

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mr. Chapman:

Thank you for your letter. I know that President Reagan will be as pleased by your support as I am.

The President is convinced that the essential elements of his Program for Economic Recovery are essential to renewing the strength of our national economy. You can be sure that he will do everything in his power to keep America on the road to recovery.

With best wishes,

Sincerely,

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

Mr. Dave Chapman
7 Buffalo Ridge
Houston, TX 77056

DAVE CHAPMAN
7 BUFFALO RIDGE
HOUSTON, TEXAS 77056

May 27, 1982

Mr. Michael Deaver
Deputy Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. Deaver:

I am contacting you in support of President Reagan's original program to reduce spending and stabilize the monetary base of our federal system. A great deal has been accomplished already in reducing the horrendous inflation rate, and I believe that if the President holds fast to his economic program, it will succeed and launch the nation into a healthy growth period for the eighties.

We are still behind our President and his program.

Thank you.

Sincerely,


Dave Chapman
Chairman
Mayan Construction, Inc.

DC/mwd

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mr. Doty:

Thank you for your recent letter concerning economic policy. I appreciate the concern which prompted you to write.

It was good of you to bring to my attention a copy of your letter to President Reagan. You should receive a reply from his office within a few weeks. However, with the heavy volume of correspondence which he receives daily, it sometimes takes awhile before responses are sent out.

Again, thank you for your comments and suggestions.

With best wishes,

Sincerely,

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

Mr. George Doty
2550 University Heights
Boulder, CO 80302

George Doty
2550 University Heights,
Boulder, Colorado, 80302
May 10, 1982

Mr. Michael K. Deaver
Assistant to the President
Deputy Chief of Staff
The White House
Washington, D. C. 20510

Dear Mr. Deaver:

Enclosed is a copy of a letter I have just mailed to President Reagan together with a copy of the one I sent to him last November 12th, a copy of which you also received at that time.

I know that you are completely aware of the fact that we MUST DO SOMETHING AND DO IT FAST IF WE ARE TO AVOID ECONOMIC DISASTER. I am so completely confident about the merit of my proposal that I respectfully ask you to give it a second consideration. I sincerely believe it could get the job done.

I sincerely thank you and remain,

Very truly yours,

George Doty
George Doty

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mrs. Labbe:

Thank you for your message. I know that President Reagan will be as pleased by your support as I was.

The President and the members of his Administration are dedicated to resolving the problems which our nation has faced in recent years. Knowing of your support is very encouraging.

With best wishes,

Sincerely,

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

Mrs. Helen McManus Labbe
Route 1
Dover, NH 03820

Route 1

Hoves M.H

May 28, 1982

Dear Mr. Heaver,

When you have time will you please pass this information on to the President,

at the Senior Center, Third St.
Hoves M.H 03820, we have
3000 Seniors listed.

If, and when the President decides to run again, you let me know and I will get busy at the Center.

Sincerely,

Helin McManus Labbe.

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mr. Evans:

Thank you for your letter. I know that President Reagan will be as pleased by your support as I am.

The President is convinced that the essential elements of his Program for Economic Recovery are essential to renewing the strength of our national economy. You can be sure that he will do everything in his power to keep America on the road to recovery.

With best wishes,

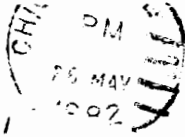
Sincerely,

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

Mr. Hugh Evans
President
Old Ben Coal Company
69 West Washington
Chicago, IL 60602

CF

Dear Mr. Hoover,



6970 Washington
Chicago, IL 60604
May 25, 1932

I strongly support the President's economic program. Tax Cuts are a key to getting us going again as a Nation. Please tell him he has strong coal industry support.

Yours truly,
Hugh Evans Pres.
Old Ben Coal Co.

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mr. Ford:

Thank you for your recent letter regarding interest rates. I appreciate the concern which prompted you to write.

It was good of you to bring to my attention a copy of your letter to President Reagan. You should receive a reply from his office within a few weeks. However, with the heavy volume of correspondence which he receives daily, it sometimes takes awhile before responses are sent out.

