

# NATIONAL REVIEW ONLINE

## Farewell to William A. Niskanen

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It has been a week since the Cato Institute's Bill Niskanen passed away. I wanted to share some of the things people have said about him since then. For instance, in a piece in *The Examiner* called "Farewell to the Most Honest Man in Washington," his colleague Gene Healy wrote:

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. [...]

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."

Richard Rahn wrote in the *Washington Times*:

On Oct. 26, the world lost one of its wisest, most competent and principled economists, [William Niskanen](#).

The *Washington Post* recalls:

During the 1970s, the nation's car industry was battered by rising gas prices. For Japanese manufacturers, touting [smaller cars](#) with fuel-sipping engines, American sales took off.

In late 1979, Ford begged for a government intervention, asking the International Trade Commission to impose quotas on Japanese cars.

Ford officials said Japanese [car makers](#) were siphoning American money away from the domestic manufacturers. Tens of thousands of American jobs could be lost if the foreign competition prevailed.

Dr. Niskanen told [Ford](#) executives that the government could not cure the company's ills. Japan was not the problem, Dr. Niskanen told his bosses; they were.

He maintained that in the previous few years, cars imported from Japan made up only one-eighth of lost business for Ford, whose cars lacked the kind of [fuel](#) economy that consumers sought.

Ford's real issue, Dr. Niskanen said, was "bad product decisions."

Upon hearing his advice, Ford executives dismissed Dr. Niskanen.

*The Telegraph* writes:

As an academic economist, Niskanen was best known for his contributions to public choice theory, a field that examines the choices made by bureaucracies based on the assumption that public officials, like private sector businessmen, generally act in their own self-interest. His main contribution, set out in *Bureaucracy and Representative Government* (1971), was to propose a general rule of thumb, known as the budget-maximising model, that bureaucrats will always attempt to maximise their own budgets and power.

There is more, of course. But for those of you who didn't know Niskanen's work I would recommend [this article](#) called "Non-Market Decision Making: The Peculiar Economics of Bureaucracy," as well as any article or book chapter on [this list](#).