

COMMENTS

THE OCCASION OF HENRY AARON RECEIVING THE DANIEL HOLLAND AWARD

William G. Gale

THIS IS A TREMENDOUSLY HAPPY OCCASION. I would like to start by congratulating Hank on this extremely well-deserved award. I would also like to congratulate the National Tax Association on making such an inspired choice. It is an honor and pleasure for me to be able to participate in this session.

It is appropriate that I follow John Shoven, one of my graduate school advisers, in the order here. My first encounter with Hank actually involved John. After graduating from Stanford, I took a job at UCLA for four years, and then moved to the Council of Economic Advisers. At that point, I knew I was not going to go back to UCLA and so I was talking with John about possible next jobs and he suggested I call Henry Aaron at the Brookings Institution and see about jobs there. There was a few-second silence on the phone as I thought to myself, “John, I’m only a few years out of grad school, I can’t just call up Henry Aaron and ask for a job.” I have a feeling John was thinking the same thing, because after a few seconds he said, “You know, why don’t I call Hank?” Which I then readily agreed was a brilliant strategy. (Jim Poterba also made a call on my behalf, which I also greatly appreciate.) In any case, Hank called a week or two later and since then I have had the privilege, honor, and opportunity to be his colleague at Brookings.

Hank was one of the main reasons I came to Brookings and he did not disappoint. His work had always been an inspiration to me as a graduate student and a young scholar. He had worked on seemingly every major topic in public finance that I was interested in – tax reform, social security, inflation, housing, welfare, the New Deal. He had done fascinating work on health – not just the 1984 *Painful Prescription* book that others have mentioned but also his 1991 book *Serious and Unstable Condition*. And, as a note to the newer members of the profession in this room, looking at the current major focus on health economics, it is important to remember that 25 years ago health economics was much more of an intellectual wilderness. Hank was

one of a few major researchers to be focusing on the issues even back then, producing work that has been remarkably prescient and insights that have proven remarkably enduring.

Hank had even worked on some esoteric topics that I was not particularly interested in but that showed a doggedness and passion for getting things right. In particular, he wrote a short treatise in the 1980s that explains and analyzes the complex tax treatment of life insurance companies that, to this day, remains a cult classic, and probably the single best thing written on the subject.

I admired not just the breadth and depth of his work, but in particular, the passion he brought to his writing; the informed use of theory, the rigorous application of evidence, the honest-broker willingness to call things as they were, and the absolute, utter clarity of expression.

Before I left Washington to fly here yesterday, I checked my office book shelf and counted 19 volumes written or edited by Hank. At the time, I thought 19 was a lot until I heard from Peter Diamond’s comments today that Hank had published over 30 volumes. In any case, he is clearly the modal author in my office.

And I want to just clarify that, although this session celebrates Hank’s previous lifetime of accomplishment, he is very much still active and involved in thinking and writing about a wide variety of current issues.

One of the things we talk about at Brookings is finding people who are “Brookings Economists.” There is no precise definition of such an animal, but it involves someone who has a foot in both the academic and the policy worlds – someone who can create and use the best academic research to inform policy questions and someone who can use emerging policy issues as a motivation to focus and explore deeper research questions. It also involves a willingness to explain those findings, to follow truth where it leads, and to “mix it up” in the public discussion. Hank is a wonderful example of what it means to be a Brookings Economist. Although I

will not push the baseball analogy very far, I will say that if there were a “hall of fame” for Brookings economists, it would include Hank, alongside the Arthur Okuns, Joe Pechmans, Charlie Schutlz and Alice Rivlins of the world.

Hank has also been a wise manager and adviser to me. When I became VP of Brookings and Director of Economic Studies in 2006, it felt like there were about 350 issues to deal with, and each one needed immediate attention. I dropped by his office one afternoon and explained this, and in typical fashion, he cut through the clutter and said that there are only two things that really matter in your job – who you bring in and how much money you raise. As usual, his answer was stark, simple, clear, and right. His answer, indeed, helped me clarify my own thinking, and probably the single most valuable thing I was told in preparing for the job and structuring my time and focus.

Now, some things you may not know about Henry Aaron:

- When my son was young, he heard Henry’s name at a dinner-table conversation and he thought I was talking about Thomas the Tank Engine’s friend Henry, so I had to clarify that for him that I did not actually know and work with Henry the engine. He was very disappointed to learn that my colleague was an actual human being and not “the” Henry, whom he saw every morning on TV.
- Hank is an extremely knowledgeable wine aficionado.
- The best place to listen to classical music in the DuPont Circle area is in Hank’s office.
- Hank has been an inveterate bicyclist for years.
- He and Ruthie have several grand children. One of them, in particular, and in my humble opinion, looks like Michele Pfeiffer. You can see a picture of her on his office door.
- And, speaking of Ruthie, I would like to acknowledge both her presence here and her role in all of this. Hank and Ruthie are doting grandparents and as a team, they should be an inspiration to us all.

Besides all of the above, there are at least two other great benefits of working with Hank. First, my more seasoned colleagues tell me that because of the excellent work that he did on health care for so many years, Hank knows everyone in the field, and if you ever need to get in to see specialist at, say, Hopkins, or Sloane-Kettering, the way to do it is to ask Hank to make a call. I have not had the need to avail myself of this benefit yet, but should I need to do so in the future, I am looking forward to having this option.

Second, Henry is, quite simply, the best editor in the world. I would go so far as to say that if you have never been edited by Hank, you have never really been edited. He and I co-edited a 1996 tax reform volume together and I was somewhat new to all of that, so I mainly watched and learned as he cleaned up people’s writing. I was frankly astonished at times, both at the “can you really do that” scope of the edits and at the clarity of the resulting text without loss of substance or nuance. It was an important lesson for me, and the resulting volume was much shorter and much more readable. I now often ask for edits from Hank, but it is always a kind of good/bad situation. Good because you know you will get great comments, bad because you actually think the thing you are sending over is pretty clear, but know you are about to find out not just that you are wrong about that but also why you are wrong about that. But the litmus test, of course, is that I keep coming back again and asking for comments on the next paper.

Hank did not edit these comments, so at this point I had to channel my inner Henry Aaron and ask: what would Hank say, now, if he were reading through this. I think there would be red ink on the side of the page right about here saying “Sum up. State your conclusions.”

So, let me cut to the chase. This is a tremendously well-deserved award to an outstanding scholar, a passionate policy analyst, and wonderful human being. I literally can not think of a more worthy recipient of the Holland award. I congratulate Hank on all that he has accomplished, and the NTA on its wise and inspired choice.