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Last Updated: 07/15/2025

193086

GI 002

December 27, 1983

Dear Merv:

Thank you for that handsome, practical and just all around wonderful leather jacket. I have to say you really shouldn't have -- but I'm glad you did. You made a very large contribution to a very happy holiday.

Nancy sends her love and we both hope you had a warm and Merry Christmas and a Happy New Year. Again my heartfelt thanks.

Sincerely,

Ron A

Mr. Merv Griffin
1541 North Vine Street
Hollywood, California 90028

RR:AVH:CAD:pps

RR Dictation

bcc: John Hilboldt

831227

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: PRESIDENTIAL HANDWRITING FILE: Records

Archivist: ggc

File Folder: Folder 110 (12/22/83-12/31/83)

Date: 12/30/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Cable	re 240103Z R, 6/27/00 NLSF98-012 #3	12/24/83	P1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

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

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

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

THE WHITE HOUSE

WASHINGTON

December 23, 1983

193165

4620

5300

PL

PR001

B900304

Dear Cheryl and Rick:

I have finished the book and am sorry. I'm sorry because it has been a long time since a book has gripped and held me the way yours did. I was rushing home to continue reading it. Thank you for giving it to me but more important, thank you for writing it and both of you for living it and for bringing about a happy ending after so much pain and suffering.

I've talked so much about your story while I was reading it that a line has formed here in the "West Wing," waiting their turn to read it.

You strengthened my belief that it was a noble cause and all of you who suffered through it were betrayed by those (you described some of them in your book) who preferred to think of the enemy as "Agrarian reformers."

Again, thanks and God bless you.

Sincerely,

RONALD REAGAN

Mr. and Mrs. Rick Eilert
577 Applegate Lane
Lake Zurich, Illinois 60047

8

83,227

To Mr. + Mrs. Rick Eibert

private note

Dear Cheryl + Rick

I have finished the book and am sorry. I'm
sorry because it has been a long time since a book has
gripped & held me the way yours did. ~~I miss rushing home~~
to continue reading it.

~~and I~~ Thank you for giving it to me
but more important, thank you for writing it & both
of you for living it and for ~~not~~ bringing about
a happy ending after so much pain & suffering.

I've talked so much about your story while
I was reading it that a line has formed here in
the "West Wing", waiting their turn to read it.

You strengthened my belief that it was a noble
cause and all of you who suffered through it were
betrayed by those (you described some of them in your
book) who preferred to think of the enemy as
"Agrarian reformers."

Again Thanks & God Bless you.

Love, RR

577 Applegate Lane
Lake Zurich, Ill. 60047

193084
PR 003

December 23, 1983

Dear Murph:

Had first started to write a note in response to your December 8 letter. It was to tell you I'd put the name of that other George Murphy in the hopper over at John Herrington's office.

Now your December 20 letter has arrived. I know I can't adequately respond to it. How do I thank you for making me feel more proud and yes humble than I've ever been? I pray with all my heart that I will never let you down and that I can be even a little deserving of your kind, generous words. Thank you and God bless you.

Nancy sends her love and both of us hope that you and Bette will have had the very best of holidays, especially a wonderful Christmas.

Love,

RON

The Honorable George Murphy
100 Worth Avenue
Palm Beach, Florida 33480

RR:AVH:pps

RR Dictation

GEORGE MURPHY

100 Worth Avenue
Palm Beach, Florida 33480
December 20, 1983

Dear Mr. President:

You and Nancy have been in our thoughts constantly during the past year, as well as in our prayers. No one who has not been in public life, particularly the political arena, can possibly appreciate the problems and pressures which are constantly present. The complex world in which we live is bad enough, with all its normal diversity and misdirection, but this condition is multiplied and magnified a thousand fold by the continuing struggle for world domination by the atheistic monster which has for its purpose the destruction of all true free progress of civilization. The bright torch of Freedom which has been the true guiding light of all the progress and Peace and Productivity which has made our nation the envy of all mankind will be extinguished forever if these monsters prevail. When one recalls the total true record of the masters of destruction and deceit it is actually more than the human mind can contain, much less condone. The pernicious malady is constantly fed on the weaknesses of human nature, Greed, Cowardice, Avarice, Power and Personal Ambition, Modern Communication, with its constant and continuing accessibility continues to amplify the condition of contrived confusion. The problems are never-ending and the responsibility of leadership is awesome.

Your performance, as well as Nancy's, has been truly unbelievable. I admit to some personal bias because of our long friendship but, as you know from past experience, I have always stressed impersonal objectivity and the general welfare in my judgments, decisions and conclusions. Since I first became interested and actively involved in the political process nearly fifty years ago, I have had the advantage of a front row seat and have been a better than average student. My judgments and conclusions I believe will stand close scrutiny for consistent correctness. I often refer to myself as "the oldest living undergraduate"

and claim to be an expert in human engineering. I have observed and studied all sorts of people in all manner of circumstances for many, many years and I believe I have become a bit of an expert.

And so with full confidence in the correctness of my conclusions during this most thoughtful season of Christmas, I send you my Christmas message and my personal conclusions.

You have been, without question and from every discernible direction the finest, most dedicated and most successful Chief of State this Nation has been blessed with in my lifetime. (That takes in the entire 20th century minus two years). The problems you inherited seemed insurmountable, the economic conditions impossible to correct and the obstacles carefully deployed by the enemies at home and abroad in the seas through which you must guide the Ship of State seem to make impossible a safe passage. Your performance has been spectacular. You have conquered the Economic Problems, you have revalued the American dollar until it is stronger than ever, you have repaired the deceitful damage which was done to our military establishment by the MacNamaras, Vances and others. You have created the condition wherein at long last Labor and Management have come to realize they are not enemies, but really are interdependent. One cannot thrive without the other. Where there is no Profit there can be no Progress. You have restored the respectability of our nation which had been so badly sullied by your direct predecessor.

In spite of the almost endless efforts of your professional detractor, you have avoided even the faintest shadow of scandal. You have confounded them with decency and you have done all this in a clean, clear, courteous manner which decimates your detractors and brings great joy to your friends.

Mr. President, you are in my opinion one hell of a man. You have done one hell of a job and I shall sing your praises as long as the good Lord lets my pipes hold out.

Bette and I send our love and admiration along with our hopes and prayers for a happy Christmas and a continuation of your fantastic performance which will most certainly guarantee the USA a Happy and Prosperous New Year and many more to come.

The President
White House
Washington, D. C.

GM/lm

Love
M. Murphy
+ Bette

To Sen. George Murphy

Dear Murph

Had just started to write a note in response to your Dec. 8 letter. It was to tell you I'd sent the name of that other George Murphy in the happer over at John Harringtons office.

Now your Dec. 20 letter has arrived. I know I cant adequately respond to it. How do I thank you for making me feel more proud & yes humble than I've ever been? I pray with all my heart that I will never let you down and that I can be even a little ~~bit~~ deserving of your kind, generous words.

Thank you & God bless you.

Nancy sends her love & both of us hope that you & Bette will have had the very best of holidays, especially a wonderful Christmas.

Love
Ron

193090
G1002

December 23, 1983

Dear Ted:

Thank you and please convey my thanks to all the members of the Pep Band for my tee shirt and for including me as an honorary member. Thanks, too, for the motto. You all have made me very proud.

Again, my heartfelt thanks.

Sincerely,

RONALD REAGAN

Mr. Ted Parge
Eureka College
300 East College Avenue
Eureka, Illinois 61530

RR:AVH:pps

RR Dictation

Eureka College

Chartered 1855

December 20, 1983

President Ronald W. Reagan
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

On behalf of the members of the newly formed Eureka College Pep Band, I would like to present you with an official Pep Band Tee Shirt which entitles you to honorary membership in our band. We have adopted the motto "The President's Own" in your honor.

