

Adam Smith's America: What Comes Next for American Capitalism?

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Though it may be true, therefore, that every individual, in his own breast, naturally prefers himself to all mankind, yet he dares not look mankind in the face, and avow that he acts according to this principle. He feels that in this preference they can never go along with him, ... If he would act so as that the impartial spectator may enter into the principles of his conduct, which is what of all things he has the greatest desire to do, he must, upon this, as upon all other occasions, humble the arrogance of his self-love, and bring it down to something which other men can go along with (Smith, 1759/1790, loc 1714-1727).

In *Adam Smith's America: How a Scottish Philosopher Became an Icon of American Capitalism*, Liu (2022) explores the role that framing by Adam Smith has historically had and continues to have in forming American Capitalism. Said frame is especially drawn from the *Wealth of Nations* (Smith 1776/1789) but is also framed by a far lesser role of the *Theory of Moral Sentiments* (Smith 1759/1790). The fact the *Wealth of Nations* book has received more attention is just more empirical evidence that the primal driver in human nature is ego-based self-interest --- selfishness and greed, arrogance of self-love like Smith frames it. The *Moral Sentiments* book is about empathy based other-interest, something that has to more generally be nudged, or, regulated: It is essential, as made clear in the Smith (1759/1790) quote, to bring the arrogance of self-interest down to something that the other can go along with as represented in the shared other-interest. Said other-interest is about what is shared with the other, the shared moral sentiment, the shared ethic. Smith saw it was essential to acknowledge the natural excesses coming out of the arrogance represented in the self-interest, and temper that more primal excess with the shared moral sentiments.

And, it was dynamic, as in a continually evolving ethic working to temper the continually evolving self-interest. Both would evolve from and be based on a solid foundation of facts (scientific-method sourced) & ethics. So, the *True Wealth of a Nation*, as *Metaeconomics* makes clear, and Smith would agree, came with seeking the own-interest which was achieved through good balance in both interests: in self & other-interest; in private & public interest; in price P from the Market Forum & value V (reflecting the moral and ethical

dimension) from Other Forums; and, writ large, in Market & Government, each viewed as playing vital roles, each essential to the other. The “&” is working overtime here, to mean the elements on either side of it are joint, nonseparable, interdependent, and essential to the other. The “&” also reflects the need for finding sufficient reason on pragmatic grounds (after Bromley 2019) to choose a certain balance.

Modern Economics Presumes Self-interest Only and Is Opposed to Ethical Reflection

Edgeworth developed the notion of an indifference curve in 1881 (Lenfant, 2012, p. 117). It became a core construct in what was to become the focus on self-interest only, the Single Interest Theory (SIT) of modern Microeconomics. Edgeworth proposed the self-interest based indifference curve to explain the origin of consumer demand. And, while it only represents ego-based self-interest, even Edgeworth understood a person was an impure egoist (Sen 1977, p. 317). The ego-based self-interest only indifference curve is, to this day, used to explain how a consumer works to maximize the ego-based self-interest without regard for the shared other-interest coming out of empathy.

As Sen (1977, p. 318) makes clear, even Edgeworth understood that the ego-based indifference failed to represent the fact that consumer demand was not just about “...the claims of oneself... (i.e., ego-based self-interest only, but also about) the claims of a variety of groups - for example, families, friends, local communities, peer groups, and economic and social classes.” Nation states --- and traditions within each, representing culture and religion, the institutions --- would also be in the list. Said claims of others, in turn, would reflect the moral sentiments, that which the other can go along with, the ethic(s) at play, the institutions (as in Institutional Economics framing) giving context to the Market. Ethics are key, as Institutional Economist Bromley (2019) says it.

Unfortunately, the moral sentiments were left out of the early renditions of what was to become modern SIT in Microeconomics. If Edgeworth would have allowed for the reality that Humans have the dual nature represented in self-interest and the moral sentiments reflected in the other(shared)-interest (as in an integration of notions in the *Wealth of Nations* & *Moral Sentiments*, Smith’s two main books), modern economics would be hugely

different. The dual nature also means that Humans are inextricably intertwined through the sharing of moral sentiments: Consumers are not independent.

Lynne (1995) is the apparent first to formally represent such claims reflecting moral sentiments and shared with the other as the empathy-based other-interest set of indifference curves --- in effect, representing the moral sentiment within each person --- eventually leading to Dual Interest Theory (DIT) in Metaeconomics (Lynne 2020). So, a modified Edgeworth construct is represented in two overlapping sets of indifference curves (Figure 1), one for the self-interest and one for the other-interest. By doing so, one represents the claims of oneself (self-interest) in I_G and the claims of that shared with the other (other-interest) in I_M as nonallocable goods, as in joint self & other-interest.

Insert Figure 1

The focus shifts, like Adam Smith intended, to seeking and working to maximize the own-interest on path 0Z, which was composed of good balance in self-interest on path 0G (Wealth of Nations book) & moral sentiments on path 0M (Moral Sentiments book). Again, notice, every person is intertwined, interdependent, joint, and nonseparable through the vehicle of the shared moral sentiment reflected in the other-interest.

So, Metaeconomics also makes clear there never was “das Adam Smith problem” --- supposedly two irreconcilable Adam Smiths --- but rather one Smith who intuitively understood the dual and nonseparable, the joint, nature of all Humans. It was just human nature. Also, everyone is on the same Spaceship (Earth), together, and to make the true Wealth of Each Nation, the moral sentiment had to be widely shared (which was the key feature of free trade on a Spaceship scale). The widely shared sentiment would evolve through free trade, globalization as it is referred to now.

It was not just about the Econs maximizing self-interest, which was reflected in the Edgeworth indifference curve driving consumer demand and determining the terms of free trade (which eventually made its way into the Edgeworth-Bowley box, and even pointed to general equilibrium based on self-interest only, which DIT makes clear is fallacious: General Equilibrium requires ethics, not just arrogance. In other words, the “the Chicago Smith problem” (Liu 2022, p. 197) was inappropriately (unethically) resolved in Chicago

framing by focusing on the self-interest framed in the Wealth of Nations, and ignoring the ethics (or, charitably, presumed the Market would produce same internal to itself, without empirical evidence a Market would always do so without Community and Government influence and control as needed). The result might be better framed as “the real Chicago problem” was, and still is, really about being opposed to consideration of the moral sentiments, being opposed to ethical reflection.

The same focus on self-interest only, now applied to Government, is displayed in what might be referred to the “Public Choice Theory problem.” The problem is, by focusing on the self-interest only of each person is to ignore the role of the other-interest widely shared: In Public Choice Theory, citizen voters and citizen politicians no longer exist. Everyone in Government (politicians, bureaucrats, lobbyists, voters) is maximizing self-interest as does every utility maximizing consumer in the Market. Such framing gave supposed academic, science-based credibility for the frame of Market VS Government --- a battle of egos --- with the focus on minimizing the egos in the Government having influence, when it needs (as Metaeconomics makes clear, and Adam Smith would agree) instead to be about Market & Government --- the latter representing the empathy-based other-interest --- with each serving essential roles. Citizens, not just consumers, are essential as in consumers & citizens.

