Adam Smith's Civilizationalist Conservative-Liberal Universalism

Daniel Klein is a Professor of Economics at George Mason University, where is leads the Adam Smith Program program. Near the 250th anniversary of 'The Wealth of Nations', Prof. Klein discusses Adam Smith's balance between liberalism and conservatism, and between civilisationalism and universalism. Daniel Klein: https://cjdjej.org/ Follow Prof. Glenn Diesen: Substack: https://glenndiesen.substack.com/ X/Twitter: https://x.com/Glenn_Diesen Patreon: https://www.patreon.com/glenndiesen Support the research by Prof. Glenn Diesen: PayPal: https://www.paypal.com/paypalme/glenndiesen Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: https://gofund.me/09ea012f Books by Prof. Glenn Diesen: https://www.amazon.com/stores/author/B09FPQ4MDL

#Glenn

Welcome back. We're joined today by Daniel Klein, an American professor of economics at George Mason University, to discuss Adam Smith's civilizational conservative-liberal universalism, and why this framework could be important for understanding some of the changes and challenges in the world today. So, welcome to the program.

#Daniel Klein

Thank you. It's a great honor to be here with you.

#Glenn

So, Adam Smith wrote *The Wealth of Nations* back in 1776. Next year, in 2026, it’ll be the 250th anniversary of that groundbreaking work. I look forward to hearing your argument about how Adam Smith is a universalist, a liberal, a conservative, and a civilizational thinker. Usually, we do this more as a conversation or through questions, but I was wondering if you could give more of a presentation on what you mean by Adam Smith’s civilizational, conservative, liberal universalism, and how it differs from the more conventional readings of Adam Smith.

#Daniel Klein

Thank you, Glenn. I'd be delighted. I work a lot on Adam Smith, and I'm excited about the 250th, even though it may be overshadowed by the Declaration of Independence. As we'll see, there’s a connection between the two events in 1776. So, let me start with the universalism, then go to liberal, then to conservative, and finally to civilizationalist. This order goes from the most general to

the most particular—or from the most universalistic to the most circumstantial. So you get both the universality and the circumstantiality in his whole system of thought. He's a super complex, historical, theoretical, moral thinker. He's a moralist—after all, his first book was *The Theory of Moral Sentiments.*

And that's really the larger umbrella under which *The Wealth of Nations* sits. So, on the universalism—here he speaks of the impartial spectator, and the impartial spectator, in the highest sense of the term, is a super-knowledgeable, universally benevolent spectator or beholder—basically God, or a being like God. And that God sees all of history. It sees all the circumstances and conventions of time and place and takes those into account in its moral judgment or, you know, sense of beauty. Since this is a universally benevolent being, its sense of beauty is moral goodness—it's the good of the whole. So it's universal, but it sees the particulars and adjusts its judgment accordingly. In that way, it's got the universality of benevolent monotheism, like Christianity.

Smith is, after all, writing as a Christian and for a Christian audience. So that's the universality—it's really quite common to Western Christendom ethics. Now, on the liberal: he really brings that forth in *The Wealth of Nations*, where he speaks of his main precept—allowing every man to pursue his own interest, his own way, upon the liberal plan of equality, liberty, and justice. He was one of a group of Scotsmen who first decided to give the word *liberal*—which was an old moral term going back for centuries but without a political meaning—a political meaning. And this is the first political *liberal*. The digitization of texts has made it possible to absolutely prove that it was this group that launched political liberalism.

And that really was the character—the main character—of liberalism 1.0, which you could think of as being the main notion of "liberal" through Gladstone. The word *liberal* then, of course, changes. Words get abused and stolen in a way, and that's just a fact we have to deal with. So he's a liberal, and his liberalism is kind of a policy orientation—a presumption in favor of allowing people to pursue their own interests their own way, as long as they don't mess with other people's stuff. And that's a policy, a kind of policy presumption for making domestic policy. This book very much presupposes a stable, functional polity. So he's not doing that in this book; he's presupposing a stable, functional polity.

