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Last Updated: 06/18/2025

THE WHITE HOUSE WASHINGTON

December 21, 1982

Dear Bob:

Neil has forwarded your letter and the Ron Paul material. It is true the House is supposed (under the Constitution) to originate tax measures. However, in this instance the Senate is technically correct in that they hung the tax bill as an amendment to a House bill.

Ron also hasn't pointed out that his figure of some \$200 + billion is the total tax revenue the bill would bring in over several years.

I'm not one, as you know, to enthuse over tax increases, and I supported this one after swallowing hard. The truth is it represents a compromise we had to accept in order to get \$3 in spending cuts for each \$1 in the tax It is a 3-year bill calling for about \$98 billion over a 3-year period. More than a third of it isn't new tax at all but calls for improved collection of money owed the government -- but not paid. Another sizeable chunk is correction of some undeserved windfalls available to a few but never intended in the original tax legislation. Final point: it leaves in place all of our tax cuts -- the 10% income tax cut due in July plus indexing from '84 on. Those cuts amount to about \$340 billion over and above the \$98 billion increase over the three years.

I guess you'll gather I don't think much of the civil action -- and I don't.

Give my best to Sandy and happy holidays to you both.

Sincerely, Romes Rug

Mr. David R. Somerville Post Office Box 1175 Rancho Santa Fe, California 92067 Mr. David Somerville P.O. Bax 1175 Rancho-Santa 7e Bely, 92067

Dan Boer

Need has formoused your Setty of the Row Paul water the bounter of the Sevent of surface of several sound (institution) the original to some amount of institutions of the Sevent of the

Ron also hunt printed out that his frame of some 200+ bil, ein the total tox revenue the hiel would

Dim but one, as you know, to enthuse even the increases, and I supported this one after swallowing hard. The truth is it represents a compromise we had to accept in order to get 3 in spending cuts for each I in the taxbell. It is a 3 yr. bill calling for about 98 bil, over a 3 yr. period. More than a third of it isn't new tox at all but calls for improved collection of money owed the gout. but not pend. Another signals chunh is correction of some underserved wind folls available to a few but new intended in the original tax byislation. Final point it leaves in place all of our tax cuts - The 10 70 income tox cut

Increase over the 3 years. I gether I don't think much of the sivil action - and I don't.

due in July plus indexing from 84 on. These cuts

amount to about 340 Bil. over & above the 3. 98 Bil.

Sine my best to Sandy & Hoppy Holodays to you looth. Swing RR

THE WHITE HOUSE WASHINGTON

December 21, 1982

Dear Ed:

Brute Krulak tells me you have recently had surgery and are now on the mend. I hope by the time you receive this you are feeling much better.

For whatever good it will do may I tell you my brother had the same operation almost twenty years ago. When he isn't playing 18 holes of golf (having retired awhile back) he's deep sea fishing and just recently caught a near record Marlin. So do what the doctor tells you.

Nancy sends her best and both of us with you and that lovely gal of yours a happy holiday season.

Best regards,

RON

Mr. Edward Carter 550 South Flower Street Los Angeles, California 90071 THE WHITE HOUSE
WASHINGTON

December 21, 1982

Dear Hornsby:

Our campmate "Brute" tells me you've been under the weather. This is just a quick line to say I hope you are feeling better and to wish you and yours a very happy holiday season.

We miss California and all of you. Take care of yourself and have a Merry Christmas and a Happy New Year.

Sincerely,

RON

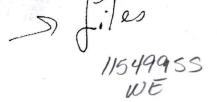
Mr. E. Hornsby Wasson Suite 2525, Crocker Plaza San Francisco, California 94104 To Mr. Hornely Wassen Dear Hornely Our camps mate to Brute tells me you've hem under the wester. This is first a quick line to say I hape you are feeling bottom and to wish you a yours a very hoppy holiday season. We miss lalif. and all of you. Take come of yourself. and Merry Christmas o a Happy New your. Simenly Ron To Mr. Edward Carter. Dear Ed Brute Krulch tells me you have wantly had surgery to are now on the mend. I hope by the time you vocive this you are feeling much better to whatever good it will do may I tell you my brother had the same apparation almost 20 years ago. When he went playing 18 holes of golf (howing returned a while book) he's deep son fraking and first recently cought a near record Marlin. So do what the Dr. telle you. Mency sends her hest & both of us mak you & that briefy god of yours a hoppy haliday Alason. But Vegende Ron

End (45C File



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503



December 22, 1982

MEMORANDUM FOR:

RICHARD G. DARMAN

FROM:

DAVID A. STOCKMAN,

SUBJECT:

PRESIDENT'S ENTITLEMENT I DECISIONS

Attached, per your request, are the pages from the Entitlement I Book on which the President indicated his decisions.

By our count, the President made twenty-two entitlement decisions: he approved seventeen proposals, rejected three proposals and modified two others. The remaining eight proposals in this package to be decided by the President have been given back to you under separate cover.

:



Proposal #1

		1984-88 Savings	Percent of Total Civil Service Savings
(Reduce annuity levels for workers who choose to retire before age 65, by 5% for each year of early retirement	*	•
	with 10 year phase-in	\$822 M	4%
	APPROVE K		
	DISAPPROVE		,

Description

- o Under this proposal an actuarial reduction in annuities of 5 percent for each year of retirement before age 65 would be phased in gradually over 10 years, contributing substantially to the soundness of the system.
 - o Employees would continue to be able to retire at 55, but with a reduced annuity, as is typical of private sector plans.
 - o Reduction in annuity for retirement at age 62 (15%) would be comparable to the reduction (20%) for retirement at age 62 under social security.
 - Employees 55 and over would be grandfathered, and the reduction would not apply to disability retirees.

Views

o This proposal is supported by OMB, OPD, and OPM. No reservations have been filed.

