixon

Executive Committee

Mrs. J. W. Marriott
Chairman
Robert S. Carter
Secretary
R. A. Lamontagne
Special Counsel
Vernon B. Stuffer
Chairman, Finance
Mrs. David E. Bradshaw
Vice-Chrm., Finance
Mrs. Jack Wrather
Chrm., Public Relations
Harry L. Jackson
Vice-Chrm., P. Rel.
Mrs. Paul A. Clayton
Chrm., Ed. & Program
Mrs. Benj. C. Evans
Vice-Chrm., Ed. & Pro.
Mrs. D. E. Jackson
N.E. Regional Chrm.
Harvey B. Cohen
South Regional Chrm.
Mrs. W. A. McKenzie
West Regional Chrm.
John H. Myers
Midwest Reg. Chrm.
Mrs. Arnold Schwartz
Director of Publicity

Members

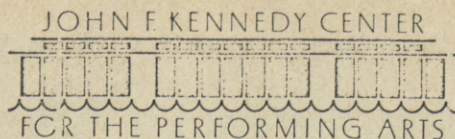
Mrs. E. Atwood
Anchorage, Alaska
Mrs. Robert Loch
Birmingham, Alabama
C. Robert Herberger
Scottsdale, Arizona
Peter R. Marroney
Tucson, Arizona
Himie Driewood
Amibo, Arkansas
Samuel Schulman
Beverly Hills, Calif.
Mrs. Jack Wrather
Los Angeles, Calif.
Mrs. Eyan V. Jones
San Diego, California
Allan R. Phipps
Denver, Colorado
Davis W. Moore
Denver, Colorado
Myron R. Bernstein
Moodus, Connecticut
Larned S. Whitney, Jr.
Great Britain, Conn.
Mrs. John W. Rollins
Greenville, Delaware
Mrs. John R. Cooper
Hockessin, Delaware
Charles C. Parks, Sr.
Hockessin, Delaware
Mrs. Robert Hook
Jacksonville, Florida
Mrs. Edwin Reeves
Miami, Florida
Rabbi Joseph Freedman
Albany, Georgia
Mrs. R. W. Wynne, Jr.
Atlanta, Georgia
Mrs. Eureka B. Forbes
Honolulu, Hawaii
Mrs. R. V. Hansberger
Boise, Idaho
Mrs. George F. Barrett
Chicago, Illinois
Mrs. D. E. Bradshaw
Chicago, Illinois
Charles W. Bolen
Normal, Illinois
Mrs. John Burkhart
Indianapolis, Indiana
Mrs. Sarkes Tarzian
Indianapolis, Indiana

James S. Schramm
Burlington, Iowa
Mrs. Gordon E. Stone
Hutchinson, Kansas
Stanley O. Bevon
Wichita, Kansas
Bernard H. Barnett
Louisville, Kentucky
Mrs. H. K. Marshall
New Orleans, La.
Willard W. Cummings
Skowhegan, Maine
Mrs. Wm. H. Muir
Stonington, Maine
Mrs. W. G. Bouse
Baltimore, Maryland
Mrs. Gilbert W. Keech
Chevy Chase, Md.
Mrs. Richard M. Allen
Salisbury, Maryland
Mrs. Chas. C. Hartman
Savanna Park, Md.
Cecmann Newberry
Beverly Farms, Mass.
Thomas A. Pappas
Boston, Mass.
Miss R. M. Hendrich
Great Barrington, Mass.
William M. Hunt
Milton, Mass.
Mrs. R. H. Hollowell
Westwood, Mass.
W. Hal Youngblood
Bloomfield Hills, Mich.
Mrs. John Stiles
Grand Rapids, Mich.
Mrs. W. Ballenger, III
Ocid, Michigan
Mrs. Russell T. Lund
Minneapolis, Minnesota
John H. Myers
St. Paul, Minnesota
Mrs. John S. Pillsbury, Jr.
Wayzata, Minnesota
Barrell O. McGee
Greenville, Mississippi
Mrs. R. Crosby Kemper, Jr.
Blue Springs, Missouri
George S. Rosborough, Jr.
Webster Groves, Missouri
Bruce G. Jacobson
Bozeman, Montana
James N. Ackerman
Lincoln, Nebraska
Mrs. William P. Lear
Verdi, Nevada
Senator Robert English
Manchester, New Hampshire
Gordon Canfield
Hawthorne, New Jersey
Edmund B. Sullivan
Rumson, New Jersey
Walter W. Weller, Jr.
West Orange, New Jersey
Mrs. Rufus G. Poole
Albuquerque, New Mexico
Mrs. Elmer H. Bobst
New York, New York
Richard J. Buck
New York, New York
William S. Lasdon
New York, New York
Miss Bernice Millar
New York, New York
Richard C. Pistell
New York, New York
Mrs. Arnold Schwartz
New York, New York
Mrs. John M. Shabean
New York, New York
Arthur M. Richardson
Pittsford, New York
Mrs. Paul Walezak
Williamsville, New York
Henry H. Shavitz
High Point, North Carolina
Charles R. Jonas, Jr.
Lincolnton, North Carolina

Bryan E. Gackl
Dickinson, North Dakota
Carl H. Lindner
Cincinnati, Ohio
Harry L. Jackson
Cleveland, Ohio
Vernon B. Stoufer
Cleveland, Ohio
William D. Taylor
Hartsville, Ohio
C. Oscar Stoves
Alva, Oklahoma
Mrs. Frank J. Fichtower
Oklahoma City, Oklahoma
Ronald G. Sehidt
Salem, Oregon
Mrs. Andrew J. Sordani, Jr.
Forty Fort, Pennsylvania
Mrs. Mable Pev Myrin
Kimberton, Pennsylvania
Mrs. D. Eldredge Jackson
Providence, Rhode Island
Mark W. Duvel, Jr.
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[From the Washington Sunday Star, Aug. 1, 1971]

KENNEDY CENTER: MORE THAN A BOOKING AGENCY

(By Irving Lowens)

"So Washington is getting some new theaters. Why all the hoopla about the Kennedy Center? After all, it's just a glorified booking operation. It's business as usual, only more of it."

So say the cynics.

One can perhaps forgive them when the Kennedy Center announces "three great popular series" at fairly stiff prices which feature such frequent visitors to the local scene as Tony Bennett, Peggy Lee, Victor Borge, Henry Mancini and Duke Ellington, among others.

And what with opening night less than six weeks away, a certain amount of myopia on the part of the Kennedy Center is understandable. There'll be lots of time to talk about what's new later—what comes first is selling these tickets.

There's nothing wrong with "business as usual, only more of it" in the performing arts. Performers must have audiences.

But the Kennedy Center is required by law to be something more than "a national stage for the finest in classical and contemporary music, opera, drama, dance, film, and poetry from this nation and from nations abroad."

YOUNG PERFORMERS

To quote the legislation which brought it into existence, the Center is also required "to provide facilities for lectures and other civic activities; through imaginative programming, to develop new and ever broadening audiences not only for its own theaters but for theaters and concert halls throughout the nation; to provide opportunities for the growth and experience of young performers and young audiences, and to provide for other age groups as well."

The institution that fulfills this mandate is going to have to be something more than a booker of talent, and the people at the Kennedy Center are keenly aware of this and have been for some time.

A red-white-and-blue brochure, recently published to publicize the Center, puts it this way:

"The Kennedy Center, representing a growing appreciation for the performing arts in our country, was created by an act of Congress to serve the whole nation. Thus, it has the opportunity as well as the obligation to try things that have never been tried before, to break new ground in the fields of programming and audience development, to make all Americans feel that their new national cultural center belongs to them."

These are lovely words, but what do they really mean?

What actual "things that have never been tried before" does the Center have in mind? What "new ground in the fields of programming and audience development" is actually being broken? How does the Center expect "to make all Americans feel that their new national cultural center belongs to them"?

If these questions have an answer, that answer surely will be found in the area of the Center's public service programs, and it was to discuss this subject that I paid a visit last week to the one man most responsible for what goes on at the white marble edifice on the banks of the Potomac, Roger L. Stevens.

"Public service" is a slippery phrase. Plainly, to rent the concert hall to the National Symphony or the Washington Performing Arts Society is a "public service." Just as plainly, to present any great artist or ensemble is a "public service." But this is not the sort of public service we discussed.

What we talked about were the projected activities of the Center over and above the normal business of theater operation—the Center as originator of ideas, as producer, as educator.

The Center is setting aside 25 percent of its time and space for this sort of activity, which comes to some 270 booking dates, since the Center's three theaters will be in operation all through the year.

Some of the public service events for the 1972-73 season, such as the College Theater Festival, are firm. Others of similar nature (a jazz festival, a university opera festival, a band festival, an international choral festival) are in the advanced planning stage, and they reasonably can be expected to materialize.

Giving such festivals a Washington home and the Kennedy Center stamp of approval is plainly a considerable public service which benefits not only our city but the nation as a whole.

A bit more daring is a different type of festival, centered around a single American composer, now under serious consideration. The idea would be to take one of our big men, such as George Gershwin, and try to illuminate in depth his contribution to American culture.

Such a festival (to use Gershwin as an example) might present productions of "Porgy and Bess" and a musical such as "Of Thee I Sing," an all-Gershwin symphonic Concert, an evening of Gershwin hit tunes, a lecture on Gershwin by Ira Gershwin, an art exhibit featuring Gershwin's paintings and Gershwin-inspired art, an exhibition of his manuscript scores and memorabilia at the Library of Congress, and so on.

A possible prototype would be the recent Josquin Desprez festival in New York's Lincoln Center, which combined live performances by invited ensembles with public discussions, lectures and scholarly papers.

At the Kennedy Center, doubtless the emphasis would be on the American performing arts, and festivals built around composers, playwrights, choreographers or poets could range from modest one-day affairs to elaborate week-long galas.

The Center is very much aware of the potential of television as a method whereby it might serve the whole nation. Stevens confirmed the fact that discussions are taking place between Center officials and educational television executives with regard to collaboration.

It is not only the matter of telecasting those events to take place in the Center's theaters that has been broached. It is conceivable that the Center might produce its own shows of an educational nature for TV distribution, once more with emphasis on specifically American culture.

One of the most radical ideas under active discussion is that of a National Conservatory associated with the Kennedy Center. This is envisioned very much as a "West Point of the Arts," with the various states nominating their most gifted young musicians for free professional training.

STRONG BACKING

Needless to say, such a project is not imminent. But the idea of such a conservatory, which would utilize the talents of the resident performing arts ensembles in the Kennedy Center as faculty, has the strong support of Julius Rudel, musical director of the Center, as well as backing from such prominent figures in the world of music as Erich Leinsdorf.

The Center is also seriously thinking about enlisting the aid of Congress in a bold program designed to give exposure to the country's outstanding young artists.

The general outline of the plan calls for a series of concerts at some regular interval (say once every week or two) in which each of the states would be given an opportunity to put on display, in one of the Kennedy Center's theaters, the artistic talents of one or more of its citizens.

The entire show would be produced within the state, and endorsed for presentation in the Kennedy Center by the state's congressional delegation.

In this way, once every year or two, the "parade of states" would reveal to the nation just what is taking place in the arts way back home.

Allied with this conception to a certain extent is the idea of using the Kennedy Center as the point from which artists, about to undertake foreign tours under State Department auspices, would take their leave from this country.

We do very little to help our ambassadors of culture abroad. Surely a farewell concert in the Kennedy Center, perhaps with a reception hosted by the artist's congressional delegation, would be a most appropriate (and most helpful) gesture.

The obverse of that particular coin is the Kennedy Center as the formal point of entry for prestigious artists and ensembles from abroad about to embark upon an American tour. The Kennedy Center is the logical place where they should make their American bow.

CORDIAL WELCOME

These important visitors to our shores should be assured of a cordial welcome.

Of course, these are merely some of the things in the public service hopper at the Kennedy Center; the schemes and dreams mentioned here are merely specimens of the sort of thinking that is going on there, behind closed doors, day after day. It would be foolish to predict that all of them will come to fruition. Some will and some won't, and others too will come and go.

These things are, however, quite indicative of a healthy desire on the part of the Center's administrators to conform to the spirit and the letter of the legislation behind the Center.

And even more important, they are evidence that the Center takes seriously "the opportunity as well as the obligation to try things that have never been tried before, to break new ground in the fields of programming and audience development, to make all Americans feel that their new national culture center belongs to them."

I wish Roger Stevens and his colleagues the very best of luck. Undoubtedly, they'll need it.

[From Cue magazine, Aug. 7, 1971]

THE JOHN F. KENNEDY CENTER—WASHINGTON'S LEAP INTO PROMINENCE IN THE PERFORMING ARTS

Time was when a visit to our nation's capital meant a climb to the top of the Washington Monument, a walk along the Reflecting Pool, a pause at other famous political memorials, a guided tour through the Bureau of Engraving and Printing, and, if it was summer, maybe an outdoor military band concert from the steps of the Capitol. But *theatre*? Well, there was the National on E Street for pre-Broadway trials. *Concerts*? The National Symphony and its patrons were putting up with the dreadful acoustics of DAR-owned Constitution Hall. The Opera Society of Washington was appearing sporadically at Lisner Auditorium. And visiting ballet troupes, orchestras, and recitalists occasionally drifted into town.

The stirrings of concern about the capital's cultural life were felt back in 1958 when the National Cultural Center Act was signed by President Eisenhower. The arts were given added local status in the early '60s by the Kennedy circle and the sparkling, much publicized musical soirees in the East Room of the White House. The fledgling experimental Arena Stage took on national stature with the acclaim accorded its production of "The Great White Hope." And now, with a glittering opening on September 8, highlighted by the world premiere of a major new work by Leonard Bernstein, Washington will at long last have one grand-scaled site where the worlds of music, theatre, dance, and film will meet: the John F. Kennedy Center for the Performing Arts.