Due to the lack of an official Pep Band within the Armed Services Bands, we would like to extend our invitation to serve you through January, 1989 as The President's official Pep Band.

We look forward to your visit to our campus in February, and are honored to have the opportunity to play for you.

Sincerely,



Ted Parge
Director of Alumni and Annual Support
Director of Eureka College Pep Band

TP:jmc

Enclosure

Ted Parge
Director of Alumni
and Annual Support

OFFICE PHONE
(309) 467-3721 ext. 245

Eureka
College
Chartered 1855

Eureka College
Eureka, Illinois 61530

• Eureka, Illinois 61530 • (309) 467-3721

193089
FPO10-02

December 23, 1983

Dear Doug:

Now that I'm straightened out on your Mt. Everest outing (doesn't that sort of underplay it) I've put my NSC adviser back on it. You'll be hearing from someone in his shop about dates, etc.

Please don't advertise that you haven't made the climb yet. I've already had you up there and back to a couple of people now recovering from surgery. They were greatly encouraged to hear of your exploit. If they do find out you're doing it in March or thereabouts I'll tell them you are doing it again -- it was so much fun the first time.

As for the tax matters I've discussed your letter with Don Regan and asked that the matter be given another go round in light of the additional points you made.

I've also asked him to have his staff analyze the income tax refunds proposal. I share your view that additional savings for retirement should be encouraged. I am, however, not too sold on making it compulsory.

Nancy sends her best and from both of us to you and Margot we hope your holidays were warm and happy.

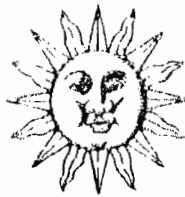
Sincerely,

RON

Mr. Douglas Morrow
1155 North Brand Boulevard
Glendale, California 91202

RR:AVH:pps

RR Dictation



Sun Valley

December 16, 1983

Dear Mr. President:

Don't be upset about me "ending up incognito".
I haven't...yet. We don't leave for the Everest jaunt
until end of March.

It's very good of you to put your NSC advisor on
this. And I don't want to burden you with details. If,
at his convenience, he could contact me I'll give him
the dates, etc. Margot and I will be very appreciative
if he is able to do anything to ease our way.

Re: the tax-refund retirement proposal...I do hope
you'll give me a chance to address any concerns, objections
or questions you might have regarding it before you make
a final judgement.

Re: the National Heritage donation deductibility...
I hope your intention to discuss my reply to Chapoton
with Regan indicates at least some approval of my position
on this. With due respect, I think they're wrong on this,-
both substantively (encouraging institutional preservation
of rare and unique treasures), and politically (helping
finesse the false but widely held perception that the
Administration is insensitive to these matters).

Margot and I send you and Nancy affectionate regards
and warm wishes for a

D. Jerry Christinas!!

Sincerely,

DOUGLAS MORROW

August 29, 1983

Dear Mr. President:

At our meeting out here, I was under the impression that, assuming overwhelming and incontrovertible procedures to fairly determine market value and prevent abuse, you and Secretary Regan would support what I call the National Creative Treasures Preservation bill.

Then, I received this letter from Chapoton. It is not only the same old re-hash but, much more disturbing, it totally ignores the crux of this whole issue and displays a troubling insensitivity to what this matter is all about. As you will see from my reply, there is more involved in this matter than seems to be the case under superficial review. Mr. President, I think they are dead wrong on this one.

I beg you to read his letter and my reply thereto. If, after reflecting upon both, you think he is more on the right track than I am, I'll back off and shut up.

I am also enclosing something I had hoped to get to you sooner. But, as I got into the research and background, it got bigger and more complex. It also became much more important than I originally thought.

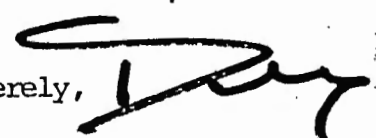
I have examined this 12 ways from the middle. I devil's-advocated it to death. It not only stood up, - it made more sense the more I hacked at it. Then, and this what caused the delay, I lined up 10 CEO's, from a variety of fields, some of whom you know favorably, and threw the concept at them, separately, for their assessment.

Nine of them were unequivocal in stating that it would be a major, even revolutionary, benefit to our economy and to our people, particularly our retirees and elderly, - that it would take much of the heat off our Social Security system, - and that it would be an important factor in helping hack away at our deficits and debt. One of them saw what he called theoretical benefits but said it would be impossible to sell to the country. The other nine acknowledged that it would be very difficult, but not impossible, to sell. When I outlined how I thought it could be sold, they were very enthusiastic.

I have timed getting this to you so that, hopefully, you would have the few moments needed to read and reflect upon it. Questions will occur to you...objections...concerns...devil's-advocate reactions. I think I might be able to respond to whatever occurs to you. At least, I have tried, with the help of some very able guys (not a woman among the CEO's...if this gets out we're dead) to anticipate and cover any major concerns you may have. I ask you, as earnestly as I can, to give me an opportunity to address your concerns before you discuss it with, or pass it on to, anyone..

Hope you and Nancy had a great sojourn on the hill, and send you both affectionate regards.

Sincerely,





DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUN 1 1983

Dear Mr. Morrow:

Secretary Regan has asked me to respond to your letter of March 7, urging us to give further study and reflection to a proposal which would permit artists to deduct the fair market value of their work contributed to charity.

As you know, the President is very interested in developing ways to stimulate volunteerism and private giving. Treasury has been working closely with the President's Committee on Arts and Humanities toward this end.

We are giving careful attention to the proposal you are advancing. There are three broad policy considerations which trouble us about it. First, we believe there are sound policy reasons behind the general rule that the deduction for gifts of ordinary income property or of services to charity should be limited to the amount it cost the taxpayer to acquire or produce the property or perform the service. The primary justification for the charitable contribution deduction is that it is inappropriate to tax income which a taxpayer has elected to donate for the good of the general public rather than to spend for his own personal consumption. Thus, for instance, a painter who sells a painting for \$10,000 and contributes that amount to charity is permitted to deduct the \$10,000. This produces the same result as if he had not earned the \$10,000. Moreover, there is charity in his gift since he has foregone the right to otherwise consume the after-tax proceeds of the sale.

The general rule of current law which would limit the artist's deduction for contributing the painting to his cost in creating it produces the same result to the artist as if he had sold the painting and contributed the proceeds to charity. This is appropriate since his cost in making the gift is the same, that is, he has foregone the right to realize and consume the after-tax proceeds of a sale of the painting.

By contrast, if the artist were permitted to deduct the full value of his painting, he would realize the same economic benefit as if he had sold the painting and given nothing to charity.

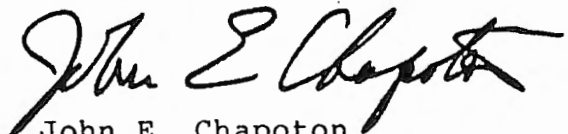
Assuming he is in the 50 percent bracket, the tax benefit he would realize, and which he is free to consume as he wishes, would equal the after-tax proceeds he would have realized from a sale. Most if not all of the cost of the gift would be borne directly by the government and indirectly by other taxpayers. There would be virtually no charity in such a gift.

Our second concern involves the potential for abuse inherent in deductions determined by fair market value. Absent an arm's length negotiation between a potential buyer and seller, it is often very difficult to properly value items such as art work, manuscripts, papers and the like. The tax benefits to be obtained create a tremendous incentive to overvalue gifts. We are very concerned with abuses under current law in the valuation of gems, artwork and other property contributed to charity and are hesitant to support a proposal which would compound this very real problem.

