

# Ronald Reagan Presidential Library

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*Last Updated: 07/24/2025*

371920

6I 001

THE WHITE HOUSE  
WASHINGTON

Mr. President:

I haven't mailed the buttons  
to her yet -- just a suggestion --  
why don't we also send her the  
presidential stick pin for her  
collection.

Kathy

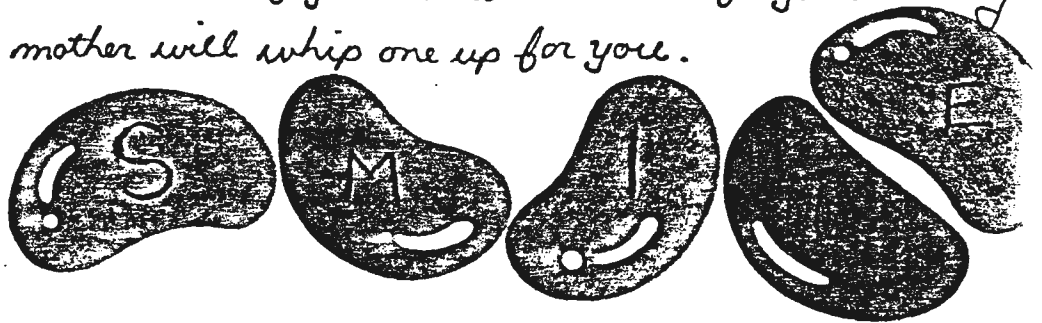
*You - good idea -  
DR*

Dear President Reagan :

I bet you've been wondering where I have been. I haven't written to you in "many moons". It's not that I haven't thought about it; I wanted to make sure you got a good rest after your surgery. I am glad to see that you are looking so well. (I saw you on T.V. and you look fit as a fiddle.)

I am sending you a couple photos so that you can see what happened around here this summer. Mother built a clock tower on top of the guest house! It has 4 dials & it lights up at night. It also plays Westminster chimes. Every home should have one!

The other picture shows mother's newest project in the back of her pick up truck. It is also a 4-faced clock, it used to hang in a mall but soon it will be a 21' street clock. We already have one (14'1/2') but every home should have two! If you would like one for your library mother will whip one up for you.



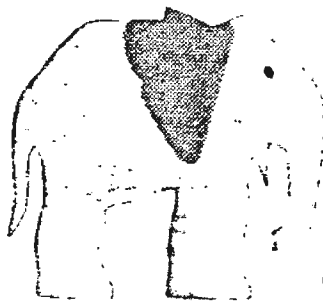
★                      ★                      ★

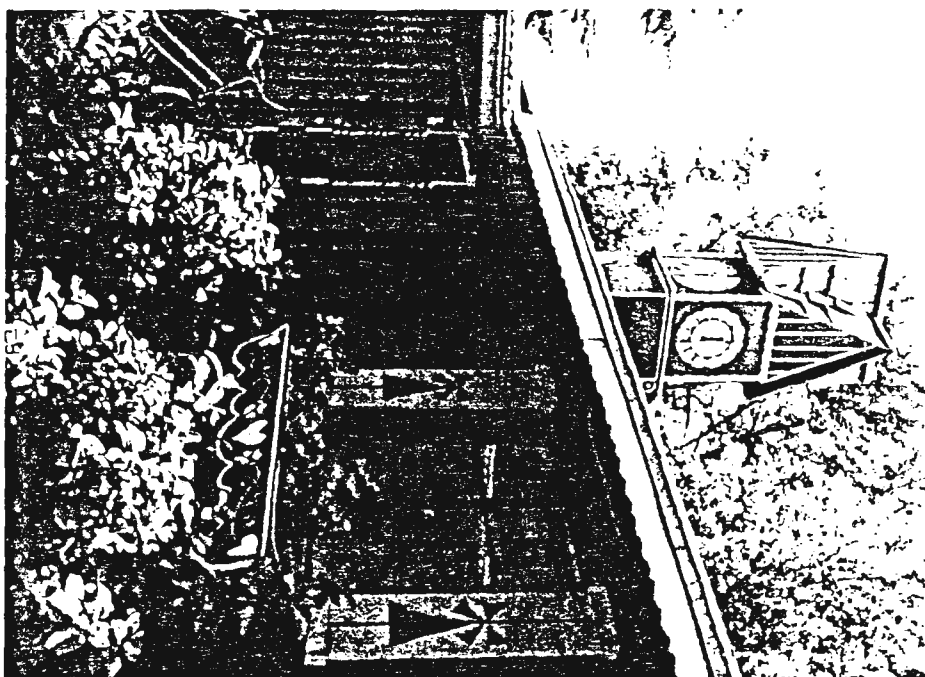
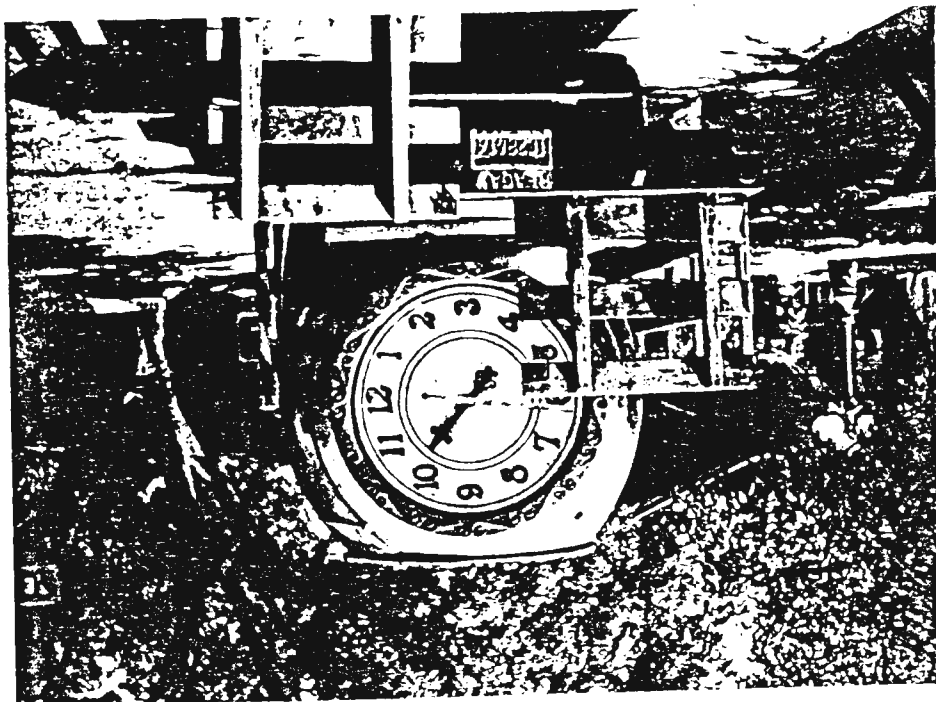
I have recently come across a lot of magazines from the 1960's such as U.S. News and World Report. I have saved all of the articles I could find about you. I am putting them all together in a scrapbook or two or ten. (It's more like 10) It is easier to save magazine articles than newspaper articles because the pages are of uniform size and the ink doesn't come off on your hands! (also the pictures are pretty) They are here if you ever need them.