But he darn well knew that that was a big presumption—or presupposition—and that it's not something to be taken for granted. In fact, a stable, functional polity was relatively new to Western Europe and to Britain. It really doesn't come until some decades after the Glorious Revolution. And so, in his other thought and work, you see this deep concern for a stable, functional polity. And that brings us to conservative politics. He understands that you can't take a stable, functional polity for granted. And he's saying—and on that front, his message really is—that in addition to there being, in policymaking, in domestic policymaking, a presumption of liberty...

At a kind of larger level, there's also a presumption of the status quo—a regard for the character, norms, conventions, and traditions of a national community, a sense of nation, a sense of social

cohesion. And that's where his conservatism comes in. Let me give you one policy example where I see this playing an important role. He's famous in this work for advocating a free market in churches. However, if you read his endorsement of a free market in churches, you'll see that he contextualizes it to a place where the church and the government have never been joined—for example, in America, and Pennsylvania in particular.

And so he's saying that's good—like, don't ever join them, and have a free market in religion. He talks about how that can work and why it's good. But he never goes on to say, "And hence, we should also disestablish the Church of England." That's a different history, a different context. So he's not calling for a radical liberal reform of established institutions and traditions. That's where, I'd say, the conservative part comes in. Now, on Civilizationalist—which is most pertinent, in a way, to your podcast—because I think of this as, to some extent, about how the polity interacts or interfaces with other polities.

And here, what I want to emphasize is that he says quite a lot in *The Wealth of Nations* about colonialism, colonies, and national and international affairs in that respect. There are a number of really anti-colonialist, anti-imperialist moments I just want to mention. But actually, before I get into those in *The Wealth of Nations*, you get a sense of his conservatism—his concern for polity and civilizationalism—in his *Lectures on Jurisprudence*, where he sets out a sweeping theory of human history and development through four stages: hunters, shepherds, agriculture, and commerce.

And he talks about how notions of ownership and property, government and law, you know, are formed or affected by these whole social structures. There's a universalism in the whole matter. So this background universalism—this kind of platitude of the good of the whole, the God's-eye view—is maintained, but he recognizes that different social structures, going all the way back to when we were hunter-gatherers in little small bands—that's the first stage—affect what we understand to be what someone owns and what we understand it means to mess with someone's ownership. So the whole basic justice issues of property and contract are civilizational, are conventional, but there's also a law of nature behind it all.

So that's just to say that he actually has that feeling in this, which he had intended to write a book about. He announced that in 1759, but he never got around to doing it, unfortunately. We just have these lecture notes from students in his jurisprudence class. So, in *The Wealth of Nations*, let me just touch on these main moments. First of all, he's got this remarkable paragraph where he says that to propose that Great Britain basically grant total independence to her colonies—and basically let them go—is something we would never expect rulers to do. But actually, it would be a good thing to do.

He has this paragraph where he says, "I know it sounds utopian, but it would actually be a good thing if Britain relinquished her control over her colonies and let them make their own laws, declare war and peace themselves—basically go their own way." He actually comes out and just says that. So that's a broad endorsement of giving up the colonies and the East India Company. He totally

criticizes it and says, “No two characters seem more inconsistent than those of trader and sovereign. If the trading spirit of the English East India Company renders them very bad sovereigns, the spirit of sovereignty seems to have rendered them equally bad traders.”

So, you know, it's two different ethics—commerce and governing, or ruling. And he well knows that this encouragement to pursue honest income, which he grants in *The Wealth of Nations*, which he morally authorizes in *The Wealth of Nations*, doesn’t apply to politics and government. You don’t morally authorize people to enhance their income in politics. We need a different kind of virtue, a different kind of ethics, in politics. And he’s saying that by mixing government and commerce in the East India Company, it’s basically been a disaster. He’s for letting the charter expire. He wants to wind up the East India Company entirely, along with the Americans.

