

THE WHITE HOUSE

WASHINGTON

July 23, 1984

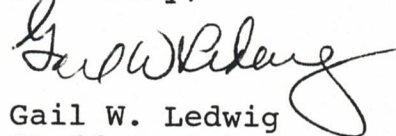
Dear Mr. McGrory:

Thank you for your nice letter and the attached newsclipping you recently sent to Michael K. Deaver. He certainly appreciates the thoughtfulness which prompted your taking your time to send the article from the Cleveland Plain Dealer for his attention.

Thank you for your strong support of President Reagan. Your words of encouragement mean alot.

With the President's best wishes,

Sincerely,



Gail W. Ledwig
Staff Assistant to
Michael K. Deaver

Mr. Mark McGrory
317 Shawnee Place
Huron, Ohio 44839

18 July 1984

The White House
1600 Pennsylvania Avenue
Washington, D.C.

Attn: Mr. Michael Deavers,

Dear Mr. Deavers,

Attached is an article from the July 18, 1984
edition of the Cleveland Plain Dealer.

I am sure you are aware of this article.
If you are not, maybe it could be useful for
you or the President to use against the
critics of the President's policies.

We need to keep President Reagan going for
another term to complete his programs, and if
this can help, go to it!

Thank-you.

MARK McGARY
317 Shawnee Place
Huron, Ohio 44839

rate, which has amassed an arsenal of tax cuts or raise taxes. Making these

U.S. deficit isn't as awful as you think

By Robert Eisner

EVANSTON, Ill.

A certain amount of hysteria has attended the issue of federal budget deficits, and there promises to be more as the presidential campaign heats up. A look at how deficits are calculated, however, reveals that they are not always what they seem. That has some important implications for future, as well as past, policy decisions.

Except for 1969, when we recorded a modest surplus of \$3 billion, the government has run a deficit every year since 1960. Yet, until 1980, real, net federal debt (after adjusting for inflation and the increased worth of government assets) generally declined. By 1980, the government's assets far outweighed its debts, and its positive net worth was growing.

How could the government's balance sheet have moved into the black while it ran yearly deficits? The explanation lies in the hidden effects of accounting procedures

and inflation, which have skewed our perception of fiscal reality for decades.

For one thing, the federal government does not have a separate capital budget. As a result, all federal expenditures for such things as public buildings, roads, harbors, post offices, trucks and computers become a part of the deficit, as if they were welfare payments rather than investments in hard assets. In corporate budgets, by contrast, expenditures for new plant and equipment are logically treated differently from current expenses, since they represent hard, money-making assets (as opposed to labor and raw materials costs, which are true expenses).

If private companies used federal accounting procedures, many profitable corporations would become money-losers.

If the government had used the same accounting practices that private companies use, its 1980 budget deficit of \$61 billion would have been cut by a third and the 1981 deficit of \$62 billion by \$27 billion. The corrections for 1982 and 1983 would have been even

larger — \$43 billion and \$31 billion. But the official deficits then were also much larger — \$112 billion and \$186 billion.

We seldom consider the government's accumulated assets. Yet, it holds close to a trillion dollars of tangible items (buildings, roads, equipment, inventories and land) and nearly as much in financial assets (significant quantities of the federal debt are held by the Federal Reserve, Social Security and government pension funds). The Treasury also happens to have some gold, well upwards of \$100 billion at current prices.

Netting out all the assets and liabilities yields some striking results. While the federal government reported budget deficits totaling \$336 billion from 1947 to 1980, the net federal debt, after accounting for the increased value of financial assets, grew by only \$222 billion. Federal net worth — its assets minus its liabilities — went from negative \$56 billion in 1947 to \$279 billion in 1980.

But this figure doesn't include the effects of inflation, which has had an even more startling impact. Inflation mitigates budget

deficits in two ways. First, it simply reduces the real value of that debt by depreciating the value of the dollar. Second, it leads to higher interest rates which, in turn, lower the market prices of outstanding government debt.

Thus, the real market value of the net debt (in constant 1972 dollars) actually declined by \$231 billion from 1946 to 1980. Adjusting for population growth, the real net debt per capita fell from \$3,384 to \$1,078.

In 1980, when the official deficit was \$61 billion, bondholders lost, and the Treasury gained, over \$12 billion dollars through the fall in market value of outstanding debt, and another \$56 billion in the fall in real value of that debt due to inflation. Inclusion of this "inflation tax" converts the government's nominal deficit of \$61 billion for 1980 into a \$7 billion surplus.

Inflation taxes may be undesirable, but they can't be ignored. When we take them into account, we may have to revise recent economic history. For example, in

the years 1978 to 1981, we actually enjoyed budget surpluses. Those surpluses, coupled with restrictive monetary policy, curbed the purchasing power of the private sector, contributing significantly to the severe recession of 1981 and 1982.

Does this mean that we should blissfully ignore the present budget deficits, as President Reagan at times seems to want to do? No, because forecasters have assumed low interest rates and inflation in making the projections. Hence the present deficits threaten to bring on precisely those inflationary pressures and economic distortions improperly attributed to past deficits.

Congress should establish a capital budget that reflects the government's real financial position and economic policymaker should pay attention to the effect of inflation. In making policy, it is often useful to have the correct information.

