



Farewell, to the most honest man in Washington

By: [Gene Healy](#) 11/1/2011

William A. Niskanen, former acting head of President Reagan's Council of Economic Advisers and the longtime chairman of the CATO Institute, passed away last Wednesday at the age of 78.

In its obituary on Saturday, the New York Times summed Niskanen up as a "blunt libertarian economist," and he was all three. But he was also vastly more interesting and admirable than that dismissive description can convey.

Bill Niskanen had the kind of character that's vanishingly rare in Washington DC. He was a man who put principle above partisanship and personal gain.

After studying under Milton Friedman at the University of Chicago, a young Niskanen came to Washington with the Kennedy administration, as one of Defense Secretary Robert McNamara's "whiz kids."

What he saw as a Pentagon insider shocked him, Niskanen recalled later. The president and top executive branch officials "lied with sufficient regularity, that when they finally landed on the moon" he was briefly tempted to wonder if it was staged.

"That's how disillusioned I was by 1969."

He drew on those experiences to write 1971's *Bureaucracy and Representative Government*, a seminal work in public choice economics.

Later, in 1980, Niskanen garnered national attention when the Ford Motor Company fired him as chief economist because he opposed Ford's call for import quotas on Japanese cars.

In 1984, after serving four years as a member and acting chairman of President Reagan's CEA, Niskanen could have written his own ticket to any high-placed berth in business or academia.

Consider that Peter Orszag, former head of President Obama's CEA, parachuted to a lucrative post at bailed-out financial giant Citigroup. (Still, Orszag "keeps it real" with the occasional Bloomberg column lamenting income inequality).

But cashing in held little appeal for Niskanen. Instead, he joined the CATO Institute, then an upstart think tank operating out of a townhouse on Capitol Hill, and dedicated--as was Bill--to "the principles of individual liberty, limited government, free markets and peace."

That move "very much put CATO on the map," says CATO president Ed Crane. Bill "worked in an office about 1/10th the size of his office at the Old Executive Office Building, never complaining."

Indeed, in a town full of policy-wonk prima donnas, Bill was a class act: a gracious and generous colleague who never expected special treatment--a cheerful exponent of the "dismal science."

"For those of you with a partisan bent, I have some bad news" Niskanen began a 2006 article in the Washingtonian. That piece made the "Case for Divided Government" (one-party governments spend three times as fast, per his calculations).

"Bad news for partisans" was a common theme in his iconoclastic career. He didn't endear himself to conservatives by producing data showing that "Starve the Beast," the notion that tax cuts shrink government by depriving it of revenue, was "magical thinking" and there was no substitute for the hard work of cutting spending.

Nor did many in the GOP welcome his case against the Iraq War, made at a CATO event in December 2001, perhaps the first prominent public statement against that looming debacle. "An unnecessary war is an unjust war"--and one we would come to regret having fought, he argued.

In the pile of 70th birthday cards Niskanen received in 2001, was one from a blunt, non-libertarian economist, Larry Summers, the former Treasury Secretary and top Democratic adviser. It was addressed to "Bill Niskanen, the most honest man in D.C."

That's about right.

This is the part where you're supposed to say something to the effect that, "we won't see his like again." But I hope we do. America's future depends on others following the example Bill Niskanen set for us.