The Center is monumental in scope of purpose: "to provide a national stage for the finest in classical and contemporary [performing arts] from this nation and from nations abroad . . . to provide facilities for . . . civic activities . . . through imaginative programming, to develop new and ever broadening audiences . . . for theatres and concert halls throughout the nation . . . to provide opportunities for the growth and experience of young performers and young audiences . . ."

The Center is also monumental in its role as a memorial. In 1964, with planning schemes well under way, Congress passed a law renaming the Center and designating it "the sole national memorial to the late John Fitzgerald Kennedy within the city of Washington and its environs."

Undoubtedly, the JFK Center is monumental in size. It is a single rectangular unit covering more area than one of our city blocks, with public halls and facilities on two levels. The striking simplicity of gleaming white marble (donated by the Italian government) is broken only by 66 slender, gold-finished structural steel pillars, the occasional play of fountains, and a few sculptures. Construction cost? An estimated \$66.4 million, from Congressional appropriations and private contributions. The site, too, is splendid—along the Potomac, near the posh Watergate Apartments and overlooking a forever-wild bird sanctuary.

The main entrances to the Center are from the rear—except, of course, for those who have parked in the 1,600-car subterranean garage. Enter, and the architectural drama begins. Two marble corridors, the Hall of Nations and the Hall of States, soar high to flag-hung ceilings and fairly swoop their red-carpeted way to the river-racing front of the building—and the Grand Foyer which runs the entire 600-foot length of the Center. Gracious, glittering, and awe-inspiring, the Foyer seems the appropriate ceremonial setting for the larger-than-life-size bronze bust of Kennedy by Robert Berks.

Access to all main-floor theatres—the Opera House, the Concert Hall, and the Eisenhower Theatre—will be from this foyer, just incidentally one of the largest rooms in the world. Enter the elegant Opera House and your eye will first be drawn to the fairytale-like splendor of the graceful Austrian crystal chandelier.

Then there's the magnificent red and gold silk stage curtain presented by Japan. This hall, seating about 2,300 people—almost 1,500 *less* than New York's new Met but with backstage proportions nearly equalling the Met's—is designed for big musicals and dance, as well for opera. The Center's official dance company, the American Ballet Theatre, will perform here. It will also be the setting for the Center's gala opening and premiere of Leonard Bernstein's "theatre piece," elaborately scored for orchestra, voice, and dance, entitled "Mass."

The adjacent but totally separate Concert Hall will open the next evening, September 9, with a program chosen by Antal Dorati, who will be starting his second year as conductor of the National Symphony. Most interestingly, he has included a Beethoven work, his custom for every one of the important musical occasions in his career. The conservative, uncluttered feeling of this hall reminds one of Boston's Symphony Hall, though as elsewhere in the Center there are eye-catching crystal chandeliers. This larger hall's capacity is in the 2,700 range—similar to that of Carnegie Hall and a bit less than Philharmonic. The resident National Symphony has scheduled almost twice as many major subscription concerts as last year; its new home does seem to have fostered a new burst of creative activity.

The last of the major halls to open (completion date, mid-October) will be the Eisenhower Theatre, which is intended primarily for drama. Comparable in size to Broadway houses, it will seat nearly 1,150. There are dreams to establishing a permanent National Repertory Theatre group here similar to England's renowned one.

Directly above this theatre, on the roof terrace level, is the Film Theatre, which will also be used for other events ranging from chamber music and children's theatre to experimental theatre productions. Also on this upper floor are a trio of restaurants-with-a-view, run by Canteen Corporation which also operates the Grand Tier at the Met. Scheduled for mid-August openings, these restaurants should provide an enjoyable excuse for summer and fall visitors to get a sneak-preview peek at the inside of the Center.

All facts and figures and marble proportions aside, what will make the Center a vital force in our country's cultural fabric is the nature and quality and scope of its programs and performances. The schedule for the two inaugural weeks is an awe-inspiring beginning. Highlights include the new Bernstein work; the world premiere of Alberto Ginastera's opera "Beatrice Cenci" by the Opera Society of Washington; a rare performance of Handel's opera "Ariodante" with Beverly Sills; and the now-completed Alvin Ailey-Duke Ellington ballet "The River" danced by the ABT. Throughout these two weeks and the months that follow there will be concerts in the Founding Artists Series, whose 51-name roster, recently announced, ranges—alphabetically and musically—from Cannonball Adderley to Andre Watts. All artists and groups in this series are donating their time and talents during the inaugural season to assist the Center's generous discount ticket program. (Up to 25 percent of other tickets in each hall will be withheld for distribution by the Center to the disadvantaged and disabled.) Major orchestras, conductors, and soloists will visit from cities in the U.S., Canada, and Europe. And . . . there's a Country Music Festival in October, an Afro-Asian Dance Festival in November . . .

Chairman Roger L. Stevens summed it all up best when we spoke. The Center he said, exists to bring quality entertainment to an ever-greater segment of the American public. It will, he believes, fill the former glaring cultural gap in our nation's capital. And it is hoped that it will both encourage the new and nurture the traditional forms and achievements of the performing arts.

Starting with splendid facilities and imaginative programs, the Center may well do just that.

[From the Evening Star, Sept. 8, 1971]

THE KENNEDY CENTER

Tonight at 7:30 the curtain will rise on Leonard Bernstein's Mass, the dedicatory work for the John F. Kennedy Center for the Performing Arts. According to advance reports, the Mass is entirely different from traditional settings for the liturgical celebration, using the prayers and movements of the mass to dramatize the agony and hope of modern man. It promises to be an exciting and stimulating evening in the theater.

That 7:30 curtain also rises on what is certain to be a new and powerful cultural force in this community and in the nation. In a very few weeks, Washington will be firmly established as the second city in the country for music, dance and theater, a possibility that would have seemed absurd when the Performing Arts Center was first seriously discussed in 1957.

Acknowledging the original drive for the Center by Representative Frank Thompson, and, of course, the design of architect Edward Durrell Stone, the Center remains very largely the achievement of one man, Roger L. Stevens, who came here almost exactly ten years ago, at the request of President Kennedy, to bring the Center into being. In the face of criticism and discouragements from every side, Stevens persevered. To him more than to anyone we owe the glittering future the Center ensures for the performing arts in our city, the capital of the nation.

Finally, the curtain tonight rises on what must be the most appropriate presidential memorial of all. President Kennedy's career in office is poignant to contemplate because so much of it was hope and promise never fulfilled. The Center, now, is a fulfillment of much of the best that the slain president came to stand for in his countrymen's eyes—the grace, the insight, the lifting up of hearts that come to us when a theater's curtain rises.

[From the Washington Post, Sept. 9, 1971]

THREE CHEERS FOR THE KENNEDY CENTER

When all the critical furor over its location, its architecture, and its parking facilities has subsided, (which it might just as well do, for all the practical effect it can now have), the Kennedy Center will remain as an immense Washington asset. Its opening last night and the preview performances of Monday and Tuesday afforded a lot of Washingtonians an opportunity to see for themselves what the center looks like and what kind of setting it provides for the symphonies, ballets, chamber music, recitals, operas, plays, rock festivals and other entertainment it plans to offer Washingtonians interested in attending. Everyone is, of course, entitled to his own opinion about the place; for our own part, we have not leaned over backward to be deferential. But now we think it's a good time to say we're glad the center is open and we wish it a long, happy and triumphant life.

Perhaps this is a good time, too, to say something in gratitude and commendation for the people who have worked long and resourcefully to raise funds for the center and bring it into being, Roger Stevens most conspicuously of all. The Friends of the Kennedy Center did a superb job in mobilizing support for the project. Everyone who contributed to it deserves warm thanks from all of us who will be their beneficiaries.

A glance at the bill of fare for the first couple of months gives one a breathtaking sense of what this center can mean to the capital of the United States. Good production facilities cannot of themselves produce great art; but they can afford an encouragement to artists. It remains now for the people who live here to give the center the support it needs to realize its potentialities. It can do a great deal to enrich life here, to make it more consonant with the ideal of a world capital. If it succeeds in this, it will be a splendid monument to John F. Kennedy.

[From the Washington Post, Sept. 14, 1971]

MARQUIS CHILDS—KENNEDY CENTER NEEDS SUBSIDY

This Capital has just been through a kulturkampf that left behind bruised egos and rancorous feelings, and yet with all the uproar there was a sense of moving into a new age. The occasion was the formal opening of the Kennedy Center for the Performing Arts with three dedicatory performances.

Both with the huge marble center and with the premier presentation, Leonard Bernstein's mass, it was not hard to find fault, and the professionals in this department were quick to rush into the breach. The miracle seemed, however, that with all the pulling and hauling from so many different directions, the center had actually come into being.

As first signed into law by President Eisenhower, in 1958, the national cultural center was to be built with voluntary contributions. This didn't work. Early in 1964, following the assassination of John F. Kennedy, his successor, Lyndon Johnson, rushed through bipartisan legislation calling for dedication of the center as a memorial to the murdered President and providing \$15.5 million in federal money to be matched by private giving.

Two years ago President Nixon got through legislation providing an additional \$7.5 million. The site on the Potomac River had been an initial contribution by Congress.

From the beginning the going has been tough. In a survival of the puritan ethic, many members of Congress have felt it was immoral to spend the taxpayers' money on the arts. If people wanted to hear opera and orchestral concerts, let them pay for it.

This makes evident the serious problem ahead for the huge \$76 million center. If it is to fulfill its function and make music and theater available, not just to a few rich opera lovers, but to a broader public, there must be a generous annual subsidy that can come only from Congress. While without such a subsidy the concert halls may be filled, the vision of a center that would encourage the experimental, the new, and the untried will not come to life.

Every other Western nation has a long established tradition of public support for the arts. Without government subsidies such costly entertainment as opera could scarcely survive with any hope of a high standard of excellence and particularly in light of worldwide inflation. The contrast with the United States, rated the richest nation, is striking.

Austria has a state budget for music and theater equivalent to \$3 per capita. In addition, provincial governments contribute to the arts. Granted that this is in part a practical matter, the superb Vienna State opera and the Salzburg music festivals being conspicuous tourism attractions. Nevertheless it is a national tradition that makes available to all income levels the best in theater and music.

Finland, with a population of 4,700,000, has a national opera and several subsidized theatrical companies with a remarkable standard of excellence. State and local community aid to the performing arts is about \$1 per capita.

After the cloud of controversy subsides the important fact remains—the center is in being with facilities for opera and ballet long needed in this cultural desert. This is bound to mean a cross-fertilization of the arts on both the national and international level.

Among the guests coming from abroad for the opening of the center was Austria's Minister of Education and Arts, Leopold Graz. With him was the new director of the Vienna State Opera, Rudolph Sarusjeger. One objective was to negotiate an appearance of the Vienna opera for the season of 1973. This has hitherto been considered all but impossible because of the union demands to pay an orchestra and singers who do not perform.

By including a variety of expenditures, many of them hardly relevant, the U.S. government in 1970 spent on the arts at the rate of 19 cents per capita. This was up from 1969, when the rate was 10 cents. The total spending figure of \$39,505,000 includes \$9,150,000 for the National Endowment for the Arts and \$15 million for the Public Broadcasting Corp.

That is a minuscule sum for an affluent people approaching the 200th year of nationhood. The Kennedy Center provides an excellent opportunity to make up for long indifference and neglect.

[From the Washington Post, Oct. 10, 1971]

WHY CALL IT THE EISENHOWER THEATER

PRESIDENT EISENHOWER FOLLOWED UP A LEAD THAT HAD BEEN OUTLINED IN THE TRUMAN DAYS—CREATION OF THE INTERNATIONAL CULTURAL EXCHANGE PROGRAM

(By Richard L. Coe)

Why on earth, people ask, is it being named the Eisenhower Theater?

To put it briefly, the Kennedy Center wouldn't exist unless it had been started, as the National Cultural Center, under President Eisenhower.

So, for this third auditorium of the Kennedy Center, opening on Oct. 18 with Ibsen's "A Doll's House," there are first rate reasons for naming it in honor of President and Mrs. Eisenhower.

It's not generally recognized that President Eisenhower, noted for his relaxation with paperbacks and movies about the Old West, was responsible for what—up to his time—were the most bold steps taken by the government in its relationship to the arts. When those whom he appointed to consider such matters urged executive action, he acted.

Conceivably, some of this attitude stemmed from his experiences as allied commander-in-chief during World War II. Ike was celebrated for getting along with all sorts of people and seeing to it that those associated with him did too. By 1960 the West Berlin Opera and the Vienna State Opera, destroyed under allied bombings, were rebuilt with American money. As a general, as Columbia University president, and as President of the United States, Ike recognized the values of such matters.

In the White House, President Eisenhower followed up a lead that had outlined in the Truman days—creation of the International Cultural Exchange Program. This was split two ways, half of the \$5 million appropriation going to the Commerce Department for international trade fairs and half to the State Department for payment and transport of professional performers. The aim was to show something other than the cliché caricature of gum-chewing, crass Americans.

This action, in which Sherman Adams played a vital White House role, marked the first time in American history that the federal government had employed performing artists as performing artists. Franklin D. Roosevelt had used WPA funds to create work for indigent performers, but he had to call this a "relief" program and didn't live long enough to put his other, more ambitious ideas into practice.

President Eisenhower's 1958 signature on the Fulbright-Thompson bill for a "National Cultural Center" followed years of congressional hearings and White House liaison for the idea. A chief adviser on this, Ralph Becker, once president of the Young Republicans, was one of the first trustees appointed and still serves as the Center's first and sole general counsel. The first chairman of the center board was Eisenhower's Secretary of Health, Education and Welfare, Arthur Flemming.

The striking feature is that the Center, the exchange program and subsequent relationships between government and the performing arts has been entirely apolitical, non-partisan. To go down the lists of the thousands who worked on these projects is to see that this is one area in which politics were played for common cause, not disputation. Ike wanted it that way and so did John F. Kennedy.

