cover these expenditures in two ways. First, we negotiated with the Federal Republic of Germany (FRG) an Offset Agreement which had a total value of $2,218 billion over the 1974-75 time period. The fiscal year 1974 portion of the agreement has come to $1.17 billion. Second, in NATO Allies have placed substantial military procurement in the U.S. They have been able to identify $1.018 billion in such procurement, of which $817 million can at this time be applied against fiscal year 1974 expenditures. The NATO Allies and the NATO Economic Directorate deserve our special recognition for their cooperation in establishing a liaison mechanism for identifying these purchases. Appendix A provides an accounting of our compliance with the provisions of the Amendment.

The Jackson-Nunn Amendment also called upon our Allies to assist the U.S. in meeting some of the added budgetary costs that result from maintaining our forces in Europe rather than in the continental United States. The major part of this support is contained in the two-year U.S.-FRG Offset Agreement. The agreement includes approximately $224 million to rehabilitate badly deteriorated barracks and other facilities to support American military personnel in the FRG. The FRG also agrees to absorb about $8 million of real estate taxes and landing fees directly related to U.S. forces in Germany. Finally, very considerable budgetary relief is implicit in the FRG agreement to purchase DM 2,250 million in special U.S. Treasury securities at a concessionary interest rate of 2.5 percent. The net result of which Germany could have obtained through investment of these funds in marketable U.S. Treasury securities would, of course, have been much higher. The purchase of securities made by the FRG pursuant to the agreement were made at times when the market was paying just under eight percent interest. As a consequence, the FRG will have foregone approximately $343 million in interest over the life of these obligations. Essentially this represents a budgetary gain to the U.S.

A final provision of the Amendment requires that we seek to reduce the amount paid by the U.S. to support NATO's Infrastructure Program. NATO recently agreed to a new five-year program (CY 1975-79) totaling $1.35 billion. The Allies have agreed to reduce the U.S. percentage from the current official level of 28.67 percent to 27.23 percent. The new program also includes a special category of projects totaling $98 million which benefit only American forces and which would normally have been funded in the U.S. budget. When this special category is considered, the effective U.S. share is approximately 21 percent. Likewise, the U.S. share of funding for the Community European Pipeline deficit has been reduced from 36 percent to 25 percent.

The Amendment specifies that 22½ months (July 1, 1973-May 16, 1975) of Allied balance of payments transactions can be applied against the FY 1974 deficit. The balance of payments data we have used have been based on only the first 12 months of this period. We do not yet have complete data on Allied procurements expenditures during the last 10½ months of the statutory period. However, assuming that Allied expenditures in Foreign Military Sales (FMS) and commercial accounts remain at Second, the FY 1974, there would be available an additional $1.3 billion to offset our FY 1974 expenditures. It should be noted that the Allied financial transactions reported here do not represent the total financial burden incurred by the Allies in support of U.S. forces in Europe. Our Allies absorb many of our troop-related operation and maintenance expenditures for facilities, building and repairing roads, and other payments which have a total value of several hundred million dollars a year.

A good economic argument can be made that such and such balance of payments expenditures would have occurred whether or not our troops were in Europe, and hence should not have been charged against the NATO balance of payments account. For example, the Department of Defense purchased approximately $137 million of petroleum, oil, and lubricants (POL) in Europe during FY 1974, mostly for our Sixth Fleet operations. The majority of these products were purchased from the Middle East. However, if the fleet had been brought home, its shift to U.S. POL resources would have freed other U.S. commercial groups to purchase their POL requirements from abroad. Thus, the impact on our balance of payments expenditures would have remained unchanged.

We should also recognize that, even if our troops were returned to the continental U.S., there would still be personell-related expenditures for Eurooean goods. Also, we should not overlook the fact that some of our military-related balance of payments expenditures in Europe merely reflect the effect of dollar depreciation. This deprecation was a contributing factor to the substantial improvement in the U.S. trade balance, but it has made relatively more expensive the goods and services purchased by our military forces in Europe.

Gerald R. Ford
authorize appropriations totalling $89,125,000 to the Secretary of Commerce for the promotion of tourist travel.

This bill would reinstate in the Department of Commerce a domestic tourism program to encourage Americans to travel within the United States. It also would authorize appropriations totalling $90 million for the period July 1, 1976 through September 30, 1979, for continuation and expansion of the current program of the United States Travel Service to promote and facilitate foreign tourism in the United States.

My Administration proposed an extension of the existing tourism program through fiscal year 1979 at an annual authorization level of $18 million to encourage foreign visitors to the United States. It opposed the reinstatement of a domestic tourism program, which would be unnecessary.

The promotion and management of domestic tourism should remain the responsibility of the private sector, especially the accommodation and transportation industries, and of state and local governments. Each of the fifty States has its own tourist promotion agency. I find no justification for the Federal Government taking on this role. Moreover, the amounts authorized in the bill for the Travel Service's existing program are excessive, almost doubling the adequate amounts proposed by my Administration for the promotion of foreign travel to this country.

I find it necessary, therefore, to withhold my approval from a bill which would create an unnecessary new Federal program and unduly enlarge an existing program.

GERALD R. FORD

The SPEAKER. The objections of the President will be printed as a House document. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The motion was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE
Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 247]

Abdnor Dodd
Alexander du Pont
Ambro Ely
Amann Elber
Annunzio Elenborn
Aspin Esch
Bafalis Eban
Barrett Fish
Baucus Flanagan
Beard, Tenn. Foleys
Beil Frey
Bingham Fulton
Boggs Goodling
Boland Goodwin
Bowen Gordon
Breckenridge Gordon
Burton, John Gorum, Phil
Burton, Richard
Chisholm Harris
Clausen, Hdbert Hemb
Cleary Hensburg
Cleveland Holliday
Collins, Ill. Holt
Conte Holzman
Cotter Howard
Coughlin Jacobs
Crane Jones, Ala.
Daniels, J.L. Jones, N.C.
Delaney Kean
Dent Kemp
Dertick Keys
Devinski Leggett
Dickinson Lent

Further stimulus would hurt more than it would help our economy in the long run. H.R. 4481 provides for too much stimulus, too late, and I must therefore veto the bill.

The need remains, however, for a bill that will provide the funds I recommended for immediate and temporary employment through the public sector and summer youth jobs. Since student summer vacations are close at hand, I urge the Congress to pass such a bill as quickly as possible.

GERALD R. FORD

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The motion was laid on the table.