Eisner is professor of economics at Northwestern University.

NEW YORK TIMES

Cleveland Plain Dealer, July 18, 1981

THE WHITE HOUSE

WASHINGTON

July 23, 1984

Dear Mr. Christie:

Thank you very much for your very helpful letter on the concerns of United States shipbuilders. I also appreciate your suggestion that Mr. Lee Rice should be given an opportunity to meet with the President.

Please be assured that the matters you have raised are subjects of continuing, active consideration within the Administration. We appreciate the industry's feeling that the Navy shipbuilding program does not help the shipyards that are primarily dependent on commercial work. Although the issues surrounding the Navy's program are deep-seated and highly complex, it should be noted that the Administration's programs have yielded more shipyard business than those of any other free country.

Despite the difficulties foreseen by some builders, the value of the Navy's programs cannot be discounted. They are providing more business to American shipyards than in any period since World War II. The Navy work has entailed a total of \$43.9 billion for the period 1981-1984. Another \$84.1 billion will be appropriated for this work during 1985-1989. It is anticipated that about 40 percent of this goes directly to the yards and the remainder is spread among suppliers and ancillary system manufacturers throughout the country.

The Navy program is not limited exclusively to combat ships. It includes merchant-type auxiliaries (T-Ships) for the Military Sealift Command, which are spread among some yards that have traditionally depended primarily on commercial work. Nine of these yards have already received \$3.1 billion in contracts for the construction of 22 T-Ships and the conversion of 21 existing vessels. While nearly all of these vessels will have been completed by early 1986, a considerable number of T-Ship contracts are expected to be awarded between Fiscal Years 1985 and 1989.

At a time when maritime recession has brought hardship to shipbuilders worldwide, our Navy program provides a unique stimulus for the American industry. The Administration has also helped shipbuilders in other ways. Preparation of increasing numbers of ships for layup in the reserve fleet has yielded a small but reliable source of business, primarily for

the smaller yards. Additionally, our shipbuilding research and development efforts, co-funded by the government and the industry, are developing ways to increase shipyard productivity. It is estimated that improved shipbuilding methods introduced to our yards have already achieved productivity gains of 10 to 30 percent.

It is clear that U.S. shipyards are not cost-competitive in the world shipbuilding market, and it is doubtful that they can be in the foreseeable future. This problem is complicated by worldwide excess of capacity and the related depression in the prices of ships. We can't simply build ships for which there is no market, and it must be clear that the country must pay priority attention to the necessary and long overdue defense buildup. Nonetheless, we are deeply concerned about the shipbuilders' current problems, and the Navy is working closely with the Maritime Administration in an effort to find solutions that are consistent with prudent fiscal policy.

The Navy and the Maritime Administration are not working in isolation. Please be aware that the President is also concerned, as you have recognized in your letter. He is interested in the suggestions that have been advanced by the industry and any new thoughts that industry leaders may bring forth as we proceed. There have been a number of recommendations for constructive meetings with industry leaders and we are actively considering these recommendations.

Sincerely,

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

Mr. Alexander K. Christie
Alexander K. Christie Associates
5305 Cromwell Drive
Bethesda, Maryland 20816

320/4904

Alexander K. Christie

ALEXANDER K. CHRISTIE ASSOCIATES

5305 CROMWELL DRIVE

BETHESDA, MD 20816

2800
7/14/64

Dear Mike:

Please in Gods name set aside several days before the Convention for a "Maritime Day" or Days.

The President talked to a U. A. W. Local in Detroit. He has addressed the Environment - Wildlife, and today on Auto safety - all splendid sentiments and by and large productive.

A "Maritime Day" would call for visiting one or two Shipyards were the President would speak to the various Shipbuilding Trades and management

- (1) Newport News would be ideal. It is the largest in the Nation - all work for the Navy.
- (2) The other yard is in ~~Bath~~ Maine, the Bath Shipyard. It has a splendid reputation.

Alexander K. Christie

ALEXANDER K. CHRISTIE ASSOCIATES

5305 CROMWELL DRIVE

BETHESDA, MD 20816

The President's visit to Newport News and the Bath, Maine, Shipyards would go a long way to show to both Industry and Labor that the President is fully aware and appreciative of the contribution being made by the Shipbuilding Industry.

I don't need to spell out the other benefits that would come from this recognition by the President.

Please, Mike, schedule this before the convention. I would be grateful if I can help you with the venture.

Respectfully
Alexander K. Christie

Alexander K. Christie

ALEXANDER K. CHRISTIE ASSOCIATES

5305 CROMWELL DRIVE

BETHESDA, MD 20816

To Michael Drane

7/11/84

Dear Mike:

I would like to suggest that the two "Remarks" of the President at Greengrath, France, Omaha Beach, Colleville Sur Mer, France, be printed in booklet form.

They will be historical documents.

The Joint Committee on Printing could undertake this. Any Congressman could introduce a resolution to that effect on the floor of the House.

I have mailed a copy to Scotland, and have received a request for twenty more copies.

The Legion and others I know would be grateful to receive these two splendid speeches. (and the pending copy)

Alex

Alexander K. Christie

ALEXANDER K. CHRISTIE ASSOCIATES

5305 CROMWELL DRIVE

BETHESDA, MD 20816

Dear Mike:

I pray as only a Presbyterian can
pray that you have succeeded in scheduling
Mr. Lee Rice, President of the Shipbuilders to
see the President.

