

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. LeMay:

Thank you for your recent message. I appreciate your support for the Administration and your concern for its continued success. It is always encouraging to hear from thoughtful citizens like you who share the President's philosophy of limited government and judicial restraint. You can be sure that your comments 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. Robert G. LeMay
6341 Klamath Road
Fort Worth, TX 76116

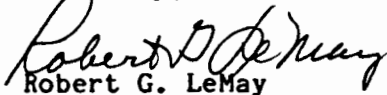
14 February 1982

Dear Mr. Deaver;

I strenuously object to any budget containing funds allocated for the Legal Services Corporation. You can tell Representative O'Neill for me to either spend his own money to keep such "compassionate" schemes, or to advise these hungry lawyers with their "big-hearted" feelings for the poor to donate their time. That is what the rest of have to do to "help" our fellow man.

I'm equally sure that people like O'Neill do not really understand this language. Without the "poor", he wouldn't have a job, so I know that he has a vested interest in keeping them that way. Anyway, "Federal" money is my money, and I feel like my say in where it goes is at least as important as his.

Sincerely,



Robert G. LeMay
6341 Klamath Road
Fort Worth, Texas, 76116

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Monahan:

Thank you for your letter. It was good of you to take the time to bring recent press releases by your organization and other documents related to the issue of tuition tax credits to my attention. You can be sure that they will receive serious consideration from the appropriate members of the Administration.

With best wishes,

Sincerely,

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

Mr. Frank J. Monahan
Assistant Director
United States Catholic
Conference
1312 Massachusetts Avenue, N.W.
Washington, D.C. 20005



UNITED STATES CATHOLIC CONFERENCE

1312 MASSACHUSETTS AVENUE, N. W. • WASHINGTON, D. C. 20005 • 202/659-6606

Office of Government Liaison

February 11, 1982

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

Dear Mr. Deaver:

For your information, I am enclosing a copy of a statement issued by the General Secretary of the United States Catholic Conference with respect to the treatment of tuition tax credit legislation in the Administration's budget recently submitted to Congress. Also, for your information, I am enclosing a copy of a similar statement which has been issued by the President of the National Catholic Educational Association, as well as a letter to the President from the Executive Director of the Council for American Private Education.

I also thought you might be interested in seeing a copy of a letter recently sent to all Members of Congress by the Archbishop of Washington, Archbishop James A. Hickey. Archbishop Hickey makes it clear that he is in full support of the Federal tuition tax credit program despite his position of neutrality toward the tuition tax credit initiative within the District of Columbia.

Sincerely,

Frank J. Monahan
Assistant Director

Enclosures: NC News Press Release on General Secretary's Statement re: Absence of Tax Credits in Budget, Feb. 9, 1982;
NCEA Statement on President Reagan's Budget, Feb. 9, 1982;
Letter from Mr. Robert L. Smith, Executive Director of CAPE to President Reagan re: Tax Credits, Feb. 10, 1982;
Dear Congressman Letter from Archbishop James A. Hickey, February 1, 1982.

FJM/jmca

Handwritten notes at the bottom of the page, including "F. J. Monahan" and other illegible scribbles.

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Green:

Thank you for your recent letter. I appreciate the time you have taken to bring your views to my attention. You can be sure that your comments and suggestions will be given serious consideration by the appropriate members of the Administration.

With best wishes,

Sincerely,

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

Mr. Roy H. Green
Iowa Farm Mortgage
Brokers Association
326 Washington Street
Decorah, IA 52101



ROY H. GREEN
SENIOR AGRICULTURAL INVESTMENT ANALYST
IOWA FARM MORTGAGE BROKERS ASSN

326 WASHINGTON STREET
DECORAH, IOWA 52101
PHONE 319 382 2381

2-12-82

Mr Deavers: TODAY

We have another of the many, many Federal legal holidays today, yes, this is Lincoln's Birthday and Monday Feb 15th will be Washington's Birthday and etc, etc, a Federal job that you can retire at 55 or 60 and switch over to Soc. Security. And then we have a horde of Members of Congress doing the "sneak thief" act. (enclosed). Show this to Pres Reagan!