Proposal #2

	1984-88 Savings	Percent of Total Civil Service Savings
o Revise the formula for computing law enforcement and retirement annuities	\$289 M	1.5%
DISAPPROVE RR		

Description

- o Under current law, law enforcement and firefighter employees may voluntarily retire at age 50 with 20 years service. Annuity computation formula is:
 - o 2 1/2% of the high-3 average salary for the first 20 years of covered service; plus 2% of the high-3 for each additional year of covered service.
 - o Permits retirement with 50% of high-3 salary after 20 years; 60% after 25 years; and 70% after 30 years.
- o By contrast, under current law regular retirees may not retire until age 55 with 30 years service, with an annuity of 56% of high-3 salary, versus 70% at age 50 for law enforcement officers.
- o Proposed change would provide the same 50% after 20 years as the current formula, but not significantly greater benefits for longer service. Annuity would be 50% of high-3 or the regular CSR annuity, whichever is greater.
- o Approximately 41,000 law enforcement and firefighter personnel, mostly in DOJ and DOD, will be affected, as will 9,000 Treasury personnel--approximately 7% of Treasury employment. About 1,240 employees retired under this provision in 1981.

Views

o This proposal is supported by OMB, OPD, and OPM. Reservations or concerns have been filed by Treasury. A short summary of the concerns as well as supporting views is on the following pages.



Proposal #3

o Adjust formula for calculating retir		1984-88 <u>Savings</u> 0*		t of Total vice Savings O*	
APPROVE	RR		9		_

Description

- O Under this proposal the multiplier used in the CSR annuity computation formula would be a constant 1.5%. The multiplier times years of service determines the replacement rate -- the percentage of the earnings base received as an annuity. The current multipliers are 1.5% for the first five years of service, 1.75% for the second five years, and 2.0% for all years thereafter, for a replacement rate of 56.25% of final salary for an employee retiring after 30 years. This change would reduce the replacement ratio to 45% after 30 years, 60% after 40 years.
- o This proposal produces no short-term savings because it is prospective -- it will not affect the level of benefits employees have earned prior to the effective date of the proposed change -- and the change is assumed to take effect in 1989. It is important in the long run, however, in reducing the costs of the system to about 22% of payroll instead of 35%, so that the 50% employee contribution can be held to 11%.

<u>Views</u>

o This proposal is supported by OMB, OPD, and OPM. No dissenting views have been filed.

Proposal #4

		1984-88 Savings	Percent of Total Civil Service Savings
0	Base annuity calculations on the retiree's highest 5 years of earnings	\$51 M	.3%
L	APPROVEDISAPPROVE		*

Description

- o As recently as 1969, the formula for computing annuities was based on an average of an employee's high-5 salary years -- which normally meant the last five years of an employee's career. This was a reasonable approach, which was deviated from in subsequent years of high inflation.
- o With a return to more moderate levels of inflation, it is sensible to reinstate the previous high-5 averaging method.

Views

o This proposal is supported by OMB, OPD, and OPM. No dissenting views have been filed.



Proposal #5

	1984-88 Savings	Percent of Total Civil Service Savings
o Increase employee contributions to the retirement fund from the current 7% to 9% in 1984 and 11% in 1985	\$13,565 M	73%
APPROVE		
DISAPPROVE		

Description

- o This proposal increases employee contribution to civil service retirement from 7 to 11% over 2 years.
- o Proposal holds to principle incorporated in amendments to the 1969 law: employees should pay 50% of the costs of retirement. When other reforms in the 1984 budget are taken into account, full dynamic cost of retirement will be about 22% of payroll, instead of the current 35%.
- o Employee contribution to CSR has remained at 7% since 1969, whereas social security tax has increased over the same period from 4.8% to 6.65%.
- o With proposed pay increase, after-tax take-home pay would increase for all employees, except those at the highest salary levels, whose take-home would be virtually unchanged.

<u>Views</u>

o This proposal is supported by OMB, OPD, and OPM. OPM believes the 2-year phase-in schedule would place us in a strong negotiating position on the Hill.



Proposal #6

	,	1984-88 Savings	Percent of Total Civil Service Savings
o Make retirement contributions of the l government <u>comparable to the Federal</u> (such that each would pay the full emp costs	Government contribution loyer's share of dynamic	\$3,963 M	21%
APPROVE	_ RR		

Description

o This proposal would require the Postal Service (USPS) and the District of Columbia to assume the full employer's share of normal retirement costs for new employees, and the cost of current employees after enactment. (The Federal government would assume all existing liabilities through the establishment of an on-budget trust fund; it is already responsible for these costs.)

DISAPPROVE

- o Employer contributions of the USPS and DC would increase to 9% in 1984, 11% in 1985, and 12% in 1986 and thereafter. These payments would cover 50% of the full dynamic costs of the retirement system, assuming other proposed changes were enacted.
- o The USPS and the District currently contribute 7% of employee salaries to the CSR fund, as do Federal agencies. The Federal government contributes, however, another 21% (from the Treasury) to meet the full 35% costs of the current system; USPS (except for a small amount) and DC do not do so, and thus the Federal government is paying for a substantial portion of USPS and DC retirement, an enormous implicit subsidy.

Views

o This proposal is supported by OMB, OPD, and OPM. The Distric of Columbia and the Postal Service will, of course, object.



MILITARY RETIREMENT

Proposal #2

		1984-88 Percent of Total Savings Military Retirement Savings	<u>s</u> .
	o <u>Continue</u> limiting the COLA increase for retirees under the age of 62 beyond 1985	\$391 M 39%	
•	APPROVE		
	DISAPPROVE		

Description

- o Under the provisions of the Reconciliation Act of 1982 non-disability military and civilian retirees under the age of 62 will receive one-half the COLA adjustment through 1985.
- o This proposal continues this limitation beyond 1985.
- o A similar continuation is being proposed for Civil Service retirees.
- o By 1988, the average annuity of those affected would be reduced 7%.

