CORRESPONDENCE - AUGUST 1982

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WALKER, Mrs. June G. Executive Director The President's Commission on Executive Exchange 744 Jackson Place, N.W. Washington, DC 20503	8-2
WALTERS, Mr. Robert G. Walters, Bukey and Shelburne 1010 Eleventh Street, Suite 200 Sacramento, CA 95814	8-4
WICK, Mr. Charles Z. Director International Communication Agency Suite 700 1750 Pennsylvania Avenue, N.W. Washington, DC 20547	8-4

United States District Judge United States District Court Northern District of California San Fancisco, CA 94102	8-3
WINTERS, Mr. Burce Editor/Executive Vice President Daily News 14539 Sylvan Street Van Nuys, CA 91411	8-12
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MICHAEL K. DEAVER

Hear Barry —
There the imprimation on the salmon. lardyn and I had such a good time with you act on the island. Please give our heat the judice.

The judical. Warm regards sinks

THE WHITE HOUSE WASHINGTON

Mr. Barry Bingham Box 634 Chatham, Mass. 02633

WASHINGTON

August 1, 1982

Dear Mr. Sumida:

Mr. Deaver has asked me to thank you for your kind letter and hope that you will enjoy having the enclosed photos which you requested.

With best wishes.

Sincerely,

SHIRLEY MOORE Staff Assistant to Michael K. Deaver

Mr. Harold M. Sumida 165 So. Patterson Avenue Santa Barbara, CA 93111 3880 STATE STREET SANTA BARBARA, CA 93105 TELEPHONE 687-7575
418 N. MILPAS STREET SANTA BARBARA. CA. 93103 TELEPHONE 966-7676
165 So. Patterson Ave. Santa Barbara, Ca. 93111

July 19, 1982

Mr. Michael Deaver The White House Washington D. C. 20500

Dear Mr. Deaver,

The reception given on June 24th at The White House, for the 1980 California Republican Delegation, was a honor and pleasure to attend.

It was impressionable to see how much time President Reagan and all of you spend at the difficult job that all of you have.

At the reception, if you recall, I was lucky to have my picture taken with President Reagan and one with you, Jim Baker and myself. I would appreciate it very much if your office could track it down and send me prints of both pictures.

Hope to see you again soon. If you have a free moment next time you come to Santa Barbara, feel free to give me a call at 964-9898

Thank You.

Sincerely,

Harold M. Sumida

Your Complete Garden Center. Two Locations to serve you

WASHINGTON

August 2, 1982

Dear General Flo:

This is in response to your June 26, 1982 letter requesting my assistance in obtaining a Forest Service Lease on a tract of land in the June Lake area of the Eastern High Sierra.

The United States Forest Service has advised White House Counsel's Office that the best course for you to pursue is to contact the local Forest Service authority where the tract of land is located. I am advised that the lease you request is issued and handled at this level. In the June Lake region, the authority would be the Inyo National Forest Supervisor in Bishop, California. All future contact and communication should be directed to Gene Murphy, Forest Supervisor, or Terry Clapham, Lands Staff Officer of the Inyo National Forest. These two individuals are the appropriate local authorities who you should contact if you wish to pursue this matter. Any individual seeking such a lease would have to follow the established administrative procedures.

Many thanks for your kind words of support.

Sincerely,

MICHAEL K. DEAVER

Assistant to the President

Deputy Chief of Staff

hullun

Frederick T. Flo Brigadier General, CaARNG, Retired 13211-D Avenida Santa Tecla La Mirada, California 90638

OC: F. Fulding

WASHINGTON

July 27, 1982

MEMORANDUM FOR MICHAEL K. DEAVER

ASSISTANT TO THE PRESIDENT

FROM:

FRED F. FIELDING COUNSEL TO THE PRESIDENT

SUBJECT:

Letter of June 26, 1982 from General Flo

Pursuant to your memorandum of July 7, 1982, I have attached a suggested response from you to General Flo.

