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THE WHITE HOUSE

WASHINGTON

October 18, 1985

MEMORANDUM FOR DONALD T. REGAN  
CHIEF OF STAFF

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Honorarium from Evans and Novak

Attached for your information and files is a copy of my letter to Evans and Novak, returning the honorarium of \$500 they offered for your appearance at their forum. The letter advises that Administration policy precludes White House staff members from accepting such honoraria.

Attachment

FFF:JGR:aea 10/18/85

cc: FFFielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 18, 1985

Dear Messrs. Evans and Novak:

This is written in response to your letter of October 15 to White House Chief of Staff Don Regan. Along with that letter you enclosed a check for \$500, as an honorarium for Mr. Regan's appearance at your forum on October 9.

It is the policy of this Administration that White House staff members not accept an honorarium for any appearance related in any way to their official responsibilities or to the operations or activities of the White House or the Administration. Nor may staff members designate a charity to receive such honoraria. Accordingly, I am returning your check.

Sincerely,

Fred F. Fielding  
Counsel to the President

Messrs. Rowland Evans, Jr.  
and Robert L. Novak  
1750 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006


FFF:JGR:aea 10/18/85  
cc: FFFielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 18, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS   
SUBJECT: Symposium at the Notre Dame  
Law School on Line-Item Veto

Professor Douglas Kmiec of the University of Notre Dame Law School and the Thomas J. White Center on Law & Government has sent you the second number of the Notre Dame Journal of Law, Ethics and Public Policy, devoted to a discussion of the line-item veto. He asks that you send it on to the person in OPD who is researching this issue for the President.

I am not aware of anyone in OPD devoting any attention to the issue; it is now largely in the hands of Legislative Affairs and our office. The attached reply thanks Kmiec and advises that we will review the issue with interest. The reply also sends along a copy of the National Forum issue on the Bicentennial. The President's article contains a discussion of the line-item veto (and I'm trying to get rid of the 300 copies of the issue we received).

Attachment

THE WHITE HOUSE

WASHINGTON

October 18, 1985

Dear Professor Kmiec:

Thank you for your recent note transmitting a copy of the issue of the Journal of Law, Ethics and Public Policy devoted to the line-item veto. As you know, the President has long supported a constitutional amendment to provide this power to the Chief Executive.

As the President explained in an article on the Presidency for the issue of National Forum devoted to the Bicentennial of the Constitution, granting such power to the Chief Executive would not alter the constitutional balance but in fact restore the Framers' original design. In return for your sending along a copy of the Journal, I have taken the liberty of enclosing a copy of the National Forum issue containing this article.

Thank you again for the Journal issue, which I am certain will be helpful to those at the White House most actively involved with this timely topic.

With best wishes,

Sincerely,

Fred F. Fielding  
Counsel to the President

Professor Douglas W. Kmiec  
Notre Dame Law School  
Notre Dame, IN 46556

FFF:JGR:aea 10/18/85  
cc: FFFielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 18, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS 

SUBJECT: Cain & Abell

The President has met with Dale Cain and Kent Abell, and made frequent references in public remarks to the Cain & Abell success story. Cain and Abell founded an electric contracting company in 1981 with \$1,000. The company now has over \$2 million in gross sales. Cain & Abell continues to prosper, and is considering purchasing the manufacturing and distribution rights of an energy management company. Cain & Abell's banker believes the venture would qualify for a Small Business Administration loan, but Cain and Abell are hesitant because such a loan may be perceived by the media to be inconsistent with the President's programs and philosophy.

The Administration has urged abolition of SBA, and has particularly criticized the SBA loan program as an unfair subsidy to a minority of small businesses. This does not mean Cain and Abell would be faulted for participating in the loan program, so long as it is available. Their concern is not broad social policy, but finding the cheapest source of capital. A good analogy may be the President's acceptance of Federal campaign matching funds, while calling for the abolition of the program. That led to some media criticism, and Cain and Abell's acceptance of an SBA loan may also generate some "ironic" type stories, but I certainly do not think we should counsel Cain and Abell against the loan to avoid the adverse publicity. The decision must be theirs alone, without any White House influence. A draft reply is attached for your signature.

Attachment

THE WHITE HOUSE

WASHINGTON

October 18, 1985

Dear Mr. Cain:

Thank you for your letter of October 7 to Kathy Osborne, which has been referred to me for consideration and reply. In that letter you noted that Cain & Abell is considering the purchase of the manufacturing and distribution rights of an energy management company, and is also considering financing this venture through a loan from the Small Business Administration (SBA). You expressed your concern that your participation in the SBA loan program might be used by others to embarrass the President.

I am certain you will appreciate that the White House must avoid even the appearance of attempting to influence the particular business decisions you must make. You should do what you think is best for you and your company. Your judgment has proven successful in the past, and I have little doubt that it will continue to do so in the future.