RH Green

A message
from John
Q. Puffer

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Fell:

Thank you for your recent letter. I appreciate the time you have taken to write concerning the minimum wage. You can be sure 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

Mr. John T. Fell
38 Acacia Tree Lane
Irvine, CA 92715

FEBRUARY 18, 1982

MR. MIKE DEEVER:

Unemployment is replacing inflation as the number one concern of the public. The Fed's tight money policy slows down the economy, swells the ranks of the unemployed, who draw unemployment and widens the budget deficits further. The solution to the problem is very simple REPEAL THE MINIMUM WAGE LAW.

Within six months unemployment would be cut in half. Coming budget deficits would plummet, as people who are currently a drain on the budget would become contributors via taxes they pay on purchases etc. Their newly created wealth would TRICKLE-UP through the various layers of the economy, boosting business as it went and eventually reach the treasury where it would lower the debt burden.

REPEAL OF THE MINIMUM WAGE LAWS would provide employment where it is needed most, for the young and for the unskilled. Of the more than eight million unemployed, more than two million are seekers of part time work, mainly teenagers. More than two million of the unemployed are unskilled workers. These four million lack not only job skills, but work habits as well. In time they will learn, but to the man running a business, the minimum wage is just too high for him to pay an unskilled, poor worker. If the employer were allowed to offer their true worth, he could afford to hire them. In time they would gain skills, learn that responsibility is valuable to their employer and by learning to demonstrate both, they can earn higher wages.

REPEALING THE MINIMUM WAGE LAWS would provide dramatic evidence of the benefits of the free enterprise system. People might get the notion that, if removing government from the setting of wages worked so well, it might be a good idea to remove it from other areas of commerce. If you start to pull this one small thread of the minimum wage, you could unravel the entire fabric of our welfare state.

REPEALING THE MINIMUM WAGE LAWS is not really a complicated plan. It not only would not increase government spending, but, it would improve government revenues from taxes on increased production. Best of all it would require no massive, expensive bureaucracy to administer it.

REPEALING THE MINIMUM WAGE LAWS would drastically reduce unemployment, reduce street crime as teenagers went to work instead of hanging out on the streetcorners, cut federal spending, and increase tax revenues. It would spur the economy, re-create jobs for the idle workers who do have skills.

It would be a breath of fresh air to find a Senator or Congressman who has enough courage and guts to introduce such legislation and push like all get out.

Sincerely,



John T. Fell, 38 Acacia Tree Lane, Irvine, Ca. 92715

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Eichenbaum:

I would like to acknowledge your letter and let you know that your comments and suggestions will be brought to the attention of the appropriate members of the Administration.

Sincerely,

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

Mr. Matt Eichenbaum
415-1/2 Orchid Avenue
Corona Del Mar, CA 92625

Jan. 31, 1982

Dear White House Staff:

Damn The Torpedoes, Full Speed Ahead !! A great tactic for victory if your still fighting a war from the last century. But to apply this approach to solving the countries economic ills of the 80's, thats hogwash.

One can hardly disagree with reducing taxes for the corporations and the wealthy in order to incentify spending for capital formation and corporate expansion. Unfortunately none of you geniuses have ever managed a corporation that made a product or had the responsibility of selling a product that is a tangeable. Had you experienced this responsibility you would have known:

1. Companies expand in the free enterprise system when there is a need for their product.
2. People without money have needs but have little to spend.
3. With companies operating at less than 2/3 rds their capacity and instability in the financial markets, why in hell should they invest expansion or plant improvement?
4. Frequently if a market is tough, we reduce prices to maintain our market share ie. direct labor, overhead, one hardly ever invests in new capital equipment in a shrinking marketplace.