<u>Views</u>

o This proposal is supported by OMB, OPD and HHS. Reservations or concerns have been filed by DOD and the White House Office of Public Liaison. A short summary of these concerns as well as supporting views is on the following pages.

Tab 3C

MILITARY RETIREMENT

Proposal #3

		1984-88 Savings	Percent of Total Military Retirement Savings
0	Round all retirement annuities to the next Tower dollar instead of to the nearest cent	\$43 M	4%
 	APPROVE (CC		
	DISAPPROVE		·

Description

- o The proposal is to round down to the next lower dollar instead of to the nearest cent in computing retirement annuities.
- o This minor technical adjustment is needed to bring military retirement provisions in line with other Federal entitlement programs.
- o The same change has already been instituted for Social Security and Civil Service Retirement and will soon be done by Executive Order for the CIA and Foreign Service Retirement Systems.
- o This change was part of the Administration's legislative program last year and is included in the Senate version of the Uniformed Services Pay Act of 1982 (S. 2936).

Views

o This proposal is supported by OMB, OPD, OPM and DOD. There is no dissent to this proposal.

Tab 3D

MILITARY RETIREMENT

Proposal #4

DISAPPROVE

1984-88
Savings

Percent of Total
Savings

Military Retirement Savings

Military Retirement Savings

Military Retirement Savings

Approve

DISAPPROVE

DISAPPROVE

Description

- o The proposal is to not allow computation of higher annuity by going back to the members preceding pay level and adjusting based on intervening retirement COLAs.
- o A similar "look-back" provision applicable to Civil Service retirement was repealed by the Omnibus Reconciliation Act of 1981.
- o While under current economic assumptions, there are no savings involved, the change is desirable to assure consistency between provisions affecting military and civilian employees and to avoid possible future costs.
- o This change was part of the Adminstration's legislative program last year and is included in the Senate version of the Uniformed Services Pay Act of 1982 (S. 2936).

Views

o This proposal is supported by OMB, OPD, OPM and DOD. There is no dissent to this proposal.

Proposal #1

		1984-88 Savings	Percent of Total Veterans and RRB Savings
0	Implement graduated COLA adjustment linked to disability rating	\$606M*	16.5%
	* Excludes general November COLA savings.		
	APPROVE		
	DISAPPROVE		

Description

- o Compensation payments for service-connected disability or death, as set forth in law, have steadily increased as Congress enacts regular annual cost-of-living adjustments matching or exceeding Social Security COLAs.
- o Proposal would provide COLA adjustment for 2.6 million veterans (8% of total veteran population) prorated by the following amounts:

100% COLA for 100% disability rating 85% COLA for 60-90% disability rating 60% COLA for 40-50% disability rating 45% COLA for 10-30% disability rating

- o Most of the benefit reduction would go to lower disability levels since 70% of current recipients have minor (30% or less) disability ratings.
- o Compensation COLA is reenacted each year by Congress. In order to achieve savings shown, proposed reductions would have to be included in each annual COLA proposal.

Views

o This proposal is supported by OMB, OPD, and VA. No dissenting views have been filed.



Proposal #2

	1984-88 Savings	Percent of Total Veterans and RR Savings	,
o Eliminate special monthly compensation payments for arrested tuberculosis to those veterans who were grandfathered when the program was terminated in 1968		2.9%	,
APPROVE DISAPPROVE R	, , , , , , , , , , , , , , , , , , ,		

<u>Description</u>

- o Until 1968, VA paid a special monthly compensation of \$67 to veterans with arrested tuberculosis that was initially contracted while in service. The purpose of the award was to provide an extra indemnification to veterans for their loss of earning capacity and life expectancy caused by service-connected disability.
- o Since TB no longer posed a threat to employability or life expectancy due to advances in medical treatment, this benefit was repealed in 1968.
- o Veterans receiving or entitled to receive the benefit at the date of repeal (about 28,000 elderly veterans) continue to receive compensation payments.
- o This proposal would eliminate the benefit to all who currently receive it.

Views

Tab 4C

Proposal #3

	o Eliminate GI Bill payments to veterans in advance of their actual period of training in order to eliminate overpayments		Percent of Total Veterans and RRB Savings	
0			0.4%	
-	APPROVE RY			
	DISAPPROVE			

Description

- o Current law authorizes VA to make GI Bill benefit payments to veterans and dependents in advance of the actual training period.
- o Substantial outlays for advance payments are made at the beginning of the school terms, as much as 30 days prior to beginning of instruction.
- o Many veterans and dependents drop out of the program or reduce courseload before completion, resulting in substantial overpayments by the VA.
- o This proposal would repeal authority for advance payments.

Views

o This proposal is supported by OMB, OPD and VA. No dissenting views have been filed.

Proposal #4

		1984-88 <u>Savings</u>	Percent of Total Veterans and RRB Savings	
o Implement <u>pro</u> <u>rata</u> benefits reduct when the Railroad Retirement Fund insolvent in 1984		\$2,952M	80.2%	
APPROVE DISAPPROVE	NR_		•	

Description

- o Current law requires the Railroad Retirement Board to limit rail industry pension annuities to the amounts which are financed by rail industry pension contributions.
- o This provision was endorsed in 1981 by rail labor and management and enacted by Congress.
- o Because the rail industry pension is drastically underfunded, industry pension annuities will have to be reduced under current law by FY 85.

Views

o This proposal is supported by OMB, OPD and VA. No dissenting views have been filed.