So this brings us back to 1776. He argues, in my view, basically to let them go—like he’s telling his fellow Britons, we should just let them go. He does this in a sly way that I think is sometimes misunderstood, but we can go into that more. But I think, clearly, that’s what the underlying message is. And before we get to this final paragraph, let me just mention something else from *The Theory of Moral Sentiments*—his condemnation of slavery, which, you know, relates to colonialism. And he’s got these amazing two sentences that I find the most moving part of *The Theory of Moral Sentiments*.

I could read them, but I'll skip it for now. I just think that should be mentioned. This is 1759, actually, and those sentences were quoted by people in the anti-slavery movement. They were influential. They were part of what was really a Glasgow tradition—a Glasgow professor tradition—of opposing and denouncing slavery. So then there’s this. Finally, this is my last thing: this remarkable paragraph that Jeff Sachs is often quoted on—I think maybe on your program, and on *The Duran* and others have highlighted it. It’s really worth looking at in some detail. So I’ll pause here. Maybe we can pick up from there.

#Glenn

Yeah, you're thinking about the paragraph about the need for more economic equality around the world—less asymmetry. Well, I have it here because I find it interesting, because often—well, I guess it's a problem when any economic theory becomes an ideology—one leaves out these details. But I found that quite interesting as well, and even in my last book I cited this paragraph. Because, yeah, Adam Smith recognizes that overall trade is a good thing. It unites the world, it connects people, and this is why he also recognized that the passage to the East Indies and to America were the two great discoveries—because they helped to connect the whole world together.

But then he goes on, recognizing that it did come with some problems, because, as he writes, the general tendency would seem to be beneficial. However, for the natives—both of the East and West Indies—all the commercial benefits that could have resulted from those events were sunk and lost in the dreadful misfortunes they occasioned. These misfortunes, he says, seem to have arisen more

from accident than from anything in the nature of those events themselves. At the particular time when these discoveries were made, the superiority of force happened to be so great on the side of the Europeans that they were able to commit, with impunity, every sort of injustice in those remote countries.

Hereafter, perhaps, the natives of those countries may grow stronger, or those in Europe may grow weaker, and the inhabitants of all the different quarters of the world may arrive at that equality of courage and force which, by inspiring mutual fear, can alone restrain the injustice of independent nations into some sort of respect for the rights of one another. But nothing seems more likely to establish this equality of force than the mutual communication of knowledge and of all sorts of improvements, which an extensive commerce from all countries to all countries naturally, rather than necessarily, carries along with it.

I thought this was an extraordinary paragraph because it recognizes that the world coming together should be a good thing. But the reason it manifested itself in this colonial, extractive, exploitative way was because the power distribution was so skewed to one side. At the same time, while this connectivity destroyed many societies, it also created the mechanisms to spread technology and wealth. And once you begin to have more equality around the world, this very extractive and exploitative form of economic relations will start to give way to something more peaceful and harmonious. I cite it in my book as an alternative, at least, to the bit of panic we now see across the political West, because we often assume that the end of a political or economic hegemon will lead to disaster—specifically, the decline of the economic hegemony of the United States.

You have this... it did provide some stability, much like it did with the British. If there's one central power—in terms of technologies, industries, control over the seas, banks, currency—then it immediately prevents rivalry and can have a stabilizing effect, because all economies are tied to nations that tend to compete for security. So this is why there's great concern. But I like this, because it also provides some hope that as the distribution of power changes, it's not about being for or against it—that's just the reality—that there could be more benign economic and political relations between states. I'm not sure if you have anything you'd like to add to this extraordinary paragraph.

#Daniel Klein

It sort of fits with coming out of unipolarity—the spread of power and technology that's now finally fulfilling, you could say, Smith's anticipation of greater equality of force and mutual respect in a multipolar world. Maybe there are other points in history where what he outlines also fits, but it seems to be a good fit for, you know, the post-1990s or something like that. Does that make sense? Right. Yeah. One other point about the paragraph I think is great is at the end, you know, he talks about the benefits of trade.

