

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. and Mrs. Curnow:

Thank you for your recent letter. I appreciate the time you have taken to share your comments and suggestions with me. You can be sure that they will be brought to the attention of the appropriate members of the Administration.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. and Mrs. L. A. Curnow  
406 Wilson Avenue  
Oildale, CA 93308

March 15, 1982

Mr. Michael Sliemer

Dear Sir:

Regarding the enclosed articles on the high cost of Air Travel by the Cabinet members and others, this is a very poor example of Federal Budget cutting.

You should budget and save -- save and budget, like we have to run our households to keep our heads above water.

Please, you too, and every person in every Department start cutting back to the bone to make this thing work for all of us and keep on bringing our nation back.

Mr. & Mrs. L. A. Gurnon —  
406 Wilson Ave  
Oakdale, Calif. 93308

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear John:

Thank you for your letter of March 16 concerning the National Foundation for the Advancement of the Arts (NFAA) proposal..

I fully agree that we need to pursue innovative ways to raise additional private support for the arts. We are also aware of the Foundation and its potential. Frank Hodsoll, Chairman of the National Endowment for the Arts, plans to meet in April with Grant Beglarian, President of the Foundation, to discuss Dr. Beglarian's ideas on promoting private sector support for artists in their formative years. Further, our Interagency Committee on the Arts and Humanities, which Frank chairs, met just this week to discuss how our Task Force's proposed program of Presidential Fellows in the Arts and Humanities might be developed. The Committee has a working group on the subject led by Dan Boorstin, the Librarian of Congress.

I think that the best way of moving forward on this subject would be to join the discussion in progress. I have asked Mr. Hodsoll to be in touch with you to arrange a get-together and report back to me the result.

I hope this approach meets with your approval. I look forward to hearing the outcome of this meeting.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

The Honorable John Heinz  
United States Senate  
Washington, D. C. 20510

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Brooks:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. W. S. Brooks  
Vice President, Industrial Division  
Blount Brothers Corporation  
Post Office Box 949  
Montgomery, Alabama 36192-1201



**Blount Brothers Corporation**  
P.O. Box 949, Montgomery, Alabama 36192-1201

March 10, 1982

The Honorable Michael K. Deaver  
Deputy Chief of Staff and Assistant  
to the President  
The White House  
Washington, DC 20500

Dear Mr. Deaver:

I am associated with one of the United States' leading general contracting firms and am writing to express my concern over the recent proposed tax code revisions which would eliminate the completed contract method of accounting for tax purposes by contractors.

It must be recognized that the profits in construction contracting are comparatively small in relation to the total gross contract amount. Large sums must be expended by a contractor in advance of his contractual right to collect from his client. Because of the large total contract sums involved, this stretches the financing capacity of construction contractors on a regular basis.

In addition, virtually all contracts have retainage provisions. In some instances the retainage arises through a contractual provision for progress billing, in others there is a specific retainage of a percentage of the portion of the contract price applicable to work completed to date. The amount of the retainage is ordinarily a very large part of the profit to be realized, and in most cases is equal to or exceeds the total estimated profit from the contract. Retainages are also often used for corrections of defects after project completion. In all cases, retainage is not released to the contractor until after project completion.

Because of these factors contractors have traditionally exercised their right of choice by strongly favoring the completed contract method of accounting. Any requirement for the payment of taxes on income before funds created by that income have been realized in cash would materially increase and complicate the financing burdens of contractors and would materially reduce their capacity to undertake construction projects. This is particularly true in the present period of economic recession which is already straining contractor's financial resources.

....Continued

- Blount Brothers Corporation

Mr. Deaver  
March 10, 1982  
Page 2

While I have in the past and plan in the future to support this administration's economic recovery program, I oppose a change to the tax code that would switch contractors from tax accounting rules that are and have been unique and necessary to the construction industry for the past 60 years.

Very truly yours,

BLOUNT BROTHERS CORPORATION



W.S. Brooks  
Vice President Industrial Division

WSB/ji

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Phillippe:

Thank you for your letter. I appreciate the concern which prompted you to write.

I was grateful to have the benefit of your expertise regarding the continued vitality of America's housing industry. Certainly, this is a subject of great importance. You may want to bring your ideas to the attention of the officials within the Department of Housing and Urban Development, as that agency deals directly with the problems you addressed in your correspondence. The proper address is 451 Seventh Street, Southwest, Washington, D.C. 20410.