Again, thank you for your comments and suggestions.

With best wishes,

Sincerely,

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

Mr. George E. Ford
300 Regent Park
Palm Beach, FL 33480

GEORGE E. FORD
300 REGENT PARK
PALM BEACH, FLORIDA
33480

305-659-2016

May 19, 1982

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

Dear Mr. Deaver:

We are rapidly being talked into a great depression by the Liberal Democrats and the Radical News Media; also the results of High Interest Rates.

The only way we will prevent a full scale depression and get out of the present recession is to cut interest rates to 8 or 9% immediately.

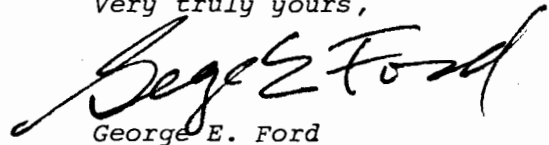
President Reagan can do this by Executive Order. If done at once it would start an upward business trend to reduce unemployment and assure a Republican Victory in 1982.

The President must act on this matter at once. We can no longer go along with the Federal Reserves bumbling and stumbling and acting like death warmed over. Under their control our Interest Rate and Money Supply Curves look like a bouncing yoh yoh.

If we do not act at once the Democrats will gain enough momentum to control not only the House but also the Senate. If they get control they will reverse all the good work that has been done.

Please show a copy of my letter to President Reagan and implore him to act.

Very truly yours,


George E. Ford

GEF:ro

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mr. and Mrs. Roest:

Thank you for your recent letter urging support for a Senate bill to help free Amerasians.

I appreciate your interest in contacting me, and please know that your views have been communicated to the President's policy staff. Be assured that the concerns you have raised will be carefully noted.

Sincerely,

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

Mr. and Mrs. Herm Roest
20707 Northeast Risto Road
Battleground, WA 98604

6-2

Dear Sir,

We are writing to you to ask you to please support Senate Bill # 1598, to free the Amerasians.

These children are treated as outcasts because they are half American, they deserve the right to live in their father's country.

We have four adopted children, 3 from overseas, we are willing, as are many families to take these children and give them homes.

Could you please support this important Bill?

Thank you

Mr & Mrs. Herm Roet

20707 N.E. Risto Rd.

Battleground, WA

98604

THE WHITE HOUSE

WASHINGTON

June 14, 1982

Dear Mrs. Chaney:

Thank you for your recent letter urging support for a Senate bill to help free Amerasians.

I appreciate your interest in contacting me, and please know that your views have been communicated to the President's policy staff. Be assured that the concerns you have raised will be carefully noted.

Sincerely,

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

Mrs. Henry Chaney
7113 Mississippi Drive
Vancouver, WA 98664

Cassie Delia Chaney
7113 Mississippi Drive
Vancouver, Wa. 98664
June 1, 1982

Mike Deaver
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Mr. Deaver:

RE: Senate Bill #1698

It is my understanding that S.B. #1698 will be presented to the Senate on the 14th of June. I wish to express my concern for the thousands of children whose future will be determined by the result of the vote on this bill.

We have living in our home, as one of our family members, an Amerasian boy from Korea. He is on a student visa and is attending high school here. He is an excellent student and hopes to attend university and become an architect. He would be an excellent American citizen!

Not only do we want immigration and citizenship rights for "our son" but for all children who were fathered by American citizens. Surely, the children who are half American are entitled to citizenship in the country of their fathers, if that is their desire.

Please do everything possible to encourage passage of this bill to give "special preference" to these children and express our concern to the President for his support.

Thank you for your time and consideration.

Cassie Delia Chaney
Cassie Delia Chaney
(Mrs. Henry Chaney)

THE WHITE HOUSE
WASHINGTON


June 15, 1982

Dear Mr. Wolf:

Thank you for your letter to Mr. Deaver
of June 1st.

