

Eye on Washington by Nicholas F. Benton

Boren: Tax reform will wipe out independents

In a striking display of candor, Sen. David Boren (D-Okla.) declared that the issue of the radical tax-reform proposal being debated on the floor of the Senate Jan. 12 was "whether or not there will be an independent sector in the U.S. economy, or whether Americans will find themselves dependent on only foreign interests and a handful of giant corporations. It is a fundamental question of what kind of country we are going to have in the future."

Boren was referring to the devastating effect the removal of incentives to invest in the nation's independent oil and gas industry will have on the national economy. The Senate tax-reform proposal removes the "shelter" (that is, basically, the ability to deduct losses from total income) for "limited partnership" investments adding up to an estimated total of \$50 billion in the current overall national economy.

In addition to real estate, this will be particularly devastating to the independent oil industry, where the risk factor is very high because the odds of winding up with a "dry hole" are always great. Therefore, without the incentive of being able to write off losses from such ventures, almost no one will dare to put their money into such a risky business.

The Senate tax-reform law does permit an investor to write off losses from oil and gas ventures, provided he participates not as a "limited partner," but as a "working interest," accepting the full liability for his investment. In

fact, the oil and gas industry was the only case in the Senate bill where this minor exception has been made.

However, Sen. Bill Bradley (D-N.J.), who opposed this exception in the Senate Finance Committee but was outvoted 11-9, said he was confident that this exception would be eliminated once the Senate and House began to sit down and work out a compromise on a tax-reform bill.

Therefore, the tax reform Sen. Bob Packwood (R-Oreg.) crowns will be "the most radical change for the average American in 50 years," may live up to its billing, but the way it will change life for the average American may be quite different than we are now being led to believe.

Press snakes rattle Reagan with psy-war

President Reagan was destabilized by a question from Jeremiah O'Leary, correspondent for the "conservative" *Washington Times*, at his Jan. 11 nationally televised press conference. O'Leary asked whether by lumping together Mikhail Gorbachov, Fidel Castro, and Muammar Qaddafi, in a speech earlier in the week, the President had not undermined the possibility for productive negotiations with the Soviet leader.

The technique perfected by the Washington press corps—quoting out of context—caught the President off-guard, particularly as it came from a newspaper presumed to be "friendly" to the administration. Unable to recall the point at hand, the President muttered, "Gee, I must have goofed on that one." He never heard the next question he was asked, and had to have it repeated for him, and proceeded to give the wrong answer. Asked about the Supreme Court ruling on abortion,

he answered by commenting on the Supreme Court's ruling on the "Baby Doe" case.

Seeing his success in confusing the President, O'Leary and a journalist sitting next to him winked, elbowed, and chuckled with each other. Another journalist was overheard snickering that the President was "senile."

Despite his confusion, Reagan did say a number of important things. He affirmed that U.S. unilateral compliance with SALT was "dead," the first time he has said this to a national audience since he made the decision May 27. True, after becoming rattled, he gave an indecisive response to NBC reporter Leslie Stahl, which the *New York Times* played the next day as a signal that the President had "backed off" on his decision. However, his earlier statements and a further clarification by Larry Speakes the next day made it clear that the SALT decision stood.

Reagan also called for the construction of a fourth orbiter to replace the Shuttle Challenger, praised the Rogers Commission report on the Challenger accident, and defended NASA against attempts by ABC's Sam Donaldson to demand criminal prosecution of NASA officials involved in the decision to launch the fateful flight.

Finally, in his answer on the "Baby Doe" decision, Reagan affirmed his opposition to the "death lobby," which in this case has won the right to murder children. "We are talking about a human life," he said. "If our Constitution means anything, it means that we, the federal government, are entrusted with preserving life, liberty and the pursuit of happiness. Well, where do we draw the line? Can we say to someone, it's all right for you to, in whatever way you choose, dispose of this human life? . . . I just don't think we've finished with the problem at all."