Well, he begins at the start of the paragraph by talking about just helping each other—mutual gains from trade, like normal free trade arguments. But at the end of the paragraph, he's highlighting that one of the indirect, long-term benefits of trade is that it's going to bring about more of that equality of force, and hence create a better balance of power and less exploitation and hegemony. So he's seeing this long-term, technological benefit from trade itself.

#Glenn

I did find something interesting in this concept, though—Adam Smith's civilizationalist, conservative, liberal universalism. Obviously, there are some tensions within it—two key ones, really. You have the tension between conservatism and liberalism, and also between universalism and civilizationalism. Usually, between the conservative and the liberal, when we have the liberal nation-state, this is a nice demonstration of those contradictions, which perhaps should exist. For example, the nation-state represents unity or group identity based on shared identity—conserving traditional structures like culture, language, faith, all of the above.

On the other hand, you have liberalism, where it's the individual's right to carve out an autonomous space away from these collective identities. But you also see the same tension now with universalism and civilizationalism, because today, the United States often represents universalism—the assumption that there's one path to development, one universal set of values—and this is presented as a form of unity for humanity. But the counterargument, of course, is that this creates sovereign inequality. If you say these are universal values and we are their champions, then we should be allowed to interfere everywhere, while no one should interfere with us because we already embody those values. So it has both a plus and a minus there.

While the civilizationalists—now often represented more forcefully by China—make the point that no civilization should tell another how to develop, the strength of the world would be in this pluralism, which makes a lot of sense. If there's a crisis, you want that pluralism; it allows you to absorb shocks better as well. But again, this is also seen as an anti-hegemonic position—that the leading state should not be allowed to present itself as speaking on behalf of other civilizations. Of course, you can argue that this would lead to less commonality among humankind. So both sides have their arguments, their strengths and weaknesses. I was wondering if you could speak a bit about this—how does Smith, especially, reconcile the tensions between conservatism, liberalism, universalism, and civilizationalism?

#Daniel Klein

With depth, knowledge, scruple, and scholarship—great historical knowledge—he was very steeped in history. And you're highlighting this idea of Smith as a both-and kind of thinker rather than an either-or, dichotomous kind of thinker. He tends to embrace both sides of the dichotomies people sometimes come up with, like the one between universalism and civilizationalism. Similarly, between,

say, consequentialism and deontology in ethics—he embraces both. He sees them as two wings of ethics, and you need both wings to fly. The universalism versus civilizationalism contrast, I think, speaks a lot to the general and the particular in ethics. And that's part of this big, enlarged view of ethics, of political ethics, of national affairs, and of human history.

It's both a kind of generalist view, but with the understanding that in particular circumstances it should manifest differently. What is right and wrong may differ—sometimes it's right to do this, and sometimes it's wrong to do this. But it's all integrated within some notion of a universal benevolence. So there's still this affirmation of a universalist goodness, even though we recognize that it ought to manifest itself differently. The disagreements—when people complain about the universalism you hear from Brussels or from others like that, what they call the neocons—I think what we're really objecting to isn't universalism itself, but their take on what universal goodness actually implies or sustains.

In other words, we're saying they're getting universalism wrong. It's not that we're against universalism—that's my view. This is something I've complained to you about, Glenn, personally, in my little notes to you, which I'm sure you get too many of. So that's kind of my take: we can't get away from the platitudes of the good of the whole, and of God, and of universalism. And so we're going to fight over what the right interpretation of those things is. That's the way to approach it—not that we're against universalism. So that's the main point. And this goes back, you know, to Hugo Grotius, on *The Rights of War and Peace*, where he's trying to talk about a universal law of nature for the rights of war and peace.

And I think he's very much like the father of Westphalia, which you talk about—the notion of equality of sovereignty, balance of power, and all those things we saw in that paragraph you just read, about coming to some kind of *modus vivendi* among people with equal powers of force. You know, I think of the slogan, "An armed society is a polite society." Right. So that's a bit about the universalism and the civilizationalism. On liberal and conservative, I don't see it lining up quite like the general and the particular, but more as a focus on two different facets of politics.

