

**PENDING REVIEW IN ACCORDANCE WITH E.O. 13233**  
**Ronald Reagan Library**

**Collection:** Deaver, Michael K.: Files  
**OA/Box:** 7619  
**File Folder:** Correspondence – June 1982 (1)

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**Date:** 3/20/07

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
A. memo	Fred Fielding to Deaver re honorary membership in the Western States Livestock Investigators Association, 1p	5/28/82	<i>Open 05/13/2008</i> <i>JK</i>

# WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

DEAVER, MICHAEL: FILES

Withdrawer

KDB 7/19/2005

File Folder

CORRESPONDENCE - <sup>June</sup> MAY 1982 (1)

FOIA

F01-107/01

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7619

41

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No of Doc Date Restriction

NO Document Description

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12 MEMO

1 6/1/1982 B6

126

FROM M. DEAVER RE RECEPTION OFFICE  
COVERAGE (PARTIAL)

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Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

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B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

CORRESPONDENCE - JUNE 1982

AHEARN, Mr. Rick 25 Greycliff Road Boston, MA 02135	6-15
ALEXANDER, The Honorable Lamar Governor of Tennessee Nashville, Tennessee 37219	6-17
ALLEN, Mr. George Chairman The President's Council on Physical Fitness and Sports Washington, D. C. 20201	6-16
BAYLES, Mr. R. R. Project Manager Long Beach Project Guy F. Atkinson Construction Company Post Office Box 259 Long Beach, CA 90801	6-9
BEARD, The Honorable Robin House of Representatives Washington, D. C. 20515	6-23
BELLAMY, Mrs. Mark 10 Rue St. Louis en L'Ile 75004 PARIS FRANCE	6-25
BENDETSEN, Mr. Karl R. Suite 1185 1850 K Street, N.W. Washington, D. C. 20006	6-29

BIAGGINI, Mr. B. E. 6-15  
Chairman  
Southern Pacific Company  
SOUTHERN Pacific Building  
One Market Plaza  
San Francisco, CA 94105

BROCKER, Mrs. Byron 6-17  
19714 Northeast 91st Street  
Vancouver, WA 98662

BURNETT, Mrs. Alice Green 6-28  
Howard University  
Department of Development  
2900 Van Ness Street, N.W.  
Washington, D. C. 20008

CHANDLER, Mr. Lee 6-1  
President  
Souverain  
Post Office Box 528  
Geyserville, CA 95441

CHANEY, Mrs. Henry 6-15  
7113 Mississippi Drive  
Vancouver, WA 98664

CHAPMAN, Mr. Dave 6-14  
7 Buffalo Ridge  
Houston, TX 77056

CLICK, Mr. Jim, Jr. 6-29  
President  
Click Ford/Subaru  
6420 East 22nd Street  
Post Office Box 12399  
Tucson, AZ 85732

COUGHLIN, The Reverend Bernard, S. J. President Gonzaga University Spokane, WA 99258	6-17
D'AMERCOURT, Mr. and Mrs. Jean de Pontor 5120 Rockwood Parkway Washington, D. C. 20016	6-
DAVIDSON, Mr. James D. Chairman National Taxpayers Union 325 Pennsylvania Avenue, S.E. Washington, D. C. 20003	6-28
DOTY, Mr. George 2550 University Heights Boulder, CO 80302	6-14
DUTTON, Mrs. Leslie Account Executive The Hannaford Company, Inc. 10960 Wilshire Boulevard Suite 422 Los Angeles, CA 90024	6-29
ESLICK, Mr. Dean Apartment D 16902 Cod Circle Huntington Beach, CA 92647	6-15
EVANS, Mr. Hugh President Old Ben Coal Company 69 West Washington Chicago, IL 60602	6-14

FAUNTLEROY, Mr. O. W. Manager Area Exploration P & O Falco, Inc. Mid America Office Park Suite 708 5801 East 41st Street Tulsa, OK 74135	6-1
FERRIS, Mrs. Marcia M. c/o Henry C. Mack 2310 Elm Street Bakersfield, CA 93301	6-28
FORD, Mr. George E. 300 Regent Park Palm Beach, FL 33480	6-14
GASSETT, Mrs. I. D. 1350 35th Avenue Sacramento, CA 95822	6-23
GENTLEMEN'S Tailors, Clothiers and Furnishers J. Press, Inc. 262 York Street New Haven, CT	6-18
GOLDBERG, David S. 2914 West Oliver Street Fort Collins, CO 80502	6-23
GRIEBEL, Marge Space 56 6130 Monterey Road San Jose, CA 95138	6-30