Finally, a fundamental principle of tax equity requires that taxpayers with equal incomes bear equal tax burdens. A special rule for artists would violate this rule by providing better tax treatment for them than for other taxpayers who donate services or ordinary income property to charity. Literally millions of individuals make valuable contributions to charities in the form of services and inventory. To fashion a special rule for artists could create considerable pressure to change the rule for all taxpayers. Not only would such a change have a substantial revenue impact, it would create further potential for abuse.

In any event, I want to assure you that we will give this proposal further study and will give your comments careful consideration in the course of doing so.

Sincerely,



John E. Chapoton
Assistant Secretary
(Tax Policy)

Mr. Douglas Morrow
1155 North Brand Boulevard
Glendale, California 91202

DOUGLAS MORROW

August 22, 1983

Mr. John E. Chapoton
Department of The Treasury
Washington, D.C. 20220

Dear Mr. Chapoton:

Thank you for your letter of June 1.

Before replying, let me assure you that nothing which follows is meant to be offensive. The only axe I have to grind in this matter is my deep concern about anything which adversely affects the President and the success of his administration. If I seem to be critical of the tack you are taking in this matter, and I am, it is intended to be a constructive criticism aimed at achieving goals and objectives which I assume you also seek. I hope you will react to and reflect upon what follows in that spirit.

To save time, I will stipulate that, with respect to the broad area of charitable donations generally, the three objections you state are, by and large, valid. The problem is that they have little or no relevance to the matter under discussion.

(Before proceeding...you repeatedly refer to "artists". I assume you realize that "artists", in the "painting" context, represent only one of many categories which, by reason of their unique contributions to our national heritage, would come under this amending legislation.)

From the moment I first involved myself in this thing, I kept running into Treasury's preoccupation with "ordinary income property or services" and then building a case on this irrelevant base.

What is involved in this dispute has nothing to do with "ordinary income property or services". We are concerned about those "creations" in a variety of categories which, by common acknowledgement, are so unique and rare as to have special importance to this and succeeding generations in the fields of art, music, literature, drama, science, history, etc., etc.

Astonishingly, Treasury has consistently failed or refused to focus on the guts of the issue. It has taken a coldly mechanical approach as if it were denying the very existence of rare, unique and historically significant creations. Worse yet, it stubbornly ignores the best interests of the people...the ordinary people of this country...and persists in a position that only benefits the "fat cats".

You chose to use the example of a painting to support your argument. And there was not a single word about who gets to see and enjoy the painting. Just a lot of financial mechanics irrelevant to the issue. The important factor, in the instance you cite,

*How do you
want it to show
rare & unique
creations; or do
you just not care?*

8/22/83

is not that the artist got a \$10,000 deduction. (And I am assuming that is a figure supported by overwhelming and incontrovertible evidence.) What is important is that this artistic experience and satisfaction, by reason of the artist's institutional donation, is now and evermore available to the millions of people who can't afford to buy one of these paintings and hang it in the living room.

The deduction the artist got is miniscule in comparison to the benefit he has produced by giving it to an institution where it will be available to the public, instead of selling it to some "fat cat". But what Treasury is saying is, "Uh, uh, that's a no-no. But it is okay for "fat cat" to enjoy it all by himself for many years and then, if and when it suits his financial program, give it to an institution and take a deduction (probably greatly increased by now)." Or, perhaps, sell it at a profit to another "fat cat".

Or, let's say, Jonas Salk and his handwritten notes and equations preceding his failed and then successful experiments on the vaccine. Any number of fat cat private collectors would bid to the sky on this and then put it in a vault as an appreciating asset. Your fallacious position on this is, "If Salk wants to be charitable, let him sell it to fat cat and donate the proceeds to charity", totally ignoring the fact that if Salk donated these notes to an institution and took the deduction that deduction would be nothing, whatever the amount, compared to the research value derived by doctors, scientists, etc., to whom the material was institutionally available.

In one of the specious arguments made by Treasury, reference was made to services made by many doctors and how this amending legislation would open the door to "billions of dollars" of deductions. Absurd. Does Treasury really equate the historic work of the few men such as a Salk or a De Baakey with the work of some well-meaning, charitable but routine medico whose supreme medical achievement is "Cough", or "Take 2 aspirin and call me in the morning"? However valuable these services may be, particularly if donated, there is nothing rare or unique about them that screams for historical preservation.

Doesn't Treasury realize how valuable it would be, for generations to come, to have institutionally available, for example, Tennessee Williams' handwritten annotations, deletions, revisions and additions to the First Draft of Pulitzer Prize-winning play?

Is Treasury fearful that the author of the South Succotash High School Varsity Show might donate his script to the South Succotash Library and take a deduction that would plunge the country into financial panic? Or that the author of some turkey that opened and closed on Friday night, somehow, make a deductible killing?

Treasury was quoted to the effect that this amending legislation would have a revenue effect in "the tens of billions of dollars". Treasury seems to be laboring under the monumental misconception that there are, waiting eagerly out in the boondocks for this legislation, millions of "creators" loaded with all sorts of rare and

Maybe he can
sell in how to
imail the benefit to
alikes - then we
could clearly go
along

8/22/83

unique "creations" and panning to unload them, with massive deductions, on various institutions. How else could you come up with a figure of tens of billions of dollars?

Well, nothing could be further from the truth. Would that it were true. Because it would mean that we were in an epochal creative period, unprecedented in the history of mankind. And if it were true, the deductions would be relatively minor because such a proliferation of "creations" would remove them from the category of "rare and unique" and the true market value thereof would be minimal. At least until the law of supply and demand is repealed.

We are not concerned, in this amending legislation, with donations of cartons of cigarettes or Wheaties, or plumbing or carpentry services, or doctors taking blood pressure, or any of the myriad routine things and services which the charitably inclined bestow upon those in need. As helpful and as necessary as these routine "inventories and services" may be to those who need them, you must not confuse or equate them with the very few rare and unique creations which, by their very special nature, deserve institutional preservation for the benefit, study, research, enjoyment, etc., of all.

The crux of this matter is not the deductibility of the donation of these rare and unique creations. There simply are not enough of them to generate massive deductibility. Expert estimates range from 5-45 million annually. At maximum, this breaks down to about 50¢ per taxpayer annually.

Incidentally, you state that you are working closely with the President's Committee on Arts & Humanities. Then, surely, you must know that the Task Force strongly supports this amending legislation and estimates its annual revenue effect at 5 million dollars.

The crux of this matter is that this amending legislation would encourage and stimulate shifting these rare and unique creations from individual hands, for private enjoyment and/or personal profit, into institutional custody for the benefit of all. The principal beneficiary would not be the donor-deductor. It would be the American public. That is the primary and overriding purpose of this legislation.

The field of financial mechanics, to which I alluded above, is not foreign to me. So forgive me if I point out something which Treasury seemingly has ignored. If, through this amending legislation, we would encourage creators to donate to institutions, taking a fair deduction, instead of selling the materials in the commercial market, the net revenue effect would be beneficial to Treasury. The fair market value at the time of transfer from creator to institution would be substantially less than it would be after it has moved from individual to individual in the commercial market and then is donated, with immense deduction, to an institution.

8/22/83

There is, of course, another reason why I am so vigorously pushing this thing...though not for public attribution.

The President has been grossly misused by the false perceived imagery that has been attached to him. Anti-poor, pro-rich, anti-black, anti-women, anti-culture, anti-education, anti-God knows what. Much of this has been generated, not surprisingly, by a slanted and cynical media. But, I am sorry to say, they have too often been abetted, in their nurturing of these false perceptions, from within the administration itself. Time and time again, sound, even necessary, programs and concepts have been so ineptly structured and/or clumsily presented that they have failed to fly and only added another layer to the heavy burden of false imagery the President has had to bear.