Proposal #1

		1984-88 Savings	Percent of Total Food Stamps/Child Nutrition Savings
0	Simplify food stamp benefit calculations by standardizing shelter and earnings deduction	\$1,145 M	14.8%
	APPROVE	*	
*	DISAPPROVE		

Description

- o The current calculation of deductions is a complicated procedure, often leading to caseworker errors in the computation of benefits. For example, a household is only eligible for the shelter deduction if its housing costs and utilities exceed one-half of its net income.
- o This proposal would simplify the process of determining a household's net income by:
 - -- eliminating the deduction for shelter expenses and replacing it with a larger standard deduction,
 - -- eliminating the 18% earnings deduction and replacing it with a flat \$75 deduction.

Views



Proposal #2

	1984-88 Savings	Percent of Total Food Stamps/Child Nutrition Savings	!
o Mandate food stamp workfare in all States	\$450 M	5.8%	-
APPROVE RR			L
DISAPPROVE			

Description

- o States and their political subdivisions currently have the option to establish workfare programs, but few have yet done so.
- o Requiring the workfare program in all States would assure that all food stamp recipients currently eligible for work registration are encouraged to find work in the private sector and perform useful public services when no private job is available.

Views

o This proposal is supported by OMB, OPD and Agriculture. No dissenting views have been filed.



Proposal #3

		1984-88 Savings	Percent of Total Food Stamps/Child Nutrition Savings
0	Hold States liable for all over-issuance errors of food stamps after September 1983 (FY 83 error targets would be lowered from 9% to 5%)	\$2,733 M	35.2%

APPROVE	60	pmana	100

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Description

- o Erroneous payments in the State-administered food stamp program currently exceed \$1 billion -- \$1.00 out of every \$10.00 in benefits is issued in error.
- o Under current law, States have financial liability for overpayments and payments to ineligibles which exceed established maximum target levels. The target error rate for FY 83 is set at 9%.
- o There is no justification for Federal financing of any payment errors in State-administered programs, such as food stamps.
- o The proposal would limit State reimbursements to the cost of food stamps for eligible participants.

Views



Proposal #4

		1984-88 Savings	Percent of Total Food Stamps/Child Nutrition Savings
0	Simplify definition of household by requiring all individuals living together to file as a single household for food stamp benefit		
	calculations	\$375 M	4.8%
	APPROVE		
	DISAPPROVE		

Description

- o Under current law, food stamp recipients can manipulate current rules and gain status as separate food stamp households, although they live together and depend on one another for support.
- o Recipients qualify for higher food stamp benefits when filing as separate households than when applying as a single unit.
- o This proposal would simplify program administration and end manipulation of the rules by requiring all individuals living together to apply as a single household.

<u>Views</u>



Proposal #5

	•	1984-88 <u>Savings</u>	Percent of Total Food Stamps/Child Nutrition Savings
0	Simplify food stamp application procedures for households containing AFDC recipients	\$510 M	6.6%
	APPROVE DISAPPROVE		

Description

- o As described under the proposal to standardize shelter and earnings deductions, the current calculation of food stamp eligibility is a complicated procedure. After determining a household's gross income by adding all sources of earned and unearned income, the worker must then calculate three different types of deductions before determining a household's benefit.
- o This process could be greatly simplified by allowing AFDC households, who have already undergone the eligibility test for that program, to automatically qualify for food stamps -- a concept commonly known as "categorical eligibility."
- o Rather than performing the complicated benefit calculation, AFDC households would receive a flat dollar food stamp allotment.

Views

Tab 5F

FOOD STAMPS/CHILD NUTRITION

Proposal #6

APPROVE

DISAPPROVE

Description

- o Under current law, a school whose free or reduced price meals make up at least 60% of the total meals served receives two cents more per meal than schools with fewer subsidized meals.
- o This proposal would eliminate the additional two cents per meal subsidy so that all schools receive the same subsidy.

Views



Proposal #7

		1984-88 Savings	Percent of Total Food Stamps/Child Nutrition Savings
C	Reduce the inflation adjustment for reduced price meals to the same rate (currently cost-of-living) as free meals	\$108 M	1.4%
	APPROVE		
	DISAPPROVE		,

Description

- o Presently, whenever the reimbursement rate for free meals is raised, the rate for reduced price meals must also be increased to maintain the 40 cent differential. By way of illustration, if the free meal subsidy to schools were \$1.00 per meal, the reduced subsidy would be 60 cents. If the free meal subsidy were increased by 10% to \$1.10 to account for inflation, the reduced price meal subsidy would have to rise to 70 cents to maintain the 40 cent differential. As a result, the reduced price subsidy would increase by 16%, which substantially overcompensates for inflation.
- o This proposal would change the requirement that the reimbursement rate for reduced price meals must be 40 cents less than the reimbursement rate for free meals. Instead, the reimbursement rate for reduced price meals would rise with the cost of living (the same index applied to free meal reimbursement).

Views

Tab 5H

FOOD STAMPS/CHILD NUTRITION

Proposal #8

		1984-88 <u>Savings</u>	Percent of Total Food Stamps/Child Nutrition Savings
0	Replace the summer meal, child care feeding and school breakfast programs with a block grant	\$2,043 M	26.3%
	APPROVE as ameros RC	₹5 %	
	DISAPPROVE		

Description

- o This proposal would replace child nutrition programs that have been riddled with fraud and abuse since their establishment.
- o States would be permitted greater flexibility to design feeding programs in settings away from home outside regular school hours.
- o The proposal for a simple targeted nutrition program would also result in the replacement of complex and burdensome regulations totaling more than 40 pages.
- o Savings would arise from reducing administrative overhead, fraud, waste and abuse that are detailed in USDA audits and other reports.

Views



Proposal #9

		1984-88 Savings	Percent of Total Food Stamps/Child Nutrition Savings
0	Utilize public assistance offices to determine eligibility for school feeding programs	\$281 M	3.6%
	APPROVE RR		d d
	DISAPPROVE		

Description

- o This proposal would relieve schools of the requirement to determine eligibility for school feeding programs, a task with which they have little experience or expertise.
- o Instead, public assistance offices would perform this function since they already have a regularized process to determine a household's income level.
- o After processing of the application, parents would receive a participation card that could be used for subsidized lunches at participating schools.