And, as Metaeconomics makes clear, the need for considering the moral sentiments affected supply, too: Recall the butcher, baker, and brewer story in Adam Smith. The moral sentiments were also to influence the producers of meat, bread, and beer. So, modern SIT in Microeconomics has another major oversight regarding production and supply.

The notion of self-interest only in production among independent producers was recognized in the use of one isoquant, as emerged in the 1930s: Ragnar Frisch, the first Nobel Prize in Economics winner, was one of the first to use an isoquant (Lloyd 2012, p. 643). The one isoquant model presumed all producers are independent of all other producers, and every producer is independent of all consumers, as well as somehow independent of the very Spaceship within which all production is embedded. Reality, as Metaeconomics makes clear, points to a frame that sees interdependence among all. Overlapping isoquants, one set for self-interest and one set for the other (shared across

producers and with consumers)-interest solves the problem, including the shared other-interest in sustaining Spaceship systems.

Frisch (1965, Chapters 14 and 15) was also the first to insert overlapping isoquants into the same space to represent nonallocable inputs, as in the wool and mutton problem. A rancher has very limited control over how the grain and hay inputs are allocated between wool and mutton, internally, by the sheep. As a result, wool and mutton are inextricably intertwined – joint and nonseparable --- because of nonallocable inputs. Intriguingly, the Frisch framing of jointness did not make way into mainstream production/Microeconomics (an exception being Lynne 1988).

In contrast, jointness serves as a foundational principle in DIT. Nonallocable inputs simply reflect the larger reality for the entire Spaceship as described in thermodynamics (see Lynne 2020, Chapter 12): Everything is internal to said nonallocable input system. As Thomas Edison noted, the scientific laws least likely to ever be rejected are the thermodynamic laws: 1st Law, the conservation law, both energy and mass stay around, just in different form, and 2nd Law, the entropy law, which points to the inexorable move to maximum entropy, with all energy dissipated. So, reality points to nonallocable inputs both across space and through time. The economy is internal to the Spaceship, with limited control over it, and nothing is external except energy from the Sun, which is a fusion reactor on the way to maximum entropy, which also ensures jointness. As a result, all producers are interdependent (with all consumers, too) in that all rely on the work (as well as resources and waste sinks) of the Spaceship system in order to produce and supply product.

The interdependence also points to the reality that incommensurable value V is also relevant, as not everything in supply and demand is in the Market with a price P . Some things are priceless. DIT allows for incommensurable value V measured in non-monetary terms (poetry), and not just price P (pushpins) measured in monetary units. Possibility frontiers like RoRo in Figure 2 are found by moving along income or resource lines like RoRo in Figure 1. The value V isocurves in Figure 2 come from processes unwinding in Other Forums --- community and political forums, reflecting the moral sentiments, the ethics --- while price P comes out of the Market Forum.

Economic efficiency, political stability, and overall happiness of the system is represented on path 0Z in both Figures 1 and 2, as influenced by both price P & value V . In contrast

mainstream SIT in Microeconomics sees only price P on path 0G, which is not efficient, ensures political instability, and makes for a great deal of unhappiness. The better path 0Z is one where the self-interest has been tempered by the moral sentiments in all manner of free trade in both the Market & Government. Adam Smith's two books point to finding path 0Z for wealth, peace, and happiness and not everything is resolved in the Market. For more details, see Lynne (2020) and the Metaeconomics Website.

Insert Figure 2

The next step is to turn to Liu (2022) and make sense of the political science based analysis provided, as regards the history in the evolution of *Adam Smith's America*. DIT in Metaeconomics gives analytical substance to the Liu (2022) story about how there has been an ongoing debate about Smith, which really comes down to resolving whether America was to be on path 0G --- perhaps even the vertical axis of Figure 1, being opposed to any ethical reflection --- of self-interest (e.g., free trade among all countries on the Spaceship, a global Market without regard for the moral sentiments of shared interest, not honoring traditions and cultures in the trading country) only; or, on path 0M with the primary concern with the moral sentiments (e.g., community represented in Government influencing and perhaps even controlling the free trade, with protectionist tariffs and public investments in certain industries to serve the shared public interest of the Nation State); or, whether there was some best integration of the two paths as represented on path 0Z (e.g., good balance in free trade & government, self-interest & moral sentiments). Unfortunately, as will become clear, what came to be modern SIT in Microeconomics and the mainstream of economics today in effect has ignored path 0M (other than the unfounded claim that the Market always produced moral and ethical outcomes, the claim by a novelist and amateur philosopher by the name of Ayn Rand) --- being outrightly opposed to considering the moral sentiments in free trade and in all other dimensions of both Market & Government, in effect ignoring Adam Smith's concern with same.

Unfortunately, and to emphasize: Being so opposed to the moral sentiments having a substantive influence on the expression of self-interest ensures economic inefficiency, political instability, and, a great deal of unhappiness. The political economic instability and

chaos across the Spaceship at the current time is empirical evidence of same. A specific case in point is the current concern over globalization brought by free trade: The shared other-interest within a country, in keeping a Nation-state intact, has been ignored. So, tariffs and protectionism are now back in full view. Resentment over destruction of a that which is shared within a country would naturally be revealed in political instability. In contrast, Adam Smith's America --- if the duality that Smith saw had been integrated as in DIT, which integrates the Wealth of Nations & Moral Sentiments --- would be far more likely to be efficient, stable, and happy.

[Adam Smith Would Not Likely Approve of Most Historical Attempts at American Capitalism](#)

Liu (2022) points to the ebb and flow in the application of the principles Adam Smith developed in the two books, as well as in other writings. As Liu (2022) documents, at times the Wealth of Nations framework dominates the American experience, seeing an independent Econ (self-interest only) interacting with other Econs in unfettered Markets (as in The Neoliberal Order). At other times, the Moral Sentiments framework is in play (as in the time of The New Deal Order), which when integrated with the Wealth of Nations framework recognizes a Human (joint self & other-interest) interacting with other Humans in a joint Market & Government, with good balance in Econ & Human. Each Chapter in Liu (2022), tracing that evolution of Wealth & Sentiments, is now explored.

Smith would likely not approve of what became wide swings in how the Smith frameworks were favored, abandoned, and then reconsidered once again, and how the frames were never well integrated (albeit, the system approached it during The New Deal Order) into the whole Smith envisioned. Smith's vision of a Humane Capitalism has still to be formed, and, perhaps could guide, along with DIT in Metaeconomics as an analytical system and framework, *What Comes Next for American Capitalism*.

Also, the Liu (2022) book is 346 pages long, with a huge amount of detail regarding the who, what, when and where of how Adam Smith's books and writings shaped American Capitalism. The following is relatively brief, leaving out the specifics to the extent possible, while still representing the main themes in an accurate way. Also, the following takes the

liberty of attaching ideas in Liu (2022) to other major writings about related developments in recent years. Each Chapter in Liu (2022) is now considered.