I wanted to thank you for the photograph of you and Mrs. Reagan that Anne sent to us. It was a nice surprise and a very nice picture. Thank you!

We think about you often and hope all is going well. You have our continuous support always !!! Our best to Mrs. Reagan.

Sincerely,  
Ann





A. SCHUETTE  
1834 S. CLOVIS AVE.  
FRESNO, CA. 93727



To: President Ronald Reagan,  
The White House - 16690  
1600 Pennsylvania Ave.  
Washington D.C. 20500

End  
Case  
File



369864  
GI002

Dec 85

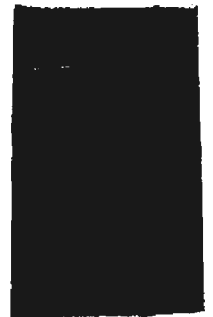
Mr. & Mrs. Karl R. Muell  
741 Calle de los Amigos  
Santa Barbara Calif.  
93105

Put this card in or  
on the gift package  
RA



ITE HOUSE

Mr. & Mrs. Kare Mull



Christmas card and Tort Plate mailed 12/9/85



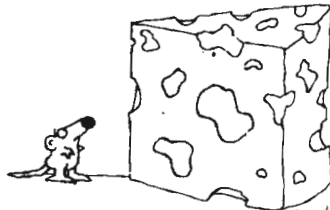
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364118  
PR 016

DEC. 1985

**MEMO FROM THE BIG CHEESE:**

Don Regan  
- Now I have no secrets.



©311150RPP, Inc.

Boyd

Questions

- ✓1 Does your brother still treat you like a BABY brother?
- ✓2 Did you grow closer over the years, and how so?
- ✓3 Who are you named for? How did you happen to be named Ronald Wilson?
- ✓4 Is that the name you were born with?
- ✓5 Would you recall the day of the week and the time and the name of the hospital you were born in? (your brother said he forgot..)
- ✓6 What do you want for THIS birthday? why?  
  
Is there a life after the presidency? would you make another movie? or serve in United Nations or be a roving statesman?
- ✓7 What are some of the myths of aging?
- ✓8 Something like: 'It's not how long you live..but HOW you live your life..' (and Ronald Reagan shows us HOW to live...it's not the quantity, but quality...)
- 9 Your brother recalled the gift ~~you~~ that touched you the most--- when, in your name, he bought clothing and food for a poor family in Hollywood...for Christmas  
BUT that doesn't fit in with the birthday theme...so do you have a SIMILAR anecdote...of a gift that most touched you, perhaps from your mother or father? or one birthday that was more outstanding than the other?  
  
Five years ago, after you moved here, there was a party in the East Room for you. Were you surprised at it, and/or ~~or~~ WHAT do you most remember from your first birthday party in the White House ??  
  
Why do you think people like you, trust you, have confidence in you?
- ✓10 Did you ever celebrate a birthday in a foreign country? (if so, when and which country..)?
- ✓11 Do you drink from a special fountain of youth? To what do you attribute your long and healthful life---and your vigor?
- ✓12 How old do you FEEL TODAY/ ? How does age affect you? How have you aged on the job?
- ✓13 IF you could live your life again what would you do differently? (personally, professionally)  
  
How do you want to be remembered? as a human being? as President?  
have
- ✓14 As you reach 75, how has your thinking and attitudes changed?

15/ Did you ever go through mid-life crisis?

Have you changed over the years in a significant way?

✓ 16 Have your values changed? How?

What have your close friends added to your life?

What constitutes a friend, the meaning of friendship? (to you)

Have you always had good health habits? ever smoke?

Have you always been realistic about using your time wisely?



End  
Case  
File

373561  
F0006-09

Dec 85

Answered  
for  
RA

607 Savannah Street, S.E.  
Washington, D.C. 20032  
December 1, 1985

Dear President Reagan,

Congratulations on your success at the Geneva Summit! Our class followed your progress daily and I watched you on T.V. Mr. Gorbachev seemed like a nice person and he seemed to care about what you had to say. I hope that was so. I hope you both can plan for a peaceful world in the future.

How were Prince Charles and Princess Diana? Were they fun to have at the White House? They both seemed pretty serious when I saw them on T.V. and in the newspaper.

School is coming along great. My report card was pretty good. I got all A's and B's and one C in Science. My folks want to see a big improvement in that science grade next term. I also start my science project soon and it's a hard choice picking between hydroponics and another space project. I have to make a choice by Christmas but I think I might want to do both. What do you think?

Before Thanksgiving, my Grandmother and I packed several bags of groceries for needy families for our church. She said as long as she is able to work and buy food for herself and her family, she could always afford a few extra cans of food for others who couldn't. Our Church has a million boxes and cans of food for people who need them. It looks like a supermarket. My Mom and I helped the church move eight hundred bags from the Rectory to the church's upper room. Everyone who was there helped form a human chain and we passed all the bags along until they were all transferred. I thought it was fun. My Mom thought it was tiring. I slept good that night!

Thanksgiving was fun at Grandmother's. My folks had to work all day but I helped my Grandmother as much as I could. We got to visit my cousin from Philadelphia when her family came down for the holidays. The last time I saw her she was a baby, now she's a little kid who kicks. Babies sure do grow fast!

373561

Page 2

I visited friends last week who had just gotten a kitten. I really like holding it and having it around. When I told my Mom I wanted one, she groaned. She said that if I showed more responsibility with my chores and school work she might consider getting me one when I turn nine. That seems a long way down the road.

Well, I'm off Christmas shopping, so I'll say good-bye for now.

Your Pen Pal,

Ruddy

P.S. I'd like to wish you and Mrs. Reagan a Merry Christmas and a peaceful New Year. Remember, don't open your presents until Christmas!

End  
Case  
File

371711  
PR007-02

RR  
FBI -  
no reply necessary

The President has seen 12/17

ROSE DANA  
177 GULF ROAD  
DARTMOUTH, MA 02748  
617-996-3328

*Mr. [unclear]*

December 3, 1985

Dear Mrs. Reagan,

It is with utmost gratitude that I am writing to thank you and the President for calling and sending a telegram to Sarah Gulbranson, an eleven year old leukemia patient at the Boston Children's Hospital. It is also with great admiration that I write to laud you both for taking the time to do things like this in the face of so many requests for your time.