Views

End (ase File

PRESIDENT'S
ENTITLEMENT I DECISIONS
12/22/82

The President has seen

THE WHITE HOUSE WASHINGTON

December 23, 1982

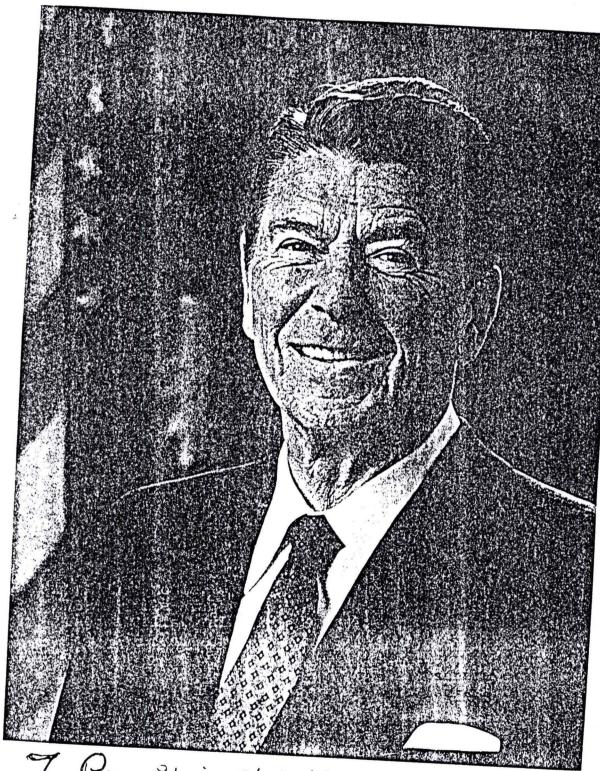
MR. PRESIDENT:

Attached is the entitlements decision book you were working with yesterday. The items you have already decided have been removed. The remaining unresolved issues are here for your review and decision. Please check the "approve" or "disapprove" lines at each of the tabs.

Thank you.

Letura to _ Richard G. Darman

OK RR



70 Pres. Chiang Ching Kno-With Prindship 4 Warm Regard - Randel Vagan

John Morley.

December 14, 1982

Dear Ron:

Thank you for your good letter of December 6. In keeping with your request of a brief report on my private talks with officials in Taipeh and Peking, I am honored to present it to you.

Before doing so, I want to wish you and your lovely Nancy, the happiest Christmas ever, filled with peace of mind from your heavy responsibilities.

I like to precede my report with a brief background of my long standing friendship with the Chiang Kai-shek family for some thirty two years.

I was reporting in the Far East during the dark days of their exodus from the Mainland to Taiwan. My support of Free China came to the attention of President and Madame Chiang Kai-shek and their two sons, Chiang Ching-kuo and Chiang Wei-go. They extended both my Lucile and I courtesies far beyond the call of professional duty. We were regular guests in their home on Grass Mountain(which you visited) with generous hospitality. Being devoted Christians we joined them at their private Chapel for Sunday Services often. I met the Gimos two sons on such personal circumstances and the friendship continued to this day.

I am enclosing three photos of my most recent private visits with (1) President Chiang...(2) with Ex-President Chia-Kan(that you met)...(3) with the able Premier Y. S. Sun. You may keep these or return them.

I will paraphrase my brief report from my notes and from a prepared copy he gave me confidentially for your personal attention:

President Chiang Ching-kuo said:

" I have nothing but the highest praise and regard for President Ronald Reagan, in spite of some unfortunate political statements he was forced to make unfavorable to the Republic of China. I understand his reasons.

I am entrusting my present position on Communist China, through our mutual friend, journalist John Morley, a proven loyal supporter of my father and Free China for many years and an equally loyal supporter of yours.

Respectfully, Mr. President, I will never, never, as long as I am President of the Republic of China, concede to any of the present overtures of Com-





Page 2

munist China regarding negotiations leading to 'autonomy' for the Republic of China and reported 'concessions' to operate within our present system of free enterprise and institutions. A system so opposite to policy and practice on the Mainland of China.

It is prepostorous to believe that such 'autonomy' even if granted would last long. Such guarantees were made to Tibet, Inner Mongolia, etc. supposedly autonomous states, which did not last but a few months after their takeover.

Some eighteen million people in Free China would never permit their government to such an arrangement. They would everything to lose and nothing to gain should they come under communist control. No administration would survive in Taiwan that even considered such a proposal. Our economy continuous to prosper inspite of serious diplomatic setbacks we experienced in recent years and the depressed economic conditions throughout the world.

While refusing Pekin's overtures for autonomy talks, we are always ready to resolve our differences peacefully on a basis of equality and mutual respect.

To the question of reported Peking-Moscow discussions, it is my opinion that nothing substantive would result.

We are all grateful of the assistance of the United States and your goodwill in particular over the years. And you can always depend on my personal goodwill and support as we proved in Korea and Vietnam."

This is pretty much the gist of our private talks.

My talks in Peking with members of the People's Republic Central Committee were most cordial and friendly, in spite of the fact that they are well aware of my loyalty to the Republic of China over the years...and specifically my broadcasts from Free China Radio and my writings in Hong Kong for many years. Hua Guefong and his opponent Hu Yaobang, both repeated their 'generous' offer to Taiwan with the hope it would be considered. It appears to me the offer was more propaganda aimed at the U.S. than any serious effort to negotiate.

Since I will be returning to the Far East during 1983, I will await your reaction and any considered reply to President Chiang, since no direct diplomatic channels exist at present.