Near the end of the Eisenhower administrations a paperback book appeared that remains valuable, "Goals for Americans," the result of two years of thinking by a distinguished group of Americans, headed by Henry M. Wriston, who left the presidency of Brown University to head Columbia's American Assembly which, at President Eisenhower's suggestion, prepared the report.

"Goals" has a notable chapter on "The Quality of American Culture" by August Heckscher, who referred to the projected center and urged a positive attitude for "an inward quality and an ideal." So impressed was the incoming President Kennedy by this piece by Heckscher, a Republican, that Democrat Kennedy appointed Heckscher as the first White House special consultant on the arts. The non-partisan link was reaffirmed in the government-arts relationship.

While Mrs. Eisenhower was and still is a regular theatergoer, President Eisenhower went to a public theater only four times during his eight years in office. On the occasions I saw him, I felt sorry for him. One was for the Royal Norwegian Ballet at the Capitol Theater when the King and Queen of Norway were the Eisenhower's guests. The air-conditioning was off, the house was sweltering, and there were three intervals that lasted from 30 to 45 minutes on an Indian summer night that seemed endless.

Another time was an Indian-made film about Gandhi, which both Eisenhowers attended at the Dupont. It ran about three hours and was hard sledding. Another public film showing was for Laurence Olivier's "Richard III" at the Playhouse. It was my fortune to introduce the President and the star and, since my review had been written from a preview, I spent the film's running time outside with Olivier who merrily told me what was really wrong with his movie and genially sympathized with the President for having to put up with what Olivier considered his flaws of direction.

During a New York performance of "My Fair Lady," President Eisenhower stood at the back of the house waiting to pick up Mamie, who's been there for the whole performance.

"She liked it so much," recalls the National's manager Scott Kirkpatrick, "that when it came here she took David, then about eight, and younger Barbara. As was our custom, I walked down to escort her up the aisle just before the curtain.

"But David," Kirkpatrick chuckles, "had a mind of his own. He refused to leave until it really was all over and his grandmother was delighted he wanted to stay.

"Mrs. Eisenhower," Kirkpatrick remarks, "was a regular for our Wednesday matinees, used to go with her sister, Mrs. Moore, and often with a party of 12 ladies who often played bridge together.

"There had been no assassinations in those days and Mrs. Eisenhower liked to sit not too far forward. Two Secret Service men would be in the back of the house and she sat with her own party. The Eisenhowers always paid for their tickets, ordered them as much as a week or ten days in advance and never once did she miss a performance she'd planned to attend.

"We never alerted press or photographers for these performances because my predecessor, Eddie Plohn, and I both felt that these were hours of relaxation for White House occupants.

"Mrs. Eisenhower always was a good audience, even for plays I didn't think she'd really like. There was one hit from England, Olivier produced it, called 'One More River,' which later lasted only three performances in New York. She couldn't have liked it, but as always she was genuinely gracious.

"Sometimes she'd go backstage, even to congratulate that goddess of the Democrats, Tallulah, and I've some thoughtful thank-you notes from her, I value highly."

This graciousness was on display the morning Mrs. Eisenhower paid her first visit to the Eisenhower Theater. Trying out a third row seat while hammering went on in the unfinished backstage area, Mamie got up to talk with the workmen looking at her from the stage: "I want to thank you all for everything you've done about this," said Mamie in her folksy Colorado accent. "You know every nail you drive helps push ahead this magnificent center which this city needs so badly."

"I hate to miss the opening on the 18th," Mrs. Eisenhower told me, "but I shall then be in Abilene for Ike's birthday, the 14th to dedicate the two new wings of the museum there. I am hoping that my son, Col. Eisenhower, and his wife will be present the night of the opening."

So, for a President who helped the center get born and a first lady who has spent hours as a theatergoer, the new house is fittingly named the Eisenhower Theater.

[From the Washington Post, Oct. 17, 1971]

CONCERT HALL: MEASURE OF PERFECTION

(By Paul Hume)

Pierre Boulez, was vehemently enthusiastic in his reaction to the Kennedy Center Concert Hall after conducting the New York Philharmonic there on Sunday, Sept. 19. He said, in an evening conversation, "It's marvelous. I wish we had it in New York, not only for our concerts but for our rehearsals."

The true significance of the last part of that comment has become increasingly clear with each orchestral concert that has been played so far in the Concert Hall. In four programs, two by the National Symphony and one each by the New York Philharmonic and the Philadelphia Orchestra, we have heard 14 different works, three of them complete novelties, the rest quite familiar.

On the basis of those concerts, played by orchestras whose different characteristics of sound and technique are well known, certain facts about the Concert Hall and its effect upon both orchestral performers and audiences are becoming clear.

Boulez, whose program included the Robert Browning Overture by Charles Ives, the Third Piano Concerto of Bartok, Debussy's "Afternoon of a Faun," and

Stravinsky's "Sacre du Printemps," envies Washington its new hall because it puts an orchestra squarely to the test of playing perfectly. The acoustics of the hall, as they affect those on its stage, are the kind that project with absolute clarity every sound made on that stage. They also make it possible, with even a brief acquaintance on the stage, for the players to hear each other clearly.

To illustrate what this means, two examples will help. In New York's Philharmonic Hall, where Boulez regularly rehearses and conducts concerts with the New York Philharmonic, even after nine years of adjustments and alterations, there is still a real loss of the lower sounds of the orchestra, notably the cellos and double basses. Boulez, who has previously said that much of his time both in rehearsals and in actual concerts is in the nature of "teaching sessions," feels strongly that unless the Philharmonic players can hear each other properly they cannot be expected to produce the ultimate in ensemble playing.

Another example will illustrate a different and more treacherous area for players. In Constitution Hall it is so difficult for players on one side of an orchestra to hear what their associates on the other side of the stage are doing that even the greatest ensembles have their bad moments solely because of this factor.

Many examples could be given, of which two will suffice: in last Monday night's Philadelphia Orchestra program, in Constitution Hall, that sterling assemblage of players, famous for their rapport and precision, were, in brief but revealing moments, slightly ragged in presto passages of the Shostakovich Sixth Symphony, in spite of meticulous direction by Ormandy. Two seasons ago, George Szell could not always find the way to keep his Cleveland Orchestra playing as one, though they are world-famous for the perfection of their response. The players said they were unable to hear each other clearly enough.

The Kennedy Center's Concert Hall stage not only allows all sections of an orchestra to hear their fellows clearly, but the sound it projects out into the auditorium is faithful in balance and excellent in delineating the precise timbres of the various instruments.

Thus, from the standpoint of orchestra and conductor, the Concert Hall has by now demonstrated, in music ranging from early Haydn and Mozart to the largest demands of Scriabin, Stravinsky, and Ives, as well as the familiar warmth of Brahms, Wagner, and Debussy, that it is an ideal orchestral hall.

From the point of view of the audience, it has matching excellences. As Eugene Ormandy led the "Meistersinger" Prelude and the Brahms First Symphony, music so familiar that every note could be anticipated, the realization grew with startling intensity that this miraculous hall was letting audiences hear inner voices that have long been obscured in Washington. It is not a case of the Philadelphia Orchestra sounding anything other than beautiful in Constitution Hall. As a New York critic wrote during the past week, Eugene Ormandy can make his orchestra sound beautiful in any hall.

But in the Concert Hall the Philadelphians not only sound beautiful but we hear all that they are doing instead of losing a good 20 to 25 per cent of it in the kind of homogenizing that goes on in the older, larger hall. Brahms wrote those lovely inner instrumental lines for us to hear, not simply to add a weightier sound to the whole. In precisely the same way, Wagner killed his "Meistersinger" Prelude with a wealth of counterpoint, not only to confound critics who derided his technical skills but because of his real delight in weaving Walther, Eva, Hans Sachs and the whole guild of mastersingers into his great overture.

Thanks to the Concert Hall, these details now emerge in just proportion. Furthermore, in so doing, they let us hear the real excellence of the orchestras to which we listen. For many years Howard Mitchell claimed that Washington did not really hear how well the National Symphony sounded because of the limitations of Constitution Hall. "If you could only hear us in Carnegie Hall" was one of his frequent laments.

The truth of his comment became clear when the orchestra began playing at the Post Pavilion in Columbia, Md., where the acoustics are, for an outdoor situation, excellent. In the Concert Hall, the National Symphony, even if it never played better than in the past, would sound better.

The audience, too, is placed on its best behavior by the new hall. Not only can it now hear all the music made on the stage, but it can listen more attentively and must do so in greater silence than before. The Concert Hall is as perceptive in dealing with sounds from the auditorium as from the stage. A quiet whisper or *tete-a-tete* discussion that would be simply an impolite nuisance in Constitution Hall becomes a prominent and quite audible public matter in the new hall. What a welcome challenge and opportunity is provided for performers and listeners alike in the new Concert Hall.

[From the Washington Sunday Star, Oct. 17, 1971]

THE KENNEDY CENTER REASSESSED: IT WORKS

The tumult and the shouting have not died, though they may be dying. The captains and the kings, far from departing, are making the place their home, to the disgruntlement of some who believe that if rich people are allowed in there must be something wrong with the place. The John F. Kennedy Center for the Performing Arts is beginning to settle into its foreordained position as a permanent and important part of the cultural scene in our city.

Part of? The Kennedy Center almost is the cultural scene. This simple, obvious fact, easily predictable when the Center opened several weeks ago, was the one big thing that was just about completely overlooked by its critics.

Criticism of the Kennedy Center has been a staple of intellectual life in Washington for at least half a dozen years and it has added its bit to the conversational range available at feasts of pure reason in Georgetown and elsewhere. If nothing else, it was at least a relief to be able to turn from the cataloguing of Lyndon Johnson's statements about Vietnam to the interesting possibilities the Center offered for the renewal of Pennsylvania Avenue and downtown in general.

It is getting a little hard to remember, but there actually was a time when men believed, or said they did, that if only the Kennedy Center could be split up and its components scattered along Pennsylvania Avenue and perhaps K Street, crimes of violence in the downtown area would cease or at least severely diminish. (The reasoning, if that's what it was, went that all the lights and all the people would scare the thugs away.)

The placement of the Center on the river, was, of course, not due to the perverse desire of Roger L. Stevens to raise the downtown crime rate, but to the simple fact that the land along the river was the land that Congress had given as the site. This quality of inevitability, too often overlooked, is responsible for a surprising number of the things people have criticized about the Center.

The very design is one such inevitability. As it stands the Center does not represent the architect's first choice. It represents a major compromise between that first choice and the funds that became available from private donation and congressional grant. In real life, as opposed to architectural dreamland, you do cut your coat to the measure of your cloth and that is what Edward D. Stone has done, quite ingeniously, in the Center.

Architectural criticism, justified enough if the building is considered as an object of contemplation, has gone overboard in several ways, the most interesting of which is the comparison between the Center and the Sam Rayburn House Office Building. In the first place, there is no comparison between the two, even as architectural disasters. The Rayburn building is a monstrous joke, poorly planned from every point of view, so much so that for months after the opening substantial adjustments, overhauling and jury-rigging had to be done just so the offices could be used.

In stark contrast, whatever may be said about the looks of the Center—"candy box," "mausoleum," "tragedy" are among the epithets of the country's leading architectural critic—the building works and work magnificently. The acoustics of the opera house and the concert hall have been acclaimed by critic and performers alike. In the classic formulation of the 20th Century architecture, as "a machine for the production and enjoyment of theatrical and musical events," the Center is a stunning success.

The other great difference between the Center and the Rayburn building is even more striking. As noted above, whatever inadequacies the Center has, it has largely as the result of limited funds. The faults of the Rayburn building come from the opposite cause, the unceasing flow of money in amounts not yet fully reckoned.

Unquestionably the management has made mistakes and has failed to be fully prepared in some areas. The worst of these seems to be the box office. Likewise, the restaurants are not yet as well geared to the needs of theater crowds as are numerous restaurants in the Broadway area of New York. These flaws are so glaring, the irritations they produce so unnecessary, the solution so evident that it is impossible to believe matters will not soon be straightened out.

More serious because it represents a grievous error of judgment is the selling of the "blind" seats in the concert hall to series subscribers at full price and without prior notice of the blindness. These seats, which are not many but are enough to cause a great deal of unnecessary irritation, should be reserved for blind music lovers or for music students to use with scores, both at reduced rates or free.

The question of money, any money, touches the area of greatest sensitivity on the part of management. Criticism has been made of the prices, which are pretty much those of the going rate in New York for comparable attractions. The Center has, in fact, made some efforts to provide low-price or free tickets to some selected groups, financing them through the proceeds of its opening gala and those of its Founding Artists series. But the effort is haphazard, inadequate and bears no relation at all to the need.

Yet the fault for this lies not with the Center management, but with ourselves and our elected government. A government which cheerfully undertakes to subsidize everything from speculative housing projects to environmentally dubious supersonic projects is nevertheless still suspicious that anything spent on the arts is dangerously, as they say, "socialistic."

One great value of the Kennedy Center may well be its influence in changing that attitude in Congress. When that change takes place, when the United States at last pulls itself up to the level of cultural support of, say, Sweden, Russia, China, France, England, Israel, Mexico, Brazil, Ghana and Canada, to name a few, then prices at the Center, like prices of similar institutions in those countries will make the performing arts more nearly universally available than they have ever been in this country. But again, this is a decision for the nation, not for the Center management, to make.

In the meantime, what a blessing the Center has been for the city! Perhaps its most surprising achievement is that in the space of a mere six weeks, Washington is suddenly a center for dance, the nation's second city for that art, all but unknown here a few years ago. Similarly life-enhancing changes have taken place in opera and will soon begin to take place in theater, with tomorrow's opening of the Eisenhower Theater.

Thanks to the Center, Washington is a more exciting and more rewarding place to live in than it was a few weeks ago and for all its past. This is no small gift.