It was through my mother-in-law, Norma Dana, that this request was made. Her own on-going work at Sloan-Kettering made her particularly sensitive to my asking her this favor.

Not only did your telegram and call fulfill a wish of Sarah's but it had the added dividend of lifting the spirits and recognizing the commitment of the staff at Children's Hospital. Sarah's father told me that the President's call made nurses and doctors alike feel that they were truly appreciated.

Thank you and please know that your effort toward Sarah showed us all the meaning of Thanksgiving.

Sincerely,

*Rose Dana*

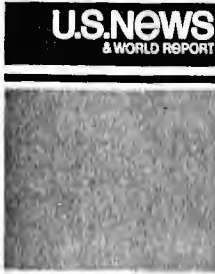
371711

End  
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File



371709  
PR016

Nov. 85



2400 N Street, N.W., Washington, DC 20037 • (202) 955-2000

The President has seen \_\_\_\_\_

*Mr. Reagan*

*RR*

December 3, 1985

The Honorable Ronald Reagan  
President of the United States  
The White House  
Washington, D.C. 20500

Dear Mr. President:

Now that you are successfully and safely home from the summit, I want to thank you again for your interview with U.S. News in the busy hours leading up to the trip. Your comments gave an excellent summary of your views and were extremely worthwhile, I believe, in helping millions of readers understand what you hoped to achieve in Geneva.

Thank you and congratulations, too, for making your achievements in Geneva live up to your dreams.

With warmest best wishes,

Sincerely,

*Dave*

David R. Gergen  
Managing Editor  
for News

DG/mlp

371709

End  
Case  
File

369187  
TR-137

THE WHITE HOUSE

WASHINGTON

December 4, 1985

Dear Bob:

Thank you for your kind letter and generous words about our "non-ski" Switzerland trip. I'm most grateful.

Nancy sends her thanks and love, and from both of us to Betty. Merry Christmas, and we'll see you in Palm Springs.

Sincerely,

**RON**

Mr. Robert H. Adams  
Post Office Box 468  
Valley Center, California 93082



RONALD REAGAN

Mr. Robert H. Adams  
P.O. Box 468  
Valley Center Calif.  
92082

Dear Bob

Thank you for your kind  
letter & generous words about  
our "Non-Ski" Switzerland trip.  
I'm most grateful.

Mary sends her thanks &  
love and from both of us to  
Betty. Mary knows & we'll  
see you in Palm Springs.

Sincerely  
Ron

ROBERT H. ADAMS  
Post Office Box 468  
Valley Center, California 92082

November 29, 1985

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

Dear Mr. President.

I am somewhat remiss in not complementing you immediately on your most successful meeting with Mr. Gorbachev.

Betty and I admire you and your magnificent handling of a difficult situation and believe this to be a turning point in our history.

We are proud and pleased to have such wonderful friends as you and Nancy.

Have a Merry Christmas and look forward to seeing you and Nancy on New Years.

Sincerely,

*Bob Adams.*

End  
Case  
File

369188  
TR 151-02

December 4, 1985

Dear Ms. Gabriel:

Nancy and I were happy to see you all in Seattle but we're sorry we only had time for such a brief greeting.

We were honored that you would come to see us off and are grateful for all that you are doing. Our prayers go with you on your forthcoming trip. Please tell all those wonderful young people they have our admiration and our love.

Sincerely,

RONALD REAGAN

Ms. Michale Gabriel  
Young Storytellers For Peace  
Suite 1986  
1075 Bellevue, NE  
Bellevue, Washington 98004

RR:AVH:pps

RR Dictation





RONALD REAGAN

~~Kathy~~  
To Ms. Michaela Gabriel  
Young Storytellers For Peace  
Suite 1986, 1075 Bellevue  
Wash. 98004

Dear Ms. Gabriel

Nancy & I were happy to see  
you all in Seattle and only  
sorry we only had time for such  
a brief greeting.

We were honored that you  
would come to see us off and  
are grateful for all that you are  
doing. Our prayers go with you  
on your forthcoming trip. Please  
tell all those wonderful young  
people they have our admiration  
& our love.

Sincerely  
RR

DEC 2, 1985

DEAR PRESIDENT AND MRS. REAGAN,

THANK YOU FOR SPENDING SOME OF  
YOUR PRECIOUS MOMENTS IN SEATTLE  
WITH US.

THE SEEDS OF PEACE PLANTED IN  
GENEVA AT THE SUMMIT ARE ALREADY  
STIRRING IN OUR HEARTS. THROUGH  
THE MAGIC OF STORY WE WILL  
ADD OUR EFFORTS TO YOURS AS WE  
CREATE VISIONS OF PEACE FOR  
THE FUTURE.

WE ARE SO PROUD OF YOU...

...MR. PRESIDENT,  
AND OUR FIRST LADY.

Michelle Gabriel

Founder, Director

## YOUNG STORYTELLERS FOR PEACE

The original graphic on the cover of this card was created for a special project of Storytell International — Young Storytellers for Peace.

On two separate visits to the Soviet Union, the project's founder, Storyteller Michale Gabriel, had the rare opportunity to weave stories for children and adults in English-speaking schools, meetings and Gorky Park. Her stories enchanted and moved them. They pleaded for her to return with two things: more stories and children to help tell them.

So, in the spring of 1986, 27 children from the Pacific Northwest will fly to the Soviet Union to share a dream — to begin planting the seeds of world peace through the power of an ancient art — storytelling. They will carry messages of the heart through story — messages they hope will help build lasting friendships with the children of the Soviet Union. This project, Young Storytellers for Peace — US/USSR Exchange '86 is the first of its kind. It is expected to open doors for future exchanges of storytellers with the USSR and other countries.

The purpose of Young Storytellers for Peace is to foster improved communications, understanding, and trust among the people of the world through the art of storytelling.

The dove design has become an expression of the difference "seeing with the heart" makes — and how this feeling gives hope to the human spirit.

We hope you enjoy this card, and that it touches your life with images of Peace.

ORIGINAL GRAPHIC BY MISHA HALVARSSON-DEWITT  
FOR STORYTELL INTERNATIONAL  
© 1985

YOUNG STORYTELLERS FOR PEACE  
Suite 1986, 1075 Bellevue Way NE, Bellevue, WA 98004

EMBOSSE:  
Graphic Impressions, Inc.

PRINTING:  
Superior Reprographics, Inc.

369172  
TR157

THE WHITE HOUSE  
WASHINGTON

December 4, 1985

Dear Bob:

Thank you very much for your kind letter and generous words.. Nancy says thank you and sends her love. And, from both of us, love to Audrey.

Believe me, you warmed our hearts and we are grateful.