I push this particular issue because, properly handled, it offers an opportunity to dissipate somewhat the false anti-culture, anti-education, pro-rich perceptions of the President.

Equally as important, if Treasury's position on this is maintained, I shudder to think what an astute Democrat strategist could make of it. You might think this letter is harsh and offensive. But it is sweetness and light compared to what political opposition could do on this. And if they did pick up on it, this President, the administration, and the Republicans, could be made to look insensitive to art, culture, drama, literature, science, etc., etc., oblivious to the best interests of the people, ignorant of the significance of national creative treasures, devious in the protection and advancement of the privileges of the rich, etc., etc.

They'd have a field day with the next-to-last paragraph of your letter. You are right..."literally millions of individuals" contribute routine services and things to charity. But there are not literally millions of rare and unique creators. They are numbered, at most, in the hundreds. And by lumping them all together you are mixing pickles and ice cream. Those to whom this legislation is directed are special and deserve special treatment...not for the deductions they might get, but to encourage them to make their creations available to the largest possible number of people. The American people would understand and applaud this. What they won't understand is a tunnel-vision approach which ultimately only benefits the fat cat.

Your next-to-last paragraph, for some weird reason, reminded me of an incident with Bing Crosby. He was boarding a plane out of New York. An airline rep escorted him through the ramp onto the plane. An attendant escorted him to his seat and fussed over him to make him comfortable. Scowling, a guy down the aisle got up and approached Bing. Scornfully, he said, "I guess you think you're hot stuff, something special. Don't you know we're all created equal?"

"Really?" said Bing, "Sing something..."

8/22/83

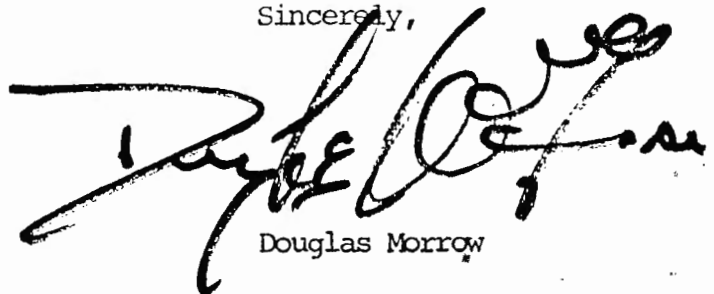
Treasury should devote itself to the two areas of concern, one of which you pointed out, which must be dealt with to make ~~this amending~~ legislation viable and fruitful.

First, a very clear and precise definition must be composed to identify what qualifies to be included in the category of rare, unique and special creative treasures. Properly composed, this definition would preclude routine inventories and services. In effect, this definition would say, "Sing something..."

Second, a clear and explicit description of the procedure to be followed in determining fair market value and preventing abuse must be set forth. Fortunately, in the last ten years or so a broad commercial market has developed for these treasures (with, regrettably, much of the stuff going out of the country). This could be a helpful factor in making value determinations, along with various other criteria. In any event, I hope Treasury is not going to embarrass itself by taking the position that it can't figure out how to determine fair market value and prevent abuse.

I realize that the last paragraph of your letter was a rhetorical amenity. But I urge you to really re-think your position. You are on very thin ice on this one.

Sincerely,

A handwritten signature in dark ink, appearing to read "Douglas Morrow", with a large, stylized flourish extending from the end of the signature.

Douglas Morrow

August 29, 1983

Dear Mr. President:

At our last meeting, I touched, very briefly, with you on making more constructive use of the annually recurrent refunds due taxpayers on what was withheld by IRS from their wages. You said, "Let me devil's-advocate this...if these monies were not refunded to the wage earner-taxpayer, they would have less to spend, and this would adversely affect the economy."

Of course, you are right. But this valid objection gets smaller and smaller and ultimately vanishes when we tote up the many enormous positives of this plan as against the limited negatives.

First, some figures. These are as of the last year for which figures have been compiled, 1980. (These figures will, of course, proportionately increase with succeeding years).

In 1980, there were 93,902,469 individual taxpayers. Of these, 68,232,903 received refunds totalling \$46,680,072,000. This comes to an average of \$684 per taxpayer. For the purpose of this discussion, I will use a figure of \$700, although I am advised that for the current year it will probably be over \$800.

Incidentally...a fact which surprised the hell out of me. Did you know that as of each April 15th, the IRS puts out more money than it takes in? In 1980, on April 15, 25,669,566 taxpayers paid IRS \$32,843,576,000, while over 68,000,000 taxpayers received refunds of over 46 billion dollars. (Of course, \$228,959,396,000 had been withheld during the year.)

Anyway, let's use a figure of 50 billion for the refunds, which it will probably be this year.

My proposal, simply put, is that, instead of refunding this average of about \$700 to each of about 70 million taxpayers, the following be done:

- 1- Create a semi-independent Entity, the executive and operational officers of which would be carefully (and non-politically) selected, not from the federal bureaucracy, but from the banking, business and financial communities. They would be paid competitively with the highest-level private sector.

- 2- The Entity would have transferred to it from the IRS the amounts due each taxpayer, the names thereof, and a separate account established in each taxpayer's name.

- 3- The Entity would be charged with lending these monies, under a very carefully legislated charter, to business and industry, municipalities, states and even the Federal government. All loans must be domestic.

- 4- Interest charged could be competitive. But if you really wanted to keep a rein on and control interest rates, the Entity could charge 50-100 basis points under the market. This might drive banks up the wall, - but it would also keep them under some control.

- 5- The interest received, less overhead, would be credited, pro rata, to the individual taxpayer accounts and compounded and reported to the taxpayer either monthly, quarterly, semi-annually or annually. I'd opt for quarterly.

- 6- There are certain actuarial equations which would determine the distribution of these funds back to the taxpayer. I won't get into them here. But it would be something like a taxpayer, under age 50 having no access to

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the principal and compounded interest for a specified minimum period. From age 50-65 the accessibility period would be shorter. And after 65, accessible at will. In any event, at whatever time the taxpayer draws down from his account, the compounded interest would be TAX EXEMPT, as, of course, would be the principal.

The basic purport of this plan is to make to approximately 73% of all individual taxpayers (the refundees) 'an offer they can't refuse'.

In effect, this would be a form of forced saving. Some will claim that the IRA's achieve this. And they will support this claim by pointing out that over 25 billion dollars was put into IRA's last year, and probably more this year.

But the main appeal of the IRA's has not been to the lower level wage-earner, say, in the \$12,000-25,000 range. IRA's have generated most of their action from higher-level wage earners who are not as interested in the savings effect as in its current tax deductibility. Roughly, I refer to those in the 20%-50% tax bracket

Secretary Regan said the \$2,000 IRA limit is going to be raised to \$3,000. That's fine and I'm all for it. But it won't mean a damn thing to a family man earning \$12,000, \$14,000, \$16,000, even up to \$30,000 a year. Put \$3,000 in an IRA account? No way. These are the families to whom the average \$700 refund is a welcome windfall. They will claim, vociferously, that they need and want that \$700. I say that it is the duty of the government to mount a campaign to educate these people to the fact that they can't rely on the Federal Social Security System to bear the entire burden of taking care of them in their senior, retired years,- that they must contribute now to their later years, even if it hurts a little, to avoid real pain later.