Mr. STEVENS. I have to say as a theater man I feel that Senator Percy is a rather tough act to follow. So if you will bear with me, I will read as much of the statement as I think is necessary to fill in the background of the Center and I will try to get through as fast as possible.

I first would like to open by paying tribute to the untiring efforts of the committee and its patience in listening to our problems, which have made the dream of the National Cultural Center, first signed into law in 1958 by President Eisenhower, and living memorial to the late President Kennedy a reality. I hope that you were pleased to see the fruition of your efforts with the opening of the Kennedy Center on September 6, 1971. On that night the Opera House had its first performance and on September 9, with the President in attendance, the Concert Hall was inaugurated. A 2-week opening festival of the arts inaugurated the Center bringing critical raves for the theaters, their marvelous acoustics and the attractions themselves. I would like to include in the record, with my statement, a few of these many stories pointing out the many features of this Center which you have helped to create. Finally, on October 17, again with the President attending, our fine Eisenhower Theater was inaugurated, thus giving Washington, for the first time in its history, three great halls for the performing arts. On numerous occasions during the past weeks, we have been told that the Center has added a new dimension to the Nation's Capital.

With the opening completed and thanks to 13 years of leadership of this committee and the aid of corporations, foundations, and individuals who provided the matching funds, we have now realistically assessed the financial needs of the Board of Trustees, both in presenting the best in the performing arts to the public and also, under its man-

date, in providing the sole Washington memorial to the late President John F. Kennedy. We have made such a comprehensive assessment and anticipate that hall rentals will be sufficient to cover the costs of presenting a full and diversified performing arts program during the coming year as well as provide discount tickets for those who would not otherwise be able to attend performances. Here I should point out that we have established a unique program so that students, military personnel, low-income citizens, retired persons living on fixed incomes, and the handicapped may attend and are now attending performances put on in our three halls. This program has been funded by last spring's gala and a series of performances donated by more than 50 of the world's greatest artists who have appropriately been labeled as our "Founding Artists." A list of these Founding Artists is attached to my statement. (See p. 17.)

To date our experience bears out our expectations that we can be self-sufficient in the performing arts area.

However, the Kennedy Center is more than a theater operation. It is a living memorial to the late President and many will visit the building each year separate and apart from those attending performances in the theater. In light of the Smithsonian's experience of 6 million visitors to its Museum of History and Technology during the past fiscal year, it is expected that millions of visitors will visit the Center building, for which matching funds were authorized by Congress in 1964 with bipartisan support. Even though our initial operation has not been during the tourist season, an average of 6,000 non-theatergoing tourists have visited the Kennedy Center daily at no charge since early September.

The proposed amendment to the John F. Kennedy Center Act will authorize the appropriation of up to \$1.5 million annually, for the costs incurred by the Trustees in serving these millions of visitors or put another way will help meet the Center's nonperforming arts costs. It had originally been anticipated that a charge would be made for touring the building to partially offset the huge expenditures necessary to keep the building open so that all of the citizens of our country and people from all over the world could view the building, its many foreign gifts and the memorial sculpture.

In former budget estimates, it was conservatively estimated that at least \$500,000 could be raised from admissions charges to defray these public costs. It is clear that we underestimated the public's interest in the memorial, and, I should add, the costs associated with the unexpected number of visitors to the building. However, as the committee is aware, Washington memorials do not charge for admission and it was decided that we should attempt to operate consistently with this Federal policy, if possible, until congressional guidance is received.

Our case obviously differs from a Broadway theater, or a theater anywhere else for that matter, which is open for 3 hours a day and closed for the balance, thus minimizing expenditures for utilities, personnel and all other expenses. The very nature of our facility requires that it be open to the public at least 12 hours a day, 7 days a week; we ask that we not be saddled with responsibilities outside the performing arts realm which are properly in the public realm.

The Kennedy Center is a complex, fully enclosed structure which requires air conditioning, heating, substantial security protection services, maintenance, janitorial services, and management. All of these services have been and will be necessarily incurred for tourist visitations and public interest activities. There is ample precedent for Federal support of such activities in the annual appropriations made by the Congress for other memorials throughout the Nation.

An example is the overwhelming security expense incurred for visitors to the memorial. As in other theater houses, ushers and ticket takers can control theater patrons without the need for many additional protection personnel. But as a public memorial, the Center requires far more provision for protection than a regular theater house. The committee is aware that all Government buildings have required ever increasing security measures. As can be seen from the newspaper article which I include with my statement, visitors—theatergoers and tourists alike—have taken as souvenirs practically everything that could be removed from the structure and we require substantial protection for public uses of the building.

To estimate the costs to carry on the nonperforming arts functions at the Kennedy Center is a complex process. We have been able to discern these costs by drawing on the many years of experience of Mr. Schmidt, who was formerly the Commissioner of Public Buildings of GSA. He is present today to explain more fully the Center's request. Helping us to refine these costs has been Mr. Reamer, who has previously assisted the Smithsonian Institution in these areas and who is likewise available for questions. They worked closely with the remainder of the Center staff and in consultation with the Office of Management and Budget, which has indicated its approval of the legislation. Mr. Becker would also be pleased to respond to any questions you might have, particularly concerning legislative history.

Mr. Chairman, our appearance before the committee this late in the session is prompted because of the Kennedy Center's urgent need to obtain assistance in meeting the costs which the Center has incurred to keep the building open to the non-theater-going public. As I indicated, assistance in the amount of \$1.5 million is needed for the current fiscal year, which amount is to be fully justified in Mr. Schmidt's statement. Without Federal support to date, the resources of the trustees have been severely taxed in meeting these public, memorial costs.

The source of funds for these nonperforming arts costs is the advance of \$3.5 million against rentals which was permitted under the garage concession contract with APCOA. This advance was to have been used for essentially two purposes: for payment of approximately \$2.5 million against delay damage claims, which I will discuss later in my statement, and for payment of the costs of the opening weeks' performance with the remaining \$1 million. Because of the lack of admissions revenues from tourists and the lack of alternative Federal assistance to date, some of this \$1 million has been used for the nonperforming arts costs which are the subject of S. 2900, though needed for other obligations of the Kennedy Center. Today, there is no available funding source to continue meeting these public costs.

For your information, the trustees intend to repay the \$3.5 million APCOA advance out of parking revenues by 1977. This will enable

us to meet our obligation to commence payment on the federal revenue bonds after 1978 out of parking revenues.

Faced with the critical need to fund the public, nonperforming arts costs being incurred by the Center, I convened an emergency meeting of the board of trustees and representatives of the advisory committee on November 10, 1971, to review the financial condition of the Center. It was agreed that there is no available private source of support for the nonperforming arts costs. Prior to May, the advisory committee raised close to \$1 million, but since that time the results of our fund raising efforts have been very disappointing. Thus, we turn to the committee for help.

I might add, over a period of years the trustees have contributed themselves in excess of \$2 million out of their own pockets.

It has been suggested that the committee might approve at this time only a one-time, emergency appropriation of \$1.5 million, deferring until the next session further consideration of S. 2900. Such a procedure would give the committee time to fully consider the ramifications of permanent, authorizing legislation while yet providing the immediate relief needed by the Kennedy Center. We have no objection to such a procedure.

To make the record complete, I would like to place before this committee information on another facet of the Center's finances, of which we hope that we may obtain further consideration in the next session, if not appropriate at the present. Since the 1969 legislation was passed, the unanticipated question of claims, totaling \$6.1 million and asserted by the general contractor and subcontractors for damages due to excessive delay in construction of the Kennedy Center has surfaced.

The committee is well aware that the authorization and appropriation legislation enacted by the Congress into law in 1969 was premised on a GSA cost estimate for construction for the Center of \$66.2 million. This figure was apparently verified by a special GAO study requested by the committee. But for developments not anticipated in 1969, the Trustees, acting through the General Services Administration, would have been able to complete the building within that limitation.

As the 1969 legislation was passed by the Congress, the Trustees began to be faced by inordinate difficulties at the construction site. In the late fall of 1969, a major subcontractor walked off the jobsite. The first work stoppage was only the beginning of the unanticipated difficulties. It precipitated additional walkoffs in 1970 and also the assertion of the delay damage claims. The most prudent course to take, and which was taken by the Trustees in the face of such difficulties, was the advance of about \$2.5 million from nonappropriated funds, against these claims, which might settle for a total of about \$3 million, with possible counterclaims against the contractors and claims against the architect. Construction continued only because of this advance from nonappropriated funds, which advance minimized the impact of further unprecedented cost escalation and avoided an incomplete shell of a building on the Potomac. As a result, the building was completed and the September opening proceeded.

As I said at the outset, we want to advise the committee about these delay damage claims, not anticipated in 1969, to respond to your inquiries and to seek your counsel and guidance in this regard. Mr.

Sanders, Deputy Commissioner of GSA's Public Building Service, which has been the Center's agent for design and construction, is with us today and is also available to answer your inquiries.

I won't go into the prior history of the Center, included in the next couple of pages of my prepared statement, because of the length of my testimony already.

There is one point I would like to add. In discussions we have had with some members of the staff, the use of the Opera House, Concert House, and the Eisenhower Theater has been estimated on an hourly basis. In reviewing the concerts and the showings there, it works out that the houses were used 335 hours in October, which was 30 percent of the total available time, and in November 349 hours, which was 26 percent of the time, and it is estimated that 336 hours or 24 percent of the time in December.

I would like permission to also add this exhibit to the record.

Senator GRAVEL. Without objection, it is so ordered.

(The material referred to follows:)

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

SCHEDULE OF HOURLY USAGE

	Opera House	Concert Hall	Eisenhower Theater
October 1971:			
1	5	4	
2	8		
3	8	4	
4		4	
5	5		
6	5		
7	5	4	
8	5	4	
9	5	4	
10	5	4	
11			
12		4	
13	5	4	
14	5	4	
15	5	4	
16	8	4	
17	8	4	
18		4	4
19		4	4
20	5	4	8
21	5	4	4
22	5	4	4
23	8		8
24	5	8	
25	5	4	4
26	5	4	4
27	8	4	8
28	5	4	4
29	5	4	4
30	8	8	8
31	5	8	
Hours used	151	120	64
Available hours	465	465	210

Total hours used, 335 hours or 30 percent.

Available hours—Opera House and Concert Hall, 31 days at 15 hours per day per hall, 930.

Available hours—Eisenhower Theater, 14 days at 15 hours per day, 210.

Total 1,140 hours or 100 percent.

SCHEDULE OF HOURLY USAGE—Continued

	Opera House	Concert Hall	Eisenhower Theater
November 1971:			
1			4
2	5	4	4
3	8	4	8
4	5	4	4
5	5	4	4
6	8	8	8
7	5	4	
8		4	
9	5	4	
10	8	4	
11	5	4	
12	8	4	4
13	5	4	8
14	5	4	4
15	5	4	4
16	5	4	8
17	5	4	4
18	5	4	4
19	5	8	8
20	7	8	
21		4	4
22		4	4
23		4	8
24		4	4
25		4	4
26		4	4
27		4	8
28		4	
29			4
30			4
Hours used	109	124	116
Available hours	450	450	450

Total hours used, 349 hours or 26 percent.

Available hours—30 days at 15 hours per day per hall, 1,350, or 100 percent.

December 1971:			
1		4	8
2	5	4	4
3		4	4
4		4	8
5	5	4	
6	5	4	4
7	5	4	4
8		4	8
9		4	4
10	5	4	4
11	8	8	8
12	8	4	
13	5		4
14		4	4
15		4	8
16		4	4
17		4	4
18		8	8
19		8	
20		4	4
21	5	4	4
22	8	4	8
23	8	4	4
24	5		4
25			
26	8	4	
27			4
28	5		4
29	5		8
30	5		4
31	5		4
Hours used	100	100	136
Available hours	465	465	465

Total hours used, 336 hours or 24 percent.

Available hours—31 days at 15 hours per day per hall, 1,395 hours or 100 percent.

Senator GRAVEL. In terms of hours used, how does this compare with normal theaters? Do you have any statistics on that?

Mr. STEVENS. Before I came to Washington, sir, I was a member of a firm that operated a number of theaters in New York and I have had quite extensive experience in that respect as well as in producing. Your average theater—let's take National Theater, which is one of the private theaters here in town—will open maybe a half hour before, maybe turn the heat on an hour before if it is cold, or the air conditioning; normally it would be a half hour. The people come in one-half hour before and are out within a half hour afterward and the place is locked up and thereafter usually one person is on the stage door and that is it. Now, if the theaters do not have bookings, it remains that way, dark and empty, and no one is there except they usually keep a theater manager all year round and if there is a future attraction maybe a week before it comes they have the box office open. But it is a different situation. As a matter of fact, the theaters have been criticized as real estate holdings because they are used for such a small amount of time in terms of total use—in New York, only 24 hours a week or so. So if you are operating as a regular theater house, it would save a tremendous amount of money.

Senator GRAVEL. You say you have a program for students, military personnel, low-income citizens, and retired persons. One thing that comes to mind is that, of course, the people who have a propensity to enjoy the arts would avail themselves of this opportunity.

I wonder what type of programs the Center might develop to attract people from lower income groups to come and attend the Center. It is a question of whether the Center should deliberately expose the lower income groups to this cultural situation rather than waiting for a poor person to come up and say, "I will buy a ticket because I can get it at a better rate."

Mr. STEVENS. That is very true, sir, and we do have Mr. Norman Fagan who is in charge of the program. He was in charge of the Arts Council in West Virginia and he was hired because his program in West Virginia accomplished just exactly what you are talking about. He had an outstanding record in the country in that respect and he is making efforts to do just what you say.

For example, even during the opening week when there was a tremendous demand for "Mass" tickets, we set aside 2,000 tickets, which were free, and turned them over to the Mayor of the city. Five hundred tickets for four performances just so people could get a feel of what it was like to go to the Center without any charge and to see what it was like.