Attachment

13211-D Avenida Santa Tecla La Mirada, California 90638

June 26, 1982

087022 Cil

Mr. Michael K. Deaver The White House Washington, D.C. 20500

Dear Mr. Deaver:

A few weeks ago, while attending a retirement luncheon for Mr. Chandler Harris, an outstanding Alumnus of Delta Sigma Phi Fraternity, I learned that you are also an Alumnus of our Fraternity. It is with a great deal of pride that we hear from time to time that some of the "Brothers" have reached the heights of Congress and now we have learned of your appointment as one of the top three Presidential Assistants. Congratulations for a job we know is being well done.

My wife and I have recently returned from a two weeks vacation in the June Lake area of the Eastern High Sierra and while there we became interested in the possibility of obtaining a Forest Service Lease on a lot on or near the lake. We found there was a lot on Forest Service land (Lot #20, June Lake Tract) that had never been leased or allocated and might possibly be obtained if the right approach was made in that direction.

In that regard, then, I have a favor to ask. Based upon our Fraternal relationship and my over 40 years of service to the State of California and the Military Forces of our Country, I would appreciate a word or two to the right department which might assist my request for a lease on the lot in question to be processed favorably by the local Forest Service office which has jurisdiction. If you find it possible to approve this personal request, I would most appreciate a copy of the correspondence so that I may proceed properly with the local Forest Service people.

Again, may I congratulate you on your appointment and assignment to The White House and also thank you in advance for any assistance you can provide in this matter. We wish you and the President the best of everything, both now and in the future.

Yours in the Bond,

FREDERICK T. FLO

Brigadier General, CaARNG, Retired

WASHINGTON

August 2, 1982

Dear Grant:

Thanks for taking the time to write such a nice newsy letter.

I'm glad someone kept 'track' during the advance trip to Europe. We worked 5 countries in 5 days and travelled over 10,500 miles. It was a bit hectic, as you can imagine, but apparently it paid big dividends for the President, because our feeling, after we returned in June, was that it was a great 11 days.

I envy you that marvelous trip to Alaska. Watch out for the bears.

Carolyn and I are planning a few days at the end of the President's trip to California.

Thanks again for writing.

Sincerely,

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

Mr. Grant Bennett 4601 H Street Sacramento, CA 95819

GRANT BENNETT ACCOUNTANTS

A PROFESSIONAL CORPORATION

GRANT BENNETT, CPA

JANICE B. WILSON, CPA

LAWRENCE A. MEYER, CPA

July 27, 1982

Dear mike -

Sociement, weather is great (In Jaconnents) had Take is "none better" Visited our home away from home at Carrelian Bay me the watered and aside Jam the many people at their time of the you was my pleasent. I kept track I you carlier this spring during your planning trip & lunge and that I read lub me & Whin you did you pt admirally and mught while an Extremely successful vanture for your mos. alaska gets my attention, again Tommow. Really leke that area. Fishing is at littly the greatest. The plans

4601 H STREET • SACRAMENTO, CA 95819 • (916) 452-3771

WASHINGTON

August 2, 1982

Dear June:

Shirley passed on the lecithin. Thanks for thinking of us. I am at present on a vitamin program and feel great.

I have given the President his bottle and hope it will be added to his daily vitamins.

Keep up the good work, June. We all appreciate what you're doing.

Sincerely,

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

Mrs. June G. Walker
Executive Director
The President's Commission
on Executive Exchange
744 Jackson Place, N.W.
Washington, D.C. 20503

Just a quick note....

This is the picture I took of you. One is for you, and would you please autograph the others for Lee Anne and me? Thank you very much.

The picture of the President was taken by my uncle, Henry Ruppel, who lives in Bedford, NH. Would there be a chance President Reagan would autograph it for him? If not, I understand, and just return it. Guess it was taken in front of the Bedford Town Hall during the campaign. He got a good one, I think.

