

Angela Stent and Daniel Yergin

Cutting Off an Historical Resource

President Nixon has shown great interest in the work of future historians. He taped conversations in the Oval Office to preserve the otherwise-unrecorded process of decision-making for use by the scholars of tomorrow; and he donated his vice-presidential papers to the National Archives to further aid those unnamed scholars. Unfortunately, the \$576,000 tax deduction he sought—unsuccessfully—for those papers has created a major problem for historians present, as well as future. For Mr. Nixon's attempted tax write-off will end up costing them dearly.

Documents—letters, transcripts, memoranda, scribbled notes—constitute the basic resource of history. A historian must tunnel his way through thousands in order to mine the few dozen that truly help explain events. Politicians, diplomats, businessmen, writers and other public figures have since the First World War donated their papers to public and private libraries out of a sense of generosity, a feeling for history, a desire to ensure their own niche in history—and in order to get a tax write-off.

That is the problem. Until 1969, donors could claim significant capital gains tax deductions for giving the papers collected in a lifetime of work. Some people, however, sought and even shopped around for ridiculously over-stated appraisals that led to greatly-inflated deductions. The Internal Revenue Service had responded in the 1960s by routinely challenging large deductions, a practice that was becoming an effective check on this inflation of appraised worth. Nevertheless, Congress stepped in with the Tax Reform Act of 1969 to limit sharply the ability to claim deductions. No more capital gains appreciation, save for heirs. Moreover, donors must now demonstrate much more clearly than before that their papers could fetch such-and-such a price on the open market—something very difficult to do for the nonautographed papers that constitute the bulk of a manuscript collection of a government official.

The cure for the ailment in the tax code has thus turned out to be worse than the ailment itself—in fact, the former director of a presidential library has called the 1969 law “a meat

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axe.” Scholars have suddenly come face-to-face with their own documents crisis, a potential shortage in the vital raw material of history. Without the tax incentive, people have simply stopped giving papers. “Zero Population Growth” is the way one senior National Archives official described the current state of donations. Why should an elder statesman or even a plain retired bureaucrat take the chance that the donation of his papers will lead to an unflattering historical portrait in the future if he cannot at least enjoy some tax break in the here and now? Many archivists report that people who had promised them donations now have held up those gifts, hoping for a change. Meanwhile, if these people should die, their papers pass on to their heirs, who may lose them through fire, carelessness, or unconcern. Moreover, the 1969 law has provided a strong incentive to break up collections and sell them on the open market to collectors interested in autographs, rather than to donate the collections intact to institutions for use by serious historians.

Historians and archivists have been lobbying for a change in the tax system that would restore the incentive to give, while maintaining checks on outrageous appraisals. One suggestion involved the inclusion of historians in the actual appraisal process. Several congressmen had introduced bills to revise the law, and all these efforts were pointing toward success when Mr. Nixon delivered his karate chop. Insofar as the President's own tax return is concerned, the crucial issue was whether he actually donated the papers before July 25, 1969. In the judgment of the staff of the Joint Committee on Internal Revenue Taxation, he did not, and it is on these grounds that he now owes much of his back taxes.

Putting aside that issue, the President's “gift” dramatizes, sadly enough, the abuse that led congressmen to change the law in 1969. Numerous scholars and archivists have expressed mystification about how the President's advisers came to the \$576,000 figure. Could the 229 boxes of invitations, the thank-you notes pertaining to foreign travel, the thousands of newspaper clippings, the unclipped newspapers—could these be worth any significant part of that \$576,000? On the other hand apparently more important “sensitive” items were withheld, despite the tight restrictions on access. Clement Vose, professor of history at Wesleyan University and a member of the National Archives Advisory Council, suggested not long ago that the collection should have been valued “coldly in terms of reproduction costs”—at a few cents per page.

The same National Archives official cited earlier admitted privately that the Nixon episode has been a disaster for the efforts to amend the 1969 tax law. As April 15 draws nearer, Wilbur Mills tells us that voters are more upset by the President's attempted deductions than about the Watergate events themselves. What congressman is going to support a loosening up of the donations law—and risk the wrath of constituents, enraged at the President's efforts to pay only a microscopic income tax.

The 1969 law should be changed. As it stands today, it will only lead to an enormous deduction in the writing of history. And that is a pity—for Americans will know that much less about themselves as a people and as a nation.