With best wishes,

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. David E. Phillippe  
President  
Management Trend Company  
Warner Financial Center  
Suite 360  
5855 Topange Canyon Boulevard  
Woodland Hills, CA 91367

*Management Trend Company*  
*Quality Investment Real Estate*

---

WARNER FINANCIAL CENTER  
5855 TOPANGE CANYON BOULEVARD, SUITE 360  
WOODLAND HILLS, CALIFORNIA 91367  
(213) 710-0355

February 5, 1982

Mr. Michael K. Deaver  
Deputy Chief of Staff  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. Deaver:

The enclosed is part of an ongoing discussion of methods whereby the housing crisis may be alleviated at the Federal level. Technology is moving ahead very rapidly and many Nations, including Japan and European, remind us daily how noncompetitive our Country is becoming. Nowhere is inefficiency more deep rooted than in the housing construction industry. We restate our belief that available technology applied through a newly created affordable housing industry can alleviate family trauma and human suffering, as well as provide new employment in these depression times.

The Federal Government must assume a position of leadership in initiating this change of production attitude through the relatively few companies in this Country who can produce affordable dwellings using the new technology.

Sincerely yours,

MANAGEMENT TREND COMPANY



David E. Phillippe  
President

DEP/ctw  
Enclosure



THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Boniface:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Ernest Boniface  
President  
Bonland Industries, Inc.  
Post Office Box 200  
Wayne, NJ 07470



INDUSTRIES, INC.

P.O. BOX 200 50 NEWARK-POMPTON TURNPIKE WAYNE, N.J. 07470 201-694-3211

March 18, 1982

The Honorable Michael Deaver  
Deputy of Staff  
The White House  
Washington D.C. 20500

Honorable Michael Deaver:

I would like to take this opportunity to comment on the Administrations attempt to disallow the use of the completed contract method of accounting on construction contracts. As a contractor whose company has been in the construction industry for the past twenty-six years, I am writing you asking that you help defeat any attempt to change the present regulations.

The completed contract method, which has been recognized for the past sixty years is extremely important to our industry. The many variables present in our work make it impractical to report an accurate profit until completion of the contract.

Your strong support in resisting any change in the completed contract method of accounting for construction contracts would be greatly appreciated.

Very truly yours,

Ernest Boniface  
President

EB/lw

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mrs. Rutledge:

Thank you for your letter. I appreciate the concern which prompted you to write and want you to know that your comments and suggestions will be brought to the attention of the appropriate members of the Administration.

With best wishes,

Sincerely

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mrs. Catherine Rutledge  
Lot 7  
400 Cedar River Drive  
Fowlerville, MI 48836

Michael B. ...  
Deputy City of Stagg,  
Lansing

I am so much obliged to  
Lansing for the contribution

It lets you to know that  
I really value the contribution  
thoroughly and hope to see it  
soon.

Thanks the money being  
delivered to me, the federal  
contract with the people  
who deliver have a big  
value to me.

I hope every day that I'll  
be able to continue playing  
on my own terms.

Sincerely,  
Catherine F. ...  
400 ...  
Lansing, Mich. 48202

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Davidson:

Thank you for your recent letter. I appreciate your concern for the success of President Reagan's Program for Economic Recovery. I will be sure to keep your comments and suggestions in mind during discussions with my colleagues here in Washington.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. John C. Davidson  
Route 2, Box 11A  
Society Hill Road  
Leonardtown, MD 20650

JOHN C. DAVIDSON  
ROUTE 2, BOX 11A  
SOCIETY HILL ROAD  
LEONARDTOWN, MARYLAND 20650

March 22, 1982

The Honorable Michael K. Deaver  
Assistant to the President  
The White House  
Washington, D. C. 20500

Dear Mr. Deaver:

The President should stop taking it on the chin for a condition which he did not create and a cure, prescribed by an appointee of his predecessor, which has become more destructive than the disease.

He should not let Paul Volcker and others continue to intimidate him with threats of higher interest rates if he does not continue to support a restrictive monetary policy.