If you would care to give me a call when
you arrive in Washington, I will try to
arrange a Congressional Tour of the White
House for you and your family. This may
be impossible, however, since tourist
season has begun and most of the White
House tours are booked. May I suggest
that you contact your Congressman before
you arrive to see if he has any tickets
available for a day agreeable to you.

Sincerely,


SHIRLEY MOORE
Staff Assistant to
Michael K. Deaver

Mr. Matthew D. Wolf
Phillips, Rosen and Company
2001 Wilshire Blvd. Suite 400
Santa Monica, CA 90403

PHILLIPS, ROSEN & COMPANY

A PARTNERSHIP INCLUDING ACCOUNTANCY CORPORATIONS
CERTIFIED PUBLIC ACCOUNTANTS

SEYMOUR S. PHILLIPS, C.P.A.*
DONALD J. ROSEN, C.P.A.*
JOEL KAPLAN, C.P.A.
*AN ACCOUNTANCY CORPORATION

June 1, 1982

Mr. Michael Deaver
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. Deaver:

As a way to reintroduce myself to you, let me go back about two or three years. At that time I was an accounting supervisor with the C.P.A. firm of Singer, Lewak, Greenbaum and Goldstein, and I was responsible for the account of Deaver & Hannaford. My name is Matthew Wolf and I worked for Harvey Goldstein.

This letter may seem presumptuous on my part, but when I heard you were in Washington, D.C. and were President Regan's aide, I thought that if I were fortunate enough to be able to get to our nation's capitl., that I would drop you a note. As it has worked out, my faily, which includes my wife, two children (10 and 100) and myself, will be arriving in Washington on Thursday, July 15, 1982 and will be departing on Monday, July 19, 1982. I am curious if there is anything you could do for us in the way of getting into the White House, or any of the many major attractions in the capital.

My address is:

Mr. Matthew Wolf
28757 Aries Street
Agoura, California 91301

Thanking you in advance,

Very truly yours,



Matthew D. Wolf

THE WHITE HOUSE
WASHINGTON

June 15, 1982

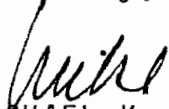
Dear Rick:

Thank you for your thoughtful telegram. I'm pleased you approved of the "Nightline" interview. We were attempting to show the public what you guys have been going through in your advance work for years.

We feel that the European trip was a success, and hope that the future will bear us out.

Thanks again for thinking of us on the eve of our departure.

Sincerely,



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

Mr. Rick Ahearn
25 Greycliff Road
Boston, MA 02135

J COLLINS
25 GREYCLIFF RD
BOSTON MA 02135

WESTERN UNION
MAILGRAM

1-074078S152 06/01/82 ICS IPMTZZ CSP WWSA
6177833109 MGM TDMT BOSTON MA 50 06-01 1103P EST

HONORABLE MICHAEL K BEAVER
WHITE HOUSE
WASHINGTON DC 20500

DEAR MIKE:

CONGRATULATIONS ON YOUR ELOQUENT INTERVIEW ON TONIGHTS NIGHT LINE
PROGRAM AND SINCERE BEST WISHES TO YOU AND THE PRESIDENT FOR A
SUCCESSFUL SAFE AND PRODUCTIVE EUROPEAN TOUR, WITH HELP LIKE MIKE
MCMANUS YOU CANT GO ON!

SINCERELY,
RICK AHEARN

23:04 EST

MGMCOMP

THE WHITE HOUSE

WASHINGTON

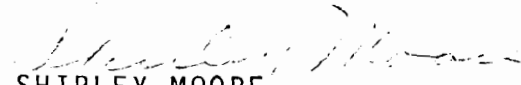
June 15, 1982

Dear Mr. Ehrlich:

Thank you for your invitation for Mr. Deaver to host a session in his office on July 19th, 20th or 21st. I am sorry that he is unable to accommodate your request. His daily schedule will not allow his participation at this time.

He appreciates your thoughtfulness in inviting him to attend the intern program.