His Majesty  
Hassan II  
King of Morocco  
RABAT 6-29

HENNING, Mr. Robert V. 6-21  
330 Belmont Avenue  
Brooklyn, NY 11207

KAKISHIBA, Mr. and Mrs. Alfred K. 6-25  
c/o Mr. and Mrs. George Kakishiba  
2124 22nd Avenue  
Sacramento, CA 95822

KOONCE, Mr. John 6-1  
1120 N. Nopal, Apt. 4  
Santa Barbara, CA 93103

LABBE, Mrs. Helen McManus 6-14  
Route 1  
Dover, NH 03820

MCSWEENY, Mr. R. E. 6-30  
Project Manager  
Walsh Construction Company  
Division of Guy F. Atkinson  
Company  
P. O. Box 119  
East Chicago, IN 46312

MILLIGAN, Mr. C. R. 6-14  
937 Panorama Drive  
Bakersfield, CA 93305

OKAWARA, Ambassador Yoshio  
Embassy of Japan  
2520 Massachusetts Avenue, N. W.  
Washington, D. C. 20008

PARK, Mr. Noel E. Area Manager Long Beach Project Guy F. Atkinson Construction Company Post Office Box 259 Long Beach, CA 90801	6-9
PONOMARCHUK, Mr. Les 915 North 91st Seattle, WA 98103	6-1
PRIVIDY, Mr. Leonard Vice President McKamish-Chesapeake, Inc, Lawrenceville Industrial Park 55th Street and AVRR Pittsburgh, PA 15201	6-9
PUNTILLO, Ms. June 23404 Northeast Weakly Road Camas, WA 98607	6-17
Her Majesty Queen Elizabeth II London England	6-29
REID, Mr. Bob Pacific Sun Productions, Inc. Suite 7 1025 19th Street Sacramento, CA 95814	6-30
ROBINSON, The Honorable Paul H., Jr. American Ambassador Ottawa	6-
ROEST, Mr. and Mrs. Herm 20707 Northeast Risto Road Battleground, WA 98604	6-15



SEIBERLING, The Honorable John F. House of Representatives Washington, D. C. 20515	6-15
SHADDIX, Mr. Billie Director White House Photo Office	6-30
SHANKMAN, Sidney, M.D. Executive Director Second Genesis, Inc. 1204 Prince Street Alexandria, VA 22314	6-30
SMIZER, Mr. Walter F. 1740 Upas Street San Diego, CA 92103	6-1
SPRING, Mr. John W. 2117 North Towner Street Santa Ana, CA 92706	6-23
STARK, Mr. Ray Columbia Plaza West Burbank, CA 91505	6-17
STRAKER, Mr. Neal Manager Copenhaver's 1625 Connecticut Avenue, N.W. Washington, D. C. 20009	6-16
STURGEON, Mr. John A. 333 South Hope Street 48th Floor Los Angeles, CA 90071	6-15

VENTURA, Mr. Rick  
Executive Director  
National Advisory Council on  
Adult Education  
425 13th Street, N.W.  
Pennsylvania Bldg. Suite 323  
Washington, D. C. 20004

6-15

WALKER, June G.  
Executive Director  
The President's Commission on  
Executive Exchange  
The White House

6-15

# WITHDRAWAL SHEET

Ronald Reagan Library

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DEAVER, MICHAEL: FILES

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CORRESPONDENCE - ~~MAY~~ <sup>June</sup> 1982 (1)

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12 MEMO

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C. Closed in accordance with restrictions contained in donor's deed of gift.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

June 1, 1982

TO: TSD - Room 23  
FROM: MR. MICHAEL K. DEEVER *M. Deever*  
SUBJECT: Reception Office Coverage

During the period June 3 thru 11, 1982 (when Patricia A. Bye - Adm Asst to Mr. Deaver is out of the office) - Mr. Deaver and Mr. Gergen's reception area will occasionally be covered by:

Gail Ludwig  
DOB: 6-3-38  
SS#: [REDACTED]

Ann DeLuca  
DOB: 4-7-39  
SS#: [REDACTED]

*b(6)*

Please add their names to the access list to open and close the Area 104 for that timeframe.

Thank you.