All is not quiet on the Maritime front.

Alex.



In Address to Industry Officials

MONDALE VOICES MARITIME CONCERNS

In a speech to ship owners, maritime labor and other industry officials, former Vice President Walter Mondale said he separates himself from the Reagan Administration because he understands the problems facing the maritime industry, and -- unlike presidents of past and present -- he said he will fulfill his promises to help solve those problems.

Mondale delivered his remarks on May 17, at the headquarters of the Seafarers International Union in Camp Springs, Md., to a crowd of about 300 people.

U.S. SHIPPING DECLINE

Mondale cited several statistics which he said illustrate how the merchant marine industry has withered over the past several years.

"Thirty years ago we had the second largest merchant marine in the world: a thousand private, active, ocean-going ships," said Mondale.

(continued on p.2)

PLANS FOR PRESIDENCY

At the close of his address, Mondale outlined four points he said he will commit to:

- The first is a "new partnership" between the federal government and the maritime industry. "Too often in the past, lower-level officials in federal agencies have undermined the industry by short-sightedly pursuing their own goals," said Mondale.

"I'm going to make certain that all the officials that work for me implement the policies to which I'm committed."

- The second point is that the government must acknowledge the importance of the maritime industry to national security, said Mondale. "I will move forward aggressively with a program to make greater use of merchant seamen to help support our Navy."

- Mondale also said that the partnership between government and the maritime industry must be reviewed in terms of international trade.

The U.S. must negotiate more bilateral trade agreements said Mondale, "taking care to ensure that the needs of all shippers and carriers are fairly treated."

- Finally, the most important part of this partnership, said Mondale, must be communications. He said that as president, he will ensure that the channels of communication between the White House and industry officials, including labor, remain open and active.

Inside

- Legislative CURRENTS on Capitol Hill
- Decline of merchant marine fleet (graph)
- Comprehensive waterways legislation possible
- Philippines cargo preference scrapped

MONDALE ADDRESSES MERCHANT MARINE INDUSTRY

(continued from p.1)

"Today we are less than half that.

"Today the United States merchant marine is composed of fewer ships than were lost in World War II.

"Thirty years ago the U.S.-flag fleet carried a third of our imports and exports -- today, only 4 percent," said Mondale.

"In '72 and '73, ninety-one new merchant ships were ordered; in '81 it was down to twelve. This year not a single merchant ship is being built in

any U.S. shipyard." As a result, said Mondale, one-half our nation's sailors and shipyard workers are unemployed.

CURRENT ADMINISTRATION

Mondale directed many of his comments to the lack of support from the Reagan Administration, something he said he will change once elected.

"He (Reagan) did away with the shipbuilding subsidy program, he discontinued support for the maritime operating subsidy, and despite his

promise to defend our trade interests, he has failed to give us any new bilateral trade agreements," said Mondale.

"After four years our merchant fleet will have a hundred fewer privately owned ocean-going vessels. After four years of Mr. Reagan, more of our liner trades are moving on ships flying foreign flags.

"After four years of Mr. Reagan, America will have three fewer shipyards for lack of new orders. After four years of Mr. Reagan, the average employment in our shipyards will have declined by ten thousand workers. And after four years, you can't afford another four years."

PHILIPPINES ABANDONS CONTROVERSIAL 40/40/20 CARGO-PREFERENCE POLICY

The Philippine government announced last month that it has abandoned its 40-40-20 cargo-sharing plan with the United States, thus ending more than two years of controversy among industry officials.

The government agency in Manila, known as the Maritime Industry Authority or Marina, said its decision was linked to the arrest for nonpayment of debts of two private Philippine ships in the U.S. These ships represented half the fleet operating in U.S. trade of the Maritime Company of the Philippines (MCP), and the MCP has now suspended all operations to U.S. ports.

Analysts in the United States say that additional factors contributed to the Philippines' decision; most notably, the cargo-sharing program, first issued in January 1982, had not produced the expected benefits for the

Philippine merchant marine.

The Philippine plan sought to reserve 40 percent of all export and import liner cargoes for both the U.S. and the Philippines, while the remaining 20 percent was reserved for third-flag carriers only after the 40-percent quotas were met.

Recent reports by Marina indicate that U.S./Philippine trade has fallen off dramatically over the past year; further, the Philippines' share of cargo transport, which was already far under its 40-percent quota in past months, recently declined even further.

The Reagan Administration has objected to the Philippine plan, and opposition from the U.S. departments of State, Commerce and Justice along with the Federal Maritime Commission contributed to the decision to halt the plan, according to observers in Washington.

REBUILD FOR FUTURE

The former Vice President said he would invest in the future by "rebuilding America's infra-structure."

He said, "I will create a capital budget -- something that any business has had, of any size or substance, from the beginning -- so that we can rebuild in a sensible way our roads, our bridges, our ports, our water systems and the facilities that are basic (to) the maritime trades."

Mondale added, "Nowhere is that rebuilding more urgent than in the maritime industry."

Mondale also touched on labor issues and trade issues, as well as the economy, citing the need to reduce the federal deficit.

He closed by saying that he is friends with leaders in the House and Senate who support a strong maritime industry; together, he said, they will create an alliance on the Hill in which progress will be made.