I couldn't agree with you more, and as time goes on I think it is an important part of our activity to see that from an educational point of view increasing numbers of people can develop an appreciation for and understanding of the performing arts.

Senator GRAVEL. Very good.

I might say I am very happy with the responses we have heard today. I think it disproves the contention of some that the Center is there to serve only the wealthy or social elite of Washington.

Mr. STEVENS. If the elite only came to the theaters we would have a lot less problems in performing arts, I will tell you that much.

Senator GRAVEL. In your statement you say: "In former budget estimates, it was conservatively estimated that at least \$500,000 could be raised from admissions charges." Wasn't it at one time contemplated that there would be charges for people to come in and walk around the building?

Mr. STEVENS. Yes, sir. As a matter of fact, I felt that, based on the experience in tours of other buildings, that it would be a very profitable source of revenue. And it was only after it became apparent that it would be a mistake to do it that we gave it up. I have also been involved in tour operations when I was running the Empire State Building. We used to get millions of dollars of revenue just from tours and people coming and looking around. They seem to be willing to pay for it.

But in Washington, as we have stated, it is not a custom any more; the Government doesn't charge 25 cents even for the Capitol and we felt it would be a mistake to have one of the great attractions of the city and have an admission charge.

Senator GRAVEL. I think that was a wise decision.

Did I hear correctly that other than the amount extended you suffer now a possible claim against you of \$3 million? Is that the extent of possible cost overruns?

Mr. STEVENS. You heard correctly, sir. We have already advanced, as we said, \$2.5 million. There is a horseback estimate that \$500,000 would settle the rest of them, although the estimate is a subject of discussion and debate. But we were forced to make the advances when the contractors walked off the job; they didn't want to go through the usual routine of going through the Court of Claims, and we had an unhappy time of settling with them. These settlements made me very unhappy. I wanted to fight it; but wiser and cooler heads prevailed and said it is going to cost us more money to fight. So we just settled.

We did struggle—and don't think that every cent that we settled for wasn't given up without a fight. Of course, both GSA and GAO were fully apprised of what we were doing and felt the settlements were reasonable under the circumstances.

Senator GRAVEL. Do you have any questions, Senator Boggs?

Senator BOGGS. Thank you, Mr. Chairman. Mr. Stevens, may I also thank you for appearing here today with your associates.

I want to say at the outset that I am, as I have been and will continue to be, a supporter of the Kennedy Center. Any questions I may ask are to bring out information, and are not in any way meant to disparage the Center.

But I do think there is fundamental problem here. The first question is: Is the center a governmental institution or a private institution?

Mr. STEVENS. I would like to have Mr. Becker answer that since it is a legal question, sir.

Mr. BECKER. Of course, Senator, you were one of the cosponsors of the bill in 1958 when you were a Congressman, so I appreciate not only the question but your great support in this endeavor.

The legislative history of the Center is a very interesting one. During the course of its evolution in the past 13 or 14 years, it has turned out that we wear two or three hats, so to speak. We have been de-

clared by the Comptroller General's opinions to be a public building and an executive agency; on the other hand, we have raised \$28 million in private funds, which are nonappropriated funds. On that score we are kind of a quasi-public entity.

But what we have done, in any event, Senator, is follow all the pertinent rules, regulations and guidelines as pertain to Federal agencies, such as Government contracts' complying with all Federal regulations, nondiscrimination regulations and statutes and various other Federal provisions. So during the past 14 years, we have complied as if we are a completely public entity.

We report in accordance with the statutes to the Smithsonian and to the Senate.

Our 45 trustees, 15 of whom are ex officio members (three from the Senate and three from the House, others from the Cabinet) represent their specific Federal institutions.

We may have certain borrowing limitations because we are a trust. But some day I hope we will clarify this matter in the statute itself. Rather than being a trust, perhaps we should be a Federal corporation with directors and have borrowing authority built right into the statute. It is a fundamental weakness of any business if it cannot borrow to carry out its functions. In any event basically we have certain limitations as a trust and hope the day will come very soon when business may be carried as with any corporate entity.

In conclusion, as the Smithsonian has been called an establishment, we have been called an establishment or an independent entity, in the Federal Government, and we have certain characteristics that are not duplicated in American or Anglo-Saxon jurisprudence.

Senator Boggs. Thank you.

I want to get this on the record because we want to expedite consideration of this item at this time. I should also point out that I did not cosponsor the original legislation in 1958 because I was not a member of the Congress at that time. I had the honor in 1958 to serve as Governor of Delaware.

Now, has the Board submitted to the Smithsonian Institution or the Congress any report on its operations?

Mr. STEVENS. Yes, sir. We have regularly for the last 10 or 12 years; submitted a certified audit.

Senator Boggs. Does that provide a detailed statement, as required by the law, of public and private moneys received and disbursed?

Mr. STEVENS. Yes, sir. We have never had any kickback on it, let's put it that way.

Senator Boggs. It is supposed to come to the Congress, too?

Mr. STEVENS. Yes, sir.

Senator Boggs. In your letter of last week to Chairman Randolph, presenting the problem to this committee, you stated that if the required financial assistance is not received before Congress adjourned, the alternative may be to close our doors.

I assume that this would mean to close the doors to visitors during daytime, and simply to open for performances at night, is that correct?

Mr. STEVENS. That is right, sir.

Senator Boggs. I do not believe anyone, certainly none of us here, would want to see the Kennedy Center closed to visitors, even for a

short time. But to make the situation clear, I would like to ask this question: If the doors were closed to visitors, could the Center meet the final payments under the construction contract referred to in your letter, and which GSA estimates at \$1.2 or \$1.3 million? These are due and uncontested under delay damage claims, I understand, and vouchers have been submitted.

Mr. STEVENS. That money, sir, will have to be raised by the trustees and the advisory committee. The advisory committee consists of 115 very prominent and well-known citizens and in the act one of their principal jobs is to raise money. They have raised money in the past. After the first year, the most recently appointed members came close to raising a million and I know they have every intention and plans of raising more money.

Now with respect to the money that you mentioned that is owing, in my opinion we have a lot of counterclaims from people that have done work that I don't feel is satisfactory. It is my intention, except for John McShain's cost reimbursible items, not to pay any more until we have a meeting with GSA and go over each account and figure out which subcontractors have done faulty and sloppy work. There are many instances, for example the stage equipment. I think if the claim were collectable we are entitled to \$300,000 or \$400,000 from that subcontractor. That is just an example.

At present there is about \$450,000 in retainage but it really isn't ample enough. We are down to within 2 or 3 percent of finishing the job and before these people get paid another cent, as far I am concerned, I feel we should be absolutely assured that their work is there, done, and delivered and satisfactory, because I don't want to be in a position to have to sue them for damages later.

So I would say this is a matter to be worked out over the next 7 or 8 months. I fully had intended in that time to have the trustees and advisory committee look into this.

Senator BOGGS. I am glad to have that as part of the testimony, Mr. Stevens. It is correct to say that this emergency financing, which you are seeking, the \$1.5 million, is not necessary to finish paying for the building?

Mr. STEVENS. No, sir.

Senator BOGGS. I wanted to get that cleared up. If the Appropriations Committee is going to consider anything this afternoon, Mr. Chairman, they will want to know some answers to some of these questions.

If you don't get this \$1.5 million, you do believe that it wouldn't be possible to keep the doors open for 3 or 4 months?

Mr. STEVENS. No, sir. The cost of running this operation is very real, sir, and we have been advancing money from nonappropriated funds. We need an appropriation to catch up, otherwise we will just have to stop it right away.

Senator BOGGS. The Center, in any event, has to keep a level of heat and air conditioning and guards and other activities going on at all time by the nature of the Center, doesn't it?

Mr. STEVENS. Well, as I have stated before, the average hours that was used for theatrical purposes runs about 25 to 30 percent. To close down the building at other times would make it a completely different

setup and would be somewhat awkward. It was really designed to stay open more. But, nevertheless, we would just have to do it and operate like those very successful operators, the Shubert family in New York do.

Senator Boggs. I don't want to get into this, Mr. Chairman, in too much detail, but some of the questions will be raised and I think it is important that we have the answers.

For example, income from the parking lot. Obviously, many of the persons who visit the Center during the day will park their cars in the parking lot and pay a parking fee. Are parking fees covering fully the operating expenses of the parking lot at this point? Are parking fees covering fully the expected retirement rate of the debt on the construction of the parking facility? If there are any parking receipts over and above this expected debt retirement schedule, are these parking receipts added to the receipts of the Center or are they used to pay off the parking facility's debt at a faster rate?

Mr. STEVENS. Well, sir, I have brought, just in case this point came up, a two-page summary which outlines exactly what the concession agreement is. (See p. 52.) But to try to summarize it, if I may, the company that runs it, APCOA, handles and receives a percentage of the revenues against the management fee. They made as part of the deal available on advance against rent of \$3½ million, which has been called upon. We were able to do that because the payment on the interest of the Federal revenue bonds does not start until after 1978.

Now the garage is running from an interim point of view up to our expectations and we can—we have only had, once more, 2 months of operation—but we can give you the exact figure. It is running well enough to be able to retire and meet the obligations both now and when the Government obligations start after 1978.

Senator Boggs. Now, it has been rumored that the trustees are considering a proposal to establish a production company which would present "Mass" and other productions around the country, perhaps even in other countries.

Could you tell us, have the trustees approved this plan as yet? And if they did, would this major undertaking require much capital investment? Would part of this \$1.5 million be used for this purpose?

Mr. STEVENS. It is not a rumor. I suggested to the trustees at an emergency meeting that we establish a production company which, to be very frank about it, I hope to get some of the trustees to underwrite themselves. None of the funds that we are talking about will be used for that at all. The production company would have to be underwritten by outside financing.

But, as our counsel said, we are a peculiar organization. For example, for the attractions that we have produced ourselves, I personally, am on the hook for a couple hundred thousand dollars. I have had to use my personal credit to get the productions on because the Center is a trust. And I would like to have a company to enable us to operate; and all of the profits, if any, would go to the Center. An example is the case of "Mass" we estimated to cost about \$300,000. But we will be able to get that back, because it was so successful, out of royalties and record sales. As a trust we have difficulty financing it. A production company could do so easily. I would hope the trustees would back me up and join with some underwriting on this.

Senator Boggs. Thank you.

The Center has an Advisory Committee and one of the advisory committees includes a financial advisory group; is that correct?

Mr. STEVENS. You are talking about the President's Advisory Committee. It is appointed by the President.

Senator BOGGS. I believe the original act establishing the Center calls for an advisory committee.

Mr. BECKER. That is the same one.

Senator BOGGS. One of the subcommittees of that body is a financial advisory group, I presume. Has the question of Federal operating subsidies been submitted to that group, and have they acted on it?

Mr. STEVENS. Let's put it this way: They are familiar with what we are doing, because when I had the emergency meeting on the 10th we asked all members of the finance committee of the advisory group—it isn't so much an advisory committee as it is a group—to raise money. But they were present, and actually a number of them had some good suggestions as to how we can raise some money.

Senator BOGGS. This particular request right now is of an emergency nature, is it not, Mr. Stevens? We can definitely say that is the case?

Mr. STEVENS. Sir, I state that unequivocally. We have accumulated some bills because of having to meet for the vast operating expenses caused by our free service to the public and we need it very badly. And I would hate to think what would happen if you weren't able to act. I am very apologetic for having let it go this long.

Senator BOGGS. I thank you very much.

Mr. STEVENS. Thank you, sir.

Senator BOGGS. Thank you, Mr. Chairman.

Senator GRAVEL. Mr. Stevens, do you have a statement of expenses?

Mr. STEVENS. Sir, as you undoubtedly know, we have been in operation for 2 or 3 months. They worked very late last night on the statement and I saw it for the first time on my way over. I felt there was some things that were discrepancies, but we will have that for you before the day is out.

Senator GRAVEL. Very good. We will make it a part of the record when you do provide it.

Mr. STEVENS. But we do have a September 30 audit which we brought.

Senator GRAVEL. We will make that a part of the record.

(The audit of September 30 follows:)

DECEMBER 1, 1971.

To the Board of Trustees of the John F. Kennedy Center for the Performing Arts.

GENTLEMEN: We have examined the records of private funds received and expended by the John F. Kennedy Center for the Performing Arts for the period July 1, 1971 through September 30, 1971 and submit our report herewith as follows:

Exhibit A.—Balance Sheet as of September 30, 1971.

Exhibit B.—Statement of Income, Expenses and Fund Balance For The Period July 1, 1971 through September 30, 1971.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report, prepared on a basis of cash receipts and disbursements presents fairly the financial position of the John F. Kennedy Center for the Performing Arts at September 30, 1971 and the results of its operation for the period then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of previous periods.

Respectfully submitted,

JOHN J. ADDABBO,
Certified Public Accountant.