With best wishes,

Sincerely,

Fred F. Fielding  
Counsel to the President

Mr. Dale Cain  
Post Office Box 852  
Jeffersonville, IN 47131-0852


bcc: Kathy Osborne  
FFF:JGR:aea 10/18/85  
cc: FFFfielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 21, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS   
SUBJECT: KQED/ABA Bicentennial Project

You may recall that Fred Ryan's office asked for our views last summer on a request from the ABA and public television station KQED that the President videotape an introduction to the television series on the Constitution being produced by KQED and the ABA. By memorandum dated May 16, 1985, you supported the request. The producers of the series, according to Jean Jackson of Ryan's office, have now requested an interview with the President for the body of the program. Jackson has asked if we support that as well.

I think we should, for the same reasons detailed in our memorandum of May 16. The President is of course not a lawyer, and should not be expected to answer specific legal questions about the Constitution, but he has led the Second Branch and can provide interesting perspectives on the role of the Chief Executive.

Jackson's request for our views was raised informally; if you agree, I will tell her we have no objection to the President being interviewed for this series.

Attachment



THE WHITE HOUSE  
WASHINGTON

May 16, 1985

RECEIVED

MAY 17 1985

SCHEDULING  
OFFICE

MEMORANDUM FOR FREDERICK J. RYAN, JR.  
DEPUTY ASSISTANT TO THE PRESIDENT  
DIRECTOR, PRESIDENTIAL SCHEDULING

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Videotape Message Regarding ABA and  
Bicentennial of the U.S. Constitution

You have asked for my views on whether the President should tape an introduction to the planned comprehensive media project "We the People," jointly sponsored by public television station KQED, Inc., and the American Bar Association. "We the People," centering on eight 60-minute television programs, will explore the major themes of the Constitution in commemoration of the bicentennial of its drafting.

I have no legal objection to the President taping an introduction to the series, and recommend that he do so. It is my view that the President should be as closely identified as possible with the celebration of the bicentennial of the Constitution. Such identification is not only entirely appropriate as a general matter, but also provides an opportunity for the President to articulate his views on the Constitution and the system of government it established. The celebration of the bicentennial is likely to occasion spirited and broad discussion about the nature of our government, and the President should participate actively in that discussion.

The text of the President's introduction should focus on the Constitution itself and the bicentennial rather than the television programs. This office would be happy to participate in preparing the President's remarks.

*Tape in January an introduction  
plus an interview for body of program*

*Sr. Producer: David Keenard  
Sr. Reporter: William Turner*

THE WHITE HOUSE

WASHINGTON

October 21, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Surplus Monies Raised by 50th American  
Inaugural Committee Donated to Child Find

John Gill of Children's Rights of New York wrote you, inquiring how Child Find of New Paltz, New York was chosen to receive surplus inaugural funds, and how much Child Find received. I recommended referring to Fred Ryan for response, but you preferred responding from Counsel's Office. Ryan's office has now advised me that (1) no information on specific amounts is being released, and (2) the charities chosen were chosen as good examples worthy of emulation, with geographic and type of charity diversity in mind. The attached draft reply incorporates this information.

THE WHITE HOUSE

WASHINGTON

October 21, 1985

Dear Mr. Gill:

Thank you for your letter requesting information on the donation of surplus funds from the Presidential Inaugural Fund to various charities, including Child Find, Inc., of New Paltz, New York. You inquired how much money Child Find received, and how Child Find was selected as a recipient.

The Committee for the 50th American Presidential Inaugural decided not to release information about the specific amounts donated to each of the 23 charities that shared some \$2 million of surplus inaugural funds. (One million dollars of the surplus was paid to the United States Treasury to reduce the national debt.) The funds involved are private funds, and it was felt that releasing information about specific amounts might be misinterpreted as indicating that some of the charities were worthier or more deserving of support than others.

The charities chosen to receive surplus inaugural funds were chosen as good examples of charitable activity that should be encouraged and could possibly be duplicated elsewhere across the country. The recipients were selected to represent all geographic areas of the country, as well as a diversity of types of charitable organizations and activities.

I hope the foregoing is helpful.

Sincerely,

Fred F. Fielding  
Counsel to the President

Mr. John E. Gill  
President, Children's Rights  
of New York, Inc.  
19 Maple Avenue  
Stony Brook, NY 11790

FFF:JGR:aea 10/21/85

bcc: FFFielding/JGRoberts/Subj/Chron

THE WHITE HOUSE

WASHINGTON

October 22, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS.

SUBJECT: President Reagan's Tax Reform Plan --  
Limitations on Cash Method of Accounting

On September 18, 1985, the Secretary of the State Bar of California sent to Treasury Secretary Baker a copy of the Bar's resolution opposing the provision in the President's Tax Reform Plan that would deny the use of the cash method of accounting to many businesses and professional organizations, including many law firms. Under current law, law firms may use the cash method of accounting, and most do. The President's tax reform plan would bar use of the cash method by any business (including a law firm) unless the business (1) has annual gross receipts of less than \$5 million, and (2) uses no other method of accounting for purposes other than ascertaining taxable income.