□

WATER RESOURCE LEGISLATION POSSIBLE

After years of congressional neglect, the maritime industry might see some comprehensive waterways legislation passed within the next few weeks, predict sources on Capitol Hill.

Bills pending before the House and Senate aimed at providing hundreds of waterways projects, including funds for badly needed port improvements and repairs, could come to their respective floors for a vote as early as next month, according to observers.

Primary obstacles yet to be reconciled, however, include differences in House and Senate versions over how to pay for some of the projects, in particular, how to address user fee proposals.

Industry officials have said they prefer the House bill, H.R.3678, which includes complete federal funding of 27 construction projects for "general cargo ports" of a depth of 45 feet or less. The bill further provides that improvements for six "super ports," ports over 45 feet in depth, would be financed 50 percent by the federal government and 50 percent by the local ports. Moreover, even in a super port, the federal government would pay for all costs for portions of the port less than 45 feet.

H.R.3678, sponsored by Rep. Robert Roe (D-N.J.), qualifies that if a local port passes on its improvement costs, those charges may only be applied to vessels which require the extra depth of more than 45 feet.

(continued on p.4)

LEGISLATIVE CURRENTS

ALASKA OIL EXPORTS

The House version of the 1979 Export Administration Act extension, H.R.3231, restricts oil export for an additional four years, while the Senate version, S.979, restricts for an additional six years.

EAA is currently bogged down in the conference process, and it could be several weeks before differences can be resolved.

The Transportation Institute has argued that if domestic oil were exported abroad rather than consumed in the U.S., many coastwise tankers would face layup in a market already suffering substantial overtonnage.

CDS PAYBACK

In January 1983, the Department of Transportation (DOT) issued a proposal to allow U.S.-flag vessels built with Construction Differential Subsidy (CDS) to repay that subsidy, with accrued interest, and enter the domestic coastwise trade.

H.R.5071, a bill which defines strict criteria limiting the application of CDS payback, is currently being considered by the House Subcommittee on Merchant Marine. Additionally, the House Appropriations Committee has approved language in the FY85 Commerce, Justice, State and the Judiciary budget which restricts implementation of the DOT proposal. Currently, no similar legislation exists in the Senate.

Supporters of a CDS payback say the DOT plan should be allowed to stand because depressed U.S. foreign trade has reduced the demand for U.S. ships overseas. Supporters also argue that the DOT plan would promote a more competitive coastwise service.

Opponents have said that this proposal affronts long-standing maritime policy planning and threatens to force numerous domestic ships -- which have operated without subsidy -- out of business, resulting in hundreds of lost jobs.

PASSENGER VESSEL RE-FLAGGING

Contained in the House version of the Defense Authorization Act passed on May 31 is a provision permitting two foreign passenger ships to be brought under U.S. flag for coastwise operation. The Senate has not yet considered the same amendment.

Last month the Transportation Institute sent a letter to House members urging support for this provision, offered by Rep. Mario Biaggi (D-N.Y.), pointing out that since there have been no seagoing passenger vessels constructed in the U.S. in 25 years, and since there are only two passenger vessels currently operating under the U.S. flag, American troop and hospital ship capabilities should be expanded to meet emergency defense needs.

CONTRACTING-OUT PROGRAM

On May 22 the House agreed to an amendment to the defense authorization bill requiring each service to identify which core logistics functions must be performed by the military, and thereby those which could be performed by the private sector.

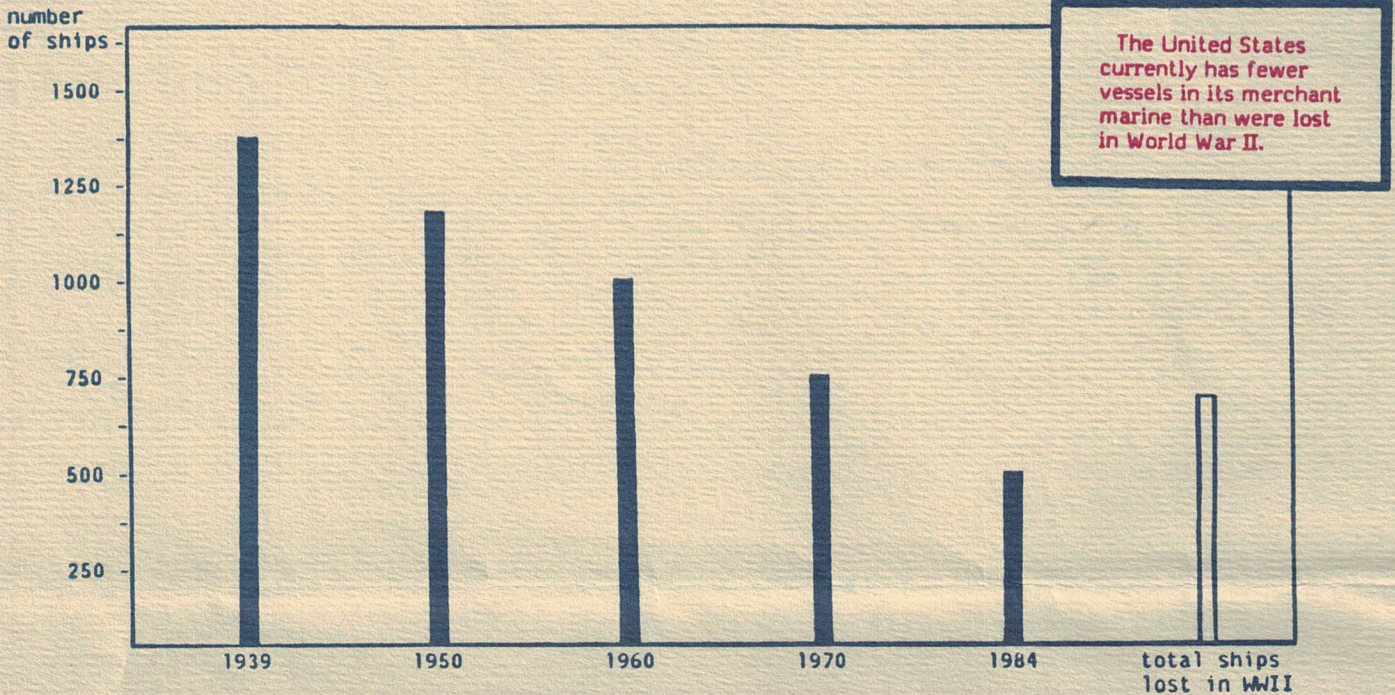
Offered by Rep. Bill Nichols (D-Ala.), chairman of the Armed Services Subcommittee on Investigation, the amendment had no opposition during House floor debate. Presently, there is no similar provision in the Senate.