Thanks again for everything. Cheers.

marge

Keep it always. Thanks again for everything Love Leanne

plano in the yar!

Marge FRIEBEL (
6130 MONTERY R)
SAN JOSE, CA 95138

Mr Deaver b want to thank-you for the wonderful wint & had at the White House be was a real pleasure to meet and talk with you. mana-you for the V.I.P tous D.S. My mom loves the yelly of the white House, and the bean ias. The only problem present you gave me my is trying to keep the yelly trip to washington was a Wery memorable experience Dm glad you were a part of o rope everything goes well for you Good Luck in finding the yot of your Otesire.

you could been nonored of you could beign the picture of you. I will

WASHINGTON

August 3, 1982

Dear Mr. McLees:

, . . .

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. E. McLees Vice President and General Manager McLees Incorporated Post Office Box 1080 Belgrade, MT 59714



MCLEESINCORPORATED

P.O. Box 1080 • Bruce Industrial Park Belgrade, Montana 59714 406/388-1401

MAD >

July 13, 1982

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

Dear Mr. Deaver:

As an affected member of the construction industry, I want to express my concern about the Reagan Administration's proposal to eliminate the completed contract method of accounting for multi-year contracts. The proposal would prohibit most indirect costs from being deducted as period costs currently. Furthermore, income which is currently deferred, until the taxable year in which the contract is completed, would be taxable at the time the right to payment accrues.

This tax proposal could not have come at a worse time, since the construction industry is currently paying 17 plus percent interest rates and has a staggering unemployment rate. The interest rates have an awesome impact in that they constrain the amount of construction starts and impair the cash flow for capital and operating expenses. Other cash flow constraints on us occur from retainage and bonding practices. Bonding against our net assets limits the amount of new work we can seek. Current federal budget cuts for construction in fiscal year 1982 will further limit the size of our market-place, causing more deterioration of our economic stability.

It is most important that I mention the above constraints on our sector of the economy since elimination of the completed contract method of accounting could be the death blow to many struggling construction contractors. Elimination of the completed contract method would devastate the cash flow necessary to pursue new work. Our inability to deduct indirect costs until completion of the projects, under this proposal, would further complicate our scope of work.

Given the limitations and high risk situations already ingrained in our industry, I urge that you support any efforts to retain the current completed contract method of accounting.

Sincerely yours,

McLEES INCORPORATED

REMILEIA_

R. E. McLEES

Vice President and General Manager

REM/cb

McLEES
INCORPORATED

THE WHITE HOUSE WASHINGTON August 3, 1982

Dear David:

Thanks for your letter of June 21st. It is I who should be writing to thank you for agreeing to be part of that marvelous advance team. You are one we've always been able to count on and we certainly appreciate it.

The very best of luck on your race for state representative.

Sincerely,

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

David Harris 6 East Park Street Arlington Heights, Illinois 60005

ARRIS FOR REPRESENTATIVE

6 East Park Street Arlington Heights 60005

District 53

June 21, 1982



Mr. Michael K. Deaver Assistant to the President Washington, DC 20500

Dear Michael,

Wolale It was a pleasure seeing you in London! I can't tell You what an honor it was for me to be part of the President's advance team for the European trip.

It certainly seemed to me as though the London portion of the journey went smoothly. I know we had a good team in London, everyone worked well together; and the embassy personnel gave us excellent support.

As I briefly mentioned to you at the AF-1 departure from Heathrow Airport, I won my primary battle for the Republican nomination for state representative here in my publican nomination for state representative here in my district; it was a hard-fought contest. The district is fairly heavily Republican (suburban Cook County), however, so my chances for victory in November look pretty good. Of course, I am not counting any unhatched chickens.

If there is anything I can do for you here, don't hesitate to call. Hope to be seeing you again before too long.