THE WHITE HOUSE

WASHINGTON

June 1, 1982

Dear John:

I'm sorry things were so hectic I neglected to call and thank you for your special attention to my room at the Biltmore. Your many kindnesses have not gone unnoticed and we all appreciate your thoughtfulness to us while we're in Santa Barbara.

Sincerely,

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

Mr. John Koonce  
1120 N. Nopal, Apt. 4  
Santa Barbara, CA 93103

THE WHITE HOUSE

WASHINGTON

June 1, 1982

Dear Mr. Ponomarchuk:

Thank you for your letter requesting one of President Reagan's doodles. I appreciate your interest in having one and regret that this must be a disappointing reply. However, because of the great number of requests the President receives for mementoes, it is not possible to oblige them all. He believes it is unfair to select a few for preferential treatment while excluding others.

Your interest is appreciated and we know you will understand.

I am happy to enclose the autographed picture you requested and hope you enjoy having it. The President appreciates your continued support.

Sincerely,

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

Mr. Les Ponomarchuk  
915 North 91st  
Seattle, WA 98103

c/f

May 25, 1982

The Honorable Michael Deaver  
Deputy Chief of Staff  
The White House  
1600 Pennsylvania Avenue  
Washington D.C.

Dear Mr. Deaver;

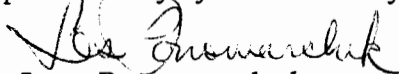
I am writing this informal letter to you for two reasons. Firstly, I would like to compliment you on the very efficient and professional job you are doing in the White House and in working with the Congress. You undoubtedly must share in the successes this Administration has had in its tenure. Even our very skeptical American press has never had anything bad to say about you so even they know you're doing a great job. It is nice to know that the men closest to our President (whose policies I whole-heartedly support) are of the caliber you are.

Secondly, Mr. Deaver, I would like to make a request of you which means very much to me. If it is at all possible to get some of the cartoons and doodles the President makes during meetings? Is it at all possible to get one from you? If this is too great a request is it possible to get a real autographed photograph? I have supported President Reagan all of my voting life and it would mean very much to me to have these.

I turn to you because I know you are close to the President and I feel you care about his loyal constituents.

I would very much appreciate a reply. Thank you very much.

Respectfully yours always,



Les Ponomarchuk  
915 North 91st  
Seattle, WA 98103

THE WHITE HOUSE

WASHINGTON

June 1, 1982

Dear Mr. Fauntleroy:

Thank you for your letter. It was good hearing from you again.

I know that President Reagan will be as grateful for your kind words of support as I am. Let me assure you that he remains fully committed to the basic elements of his economic and defense programs. As the President recently remarked, while this Administration is willing to go the extra mile in reaching areas of common agreement with Congress, we will not allow the mandate of 1980 to be shelved.

With best wishes,

Sincerely,

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

Mr. O. W. Fauntleroy  
Manager  
Area Exploration  
P & O Falco, Inc.  
Mid America Office Park  
Suite 708  
5801 East 41st Street  
Tulsa, OK 74135

C/F



# P&O Falco

Oklahoma-South Kansas  
area office

May 19, 1982

Mr. Michael K. Deaver  
Assistant to the President  
Deputy Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Mike:

Thank you very much for clearing up the mystery of the graduation picture which we sent to Nancy and Ron. We did get a very nice letter from them and are most appreciative.

I have just returned from the mid-year meeting of the Independent Petroleum Association of America in Reno, Nevada. There were a lot of gloomy projections about the immediate problems of the oil business, as well as some dire predictions about what could happen to us if the liberals in Congress get back in control. We were all urged to write some key Congressmen about going along with the President on his budget recommendations, as well as urging the President to quit giving-in and, seemingly, staying on the defensive so much. I thought the President handled himself exceedingly well in the prolonged television news program last week. I just don't see how any one man can face the tremendous responsibility which the office of the President carries.

Mike, I am as convinced as ever that the majority of the people in the country fully support lower taxes and a greatly lowered Federal budget. I believe whatever sacrifices are needed to preserve your increased defense budget would willingly be made, despite constant bombardment from the media that would have you believe otherwise. I would sincerely hope that the President is kept fully informed of the perhaps quiet, but strong, undergirding of his conservative views.

P&O Falco, Inc.  
Mid America Office Park, Suite 708  
5801 East 41st Street, Tulsa, OK 74135  
Telephone/Telecopier (918) 622-9544

Home office P.O. Box 108, Shreveport, LA 71161  
President and Chairman of the Board, Clair S. Smith, Jr.