Sincerely,


SHIRLEY MOORE
Staff Assistant to
Michael K. Deaver

Mr. Thomas Ehrlich
Provost
University of Pennsylvania
Philadelphia, PA 19104



MICHAEL K. DEEVER

Dear June It was very thoughtful
of you to write the warm letter on
my return home from Europe.
Particularly, in light of some of the
press comments. I too think the
President was smashing. I was very
proud to be an American and part of it.
Warm thanks. Mike

The President's Commission on Executive Exchange
The White House

June 14, 1982

Executive Director

Dear Mike:

Congratulations on the superb planning of President Reagan's historical summit meeting this last week.

The President's triumphant movements from country to country were conceived with intelligence and sensitivity.

President Reagan's stately and dignified manner reflected your ability, Mike, to brief him well through the rigorous and unfamiliar ceremonies.

I am certain that there were many uncertain moments, however, the public perceived the week as being piloted with stunning skill --

The nation watched with great pride as our President, from embarkation to conclusion, conducted himself as the great statesman that he is --

I salute you, Mike, for the low-key profile that you have chosen to play -- (I did see you as spokesman prior to the trip, and was delighted by your outstanding performance) -- you are not only a loyal friend to the President, but also a great comfort to the nation --

- 2 -

in that a man of your caliber is a confidant
to the highest position in the land.

You and Carolyn are to be complimented for
the gracious appearance you made throughout
Europe, representing this Administration.

Most Fondly,

A handwritten signature in black ink, appearing to read "June", written in a cursive style.

June G. Walker
Executive Director

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

THE WHITE HOUSE
WASHINGTON

June 15, 1982

Dear Ben:

I received the two beautiful belt buckles with the Southern Pacific's Daylight engine #4449 on them. Thank you so much for remembering.

It was great seeing you at the dinner in Los Angeles. I thought it was a marvelous event, and we really enjoyed seeing all our old friends.

I am taking the President's buckle to him today. I know he will be extremely pleased.

Sincerely,



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

Mr. B. F. Biaggini
Chairman
Southern Pacific Company
Southern Pacific Building
One Market Plaza
San Francisco, CA 94105

THE WHITE HOUSE
WASHINGTON

June 15, 1982

Dear John:

Thanks for your nice letter and the attached inventory of the California Club Wine. It's not only interesting, but impressive.

I enjoyed seeing you at the Los Angeles dinner last month. It was a great event.

Sincerely,



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

Mr. John A. Sturgeon
333 South Hope Street
48th Floor
Los Angeles, CA 90071

THE WHITE HOUSE
WASHINGTON

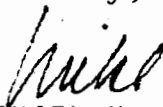
June 15, 1982

Dear Rick:

Congratulations on being selected to serve as the Executive Director of the National Advisory Council on Adult Education. It will be a challenge, but you are certainly up to it.

We will be looking for good things to happen with your Council.

Sincerely,


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

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



NATIONAL ADVISORY COUNCIL on ADULT EDUCATION

June 9, 1982

*Congratulate
note*

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

Dear Mike:

I thought I would drop you a quick note to express my sincere pleasure at being selected by the White House to serve as the new Executive Director of the National Advisory Council on Adult Education. My appointment to the Council, which began June 1, promises to be challenging and exciting.

I look forward with great enthusiasm to accepting my new responsibilities and to making a meaningful contribution to both this administration and to the many participants in adult education.

Should you have any need to review the area of adult education, I would welcome the opportunity to talk with you.

Sincerely yours,

Rick Ventura
Executive Director

THE WHITE HOUSE

WASHINGTON

June 15, 1982

Dear Congressman Seiberling:

Thank you for your letter of April 28, 1982, requesting my views on H.R. 5682, the "Productivity Incentive Act of 1982," a bill you have introduced to stimulate productivity by encouraging employers, through the use of tax credits, to employ systems of compensation that provide bonuses as incentives to workers.

The Administration shares your concern about the productivity of American industry. In this connection, the Office of Management and Budget (OMB) advises me that it has referred H.R. 5682 to a number of Executive Branch agencies for review. After that review is complete, the Department of the Treasury will provide the Committee on Ways and Means with the Administration's views. At that time, we will be pleased to share those views with you, as well.