The reasons stated by the Administration for this change are (1) the cash method is an inaccurate reflection of the economic results of business, with the accrual method providing a more accurate picture, and (2) use of the cash method by some businesses and accrual by others produces an economic mismatch for revenue purposes. (Example: Company A incurs liability for \$1 million for legal services rendered by Law Firm B in Year 1; Law Firm B bills and is paid in Year 2. Company A on accrual method deducts expenses in Year 1; Law Firm B on cash method declares no income until Year 2. In Year 1, IRS gave the deduction but did not tax the corresponding income.)

I do not know enough about law firm finances to evaluate whether the organized bar or the Administration has the better of the argument. It does seem to me, however, that forcing law firms to go to accrual accounting would be enormously complicating for all but the largest firms, particularly since there is often a big difference between doing the work (when income must be declared under accrual accounting) and actually getting paid (when income is declared under the cash method). I have no idea how attorneys working for contingency fees would calculate income on the accrual method. In any event, as far as attorneys are concerned, this may be tax reform but it certainly is not tax simplification.

- 2 -

I see no need for a response by you to the California Bar. You were only copied on the letter to Secretary Baker, and since his people had this bright idea, they can defend it.

THE WHITE HOUSE

WASHINGTON

October 22, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Honorarium from Evans and Novak  
to Chief of Staff Donald T. Regan

You asked that my proposed draft for your signature to Evans and Novak, returning the honorarium sent to Mr. Regan, be redrafted (1) for Mr. Regan's signature, and (2) in a less formal vein. The redraft, with a transmittal memorandum, is attached.

Attachments

THE WHITE HOUSE

WASHINGTON

October 22, 1985

MEMORANDUM FOR DONALD T. REGAN  
CHIEF OF STAFF

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Honorarium from Evans and Novak  
to Chief of Staff Donald T. Regan.

Attached is a proposed reply for your signature to Evans and Novak, returning the \$500 honorarium they recently sent to you.

Attachment

FFF:JGR:aea 10/22/85

cc: FFFielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 22, 1985

Dear Rowland and Bob:

Thank you for your note of October 15, and the accompanying honorarium for my appearance at your forum on October 9.

I thoroughly enjoyed the forum and appreciate the kind comments in your note. I am, however, returning your check, pursuant to our policy that White House staff members not accept an honorarium for any appearance related to their official responsibilities. Nor may staff members designate a charity to receive such honoraria.

Sincerely,

Donald T. Regan  
Chief of Staff

Messrs. Rowland Evans, Jr.  
and Robert D. Novak  
1750 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

DTR:JGR:aea 10/22/85  
bcc: FFFielding  
JGRoberts  
Subj  
Chron



THE WHITE HOUSE

WASHINGTON

October 23, 1985

MEMORANDUM FOR RICHARD A. HAUSER

FROM: JOHN G. ROBERTS

SUBJECT: Presidential Correspondence to Mr. Danny Villanueva for his Help in Raising Funds for Mexico After the Earthquake

Anne Higgins has asked for our views on a letter from the President to KMEX-TV, commending KMEX-TV for a recent telethon to raise funds for the earthquake victims in Mexico. I have no objection to the proposed letter. The telethon is over, so we have no problems with the President endorsing a particular fundraising scheme, or encouraging people to give to a particular charity.

Attachment

THE WHITE HOUSE

WASHINGTON

October 23, 1985

MEMORANDUM FOR ANNE HIGGINS  
SPECIAL ASSISTANT TO THE PRESIDENT  
DIRECTOR OF CORRESPONDENCE

FROM: RICHARD A. HAUSER  
DEPUTY COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Correspondence to Mr. Danny Villanueva for his Help in Raising Funds for Mexico After the Earthquake

Counsel's Office has reviewed the above-referenced Presidential correspondence, and finds no objection to it from a legal perspective.

RAH:JGR:aea 10/23/85

cc: FFFielding  
RAHauser  
JGRoberts  
Subj  
Chron.

THE WHITE HOUSE

WASHINGTON

October 24, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Bicentennial Certificates

Ron Geisler advises that a cover memorandum is needed to send the Bicentennial certificates in to Chew for approval before signing. A draft is attached.