O. W. FAUNTLEROY  
Mr. Michael Deaver  
May 19, 1982  
Page 2

*Please express my personal best wishes to him with the hope that he remains strong and confident through all of the difficulties.*

*Most sincerely,*

*P&O FALCO, INC.*



*O. W. Fauntleroy  
Manager - Area Exploration*

*OWF:jf*



THE WHITE HOUSE

WASHINGTON

June 1, 1982

Dear Mr. Smizer:

Thank you for your letter. I appreciate the concern which prompted you to bring your views on many of the pressing problems facing our nation to my attention. While it is not possible for me to respond in full to all of your comments and suggestions, you can be sure that they have been carefully noted and 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. Walter F. Smizer  
1740 Upas Street  
San Diego, CA 92103

*c/f*

M. Deaver Presidential Assistant May 10-82

Dear Mike:

We have reached a National Economic  
~~emergency.~~  
It is not tax cuts that are needed.  
The problem is ballooned unearned wages  
& salaries brought on by Government and unions.

Band aid legislation is worthless; it is just what has  
landed this nation in a financial disaster.

078885

There are over 35 million retired servicemen including  
3.9 million widows plus over 15 million civilian and  
Federal employees getting huge, unearned pensions. Millions  
have developed the art of double and triple dipping. None  
have really contributed anything in the way of material  
benefit to our government. This means we have over 50  
million adults who have, for the most part, been living  
in a socialized world.

Unearned salaries and wages are the root cause of  
our inflation. Big government and big unions have twisted  
this nation into a financial weakling.

Salary and wage cuts of 20% across the board for  
everyone from the President on down, including state,

Other suggestions to increase  
tax flow and cut down on tax avoidance.

(1) Congress joined Black lung and claimed  
they live in Helena and are only on business  
trip to Washington. (Big rip off)

(2) Unemployment, Inflation, Housing shortage  
Crime, Drugs, Law enforcement costs, Caused  
by Illegal Aliens - we want our present laws  
enforced - overall costs to Treasury \$40 Billion  
annually in uncollected taxes - there are  
11 million trampling our country. we want the  
sent home - the laws are on the books.

(2) Mortgage <sup>interest</sup> shelters is \$40 Billion  
annually - hence, most of suburbia are on food  
stamps in the form of mortgage interest  
write off on their taxes. Leaving the good  
honest decent citizen who wants to pay  
cash and avoid credit, the complete fall  
guy - This is a major subsidy program.

(4) Leasing tax credits between corporations  
or companies - is basically corruption - major  
tax rip off. It eventually lead to incompetent  
management - to be financed by what should be  
government taxes. \$10 Billion rip off.

(5) Reduce aid to Israel and Egypt. over \$60 Billion  
has been drained out of this country by 300 different  
ways - and Egypt has received over \$50 Billion

This has alienated the Central American Countries

and has alienated the tax payer - we don't want our taxes just tossed in the wind in the middle east, alienating 17 Arab Countries. Causing oil rip off and hardship for all the developing world.

We want all other foreign aid reduced 25%.

Doctor & Hospital, and Education need drastic Federal reductions. It is an area of total abuse. \$40 Billion can be reduced in this field of chronic abuse.

In the field of education over 7 million are hanging around the campuses avoiding work ethic - Learning a trade and being a useful citizen - This void is filled with illegal aliens presently - over 13½ million are now stationed on campuses with much support from Federal Treasury.

In addition 240,000 Foreign Students are on campuses - only 4% ever return to their homelands - Hence just another loop hole for illegal immigration, and of course more jobs for the professors who feel working is distasteful.

---

In addition to the 50 Million  
Plus Federal on retirement, there is  
13 million drawing pensions from States  
Counties and City governments.

As far as regular social security  
recipients - there is about 27 1/2 Million,  
others that are also getting social security  
about 11 Million - Well, it's part of their  
triple dipping.

Realistically the only material benefit  
government receives is that which is  
produced by people on social security.  
This represents the Nation's productivity.

As an example Counties were set up  
for horses and wagons - there isn't any need  
for 250 Counties in Texas, 160 in Georgia  
or 58 in California. It is just another  
Pork Barrel.

THE WHITE HOUSE

WASHINGTON

June 1, 1982

Dear Mr. Chandler:

How nice of you to think of us when you celebrate your fortieth anniversary of the founding of the Souverain Winery.