Thank you again for writing.

Sincerely,



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

The Honorable John F. Seiberling
House of Representatives
Washington, D.C. 20515

cc: K. Dukeminster

CF

Honorable John F. Seiberling
House of Representatives
Washington, D.C. 20515

type
A-Kudlow
6-9

DRAFT

Dear Congressman Seiberling:

Thank you for your letter of April 28, 1982, requesting my views on H.R. 5682, the "Productivity Incentive Act of 1982," a bill you have introduced to stimulate productivity by encouraging employers, through the use of tax credits, to employ systems of compensation that provide bonuses as incentives to workers.

The Administration shares your concern about the productivity of American industry. In this connection, the Office of Management and Budget (OMB) advises me that it has referred H.R. 5682 to a number of Executive Branch agencies for review. After that review is complete, the Department of the Treasury will provide the Committee on Ways and Means with the Administration's views. At that time, we will be pleased to share those views with you, as well.

Thank you again for writing.

Sincerely,

JOHN F. SEIBERLING
14TH DISTRICT, OHIO

COMMITTEES:
JUDICIARY
INTERIOR AND
INSULAR AFFAIRS

Congress of the United States
House of Representatives
Washington, D.C. 20515

12660
WASHINGTON OFFICE:
1225 LONGWORTH HOUSE OFFICE BUILDING
TELEPHONE (202) 225-5231

DISTRICT OFFICE:
FEDERAL BUILDING
AKRON, OHIO 44308
TELEPHONE: (216) 375-5710

April 28, 1982

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

KD
z

Dear Mr. Deaver:

I am writing to solicit your views on legislation I have introduced to address one of the most serious issues facing our nation: the lack of productivity growth.

I believe that a root cause of the decline in our productivity growth rate can be traced to the way in which workers are compensated in our country. Under the most prevalent wage system, workers receive a set hourly wage regardless of the company's profitability.

There is obviously little room in this system for a company to adjust its total labor costs to cope with the cycles of business adversity which are inevitable in our economic system. As a result, some workers are kept on at full pay, while others are furloughed. Nor does the system give the average worker an incentive to give his employer more than minimum effort, since any gain from his labor goes to someone else.

Our wage system stands in marked contrast to that which predominates in Japan. Workers in most of Japan's largest companies receive an annual or semi-annual bonus, which constitutes as much as a third of their total annual compensation. Because of this, and for related reasons, such as lifetime employment, workers justifiably feel that they have a much greater stake in the company's success and are willing to make the sacrifices necessary to see the company through hard times.

What is even more important, the bonus system gives the Japanese company the flexibility to keep all its workers on the payroll. During times of low or no profits, it can reduce or eliminate the bonus, affecting all employees equally, without having to lay anyone off.

The bill I have introduced, the Productivity Incentive Act, seeks to promote adoption in the U.S. of this bonus system of compensation. Under my bill, employers who pay their workers a bonus (up to a third of total annual compensation) based on corporate profits or productivity improvements will receive a tax credit equal to 5% of the bonus.

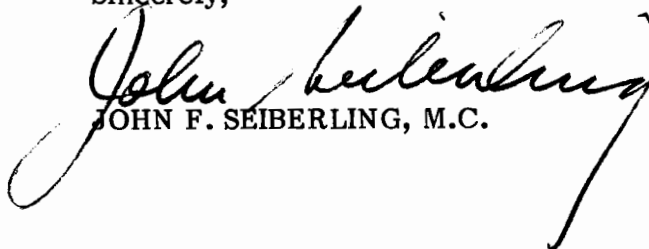
April 28, 1982
Page Two

I believe that both workers and employers in this country are ready to move toward this type of compensation plan. In fact, the new contracts which the United Auto Workers has negotiated with Ford and General Motors incorporate just such a profit-sharing arrangement.

I am very interested in having your response to this proposal. A copy of the bill and my introductory statement are enclosed.

Thank you very much for your time and consideration.

Sincerely,



JOHN F. SEIBERLING, M.C.