The success of his Presidency is slipping away towards the irretrievable. The public is becoming increasingly disenchanted with the idea of solutions which will work only in the future. Even if there should be a degree of economic recovery this year heading into the next, only a small dent would be made in what has become the nation's number one domestic problem -- unemployment and economic distress generally. Until the Fed changes its monetary stance to one which would be supportive of strong economic growth, there is no chance whatsoever of such growth on a sustainable basis. There must be enough credit and money to do the job which only credit and money can do. This is the only route to economic health including lower rates of interest.

In stating that he has given the inherited monetary policy a good run but, for human and economic reasons, it must now be put aside in favor of a growth policy, the President to win needs only to abandon his 1983 tax cut. His objective of releasing the tax brakes on capital formation will be largely achieved with the upcoming cut. If the Fed refuses, he should go to the Congress. Either way, he would again have the initiative and would have reason to believe that solid economic growth would soon get under way and continue through most if not all of his current term.

With all good wishes.

Sincerely,



THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Helming:

Thank you for your recent letter. I appreciate having the opportunity to review your comments and proposals concerning Federal policies and programs in the field of education.

As you may know, President Reagan has long advocated tax relief for parents who send their children to non-public schools. He believes that a scheme of tuition tax credits would not only be consistent with his efforts to afford tax relief to all segments of American society, but would also provide for greater freedom for parents in making important family decisions. Currently, the President and the members of his Administration are developing proposals to submit to Congress which would reduce the burdens of educational costs on the American family in the form of a tuition tax credit.

Again, thank you for your letter. You can be sure that your views will be brought to the attention of the appropriate Administration officials.

With best wishes,

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Warren H. Helming  
Executive Director  
Parish Services  
The Lutheran Church - Missouri Synod  
The Lutheran Building  
2500 Kensington Avenue  
Buffalo, NY 14226

# The Lutheran Church - Missouri Synod

## EASTERN DISTRICT

OFFICE OF PARISH SERVICES

March 19, 1982

Mr. Michael K. Beaver  
Deputy Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mr. Beaver:

I represent the Lutheran Schools of the Eastern District, Lutheran Church-Missouri Synod. Our judicatory covers New York State, west of Utica, New York, all of Pennsylvania (except York County) and the panhandle of Maryland. Our judicatory includes 160 congregations with a membership of 65,000 people.

I am contacting you as a member of the White House Council to give due attention to the development of a Tuition Tax Credit Bill which will ultimately be presented to both the Senate and the House.

Our people are very concerned that this is presented before the current session of Congress. Anything that you can do to expedite this matter will be greatly appreciated.

Joy and peace,



Warren H. Helming  
Executive Director  
Parish Services

WHH;dmb

cc: President Ronald Reagan  
Mr. Robert L. Smith



EASTERN DISTRICT OFFICE

THE LUTHERAN BUILDING  
2500 KENSINGTON AVENUE  
BUFFALO, NEW YORK 14226  
TELEPHONE: 839-2340



THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Haug:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. William Haug  
Controller  
Bonland Industries, Inc.  
Post Office Box 200  
Wayne, NJ 07470



INDUSTRIES, INC.

P.O. BOX 200 50 NEWARK-POMPTON TURNPIKE WAYNE, N.J. 07470 201-694-3211

March 18, 1982

The Honorable Michael Deaver  
Deputy of Staff  
The White House  
Washington D.C. 20500

Honorable Michael Deaver:

I would like to take this opportunity to comment on the Administrations attempt to disallow the use of the completed contract method of accounting on construction contracts. As a contractor whose company has been in the construction industry for the past twenty-six years, I am writing you asking that you help defeat any attempt to change the present regulations.

The completed contract method, which has been recognized for the past sixty years is extremely important to our industry. The many variables present in our work make it impractical to report an accurate profit until completion of the contract.

Your strong support in resisting any change in the completed contract method of accounting for construction contracts would be greatly appreciated.

Very truly yours,

William Haug  
Controller

WH/lw

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Taylor:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Robert E. Taylor  
Chairman of the Board  
CCI Mechanical, Inc.  
Box 25788  
Salt Lake City, Utah 84125



## **CCI Mechanical, Inc.**

758 So. Redwood Road, Box 25788, Salt Lake City, Utah 84125, (801) 973-9000

March 17, 1982

The Honorable Michael K. Deaver  
Deputy Chief of Staff  
and Assistant to the President  
The White House  
Washington, DC 20500

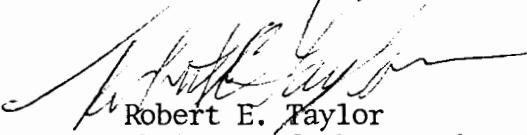
Dear Sir:

I oppose the proposal to eliminate the completed contract method of accounting for construction contractors for the following reasons:

1. Unknown variables not found in other industries result in an ambiguous profit margin in the construction industry where final financial figures are not known until the job is completed and accepted.
2. Contractors must expend large sums of capital in advance of any contract, therefore stretching the financing capacity of construction contractors on a regular basis.
3. Virtually all construction contracts have retainage provisions. Consequently, the profit element of a construction contract is not received until retainage is released.
4. The completed contract method has worked successfully in the construction industry for over 60 years. Elimination of this option could result in defaults, reduction of a contractor's business operations, or the possibility of forcing a contractor to seek outside financing -- an action that may not be economically feasible, especially in light of the current economic climate.

Sincerely,

CCI Mechanical, Inc.



Robert E. Taylor  
Chairman of the Board

/c1

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Gilliland:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. R. L. Gilliland  
President  
Electrical Distribution Contractors  
2002 Higdon Ferry Road  
Hot Springs, Arkansas 71901



# ELECTRICAL DISTRIBUTION CONTRACTORS

Distribution — Substations — Transmission

March 19, 1982

The Honorable Michael Deaver  
Counsellor to the President  
The White House  
Washington, D. C. 20500

My dear Mr. Deaver:

Based upon the practical considerations of the construction industry, the present regulations of the Department of the Treasury allow a contractor the option to use the completed contract method for tax computation purposes. The present proposal to mandate the percentage of completion method and to eliminate the option of using the completed contract method would work grave hardships in the construction industry. Oftentimes, the completed contract method provides the only fair and equitable way to calculate tax computations. Because of the extreme difficulty in construction of determining the precise progress of a job, and forecasting the costs of completion, the percentage of completion method provides the contractor and the government with an actual, rather than guess work, method of computing taxes due.

Accordingly, I strongly urge your support in opposition to the proposal to eliminate the contract completion method as an option. Your support in this regard would be greatly appreciated.

Respectfully yours,

ELECTRICAL DISTRIBUTION CONTRACTORS

*R. L. Gilliland*

R. L. Gilliland  
President

RLG/j11

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Gilliland:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. R. L. Gilliland  
President  
Electrical Distribution Contractors  
2002 Higdon Ferry Road  
Hot Springs, Arkansas 71901



# ELECTRICAL DISTRIBUTION CONTRACTORS

Distribution — Substations — Transmission

March 19, 1982

The Honorable Michael Deaver  
Counsellor to the President  
The White House  
Washington, D. C. 20500

My dear Mr. Deaver:

Based upon the practical considerations of the construction industry, the present regulations of the Department of the Treasury allow a contractor the option to use the completed contract method for tax computation purposes. The present proposal to mandate the percentage of completion method and to eliminate the option of using the completed contract method would work grave hardships in the construction industry. Oftentimes, the completed contract method provides the only fair and equitable way to calculate tax computations. Because of the extreme difficulty in construction of determining the precise progress of a job, and forecasting the costs of completion, the percentage of completion method provides the contractor and the government with an actual, rather than guess work, method of computing taxes due.

Accordingly, I strongly urge your support in opposition to the proposal to eliminate the contract completion method as an option. Your support in this regard would be greatly appreciated.

Respectfully yours,

ELECTRICAL DISTRIBUTION CONTRACTORS

*R. L. Gilliland*

R. L. Gilliland  
President

RLG/j11



THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. North:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Earl North  
Executive Vice President  
Commonwealth Electric Company  
554 Broadway  
St. Paul, MN 55101

# Commonwealth Electric Company

554 Broadway

St. Paul, Minnesota 55101

(612) 224-1836

March 18, 1982

Mr. Michael Deaver  
Counsellor to the President  
The White House  
Washington, DC 20500

Dear Mr. Deaver:

Based upon the practical considerations of the construction industry, the present regulations of the Department of the Treasury allow a contractor the option to use the completed contract method for tax computation purposes. The present proposal to mandate the percentage of completion method and to eliminate the option of using the completed contract method would work grave hardships in the construction industry. Oftentimes, the completed contract method provides the only fair and equitable way to calculate tax computations. Because of the extreme difficulty in construction of determining the precise progress of a job, and forecasting the costs of completion, the percentage of completion method is often not realistic. The completed contract method provides the contractor and the government with an actual, rather than guess work, method of computing taxes due.