1. The Best Book Extant

As Liu (2022, p. 14) points out, being the *Wealth of Nations* book was published the same year as the declaration of independence by the US colonies, it was widely read by the founders, who were also trying (like did Smith) to answer the questions: “What are the principles of law and government that promote security, prosperity, and happiness? How might a country engage in free commerce without becoming dependent on her rivals? How do different systems of political economy affect the virtue and character of a people?” To Smith and the founders, it was all about the best balance in Market & Government, and, the book (unfortunately, not well integrated with the *Moral Sentiments* book at the current time) still plays to this day. Also, empathy-with the other was to play a substantive role, as Smith made clear in the *Moral Sentiments* book, and, it was also made clear in the US Constitution put into play in 1787: Empathy-with the other --- everyone endowed with the same inalienable rights --- was the frame giving context to the ego-based pursuit of happiness by each person. The founders who wrote the US Constitution clearly did not believe there was such a thing as “*das Adam Smith problem*.”

Liu (2022) notes how Alexander Hamilton mined the book for ideas about banking, and argued for a strong, viable national Government as essential to a viable Market. John Adams searched for ideas on how to handle the influence of extreme concentrations of wealth, as in the social psychology of different distributions of wealth, and was especially concerned about the natural tendency for a free market system to move to oligarchy, and then to autocracy (Liu 2022, p. 62). Thomas Jefferson proclaimed the *Wealth of Nations* as the best ever book on political economy, and likely saw the moral dimension coming out of the *Moral Sentiments* as key. It was an age of reason, following on and contributing to, the Enlightenment, and Smith was reasoned. It was all about finding the connectedness of things, including among people, and between people and the natural (Spaceship Earth) system.

The *Moral Sentiments* book, while less read than the *Wealth of Nations*, also played as the most read book on moral philosophy all the way to the early-1800s. Looking at the two books in an integrative way, which many had difficulty doing, as Liu documents throughout

the book, Smith put forward a distinctive way of looking at person & society. In Metaeconomic terms, as alluded to earlier, Smith saw the primal arrogance of self-interest driving behavior of each person, with the moral sentiments playing a key role in tempering said behavior, on the way to forming connectedness within society, and giving rise to a stable economy & society.

In Metaeconomic framing, Smith accurately foresaw the empirical science, especially of such modern fields as social psychology and behavioral economics, both of which point to the dual nature, the I & We, person & community, self & other, organism & ecosystem (Darwin framing which would come later) represented in human biology and evolution. The moral philosophy of the day was on finding out the nature of human nature, and discerning whether it was naturally vicious (self-interest only, selfishness) or virtuous (shared other-interest, selflessness), which fit with the concern for good balance in the self & moral sentiments (the latter, in effect, virtue ethics). Smith claimed human nature was jointly selfish & selfless, demonstrating both selfishness & selflessness at the same time.

Intriguingly, Smith also saw the danger of factionalism in religions, even though said religions could help give content to the moral sentiments in a shared other-interest. It was essential to dissipate power among many factions, such as to avoid the danger of concentration of power in a faction (serving some narrowly shared other-interest, such as in contemporary Christian Nationalism and Fascist “Christians” as made clear in Hedges 2007). James Madison borrowed the idea to look at the danger of factionalism in politics, too, and the need to be concerned about some political ideology (again, some narrowly shared other-interest) taking control.

Such concerns exist to the current time in the US, with religions vying for influence on Government, taking down the separation of church and state, and the US 2-party system now in a doom loop (Drutman 2020) with always 1-party trying to take control. Yet, factions in religion and politics are not the problem, per se: The problem is when one amasses enough power to take authoritarian control over all other factions. In Metaeconomic framing, it is about putting in place a structure (e.g., 4-6 political parties) such that empathy-based coalitions have to be formed in order to get anything done. It is about finding what reasoned people (and for the religious believer, including the reasoned God)

would agree to as the best in a widely shared moral sentiment, a widely shared ethic, a widely shared other-interest.

And perhaps most importantly, at the time of founding of the US on the way to building an American Capitalism: “Still in its infancy, political economy was highly attuned to the moral dimensions of economic life and ‘had not yet been sacrificed to the hubris of those who would claim to make economics into a ‘non-moral’ science (Liu 2022, p. 42) quoting McCoy, a political economist of the day) .’ ” It was not just about self-interest, which led to being beloved; the moral sentiments were to play a role in tempering the tendency, and (quoting Adam Smith, *Moral Sentiments*, Liu 2022, p. 59): “the cheif [sic] part of human happiness, consists in the consciousness of being beloved.” Roberts (2014, p. 40) points to how Smith seeing the need to offset that primal driver, in Smith also saying: “Man naturally desires, not only to be loved, but to be lovely.” To Smith, ego-based self-interest was primal, and people were just naturally in awe of the wealthy and powerful, so people naturally strove to *be loved*. Yet, as Smith admonished it was also necessary to *be lovely*, which was possible only from being in empathy-with the other, bringing the moral sentiments to bear in tempering the arrogance of self-love (to be beloved) down to something that could be tolerated by the other (to be lovely). And, while the *Wealth of Nations* was about how to stir the production of wealth and to become wealthy, to be loved, the *Moral Sentiments* was about how to temper the inherent excesses, in order to be lovely. It was about the joint and nonseparable homeostatic (stable) state as described by be loved & be lovely. And, writ large, it was about the homeostatic, stable state as described in *Market & Government*.

2. Whence He Is Called Its Founder

The late-1700s through early-1800s saw ever more teaching of political economy in US universities of the day. And, most were religion based universities, so political economy was also affected by the moral education on-going in said places. So, Smith’s critique of the religious factions and the danger of some religious faction having too much influence and power did not play well. And, while Liu does not mention it directly, the latter perhaps contributed to the founders’ decision to separate church and state, to keep religious factions from having undue influence on the political economy. Also, the concern over political factions served to create three branches of Government, represented in the Administrative, Legislative, and Judicial.

Yet, the debate over the role of outside influences like Religion and Government on the Market were common, with Smith framed as being more open to free markets than overly restrained (by Religion and/or Government) markets. One especially intriguing critique was that Smith had a notion of a free market devoid of Nation-states, which Metaeconomics makes clear assumes away all the uniqueness of each Nation-state as represented in the shared other-interest within each Nation. Smith may have envisioned, as a kind of ideal, a universal set of moral sentiments that everyone, and every Nation, could go along with: That which the other could go along with, spread widely across the Spaceship, would temper the arrogance (self-interest) of all the free traders on a Spaceship-wide scale.

It seems the contemporary experience in the US demonstrates the reality that Nation-states have not in any sense come down to one shared other-interest across the Spaceship. The attempt at globalization, free trade without limits, across the Spaceship failed. Rather, the call to “Buy American” --- that is, the Nation-state, and the identity with it, still matters --- is the reality. Investment in US Chip factories, and concerns about the Chinese Government associated Tik Tok, increased tariffs on Chinese goods and Canadian steel represent some more examples of the Nation-state asserting itself.