I will continue to support your M X plan and others to my audiences nationally beginning on January $l_{\mathbf{i}}$.

By the way our Pacific Palisades Rotary Club will be honored to have you address us any time at your convenience when you visit California. Respectfully,

President Ronald Reagan

758-C CALLE ARAGON · LAGUNA HILLS,



John

CALIFORNIA 92653 · TEL. (714) 837-9574 -

THE WHITE HOUSE WASHINGTON

December 6, 1982

Dear John:

Believe it or not, your letter has only just now reached my desk. I'm sorry to be so late in answering.

First, thank you for writing and for your encouraging words. Now, about the talk with our friend Chiang Ching-Kuo and with those Peking types, I'd love to have a report. To avoid something like this last delay, send the report to Kathy Osborne at the White House. That way it won't get caught up in the bureaucracy.

Again, thanks and best regards.

Sincerely, Ram

Mr. John Morley 758-C Calle Aragon Laguna Hills, California 92653 31

KB

John Morley.

September 30, 1982

New York City

Dear Ron:

Thank you for your letter.

I was greatly encouraged with your Proposal on the Middle East...and very impressed with your last Press Conference. As a newsman, it was your best I have ever heard.

On this national speaking tour speaking to Universities, Conventions, Town Halls, etc., I continue my enthusiastic support to my audiences...and from the reaction when I mention your name, our Party will do better than predicted in November.

I recently had a long private talk with President Chiang Ching-kuo of the Republic of China in Taipeh...as well as with Peoples Republic of China officials in Peking.

If you are interested in what President Chiang told me about you, our policies...and the chances of compromise with Communist China, I will be glad to send you a confidential brief report, you may not be able to secure from your official sources. Also what I was told by the Communists in Peking, on the same subjects.

Officials in Taipeh are still praising you ever since your last trip there when you represented President Ford on Double Ten. You may recall our correspondence at that time when I alerted certain officials of my high regard for you and Nancy, that you met on your trip there.

I plan to return to the Far East again soon, as well as the Middle East, for the latest facts, too often ignored by the media. Best Regards,

President Ronald Reagan

The

753-C CALLE ARAGON . LAGUNA MILLS.

CALIFORNIA 92633 - TEL. (714) 537-9574

The Many 750 Calle any Ly Kills Gif 92653

C. M. July 758-C Calle arogen
Loguno Hills Calif. 92653 Dear John trades at lone settle bong may benesser tant on your trip. I'm happy to know that Pus chang Ching-Kno has confidence in my friendship for him & for Fairon and that he feels friendship for me as well. Please thank him for his mesage to me. marginteen me much great please our metings and before That being questo in his fathers home in 1972. Pluse assure Am Pres. Ching that my freding for the Republic of China remains unchanged and while me will continue to sake accord with the Peoples Republic & China it will not be at the expense of our friends on laison. I'd appreciate it also if you would delive The attached photo to him on you next visit. Sinearly

114548

THE WHITE HOUSE

WASHINGTON

December 22, 1982

Dear John:

I just received your good letter and the report on your trip. I'm happy to know that President Chiang Ching-Kuo has confidence in my friendship for him and for Taiwan, and that he feels friendship for me as well. Please thank him for his message to me.

I remember with great pleasure our meeting and, before that, being guests in his father's home in 1972. Please assure President Chiang that my feeling for the Republic of China remains unchanged and, while we will continue to seek accord with the Peoples Republic of China, it will not be at the expense of our friends in Taiwan.

I'd appreciate it also if you would deliver the attached photo to him on your next visit.

Sincerely,

Ron

Mr. John Morley 758-C Calle Aragon Laguna HIlls, California 92653 1151955 FO 003-02

The President has seen____

THE WHITE HOUSE

WASHINGTON

December 23, 1982 Windows.

MEMORANDUM FOR THE PRESIDENT

FROM:

Kenneth M. Duberstein kq.

I want to call to your attention the attached copy of a letter from Bob Dole and Russell Long pledging their "cooperation in assigning high priority to consideration" of the CBI in the next Congress.

We're on our way!

1

ROBERT J. DOLE, KANS., CHAIRMAN

BOB PACKWOOD, OREG.
WILLIAM V. ROTH, JR., DEL.
JOHN C. ŠANFORTHSMO.
JOHN H. CHAFEE, R.I.
JOHN HEINZ, PA.
MALCOLM WAILOP, WYO.
DAVID DURENBERGER, MINN.
WILLIAM L. ARMSTRONG, COLO.
STEVEN D. SYMMS, IDAMO
CHARLES E. GRASSLEY, NWA

RUSSELL B. LONG, LA.
HARRY F. BYRD, JR., VA.
LLOYD BENTSEN, TDC.
SPARK M. MATSUNAGA, HAWAII
DANIEL PATRICK MOYNIHAN, N.Y.
MAX BAUCUS, MONT.
DAVID L. BOREN, OKLA.
BILL BRADLEY, N.J.
GEORGE J. MITCHELL. MAINE

ROBERT E. LIGHTHIZER, CHIEF COUNSEL MICHAEL STERN, MINORITY STAFF DIRECTOR

Mnited States Senate

COMMITTEE ON FINANCE WASHINGTON, D.C. 20510

December 23, 1982

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As the 97th Congress comes to a close, we wish to let you know that we understand the importance you have attached to promoting economic development in the nations of the Caribbean Basin region. It should indeed be a major U.S. objective to support these developing nations as they struggle to promote stable economies and democratic institutions. The economic and national security interests of the United States will be fostered by a successful development program.

We regret that the press of time and the immense legislative schedule this year rendered impossible full consideration by the Senate of your Caribbean Basin Initiative after action by the House of Representatives. We wish to assure you of our cooperation in assigning high priority to consideration of any such proposals you wish to renew in the next Congress.