Sincerely,

RON

Mr. Robert F. Six  
Penthouse #1  
9200 Sunset Boulevard  
Los Angeles, California 90069

HANDWRITING FILE

1205



RONALD REAGAN

To Mr. Robert F. Six  
9100 Sunset Blvd.  
Penthouse #1  
L.A. Calif. 90069

Dear Bob

Thank you very much for  
your kind letter & generous  
words. Nancy says thank you  
and sends her love.

And from both of us - love  
to Audrey.

Believe me you warmed  
our hearts & we are grateful.

Sincerely  
Ron

End  
Case  
File

ROBERT F. SIX

CHAIRMAN OF THE BOARD EMERITUS  
CONTINENTAL AIRLINES INC.

9200 SUNSET BOULEVARD  
PENTHOUSE #1  
LOS ANGELES, CALIFORNIA 90069  
(213) 858-6666

November 27, 1985

16690  
The Honorable Ronald W. Reagan  
President  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

My dear Mr. President:

I waited a few days before writing you a letter of personal congratulations on the magnificent job you, Nancy, and your staff did at Geneva. Not only was I terribly impressed by you on direct television, but even more impressed by the news commentators, and the newspaper and magazine articles since. You did a magnificent job.

Audrey joins me in our congratulations to you and Nancy.

Always,

  
Bob

RFS/lh





35419455  
FI 010-02

Dec 85

The President has seen 12/5  
3541941

THE WHITE HOUSE  
WASHINGTON

Received 83

1985 DEC -4 PM 7:07

December 4, 1985

RR

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED H. KINGON *AK*

SUBJECT: Tax Plan and Effect on Independent  
Oil and Gas Industry

I am sending to you Secretary Hodel's input on independent oil and gas operators who do not like the Ways and Means Committee tax plan.

I know that you already know that there are what we believe to be many deficiencies and hope to improve the bill significantly in the Senate.

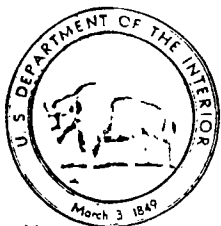
I do not think you have to reply to these concerns in any way but I did want to pass forward Secretary Hodel's comments to you.

Attachment

*Al - This is something we should keep in the discussion of what kind of tax reform we'd approve.*

*RR*

354114



THE SECRETARY OF THE INTERIOR  
WASHINGTON

December 2, 1985

The President  
The White House  
Washington, DC 20500

Dear Mr. President

In recent trips to Texas I have met with independent oil and gas industry spokesmen who uniformly have sounded the alarm at the prospects of the Rostenkowski tax plan's passing and being signed.

I cannot vouch for their numbers, but there is tremendous conviction that sharp drops in domestic exploration activities will occur as a result of this particular tax bill. Some Administration analysts may dispute them, but the risk to the country is substantial if the industry is right. It seems to me it is important to listen to the entrepreneurs in the private sector about how the economy will respond to government action.

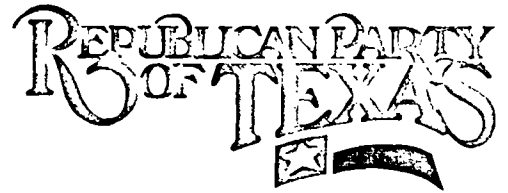
Surely, there is too much material being offered to you on this subject already, but I felt it was important to pass along these views that have been given to me by our very concerned friends. Enclosed is an article that articulates the independents' position in more detail.

Respectfully,

DONALD PAUL HODEL

Enclosure

cc: Vice President Bush  
Secretary Baker  
Chief of Staff Regan



George W. Strake, Jr.  
State Chairman

November 19, 1985

The Honorable Don Hodel  
Secretary of the Interior  
18th & C Street, NW  
Washington, D.C. 20240

Dear Don:

I want to personally thank you for spending a day of your busy schedule in Midland, Texas, on behalf of the Republican Party of Texas. We desperately need the funds which were generated by that luncheon for the operation of the Party, but more importantly, we were pleased by the response from the people who were there and who had an opportunity to express to you their current frustrations with Administration policy as it pertains to the oil business. It gave them a chance to feel like they were being heard.

I admire you for the continued service you give this Administration. I know, from personal experience, of the time it takes.

Again, if ever I can return the favor, please let me know.

Sincerely yours,

George W. Strake, Jr.

GWS,jr/ed

P.S. I am enclosing an Oil and Gas  
Journal article which sums up  
our problems pretty well.



**Raymond H. Hefner Jr.**  
No miracle on Pennsylvania Avenue.



**Jon Rex Jones**  
President Reagan bought a bad deal.

## U.S. independent operators fear deadly blow from tax increase

**A** hefty tax increase, the likely result for many operators of a reform proposal by the House ways and means committee staff, could deal a near fatal blow to many U.S. independent producers.

That threat emerged in clear focus last week as members of the Independent Petroleum Association of America gathered for their annual meeting.

Sessions in San Antonio heard warnings that enactment of the proposal could carve 30% out of an independent producer's expenditures and boost taxes by more than 130% during 5 years of operations.

It also could slash independents' exploratory drilling by more than 80% and development drilling by more than two-thirds.

Treasury 1 and Treasury 2, the Reagan administration's earlier tax reform proposals, were "no more than acid indigestion" compared with the ways and means staff plan, said Raymond H.

Hefner Jr., Oklahoma City. He is the new chairman of IPAA in a restructuring of the organization.

The industry can expect no help from the White House, Hefner said.

"Those of us still awaiting the miracle on Pennsylvania Avenue are waiting in vain."

President Reagan's embrace of tax reform means that the chief executive "has simply bought a bad deal," said Jon Rex Jones, Houston, outgoing president of IPAA.

"Every president since World War II has been faced with proponents in the Treasury Department who say, 'All income should be treated equally. Every industry is blessed with the same risk to reward ratio.'

"And every president since World War II has rejected that theory as not being worth a plugged nickel—until now."

Reagan, broadly supported by the petroleum industry in his 1979 and 1983 campaigns for the

## How Rosty 1 would cut spending, hike taxes

	1986	1987	1988	1989	1990	Total
			Current \$			
<b>EXPENDITURES*</b>						
Current law	444,767	567,744	689,762	837,551	1,008,633	3,548,457
Staff proposal	356,911	436,336	494,149	574,220	651,644	2,513,260
Percent decrease	19.75	23.15	28.36	31.44	35.39	29.17
<b>TAX LIABILITY</b>						
Current law	39,048	50,765	65,149	80,221	96,721	331,904
Staff proposal	109,113	127,394	158,262	177,190	205,639	777,599
Percent increase	179.43	150.95	142.92	120.88	112.61	134.28

\*Assumed mix: productive IDC 53%, nonproductive IDC 25%, tangible equipment 22%.  
Source: Independent Petroleum Association of America

White House, will sign any tax measure sent to him by Congress because of his desire for reform, predicted H.B. (Bud) Scoggins Jr., named IPAA president-elect. IPAA members last week approved a return of the president's office to a staff position.