JFS:jmb



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

Vol. 128

WASHINGTON, TUESDAY, APRIL 27, 1982

No. 47

House of Representatives

H 1607

H.R. 5682

A bill to amend the Internal Revenue Code of 1954 to encourage increases in productivity by special tax treatment for certain employee bonuses which are determined on the basis of profits or cost savings

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Productivity Incentive Act of 1982".

SEC. 2. Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44G the following new section:

"SEC. 44H. AMOUNTS PAID UNDER PRODUCTIVITY INCENTIVE PLANS.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 5 percent of the payments made by the taxpayer to any employee under a productivity incentive plan, if such payments are made during the taxable year or within 90 days after the end of the taxable year.

"(b) PRODUCTIVITY INCENTIVE PLAN.—For purposes of this section, the term "productivity incentive plan" means any written plan of an employer which provides bonuses (or similar amounts) to employees which are determined by reference to, but not in excess of, the employer's profits or cost savings resulting from increases in productivity if—

"(1) benefits provided under the plan do not discriminate in favor of employees who are—

- "(A) officers,
- "(B) shareholders, or
- "(C) highly compensated,

"(2) amounts payable under the plan to any employee are not paid less frequently than annually, and

"(3) the amounts payable under the plan do not comprise more than 33 percent of the total compensation paid or payable to the employee in or for the year in which the profits or cost-savings were realized.

"(c) For purposes of subsection (b), profits may be determined without regard to any deductions or credits allowable under any other section of this Code.

"(d) NOT DISCRIMINATORY WHEN BENEFITS BEAR UNIFORM RELATIONSHIP TO COMPENSATION.—A plan shall not be treated as discriminatory within the meaning of subsection (b)(1) merely because benefits on behalf of the employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees.

"(e) The amounts payable under the plan shall be in addition to (and not in lieu of) any compensation otherwise payable to the employee.

"(f) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed by this section for any taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43."

SEC. 3 (a) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after section 44G the following new section:

"Sec. 44H. Amounts paid under productivity incentive plans."

(b) The amendments made by this section shall apply to amounts paid by the employer after January 1, 1983, in taxable years ending after such date.

Productivity Act of 1982 (HR 5682)

THE PRODUCTIVITY INCENTIVE
ACT OF 1982

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1982

● Mr. SEIBERLING. Mr. Speaker, yesterday I introduced legislation designed to address one of the most serious issues facing this country—the lack of productivity improvement.

Analysts disagree as to all the causes of the slowdown in the productivity growth rate in this country, but there is little doubt about its short- and long-term consequences. When wage increases outpace productivity improvements, as they have for many years now, the certain results are inflation and a declining standard of living.

If any country should be in serious economic difficulties these days, it is Japan. Japan has few natural resources, and must import virtually all of the raw materials, including energy, needed for modern industrial production. Yet rather than suffering from the kind of inflation and unemployment that we have experienced in the past 10 years, Japan's economy has grown and prospered.

Many reasons for this economic miracle have been suggested. Some are unlikely to be adopted in the United States because of differences between Japan's culture and ours. Lifetime employment, for example, has benefits for both company and employee, but our society values job mobility too much to make lifetime employment likely here.

One aspect of the Japanese economy which we probably can profitably adopt in this country relates to the wage structure. In Japan, worker pay in many cases does not consist only of a set hourly or weekly wage which is paid regardless of the company's performance. Instead, many Japanese workers receive a regular wage or salary plus a semiannual or annual bonus, based on the company's profits, which amounts to as much as half a year's pay.

This accomplishes several things. First of all, it gives the worker an incentive to be more cost conscious and more profit conscious, since his pay is going to depend to a considerable degree on the earnings of the company. It means that the other workers will also tend to discipline any worker laying down on the job, since, in so doing, he cuts into their earnings.

Second, and at least of equal importance, the system affords the Japanese company a means of adjusting its labor costs to meet changes in the business cycle without cutting the workers' weekly pay or resorting to layoffs. In fact, Japanese companies will make a strenuous effort to avoid laying off their employees. The resulting job security cannot help but produce greater feelings of loyalty on the part of the employees and better employer-employee relations.