Attachment

THE WHITE HOUSE

WASHINGTON

October 24, 1985

MEMORANDUM FOR DAVID L. CHEW  
STAFF SECRETARY

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Certificates for Legislative and Judicial  
Branch Appointees to the Commission on the  
Bicentennial of the U.S. Constitution

The statute establishing the Commission on the Bicentennial of the U.S. Constitution provided that certain appointments to the Commission be made by the President from lists submitted by the Chief Justice and the Hill leadership. This process resulted in the appointment of members of Congress and sitting judges to this executive branch entity. Separation of powers and incompatibility clause concerns generally preclude issuing commissions of appointment as executive officers to those serving in the other branches. Accordingly, while other members of this Commission received commissions of appointment from the President, the representatives of the judiciary and the legislative branch -- Circuit Judges Cornelius Kennedy and Charles Wiggins, Senators Stevens and Kennedy, and Congressman Crane -- did not.

The Chief Justice, who is Chairman of the Commission, has requested that some certificate of appointment be issued to these five. We have prepared an appropriate certificate, modeled on those issued to appointees to quasi-governmental entities. These certificates satisfy the Chief Justice's request without unduly compromising our position that executive commissions generally not be issued to those serving in the other branches.

When signed, these certificates should be returned to me for presentation to the Chief Justice.

FFF:JGR:aea 10/24/85  
cc: FFFielding  
JGRoberts  
Subj  
Chron

THE WHITE HOUSE

WASHINGTON

October 24, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Counterfeit Letter to Marineland

I called in George Saunders, at Mr. Hauser's suggestion, and described this problem to him. He telephoned Ms. Malek. Both she and George concluded that the person who hand-delivered the phony White House note was using it to gain free admittance to Marineland. Greg Newell's name was probably lifted from an old directory showing him as head of scheduling. George is not inclined to pursue further, nor does he see how anyone could pursue it further if they wanted to. Ms. Malek has been asked to alert us if anything similar should happen again.

THE WHITE HOUSE

WASHINGTON

October 21, 1985

*JR follow-up?*

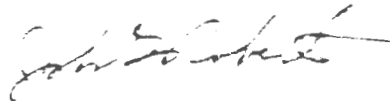
Dear Ms. Malek:

Thank you for your letter of September 4, 1985 to the White House. That letter concerned a letter to you dated August 23, 1985, purportedly from Gregory J. Newell, on stationery with the designation "The White House." You indicated in your letter that you do not think the August 23 letter is official White House correspondence.

You are quite correct. So far as we have been able to determine, the letter is a forgery. Gregory J. Newell did work at the White House at one time, but has for several years been employed at the Department of State. He did not write or sign the August 23 letter you received, and has no idea why anyone would use his name in correspondence with Marineland. The stationery on which the August 23 letter appeared is not official White House stationery.

Needless to say, we are very concerned about this incident, and have turned the matter over to the appropriate authorities for investigation. Thank you for bringing this problem to our attention, and for your alertness in spotting the attempted deception. If you receive any other suspicious correspondence purporting to be from the White House, please contact this office immediately.

Sincerely,



John G. Roberts  
Associate Counsel to the President

Ms. Linda Malek  
Director of Marketing  
Marineland  
6610 Palms Verdes Drive South  
Beverly Hills, CA 90277

THE WHITE HOUSE

WASHINGTON

October 24, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Request for the President to Serve as the  
Honorary National Chairman of the Campaign  
for Norman Rockwell

Silvio Conte has written President Reagan, asking that he serve as Honorary Chairman of the fundraising campaign to expand the Norman Rockwell Museum at Stockbridge, Massachusetts. The campaign hopes to raise \$5 million.

You indicated that this was a "rush," but did not indicate whether to accept or regret. As you know, our usual policy is to restrict honorary chairmanships to causes with which the Reagans are personally associated (e.g., Motion Picture Fund), or with which the office is traditionally associated (e.g., Red Cross, Boy Scouts). This campaign does not fit either category. A letter explaining our policy to Conte is attached.

Attachment

THE WHITE HOUSE

WASHINGTON

October 24, 1985

Dear Mr. Conte:

Thank you for your letter of October 22 to the President, requesting that the President agree to serve as Honorary Chairman of the Campaign for Norman Rockwell. The purpose of the campaign, as detailed in your letter and accompanying materials, is to raise \$5 million to expand the Norman Rockwell Museum at Stockbridge.

The White House has been compelled to adopt a policy of generally restricting the acceptance of honorary chairmanships to those organizations with which the President has been personally associated, usually before assuming office, and to those with which the Office has traditionally been associated, such as the Red Cross or the Boy Scouts. Since the Campaign for Norman Rockwell does not fall within either category, we must decline the invitation to the President to serve as honorary chairman.

I hope you will understand the reasons we must adhere to this policy, out of fairness to the hundreds of organizations that submit similar invitations.

With best wishes,

Sincerely,

Fred F. Fielding  
Counsel to the President

The Honorable Silvio C. Conte  
United States House of Representatives  
Washington, D.C. 20515

FFF:JGR;aea 10/24/85  
bcc: FFFielding  
JGRoberts  
Subj  
Chron