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October 2016

## Reagan Administration: Funding Cuts News Articles (1981-1982): News Article 37

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# REVIEW & OUTLOOK

## Why Not the Best?

President Carter has recently announced that he will nominate Joseph D. Duffey, now Assistant Secretary of State for Educational and Cultural Affairs, to be chairman of the National Endowment for the Humanities. The news hasn't raised many exclamations of delight among humanities scholars. Though he earned a Ph.D. from Hartford Seminary with a dissertation on Lewis Mumford, his scholarly credentials may fairly be called modest. On the other hand, he was national chairman of the Americans for Democratic Action, ran unsuccessfully for the Senate in Connecticut, and headed the Carter Washington office during the 1976 presidential campaign.

Mr. Duffey's credentials bear on the much larger question of the purpose to which the endowment should put its resources. Since the legislation was first passed in 1965 establishing NEH and its sister institution, the National Endowment for the Arts, many people have worried that government support would in the end degrade the arts instead of encouraging them. Politicians do have a rather marked tendency to treat all federal projects, from dams to poverty programs, as just so many species of pork barrel. There was real danger that with the humanities, the impulse would lead the government to subsidize far too much junk.

At NEH for the past few years that prospect hasn't materialized, in no small part thanks to Ronald Berman, the Shakespearean scholar who served as the endowment's chairman from late 1971 through early 1977. When he arrived, NEH was devoted mainly to supporting academic projects; Dr. Berman set out to expand the agency's public role. To a striking extent he succeeded without doing violence to decent standards for humanistic studies in the process. During those years NEH gave money to such widely enjoyed programs and institutions as "The Adams Chronicles" on public television, the King Tut exhibition now attracting tremendous crowds across the country and the New York Public Library.

This didn't suit Senator Claiborne Pell, chairman of the subcommittee that oversees the endowment. Senator Pell wanted to hand over part of the NEH budget in bloc grant form for distribution to state councils appointed by governors, instead of having state proposals compete for the money on the basis of merit. Senator Pell also made some more general statements about what he thought the endowment should be doing for the country. He wished NEH would do more work at the grass-roots level—giving a thousand dollars to some "mom and pop store proprietor," he cited as an example, to read the great books. Or

maybe \$500 could go to a lumberjack, he said, to subsidize the man's desire to do historical research.

An observer could be forgiven for smelling the same kind of drive towards patronage and condescension to the humanities that had always threatened to make NEH ridiculous at best, dangerous at worst. But Senator Pell managed to block Dr. Berman's renomination until the Carter administration took office and got a chance to send forward its own nominee. By the time the new administration came to deal with the issue, it had — unfortunately — become pretty sharply drawn: Which vision of the humanities endowment was it going to support? Thus far the message hasn't been encouraging.

The President, first of all, evidently did not care to get himself a properly qualified adviser to choose the search committee for the new NEH head. When the committee was assembled, he lectured it on the need to eliminate "any elitist attitude" from NEH. When his search committee sent him a candidate with unimpeachable credentials but without Senator Pell's enthusiastic endorsement, the President rejected the committee's choice. The White House then proposed Joe Duffey, whose career interests could hardly have seemed comforting to scholars. Appointee Duffey is now quoted as saying, "I have never heard that the President wants to popularize the humanities." A lot of other people have heard different.

Now it's no harm for any agency to have as its head a man as close to the President as Dr. Duffey is. But his appointment does make us want to watch the choices in the arts that the administration is going to have to make in the near future. Inside NEH itself, there's the question of whether this change of regime is going to be used as an excuse to decimate a very competent staff. On the outside, the administration may have to choose a new chairman over at the National Endowment for the Arts. And it will have to face anew the perennial decision about just where federal arts money should go.

In all of this there is the danger suggested by columnist Roger Rosenblatt in *The Washington Post*: that the President may care just enough about these matters to want to control them more tightly than his predecessors did, but care not quite enough to want the best. One doesn't have to be a special fan of everything the intellectual community has produced over the past decade to see that the humanities are worth preserving from certain corruptions that politics tend to visit on them, and it would be nice if both Dr. Duffey and the White House gave some signs that they share this concern.

## On Simplification

So we are getting our first intimations of what the Carter administration's tax "reform" package will look like, as our John Pierson reported yesterday.

Instead of taxing capital gains at half the rate of ordinary income, the reform would tax it at full rates. However, capital gains on homes would be treated differently. Also, some provision may be made for the illusory gains that result from inflation. The limitation on deduction of capital losses—for which incidentally there is not a shred of moral or logical justification if capital gains are taxed at ordinary rates—will be retained but made more generous.

Maybe, though it's not yet clear, there would be some integration of corporate and personal income taxes. This would probably be done by giving shareholders a credit on their personal taxes for taxes paid on their behalf by the corporation. Maybe there will be a little integration, a little corporate tax cutting and a little jiggering with investment credits.

Personal tax rates will be reduced, particularly on investment income, which is now more heavily taxed than income from labor.

Accelerated depreciation provisions will be changed, at least for certain types of assets. Export tax deferral through the DISC program will be repealed. Holders of life insurance policies will have to pay tax on dividends retained by the companies. The deduction for interest will henceforth apply to interest paid for certain purposes but not for other purposes.

Business expense accounts will be changed. Some kinds of expenses can be deducted from gross income, and other kinds will have to be deducted from net income. As far as can be ascertained, the difference will depend on whether or not martinis are consumed at lunch, and how many.

This reform is being carried out because President Carter considers the tax code a "national disgrace." The purpose of the whole thing, we used to hear, is to make the code simpler.

## PEPPER . . . and Salt

White on White Sail  
Romantic sailors at the helm  
Are eager to take flight,  
They hoist their sails,  
When the wind prevails  
And leave port at dawn's  
early light.

All day they ply the heavy  
seas  
Frolicking on the briny,  
"Oh God, your ocean is oh so  
big,  
And my boat is oh, so tiny."

Then suddenly the wind turns  
fierce,  
Perhaps it's just to remind  
them,  
It's time to go home on the  
angry foam,  
Wagging their sails behind  
them.

—Peter Lind Hayes.

Financial Secrets  
Though having "untold  
wealth"

Is considered a mark of  
success,

It sure can cause you trouble  
With the IRS!

—Mary Lee Sauermann.

THE WALL STREET JOURNAL



"Open wide and say 'nevermore'."

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