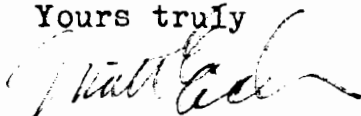
Now here a few simple suggestions for the simpleminded:

1. Amend the ERAO '81 by stating that the only way to shelter earned income from taxes is by investing in plant improvement, expansion or research.
2. In the same manner encourage businesses to shelter income by hiring and training 1 employee for every 3 that will reach retirement in the next 36 months.
3. Reward direct labor and white collar effectiveness by encouraging tax free awards (10 to 25% of base salary) the results thereof not to be taxed for 2 or 3 years.
4. O,yes bail out the Thrifts by establishing a multi-billion Dollar pool That will increment(difference between 19% 12% loans)to finance the purchase of homes and US made autos.

I could go on , however one important ingredient to real success the absense of greed something your bunch lacks. Reagonomics is a grabbag for the greedy and you all know it. That is why inovative programs will always be lacking in _ your admistration, none of you are trulymotivatedby equitable solutions that will workto the benefit of John Doe Citizen.

Recognizing the errors of past Administrations is one thing doing something truly constructive is another. Random "Trickle Down " economics without the ductway, is just a trick. Calls for faith, require some evidence of healing and since R.R is no J.C., but just a plain ole cowboy we Americans need more than Bullshit to keep thefaith .

Yours truly


Matt Eichenbaum
415½ Orchid Ave
Corona Del Mar, CA
92625

P.S. Richard Nixon had a list of Americans he singled out for harassment because they disagreed with his Administration. I trust you folks are fairer if not wiser.

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mrs. Brown:

Thank you for your recent message regarding recent regulations proposed by the Department of Health and Human Services. I appreciate the concern which prompted your telegram and want you to know that I will keep your comments in mind during discussions with my colleagues.

With best wishes,

Sincerely,

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

Mrs. Judie Brown
President
American Life Lobby
6 Library Court, S.E.
Washington, D.C. 20003

The White House
Washington

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10009 NL NEWASHINGTON DC 75 02-13 1039A EST

PMS MICHAEL DEEVER

WHITE HOUSE DC 20500

UNDERSTAND FAMILY PLANNING REGULATION DECISION PAPER HAS ONLY ONE
OPTION THAT IGNORES CURRENT USE OF FEDERAL FUNDS TO REFER
MINORS FOR ABORTIONS.

FOR THE ADMINISTRATION TO LIVE UP TO ITS PRO-LIFE CAMPAIGN
STAND THE PROPOSED REGULATIONS SHOULD BE PROMULGATED WITH
THE ADDITION OF A REPEAL OF 42 CFR 59.5 (B) (1) AND (2)
AND THE JULY 1981 DHHS FAMILY PLANNING GUIDELINES WHICH
PROVIDE FOR SUCH REFERRAL.

JUDIE BROWN, PRES.
AMERICAN LIFE LOBBY

6 LIBRARY COURT SOUTHEAST
WASHINGTON DC 20003
546-5550

NNNN

U.S. GOVERNMENT PRINTING OFFICE: 1981 - 356-697

U.S. GOVERNMENT PRINTING OFFICE: 1981 - 356-697

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mrs. Bauer:

Thank you for your recent letter.

I appreciate your concern for the use of forced busing to achieve racial integration in our public schools. This Administration is committed to protecting the civil rights of every member of society and to ensuring that the availability of quality education does not depend on race or any other extraneous factor. Effective remedies for past injustices must be provided, particularly remedies which do not compromise the rights of innocent individuals. This Administration is currently developing policies and programs designed to accomplish these goals without the imposition of divisive and ineffective methods that have not proven successful in ending patterns of discrimination.

It was good of you to take the time to bring your comments and proposals on this subject to my attention. You can be sure that they will receive serious consideration from the appropriate members of the Administration.