It is likely that Congress will have a tax bill on Reagan's desk by late May 1986, Scoggins said.

Independents voiced their growing concern about tax reform proposals against a backdrop of other industry problems: curtailments of gas production, increased plugging of stripper wells because of weak oil prices, and an outlook for only a slight increase in oil and gas demand next year.

IPAA declined to endorse a fee on imported oil, although five regional associations have done so.

Independents called a decline in the costs of goods and services "about the only bright spot" in their operations.

**Jolt from taxes.** An analysis by IPAA tax specialists showed that 5 years of operations under the ways and means committee staff proposal would slash an operator's oil and gas expenditures 29.17% while hiking taxes 134.28%, compared with current law.

Among other things, the proposal calls for a phaseout of percentage depletion and recapture of intangible drilling costs as income after start of production (OGJ, Oct. 7, p. 58).

Chairman of the House committee is Rep. Dan Rostenkowski (D-Ill). Thus the staff proposal carries the nickname "Rosty 1."

"Rosty 1 appears to be the first step in converting the alternative minimum tax (AMT) from a 'fairness' safety net to a revenue raising vehicle," IPAA said.

The effect of changes in tax treatment of percentage depletion and IDCs, combined with an AMT, will force operators to cull all but the very best drilling prospects, said IPAA's report to its economic and tax committees.

Thus, total drilling will be sharply reduced with a concurrent drop in reserve additions and new produc-

tion.

What's more, if tests show that a well will be marginal at best, operators will be reluctant to incur completion costs for fear of increased taxes through capitalization of IDCs or imposition of the AMT. Instead, operators will elect to plug the well and expense IDCs with no direct AMT imposition.

Well completions in less prolific secondary objectives will be jeopardized if IDCs attributable to a lower nonproductive zone must be capitalized or subject to the AMT.

Workovers for completion in new, marginal formations will be more expensive, the IPAA report said. They may not be undertaken if IDCs must be capitalized or subject to the AMT.

IPAA's analysis applies to an individual producer with an interest in a development drilling program in Illinois, Ohio, or the Appalachian basin, where success rates are higher than they are in areas such as Texas or Louisiana. It assumes the operator reinvests 75% of net revenue from production and receives \$3 in net cash flow for each dollar invested in productive wells (see table above).

However, IPAA said, an operator is not likely to reinvest at the assumed rate because of the high risk in drilling and a chance for better profits in other, lower-risk investments.

"In view of these factors, it is reasonable to assume that exploration and drilling expenditures will decrease more than the 29% indicated," the association said.

"In fact, several recent surveys of independent producers have indicated future wildcat drilling reductions greater than 50% and development drilling reductions of 40-50%."

Respondents to a survey administered by Pitts Energy Group, Dallas, said they will be forced to cut exploratory drilling by an average 84% and development drilling by more than two-thirds if Rosty 1 becomes law.

L. Frank Pitts called results of the survey "staggering."

The survey had drawn responses from 321 producers in 15 states as of

Oct. 21. Respondents drilled an estimated 11-15% of all U.S. wells in 1984.

**Gas curtailments.** A limited sampling of independent producers by IPAA's natural gas committee showed that the typical respondent is delivering only 60% of gas productive capacity.

Ranges varied widely among regions, as reported by 31 respondents.

Appalachian respondents are delivering about 90% of capacity, while those in East Texas, Arkansas, and Louisiana are delivering only 20-30%. Texas Gulf Coast respondents are delivering about 75%, compared with less than 40% in the northern Rocky Mountains, 75% in West Texas and Texas Panhandle, about 50% in Oklahoma and Kansas, and 60-85% in North Texas and New Mexico.

Half of the respondents sold more than half of their gas to interstate pipeline systems, while the other half sold most of their gas directly to end users or to intrastate systems.

Prices varied widely, too.

Median low price in the IPAA survey was 91¢/Mcf, median high price \$4.15/Mcf.

The median weighted average well-head price was \$2.65/Mcf, a little less than the \$2.78/Mcf estimated by the Energy Information Administration for August.

Irene S. Wischer, natural gas committee chairman, will soon name a marketing task force to help determine what new markets might be open and how independent producers can tap them.

**Stripper wells.** Stripper well abandonments rose to 14,170 during 1984 from 11,032 in 1983, the Interstate Oil Compact Commission and National Stripper Well Association (NSWA) reported.

The number of stripper wells rose to 452,453 from 441,501, while average production slipped to 2.8 b/d/well from 2.87 in 1983. Total stripper production rose to 463,459 bbl from 462,013 bbl.

NSWA, conducting its annual meeting in conjunction with IPAA's, pointed out that 1984 abandonments were more than twice the number plugged in 1980, and average production was down from a 1975 high of 2.93 b/d/well.

Congressional removal of tax incentives for stripper wells will further increase the number of pluggings, as will more harsh environmental constraints, NSWA warned.

The association figures that U.S. production would have gained 14,481,740 bbl during 1984 if all wells abandoned during the year had produced at the national average rate.

"If you take this scenario another step and apply a price of \$26/bbl replacement cost from overseas, the balance of payments would be further in the red by \$376,525,240," NSWA said.

**Import fees.** IPAA broadened its May 1983 policy statement opposing import fees and quotas on crude oil to include petroleum products.

The association based its latest rejection of import fees on a task force report that called such fees "counter-productive." Besides, the task force said, endorsement of import fees ignores political realities.

That view runs counter to those of the East Texas Oil and Gas Association, North Texas Oil and Gas Association, West Central Texas Oil and Gas Association, Permian Basin Oil and Gas Association, and Texas Independent Producers and Royalty Owners Association.

All have called for import fees in one form or another.