Said shared other-interest is represented in path 0M of Figure 1, and, it works to influence (or, perhaps even is controlled and regulated, a value V of the Nation-state driving a increase in the price P of the imported good as represented by adding tariff T) the location of the best path 0Z. The free trade and unregulated with tariff 0 would stir the self-interest, without regard for the Nation (especially for labor in said Nation who may lose viable, high paid work because of free trade, which can cause resentment) path 0G. In the extreme, self-interest path 0G could evolve on the vertical axis, as the Free Traders in effect tout. Metaeconomics makes clear the Nation-state --- Nationalism --- could be something of value V that works to temper the trade onto the best trading path 0Z.

Liu (2022) provides substantive details on how the view framed by the need to form the American System --- Nation-state framing --- held sway much of the early years, from the time the US was founded. And, except for a brief time in recent history when free trade was again embraced, as driven by The Neoliberal Order during the period of 1970-2020, it has always been regulated trade, involving protectionism for some industries including tariff

T. The latter has recently returned in full flower, as alluded to earlier, in asking for tariff T on China produced goods, as a case in point.

As Liu (2022) documents, while many have called for minimizing the role of Government in free trade, an ongoing call for free trade goes back to the founding (and especially supported by Southern states from the outset, as slave labor gave huge advantage in selling cotton all over the Spaceship) there are times when it is essential in order to appropriately represent the value V of such things as National Identity. The debate still rages, with the free trade notion sometimes claimed to be what Adam Smith saw as essential, albeit a distortion of the nuanced view Smith had of such trade. As alluded to, the Smith version of an idealized free trade would have required widely shared moral sentiments --- widely shared and uniform other-interest --- among all countries, which Smith fully recognized was not likely to evolve.

It is likely Adam Smith would approve of the Metaeconomics contention that one can achieve both: Maintain National identity and viability represented in the shared other-interest within each country to do so. Then, build a Spaceship-wide shared other-interest, which becomes a subpart of each country's shared other-interest: Both identity and the benefits of Spaceship-wide free trade are thus assured. As Metaeconomics makes clear, it is not about path 0G OR path 0M, nor is it about path 0G VS path 0M, but rather it is about finding good balance in path 0G & path 0M as represented on path 0Z.

Liu (2022) points to how courses in political economy, drawing heavily on Adam Smith's books, had become standard fare by the 1820s in American academic institutions. Political economy also started to be formalized, moving out of the overriding frame of a moral philosophy as Smith had so positioned it. It was recognized that the Wealth of Nations was the first attempt at a kind of economic science of markets. Yet, it was still understood that political economy was both practical and moral (Moral Sentiments played, too), and that frame carried on well into the 1860s, although the moral took on a religious frame (albeit not in Smith) in many universities who were religion oriented. Yet, there was a clear shift toward making political economy --- separating out economics from the moral --- more scientific, a task already well on the way by the mid-1830s. The notion that it was a science of exchange in a Market with persons seeking maximum benefit with minimal cost, with

ethical reflection set aside, started to emerge. And, by 1850, Smith's books were no longer the standard textbooks.

Also, university level education went public, with formation of the Land Grant University system starting in 1862. Economists did not have to exclusively be associated with the religion attached universities. Overall, the new political economics evolving in the 1860-1890 period --- shifted toward being called economics --- and was ever more separated from moral philosophy. And, while the German Historical School of academic economists were more community, society, and Government oriented, and many American economists brought said framing back to the US, it was not to catch on in the American System.

The notion of a laissez-faire, self-interest Market with minimal Government started to emerge. The notion gained traction in spite of Adam Smith, who had fully recognized it was not all about just self-interest, that while people were more primally selfish, the same people had the capacity for empathy-sympathy-compassion. The *Wealth of Nations* and the *Moral Sentiments* books were claimed to be not reconcilable by some, albeit Smith clearly saw both self-interest and the moral sentiments as part of the same human.

3. The Apostle of Free Trade

The failure to recognize that the *Wealth of Nations* & *Moral Sentiments* were in fact well integrated --- in Metaeconomic terms, seeing the integration of a joint self & other-interest --- the separation of economics from moral philosophy (the sentiments) gave rise to claiming Adam Smith would support free trade in a Market. In fact, Smith's story was reframed to claim it supported an unfettered Free Trade Sentiment. In Metaeconomic terms, according to the clear distortion of Adam Smith, only the shared other-interest of the people who wanted Free Trade --- said Sentiment --- mattered. As Liu (2022) says it, Adam Smith was in effect --- with considerable distortion of the Smith frame --- turned into an apostle of free trade.

Economic nationalists countered that protectionism was essential to building American Capitalism, seeing a shared other-interest with American manufacturers, and, Adam Smith would likely have agreed. The latter started to refer to the American System, which would provide at least limited protection for some industries. It was more about a tempered free trade, tempered by shared other-interest, more widely shared Nation-wide.

The complexity of the issue was compounded with the use of slave labor in the production of cotton, which the Southern States wanted to export, freely. Any kind of tariffs, especially on related commodities like wool used in clothing manufacture, reduced the market for cotton. Protection and tariffs tended to support Northern state manufacturing and industry while not supporting cotton export from the Southern states. The free market apostle became indirectly associated with supporting slavery, which Adam Smith did not so support, being actually a radical abolitionist. The Moral Sentiments would eliminate slavery, which was blatantly overlooked by the free traders.

The focus on the enlightened Market in the Wealth of Nations (enlightened Markets the claim of Free Traders, including the supposed --- conjecture without empirical evidence -- - only path to maximizing national wealth) was to minimize Government, and otherwise get it out of the way of the free-to-do-as-you-please-without-ethics Free Market. Yet, as Smith fully understood, a Market Forum would not generally be enlightened enough to eliminate all bad things, like slavery. And, eliminating unethical (and unscientific) things like slavery --- it would take the Other Forums of Government to do it, as in the Civil War --- produced value V: It was the ethical thing to do, and, had little to do with price P in the Market.

Even after the Civil War, the debate raged well into the late-1800s with related labor strikes exacerbating the tensions between free traders and protectionists. And, it tended to split on political lines, with the Republicans of the day being protectionists (some seeing tariffs as only about generating tax T revenue, while some did see tariffs as a way to direct industry) and the Democrats (who would eventually be the Southern Dixicrats) the free traders. It seems true political economy was at play. Yet, the abstraction of free trade did not square with the experience of real players in business and industry, so free trade was greatly resisted by many. People are Humans with a dual nature, not Econs, after all.

4. In the Vanguard of the New School

Intriguingly, while various US political groups were vying for which part of Adam Smith to push, as if there were two parts, two faces to Smith, the German Historical School addressed as a matter of scientific inquiry what came to be called the “Das Adam Smith Problem.” Noted American economist Ely, even though having been trained in Germany, saw no Adam Smith problem, and claimed the Smith framework was totally integrated, with Smith fully seeing the need to deal with private & public interest at the same time.

Metaeconomics makes perfect sense of said claim, in the notion of a private interest set of isocurves and a public interest set of said curves, overlapping as illustrated in Figure 1.

Push back came from other American economists (future Chicago School) who had already been working to wrest Smith's economy away, ironically, from moral philosophy, which meant the private interest was wrested away from the public interest. Said economists still claim, with little empirical basis, that the public interest is some simple sum of all the gains in private interest.