EXHIBIT A

John F. Kennedy Center for the Performing Arts—Balance sheet, Sept. 30, 1971

ASSETS

Current assets:	
Cash in banks	\$188,043.98
Investments	301,000.00
Accounts receivable	267,870.02
Accrued interest receivable	561.45
Petty cash fund	1,000.00
Deposits with airline	850.00
John F. Kennedy stamps	500.00
Stock, bonds, and property received	148,751.95
Prepaid production costs	349,853.12
Subtotal	1,258,430.52
Pledges receivable	910,636.80
Real estate and fixed assets:	
Cost of land	210,000.00
Construction costs	21,984,230.21
Furniture and equipment, book value	15,882.23
Visitors center	6,964.00
Subtotal	22,217,076.44
Other tangible property:	
Gifts from foreign nations	2,385,815.00
Domestic gifts	637,342.81
USIA film	1.00
Subtotal	3,023,158.81
Other assets:	
Creative America inventory	56,409.75
Educational fund	-----
Subtotal	56,409.75
Total assets	27,465,712.32

LIABILITIES AND NET WORTH

Liabilities: Payroll taxes withheld	5,823.69
Deferred income and advance sales	3,956,351.81
Net worth:	
Pledges receivable	910,636.80
Fund balance, Sept. 30, 1971	22,592,900.02
Subtotal	23,503,536.82
Total liabilities and net worth	27,465,712.32

EXHIBIT B

John F. Kennedy Center for the Performing Arts—Statement of income, expenses and fund balance for the period of July 1, 1971, through Sept. 30, 1971

Income:	
Contributions and pledges received.....	\$299,152.00
Theater operations.....	228,249.87
Total income.....	527,401.87
Administrative expenses:	
Salaries.....	138,189.01
Taxes, payroll, and civil service.....	16,773.82
Extra help.....	352.50
District of Columbia area expenses.....	
Office supplies and postage.....	3,086.46
Printing.....	1,723.14
Publications.....	588.70
Telephone and telegraph.....	3,494.82
Depreciation, furniture, and equipment.....	800.00
Equipment rental and repairs.....	506.25
Office rent.....	2,180.25
Unclassified.....	2,645.52
Education grant.....	20,000.00
Promotion.....	13,762.80
Travel and maintenance.....	21,886.19
Insurance.....	675.00
Legal and audit fees.....	1,200.00
Program consultants.....	19,125.00
Equipment purchased.....	3,999.91
Total administrative expenses.....	250,989.37
Theater operations expenses.....	192,283.05
Total expenses.....	443,272.42
Excess of receipts over expenses.....	84,129.45
Fund balance, July 1, 1971.....	22,508,770.57
Fund balance, Sept. 30, 1971.....	22,592,900.02

Senator GRAVEL. Do any of the other gentlemen with you care to make a statement?

Mr. STEVENS. Do you want to put your statement on the record, Mr. Schmidt?

Mr. SCHMIDT. I have a statement which I would like to file for the record. It explains how we arrived at the estimate and the formula we used for determining the share to be borne by the nonperforming arts.

Senator GRAVEL. Very good.

We will accept that for the record.

(The statement follows:)

STATEMENT OF WILLIAM A. SCHMIDT, EXECUTIVE DIRECTOR FOR ENGINEERING,
JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. Chairman, members of the committee, it is a distinct pleasure to appear before you today to recommend favorable consideration of amendments to the John F. Kennedy Center Act to authorize funds for that part of the operation, maintenance and security costs of the Center which are related to the non-performing arts functions of the Center.

I should like to comment briefly on the estimate of the annual cost to operate and maintain and to provide security for the John F. Kennedy Center and on the actual experience of the Kennedy Center to date in the current fiscal year and our approach to determine what share of these costs may be considered a reasonable charge to the national memorial functions of the Center.

Construction of the building under the contract is now substantially completed with corrective work, punch list items the major remaining work under the construction contract. This includes the balancing of the heating and air-conditioning temperatures and air supply which may extend over a period of several months even into the next air conditioning period. Operation responsibility has been assumed by the Center progressively beginning with two floors of the garage last January, the Concert Hall last April, the Opera House in August and Eisenhower Theater in October. Progressive use and occupancy is a practice common to large installations and permitted the formal opening of the Center last September, even though the entire building was not substantially completed until about mid-October this year.

The Kennedy Center is a unique building, three buildings under one roof, for which there is no precedent for determination of specific operation, maintenance and security requirements. However, basic services were related to similar facilities such as the Los Angeles Music Center. Also, to a degree, basic services were related to experience in office buildings and heating and refrigeration plant operations.

In the preparation of the estimate visits were made to the Los Angeles Music Center and the Lincoln Center in New York and their operating staffs were consulted on standards and requirements. GSA's and Smithsonian's Building Management technicians were also consulted on the building requirements as well as the U.S. Park Police and GSA's Federal Protective Service on security requirements. Because the Center is open to the public, a detailed survey was made of all phases of physical security as related to the Center and a plan developed for interior and exterior intrusion detection and surveillance systems to supplement the protection and security which is provided by a guard and police force, under the direction of the Park Service. Also, being a place of public assembly, both the structure and its management and operation must meet and maintain rigid safety and fire code requirements, both local and national.

It is estimated that the total annual cost of operation, maintenance and security of the building will approximate \$2,384,000 considered proratable between the performing arts and non-performing arts functions. This estimate covers only the structure and its mechanical and electrical systems. It does not include such expenses as ushers, box office personnel, and stage hands directly related to performances.

The estimate of operations and maintenance was prepared last May when the major areas of the building were still under construction and in various stages of completion. The actual cost experience to date is fragmentary and incomplete, as we had only partial operation of the center building until early October. The total estimate compared with a projection of the most recent monthly experience appears to be reasonably close as to total with some adjustment between major expense items. The actual experience since July 1 is not typical, covering as it does the start-up period of the Kennedy Center's operations and availability of the building to the public. For example, the building is all electric and will need at least a full year experience through complete heating and air-conditioning seasons to test our utility estimate of \$720,000. The most recent billing for electric current is for September in the amount of \$57,365.51. This does not represent a billing for the total building. Furthermore, some of the operations have been performed by the general contractor's and sub-contractors' forces in the early months of the fiscal year and we have not as yet had the complete isolation of these costs in the general contractor's accounts.

In the allocation of a reasonable share of the total costs to the Center as a national memorial, we were guided by the following assumptions:

1. The Center is open to the public seven days a week including holidays.
2. As an average over the year during two days of each week the auditoriums are dark—that is, no performance.
3. Ten hours each day of fifteen are devoted to non-performance activities and the remainder to the performing arts.
4. Routine security is allocated in total to the non-performing arts activities, the memorial function. Added security required for performances represents an additional requirement to be financed from performance income.

Applying these assumptions to the proratable costs \$2,384,000 results in an allocation of \$1,884,000 to the non-performing arts activities. This is \$384,000 more than the \$1,500,000 which would be authorized by the pending legislation. I believe the estimated annual cost to be reasonably accurate based on our best judgment of operational requirements. After we gain more experience with the Center and its use we may have to change our service standards as well as make some adjustment in the allocation of expenses. This is another reason for requesting authorization for \$1.5 million instead of \$1.9 million.

Mr. Chairman, this concludes my prepared statement and I would be pleased to answer any questions you or members of the Committee may have concerning the Center's operations. A detailed estimate, as of May 31, 1971, is submitted for ready reference and the record as a comparison of this estimate with the actual cost experience thus far.

EXHIBIT A

ALLOCATION OF OPERATIONS AND MAINTENANCE EXPENSES TO NON-PERFORMING ARTS ACTIVITIES AND ALLOCATION OF \$1.5 MILLION FEDERAL APPROPRIATION

I. TOTAL EXPENSES AND EXPERIENCE

The following expenses are attributable primarily to the non-performing arts activities of the John F. Kennedy Center or are attributable in part to such activities. None are attributable primarily to performing arts activities.

A. Primarily nonperforming arts costs:

Security—Guard salaries including supervisors (27 guards); \$250,000. Supplies, materials, uniforms: \$10,000. Physical protection support, television, etc.; annual charge: \$25,000. (Additional security required primarily for performing arts activities will be financed from performing arts receipts. \$117,000.)
Total security----- \$285, 000

Actual experience—Costs for guard and police protection provided by the U.S. Park Police for the months of September and October were \$31,494.21 and \$37,363.97 respectively.

B. Costs to be allocated between performing arts and nonperforming arts activities of the Kennedy Center:

Operation and maintenance of mechanical and electrical equipment (excludes theater and backstage equipment); wages, supplies and materials for operation: \$273,000. Maintenance repairs: \$200,000. Elevator and escalator maintenance: \$75,000.
Total equipment operation and maintenance----- 548, 000

Actual experience—Costs for operation and maintenance of the mechanical and electrical systems, including management and administration and stage and other equipment for October and November are \$47,791.08 and \$51,016.50 respectively.

Utilities—(Necessary to keep the building open seven days per week.) (Estimated \$34,000 reimbursed from concessions.)
Total electric building.

Total utilities----- 720, 000

Actual experience—Electric service billed for August and September is \$52,426.97 and \$57,365.51 respectively. The building was not 100% completed and the billings do not represent typical monthly service billings. Quarterly billing for water and sewage service is \$2,017.05.

Janitorial services—(Seven days per week.) Daily periodic servicing including exterior, wages and supplies: \$690,000. Window washing: \$14,000. High cleaning: \$25,000. Cleaning chandeliers: \$10,000. Relamping: \$8,000. Trash removal: \$17,000.

Total janitorial service----- 764, 000

Actual experience—Janitorial services have been limited to approximately two full months of contract services for daily cleaning which total \$62,036. This represents only part of the services included under this category as part have been performed by the general contractor's force as an extra under his contract. No cost experience is available for window washing, high cleaning, chandelier cleaning, maintenance of plantings, etc. all of which are included in the expense category.

Shop and other equipment—Initial cost will be borne in full by performing arts activities, totaling \$81,000. Annual share for crafts and custodial \$16,000.

Total shop and other equipment----- 16, 000

Actual experience included under operations and maintenance management and administration—(Costs of management of the theaters are not included in this category.) Building Manager, administrative and clerical salaries: \$49,000. Supplies and materials: \$2,000.

Total management and administration----- 51, 000

Actual experience—Included under operation and maintenance above.

Total expenses----- 2, 384, 000

II. ALLOCATION OF EXPENSES

Over a period of one year, it is estimated that the theaters will average two dark days per week. Therefore, two-sevenths of each of the costs set forth in Section I, with the exception of Security, is allocable to the non-performing arts activities. In addition, because ten hours of total of fifteen hours per day of operations will be primarily non-performing arts activities, two-thirds (10/15) of the remaining costs (again excluding security) should be allocated to non-performing arts activities. As pointed out earlier, the Security listed should be completely allocated to non-performing arts activities.

The pending authorizing legislation, S. 2900 establishes a ceiling of \$1.5 million on federal appropriations, which is 79.6 (%) percent of the total cost of \$1,884,215 allocable to the non-performing arts function. Therefore, the federal appropriation is 79.6 (%) percent of the total of each component of the \$1,884,215.

	Estimated expenses	Allocable to non-performing-arts activities	Requested Federal appropriation for non-performing-arts expenses
Security.....	\$285,000	\$285,000	\$226,885
Operation and maintenance.....	543,000	417,524	332,386
Utilities.....	720,000	548,572	436,712
Janitorial services.....	764,000	582,072	463,381
Shop and other equipment.....	16,000	12,190	9,704
Management and administration.....	51,000	38,857	30,931
Total.....	2,381,000	1,884,215	1,500,000

Senator Boggs. Mr. Chairman, Mr. Stafford asked me to request that a copy of your regular statement as submitted to the Board of Trustees be filed as part of this record. Is that possible to do that?

Mr. STEVENS. Yes, sir; we are a public body and there are no secrets.

Senator Boggs. If you will make that available.

Mr. STEVENS. Whatever you request we will make available to you.

Senator Boggs. Thank you.

(The information requested, titled "John F. Kennedy Center for the Performing Arts Financial Report, June 30, 1971" follows:)

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS FINANCIAL REPORT,
JUNE 30, 1971

WASHINGTON, D.C., August 3, 1971.

BOARD OF TRUSTEES,
John F. Kennedy Center for the Performing Arts,
Washington, D.C.

GENTLEMEN: We have examined the books and records of the John F. Kennedy Center for the Performing Arts for the Period July 1, 1970 Through June 30, 1971 and submit our report herewith as follows:

Exhibit A.—Balance Sheet as of June 30, 1971.

Exhibit B.—Statement of Income, Expenses and Fund Balance for the Period July 1, 1970 Through June 30, 1971.

Schedule 1.—Schedule of Investments as of June 30, 1971.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report, prepared on a basis of cash receipts and disbursements presents fairly the financial position of the John F. Kennedy Center for the Performing Arts at June 30, 1971 and the results of its operation for the period then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of previous periods.

Respectfully submitted.

JOHN J. ADDABBO,
Certified Public Accountant.

EXHIBIT A

Balance sheet, June 30, 1971

Assets:

Current assets:

Cash in banks:

American Security & Trust Co.....	\$76,187.57
The Chase Manhattan Bank.....	93,495.41
Investments—Schedule 1.....	491,000.00
Accounts receivable.....	397,711.19
Accrued interest receivable.....	561.45
Petty cash fund.....	1,000.00
Deposits with airline.....	850.00
John F. Kennedy stamps.....	500.00
Stock, bonds, and property received.....	55,608.00
Prepaid production costs.....	86,499.35

Total	1,203,412.97
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Pledges receivable.....	861,554.61
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Real estate and fixed assets:

Cost of land.....	210,000.00
Construction costs.....	20,561,392.92
Furniture and equipment—book value.....	16,682.23
Visitors center.....	6,789.00

Total	20,794,864.15
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Other tangible property:

Gifts from foreign nations.....	2,385,815.00
Domestic gifts.....	643,267.70
USIA film.....	1.00

Total	3,029,083.70
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Other assets: Creative America inventory.....	56,409.75
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Total assets	25,945,325.18
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Liabilities and net worth:

Liabilities: Payroll taxes withheld.....	
Deferred income.....	2,575,000.00

Net worth:

Pledges receivable.....	861,554.61
Fund balance—June 30, 1971.....	22,508,770.57
Total	23,370,325.18
Total liabilities and net worth.....	25,945,325.18

EXHIBIT B

*Statement of income, expenses and fund balance for the period
July 1, 1970 through June 30, 1971*

Contributions and pledges paid in :	
General accounts-----	\$1, 834, 308. 97
Reserve accounts-----	383, 916. 49
	<hr/>
Total contributions and pledges paid in-----	2, 218, 225. 46
Expenses :	
Salaries-----	320, 287. 87
Taxes—payroll and civil service-----	22, 544. 26
Extra help-----	1, 340. 63
D.C. area expenses-----	24. 00
Office supplies and postage-----	10, 233. 84
Printing-----	2, 157. 83
Publications-----	2, 674. 24
Telephone and telegraph-----	12, 926. 65
Depreciation—furniture and equipment-----	3, 067. 59
Equipment rental and repairs-----	5, 404. 06
Office rent-----	2, 180. 25
Unclassified-----	2, 080. 21
Meetings-----	6, 010. 52
Promotion-----	92, 641. 20
Travel and maintenance-----	74, 735. 12
Insurance-----	4, 256. 50
Legal and audit fees-----	4, 800. 00
Benefits-----	3, 505. 46
Development committee fund raising fees and expenses--	21, 000. 00
Public relations fees-----	11, 080. 00
Program consultants-----	30, 799. 00
Festival expense-----	19, 214. 70
	<hr/>
Total expenses-----	652, 963. 93
	<hr/>
Excess of receipts over expenses-----	1, 565, 261. 53
Fund balance—July 1, 1970-----	20, 943, 509. 04
	<hr/>
Fund balance—June 30, 1971-----	22, 508, 770. 57
	<hr/> <hr/>

SCHEDULE 1

SCHEDULE OF INVESTMENTS, JUNE 30, 1971

	Maturity date	Yield (percent)	Amount
American Security & Trust Co., Washington, D.C.:			
U.S. Treasury Note, 6 $\frac{1}{4}$ percent.....	Feb. 15, 1978		\$1,000
The Chase Manhattan Bank, New York, N.Y.:			
Chrysler Financial Corp., note.....	July 15, 1971	5.51855	250,000
Do.....	July 26, 1971	5.78047	240,000
Total investments.....			491,000

Senator GRAVEL. I just noticed here that the expenses apparently total \$1,884,215, but you are asking only for \$1.5 million. Why was this?