With best wishes,

Sincerely,

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

Mrs. Carol Bauer
3682 Ridgewood Drive
Columbus, OH 43220

Mrs. Carol Bauer
3682 Ridgewood Drive
Columbus, Ohio 43220

February 8, 1982

Mr. Michael Dever
Chief of Staff
The White House
Washington, D. C. 20500

Dear Sir,

I am writing in regard to H. J. Resolution #56 and its possible effects. As a parent and teacher, I have witnessed results of busing to achieve racial balance in the Columbus Public Schools.

In theory, I favor a remedy for segregation in public schools. Looking at practicalities, particularly in our Columbus desegregation process, I find factors which do greater harm than that which occurred prior to the court's order.

Parents of "bussed" students have valid concerns and complaints. Many who previously supported our school system exhibit negative attitudes which transfer to their sons and daughters.

Students themselves are angry with the schools for denying them academic, athletic and extra-curricular programs previously offered but now impossible to maintain. Such feelings are not conducive to student progress and positive attitudes.

Teachers who were instrumental in making the implementation of busing in Columbus "smoother" than that in any other city in the United States have had small reward for their efforts. We garner criticism from many sources for problems that we cannot solve.

The voting public is reluctant to pay taxes used for desegregation costs; many see their "no" votes as votes against busing and do not consider that their "no's" burden the system with inadequate funds to maintain quality education.

The President has stated intentions toward aiding local control of schools. Without changing our situation, his idea of total control could make it impossible for Columbus to provide an adequate educational program.

I do not favor the proposed change in the Constitution. I do, however, favor the reversal of court decisions which leave our schools in "no-win" situations. President Reagan should not give in to those who favor proposed constitutional changes which could set back social reform. Rather, he should use all means available to correct particular problems such as those we experience.

Yours truly,

Mrs. Carol Bauer

cc: Mrs. Freda Nazier

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Hanson:

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. Daniel J. Hanson, Sr.
President
American Road and Transportation
Builders Association
525 School Street, S.W.
Washington, D.C. 20024

Chairman: DAVID H. BURROSS

Senior Vice Chairman: JAMES A. FAYWOOD

Vice Chairman: JOSEPH P. PERINI, JR., JAMES SCHWEDT, HAROLD L. MICHAEL, GLEN L. MARTIN

Treasurer: CLIFTON W. ENFIELD

President and Secretary: DANIEL J. HANSON, SR.



American Road & Transportation Builders Association

February 16, 1982

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

Dear Mr. Deaver:

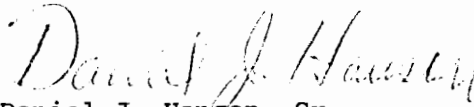
The American Road & Transportation Builders Association is a national federation representing all facets of the transportation construction industry. Headquartered in Washington, D.C., ARTBA's over 4,600 members and firms consist of contractors, material and service suppliers, manufacturers and distributors of construction equipment, representatives of the traffic safety industry, planning and design firms, transportation professors, and local, state and federal transportation officials.

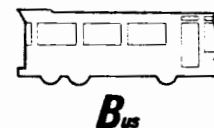
Our association is gravely concerned with the proposal that would eliminate the completed contract method of accounting for the construction industry. ARTBA strongly opposes this very drastic change in the completed contract method.

The completed contract method has been permitted since 1917. It is essential to construction contractors since their projects are subject to unknown risks that make it impossible to predict profits prior to the end of the contract. These risks include weather, soil conditions, material shortages, labor disputes, and other unpredictable factors. Nearly all of our construction contracts include "retention clauses." This further complicates the use of any percentage of completion or the proposed new "progress payment method."

We strongly urge that neither regulatory proposals or legislative action be taken in this regard. We further request that you meet with representatives of the construction industry in order to discuss the adverse implications of these proposals.