In a recent letter to Secretary of Defense Weinberger and Secretary of Transportation Dole, the Transportation Institute urged that the the Navy list logistics needs without restricting programs already being implemented. In a similar letter to Senate leaders, the Institute said that this legislation, as it currently stands, "has the effect of halting -- at least until March 31, 1985 -- the implementation of the Navy's ongoing program to transfer some fleet support functions to private-sector operation."

MARITIME DEFENSE COMMISSION

In the House Defense Authorization Act, approved on May 31, is a provision to establish a commission to review defense-related aspects of the U.S. merchant marine. In the Senate, S.2161, a similar measure, was recently referred to the Committee on Government Affairs.

Decline of U.S. Merchant Fleet



CONGRESS WORKING TOWARD WATER RESOURCE LEGISLATION

(continued from p.3)

On the Senate side, S.1739, sponsored by Sen. James Abdnor (R-S.D.), would require that local ports pay all costs of port improvement and

currents

Brian R. Detter
Editor

CURRENTS is published by the Transportation Institute, 923 Fifteenth Street N.W., Washington, D.C. 20005, tel. 202/347-2590.

The Transportation Institute is a nonprofit research and educational association for the advancement of the nation's maritime transportation industry.



dredging in portions deeper than 45 feet; for depths less than 45 feet, the local port would pay 30 percent while the federal government would pay the balance.

As it currently stands, S.1739 would allow port operators to pass on the costs of port improvements to some vessels regardless of whether a given vessel requires a depth of more than 45 feet.

Although both the House and Senate bills address a myriad of water resource issues, industry officials have opposed S.1739 primarily because of its controversial user fees provisions.

On June 5, Stephen Van Dyck, president of Sonat Marine, Inc., told a Senate Finance subcommittee that S.1739, as it currently stands, addresses only half the equa-

tion, deferring the controversial issue of a user fee mechanism to local ports.

"Because of the significant contribution ports provide to many sectors of the American economy and the national defense, it is simplistic to assume that vessel operators are the sole beneficiaries of port improvements and should therefore pay the costs of such improvements," said Van Dyck.

Because of the discrepancies between House and Senate bills, prospects for passage in 1984 are uncertain.

While observers agree that this Congress is closer than any other in recent years to enacting water resource legislation, significant compromise -- especially among Senate leaders -- still remains before any funds will be provided for improving U.S. ports and waterways.

THE WHITE HOUSE

WASHINGTON

July 23, 1984

MEMORANDUM FOR MEMBERS OF THE FEDERAL INTER-AGENCY
TASK FORCE ON THE OLYMPICS

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

SUBJECT: Procedures During Olympic Games

This week the Olympic Games begin in Los Angeles and will continue through August 12, 1984. Although I will be traveling outside of Washington during most of this period, you may still find it necessary to notify me of pending problems or policy matters. Any such issues should initially be brought to my attention through Bill Sittmann at 395-2000 (White House Signal).

If security related problems arise, Ken Hill will be in Los Angeles during the Games, and can be contacted at 213-552-9789 (Los Angeles Signal) or 213-688-4111 (Military Operations Center).

I appreciate the support and efforts of you and your colleagues, and anticipate a successful 1984 Olympic Games.

THE WHITE HOUSE

WASHINGTON

July 23, 1984

MEMO TO: BILL SITTMANN

FROM: MARY JANE REGAN *MJR*

Below is a list of all those who were sent a copy of Mr. Deaver's memo on "Procedures During the Olympic Games." They were sent out by messenger this afternoon.