With best wishes for Christmas and the new year, we are

Sincerely yours,

RUSSELL LONG

7

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BOB DOLE

End (asc File

(9)

December 27, 1982

Dear Mr. and Mrs. Millern.

Thank you very much for your letter and your kind words and blessing. I'm most grateful. Thank you too for the comic strip. I read the comics religiously but somehow I'd missed that one. I plan to take it to a cabinet meeting.

I did a little cattle raising at our ranch but that had to stop when I changed jobs. Now it's just a head or two to keep the freezer full.

God bless you.

Sincerely,

A

Mr. and Mrs. Phillip Willsea 6609 Liberty Pole Road Dansville, New York 14437

RR/Dictation/lme

E417



To Patricia & Phillip Willea - With Every March With & Best Byonds Ronald Regan

November 29, 1982 6609 Liberty Pole Road Dansville, N.Y. 14437

Dear President Reagan:

Very likely you will never personally receive this letter, but this comic strip from our local Rochester, N.Y. paper, prompted me to make an attempt to let you know, that many of us are sure this is exactly how you feel from time to time.

We operate a small beef farm and feel very insignificant in the welfare of these great United States.

However we would like you to know, at this Holiday Season, that you have our support and understanding with your difficult tasks.

May God bless you and yours.

Sincerely,

Phillip and Patricia Willsea

A.H.



HICHORY FARM

OWNER: P. WILLSEA

Movember 29, 19. 6609 Liberty Polo Re Dansville, N.Y,44.

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May Sod Blus you and yours. Sindrely Phillip Paticia Willo

December 27, 1982

Dear Mr. King:

Would that there were more like you especially among the doomcrying press. Thank you for writing as you did. Believe me I'll stay the course.

You are so right that what some would have us do would only be a quick and temporary fix with the eventual disaster falling on our children and our children's children.

Thank you for writing as you did. You'll be in my thoughts and prayers.

Sincerely,

A

Mr. Ralph W. King 406 N. Chautauqua Wichita, Kansas 67214

RR/Dictation/lme

THE WHITE HOUSE

WASHINGTON

December 27, 1982

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Sincerely,

Mr. Ralph W. King 406 N. Chautauqua Wichita, Kansas 67214

Wichita Ks 11/23/82 Dear Mr President: I have been out of work since mar. 12 th this year, I have never feen out of works before in my 39 year work experience. I have been and still am healthy and lucky. I still have five Childrenfadopted, at home in school ages 10 thru 17. Also I have b grown Children own out on their own, Fortunately they are all working except for one This is a tough experience but I feel the path you are taking is the Correct path. We may be only scratching the Surface on getting the unemployed Adok to work fowever I feel we are farther along than that if we can hold the Course. Instation has been reduced to a buch better level and I think

it will get even better. more importantly interest rates have come down to a figure whichis beginning to make sense & Full employment will Come soon with this approach. now. Please do not allow pressure groups and personal interest lossyists to Changeour Course on keeping interest rates down. The greedy people of America, need to realize that high interest rates cannot be maintained by the american poor and even middle class. If & personally run out of my lifes favings and it won't be long I before things improve and Dam againgainfulli employed. (So be it) I feel I can afford it more than my elevery Children and twelve grandshildren Can later. Control of the contro

It will be, a lot milder now than what they can hope to expect if things Continue to take the Gnefcuseable Course our leaders have taken for the last to years. a Concerned Citizen Ralph W. King Enclosure (Resume) For background info only) (Not interested in a job in Washington) I like Wichita with the specific to the state of the state

THE WHITE HOUSE

WASHINGTON

December 27, 1982

Dear Ms. Masin:

I hank you very much for your kind and may I say informative letter. I agree with you about the importance of the Spanish language. I am of the generation that had to take a couple of years of French in high school because it was the official language of the diplomacy. But here we are in the Western hemisphere where Spanish is the language of all but & countries.

I am determined to develop a relationship between ourselves to our neighbors to the South. On my recent trip I made very sure that I didn't appear to be proposing a plan - we've done that before. I asked them what our differences were and how they thought we might resolve those differences. I received some sound answers.

These two great continents have known more peace than any other area of the world and from pole to pole we worship the same God. Believe me I won't let up on this task.

Thank you again for your letter and your prayers.

Sincerely,

Ms. Mary Louise F. Masin 6203 Harley Lane Temple Hills, Maryland 20748

December 27, 1982

Dear Ms. Masin:

Thank you very much for your kind and, may I say, informative letter. I agree with you about the importance of the Spanish language. I am of the generation that had to take a couple of years of French in high school because it was the official language of diplomacy. But here we are in the Western hemisphere where Spanish is the language of all but three countries.

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To Mr. o Mrs. Phillip Willsea 6609 Liberty Pole Rd., Done Mr. o Mrs. Willsea Dansaille M. Y. 14437

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To Ma. Many Louise 7. Masin 6203 Harley Lane Dear Ms. Masin Temple Hills Md. 20748

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Thank you again for your letter & your fragers. Smile RR

To Ms. Barney Bowen Mareller 1592 Forest Villa Lane Marsen Va. 22101

Las Benerly

How good it was to hear from you and to have your approval of my trip to Bragel. It was as you know a first for me. I show your feeling about the people & the postential for a great bi-lateral accord between our two countries. All of us come home with a feeling we had accomplished something and mude a good start.

d'assure you d'el cary on. Best Regunds RR

To Mr. & Mrs. Karl King Opdor. 106 Hatillo, Sanforse Certa Ricar Central america.

Dear Mr. oms. King

you letter has finally caught up with me now that have returned from Easte Rica, I want to them you for your baind words & most importantly for your prayers, I believe very much in interessionary prayer and so an deply grateful to you.

Mency we sent with me but I truly enjoyed the visit and feel me established a brond there - I intend that we shall do everything me can to help that democracy.