Sincerely yours,


Daniel J. Hanson, Sr.
President



THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Mosier:

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. Maurice L. Mosier
President
National Constructors Association
1101 15th Street, N.W.
Washington, D.C. 20005



NATIONAL CONSTRUCTORS ASSOCIATION

1101 15th Street, N.W. Washington, D. C. 20005 (202) 466-8880

MAURICE L. MOSIER
President

February 18, 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 enclosing a copy of a telegram sent to President Reagan at the direction of the Executive Committee of the National Constructors Association expressing our strong opposition to the proposed elimination of the completed contract method of tax accounting. On behalf of our members, I would like to ask that you and other members of the Administration reconsider this proposal in light of the serious impact it will have on the entire construction industry.

The completed contract accounting method has been in use for more than 60 years because of the unique characteristics of our industry. It permits a construction firm to defer payment of taxes until a project is completed and a final profit determined, which under many circumstances is difficult or impossible to calculate in advance. Payments received prior to completion become an essential part of the firm's working capital which finances new and ongoing operations.

Subjecting such payment to immediate taxation would substantially reduce the working capital upon which a contractor relies and restrict his ability to obtain financing and bid on new projects. Firms which are not forced out of business outright by this action would have to sharply increase their level of borrowing, which would in effect decrease their taxable income and place additional pressures on already inflated interest rates.

It concerns me personally that the Administration has not considered the long-range impact of elimination of this accounting method on the construction industry. By forcing many firms out of business and severely limiting the flexibility and capacity of those that remain, the Administration will substantially reduce future federal revenues, quickly offsetting any temporary gains that may be realized.

DESIGNERS & ERECTORS

OIL REFINERIES—CHEMICAL PLANTS—STEEL MILLS—POWER PLANTS

The Honorable Michael K. Deaver
February 18, 1982
Page two . . .

It is imperative that implementation of proposals to change this accounting method be delayed until the implications for the construction industry can be explored more fully. The completed contract method of tax accounting is not a tax loophole - it is a necessary and appropriate response to the special nature of our industry which we quite frankly cannot do without.

Very truly yours,



Maurice L. Mosier
President

MLM:jd
Enclosure

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Bowker:

Thank you for your recent letter. I appreciate your thoughtful interest in bringing the January 11 edition of Newsweek to my attention. You can be sure that I will take careful note of the main points raised in the article to which you referred.

With best wishes,

Sincerely,

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

Mr. John R. Bowker
Wayne County Community
College
Room A-205
8551 Greenfield
Detroit, MI 48226

JOHN R BOWKER, WAYNE COUNTY COMM
2551 GREENFIELD ROOM A205
DETROIT MI 48226



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MICHAEL DEEVER, SPECIAL ASSISTANT TO THE
PRESIDENT
WHITE HOUSE
WASHINGTON DC 20500

PLEASE DIRECT YOUR IMMEDIATE ATTENTION TO JANUARY 11 ISSUE NEWSWEEK
MAGAZINE, PAGE 11. CHARLES W STEADMAN HAS SUGGESTED A SIMPLE, YET
BRILLIANT, PROPOSAL TO REPAY NATIONAL DEBT IN FIVE TO EIGHT YEARS.
BENEFITS OF THIS PROPOSAL ARE OBVIOUS AT CURRENT TIME OF BUDGETARY
DEBATES. PARTY THAT SEIZES AND IMPLEMENTS THIS PROPOSAL WILL HAVE
ELECTIVE GRATITUDE OF AMERICAN PEOPLE FOR FUTURE. PLEASE DO NOT ALLOW
SPECIAL INTERESTS OF BANKING COMMUNITY TO CHEAT THIS ADMINISTRATION
OF A UNIQUE PLACE IN HISTORY OF OUR COUNTRY.