Accordingly, I strongly urge your support in opposition to the proposal to eliminate the contract completion method as an option. Your support in this regard would be greatly appreciated.

Respectfully yours,

COMMONWEALTH ELECTRIC COMPANY

  
Earl North  
Executive Vice President

EN:mjp

THE WHITE HOUSE

WASHINGTON

March 26, 1982

Dear Mr. Legler:

Thank you for your recent message. I appreciate the concern which prompted you to write.

Administration officials have recently met with representatives of the construction industry regarding possible changes in the completed contract method of accounting. During that meeting industry representatives described what they believed to be the undesirable and unintended consequences of changing the existing law. Officials within the Treasury Department have since undertaken a review of the proposed changes.

I was grateful to have the benefit of your comments and suggestions concerning the completed contract method of reporting taxable income. You can be sure that your message will receive serious attention.

With best wishes,

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Terry M. Legler  
Branch Manager  
Commonwealth Electric Company  
Post Office Box 59  
Lafayette, CA 94549



# Commonwealth Electric Company

3650 Mt. Diablo Blvd. • P.O. Box 59 • Lafayette, CA 94549 • (415) 284-9480

Subsidiaries:

Midland Constructors, Inc.  
Capital City Electric Company  
Tyee Construction Company

March 16, 1982

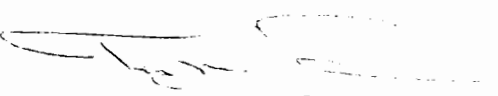
Mr. Michael Deaver  
Counselor to the President  
The White House  
Washington D C 20500

Based upon the practical considerations of the construction industry, the present regulations of the Department of the Treasury allow a contractor the option to use the completed contract method for tax computation purposes. The present proposal to mandate the percentage of completion method to eliminate the option of using the completed contract method would work grave hardships in the construction industry. Oftentimes, the completed contract method provides the only fair and equitable way to calculate tax computations. Because of the extreme difficulty in construction of determining the precise progress of a job, the forecasting the costs of completion, the percentage of completion method is often not realistic. The completed contract method provides the contractor and the government with an actual, rather than guess work, method of computing taxes due.

Accordingly, I strongly urge your support in opposition to the proposal to eliminate the contract completion method as an option. Your support in this regard would be greatly appreciated.

Yours very truly,

COMMONWEALTH ELECTRIC CO.

  
Terry M. Legler  
Branch Manager

TML:skc

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

March 29, 1982

TO: JOHN T. MC CLAUGHRY  
FROM: MICHAEL K. DEEVER *M*  
SUBJECT: Proposal by John T. McClaughry to  
Publish Book of President's Speeches

We could not participate in the project and any decision on the publication should be postponed until after the primary in Vermont.

I don't want anyone to be able to charge that the President was violating his publicly stated position of remaining neutral.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 22, 1982

FOR: MICHAEL K. DEEVER  
ASSISTANT TO THE PRESIDENT AND  
DEPUTY CHIEF OF STAFF

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Proposal by John T. McClaughry to  
Publish Book of President's Speeches

As you requested, I have reviewed the various memoranda you forwarded in connection with Mr. McClaughry's desire to publish the above-referenced book by this summer. My understanding is that McClaughry wants (a) general approval of the project, (b) an agreement by the President to sign a foreword to the book, and (c) a letter signed by either you or the President confirming Presidential approval of the project, which McClaughry can then use in his efforts to find a publisher. Finally, there have been discussions about designating Citizens for the Republic as recipient of some of the proceeds.

While there might be some questions about whether the President should approve such a project in any event, there are additional factors here (which McClaughry did not describe or allude to in any of his memoranda) that lead me to recommend that the President and the White House not become involved in this project. As the attached story from the March 19, 1982 issue of the Baltimore Sun reports, McClaughry is evidently planning to challenge incumbent Senator Robert T. Stafford (R.-Vt.) when the latter seeks renomination later this year. It seems fairly plain that McClaughry would use the proposed book to bolster his campaign against Stafford. Also, as you are probably aware, it is possible that McClaughry has been taking steps in support of his candidacy for some time, while he has been employed at OPD.