I am eagerly awaiting the arrival of the case of your special Cabernet Sauvignon, and the tasting.

Thank you very much for your thoughtfulness.

Sincerely,

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

Mr. Lee Chandler  
President  
Souverain  
Post Office Box 528  
Geyserville, CA 95441





EMBASSY OF AUSTRALIA

IN REPLY QUOTE:

June 4, 1982

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

Dear Sir,

The Australian Government has recently appointed Sir Robert Cotton as its new Ambassador to the United States. Sir Robert will arrive in the US in the near future, and because of this we are updating our files on prominent Americans.

We would be grateful if you would forward us the latest biography on Mr Deaver so he can be included.

Sincerely yours,

*Jane M. Sullivan*

Jane Michele Sullivan  
Media and Information

*Michele:  
OK to send B/O  
to Australian Embassy  
YES ?  
sent 6-14-82  
AS  
No*

THE WHITE HOUSE

WASHINGTON

June 9, 1982

Dear Mr. Privity:

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. Leonard J. Privity  
Vice President  
McKamish-Chesapeake, Inc.  
Lawrenceville Industrial Park  
55th Street and AVRR  
Pittsburgh, PA 15201

# McKamish - Chesapeake, Inc.

LAWRENCEVILLE INDUSTRIAL PARK

55th Street and AVRR - Pittsburgh, Pa. 15201

Phone: (412) 781-6262

MKD-7

May 25, 1982

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

SUBJECT: Completed Contract Method of Accounting  
Contemplated Legislation

Dear Sir:

The purpose of this letter is to convey to your office our comments pertinent to the contemplated IRS regulation changes regarding the elimination of the complete contract method of accounting as the basis for filing corporate taxes.

If the IRS rules change such that our company is required to pay corporate taxes on a progress type basis as opposed to paying taxes only when the contract is in fact completed, such legislation would impose tremendous financial burden on our company. I judge that this burden would be substantial to the extent that it could force our company out of business within one year's time. I make this judgement on the basis of the following.

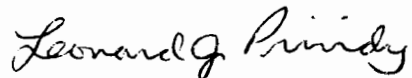
1. Over 90% of the work which we obtain has a 10% retention requirement. This means that for a \$1 million contract which may last for two years, the owner would have \$100,000.00 of our cash at the end of the contract.
2. Current economic conditions are such that the total margin (overhead and profit) on construction projects is less than 10%. On an ongoing basis a contractor has to obtain bank financing to sustain his operation to account for the absense of cash due to the retention requirements of his various contracts in progress. The proposed IRS regulations would create additional indirect but yet real construction costs.
3. We and other contractors would be required to obtain additional bank financing to accomodate payment of corporate taxes on contracts where we have not yet received cash. This in turn will increase the cost of doing business, increase our prices and lessen the likelihood of obtaining future work and ultimately jeopardize our existence.

# McKamish-Chesapeake, Inc.

Page 2  
May 25, 1982

In conclusion, adoption of IRS regulations that would resort to utilizing the percentage of completion method of accounting to determine payment of corporate taxes in our opinion would have a disastrous effect on construction in general and certainly our particular business. If I can be of further help in explaining to your our particular situation or if you need further information from me in this regard, please do not hesitate to contact me.

Very truly yours,



Leonard J. Privity  
Vice-President

sg

THE WHITE HOUSE

WASHINGTON

June 9, 1982

Dear Mr. Bayles:

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. R. Bayles  
Project Manager  
Long Beach Project  
Guy F. Atkinson Construction Company  
Post Office Box 259  
Long Beach, CA 90801

# Guy F. Atkinson Construction Company



Long Beach Project

A Division of  
Guy F. Atkinson Company  
Please reply to:  
P.O. Box 259  
Long Beach, CA 90801  
213/834-2607  
213/775-1281

MKD-7  
May 21, 1982

Michael K. Deaver  
Dupty Chief of Staff & Ass. to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Deaver:

We urge your immediate attention to the Treasury Department's Proposals to abolish the completed contract method of tax accounting. Construction firms have traditionally and consistently used this fair and equitable method to pay their taxes, and we believe it should be preserved.

The Treasury proposes Legislation to repeal the 64-year old Treasury Regulations which authorize the method, while at the same time the I.R.S. is writing changes in the Regulations which will have the practical result of repeal.