One is like domestic policymaking. And you spoke of the individual—respecting the individual's right to use his property and person, and to engage in voluntary association as he sees fit, as long as he doesn't interfere with those rights of others. Smith certainly endorses and affirms those rights. They're not the highest rights, but they are significant rights—they're presumptive. But in a way, I think the more proper understanding of original liberalism is opposition to the governmentalization of social affairs. It basically holds that government doesn't have good correction mechanisms. So if certain social affairs—let's say the education of children, the workplace, and so forth—are taken over, it doesn't have to be economics; it's just other social affairs, like churches.

That voluntarism has much better correction mechanisms. So we're concerned about the good of the whole. We want social affairs to correct—to autocorrect. What are the correction mechanisms? They're much better in voluntary affairs, where people can basically decide to withdraw or refrain

from participating, than they are in government, which is basically defined, as Weber and many others have said, by the monopoly of coercion. And this can really go wrong. It has very poor correction mechanisms. So Smith's original liberalism—which is very different from, you know, twentieth-century modern welfare-state, left-wing liberalism—that's like a total change of terminology, in my view. Smith's original liberalism is about not governmentalizing social affairs.

And I think he's very right about that, and that's very important. I hope people understand this well. This is where free-market economics comes in, and the kind of reasoning that goes with it. That's a very strong truth, in my view, about social good in a stable, functional polity—that governmentalization basically sucks, by and large. So then we need a name for it. And it's important to see that any name that gets established is going to get abused and stolen. We might as well just stick with the original name that Smith and his colleagues used for a hundred years—and that's the word "liberal." So this is the second beef I have with you, Glenn.

#Glenn

No, but I'm—no, no, I get your notes, and I'm glad you brought up the beef with me, because often it's organized around the idea of what liberalism actually means. And so, yeah, I was wondering if you could flesh that out more, because it does appear that liberalism has some internal contradictions. Before, you were mentioning that many liberals wanted to give up on the colonies, for example. But we saw that in the 19th century a lot of liberals were split on this issue. Some liberals—British liberals—believed that their empire helped to spread liberal ideals under, of course, British leadership, while others saw empire as contradicting liberalism, that is, depriving people of self-determination, of finding their own path.

Often it's said that liberalism has this internal contradiction, because on one hand, it's based on the idea that everyone has a different notion of the good life, their own path, and of course, everyone should have their own sovereignty. But at the same time, it also carries this assumption of universalism—that we're all united by something common, developing along a similar path—which often ends up cancelling the former. In other words, that's why an empire can be seen as a good thing. You see this not just in the 19th century; you see it now when people argue for or against liberal hegemony. You see liberals going both ways. Some argue that, well, obviously, a world under U.S. dominance—or the political West—would be better positioned to elevate liberal democratic values.

This is a key argument behind liberal hegemony. But you also have liberals who point out that liberal hegemony violates the sovereignty of others and becomes very anti-liberal by nature. So you can see some truth in both arguments. You can also extend this, I think, to domestic issues. On one hand, liberals say they want to be tolerant—everything should be accepted. So when it comes to immigration, gay marriage, gender ideology, secularism, and so on, they emphasize acceptance. But

at the same time, there's this sense of universalism that says it's not just that we should respect these things, but that we all have to share the exact same opinion. So liberalism becomes almost a religion of universalism. You end up with this position where liberals are very open to immigration.

They're very secular—to the extent that they don't even want religion in society, or the gender ideology. But everyone has to think the same thing. If you disagree with any of that, there's not much tolerance for you in the assumed idea of the good life. If you argue that marriage should be between a man and a woman, that this is the most important thing to preserve the institution, there will be no tolerance for you, essentially. So there's always this contradiction between recognizing that we all have different views of the good life and the assumption of universalism. I was wondering if you could unpack this, because I think this is where you and I might find ourselves disagreeing—which is a good thing, I'll add.