Hence, Presidential participation in the proposed book could raise the following problems:

- ° Use of the book in the campaign, with a Presidential foreword, could make it appear that the President is violating his publicly stated position of either remaining neutral in Republican primary battles or (in some cases) supporting the incumbent.

- ° Virtually everyone on the OPD payroll is subject to Hatch Act restrictions on political activities. We would not want the President to be associated with the object of any charges of possible Hatch Act violations, which could conceivably be raised by Stafford supporters during a primary campaign.
- ° Though it is impossible to arrive at a final judgment simply on the basis of the memoranda you forwarded, there may be some question whether McClaughry has been as straightforward about his intentions as one might have wished. The attached newspaper story may raise some similar questions about whether the President wants to assist in this project, if the quotations of McClaughry are accurate.

In short, my preliminary recommendation is that you take McClaughry up on his offer to "shelve" this project if you have any "reluctance" about it -- at least until after the Vermont Senatorial primary.

Let me know if you wish to discuss this matter further; thank you.

Attachment

cc: Edwin Meese III (w/attachment)  
James A. Baker III (w/attachment)

# White House aide quitting to run against Vt.'s Stafford

Belt  
Sun  
3/19

## Conservative says senator loses contact

By Fred Barnes  
Washington Bureau of The Sun

Washington — A conservative White House aide is quitting to challenge a moderate Republican senator who has split with President Reagan on several issues.

John McLaughery, 44, said yesterday that "basically it's certain" that he will run against Senator Robert T. Stafford of Vermont in the GOP primary. "It's a pretty safe bet that I'm running," he said.

The reaction at the White House to his decision to challenge Mr. Stafford has been "if anything, enthusiastic," said Mr. McLaughery, a member of the domestic policy staff and director of the cabinet council on food and agriculture.

But that was not the feeling at the White House last fall when Mr. Stafford complained that Mr. McLaughery was mounting a challenge from a base on the president's staff.

"We didn't like the idea of him campaigning from the White House," said Neal J. Houston, Mr. Stafford's administrative assistant. "We objected when he was putting out state-

ments of his interest in running. But as long as he leaves the White House, it's a free country."

At the time Mr. Stafford voiced his objection to White House lobbyists, the issue of selling AWACS radar planes to Saudi Arabia was before the Senate, and the Vermont senator's vote was crucial to passage.

Mr. McLaughery said Edwin W. Meese III, the White House counselor, ordered him to deny any intention of running against Mr. Stafford or quit. Instead, Mr. McLaughery said, he simply asked the man sounding out support for him in Vermont to desist. And Mr. Stafford voted for the airborne warning and control systems planes.

But the senator has split with Mr. Reagan on environmental issues—particularly on softening the impact of the Clean Air Act—and on cutting federal funds for education.

Mr. Houston said, however, that the senator does not believe the White House is trying to punish him for these stands. "There's been no indication whatsoever of any attempt to penalize us," Mr. Houston said.

Besides, Mr. Houston said, Mr. Stafford "supported Mr. Reagan more last year" than he had backed any other president since he came to the Senate in 1971. Mr. Stafford, 68, was the "only member of the three-man Vermont congressional delegation to vote for the tax cut."

Mr. McLaughery characterized

Mr. Stafford's voting record differently, contending that the senator supported Democratic President Jimmy Carter more than the average Democrat in the Senate.

"Stafford badly needs to have his record challenged," Mr. McLaughery said. "He's drifted away from the thinking in Vermont."

Even had he decided against challenging Mr. Stafford in the September primary, Mr. McLaughery planned to leave the White House staff. He said he was "totally useless" because the domestic policy staff had so little influence.

"I was just passing papers for other people," he said. "I couldn't jump in and argue the issues." This was partly because Martin Anderson, who departed recently as domestic policy chief, viewed the staff's role as advisory, not as a creator of new policy initiatives, he said.

Mr. McLaughery said the new policy boss, Ed Harper, may be a conservative, but "that has so far escaped detection. Nobody I know thinks there is anything driving him on to advance Reaganism."

After working as a legislative aide to Senators Charles H. Percy (R, Ill.) and Winston Prouty (R, Vt.), Mr. McLaughery returned to Vermont and served four years in the General Assembly. He began an association with Mr. Reagan in 1968, writing speeches and radio scripts for him over the years.