JOHN R BOWKER, WAYNE COUNTY COMMUNITY COLLEGE6

13:54 EST

MGMCOMP

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Bangert:

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. Richard E. Bangert II
Secretary and General Counsel
Wright-Schuchart-Harbor Company
Post Office Box 3764
Seattle, WA 98124

P.O. Box 3764

Seattle, Washington 98124

Phone (206) 447-7654

TWX No. 910-444-2109

Wright-Schuchart-Harbor Co.



February 25, 1982

Mr. Michael K. Deaver
Counsellor to the President
The Executive Office of the President
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. Deaver:

I am writing to you as a concerned citizen directly involved in the construction industry to express my concern over proposed changes in the completed contract method of accounting for tax purposes. It is my understanding that this legislation is being considered as one of the ways to reduce the federal deficit.

Unlike many other business sectors, the construction industry experiences financial and operating problems which substantially affect its ability to forecast profits prior to completion of a contract. Consequently, construction company profits are difficult or even impossible to forecast prior to the completion of a project. In addition, construction receipts routinely lag behind expenditures due to contract retainage provisions thereby aggravating cash flow problems and greatly increasing the need for interim working capital.

The construction industry is one of the highest risk oriented enterprises in the United States as evidenced by the number of construction company failures each year. The elimination of the completed contract accounting method would increase the financial burden to the construction industry so severely that it is likely that even more firms would be forced out of the business altogether. Additionally, contract prices themselves would escalate, contributing substantially to the rate of inflation in the U. S. economy. Inflation would be fueled because of the increased cost to the consumer caused by the increased borrowing required by the construction industry in order to pay taxes on estimated income calculated on a percentage of completion basis rather than on a completed contract basis.

Mr. Michael K. Deaver
February 25, 1982
Page Two

The proposed legislation is of the utmost concern to the construction industry, and I urge you to review this matter very carefully and evaluate the serious impact that the elimination or major modification of the completed contract tax regulations will have on the construction industry.

Very truly yours,

WRIGHT SCHUCHART HARBOR CO.



Richard E. Bangert, ID
Secretary and General Counsel

REB/1a

THE WHITE HOUSE

WASHINGTON

March 15, 1982

Dear Mr. Mackey:

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. Curtis T. Mackey
Executive Vice President
National Insulation Contractors
Association
Suite 410
1025 Vermont Avenue, N.W.
Washington, D.C. 20005

J.T. Hunter, *President* / S.R. Sayre, *President-Elect* / W.W. Killion, *Vice President*
J.J. Hoard, *Secretary* / T.J. Walters, *Treasurer* / W.H. Burnett, *Assistant Treasurer*
C.T. Mackey, *Executive Vice President*

National Insulation Contractors Association

1025 Vermont Avenue, N.W., #410

Washington, D.C. 20005

Telephone (202) 783-6277

February 16, 1982

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

Dear Mr. Deaver:

The Administration's recent actions to change the "completed contract method of accounting" will not increase tax revenues, but will be harmful to commercial and industrial insulation contractors and increase the cost of construction financing.

The changes under consideration will not increase revenues, but will only require that they be paid at an earlier time in a construction project. The completed contract method allows an insulation contractor to wait until contract completion and acceptance before determining income tax liability, thus enabling full use of interim payments. These payments may be used in any business function and make up a portion of working capital, the most significant fiscal category in construction unlike many other industries.

The insulation contractor depends on the completed contract method and the resultant use of working capital. Restricting working capital by imposing a tax on interim contract proceeds will result in defaults, reduction in scope of a contractor's business, or force them to seek more outside financing for their projects.

We call upon you to prevent these harmful changes from being made without public hearings.

The National Insulation Contractors Association represents over 400 commercial and industrial insulation contractors who employ about 30,000 people with annual revenues of about 2.9 billion dollars.

We would be happy to provide additional information or meet with you or key members of your staff.

Sincerely,

Curtis T. Mackey
Executive Vice President

**27TH ANNUAL
CONVENTION**

**MARCH
21-23, 1982**

"Something for Everyone"

