



# Reflections on Reagan the Intellectual

**A** TRUE INTELLECTUAL CONVEYS TO THE PUBLIC NEW IDEAS on a wide range of subjects, unearthing these notions long before most people do. That is the essence of Nobel laureate Friedrich von Hayek's definition of an intellectual. In his 1949 University of Chicago Law Review essay "The Intellectuals and Socialism," Hayek also underlined that for better or worse, intellectuals are more important than most people think. After all, they shape public opinion.

Austrian economist Hayek was one of Ronald Reagan's favorite thinkers. And Reagan, by Hayek's definition, was an intellectual. Reagan the intellectual? The book *Reagan, In His Own Hand* (2001) answers that question. This volume, with an illuminating preface by George Shultz, contains 259 essays Reagan wrote in his own hand, mainly scripts for his five-minute, five-day-a-week syndicated radio broadcasts in the late 1970s. They are awe-inspiring in their breadth of subject matter. And they laid out the philosophical framework for his presidency.

It is worth mentioning that *The Reagan Diaries* (2007) have just been published. With the exception of the time Reagan was hospitalized after a failed assassination attempt, he produced a diary entry each day. These were roughly a page in length and written clearly in Reagan's own hand. Like *Reagan, In His Own Hand*, *The Reagan Diaries* are Reagan's own handy work, not material written by his staff.

No wonder Reagan always appeared to be relaxed and in control. He had thought things through. As someone who was a senior economist on the President's Council of Economic Advisors during 1981–82, I saw his intellectual acumen firsthand.

One of my early assignments was to analyze the federal government's landholdings and make recommendations about what to do with them. This was a big job. These lands are vast, covering an area six times that of France.

These so-called public lands represent a huge socialist anomaly in America's capitalist system. As is the case with all socialist enterprises, they are mismanaged by politicians and bureaucrats dancing to the tunes of narrow interest groups. Indeed, the US nationalized lands represent assets that are worth trillions of dollars, yet they generate negative net cash flows for the government. I presented my recommendations to the annual Public Lands Council meeting in Reno, Nevada in September

1981. The title of my speech: "Privatize Those Lands."

My Reno speech caused a stir. James Watt, the Secretary of Interior, was furious because he wanted to hand over the lands to the state governments—exchanging one form of socialism for another. Needless to say, I thought I was in deep trouble. Hoping to avoid political immolation, I rapidly sent my analysis to the President.

Much to my surprise, Reagan instantly responded, taking my side. Better, he swiftly made my proposals the Administration's policy.

He went public in his budget message for fiscal year 1983 when he endorsed privatizing public lands: "Some of this property is not in use and would be of greater value to society if transferred to the private sector. In the next three years we would save \$9 billion by shedding these unnecessary properties while fully protecting and preserving our national parks, forests, wilderness and scenic areas."

It turned out that Reagan had already thought about this issue. *Reagan, In His Own Hand* contains several essays on the subject that clearly foreshadowed his policy statement. His 1970s musings on public lands echo the writings of another fine thinker, Adam Smith. While Reagan never cited Smith, their reasoning was similar.

Smith concluded in *The Wealth of Nations* (1776) that "no two characters seem more inconsistent than those of the trader and the sovereign," since people are more prodigal with the wealth of others than with their own. In that vein, he estimated that lands owned by the state were only about 25% as productive as comparable private holdings. Smith believed Europe's great tracts of crown lands to be "a mere waste and loss of country in respect both of produce and population."

Political opposition stopped Reagan from privatizing. Consequently, US nationalized lands remain ill-used. But Reagan the intellectual had it right long ago.

(For a full treatment of this public lands privatization episode, see: S.H. Hanke, "The Privatization Debate: An Insider's View," *Cato Journal*, Vol. 2, No. 3, Winter 1982; [www.cato.org](http://www.cato.org).) GA

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