. Patricia Madson	-- Agriculture
. Heidi Eddy	-- Commerce
. Jeanne Fites	-- Department of Defense
. Dr. M. McGinnis	-- Health and Human Services
. Dr. S. Nightingale	-- Food and Drug Administration
. Robert McConnell	-- Department of Justice
. Wayne Gilbert	-- FBI
. Andrew Carmichael	-- Immigration and Naturalization Service
. Francis Lilly	-- Department of Labor
. Edward Derwinski	-- Department of State
. Keith Potts	-- Federal Aviation Administration
. Captain F. Grady	-- U.S. Coast Guard
. Robert Powis	-- Department of the Treasury
. John O'Malley	-- U.S. Customs
. Ed Pollard	-- U.S. Secret Service
. Charles Turner	-- Federal Communications Commission
. Frank Salcedo	-- Federal Emergency Management Agency
. James Arthur	-- General Services Administration
. William McQueeney	-- National Park Service
. Joe Wright	-- OMB
. Pete Davidson	-- U.S. Postal Service
. Robert Jones	-- U.S. Information Agency

THE WHITE HOUSE

WASHINGTON

July 23, 1984

MEMO TO JIM ROSEBUSH

FROM: MIKE DEEVER

SUBJ: Convention

Your request to have your wife fly to Dallas has been denied. Space is at a premium and if we make an exception we open Pandora's Box.

Thanks for understanding.

THE WHITE HOUSE

WASHINGTON

July 20, 1984

MEMORANDUM FOR MICHAEL K. DEEVER

FROM: JAMES S. ROSEBUSH *JSR*

SUBJECT: CONVENTION

Is it at all possible for my wife, Nancy, to fly to Dallas on the same basis as the wives of the Assistants to the President?

Bill
no - if we make
that exception
we'll have other
Dep Assts asking
for the same
thing.

THE WHITE HOUSE

WASHINGTON

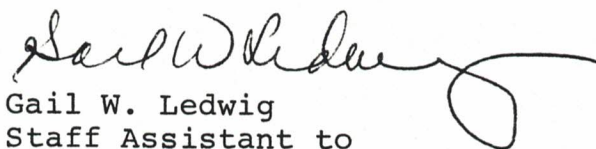
July 24, 1984

Dear Mr. Mirabile:

Thank you for your letter of July 19th to Mr. Michael Deaver regarding Donald Dotson. I want you to know that Mr. Deaver sincerely appreciates your taking your time to apprise him of your feelings. You can be assured that your comments are valued. It is always good to hear favorable words regarding a Presidential appointment. I am taking the liberty of passing your correspondence along to John Herrington, Director of Presidential Personnel for his information.

With best wishes,

Sincerely,



Gail W. Ledwig
Staff Assistant to
Michael K. Deaver

Mr. Joseph W. Mirabile
Scimira, Inc.
Burger King Licensee
3858 Summer Avenue
Memphis, TN 38122

July 19, 1984

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

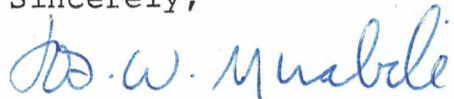
Dear Mr. Deaver:

Concern over the efforts of organized labor and other groups to force the resignation of Donald L. Dotson, Chairman of the National Labor Relations Board, has prompted me to write regarding the matter.

Please note that Chairman Dotson has my support. Any efforts on your part to halt movements that would force the resignation of Chairman Dotson would be greatly appreciated.

Thank you.

Sincerely,



Joseph W. Mirabile, Ph.D.

JWM/qys



THE WHITE HOUSE

WASHINGTON

July 24, 1984

Dear Mr. Kallan:

Thank you for your letter of July 19th to Mr. Michael Deaver regarding Donald Dotson. I want you to know that Mr. Deaver sincerely appreciates your taking your time to apprise him of your feelings. You can be assured that your comments are valued. It is always good to hear favorable words regarding a Presidential appointment. I am taking the liberty of passing your correspondence along to John Herrington, Director of Presidential Personnel for his information.

With best wishes,

Sincerely,



Gail W. Ledwig
Staff Assistant to
Michael K. Deaver

Mr. Mark L. Kallan
Chief Executive Officer
Helbros Watches, Inc.
330 West 34th Street
New York, NY 10001



July 19, 1984

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

Dear Mr. Deaver:

I am writing to you to voice my concern over the recent efforts by organized labor and other groups, with the intention of precipitating the resignation of Mr. Donald Dotson, Chairman of the National Labor Relations Board.

It is my opinion, as Chief Executive Officer of Helbros Watches, Inc., that Mr. Dotson has provided most able leadership, and is directing the National Labor Relations Board with professionalism, even-handedness, and in the spirit for which that body was constituted. I know that many in our industry share that opinion.

As an American manufacturing organization, struggling to prosper WITH the support and cooperation of its workers and their union officials, we sincerely hope that Mr. Dotson will retain his position in the future.

Very truly yours,

HELBROS WATCHES, INC.

A handwritten signature in dark ink, appearing to read "Mark L. Kallan", is written over the typed name.

Mark L. Kallan
Chief Executive Officer

MLK:lm

THE WHITE HOUSE

WASHINGTON

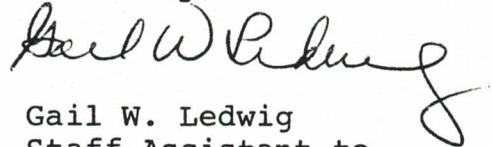
July 24, 1984

Dear Mr. Vernon:

Thank you for your letter of July 19th to Mr. Michael Deaver regarding Donald Dotson. I want you to know that Mr. Deaver sincerely appreciates your taking your time to apprise him of your feelings. You can be assured that your comments are valued. It is always good to hear favorable words regarding a Presidential appointment. I am taking the liberty of passing your correspondence along to John Herrington, Director of Presidential Personnel for his information.