Mr. STEVENS. Sir, the reason is that obviously the apportionment of the expenses between theater and the other areas of activity, with a very limited experience that we have had, is very difficult. And we thought if we cut it from \$1.8 to \$1.5 million, we would allow a margin for error in case it hadn't been figured properly. That was the reason we cut it down from \$1.8 million to \$1.5 million. We thought it would be sufficient until we had some experience.

As Senator Percy said, he didn't think we should reduce the request, but nevertheless I felt that, because there was some gray areas, let's get it right down to the bedrock, as you might say.

Senator GRAVEL. I am happy with that answer. I am also very happy with the approach that you have taken that we look at the situation in terms of emergency legislation right now, and then look for a more permanent solution next year. By that time, you will have had a full season's experience, and we should all be better prepared and equipped to act.

So I think we will seek to prevail upon the Appropriations Committee for a decision. This committee will communicate with the Appropriations Committee and will ask them to try to get the necessary funds appropriated. Then as early as possible next year, coordinating with the Center personnel, we will select another time for a public hearing and go into more detail based upon additional experience. You will have the entire winter.

Mr. STEVENS. Right, sir. I appreciate very much your consideration, and I can assure you that in another 3 or 4 months we will have it pretty well refined in terms of allocation of cost. And, of course, we don't know yet what the tourist season will bring because we have all seen the lines around the White House beginning in March; but nevertheless, we will get some pretty good idea.

Senator GRAVEL. In the others, of course, your \$3 million, maybe that will shake itself out and we will know exactly what those claims are.

Mr. STEVENS. Yes, sir. And I hope I will be able to report that the trustees' advisory committee has been successful in closing the gap by that time.

Senator GRAVEL. But as I read your letter, it is not the same degree of emergency on this \$3 million as there is with respect to the \$1.5 million operation?

Mr. STEVENS. That is right.

Senator GRAVEL. The \$3 million you have got already with a \$2.5 million loan, and the other \$500,000 is the area of conflict. So if we don't take action on that issue right now and wait until we have additional public hearings, as long as we do take action on the \$1.5 million, if we meet your emergency situation, it will keep the wolf away from the door, so to speak.

Mr. STEVENS. That is right, sir, and we will refine those claims and know where we stand and what our counterclaims are in the next 3 or 4 months, which I feel is sufficient.

Senator BOGGS. Let me ask a question. Does the Center provide literature which is distributed around the country to service clubs, women's organizations, and church groups, giving them the information about when the Center is open so they can plan their trips? This might be helpful for high school groups coming to Washington. Is such information available?

Mr. STEVENS. Yes. A year ago I contacted the High School Principals Association because of the fact that so many high school students come to Washington for their first visits. We are setting up a liaison with them through Mr. Fagan. We also are fortunate enough to have on the advisory committee a representative from each State, and they are to be our liaison members all through the country and to help set up tours.

Senator BOGGS. The Advisory Committee is appointed by—

Mr. STEVENS. The President. But they do have a member from every State. So we have a good means of communications. The trustees are located more in Washington and in New York City.

Senator BOGGS. Maybe it is just my particular area, but I believe there is a gap. I receive inquiries in my office about this, and I call up some of your fine associates to get answers. I believe that more and more people who come to Washington will want to visit the Center.

Mr. STEVENS. That is right.

Senator BOGGS. So we have got to get information to them.

Mr. STEVENS. We have organized tours all during the day to take them through.

Senator GRAVEL. I notice the distinguished ranking member of the full committee is now with us, Senator Cooper.

Senator Cooper, do you have any questions or comments that you choose to make?

Senator COOPER. First, may I say, Mr. Chairman, I regret that I couldn't be here for the hearing. The Interior Committee is now conducting hearings on strip mining—a very difficult and complex problem, not only applicable to the whole Nation but particularly my State. Senator Baker and I have proposed a bill to bring the strip mining of coal under control and are testifying before the committee. So we had to be there.

But I do understand the problem of the Kennedy Center and I am sure, like all other members of this committee along with Senator Gravel and others, we want to be of assistance. We thought it would be very important to have this hearing—so all of the problems would be made public and in order to reach some constructive solution, not only for this emergency but for the future. I know we will make the effort to do that, and also to be of assistance in this emergency situation.

Mr. STEVENS. Thank you, Senator. That is most reassuring to hear that.

Senator GRAVEL. We thank you, Mr. Stevens. I think you have made your case very well. I appreciate the time limit that you have been under. I think we appreciate the import and certainly we will lend our good offices to a proper resolution of this matter.

I would like to ask the GSA member, Mr. Sanders, a question. From your determination, have they ran out of construction money and was there an amount owing, and due not related to the claims with respect to the contract that would still be due? Here we have come forward with x amount of dollars that we are talking about, the \$3 million. Besides the \$3 million which involves the claim areas, is there any amount due over and above the \$66.4 million that we had stipulated as the final figure for construction? Is there any amount due not in the claim area that is related to the construction of the Center?

Mr. SANDERS. If I understand your question, Mr. Chairman, we are estimating that the total construction costs, total project costs including claims—and the \$3 million figure is certainly one we are not prepared yet to agree to; it could well be more. There is much work to be done on most of those claims yet. But, using or setting that aside, we are estimating that the \$66.4 million should be sufficient to take care of the entire cost.

Senator GRAVEL. Very good.

Senator BOGGS. Mr. Chairman, for the record, I understand that there are summaries of other agreements having to do with concessions, restaurants, programs, entertainment, symphonies, and so on. If you have some of those summaries of other agreements affecting the income of the Center, would you make them part of the record, please?

Mr. STEVENS. Yes, sir; I have the concessions for the canteen corporations operating the restaurant. I can easily get the symphony agreement because they are our principal tenant.

Senator BOGGS. I think that would be fine. Not for the emergency situation, but I think we are going to need that as part of the record for the final legislation.

Mr. STEVENS. I really should give the summary, because most of the agreements are rather lengthy.

(The agreements referred to follow:)

CONCESSION AGREEMENT—APCOA

After competitive bidding, the Kennedy Center entered into a concession agreement with APCOA—Washington, Inc., on February 21, 1969, under which APCOA is to provide management services for an initial term of 15 years, with an option in APCOA to renew for ten years.

APCOA is required to properly manage the garage and provide all necessary equipment at a cost of approximately \$130,000 to be borne by the concessionaire. An advance against revenues of up to \$3,500,000 from APCOA to the Center is provided. By the end of the last fiscal year, the Kennedy Center had completely drawn against the advance. The Kennedy Center is required to repay the advance out of parking revenues with interest, and has determined to make repayment during the next five years in sufficient time to free the Center's net profits for repayment of the revenues from Treasury bonds authorized by Congress and drawn by the Center for construction of the garage.

Until full repayment of the advance, plus interest at the prime rate, net profits are divided evenly. Net profits are defined as the amount remaining after the deduction from total revenues of the following: operating expenses, $\frac{1}{15}$ of

the advance plus interest, management fees, and other expenses. After repayment, The Center's share of the first \$1.5 million of parking revenues is 70 per cent of net profits; of the amounts in excess of \$1.5 million, 80 per cent of the excess over \$1.5 million.

The garage operated at a net loss of \$7,360.70 through August 31, 1971. Revenue for September was \$75,618.17, with net profit to the Center of \$16,855.60 not including repayment of the advance. Revenues for October are expected to be somewhat in excess of \$100,000, although a final statement has not been received. With the Kennedy Center in full operation, it is expected that revenues should be at an annual rate of approximately \$1,200,000.00.

CONCESSION AGREEMENT—CANTEEN CORPORATION

The Kennedy Center entered into a concession agreement with Canteen Corporation on June 28, 1965. The concession was granted to Canteen after consideration of competitive bids of other concerns indicated that the Canteen proposal was most favorable to the Kennedy Center.

The agreement provides that Canteen is to invest \$1.25 million in the construction of the building, which investment was duly made during the period of construction. It provides that the Center is to receive 5 per cent of net sales, or \$75,000 per year, whichever is greater. By amendment dated September 10, 1970, Canteen was required to advance against first-year rentals \$75,000, which advance has been made to the Kennedy Center. The term of the agreement is 16 years.

It is estimated by Canteen Corporation that net sales per year will average \$3.0 million, which, incidentally, is far in excess of that original contemplated. During the period of August 9 through November 14, 1971, net sales totalled \$891,450.00 This period is considered abnormally high because of the usually large number of banquets served by the concessionaire.

SUMMARY OF PROPOSED AGREEMENT BETWEEN THE JOHN F. KENNEDY CENTER AND THE NATIONAL SYMPHONY ORCHESTRA ASSOCIATION

The Kennedy Center and the National Symphony Orchestra Association expect to enter into a five resident company agreement commencing as of September 1, 1971. Pursuant to the agreement the National Symphony is to be provided office space, dressing rooms, lounge space and such other supplemental facilities which are necessary for housing a first class symphony orchestra. Under the basic agreement the National Symphony is provided 171 dates annually in the Concert Hall and also 160 rehearsal periods. Yearly rental is at a preferential rate, reflecting the resident company status of the National Symphony.

In addition the Center is required to provide box office services to the National Symphony at the rate of \$2,000 per month in the first year and at a rate to be agreed upon in future years. The Symphony is given complete artistic control over its activities except that the Kennedy Center is given some control over the choice of successor music directors and also over the orchestral activities of the Association in the Metropolitan Washington Area. Standard Government contract provisions relating to nondiscrimination, examination of records, and restriction of benefits are provided in the agreement.

Mr. BECKER. We have told the staff that anything that is wanted or desired are available to them and we will cooperate in every respect. There isn't an agreement that we won't make available to them. If there is anything confidential, we will tell them that also. GAO has audited our books and records on different occasions and it was all made available to them. So, as Mr. Stevens said before, there aren't any secrets at all.

Senator BOGGS. With you as general counsel, I wouldn't have any other expectations, Ralph. I am glad to see you.

Mr. Chairman, I cannot let this hearing close without paying tribute to my good friend, Ralph Becker, who has served as trustee and general counsel for the Center for over 13 years, since the inception of this project. Mr. Becker has worked closely with this committee and the Congress and he has been of great assistance in all legislation involving the Center.

On numerous occasions we have been able to turn to him for his expertise. He has spent innumerable hours, day and night, to bring this project to fulfillment. In fact, I fear to think what would have happened to the great project if he had not provided the expertise, insight and guidance—and I might add continuity—throughout the years.

Senator GRAVEL. Thank you very much, gentlemen. We will get in touch with you. Certainly some action will be taken today.

I would like to ask if there is any other person here, due to the unusual nature of the hearing, who would like to also give testimony relative to this issue at the Kennedy Center? Anybody in the chamber?

Hearing no request, the hearing is adjourned.

(Whereupon, at 11:15 a.m., the hearing was adjourned.)

(The following letter was received subsequent to the hearing:)

2204 MARTHA ROAD,
ALEXANDRIA, VA., November 30, 1971.

Senator JENNINGS RANDOLPH,
Chairman, Senate Public Works Committee,
U.S. Senate, Washington, D.C.

DEAR SIR: According to recently published reports, the management of the Kennedy Center is requesting an additional \$3 million subsidy from the Federal Government. Before turning over any more of the taxpayers' money to the Center, I urge that its management be made to answer for the high-handed and inconsiderate treatment which it accords members of the general public who are expected to patronize the Center. Since the Center opened a few weeks ago, the Washington newspapers have carried numerous letters from readers as well as news articles detailing the "public-be-damned" attitude which the management so often displays. A recent experience of mine where I tried unsuccessfully to obtain tickets to a function at the Kennedy Center disgusted me and prompts me to write this letter.

On Thanksgiving Day, November 25, 1971, an advertisement appeared in the *Washington Post* announcing a performance the following evening, November 26, of the Budapest Symphony Orchestra. The notice indicated that the only tickets available were in the second balcony at \$3.50 and so-called limited view tickets for \$1.00. The tickets were said to be on sale at Campbell's Music Company, 13th and G Streets, N.W., and I decided to go there the next morning to purchase three of the second balcony seats. No hours were specified in the advertisement, so I arranged to be at Campbell's on November 26 at 9:00 A.M., the time when one would expect a retail store to open for business. The store is in the heart of the Metro construction area, and parking is difficult but I managed to park my car at a meter space about 5 blocks from the store.