The completed contract method of accounting was recognized for income tax purposes in Regulations published in 1918 because profit, if any, is known only after completion and acceptance of a construction project. It was recognized as the appropriate tax accounting method for construction due to the unique nature and inherent risks in construction, which are as great and meaningful today as they were 64 years ago.

Any change in the availability or use of the completed contract method which will impose a tax on interim contract profits will cause a contractor to pay taxes prior to the time cash for contract profits is received. Construction companies would be forced to increase borrowings in order to pay taxes. Increased interest costs will directly contribute to increased inflation since future contract prices must also rise to cover the additional costs. Increased contract prices will result in increased construction costs for the United States Governments, private industry and individuals.

The completed contract method of accounting is not a "Tax Loophole" as that phrase is commonly understood. Companies using the completed contract method of accounting do not reduce their Federal Income Taxes. They simply postpone payment for a period of time until a contract is completed and taxable profit, if any, can be accurately determined.

We urgently request your support.

Very truly yours,

R. R. Bayles  
Project Manager

THE WHITE HOUSE

WASHINGTON

June 9, 1982

Dear Mr. Park:

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. Noel E. Park  
Area Manager  
Long Beach Project  
Guy F. Atkinson Construction Company  
Post Office Box 259  
Long Beach, CA 90801

EF

# Guy F. Atkinson Construction Company



Long Beach Project

MKD-3

May 21, 1982

A Division of  
Guy F. Atkinson Company  
Please reply to:  
P.O. Box 259  
Long Beach, CA 90801  
213/834-2607  
213/775-1281

Michael K. Deaver  
Deputy Chief of Staff & Ass. to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Deaver

We urge your immediate attention to the Treasury Department's Proposals to abolish the completed contract method of tax accounting. Construction firms have traditionally and consistently used this fair and equitable method to pay their taxes, and we believe it should be preserved.

The Treasury proposes Legislation to repeal the 64-year old Treasury Regulations which authorize the method, while at the same time the I.R.S. is writing changes in the Regulations which will have the practical result of repeal.

The completed contract method of accounting was recognized for income tax purposes in Regulations published in 1918 because profit, if any, is known only after completion and acceptance of a construction project. It was recognized as the appropriate tax accounting method for construction due to the unique nature and inherent risks in construction, which are as great and meaningful today as they were 64 years ago.

Any change in the availability or use of the completed contract method which will impose a tax on interim contract profits will cause a contractor to pay taxes prior to the time cash for contract profits is received. Construction companies would be forced to increase borrowings in order to pay taxes. Increased interest costs will directly contribute to increased inflation since future contract prices must also rise to cover the additional costs. Increased contract prices will result in increased construction costs for the United States Governments, private industry and individuals.

The completed contract method of accounting is not a "Tax Loophole" as that phrase is commonly understood. Companies using the completed contract method of accounting do not reduce their Federal Income Taxes. They simply postpone payment for a period of time until a contract is completed and taxable profit, if any, can be accurately determined.

We urgently request your support.

Very truly yours,

Noel E. Park  
Area Manager

NEP/pp



THE WHITE HOUSE  
WASHINGTON

June 14, 1982

Dear Butch:

Thank you very much for your letter of April 23. You have my personal assurance that the invitation to the President to become an honorary member of the Western States Livestock Investigators Association is most appreciated. Needless to say, the President has a great deal of respect for those in the livestock industry, and for those who choose to devote their lives to law enforcement, neither group of which receives the recognition it deserves.

Notwithstanding the President's profound respect for these men and women, however, I am afraid he must decline the kind invitation to become an honorary member of the Association. As you might imagine, the President receives countless invitations to accept honorary memberships and chairmanships in national, regional and local organizations. Many of these organizations, such as the Western States Livestock Investigators Association are ones with which he truly would be honored to be identified. He prefers, however, to participate actively in those with which he does become associated. As a result, early on it was decided that demands upon his time necessitate that he decline all but a very few of these invitations. This necessity is especially unfortunate when the organization involved is one such as the Association.

I trust that neither you nor the Association will read the President's inability to accept the invitation as a lack of interest on his part. It is anything but that.

Enclosed is the beautiful belt buckle with the logo of the Association and the membership card. We do not feel it would be appropriate to retain these, given that the President cannot accept membership in the Association. I regret the inconvenience.

Again, your letter was very much appreciated. Please extend our best wishes to the Association members.