Unfortunately, as you know, in recent decades the United States has a sorry record as a nation of savers compared to other Western industrial countries and Japan. Our percentage of savings has increased a bit since the IRA's, but not across the board. Particularly among those who will most need savings in later years

Despite all the publicity surrounding the IRA's, which was relevant to the better-off, more sophisticated taxpayer, the impact was minimal upon the hard-working, making-ends-meet, modestly-salaried guy. But you get across to him the fact that after 30 years, for example, under this plan as administered by the Entity, his total input of about \$21,000 (not refunded) will have become a figure well over \$100,000, available to him TAX-FREE, and you will have boggled his mind. A new facet of our society will have been created...retired senior citizens who, with the income from their Entity funds, their Social Security, and whatever small pension they might have, will suffer little, if any, diminution of income in their senior years after retirement.

This will not only be of historic importance to this segment of society,- it will ripple-effect throughout the economy as this significantly increased spending ability of this large group is felt across the board. In other words, the \$700 a year that would not be infused into the economy by not distributing the refunds would pale into insignificance compared to the thousands of dollars that these millions of people would be putting into the economy,- something that people in this bracket simply cannot do under our present setup. Keep in mind that this forced but massively compounded and tax free savings would apply to over 70% of individual taxpayers.

This is, of course, a long-term proposition. I estimate that the positive effects of it would probably not be significantly felt for perhaps 10 years. But we must look to the future, the whole future, and not focus on short-term bandaid solutions which I predict the recent Social Security changes will turn out to be. Unless you're planning a coup, you almost certainly will not be in office when the effects of this plan begin to be felt beneficially. It might even be, pardon the expression, a Democrat. That is why this thing should be bi-partisanly sponsored. So what? If it is for the long-range good of the country. And particularly if, however co-sponsored, it is authored by you. It might turn out to be a hell of a monument.

Quickly, other benefits:

Conceivably, way down the road, the diminution in reliance upon Social Security would result in a situation where Social Security would be necessary only for the chronically impoverished.

The fund would start with approximately 50 billion in the first year, and increase each year by at least that much. Within ten years, the fund would be so large that no longer would we be haunted by the interest-raising spectre of the private sector and the government competing with each other to borrow money. And all of this for the benefit of the 70% of the taxpayers in the Entity fund.

Business and industry would have available a vast source of funding for modernization, expansion, research, etc. at rates competitive with or better than in the conventional areas.

We would have a powerful capability to control interest rates.

By being able to finance productivity and expansion at non-exorbitant rates, we would materially increase employment, increasing buying power.

Individual and corporate tax payments would increase, and unemployment benefit payments decrease.

Across the country, affordable funding would be available to enable local, state (and federal) governments to do something about repairing, improving and extending public facilities. (What the bureaucratic mind, in its infinite pomposity, calls "infrastructure".)

A few potential negatives:

The one you mentioned, and to which I alluded above. In essence, once the plan has taken root there would, over the long run, be much more spending ability throughout the country than the annual disbursement of refunds would stimulate.

Bureaucratic control of the Entity and its resources. This is a valid and potentially troublesome problem. That is why, under bi-partisan unpolitical sponsorship, the legislated charter of the Entity must provide built-in prohibitions against bureaucratic intrusion and guarantees of private sector management and administration.

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The difficult selling of the concept. Aside from the specious theorizing of some publicity-hungry professors who are immune to the facts of life, the biggest problem will be selling it to the people. No theories for them. All they will see is the Government winding up to give them the shaft. Keep my money? No way. Gimme my \$700. Now. But before it ever got to that, the selling program should be in process. I have some specific, step-by-step procedures for accomplishing this. I even have a suggestion for who should be the initial chief executive of the Entity,- a guy who would not only give it a sound, down-to-earth business management but who, just by being there, would be a major factor in achieving acceptance by the people.

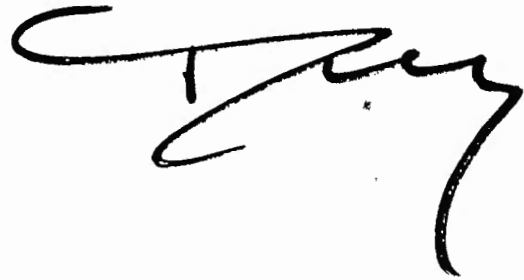
Finally, it is possible...although I think this can be avoided...that in order to get this thing on the road it might be necessary to have an initial, say, ten-year period when the plan would be voluntary, hoping that the benefits achieved by the volunteers would draw others into the plan. But I believe that if the whole project is astutely initiated and propounded, public acceptance can be generated from the start.

I'm sure you realize that for a plan of this magnitude this is only a cursory, sketchy overview. I ask you to give this serious consideration. And if it strikes any responsive chord in your mind, please give me an opportunity to elaborate and address your concerns and questions.

Carefully architected, bi-partisanly sponsored, shrewdly presented and expertly administered...this could be an historic boost for our economy and for our people.

As always, with affectionate regards to you and Nancy.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. R. R.', written in a cursive style.

To Mr. Ted Parge - Eureka College - Eureka Ill. 61530

Dear Ted

I thank you & please convey my thanks to all the members of the Pep Band for my Tee shirt and for including me as an honorary member. Thanks too for the matter. You all have made me very proud. ~~I look forward to seeing you all in Feb.~~

Again my heart felt thanks

Smiley RR

To Sen. George Murphy - we have his address.

Dear Murph

I tried to call you about your Dec. 8 letter but somehow couldn't make connections. I've put the other George Murphy's name into the hopper over in John Herring's shop. If there is something on tap he'll have a shot at it.

Murray sends her love & from both of us to you & your Lady - a very Merry Christmas & Happy New Year.

Smiley RR

To Douglas Macrae - We have his address.

Dear Doug

Now that I'm straightened out on your Mt. Everest outing (didn't that sort of underplay it) I've put my N.S.C. address back on it. You'll be hearing from someone in his shop about dates etc.

Please don't advertise that you haven't made the climb yet. I've already had you up there & back to a couple of people now recovering from surgery. They were greatly encouraged to hear of your

expert. If they do find out you're doing it - in March or thereabouts I'll tell them you are doing it again - it was so much fun the first time.

As for the tax matters I've discussed your letter with Don Regan and asked that the matter be given another go round in light of the additional points you made.

I've also asked him to have his staff analyze the income tax refunds proposal. I share your view that additional savings for retirement should be encouraged. I am however not too sold on making it compulsory.

Mary sends her love & from both of us to you & Margot we hope your holidays were warm & happy.

Jimmy Ron

MEMORANDUM

9368

THE WHITE HOUSE

WASHINGTON

ACTIONDecember 26, 1981 *Call made*

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. McFARLANE *RCM*

SUBJECT: Presidential telephone call of congratulations to the US citizen, Nicaraguan Bishop, who just helped Miskito Indian refugees escape from Nicaragua

Issue

Whether you should telephone Bishop Schlaefer to congratulate him on his brave and humanitarian action.

Facts

The US Embassy in Honduras informs us that two US citizens, Roman Catholic clergy Bishop Schlaefer and Father Schafer, arrived yesterday at 4:30 p.m. in the capital of Honduras. Bishop Schlaefer, a clergyman in Nicaragua for the last 37 years, told the Embassy that 1,040 Miskito Indians decided voluntarily to leave Nicaragua due to the lack of food, the restrictions imposed on them, and the obligatory military service; and they requested that he accompany them to give them added safety. Bishop Schlaefer and Father Schaeffer agreed. On the way out, about 200 Sandinista military attempted to intercept the column of refugees, but they were protected by about 60 anti-Sandinista Miskito guerrillas who prevented the Sandinista army from reaching the refugees. These facts are reflected in the front-page stories in the New York Times and Washington Post at Tab III.

Nicaraguan propaganda about this event is summarized by our Embassy in Nicaragua. The Sandinistas alleged--and during this week US media reported--that the two US clergymen had been kidnapped and then killed by CIA-backed anti-Sandinista guerrillas who had also kidnapped the Miskito refugees against their will.