Best personal regards,

enc DH/mlb

WASHINGTON

August 3, 1982

Dear Mr. Callender:

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. J. R. Callender President National Mechanical Corporation Post Office Box 402325 Dallas, TX 75240





The Honorable Michael K. Deaver
Deputy Chief of Staff and Assistant
to the President
Washington, D. C. 20500

Dear Mr. Deaver:

As an affected member of the construction industry, I want to express my concern about the Reagan Administration's proposal to eliminate the completed contract method of accounting for multi-year contracts. The proposal would prohibit most indirect costs from being deducted as period costs currently. Furthermore, income which is currently deferred, until the taxable year in which the contract is completed, would be taxable at the time the right to payment accrues.

This tax proposal could not have come at a worse time, since the construction industry is paying 17 plus percent interest rates and has an unemployment rate greater than 18 percent. The interest rates have a staggering impact in that they constrain the amount of construction starts and impair the cash flow for capital and operating expenses. Other cash flow constraints on us occur from retainage and bonding practices. Bonding against our net assets limits the amount of new work we can seek. Furthermore, our industry has absorbed \$16 billion in federal budget cuts for construction in FY 1982, again limiting the size of our marketplace while pursuing economic growth.

It is most important that I mention the above constraints on our sector of the economy since elimination of the completed contract method of accounting could be the death blow to many struggling construction contractors. Elimination of the completed contract method would devastate the cash flow necessary to pursue new work and is expensive to borrow in today's financial markets. Our inability to deduct indirect costs until completion of the project, under this proposal, would further complicate our scope of work.

Given the limitations and high risk situations already ingrained in our industry, I urge that you retain the current completed contract method of accounting. The Honorable Michael K. Deaver July 20, 1982 Page Two



I look forward to seeing you upon my next visit to Washington as a member of the national legislative committee for Associated Builders and Contractors, Inc.

Sincerely,

NATIONAL MECHANICAL CORPORATION

J. R. CALLENDER

PRESIDENT

JRC/cm

THE WHITE HOUSE WASHINGTON

August 3, 1982

Dear Miss Gurka:

Thank you for your letter concerning S. 1698. I appreciate the time you have taken to bring your views to my attention. You can be sure that should this proposed legislation be brought to the President's desk for signature, your views will be given serious consideration.

With best wishes,

Sincerely,

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

Miss Marge Gurka 26351 Zeman Avenue Euclid, OH 44132

Marge Gurka July 19, 1982 Mr. Muchael Leavers The White House 1600 Pennsejlvana Core Washington, I.C. 20500 Leas Me Deaves: I iergonjan to resegour. enfluence en pushing to completion of H.B. 808 and 5-1698 which would allow certain aheldren of Cornerean descent (Cenerosians) loop preference to immegate to the Ceniled States ended the leveled states Immi. gration act I would be most anyway to heartern you as to your Hand on this important issue. Thank you in advance for your assistance Macgaret a. Lucka 26351) Zemun Cor. Concerd, OH 44132



MICHAEL K. DEAVER

Thunks for the wonderful afternoon around the table of Lands End. It. was made even more enjoyable by the Flentwood Chardonny a wonderful time cand now In tach into the griend. Good to see you again. Cheers I mike

THE WHITE HOUSE WASHINGTON

Mr. Frank M. Woods President CLOS DU BOIS Office Headquarters 503 D Street San Rafael, CA 94901



Julate Vineyard Locations: Dry Creek and Alexander Valleys, Sonoma County

May 13, 1982

Mr. Michael K. Deaver Deputy Chief of the Administration White House 1600 Pennsylvania Avenue N.W. Washington, D. C. 20500

Dear Mike:

Thanks very much for including our CLOS DU BOIS Gewurztraminer in the picture of wines you displayed for "The Friends of WINE" article in their May/June issue.

From what Tom Reed tells me, you will probably not have any time to take a tour of the California wine country in the near future. However, when the occasion does present itself, I hope you will give us an opportunity of showing you the CLOS DU BOIS winery and vineyard operation in Northern Sonoma County.

Thanks once again for your interest and support in our wines.