Ogani thank you of thank you for what you are doing. I feel Bless you RR

6203 Harley Lane
Temple Hills, MD 20748
December 4, 1982

Dear President Reagan,

How happy I am that you have traveled to South America!

A visit there by an American President is long over due.

As long as 40 years ago, there was much talk about improving relations with South America but it was only talk.

I am a music major and wrote a paper on Brazilian Music.

I did much research on the Brazilian composer, Villa Lobos and bought recordings of his music which are fascinating!

I was living and teaching at Rye Beach, New Hampshire in a junior college near Portsmouth. I gave a lecture on Brazilian Music there for an interested group.

I studied piano with Marta Milinowski at Vassar College.

Her teacher had been Teresa Carreno of Caracas, Venezuela.

Anton Rubenstein called Carreno "The Empress of the Keyboard."

Marta was writing the biography of Carreno while I was studying with her. I learned a great deal from her about Carreno, who gave concerts world wide. She was also an opera singer and had a fantastic career.

The book was published in 1938 I wish you could read it.

The title is <u>Teresa Carreno</u>.

As a teacher, I feel we need to teach more Spanish in our schools. It has replaced French in importance although the French refuse to admit it.

We need more cultural and economic relations with S.A. You have made a good start! Please pursue it!

Most of what you are doing in your administration, I approve and support. I'm a great admirer of yours. You are in my thoughts and prayers.

Sincerely,

Mary Louise F. Masin

6203 Hoosley Lone UPD Hemple Hills 94 A. 20748 December 4, 1989 Dear President Reagon, How happy wan that you have traveled to South america! a visit then by an amenian President is long over due. Coo long as 40 years app, these was much tack about importing relations with South america but it was only talk. Dam a music major and wrote a paper on Brazilian Masic. I did much research on the Brazilian composer, Villa Tobos and Dougal recording This music which so faturaling I was living and teaching at Rige Boach, Hew Hemoshire in a junior Tollege mear Ortemonth. I gave a letture on Brayelian Musi there for an interested orons. 4) ilmowski at Vassar College. Her

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December 27, 1982

Dear Beverley:

How good it was to hear from you and to have your approval of my trip to Brazil. It was as you know a first for me. I share your feeling about the people and the potential for a great bilateral accord between our two countries.

All of us came home with a feeling we had accomplished something and made a good start.

I assure you I'll carry on.

Best regards,

RonA

Ms. Beverley Bowen Moeller 1592 Forest Villa Lane McLean, Virginia 22101

RR/Dictation/lme

821230

THE WHITE HOUSE

WASHINGTON

December 27, 1982

Dear Beverly:

How good it was to hear from you and to have your approval of my trip to Brazil. It was as you know a first for me. I share your feeling about the people and the potential for a great billateral accord between our two contries.

bilateral

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I assure you I'll carry on.

Best Regards,

Ms. Beverly Bowen Moeller 1592 Forest Villa Lane McLean, Virginia 22101

6 December 1982 1592 Forest Villa Lane McLean, VA 22101

Dear President Reagan,

I was pleased to read in the morning paper of your favorable reaction to the Brazilian experience. A little over eleven years ago I resigned as your appointee to the California Regional Water Quality Control Board in order to move to Brazil. I know that country and respect its people. Although I live here now I travel to Brazil frequently to visit my ranch in the state of Parå.

I find among all Brazilians I encounter an enormous reservoir of good will toward this country. I believe that your visit has served to increase its already vast dimensions.

With my continuing support

Beverly Bowen Moeller

CAD

Her Kresident Reagan I was pleased to read in the morning paper of your favorable reaction to the Brazilian expérience. a lettle over eleven years ago I resigned as your appointee to the California Régional Water Guality Control Doud in order to move to Drazil. I know That Country and respect its people. although I live here now I travel to Brazil frequently to visit my ranch in The state of Para. I find among all Brazilians I encounter an enormous reservoir of good will toward This Country. I believe That your visit has served to increase its already vast dinensions. With my continuing support Awaley Bowen Mouller

December 27, 1982

Dear Mr. and Mrs. King:

Your letter has finally caught up with me now that I have returned from Costa Rica. I want to thank you for your kind words and most importantly for your prayers. I believe very much in intercessionary prayer and so am deeply grateful to you.

Nancy wasn't with me but I truly enjoyed the visit and feel we established a bond there. I intend that we shall do everything we can to help that democracy.

Again thank you and thank you for what you are doing.

God bless you.

Sincerely,

Mr. and Mrs. Karl King Apdo. 106 Hatillo Costa Rica Central America

RR/Dictation/lme

4

HATILLO URBAN EVANGELISM



DREAM BECOMES REALITY

November 12, 1982

Dear President Reagan.

Please forgive me if the manner and form of this letter are not correct. I have never written to a person of such a high office (Romans 13:1-7) before now. My purpose in writing this is to wish you, and Mrs. Reagan if she is with you, an enjoyable and beneficial visit to Costa Rica. We have lived here in Costa Rica since July and have found it a very warm and friendly country.

We are part of a team of six missionary families that live and work with the Church of Christ (Romans 16:16) in Hatillo, a lower income housing district just on the outskirts of San Jose. Not speaking for our congregation, or our team, we are very happy that you are coming to visit this country and hope that this country's economy can be helped before it becomes unstable.

We wanted you to know that we have you and your family in our prayers (1 Timothy 1:1-4). We pray that the Lord will bless you, always be with you, and help you in your tremendous responsibilities and decisions (James 1:2-5). We were members of the Republican party during your election. We were members in Vernon, Texas district which is a strong farming and conservative thinking area. We will continue to support you with our prayers, our greatest asset (1 John 5:14).

Que El Senor le bendiga,

Karl & Darla King

Karl and Darla King

Apdo. 106 Hatillo

Costa Rica

Central America