We should draw media attention to this event because it highlights the following facts:

-- Sandinista repression of the Miskito and other Indian groups began in December 1981. It involved the systematic destruction of more than 44 towns in early 1982 (CIA released photos of this in March 1982) and the forced removal of from 15,000 to 30,000 Miskitos to detention camps.

-- All this persecution by the Marxist-Leninist Directorate occurred a year before there were any sizeable anti-Sandinista paramilitary forces.

-- The desire of the Miskitos to leave Nicaragua illustrates the continuing repression and the fact that the latest promises by the government are not believed.

-- The systematic, official lying of the Nicaraguan government this week about this event is indicative of their deceptive internal and international conduct--just as they lied in July 1979 when they promised the OAS there would be democratic elections and government in Nicaragua.

Your telephone call to Bishop Schlaeffer could focus on the humanitarian aspects of his action in the Christmas spirit of aid to the needy, as in the suggested talking points at Tab A. However, this telephone call would have the added positive effect of bringing more media attention to the repressive and deceptive character of the Sandinista government. (Today, he flew from Honduras to spend Christmas with his mother in Campbellsport, Wisconsin.)

Recommendation

That you telephone Bishop Schlaefer using the talking points at Tab A.

Approve ✓ OR Disapprove _____

Prepared by
Constantine Menges

Telephone Call from President Reagan to Bishop Schlaefer

Suggested Talking Points

-- It was a brave and humanitarian act for you and Father Schafer to walk through rugged terrain for four days to help more than 1,000 Miskito Indian men, women and children escape Nicaragua.

-- This was yet another example of people voting with their feet to leave a Marxist-Leninist dictatorship and go to a democratic country like Honduras.

-- We were disturbed by the Sandinista propaganda which said you had been killed by the anti-Sandinista freedom fighters who in fact protected you from the communist Army.

-- My thoughts are with all the religious and democratic leaders of Nicaragua who are trying to help the people of Nicaragua.

-- The desire of the Miskitos to leave Nicaragua illustrates the continuing repression and the fact that the latest promises by the government are not believed.

-- The systematic, official lying of the Nicaraguan government this week about this event is indicative of their deceptive internal and international conduct--just as they lied in July 1979 when they promised the OAS there would be democratic elections and government in Nicaragua.

A Presidential telephone call to Bishop Schlaeffer could focus on the humanitarian aspects of his action in the Christmas spirit of aid to the needy, as in the suggested talking points at Tab A. However, this telephone call would have the added positive effect of bringing more media attention to the repressive and deceptive character of the Sandinista government.

Recommendation

That you propose that the President telephone Bishop Schlaeffer using the talking points at Tab A.

Approve _____

Disapprove _____


Robert Sims concurs.

~~CONFIDENTIAL~~

7-10-11

WHITE HOUSE SITUATION ROOM

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E.O. 12356: DECL: 12/23/93
TAGS: SREF, SHUM CASC, PREL, HO, NU
SUBJECT: MISKITO EXODUS: WELFARE OF USC CATHOLIC
BISHOP SCHLAEFER

1. (U) BISHOP SCHLAEFER, FATHER SHAFER AND TWO MISKITO

NLS
F98-012 # 3
BY dh NARA, DATE 6/28/00

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

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DTG: 240103Z DEC 83 PSN: 020068

DEACONS ARRIVED IN TEGUCIGALPA AT 4:30 PM DECEMBER 23 ON US ARMY HELICOPTER. THEY WERE MET AT AIR FORCE HEAD-QUARTERS BUILDING BY THE PAPAL NUNCIO, MONSEIGNOR VEGA (HEAD OF CATHOLIC BISHOPS CONFERENCE IN NICARAGUA), FATHER SCHMITZ (HEAD OF CAPUCHIN ORDER IN NICARAGUA) EMBASSY OFFICERS AND HONDURAN AIR FORCE OFFICIALS. UNDP AND UNHCR REPRESENTATIVES FROM NICARAGUA AND NICARAGUAN AMBASSADOR TO HONDURAS WERE WAITING AT THE WRONG (CIVILIAN) SIDE OF AIRPORT AND MISSED ENTIRE PROCEEDINGS.

2. (U) MONSEIGNOR VEGA OFFERED TO BISHOP SCHLAEFER AND FATHER SHAFER TO BRING THEM BACK TO NICARAGUA ON CHARTERED PLANE BUT THE TWO AMERICAN PRIESTS SAID THEY HAD DECIDED TO GO TO WISCONSIN TO BE WITH THEIR FAMILIES FOR CHRISTMAS. EMBASSY HAS MADE PLANE RESERVATIONS FOR THE TWO PRIESTS TO DEPART MORNING OF DECEMBER 24 FOR MIAMI AND WE ARE ATTEMPTING TO CONFIRM ONWARD RESERVATIONS TO MILWAUKEE.

3. (U) THE TWO PRIESTS WILL SPEND THE NIGHT IN TEGUCIGALPA AT CHURCH LODGINGS. THEY WILL OFFER A PRESS CONFERENCE AT 6:00 PM LOCAL TIME AT THE PAPAL NUNCIO OFFICES.

4. (C) IN BRIEF CONVERSATION WITH DCM, BISHOP SCHLAEFER EXPLAINED THAT ENTIRE POPULATION OF FRANCIA SIRPI DECIDED VOLUNTARILY TO LEAVE NICARAGUA AND ASKED BISHOP TO ACCOMPANY THEM, HE ACCEPTED. ON THE WAY OUT, BISHOP SAID, THE EXODUS COLUMN WAS PROTECTED BY ABOUT 60 MISKITO GUERRILLAS, ABOUT 200 SANDINISTA MILITARY ATTEMPTED TO INTERCEPT THE COLUMN BUT THE MISKITO FIGHTERS LAID AN AMBUSH AND, ACCORDING TO THE BISHOP, PREVENTED SANDINISTAS FROM EVER ACTUALLY CONTACTING THE COLUMN. BISHOP SAID 1040 MISKITO INDIANS WERE IN REFUGEE COLUMN AND ALL SUCCESSFULLY CROSSED INTO HONDURAS.

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

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DTG: 240103Z DEC 83 PSN: 020068

5. (LOW) MISKITO DEACONS TOLD US THAT PLANES CIRCLED THE REFUGEE COLUMN BUT BECAUSE OF BAD WEATHER MAY NOT HAVE SPOTTED THEM. THEY SAID THERE WERE NO CASUALTIES.

6. (U) LEADERS OF FRANCIA SIRPI MISKITO GROUPS TOLD CONSULAR OFFICER WHO MET COLUMN AT BORDER THAT THE TOWN HAD BEEN PLANNING TO LEAVE NICARAGUA FOR ABOUT A MONTH AND WHEN FINALLY DECIDED TO MAKE THEIR MOVE THEY CONTACTED MISURA ACTIVISTS OPERATING IN NICARAGUA (REPEAT - IN NICARAGUA) WHO QUICKLY CAME TO ESCORT THE POPULATION OUT. MISKITO LEADERS CITED OBLIGATORY MILITARY SERVICE, LACK OF FOOD AND THE RESTRICTED LIFE AT FRANCIA SIRPI AS REASONS FOR THEIR DECISION TO LEAVE.