Contrast that to the situation in the United States, where wage rates usually bear no direct relationship to productivity or earnings. The way U.S. companies usually adjust to downturns in the business cycle is to layoff employees. As a result, employees often feel that they have little stake in the company's performance. Under an inflexible wage structure, workers perceive their pay increases as being independent of the company's profitability. This wage structure gives them little incentive to use their ingenuity to help their company become more profitable by cutting costs and increasing productivity.

This kind of wage structure also emphasizes the divergence rather than the community of interest between employer and employee, and thereby contributes greatly to the deep antagonism that is so characteristic of labor-management relations in the United States. Our country can no longer afford such antagonism if it is to remain competitive in the new economic world of the 1980's.

My bill would encourage employers, with the consent of employees, to adopt the Japanese two-tier structure: a base wage and a bonus determined by reference to company profits or cost savings, with the bonus comprising up to one-third of an employee's annual compensation. To offset any additional costs associated with establishing and running this new wage system, employers would receive a tax credit under my bill equal to 5 percent of the bonuses they pay in a given year.

Of course, before such a system could be adopted in any company whose employees are represented by a labor union, it would have to be approved by the union, since Federal labor laws make any change in compensation the subject of collective bargaining, requiring the consent of the union as collective bargaining agent of the employees.

This bill is not a cure-all for our country's economic problems, but it should help improve job security as well as productivity. Moreover, the existing system is management's failure, not the workers'. American workers are not inferior to those in Japan; the problem is that management has failed to tap the richest source of information about cost reductions and productivity improvements—the workers themselves. It is instructive to note that the plant which captured Sony's 1980 worldwide productivity award was a San Diego plant using American workers.

Mr. Speaker, many other changes must accompany the type of wage restructuring which I am advocating, if we are to reverse our poor productivity growth in recent years. Particularly, the distortions in investment incentives which Congress approved in the Economic Recovery Tax Act must be addressed. There is no justification for tax incentives to investment which are at odds with economic incentives. To address this problem, I think Congress should repeal the existing system of accelerated depreciation and replace it with expensing, as was proposed in the Tax Incentive Act of 1981. And there are other proposals before Congress to improve our Nation's productivity growth rate which deserve serious attention.

Productivity is at the root of our country's economic problems. If we concentrate simply on dividing up a diminishing pie, we will all be losers. Instead, let us concentrate on enlarging the pie by examining policies and practices which hinder productivity improvement. ●



MICHAEL K. DEAVER

Dear Dean -

Thanks for the note and the wonderful picture of Shelly. You and Fran should be very proud of her. We're all fine - a bit out of hand after the European trip and now off to Houston and New York. The press keeps you alert. My best to all of you -
respects Mike

THE WHITE HOUSE
WASHINGTON

Mr. Dean Eslick
16902 Cod Circle #D
Huntington Beach, CA 92647

June 23rd, 1982.

Dear Mr. Deaver,

Would your office please send details about the President's recent visit to Europe, & his itinerary of this visit, & where there White House photographs made during the President's visit, I would be most delighted to have your office to send these photographs of the President's meeting with Queen Elizabeth at Windsor Castle, & the President's speech before the British Parliament, & details about of his meetings with & photographs of Mr. Reagan with Prime Minster Thatcher & when he visited the Prime Minster 's residence.

*** Other White House Press Secreties have gladly sent the Pres.'s itinerary of the President's visits to Europe & other foreign countries so I would be most delighted to have your office to send this itinerary of the President's 10-day visit.

& Photographs of the President's meeting with Pope John Paul 11 at the Vatican, this I would like to have for my collection, & a Press statement made by your office or the White House Press Office of his visit.

Would your office please send the President's speech before the Parliament in Bonn, West Ger. & photographs of the President & Chancellor Schmidt.