To Ely, it was not that simple, with social ethics (the moral sentiments) playing a key role, which was denied by critics of Ely, which is true to the current time: Critics believe it possible to separate economic from political and religious issues, separate it from the moral dimension. So, there would be at best two different Figure 1 representations, one for the self-interest and the other for religious and political (public) interest. And, the goal was to eliminate the influence and control on self-interest by both entities, the extreme represented in Libertarianism. As an aside, it is always intriguing (hypocritical to the core) for said Libertarians to always want bailouts when things go awry as in the 2023 bank crisis involving many Libertarians in Silicon Valley. So, leave the Market alone as long as it is making money for the Libertarians, but, as soon as it goes awry, cash the Government bailout checks: It happened in 2008, and, again, in 2023.

The labor movement was also a factor, with the search for ways to offset power. Some believed the Market could not only be efficient but also altruistic: Note how some sacrifice in both domains of interest arises on path 0Z --- altruism spread in every direction --- as a main feature of Metaeconomic efficiency. Labor wanted something more akin to path 0Z, while capital wanted at best path 0G, or, perhaps even the vertical axis in the case of the Scroogists. Claims by labor were labeled Socialism: Even the prominent American economist Ely was branded a Socialist for pointing to the need for moral sentiments and ethics to play a role in business and economy. At the same time, no one counter labeled not pay decent wages as Scroogism, albeit the Charles Dickens' Christmas Carol about Scroogists had been around since 1843. Ely rejected the idea that Government was to play no role in tempering the Market. Ely and Smith (and Charles Dickens) would have favored path 0Z, with some reasonable offsets to economic power in play.

Both Ely and Smith saw the need to integrate economics & ethics: There was no Adam Smith Problem. “What ought to be” had to be brought forward not just through the price P in the Market (“What is”) but also the value V (“What ought to be”) in the shared other-interest, represented in Community, and the Government representing same. Race and gender issues were intertwined with it all, both also better served on some path 0Z. To Ely and Smith, it was impossible (and modern empirical Behavioral Economics science confirms it) to separate economics from the moral sciences. It was about ethical individualism, again, some path 0Z in Figure 1 and 2. Liu (2022, p. 189) finishes with the need to use “... Smith to illuminate the ethical and economic possibilities that existed between complete laissez-faire on the one hand and socialism on the other.” Making Metaeconomic sense of it all: The real political (Meta)economic question was --- and still is --- about finding the best balance in Scroogism & Socialism.

5. Economics Must Be Political Economy

The fact an unfettered free market has never worked, and never will work (as Adam Smith fully understood, in that only a free market tempered by the moral sentiments can work) was given dramatic empirical reality by the 1929 crash of the US stock market on the way to the Spaceship-wide Great Depression. And, it was not new news: All attempts at unfettered Markets going all the way back to Roman times, all not seeing the key role of the Community and Government representing same (in effect, failing to represent the Moral Sentiments), have failed (see Soll 2022 for the history of the Free Market). The New Deal Order, about which Adam Smith would have found much to applaud --- an order that sought to find good balance in Market & Government, like did Adam Smith --- came out of the destruction of the 1929 crash. And, it worked quite well, during the period of 1930-1980 (Gerstle 2022). Unfortunately, The New Deal Order was dismantled, once again working to minimize Government, and once again the economy crashed, in 2008, demonstrating another failed attempt at the unfettered Free Market, The Neoliberal Order version of it operating during the 1970-2020 period (Gerstle 2022). Remnants of The Neoliberal Order were still causing problems with major banks crashing in 2023.

Unfortunately, as the New Deal was orchestrated, many economists (especially the Economic Libertarians in the Chicago School, and as taught in virtually every Econ 101 class to the current time, in that SIT in Microeconomics has no placeholder for the shared

other-interest as represented in Government) resisted any kind of Government involvement, claiming Adam Smith only saw the unfettered Free Market. It was a clear distortion of Adam Smith, but the apostles of the Free Market were determined to weave that story: What was to become “the Chicago school” (and “Public Choice Theory school”) started to form. Both schools saw only Econs --- whether in the Market and/or in the Government --- saw only self-interest at play within Humans. Adam Smith would not agree and certainly would not approve of said frame.

Intriguingly, “the Adam Smith problem” was replaced with “the Chicago School (and Public Choice Theory School) problem.” Some nuance here, as it was referred to by some as “the Chicago Smith problem” which came from two centuries of misinterpreting, misrepresenting Adam Smith. It coalesced around the notion of a rational consumer pursuing ego-based self-interest in independent cause, without regard to any other Traveler on the Spaceship. Even the citizen was replaced by the consumer in the Public Choice Theory School. Possessive individualism in both the Market & Government ensures failure in both domains (as first noted by political scientist MacPherson; see Bromley 2019).

Both frames represent what might be characterized as postwar neoliberalism, which especially became prominent in The Neoliberal Order that dominated during the 1970 -2020 period (and, as noted, gave another drastic crash to the economy in 2008, but also drove the predictable political chaos by 2016, continuing into 2020 and the current time, and the bank crashes in 2023).

The distortion of Adam Smith was used especially by the Chicago school --- Milton Friedman being the most visible --- to oppose the New Deal from the very start. And, the persistence worked: The replacement of The New Deal Order with The Neoliberal Order (again, see Gerstle 2022) was pretty well completed by the time the economy crashed again in 2008 (1929 crash comes to mind as the start of the New Deal in 1930), and driven by the same distortion of Adam Smith, as represented in the fully invigorated Neoliberal Order that had been started in the postwar era.

Price theory to describe an ego-driven consumer maximizing utility in a Market became the play, even in explanation of how Government was to work. General equilibrium solutions were worked out using the self-interest only indifference and isoquant curves in Edgeworth-Bowley boxes. And, it was all quite elegant, in a physics styled envy,

represented in the precision of the Mathematical Microeconomics every PhD student had to learn, if not appreciate, in order to complete the Chicago-style graduate programs that emerged across the US. In my own case, the Microeconomics professor at Oregon State University actually took Friedman's Microeconomics class(es) at Chicago: I learned SIT in Microeconomics more or less from the mouth of Friedman.

The Chicago School became especially adept at claiming Adam Smith made mistakes, such as in the diamonds and water paradox, because (Liu 2022, p. 206, quoting Milton Friedman) Smith's "mind [was] not free from ethical principles." Some ethics have to play in thinking especially about the value of water, which has both price P & value V . But, it also plays in diamonds, as in "love is priceless" in the expression, so a diamond is worth far more (it is priceless) than that just expressed in price P .

So, ethics was expunged from further consideration in economics, so as not to make supposed mistakes in economic reasoning: As McCloskey (2019, p. 93) says it: "... Chicago School libertarianism (became) fiercely opposed to any ethical reflection whatever..." Ironically, as Metaeconomics makes clear, expunging ethics causes mistakes in economic reasoning, and certainly does not fix mistakes.