With best wishes,

Sincerely,



Gail W. Ledwig
Staff Assistant to
Michael K. Deaver

Mr. Kenneth N. Vernon
Director
Sandvik Coromant
1702 Nevins Road, P.O. Box 428
Fair Lawn, New Jersey 07410-0428



July 19, 1984

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

Dear Sir:

I have recently been apprised of an all out effort on the part of organized labor and other groups to force the resignation of Donald L. Dotson, Chairman of the National Labor Relations Board. No doubt these steps are in response to organized labor no longer having the NLRB in their hip pocket.

For a long time, a horrifying imbalance in the favor of organized labor has plagued this country. In as much as 19% of the private sector work force belongs to labor unions, it seems unwarranted that the NLRB is viewed as the exclusive weapon of labor unions. Instead, this agency should be an arm of the government that serves the balanced best interest of the employees and the employer. Employees are not always best served when decisions are handed down from the NLRB that make labor organizations almost omnipotent. Big labor tends to be a very self-serving group that, in many cases, has long since abandoned the rank and file members' needs as its primary cause. They're interested in fattening their coffers and electing politicians who allow them to remain in power.

If some of the decisions of the present National Labor Relations Board have enhanced the rights of the individual employee (such as the recent decision that permits an employee to resign from a union that is forcing him to go strike and preventing him from feeding his family), it is hard for me to see how the individual worker has been harmed rather than enhanced.

It is profoundly unfortunate in our society that the Democratic Party has long been associated with organized labor and enjoys vast sums of money taken from the dues of members to support its political causes. Someday there will be a recognition of the fact that in order for employees' job security to exist, companies have to be profitable. Someday both parties will come to the realization that organized labor cannot marshal votes in a national election and that the general public's distrust of labor unions enables elected officials to do what is right rather than what is deemed politically astute.

Please take the necessary steps to see to it that organized labor cannot force its will upon this administration or the National Labor Relations Board.

Sincerely,

SANDVIK, INC.

A handwritten signature in blue ink that reads "Kenneth N. Vernon".

Kenneth N. Vernon
Director, Human Resources

KNV:bk

THE WHITE HOUSE

WASHINGTON

July 24, 1984

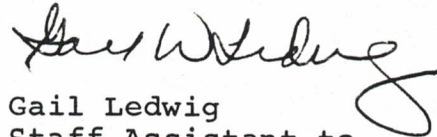
Dear Mr. Frank:

I want to let you know that your recent letter to Mr. Deaver and the enclosed Lawry's VIP card have been received in our office. Mr. Deaver certainly appreciates your thoughtfulness in sending it along for the privileges it will afford him.

Thank you again for thinking of him.

With best wishes,

Sincerely,



Gail Ledwig
Staff Assistant to
Michael K. Deaver

Mr. Richard N. Frank
President
Lawry's Foods, Inc.
570 West Avenue 26
Los Angeles, CA 90065



LAWRY'S VIP

MR. MICHAEL K. DEEVER
LAH 196

NON-TRANSFERABLE



LAWRY'S FOODS, INC.

570 West Avenue 26
Los Angeles, CA 90065
Phone (213) 225-2491
Cable: Lawrys

July 1984

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

Dear Mr. Deaver:

As the Olympic flame goes up in the Los Angeles Coliseum on July 28, 1984, the Games of the 23rd Olympiad will begin, bringing together, once again, the world's greatest athletes. The tradition continues....

At Lawry's California Center, we have a few traditions of our own... good food and drink, beautiful surroundings and warm, Southern California hospitality. And, at Lawry's, our friends and business associates have always been Very Important People who have found our garden oasis to be **the** place to come for relaxation and to "get away from it all".

L.A. will be a busy place this summer and we know that "getting away from it all" will be as important to you as ever. So, beginning July 26, our new **VIP Lounge**, will be open, by special invitation, to provide you with a comfortable, air-conditioned escape from the hustle and bustle of the Summer Games. As a Lawry's **VIP**, you'll be entitled to the following special privileges:

-Free Parking at Lawry's California Center with validation*
-Office services including telex and telephone privileges
-Food and beverage service
-Free transportation to and from Lawry's California Center and the Coliseum/USC venues*
-Travel and Entertainment Desk
-Wide-Screen T.V.

.....*Preferential reservations status at:*
Lawry's California Center
Tam O'Shanter Inn, Los Feliz
Lawry's The Prime Rib, Beverly Hills
Westside Broiler, Beverly Hills
Five Crowns, Corona Del Mar

.....*Extravision from CBS (A computerized information center providing daily news, traffic updates, Olympic games information and items of general interest.)*

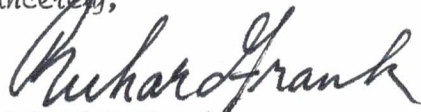
.....*Private meeting areas by reservation*

**Special conditions apply. For further information, call our Olympic Information Center at (213) 224-6804.*

*The **VIP Lounge** will be open each day from 9:00 a.m. until 10:00 p.m. from July 26 through August 14. Your personalized identification card, enclosed, will allow you and your guests admittance. (Please note this card is not transferable.) Our friendly and professional staff will be on hand to serve you.*

The excitement is building as this promises to be the best Summer Olympics ever. We look forward to seeing you here.