& the President's meeting with France's Pres. Mitterrand, when arrivaing in France, & Press details about this meeting & the "DECLARATION." released after the conference held in France about the "HEADS OF STATE'S" ideas about events, & topics talked about, & statements by all of these "HEADS OF STATES." attending this meeting to the Press.

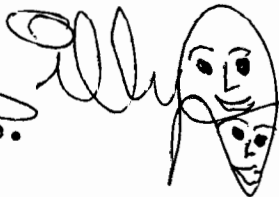
I'm mainly interested in having photographs of the President's meeting with Queen Elizabeth & Prinee Philip , & all I've listed, & photographs of these "HEADS OF STATES." the Pres. met with.

I would be most delighted if your office could even pass this on to President Reagan.

If your office can help me in this about the Pres.'s visit to England & his meeting with the Queen I would be very, greatful to you, & that your office could send the itinerary of his visit "STEP BY STEP."

THANK YOU.

Billy Davis - 1118. Morrow Ave.
Nashville, Tn. 37204.



4-16-82
Called & told him to direct requests to Paul's office.
Bob

THE WHITE HOUSE

WASHINGTON

June 16, 1982

Dear George:

Thanks for the kind words about the European trip. We felt it was quite successful, but it's nice to hear it from the outside.

Please let me know when you'll be in the area and we'll try to set up a meeting so you and Case can meet Mike McManus in my office.

Sincerely,

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

Mr. George Allen
Chairman
The President's Council on Physical
Fitness and Sports
Washington, D.C. 20201

cc: M. McManus

~~755-8800~~

755-7478



THE PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS
213-373-5163 WASHINGTON, D.C. 20501

June 1, 1982

*Mike Mc
lets do.*

MEMORANDUM FOR:

Michael Deaver
Deputy Chief of Staff
The White House

SUBJECT: Request for Meeting

It has been some time since we've gotten together and since Joe Canzeri left. ~~After your return from Europe I would appreciate meeting with you to bring you up to date on developments in the national program of physical fitness and sports. Too, Case Conrad and I would like to meet Mike McManus of your staff.~~ If you could give me a time in June, I am sure I could work out my schedule to arrange to be here.

Read a great deal about the exemplary job you're doing for the President and our country and I am proud to have you as a friend.

George Allen
George Allen
Chairman

*Call
Margarie
6687*

THE WHITE HOUSE

WASHINGTON

June 16, 1982

Dear Mr. Straker:

This letter authorizes S. Jackson Faris to order blue leather picture frames with the presidential seal for a project which is to be paid for by the Senate-House Dinner Committee.

Thank you for your attention to this matter.

Sincerely,

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

Mr. Neal Straker, Manager
Copenhaver's
1625 Connecticut Avenue, N.W.
Washington, D.C. 20009

JACK FARIS
& ASSOCIATES

YES

NO

June 2, 1982

Ms. Shirley Moore
Office of Michael K. Deaver
The White House
Washington, DC 20500

Dear Shirley:

At Mike Deaver's recommendation, we decided to obtain leather picture frames for Senate-House Dinner Vice Chairmen who doubled their goal and who were then invited to the Oval Office for a picture with the President.

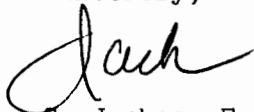
We took each person's picture with the President, the President presenting them with a blue leather picture frame. Our plan now is to take the picture of the individual and the President, with the President's signature, and place it in a blue leather frame to send to each individual with a note of thanks.

Shirley, the only hitch now is that Copenhaver's in Washington, who manufacture the frames for us, will not do so unless they receive a letter from the White House authorizing using the gold stamp. They already have the die made, they just need an okay from the White House.

If you would be kind enough to ~~send~~ approval to Neal Straker at Copenhaver's, authorizing me to order the frames, they will be ~~paid for by the Senate-House Dinner Committee.~~ Mr. Straker's address is: Mr. Neal Straker, Manager
Copenhaver's
1625 Connecticut Avenue, N.W.
Washington, DC 20009

Thanks for your help. If there is any problem, please give me a call.

Sincerely,



S. Jackson Faris

SJF:br