Counters to the Chicago School never took hold, e.g., Frank Knight's claim that economics cannot be a value V free science, which is made clear in Metaeconomics. It was essential to look at political economy, not just economy and certainly not just political. In Metaeconomics terms, the shared other-interest which evolves and reflects value V in political economy must play a role. Knight correctly argued that separating out economy from the political, and then reconnecting it with an ideology (of self-interest only), turned economics into an ideology, not a science.

Economist Jacob Viner was also a key player of the day, prior to the take-over of the economics profession by the Chicago School, which especially started to occur in the 1940s. Liu (2022, p. 212) quotes Viner: "Adam Smith was not a doctrinaire advocate of laissez faire. He saw a wide and elastic range of activity for government, and he was prepared to extend it even farther if government, by improving its standards of competence, honesty, and public spirit, showed itself entitled to wider responsibilities... Smith saw that self-interest and competition were sometimes treacherous to the public interest they were supposed to serve, and he was prepared to have government exercise some measure of

control over them where the need could be shown and the competence of government for the task demonstrated.” It was about tempering the self-interest, and Government played a key role.

It was not to be. The Chicago School distorted Smith, and relegated Government to largely a policing role, focusing only on private (self-)interest while setting aside the public (shared other-) interest. Government was only to apply the law, the latter of which was being manipulated into a form that served the self-interest of the Market (see Pistor 2019), with the Federalist Society ensuring attorneys and judges also served that self-interest. With few exceptions, virtually every Microeconomics book used to teach Econ 101 courses (which also generally support Public Choice Theory, too) in the US (and spread widely across the Spaceship) started to present the ideology of self-interest only, creating generations of believers --- most if not all business school graduates who to work directly to affect the form and operation of American Capitalism --- in the distorted view of Adam Smith.

6. Alive and Well and Living in Chicago

The ideologically loaded Chicago School became dominant by the mid-1950s, ironically at the same time The New Deal Order (as noted, toward which the Chicago School was opposed) had produced an economically efficient economy, political stability, and happiness represented in many (not all racial and gender groups, but many) still able to realize the American Dream: The top of the *Upswing* as documented in Putnam and Garrett (2020) had been achieved. Adam Smith would have been proud. Unfortunately, the Chicago School gave supposed academic credentials to what would become The Neoliberal Order (replacing The New Deal Order, see Gerstle 2022) which moved America down from the top of the Upswing, with the crash in 2008 and huge political instability, and a lot of unhappiness by 2016, which continues to the current time. The Neoliberal Order supported by Chicago School economics operated especially aggressively from about 1970-2020, when it once again (like it did in 1929, see Soll 2022) self-destructed: The ideology of self-interest only in an environment of laissez-faire is a failed ideology, as Adam Smith anticipated.

Ironically, as Liu (2022, p. 217) points out in a quote from Milton Friedman, that the Chicago School supposedly reflected “...an approach that insists on the empirical testing of theoretical generalizations and that rejects alike facts without theory and theory without

facts.” It does nothing of the sort. It does not allow any criticism of SIT in Microeconomics. It rejects all empirical evidence: Journal articles using Metaeconomics framing (and Behavioral Economics in general) and empirical testing cannot be published in mainstream Microeconomics journals, a recent experience being the Editor of the American Economic Review refusing to even send the DIT paper out for Review, but such rejection has been ongoing for 4-decades. Behavioral Economics journals abound because mainstream Economic Journals refuse to consider the empirical evidence that SIT in Microeconomics is a fundamentally flawed theory.

The null hypotheses suggested by DIT is always formed as the shared other-interest (ethics, moral sentiments, public interest) does not make for economic efficiency, political stability, and, yes, happiness. Over 4-decades of testing have demonstrated rejection of that null. And, as already mentioned, but it is important: All attempts in the last 4-decades to publish papers based in empirical science about the efficacy of Dual Interest Theory (DIT), which finds a key role for the Moral Sentiments, have been rejected by the mainstream Single Interest Theory (SIT)-only journals: That is ideology, not science, as in the American Economic Ideology Review.

Behavioral Economics in general, which is based in empirical science, is also not acknowledged mainly because, we might suppose, it is not ideologically suited to the cause of the Chicago School. And, for any Reader that disagrees with the assessment here, as well as that of Frank Knight and Jacob Viner in their day, and Daniel Bromley more recently (see Bromley 2019, and review in Lynne 2021) that Chicago School Economics (and Public Choice Theory) is anything but an ideology in disguise, please provide the empirical evidence for the claim. It is not enough to just make the claim (or presume without question, like rejecting all empirical evidence that SIT is a fundamentally flawed theory) it is science without both facts (scientific-method sourced) & ethics in the foundation of the claim.

Liu (2022) brings in lots of detail about how the Chicago School was influenced by a number of economists of the day, especially Frederick Hayek, who founded the Mont Pelerin Society, with members to the current time still touting (and empirical data is not deemed essential) a Free market, Neutralize Government frame. The Chicago Market Study was also formed, again to tout that same frame. In general, said frames make the unfounded

(no empirical evidence) claim that anything short of an unfettered Free Market ensured Socialism. And, as an important aside, the Federalist Society in law is of the same mindset.

It is intriguing how none of said framing points to how an unfettered Free Market ensures Scroogism. And, overall, said frame also made claim that the Market would also serve to organize the Community, the Society, and result in a neutralized Government. Somehow an autonomous person --- operating independently of everyone else (like Robinson Crusoe before Friday arrives on an isolated island), so not concerned with the shared interest in Community (empathy-with Friday) --- would just magically form the best Community and Society.

Homonomy influence from the Community (ethics, moral sentiments, moral dimension,) was left out (a point also made in Deneen 2018, albeit Deneen seemingly wants to fix the problem with Conservative Catholic theology, which may be part of it, but not exclusively: see review in Lynne 2022). As Marglin (2008) convincingly argues, said resulting dismal science not only ignored Community but worked to undermine same. Also, by neutralizing Government, heteronomy (regulation, rule, control) was also eliminated. Again, empirical evidence built on a foundation of facts & ethics is lacking, and, therefore is needed, if one chooses to support the claim that the best Community evolves with autonomous individuals doing as each pleases without any substantive need for Community and the Government that represents same.

By the early-1970s, new students of economics were no longer even exposed to economic history. It was presumed that mainstream SIT in Microeconomics (generally presented in Mathematical Microeconomics form) was the only framing needed to be an economist. The ego-based pursuit of self-interest only was turned into an axiom, in a precise Mathematical Microeconomics devoid of historical context, and, clearly devoid of any concern for the moral dimension and ethics, other than what the Market would produce, a presumption at best. The Novelist and Libertarian Ayn Rand was applauded for the (empty) claim that the only moral forum was a Market Forum that facilitated every person maximizing the self-interest. Many economists ascribed to a kind of “Randism” --- like all “isms” built on belief and faith in something that generally has limited if any empirical validity.

Liu (2022) also points to how James Buchanan and Gordon Tullock founded the Public Choice Theory School of thought based on the same framework. Citizens and citizen

politicians were replaced with consumers of public goods paying tax T to producers of public goods represented in the Government, including the politicians. Politicians were no longer about serving the widely shared public interest, but only the self-interest of narrow special interests. Citizens and politicians (and Government bureaucrats and staff) with shared other-interest --- representing value V --- were not necessary to the Public Choice Theory that evolved.