Sincerely,



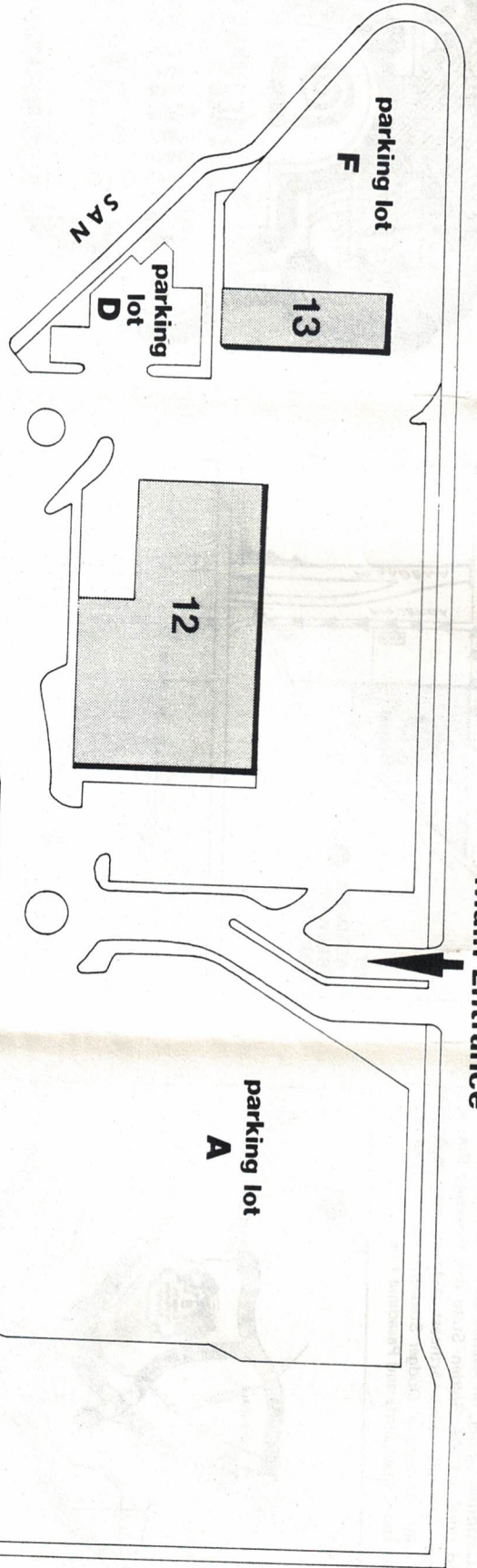
*Richard N. Frank
President*

*RNF:lc
Enc.*



AVENUE 26

Main Entrance



OLYMPIC INFORMATION CENTER
(213) 224 6804

FERNANDO

HURON STREET

ROAD

- 1. Wine & Gourmet Shop
- 2. Gift & Patio Shop
- 3. La Barbacoa
- 4. San Gabriel Building
- 5. La Cocina
- 6. Pico Room
- 7. Verdugo Room

- 8. Loggia
- 9. Executive Courtyard
- 10. VIP LOUNGE
- 11. Portales Patio
- 12. Jeffries Building
- 13. Idell Building
- 14. San Fernando Patio



THE WHITE HOUSE

WASHINGTON

July 26, 1984

Dear Mr. Irwin:

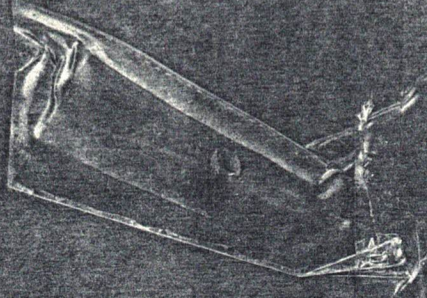
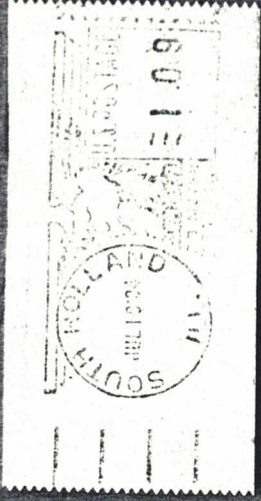
In the absence of Mr. Deaver, I am taking the liberty of acknowledging receipt of your new book entitled Presidential Parties.

I know that Mr. Deaver will be most interested in reading through it, and I know that he would want me to thank you for taking the time to send him this edition.

Sincerely,

Donna L. Blume
Executive Assistant to
Michael K. Deaver

Mr. Richard D. Irwin
Richard D. Irwin, Inc.
South Holland, Illinois 60473



RECEIVED
JUL 29 1984
MAILING HOUSE
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ASST TO THE PRESIDENT
1ST FLOOR-WEST WING
THE WHITE HOUSE
WASHINGTON DC 20500

R 10-000-929 H
D/L