7. (LOW) BISHOP SCHLAEFER SAID HE WAS EXHAUSTED AND APPEARED TO BE SO. FATHER SHAFER WAS IN REMARKABLY GOOD FORM AFTER HIS ORDEAL. EMBASSY HAS INFORMED FAMILIES OF BOTH THAT THEY ARE ALIVE AND WELL. U.S. CITIZEN LEE SHAPIRO ALSO ARRIVED IN HELICOPTER BUT DEPARTED WITHOUT REQUESTING FURTHER ASSISTANCE.
NEGROPONTE
BT

Saturday December 24, 1983

Nicaraguan Bishop, Reported Murdered, Arrives in Honduras

By The Associated Press

TEGUCIGALPA, Honduras, Dec. 23 — A United States-born Bishop, who Nicaragua said had been killed by rebels, arrived here tonight after crossing the border into Honduras accompanied by about 1,300 Indian refugees. Msgr. Salvator Schlaefer, 63 years old, was driven from the capital's airport to the home of Msgr. Andres Cordero Lanza di Montezemolo, the Papal Nuncio for Nicaragua and Honduras.

Bishop Schlaefer, wearing tennis shoes and carrying a backpack, arrived at the Nuncio's residence in the capital accompanied by a few Miskito Indians.

Roman Catholic Church sources said Bishop Schlaefer and a few of the refugees were flown by the Honduran Air Force from a province near the Nicaraguan border. They refused to give details, other than to say the rest of the refugees would follow by land routes.

The sources also said United States Embassy officials talked to Bishop Schlaefer when he arrived in Tegucigalpa.

Earlier reports indicated that Bishop Schlaefer and a large group of Miskitos crossed the border earlier in the day and reached a small Honduran village

Continued on Page 2, Column 1

Bishop Nicaragua Reported De

Continued From Page 1

on the Mosquito Coast, according to Amilcar Santamaria, director of the Honduran Government's international press office.

Bishop Schlaefer was born in Campbellsport, Wisc., and had spent the past 37 years in Nicaragua.

The leftist Sandinista Government of Nicaragua had said he was killed by Nicaraguan rebels operating in north-

ern Zelaya Province on the Caribbean coast. Nicaraguan Government sources had said his body was found near the village of Wisconsin.

The Sandinistas said the rebels in remote northeastern Nicaragua had kidnapped Bishop Schlaefer, three other churchmen and about 500 Miskito Indians on Tuesday and were forcing them to go to Honduras. The other churchmen were the Rev. Wendell Shafer, 64, formerly of Milwaukee,

ad Arrives Safely in Honduras

Wis., and two deacons.

The Honduran Foreign Ministry said in a statement: "This country will provide a refuge of peace and liberty for the immigrants."

"The illustrious prelate has not been kidnapped nor killed by anti-Sandinistas," as Radio Nicaragua announced, but rather he guided toward Honduras his persecuted flock under the fire of Sandinista aviation and soldiers," the statement said. A protest note was sent to the Nicaraguan Government.

Miskito Indian leaders in Honduras said Bishop Schlaefer was accompanying 2,500 to 3,100 refugees fleeing a resettlement camp.

Mr. Santamaria and Frank Arana, a spokesman for the rebel Nicaraguan Democratic Force, said in separate interviews that about 2,000 more refugees were delayed by rain in the area and would cross the border shortly.

Indians Oppose Sandinistas

Many Indians oppose the Sandinista Government. More than 20,000 of them have fled Nicaragua since the Government began a resettlement program two years ago. An Indian spokesman, Steadman Fagoth Müller charged that Nicaraguan forces had bombed and fired artillery to keep the refugees

from reaching Honduras.

The Indians have been resisting the Sandinista Government's attempts to resettle them. The Indians are mostly Protestant and many of them speak English. Mr. Müller and another Indian spokesman here, Teofilo Archibald, said the mass flight started when Nicaraguan authorities told the Miskitos they would be resettled again in Matagalpa on the Pacific Ocean side of Nicaragua.

Saturday December 24, 1983

Bishop Gets To Honduras, Cites Attacks

TEGUCIGALPA, Honduras, Dec. 23 (UPI)—A haggard American bishop said today that 3,100 Miskito Indian refugees he accompanied through rugged mountains from Nicaragua, under some fire from Nicaraguan troops, had planned the exodus of their own free will. About 1,300 were reported out so far.

Salvador Schlaefter, 63, the U.S.-born bishop of Zelaya Norte province in Nicaragua, said the Indians asked him to accompany them to Honduras. "The idea, as I see it, is that the Miskitos had the exodus planned for some time and took advantage of my visit to leave," he said.

Wendelin Shafer, 64, an American priest who took part in the exodus with Schlaefter, was also leaving Tegucigalpa. The churchmen said that Sandinista aircraft circled them on their march from Nicaragua but did not



Bishop Schlaefter, second from right, reported in Honduras that fleeing Indians came under some mortar fire from Nicaraguan forces.

Bishop Says Indians Freely Left Nicaragua

BISHOP, From A1
adding "for a large part they were not really ready."
He said that 45 armed rebels from the Indian Misura army—a coalition of anti-Sandinista Indian groups—arrived in the settlement, located 240 miles northeast of Managua, Tuesday night to encourage the residents to make the journey.

Schlaefter is fluent in the Indian languages of the region, has lived in Nicaragua since 1947. "He is a person we love very much," said Miskito Indian spokesman Roger Hermann. Hermann, a member for the Misura Indian rebel army, said 1,300 of the 3,100 Miskito Indians, who fled the relocation center, had crossed into Honduras by midday Friday.

More recently the government in Managua decreed an amnesty, offering most Indians who had resisted the Sandinistas or gone into exile. (In Washington, a spokesman for the Nicaraguan Embassy said yesterday in Francis Sirpe, interviewed by a Nicaraguan journalist, about 30 rebels forced people to evacuate. Minister of Counsel Rolando Sevilla said the government

UNCLASSIFIED

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TAGS: PGOV, PREL, SHUM, NU
SUBJ: TEXT OF COMMUNIQUE ON THE ALLEGED KIDNAPPING
OF BISHOP SCHLAEFER
REF: MANAGUA 5935 (NOTAL)

1. ON DECEMBER 20, THE FOREIGN MINISTRY RELEASED A COMMUNIQUE RELATING DETAILS OF THE ALLEGED KIDNAPPING OF ATLANTIC COAST CATHOLIC BISHOP SALVADOR SCHLAEFER BY COUNTERREVOLUTIONARIES (REFTEL). AN INFORMAL TRANSLATION OF THE TEXT FOLLOWS:

BEGIN TEXT: THE FOREIGN MINISTRY ANNOUNCES THE FOLLOWING GRAVE OCCURRENCES: EARLY THIS MORNING, THE 20TH OF DECEMBER, GROUPS OF SOMOCISTA MERCENARIES FROM HONDURAS, WHICH IN THE LAST FEW DAYS HAVE INCREASED THEIR CRIMINAL ACTIVITIES AS DIRECTED AND PLANNED BY THE CENTRAL INTELLIGENCE AGENCY (CIA), ATTACKED THE REMOTE VILLAGE IN THE NORTH ATLANTIC REGION OF NICARAGUA, KNOWN AS FRANCA-SIRPE, LOCATED SOME 20 KILOMETERS SOUTHWEST OF LA TRONQUERA IN THE DIRECTION OF THE BORDER TOWN OF LEYMUS.

--AS A RESULT OF THE CRIMINAL ATTACK, ACCORDING TO THE FIRST REPORTS RECEIVED, THE MAJORITY OF THE POPULATION WHICH COULD NOT ESCAPE THE ATTACK OF THE MERCENARY SOMOCISTAS HAS BEEN KIDNAPPED AND TAKEN UNDER DURESS TO FORESTED ZONES LEADING TO THE HONDURAN BORDER.

--OTHER REPORTS INDICATE THAT, AT THE MOMENT OF THE ATTACK, MONSIGNOR SALVADOR SCHLAEFER, FATHER WENDELIN (SIC) AND TWO OTHER RELIGIOUS WORKERS WERE IN FRANCA-SIRPE AND THEIR PRESENT WHEREABOUTS ARE UNKNOWN.