The result of such framing has been political chaos, powered only by self-interest in taking power to serve narrow private good without regard for the public good. It is a doomed way of doing politics, as Drutman (2020) makes clear in the *Doom Loop*. And, overall, by framing both the Market & Government as driven by self-interest only, all was lost in the realm of Community which is about shared other-interest.

Lots of mistakes have come out of all said unscientific & unethical framing. As Liu (2022, p. 236) highlights, one of the most vocal in said framing and arguably the most destructive of what really works, was Milton Friedman, who argued "... that market logic could be applied to an astonishing array of issues. Education ought to be privatized, for example, and vouchers would be given to families who sent their children to private schools. Corporate social responsibility was illusory; the sole social responsibility of businesses was to maximize its profit. In addition to Friedman's fervent opposition to regulatory agencies, he called for the abolition of agricultural subsidies, occupational licensing, minimum wage laws, and the Food and Drug Administration among other things." Mistakes of said flawed ideology, in effect, point to replacing the visible hand of Community and Government with the invisible hand underlying a magic produced by being Free-to-Choose-to-Do-as-You-Please, has not worked and never will work. And, even though Friedman claimed it had to be legal, that became an empty bound on self-interest, as the law was just changed by the same people to serve self-interest (again, see Pistor 2019). And, while law is supposed to be based in ethics, that which the other can go along with the shared other-interest, it has ever more been captured and turned into a law of self-interest only.

The reason the self-interest only frame does not work is because it is a frame not based in economic facts (science-sourced) & economic ethics. It has done a great deal of damage to the shared other-interest in Community, and it continues to the current time, with contemporary Political Economic Chaos the empirical evidence. And, as a Metaeconomist

who believes in science as the key in the foundation of facts & ethics, the Chicago and Public Choice Theory schools are quite disappointing.

7. Turning Smith Back on the Present

It is not only Metaeconomics that makes the point about returning to political economy, and, then, building a political economy on facts & ethics. Liu (2022, p. 260-261) points to how Adam Smith has seen a revival of sorts, in Smith as Moral Philosopher relevant to both the Ideology of the Right and the Ideology of the Left: “Smith as a moral theorist of capitalism ... has become a convenient ideological holding pen for beliefs on opposite sides of the political spectrum, with those on the “Right” appealing to Smith in order to defend conservative moral sensibilities, and those on the “Left” appealing to Smith in order to defend a view of capitalism that also promoted social justice. Both sides have found common ground in the idea that Smith’s vision of capitalism was and is defensible on moral bases.” Social justice is a key part of progressive sensibilities.

It all makes Metaeconomic sense, as the moral bases is reflected in the shared other-interest, the latter having different content dependent on one being Right or Left, but, nevertheless, having moral content. Sensibilities on the Right point to viable Markets (and a very selective, narrow view of the moral dimension of same) and sensibilities on the Left point to said viability as measured not only in output but also in ethical output, social justice pertaining to that which the other can go along with, which is what defines a Humane Capitalism. It is like moral philosopher Smith pointing to good balance in Markets & Moral Sentiments, essential to the Humane Capitalism Smith envisioned.

Yet, Metaeconomics, like Adam Smith, also allows for progress, the evolution of that which the other can go along with being open to reconsideration and change. As Bromley (2006; reviews in Lynne 2007, 2009) makes clear, it is ultimately about finding sufficient reason in a frame of pragmatism. It seems the notion of social justice on the “Left” fits well in said regard: Justice evolves as facts & ethics evolve, e.g., in understanding the fact (scientific-method sourced) that gender is on a continuum. The ethic, that which the other can go along with in being at some point on that spectrum, and in empathy-based thinking about the situation of said person, also evolves. Sufficient reason is to be found, on pragmatic grounds, to justify any kind of discrimination against someone at a point on that

spectrum --- is there sufficient reason for discrimination, and generally there is not --- judged by that which the other can go along with.

The notion of conservative moral sensibilities on the “Right” could perhaps also stand the test of sufficient reason based on a foundation of science & ethics, albeit some of said sensibilities --- like the faith, without empirical evidence in unfettered free markets --- border on the unscientific & unethical. Liu (2022, pp. 280-281) points to claims by Kristol --- a contributor, giving content and supposed legitimacy to the Neoconservative movement --- that somehow the moral sentiments, the moral and ethical frames of Adam Smith’s time are in some sense etched in stone (like in old tablets), with the modern economy here in 2023 to be subjected to the same “... restraining role of ‘wholesome’ institutions—organized religion, the family, education—because their place in eighteenth-century life was so pervasive... ‘traditional moral virtues (1700s sourced virtues presumed better, more wholesome, than anything new)’...” And, while traditional institutions may still stand the test of sufficient reason, it does not at all fit within rational analysis to presume something from the 1700s still works.

Some obvious cases in point: In the 1700s, Adam Smith’s time, many embraced slavery as somehow legitimate based on flawed facts (Africans were subhuman) & unethical framing (even God favored slavery). The 1700s also demonstrated no tolerance for anyone other than at the extreme ends of the gender continuum, the latter being a far more accurate description of gender as documented in modern science.

Also, modern experience and science (and modern ethics) suggests many forms of the family work just fine, and not just a 1700s era family headed by a heterosexual male in domination of a heterosexual woman with authoritarian control over the children. Such families often did not work well at all, so, said form could easily be not sensible.

And, on matters like abortion: The fact a fertilized egg is not a human, which is a modern scientific fact, was not understood by the scientists of the 1500-1700 period. Also, the ethics of evacuating a fertilized egg in the first 15 weeks or so is drastically different now than at that time (although the recent ruling by the Supreme Court rests on the science & ethics of that 1500-1700 period, a time of unscientific & unethical framing about abortion).

The 1700s also had lots of poor people, and it was not because of the lack of moral virtue, as modern Neoconservatives claim (Liu 2022 points to claims by Himmelfarb) continues to

describe the source of poverty now. So, the conservative sensibility is that people are not to be helped in any form, except an occasional Scrooge giving an underpaid employee and his family a turkey one day per year (Dickens got the story correct).

Additionally, it is highly questionable that defunding public education in favor of private (market-based) education, now considered a conservative sensibility, is a move justified by sufficient reason. Such things suggest a very selective --- serve a narrowly shared other-interest in the conservative sensibility, including such things as teaching creation theory which has no empirical support, that does not work for most --- frame on what is virtuous.

Metaeconomics suggests traditional moral virtues need to face the test of pragmatic sensibility --- based on sufficient reason based in facts & ethics --- and for contemporary conservatives on the “Right” to see such frames, without support in science & ethics, as reflecting sensibility seems open to question. Metaeconomic sensibility puts such claims under an analytical lens, looking for data and scientific testing, along with searching for that which the other can go along with, evolving the new ethic that works for everyone. Sufficient reason (again, after Bromley 2006) must play a substantive role, and, sure, the fact a moral and ethical frame that gives context to economic choice is a reality will likely stand the test.