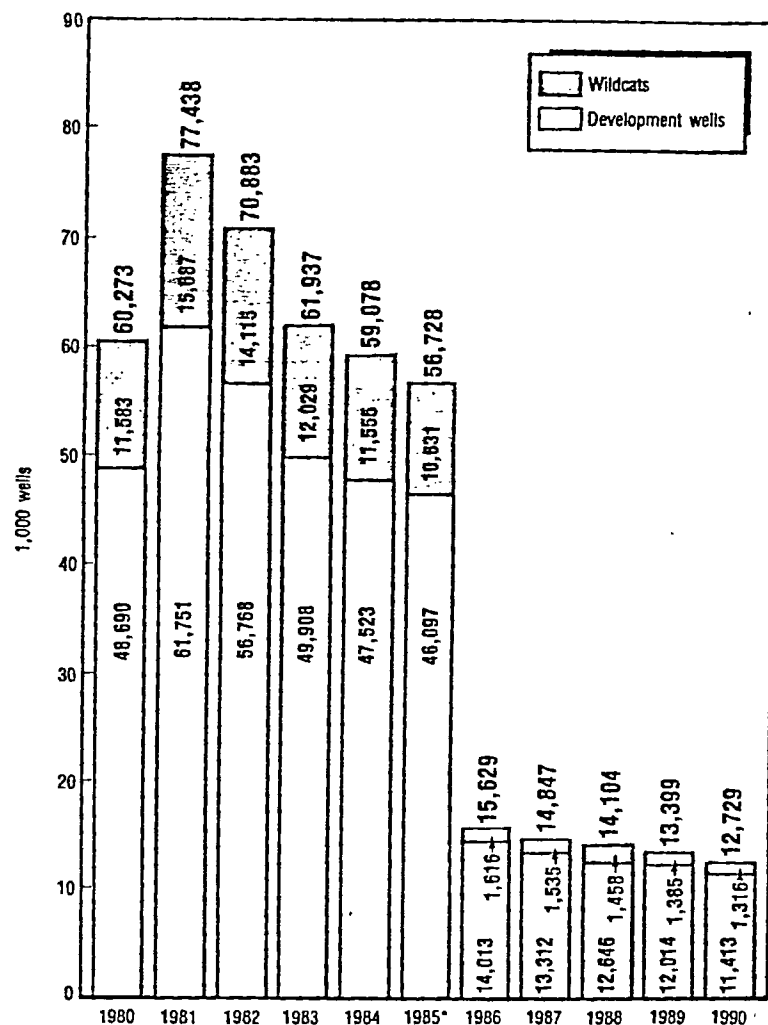
However, the IPAA task force determined that the economic effects of import fees are uncertain. And the group could not predict with confidence that import fees would fulfill the objectives of independent producers who see such fees as a boost for the U.S. industry.

The IPAA group pointed out that lawmakers from the Northeast and other populous areas have long opposed any federal action that would raise fuel costs.

In addition, a conservative bloc in Congress would oppose an import fee on principle as a barrier to free trade.

"It appears that, regardless of their various reasons, members of Congress opposing fees or tariffs on imported crude oil or products constitute substantial majorities of both houses of

## How drilling by independents could plummet

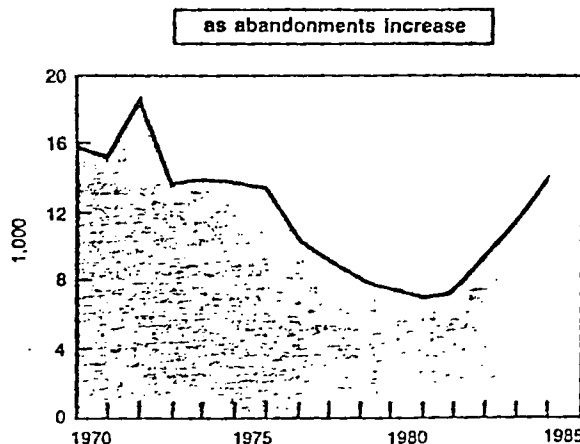
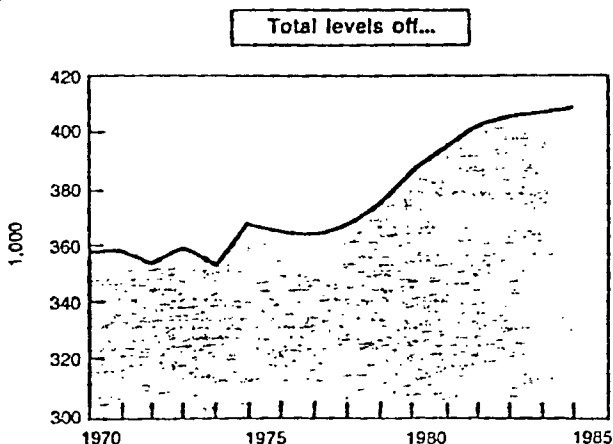


\*Estimated.

Source: Pitts Energy Group

OGJ

## What's happening among U.S. stripper wells



Source: Interstate Oil Compact Commission and National Stripper Well Association

OGJ

Congress," the task force said.

Beyond that, Reagan is not likely to support or sign such legislation.

Opposition would come from the State and Commerce departments, Department of Energy, and big energy users such as airlines, farmers, and petrochemical producers. Many of

those users have joined producers in opposing increased taxes on all forms of domestic energy.

Any action that appeared to benefit the petroleum industry in the short run would inflame tax reformers who have their sights set on producers, the task force warned.

"It would be a poor tradeoff if IPA fought for an import fee whose effect were only temporarily beneficial, if at all, only to find that it had sounded the death knell for statutory depletion and expensing of IDCs by stimulating negative tax action by industry opponents," the task force said.

## IPAA sees slight gain in U.S. oil, gas demand

Demand for oil and gas in the U.S. will move up very slightly in 1986 after falling a little in 1985, the Independent Petroleum Association of America's supply/demand committee predicts.

Total energy demand will increase, too.

Crude oil and condensate production will slip next year, but gas production will remain constant, the committee told IPAA's annual meeting.

U.S. oil demand for 1986 will amount to 15.754 million b/d, an increase of 46,000 b/d from the estimated 1985 level, the committee said.

Energy Information Administration figures peg 1984 demand at 15.726 million b/d. So IPAA's forecast for 1986 will amount to an increase of only 0.2% during 2 years.

U.S. consumption of petroleum products fell for 5 consecutive years from a peak of 18.847 million b/d in 1978 to 15.231 million b/d in 1983. There was a slight rebound to 15.726 million b/d in 1984.

IPAA expects natural gas consumption to increase only 0.4% in 1986. It also is virtually constant this year. Consumption fell to 16.835 tcf in 1983, then bounced back to 17.845 tcf in 1984.

U.S. production will be down slightly this year due to an increase in Canadian imports and no increase in domestic consumption. Production in 1986 will remain at the 1985 level.

Continued economic growth at a rate slightly higher than that in 1985 will be the major impetus for increased oil and gas demand next year, the IPAA committee said.

The forecast is a 2.8% increase in real gross national product in 1986. This is up slightly from an estimated 2.4% increase in 1985.

Industrial production will increase about 2.5%, the same growth rate as 1985. Automobile sales will remain at the 1985 level, and housing starts will fall slightly.