--IN CONSIDERATION OF THE FACT THAT THIS CRIMINAL ACTION FORMS PART OF THE PLANS FINANCED, ORGANIZED AND DIRECTED BY THE CENTRAL INTELLIGENCE AGENCY (CIA), THE GOVERNMENT OF NICARAGUA HOLDS THE GOVERNMENTS OF THE UNITED STATES AND HONDURAS RESPONSIBLE FOR THE FATE OF THE KIDNAPPED CIVILIAN POPULATION, AS WELL AS FOR MONSIGNOR SALVADOR SCHLAEFER AND THE OTHER RELIGIOUS WORKERS WHO ACCOMPANIED HIM.

~~THE ARMED FORCES OF NICARAGUA ARE MAKING ALL NECESSARY EFFORTS TO RESCUE ALL THOSE WHO WERE KIDNAPPED.~~

--THE GOVERNMENT OF NICARAGUA HAS SENT TO THE GOVERNMENT OF HONDURAS A FORMAL AND ENERGETIC PROTEST FOR THESE EVENTS, MADE POSSIBLE ONLY BY THE SUPPORT GIVEN BY SAID GOVERNMENTS TO THE SOMOCISTA MERCENARIES ESTABLISHED IN HONDURAN TERRITORY.
END TEXT

NSC/S PROFILE

UNCLASSIFIED

ID 8309368

RECEIVED 27 DEC 83 11

TO

PRESIDENT

FROM MCFARLANE

DOC DATE 26 DEC 83

KEYWORDS: NICARAGUA

HONDURAS

SCHLAEFER, SALVATOR

REFUGEES

SHAFFER, WENDELIN

SUBJECT: PRES PHONE CALL TO BISHOP SCHLAEFER RE ASSISTANCE TO MISKITO INDIANS
IN NICARAGUA

ACTION: FOR DECISION

DUE:

STATUS P FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

PRESIDENT

COMMENTS

REF#

LOG

NSC/FID

(B

ACTION OFFICER (S) ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 12/27

ME

DISPATCH

W/ATTCH FILE

WA (B)

F
16
F

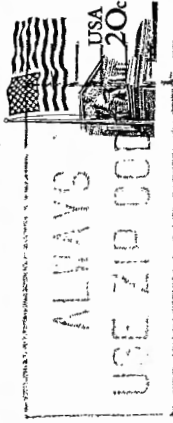
253247
PR005-01

Dec 83

720. Hazelwood
Lynchburg, NEB. 68
NEB.



Lisa Warner



President Ronald Reagan
The Walter Annenberg Estate
Rancho Mirage, CA 92270

photo sent 1-3-84
KV.

193085
61002

December 27, 1983

Dear Stu:

Thank you very much for our magnificent book. And to top it off I'm one of the cowboys. Right now, I'm trying to figure where I'll have the most time to really get into it -- here, Camp David or the ranch. Well, believe me, I'll figure that out.

Nancy joins me in a heartfelt thank you. We both hope your holidays were all you wanted them to be.

Sincerely,

RONALD REAGAN

A

Mr. Stuart Spencer
1358 East Ocean Front
Balboa, California 92661

RR:AVH:CAD:pps

bcc: John Hilboldt

831227

193089
H0016

December 27, 1983

Dear Roger:

What a wonderful Christmas gift you provided in your letter telling me of what you and all the employees at G.M. have done with regard to Caring and Sharing. You have every reason to be proud. I wish I could tell each and every one at G.M. how grateful I am. And, yes, how proud. The heart of America is sound and true.

God bless all of you.

Sincerely,

Mr. Roger B. Smith
General Motors Corporation
General Motors Building
Detroit, Michigan 48202

RR:AVH:CAD:pps

RR Dictation

Received SS

GENERAL MOTORS CORPORATION
GENERAL MOTORS BUILDING
DETROIT, MICHIGAN 48202

ROGER B. SMITH
CHAIRMAN

December 22, 1983

The President
The White House
Washington, DC 20500

Dear Mr. President:

In view of your proclamation calling for Monday, December 19, as a National Care and Share day, I wanted to share with you the efforts of General Motors and its people in this regard.

On Friday, December 23, we will announce the results of our second GM-UAW Care and Share program this year. It was a four-week effort and more than two million cans of food and \$660,000 were contributed by our employees. The corporation, through a one-for-one match on donations and \$.50 per can, contributed an additional \$1.7 million to the effort.

Earlier this year, we conducted our first Care and Share program for an eight-week period. Its impact netted four million cans of food and \$4.6 million to assist in feeding the less fortunate in our plant communities.

In total, we estimate the entire effort produced the equivalent of some 20 million cans of food.

Needless to say, I am proud of the efforts of our people, especially for such a humanitarian cause. I hope that through your initiative other businesses and industries will respond positively.

Best wishes to you and Mrs. Reagan during this holiday season.

Sincerely,



WHORM: Presidential Handwriting File

FILE TRANSFER

BY THE REAGAN LIBRARY STAFF

Ronald Reagan Personal Papers
Presidential Personal

Previously filed: December 1983

Presidential Records

New file location: Folder 110

Date of transfer: 12/3/98 gnd

[illegible]

Dear Sir

Nancy joins me in a heartfelt Thank you.
We both hope your holidays were all you
wanted them to be.

Sincerely RBE

To Mr. Merv Griffin

Dear Mary

Thank you for that handsome, practical and first
all around wonderful letter jacket. I have to say
you really shouldn't have — but I'm glad you did.
You made a very large contribution to a very happy
holiday.

Nancy sends her love and we both hope you had a warm & merry Christmas and a Happy New Year. Again my heartfelt thanks.

Amey Ron

[illegible]

End
Case
File



THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

The President has seen _____

December 29, 1983

PERSONAL

The President and Mrs. Ronald Reagan
The White House
Washington, D. C. 20500

No Paper

Dear Mr. President and Nancy:

The Boehm plate you so thoughtfully sent us for Christmas is an absolutely magnificent reminder of what a pleasure it is to be working with you on these large enterprises. It will always be a very beautiful and much treasured part of our home, and we are deeply appreciative in every way.

But, most of all, I would like to say again how grateful I am for the great privilege of working with you and participating to a small extent in the major and vitally needed changes you have made in America, and indeed in the world. It is a wonderful thing really to see so many of the changes that we all could see in the past were so needed in the United States actually taking place, as they did under your leadership in California. Normally, as you know better than any of us, there is a high degree of frustration in simply pointing out the problems and the courses needed to solve those problems, so it is all the more exhilarating and gratifying to see those changes actually happening and bringing about the results that we were all sure would follow if we could only get the changes made.

It is quite an achievement to have reversed in many ways the failed policies, and upset the conventional wisdom of the past, and to have accomplished so much along that difficult path in such a short time. So, I am not only enormously grateful for the opportunity to work with you, but also for what you have done to change the course of history, and to change it so much for the better.

Jane joins me in sending our very best wishes to you both for a most Happy New Year, and for continued good health and happiness.

Very respectfully,

Says.

The box of Candy which arrived Christmas Eve - was an unexpected but most welcome addition! Mary Parks.

End
Case
File

The President has seen _____

THE SECRETARY OF STATE
WASHINGTON

W. B. [Signature]

December 31, 1983

Mr. President and Nancy,

O'Bie joins me in thanking you for the stunning plate. We display it in our home with pride and appreciation.

You have given us so much more. Your leadership through the good and bad moments of 1983 has been outstanding. We consider it to be a great privilege to serve in your Administration. The country is much better off and more secure now than it was three short years ago and that trend can continue.

Most of all, we appreciate your friendship, so warm, joyful, and thoughtful with our respect and affection

[Signature]

End
Case
File