Best regards,

CLOS DU BOIS

rank M. Woods

President

FMW:les

WASHINGTON

August 4, 1982

Dear Charlie:

I have been trying to find time to tell you that I appreciated the follow-up you did for the President on the Axel Springer publications. It's always good to know what benefit has been derived from a visit such as you proposed.

Thanks, too, for sending along the coverage of the Secretary of State resignation and announcement of George Schultz.

Sincerely,

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

Mr. Charles Z. Wick Director International Communication Agency Suite 700 1750 Penna. Ave., N.W. Washington, D.C. 20547 Washington, D.C. 20547

Office of the Director

Juneth Juneth Juneth

2 1982

MEMORANDUM FOR:

The Honorable

Michael K. Deaver

Deputy Chief of Staff and Assistant to the President

The White House

FROM:

Charles Z. Wick

SUBJECT:

USICA Coverage of the Secretary of State

Resignation/Designation

I would like to report to you in brief how USICA conveyed to foreign audiences the news of Secretary of State Haig's resignation and the designation of George Schultz as his successor. When the story broke, the Voice of America carried the President's announcement, followed by Secretary Haig's statement to the press. This same information was carried worldwide on our Wireless File. Both the Voice and the File quickly produced an updated biographical profile of George Schultz, which our officers overseas made an extraordinary effort to place in foreign media over the weekend. Also over the weekend, both reported on the Secretary of State-designate's meeting with the President.

In addition, our posts have provided us with special coverage of media commentary on the change over, which we have summarized in our Special Reports of June 26 and 28. These reports, which have been forwarded to you, cover worldwide media reaction.

Office of the Director

International Communication Agency

United States of America

Washington, D. C. 20547

JUL 2

distue 1982

MEMORANDUM FOR:

The President

The White House

FROM

Charles Z. Wick

Director

:

SUBJECT

Active Support from Axel Springer

Publications

You will recall you received a visit from Axel Springer the German press magnate in the Oval Office on May 18, 1982, with several of his colleagues. On that occasion you congratulated Mr. Springer on his seventieth birthday and his long-time support of conservative and Reagan policies.

Mr. Springer was fascinated by meeting you and the pay off on his visit to the Oval Office is encapsulated in the attached annotated and tabbed sample from Springer's newspapers.

His publications demonstrated active support for you and your policies before, during, and after your European trip. For example, Springer's flagship, the prestigious national daily, Die Welt (circulation 267,334) reported in a commentary on June 10 that the President's Bundestag speech showed that "he is a man without the arrogance of power, searching for peace. There can be no naive peace, only a difficult peace. Reagan's plan for a realistic peace policy was convincing" (Tab D). A June 12 Die Welt commentary praised the way in which "Reagan demonstrated his political stature; freedom is not Sunday bathos but a political program for him" (Tab M).

All of Springer's publications carried a front-page greeting to the President in German and English, signed by Axel Springer, on June 9 (Example at Tab A).

BERLINER ZEITUNG, BERLIN'S LEADING TABLOID WITH A CIRCULATION OF ABOUT 340,000, PRINTED A DOUBLE-PAGE FULL-COLOR AMERICAN FLAG AS PART OF ITS JUNE 10 EDITION (TAB I). BERLINERS WERE ENCOURAGED TO DISPLAY IT ON JUNE 11 ON WINDOWS, WALLS, AND VEHICLES.

Berliner Zeitung also DISTRIBUTED 20,000 SMALL AMERICAN FLAGS at the entrance to Charlottenburg Castle for the invited Berliners who attended the President's speech there.

Springer's continuing efforts are a very positive factor influencing German public support for the President and his policies.

Attachments: Annotated Index

Springer newspapers

cc: (without attachments)

James A. Baker III
Judge William P. Clark, Jr.
Michael K. Deaver

David R. Gergen
Edwin Meese III

P.S. You will recall Springer's publications are reputed to have a circulation of 18,000,000