Inflation, as measured by the GNP implicit price deflator, will increase 3.9% in 1986, compared with 3.7%

### U.S. petroleum supply/demand forecast—1986

	1st Q	2nd Q	3rd Q	4th Q	Year
	1,000 b/d				
DOMESTIC PRODUCT DEMAND					
Motor gasoline.....	6,497	6,981	6,990	6,778	6,813
Aviation fuels.....	1,203	1,208	1,275	1,258	1,236
Middle distillates.....	3,452	2,787	2,698	3,069	3,000
Residual fuel oil.....	1,322	1,112	1,096	1,166	1,173
Liquefied gases.....	1,802	1,398	1,459	1,681	1,584
Other products*.....	1,629	2,062	2,218	1,878	1,948
Total.....	15,905	15,548	15,736	15,830	15,754
Exports.....	732	712	698	729	718
TOTAL DEMAND.....	16,637	16,260	16,434	16,559	16,472
STOCK CHANGES.....	-483	+325	+116	+77	+11
TOTAL SUPPLY					
Domestic production:					
Crude oil.....	8,907	8,925	8,919	8,907	8,915
Natural gas liquids.....	1,628	1,604	1,615	1,627	1,618
Total production.....	10,535	10,529	10,534	10,534	10,533
Imports:					
Crude oil.....	2,973	3,323	3,318	3,299	3,229
Motor gasoline.....	408	491	452	418	442
Aviation fuels.....	50	46	51	49	49
Middle distillates.....	288	221	217	290	254
Residual fuel oil.....	562	469	486	538	514
Liquefied gases.....	244	163	184	226	204
Other products.....	340	464	477	431	429
Total imports.....	4,865	5,177	5,185	5,251	5,121
Other supply.....	754	879	831	851	829
TOTAL SUPPLY.....	16,154	16,585	16,550	16,636	16,483
CLOSING STOCKS:					
	million bbl				
Motor gasoline.....	225.50	221.40	218.80	224.90	224.90
Aviation fuels.....	45.40	44.60	44.60	43.70	43.70
Middle distillates.....	104.40	115.00	130.40	144.70	144.70
Residual fuel oil.....	41.80	41.10	41.70	44.20	44.20
Liquefied gases.....	80.90	94.70	105.10	97.20	97.20
Other products.....	55.30	55.80	50.00	48.70	48.70
Total products.....	553.30	572.60	590.60	603.40	603.40
Unfinished oils.....	106.60	110.30	105.40	100.50	100.50
Natural gas liquids.....	7.30	7.70	8.00	7.60	7.60
Crude oil.....	321.50	327.70	325.00	324.60	324.60
TOTAL INVENTORIES.....	988.70	1,018.30	1,029.00	1,036.10	1,036.10
1,000 b/d					
CRUDE RUNS TO STILL.....	11,853	12,223	12,259	12,226	12,144

\*Includes negative adjustment for reclassification.

\$Excludes Strategic Petroleum Reserve imports and stocks.

\$Processing gain, unaccounted for crude, and other hydrocarbons.

Source: Independent Petroleum Association of America

in 1985 and 3.8% in 1984.

Here are highlights from the supply/demand committee forecast for 1986:

- Total energy consumption will increase 1.7% following an 0.8% gain this year.

- Motor gasoline consumption will remain constant at 6.813 million b/d. Diesel demand will move up with the economy.

- Intense competition from natural

gas and electricity in residential, commercial, and industrial markets will trim residual fuel oil demand 2.5% to 1.173 million b/d.

- Petroleum imports will move up 5.4% to 5.121 million b/d. Most of the increase will be in crude oil—6.5% to 3.229 million b/d. Products imports will rise by 65,000 b/d to a total of 1.892 million b/d.

- Domestic crude oil and conden-



End  
Case  
File

THE WHITE HOUSE  
WASHINGTON

December 4, 1985

MR. PRESIDENT:

Attached for your review and approval is a statement on the Ways and Means tax bill. Once you have approved it, please return it to the ushers. We plan to issue it this afternoon.



David L. Chew

3531675C  
FI 016-02

(Elliott)  
December 4, 1985  
3:30 p.m.

OK  
RR

PRESIDENTIAL STATEMENT: TAXES  
WEDNESDAY, DECEMBER 4, 1985

The House of Representatives is nearing a crucial decision in our historic effort to streamline the Nation's tax code for greater growth, simplicity, and fairness.

Both the Ways and Means Committee and the House Ways and Means Republicans have developed proposals that, like our own, represent substantial progress from current law. Each would simplify the tax bracket structure; lower individual and corporate rates; remove families living at or near poverty level from the tax rolls entirely; and substantially increase the personal exemption and standard deduction.

We do not want to risk damaging, perhaps irreparably, an entire year's effort to achieve real tax reform, so I strongly believe the legislative process must be allowed to go forward.

But let me add this caveat: This can only be considered a good start, not an end product. More can and must be done to broaden the tax base, reduce tax rates further, and lower the cost of capital, so we can strengthen economic growth and personal opportunity for every American. Any legislation that ends up retarding economic growth, and thereby diminishing the number of jobs upon which American families depend, is not what we mean by "tax reform."

True tax reform is imperative. The first step must begin with a positive vote in the House of Representatives. I urge members of the House to act affirmatively on this important matter.

End  
Case  
File

THE WHITE HOUSE

WASHINGTON

December 4, 1985

Dear Bud:

It is with deep regret and reluctance that I accept your resignation as Assistant to the President for National Security Affairs. Your more than thirty years of service to the United States have been exemplary in all regards. As a career Marine, you served your country in peace and war -- from your days at the Naval Academy to Vietnam.

Your contributions since 1981 have been in the highest tradition of national service. As Counselor to the Secretary of State and as Deputy Assistant to the President for National Security Affairs, you served tirelessly. A little more than two years ago, I asked you to be my National Security Adviser. You continued your record of distinguished service in the most sensitive and critical assignment in the national security area. I know of no President who has been better served. You have offered wise counsel and have been a trusted adviser and confidant. Your kind words to me regarding our national renewal are due in no small part to your own efforts over the last five years.

As you move on to new personal and professional challenges, I shall never forget the sacrifices you and your family made in service. I trust you will still permit me to call on you from time to time.

Again, my thanks to you and Jonny. You have truly lived up to the proudest traditions of your beloved Marines Semper Fidelis; a President could ask no more.

Sincerely,

The Honorable Robert C. McFarlane  
The White House  
Washington, D.C. 20500

NOTED  
JWG

THE WHITE HOUSE

WASHINGTON

November 30, 1985

Dear Mr. President,

It is with a deep sense of gratitude, sadness and fulfillment that I tender my resignation as your national security advisor. Five years ago, without knowing me, you appointed me to serve in your administration. It was an important moment in our history. During the previous five years, a number of historic events had occurred: we had lost a war, with all that implied for our reputation as a reliable ally; our economy was stricken--overseas, leaders were asking whether we could solve our own problems, much less lead in the resolution of theirs; and finally, there had been a dramatic shift in the military balance, and with it a greater willingness on the part of the Soviet Union to challenge us through ambitious excursions from Angola to Ethiopia to Cambodia to Afghanistan to Nicaragua. But it was also a time at which the deep and enduring self-confidence of the American people was reasserting itself in a call for leadership.