Upon arriving at Campbell's, I found a notice in the window stating that the store does not open until 9:30 A.M. I decided to wait, and at 9:30 entered the store only to be told by a store salesman that the box office for Kennedy Center tickets does not open until 10:00 A.M. I had another important obligation at my office that morning, but since I had already invested so much time and effort in obtaining the tickets, I reluctantly decided to wait. When the box office finally opened, to my astonishment and chagrin, I was told that there were no tickets available at \$3.50, and that there had not been any on Thanksgiving Day when the advertisement had run. I did not want the limited view tickets which were available at \$1.00.

A further demonstration of the Kennedy Center's lack of concern for the public occurred that same morning, November 26, when the *Washington Post* carried still another advertisement for the Budapest Symphony concert that evening with the bold statement, "SEATS AVAILABLE". No mention was made of the fact that the only seats available were limited view seats, and this time the advertisement did not even state where the tickets were supposedly for sale.

I submit that there is no excuse for this national concert center, subsidized as it is by public funds, to require its customers to go through this kind of obstacle course to obtain tickets to a function and in the end have it result in futility because the Center's advertisements contain false and misleading information. I know from discussions with friends and from what I have read in the newspapers that many persons have had comparable frustrating experiences in dealing with the Center. The congressional committee considering the Center's request for funds should demand to see copies of the letters of complaint that the management has received from the public since the Center's opening, and Washington newspapers should be canvassed for the many letters of complaint they have received. The Kennedy Center is a *public* facility, financed by *public* funds, and the *public* has a right to more consideration than it is receiving.

Very truly yours,

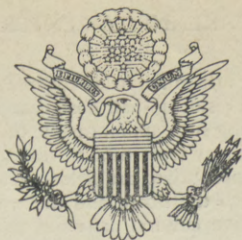
ALLISON W. BROWN, Jr.

Washington Post, November 25, 1971

WASHINGTON PERFORMING ARTS SOCIETY
THIS FRIDAY, NOV. 26, 8:30 P.M.
CONCERT HALL, KENNEDY CENTER
First Washington Appearance
BUDAPEST SYMPHONY
GYORGY LEHEL, Conductor
FERENC TARJANI, Horn · ZOLTAN KOCSIS, Piano
 Symp. No. 4, Mendelssohn; Concerto for Horn,
 Mozart; Piano Concerto No. 1, Bartok; Dances of
 Galanta, Kodaly.
Second Balcony: \$3.50; Limited View: \$1.00
Tickets at Campbells, 1300 G St., N.W. 393-4433

Washington Post, November 26, 1971

WASHINGTON PERFORMING ARTS SOCIETY
TONIGHT, FRIDAY 8:30 P.M.
CONCERT HALL KENNEDY CENTER
BUDAPEST SYMPHONY
ORCHESTRA
GYORGY LEHEL, Conductor
ZOLTAN KOCSIS, Piano Soloist
FERENC TARJANI, Horn Soloist
 Mendelssohn, Mozart, Kodaly, Bartok
SEATS AVAILABLE



JOHN F. KENNEDY CENTER ACT

Public Law 85-874, 85th Congress, 72 Stat. 1698, September 2, 1958
 Amended September 21, 1959, Public Law 86-297, 73 Stat. 573
 Amended August 19, 1963, Public Law 88-100, 77 Stat. 128
 Amended January 23, 1964, Public Law 88-260, 78 Stat. 4
 Amended October 17, 1969, Public Law 91-90, 83 Stat. 135

AN ACT

To provide for a John F. Kennedy Center for the Performing Arts which will be constructed, with funds raised by voluntary contributions, on a site made available in the District of Columbia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. This Act may be cited as the "John F. Kennedy Center Act".

BOARD OF TRUSTEES

SEC. 2. (a) There is hereby established in the Smithsonian Institution a bureau, which shall be directed by a board to be known as the Trustees of the John F. Kennedy Center for the Performing Arts (hereafter in this Act referred to as the "Board"), whose duty it shall be to maintain and administer the John F. Kennedy Center for the Performing Arts and site thereof and to execute such other functions as are vested in the Board by this Act. The Board shall be composed as follows: The Secretary of Health, Education, and Welfare, the Librarian of Congress, the Assistant Secretary of State for Public Affairs, the Chairman of the Commission of Fine Arts, the President of the Board of Commissioners of the District of Columbia, the Chairman of the District of Columbia Recreation Board, the Director of the National Park Service, the Commissioner of the United States Office of Education, the Secretary of the Smithsonian Institution, three Members of the Senate appointed by the President of the Senate, and three Members of the House of Representatives appointed by the Speaker of the House of Representatives ex officio; and thirty general trustees who shall be citizens of the United States, to be chosen as hereinafter provided.

(b) The general trustees shall be appointed by the President of the United States and each such trustee shall hold office as a member of the Board for a term of ten years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, (2) the terms of any members appointed prior to the date of enactment of the National Cultural Center Amendments Act of 1963 shall expire as designated by the President at the time of appointment, and (3) the terms of the first fifteen members appointed to the Board pursuant to the amendments made by the National Cultural Center Amendments Act of 1963 shall expire, as designated by the President at the time of appointment, three on September 1, 1964, three on September 1, 1966, three on September 1, 1968, three on September 1, 1970, and three on September 1, 1972.

(c) There shall be an Advisory Committee on the Arts composed of such members as the President may designate, to serve at the pleasure of the President. Persons appointed to the Advisory Committee on the Arts, including officers or employees of the United States, shall be persons who are recognized for their knowledge of, or experience

JOHN F. KENNEDY CENTER ACT

or interest in, one or more of the arts in the fields covered by the John F. Kennedy Center for the Performing Arts. The President shall designate the Chairman of the Advisory Committee on the Arts. In making such appointments the President shall give consideration to such recommendations as may from time to time be submitted to him by leading national organizations in the appropriate art fields. The Advisory Committee on the Arts shall advise and consult with the Board and make recommendations to the Board regarding existing and prospective cultural activities to be carried on in the John F. Kennedy Center for the Performing Arts. The Advisory Committee on the Arts shall assist the Board in carrying out section 5(a) of this Act. Members of the Advisory Committee on the Arts shall serve without compensation, but each member of such Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in connection with the work of such Committee.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

SEC. 3. The Board shall construct for the Smithsonian Institution, with funds raised by voluntary contributions, a building to be designated as the John F. Kennedy Center for the Performing Arts on a site in the District of Columbia bounded by the Inner Loop Freeway on the east, the Theodore Roosevelt Bridge approaches on the south, Rock Creek Parkway on the west, New Hampshire Avenue and F Street on the north, which shall be selected for such purpose by the National Capital Planning Commission. The National Capital Planning Commission shall acquire by purchase, condemnation, or otherwise, lands necessary to provide for the John F. Kennedy Center for the Performing Arts and related facilities. Such building shall be in accordance with plans and specifications approved by the Commission of Fine Arts.

DUTIES OF THE BOARD

SEC. 4. The Board shall—

- (1) present classical and contemporary music, opera, drama, dance, and poetry from this and other countries,
- (2) present lectures and other programs,
- (3) develop programs for children and youth and the elderly (and for other age groups as well) in such arts designed specifically for their participation, education, and recreation,
- (4) provide facilities for other civic activities at the John F. Kennedy Center for the Performing Arts,
- (5) provide within the John F. Kennedy Center for the Performing Arts a suitable memorial in honor of the late President.

POWERS OF THE BOARD

SEC. 5. (a) The Board is authorized to solicit and accept for the Smithsonian Institution and to hold and administer gifts, bequests, or devises of money, securities or other property of whatsoever character for the benefit of the John F. Kennedy Center for the Performing Arts. Unless otherwise restricted by the terms of the gift, bequest, or devise, the Board is authorized to sell or exchange and to invest or reinvest in such investments as it may determine from time to time the moneys, securities, or other property composing trust funds given, bequeathed, or devised to or for the benefit of the John F. Kennedy Center of the Performing Arts. The income as and when collected shall be placed in such depositories as the Board shall determine and shall be subject to expenditure by the Board.

- (b) The Board shall appoint and fix the compensation and duties of a director, an

assistant director, and a secretary of the John F. Kennedy Center for the Performing Arts and of such other officers and employees of the John F. Kennedy Center for the Performing Arts as may be necessary for the efficient administration of the functions of the Board. The director, assistant director, and secretary shall be well qualified by experience and training to perform the duties of their office.

(c) The actions of the Board, including any payment made or directed to be made by it from any trust funds, shall not be subject to review by any officer or agency other than a court of law.

ADMINISTRATION

SEC. 6. (a) The Board is authorized to adopt an official seal which shall be judicially noticed and to make such bylaws, rules, and regulations, as it deems necessary for the administration of its functions under this Act, including, among other matters, bylaws, rules, and regulations relating to the administration of its trust funds and the organization and procedure of the Board. The Board may function notwithstanding vacancies and twelve members of the Board shall constitute a quorum for the transaction of business.

(b) The Board shall have all the usual powers and obligations of a trustee in respect of all trust funds administered by it.

(c) The Board shall submit to the Smithsonian Institution and to Congress an annual report of its operations under this Act, including a detailed statement of all public and private moneys received and disbursed by it.

(d) The Board shall transmit to Congress a detailed report of any memorial which it proposes to provide within the John F. Kennedy Center for the Performing Arts under authority of paragraph (5) of section 4 of this Act, and no such memorial shall be provided until the Board of Regents of the Smithsonian Institution shall have approved such memorial.

TERMINATION

SEC. 7. (a) This Act shall cease to be effective, and all offices created by this Act and all appointments made under this Act shall terminate, if the Board of Regents of the Smithsonian Institution does not find that sufficient funds to construct the John F. Kennedy Center for the Performing Arts have been received by the Trustees of the John F. Kennedy Center for the Performing Arts within eight years after the date of enactment of this Act.

(b) If the offices of Trustees of the John F. Kennedy Center for the Performing Arts terminate under the provisions of subsection (a), all funds and property (real and personal) accepted by the Trustees of the John F. Kennedy Center for the Performing Arts under section 5(a), and income therefrom, shall vest in the Board of Regents of the Smithsonian Institution and shall be used by the Board of Regents of the Smithsonian Institution to carry out the purposes of the Act entitled "An Act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution," approved March 28, 1958, and for the acquisition of works of art to be housed in the building referred to in such Act; except that such funds or property, and the income therefrom, shall vest in an organization designated by the donor of such funds or property at the time of the making of the donation thereof, if, at such time, such organization described in section 501(c)(3) of the Internal Revenue Code of 1954 and is exempt under section 501(a) of such Code, and if, at such time, a contribution, bequest, legacy, devise, or transfer to such organization is deductible under section 170, 2055, or 2106 of such Code.

APPROPRIATIONS

SEC. 8. There is hereby authorized to be appropriated to the Board for use in accordance with this Act, amounts which in the aggregate will equal gifts, bequests,

JOHN F. KENNEDY CENTER ACT

and devises of money, securities, and other property, held by the Board under this Act, except that not to exceed \$ 23,000,000 shall be appropriated pursuant to this section.

BORROWING AUTHORITY

SEC. 9. To finance necessary parking facilities for the Center, the Board may issue revenue bonds to the Secretary of the Treasury payable from revenues accruing to the Board. The total face value of all bonds so issued shall not be greater than \$20,400,000. The interest payments on such bonds may be deferred with the approval of the Secretary of the Treasury but any interest payments so deferred shall themselves bear interest after June 30, 1972. Deferred interest may not be charged against the debt limitation of \$20,400,000. Such obligations shall have maturities agreed upon by the Board and the Secretary of the Treasury but not in excess of fifty years. Such obligations may be redeemable at the option of the Board before maturity in such manner as may be stipulated in such obligations, but the obligations thus redeemed shall not be refinanced by the Board. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average rate on current marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligations of the Board. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Board to be issued under this section and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Board's obligations under this section.

GIFTS TO UNITED STATES

SEC. 10. The Secretary of the Treasury is authorized to accept on behalf of the United States any gift to the United States which he finds has been contributed in honor of or in memory of the late President John F. Kennedy and to pay the money to such appropriation or other accounts, including the appropriation accounts established pursuant to appropriations authorized by this Act, as in his judgment will best effectuate the intent of the donor.

NATIONAL MEMORIAL

SEC. 11. The John F. Kennedy Center for the Performing Arts, designated by this Act, shall be the sole national memorial to the late John Fitzgerald Kennedy within the city of Washington and its environs.

NOTE.—Public Law 88-260 entitled "Joint Resolution providing for renaming the National Cultural Center as the John F. Kennedy Center for the Performing Arts, authorizing an appropriation therefor and for other purposes," approved January 23, 1964, contained the following preamble and section:

- "Whereas the late John Fitzgerald Kennedy served with distinction as President of the United States, and as a Member of the Senate and House of Representatives; and
 "Whereas the late John Fitzgerald Kennedy dedicated his life to the advancement of the welfare of mankind; and
 "Whereas the late John Fitzgerald Kennedy was particularly devoted to the advancement of the performing arts within the United States; and
 "Whereas by his untimely death this Nation and the world has suffered a great loss; and
 "Whereas it is the sense of the Congress that it is only fitting and proper that a suitable monument be dedicated to the memory of this great leader; and
 "Whereas the living memorial to be named in his honor by this joint resolution shall be the sole national monument to his memory within the city of Washington and its environs:

* * * * *

"SEC. 2. In addition to the amendments made by the first section of this Act, any designation or reference to the National Cultural Center in any other law, map, regulation, document, record, or other paper of the United States shall be held to designate or refer to such Center as the John F. Kennedy Center for the Performing Arts."

*Compilation by Ralph E. Becker, General Counsel,
 John F. Kennedy Center for the Performing Arts.*