Sincerely,

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

Mr. C. R. Milligan  
937 Panorama Drive  
Bakersfield, California 93305

Enclosure

*CC: J. Hildner  
C/F*

THE WHITE HOUSE

WASHINGTON

May 28, 1982

MEMORANDUM FOR MICHAEL K. DEEVER  
DEPUTY CHIEF OF STAFF

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Honorary Membership in Western States  
Livestock Investigators Association

C.R. "Butch" Milligan forwarded to you the attached letter, transmitting an invitation for the President to become an honorary member of the Western States Livestock Investigators Association. You asked that this office draft a response, and complete a Gift Unit form and forward it to Mary Power.

Attached is a draft response for your signature. I recommend that, with this response, you return the belt buckle and membership card. To retain these might be considered presumptuous by the Association, given that we decline the invitation. This is, of course, purely a discretionary call, not a legal one.

Attachment

LAW OFFICES  
DI GIORGIO, DAVIS, KLEIN, WEGIS & DUGGAN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

V. P. DI GIORGIO  
THOMAS R. DAVIS  
ANTHONY J. KLEIN  
RALPH B. WEGIS  
THOMAS M. DUGGAN  
DOUGLAS S. FREDRICKS  
THOMAS V. DE NATALE, JR.  
MICHAEL J. WEBB  
RICHARD A. MONJE  
JOHN C. HALL  
PATRICIA J. RANDOLPH  
DONALD F. BUTZ

1111 TROXTON AVENUE  
POST OFFICE BOX 358  
BAKERSFIELD, CALIFORNIA 93302  
(805) 395-1000

TAFT OFFICE  
103 ADKISSON WAY  
TAFT, CALIFORNIA 93268  
(805) 765-7106

PLEASE REPLY TO:

April 23, 1982

07532207

Mr. Michael K. Deaver  
Assistant to the President  
Deputy Chief of Staff  
THE WHITE HOUSE  
1600 Pennsylvania Avenue  
Washington, D.C.

Dear Mike:

Enclosed is a letter addressed to President Reagan signed by Mr. Douglas A. Ward, President, Western States Livestock Investigators Association, which organization wishes to bestow an honorary membership to the President.

As stated in the letter to the President, this organization's membership consists of law enforcement agencies throughout the Western United States and ranchers who are associate members.

I might mention this membership is strong supporters of your administration and the Association would be greatly honored to have the President as a member.

Also enclosed is a membership card for the President and a beautiful belt buckle with the Association's logo which he may appreciate.

Once again Mike, I thank you and apologize for imposing upon your very rigorous schedule.

May we wish you, President Reagan, and the First Lady God Speed and best wishes always.

If we can be of any assistance to you in this area (I'll even go to Dewars for you) please do not hesitate to call.

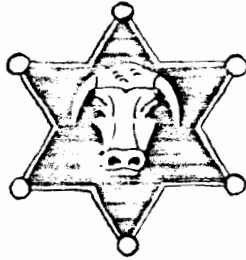
Respectfully,



C. R. "Butch" and Mita Milligan  
937 Panorama Drive  
Bakersfield, CA 93305

CRM/bl  
Enclosures

Western States Livestock  
Investigators Association



Dedicated to Protection of the Livestock Industry

April 20, 1982

The Honorable Ronald Reagan  
President of the United States of America

Dear Mr. President Reagan:

The membership of the Western States Livestock Investigators Association wishes to bestow upon you Honorary Membership to our association. The association's motto is "Dedicated to Protection of the Livestock Industry".

Our membership consists of law enforcement agencies throughout the Western United States and ranchers who are associate members.

We understand that you are a honorary member of the California State Police, a rancher in Santa Barbara County, and also a belt buckle collector.

We hope that you will accept this humble gift: a belt buckle with our logo. The logo is also inscribed on the back of the buckle. Also, please accept membership in our association.

The association would be greatly honored to have you as a member.

Sincerely,

A handwritten signature in cursive script that reads "Douglas A. Ward".

Douglas A. Ward, President  
1415 Truxtun Avenue  
Bakersfield, California 93301

White House Mail Room

Receipt for REGISTERED MAIL

Date 6-14-82 No. 200263

Time of Receipt 9:50 AM Init. WK

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Restricted Delivery \_\_\_\_\_

SENDER MICHAEL DEAUER  
W.H.

ADDRESSEE MR. C.R. MILLIGAN  
937 PANORAMA DR.  
BAKER FIELD, CA. 93305