Looking back over these five years, it is difficult to encompass the enormity of change. Under your leadership, America has indeed come back. We are deterring, "Not one square inch of territory has been lost..." and democracy is once more the ascendant model for developing countries everywhere. There is little doubt that history will record this period of your stewardship as the time when Spengler was disproved. Truly, you have led in the highest tradition of Churchill and Roosevelt.

As for me, to have been a part of this national renewal has been an honor and privilege beyond expression. For that I am deeply grateful. In the coming years, as you continue to consolidate this foundation of political, economic and military strength and move beyond it to greater stability in East-West relations, I shall be one of the millions of proud Americans out there in support. Hopefully, there will be a little more time for Jonny and the family. But we won't forget that we were a part of something very important. Thanks, Mr. President.

God bless.

A handwritten signature in dark ink, appearing to read "Bud", is written in a cursive, flowing style.

STATEMENT BY THE PRESIDENT

It is with deep regret and reluctance that I have accepted the resignation of Bud McFarlane as my Assistant for National Security Affairs. Bud's more than 30 years of service to his nation have been exemplary in every respect. He has served in peace and war ranging from his early days at the Naval Academy, to Vietnam and to the White House. Few have served with more dedication, none with more loyalty.

A little over two years ago I asked Bud to serve as my National Security adviser. Bud continued his record of distinguished service in this most sensitive and critical assignment. I know of no President who has been better served. Bud has offered me wise counsel and has been a trusted adviser and confidant in carrying out my Administration's foreign policy goals and objectives. He has an impressive list of successes of which he can justly be proud:

- his key role in the preparation for the Geneva summit meeting and his contributions toward greater stability in East-West relations.
- his unending efforts which have helped strengthen the Western Alliance.
- his service in the Middle East as my personal envoy at a most difficult time and at great personal risk.
- his key role in carrying out our counter-terrorism policies as exemplified by the TWA hijacking incident and our recent operation leading to the apprehension of the hijackers of the Achille Lauro.

Bud, I know that you are eager now to move on to new personal and professional challenges. Let me say that I shall never forget the sacrifices that you and your family have made in the service of your country.

I wish you and your family the best success and happiness in the future. But before you get too comfortable, I should warn you that I shall be calling on you from time to time for your wise counsel and advice.



As in all things in life, while Bud's departure is a cause of deep regret for me, I am pleased to announce Vice Admiral John M. Poindexter, ~~whom~~ I have appointed to be the new Assistant to the President for National Security Affairs.

I appointed John as Deputy Assistant for National Security Affairs on October 17, 1983. He has served in that capacity in an exemplary manner and has proven to be a truly steady hand at the helm. Since he first joined the National Security Council staff in June 1981 as the Military Assistant ~~John~~<sup>HS</sup> has played a key role. His Naval career began with his graduation at the head of his class at the U.S. Naval Academy. John was not only first in his class at the Naval Academy, but also Brigade Commander, an achievement rarely duplicated, I know of only one other -- Douglas MacArthur at West Point.

In choosing Admiral Poindexter for this key position in our National Security affairs structure, I am acknowledging the very important contributions he has already made to the formulation and carrying out of our major foreign policy objectives. I am also underscoring the great value I place in the continuity of our foreign policy. For five years John has been intimately involved in this Administration's National Security affairs and is well prepared and able to assume this very important post.

I welcome you on board the Captain's deck John, and wish you the best success.

End  
Case  
File

## THE WHITE HOUSE

### WASHINGTON

1. No, and any tendency toward that disappeared a long time ago. As we both grew older, the two-year difference in age seemed to shrink. Another thing that helped was my going to college first. After my first year, when he saw it could be done and enrolled as a freshman, our roles were sort of reversed.
2. As the juvenile sibling rivalry disappeared, we did become closer.
3. My first name would have been Donald but my aunt had my cousin first, so my mother settled for Ronald. Wilson was my mother's maiden name.
4. Yes. When I got in pictures the studio (Warner Bros.) routinely started to find a name for me. I reminded them I already had a pretty widely recognized name from my sports announcing. They said "Dutch Reagan!" with some sense of shock. I had used my nickname. I said -- tentatively -- my given name "Ronald" and they agreed to it.
5. What a thing for him to forget. There wasn't a hospital in Tampico, Illinois. I was born at home -- home was a flat above the local bank.
6. I'd be happy if those who want to give me something would send the money to Eureka College -- the small school that gave me my start.
7. I don't know that I have an answer to that. Maybe it is the idea that at certain specific ages you are supposed to think of yourself as middle-aged or old. I've never done that or even thought about it.
8. Quite sometime ago I attended an old school reunion. I was struck by the fact that I instantly recognized some old friends, yet others equally well known and remembered by me had to be named before I knew who they were. Later, I recalled that almost without exception the ones who still looked pretty much the same as when they were young were enthusiastic about what they were doing. The others hardly mentioned their work.
9. That first birthday party in the White House was very enjoyable with virtually every friend present. But what I remember best is that Nancy kept it a complete secret. Even when a columnist said it was going to take place, I joked about the inaccuracy of the press. It was a total surprise.
10. Not that I can recall.

11. I don't know. Maybe the fact that I was totally wrapped up in athletics in my younger days. Going through school, I lifeguarded for seven summers, played football, ran the quarter mile in track and then, when school days ended, I discovered horses. There is an old saying that; "nothing is so good for the inside of a man as the outside of a horse."
12. I have a philosophy -- getting old is always fifteen years from where you are now.
13. On the whole, I've enjoyed my life as it is. Even when there were setbacks, I recalled my mother saying -- "everything happens for a reason and for the best. If you accept what seems a disappointment at the time, there will come a day when you'll look back and see that if it hadn't happened, some of the good things that followed wouldn't have happened."
14. Well, I have to believe I've matured some. As the Bible says -- "When I was a child, I spoke as a child, I understood as a child, I thought as a child; but when I became a man, I put away childish things."
15. How could I? I haven't reached mid-life yet.
16. I have a greater appreciation of things I might have taken for granted.

I treasure friends. As the poem says: "Count your age by friends, not by years."

I've already spoken of health habits. I did smoke a pipe for a time but only occasionally, never inhaled, never smoked when I was in training for football, track or swimming. Then, a long time ago, I gave it up entirely.

I don't know whether I've always used my time wisely. Sometimes I think time I wasted was, in retrospect, the best times of all.