JOHN McCLAUGHRY

CONCORD, VT. 05824  
1539 Spring Vale Ave  
McLean VA 22101

March 12, 1982

→ *Chad 3-18-82  
SM Rec'd call today  
wanting an answer*

*J.F.  
any thoughts?*

TO: MICHAEL K. DEEVER  
FROM: JOHN McCLAUGHRY *Jm*  
RE: PRESIDENTIAL SPEECHES BOOK

Lyn told me that you had gotten the idea that I had decided to publish the President's speeches, without asking permission from you. Rereading my memo to Marty of February 22, I can see how you got that idea.

I apologize for that misunderstanding. I would very much like to undertake this project, but if there is any reluctance on your part to see such a volume in print, I will gladly shelve the whole idea.

However, as Pete Hannaford noted in his letter to you of March 8, better a longtime, loyal supporter of the President should undertake this project than someone else. As one who has contributed to the President's speeches since 1968, I think I qualify. As I noted before, I would submit the introduction and other commentary material to you for approval before publication.

Lyn and I have looked at several models for collaboration between me and CFTR. We have agreed that the most suitable one is for me to arrange publication, and earmark some portion of the net proceeds for CFTR. In return, CFTR would publicize the availability of the book. We will decide the appropriate portion when I get some numbers together.

It would be of considerable help to me, in securing a publisher on favorable terms, to have a letter signed by the President, along the lines of the attached. This is not essential, and a letter signed by you might do as well. Could you do this? I think it would help a lot.

cc: Lyn NOfziger

( DRAFT PRESIDENTIAL RESPONSE

Dear John,

I am delighted that you are taking the initiative to collect and publish a volume of my major speeches over the years, and will be glad to provide a brief foreward when you are ready to publish.

I'd like you to let Mike Deaver review the final selection of speeches and your introductory comments, so that any errors or omissions may be corrected.

Yours truly,

Ronald Reagan

( John McClaughry  
1539 Spring Vale Avenue  
McLean , VA 22101

DRAFT RESPONSE BY MIKE DEEVER

Dear John,

The President has reviewed your memorandum concerning collection and publication of a volume of his most important speeches over the years. He is delighted that you are taking this initiative, and will be glad to supply a brief foreward when you are ready to publish.

We do ask, of course, that the White House have the opportunity to review the final selection of addresses, and your introductory comments, so that any errors or omissions may be corrected.

Yours truly,

Mr. John McClaughry  
L, Concord, Vermont 05624,

1539 Spring Vale ave

McLean VA 22101

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

March 9, 1982

066298

TO: JOHN MC CLAUGHRY  
FROM: MICHAEL K. DEAVER  
SUBJECT: Publication of President's Addresses

President Reagan would be happy to write a forward for your proposed project to publish some of his important speeches since 1964.

However, since they are his words, I'm sure he'd look more favorably on your suggestion if a portion of any profit from the project could go to Citizens For the Republic, or some other worthwhile program which supports his philosophy.

Let me know how you care to proceed.

cc: James A. Baker  
Edwin Meese  
Fred Fielding  
Lyn Nofziger

*His book proceeds going to CTR?*

THE WHITE HOUSE  
WASHINGTON

February 22, 1982

MEMORANDUM FOR MARTIN ANDERSON

FROM: JOHN McCLAUGHRY  
SENIOR POLICY ADVISER *JMc*

Immediately upon my departure from the White House staff, I plan to compile and arrange for publication a collection of the President's most important addresses over the years. I would begin with his great television speech for Goldwater in 1964, and include such masterpieces as his California inaugural, his address on home ownership in 1968 (the first to which I had the honor of contributing); his 1974 YAF address; the 1975 Chicago Executive Club speech; and his more recent addresses through the historic 1982 State of the Union Message. Needless to say, I would select addresses which illustrate the essentials of the President's philosophy.

I intend to precede each address with a brief comment putting the event in contemporary perspective, but mainly the objective is to let the President's words speak for themselves.

I would appreciate it if you could secure for me, from the President, an agreement in principle to sign a brief foreward to this volume. With this agreement, it will be relatively easy for me to secure a publisher.

Upon completion of the introduction, selection of the addresses, and the comments with each speech, I would submit the manuscript to the White House for final review and approval, along with a draft of a brief foreward for the President's signature.

I have discussed this with Pete Hannaford, and have his support and encouragement.

I would appreciate it if you could get me an affirmative response as soon as possible, so that I may get this project in print for widespread use this summer.