Liu (2022, p. 285-286) makes a claim about the Neoconservative frame which deserves some more consideration: “Neoconservatives were as wary of leaving people at the mercy of the free market as they were of subjecting them to the paternalistic hand of the welfare state. To resist the pathologies of both neoliberal atomism and liberal paternalism, then, neoconservatives prescribed the practice of certain virtues—prudence, temperance, frugality, responsibility, and the like—and an attitude of compassion that affirmed the innate moral sense of ordinary people.” So, supposedly operating on path 0G (neoliberal atomism) or on path 0M (paternalistic welfare state) was to be avoided. It was to be about a voluntary choice to practice the virtue of prudence, and the temperance of same, hopefully on some path 0Z.

In the abstract, in a charitable interpretation, it seems the Neoconservative might be seeing some path 0Z as more appropriate. Such a path 0Z, however, has to be freely chosen by each person, with full self-control presumed, which is not what the authoritarian element of the Neoconservatives will accept. Also, the fact that empathy-based temperance will play

in an unfettered Market, which the Neoconservatives favor --- at the juncture of Neoliberal (unfettered Markets) & Neoconservative (cultural controls based on 1700s, perhaps even the 1500s in the case of abortion virtues) frames --- is questionable, with the natural concentration of wealth and the power it buys on the way to cronyism always the outcome. So, no paternal state is to be involved in tempering the excesses of the Market, except it seems authoritarian conservatism on cultural controls, that flavor of paternalism, is somehow seemed appropriate. The resulting Neoliberal (Market) & Neoconservative (1700s virtues) juncture seems not only disingenuous but questionable on both scientific & ethical grounds. And, to claim Adam Smith would approve is especially questionable.

Also, as Liu (2022, p. 287) points out in the matter of turning Smith back on the present, way too many still see, and as a result have misrepresented if not outrightly distorted Smith as representing "...the incompatibility between moral sentiments and economic drives." Metaeconomics fixes the problem, and shows Smith as fully understanding the compatibility of the economic drives & moral sentiments as a joint phenomenon, as represented in the overlapping isocurves of Figure 1, which are both operant to produce price P in the Market Forum, and the incommensurable value V coming out of Other Forums as represented in Figure 2 influencing that price P with a fully recognized role for ethics.

Epilogue

Liu (2022, p. 301) offers a final thought that especially caught my MetaEcon eye: "We find ourselves caught within conceptual ambiguity and have become captive to what Angus Burgin has identified as a 'familiar linguistic paradox:' the ambiguity, slipperiness, and under-specificity of the meaning of Smith's politics, his moral economy, and his defense of capitalism have inspired endless contestation and frustration, but those very qualities are also what enable Smith to be so readily adopted, used, and weaponized."

Metaeconomics works to move beyond such ambiguity, slipperiness, and under-specificity by positing that Smith intuitively recognized the dual nature of Humans. Smith anticipated the empirical findings in Behavioral and Neuroeconomics Science support said nature. Smith's intuition is confirmed in modern behavioral science. And, Dual Interest Theory, while building on that science, provides a powerful abstraction. It is an abstraction on par with the power of the

Single Interest Theory abstraction in mainstream (Micro)economics. Dual Interest Theory works to provide a tight analytical system suitable to examining Smithian observations and propositions using widely accepted economic reasoning and empirical techniques. Dual Interest Theory also lends itself to mathematical expression, in Mathematical Metaeconomics (see Lynne 2006ab and the Appendix in Lynne 2020). It seems Adam Smith would have been a MetaEcon, and clearly not an Econ.

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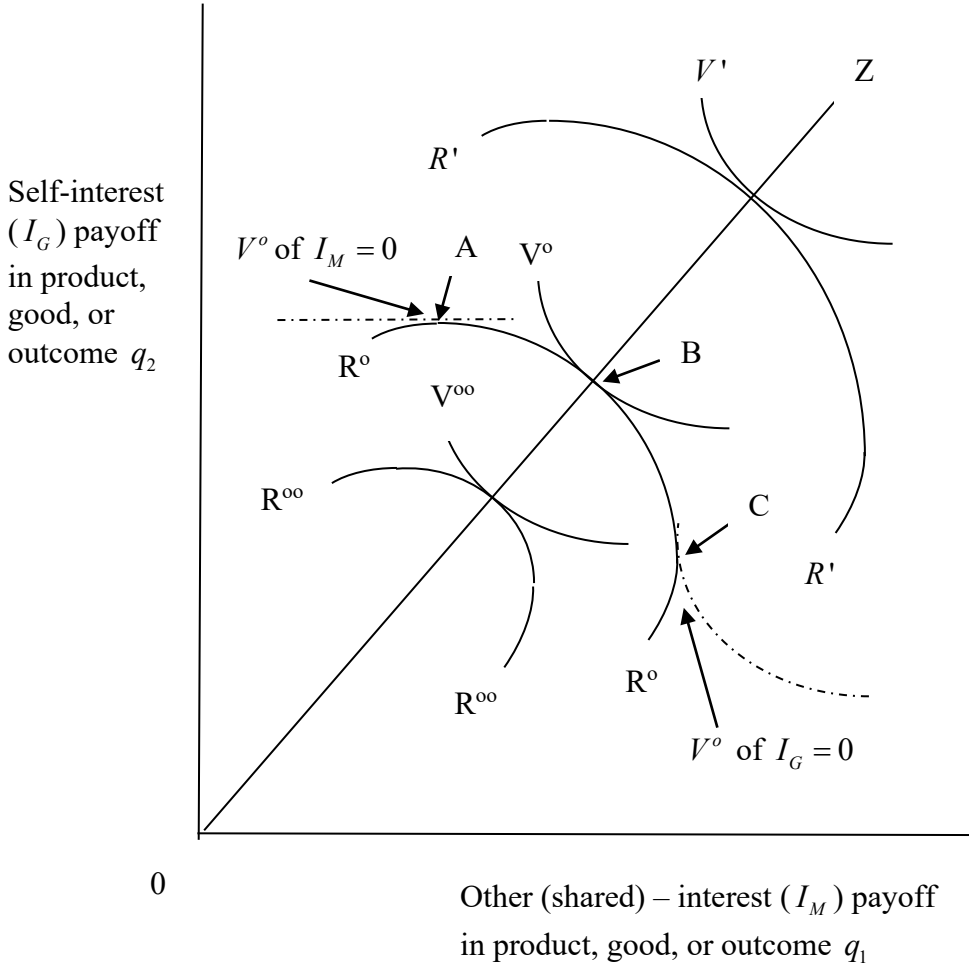


Figure 2 Possibility RR and value V curves for products, goods, and/or outcomes q_1q_2 reflecting balance in self-interest (I_G) and other (shared while internalized within the own-self)-interest (I_M)

Notes: Self-interest is maximized at point A with little payoff in the shared other-interest. Shared other-interest is maximized at point C with little payoff in the self-interest. Own-interest is maximized at point B, with balance in the dual interest, represented in a joint product, good, or other outcome. The point B choice in the possibilities space of Figure 2 influences the choice in the isocurve space of Figure 1 and vice versus.