#Daniel Klein

Yeah, I don't know that we really do disagree. I mean, we do disagree, but the disagreement might be more about how we use certain words, and not so much about what those words, once we get our meanings straight, actually signify. So I'm not sure how much we really disagree at all. Let me say first that, you know, you ask—well, this gets into the issue of what liberalism really means. Liberalism has many meanings; it's polysemous. And this is what generally happens with very central, important words in a culture or a civilization. If you look at words like justice, rights, liberty, freedom, and so on, they all have many meanings. I think it's incumbent upon us to recognize that there are these many meanings, and we have to think about which one is being meant by the speaker when he uses the word.

And, you know, go with that. Now, we might have a certain favor for certain meanings. And, you know, our passive vocabulary is different from our active vocabulary. So I will not call someone like Paul Krugman a liberal, because I understand what other people mean when they call him a liberal, but I don't call him that. And so when you refer to certain liberals who are pro-censorship or basically intolerant—unwilling to allow every man to pursue his own interest in his own way, including his speech and association and so on—I mean, he calls himself a liberal, but I don't call him a liberal. I understand that he calls himself that because there are different meanings of "liberal," right? There are certain meanings of "liberal" which I think, in a sense, are true.

Not that they're the true meaning, but that they are true to nature. They're true to the world, to the universe. So there are just truer and falser meanings—semantics, you could say. I mean, you know, the things that are signified in my sense of "liberal," I just think are true. That's why I believe them. So there are different meanings. And the meaning changed such that, at the end of the 19th century, the Liberal Party in Britain basically changed its character, as so much of politics did, and moved into the 20th century. And so people who were pro–governmentalization of social affairs called themselves liberal. This took on a lot of steam with FDR in the United States, and then North America doing this, and then re-exporting that kind of new sense of "liberal."

Having started with the British Liberal Party, which then went out of existence once Labour displaced it, we've got, over time, different meanings of the word "liberal." Now, you say liberalism is self-contradictory. This is, again, like—just get used to it. I mean, all government is self-contradictory. There are all sorts of inconsistencies and confusions there. So, you know, I agree that sometimes it's hard to say what is right and when you should make an exception to the principle of allowing every man to pursue his own interest in his own way. Sometimes you should not allow him.

Sometimes you should use coercion. I'm not an anarchist. Smith was not an anarchist. That's because there's a higher ethics, a higher justice above just the liberty principle. Right. And so, there's no simple formula. And that's, again, something to get used to. It's not like the other political philosophies have simple formulas either. You know, they also have their own contradictions and paradoxes. Look at social justice. Look at any of the other expressions or labels that are used. So, you know, we've got to wrestle with them as best we can.

But again, I just think that the idea of, you know, this basic "let people do what they want with their own stuff"—that is, their person, their property, and their promises due, their voluntary association with others—that principle is just so important and so central to Western civilization. In my view, it needs a name. And the name that was first really given once it was properly formulated—which really wasn't until the 17th or 18th centuries, in my view, and in Smith's view—was "liberal." And it's a super important idea. It's got to have a name. And if you don't want to call it "liberal," what do you want to call it? That's kind of my main challenge to you, actually.

#Glenn

No, I think that's a fair point. I think the problem is that when ideas become ideologies, they're often difficult to criticize. But when one points to the internal contradictions within liberalism, it isn't to throw it out the window. It's to point out that, as long as you're able to criticize those internal contradictions, you're able to manage them. I just fear that with ideologies, they tend to plaster over those contradictions, and they go unchallenged. It's much like what you said before—I like that analogy of the bird with two wings. When you see polarization, for example, between the liberal idea and the conservative one, when one side wins, everybody loses. You don't want conservatives without the liberal balance, and I don't want liberals without the conservative balance either.

So they do work better in unison. But I'm wondering—do you see this problem when ideas become politics? Is this a problem, do you think, in economic liberalism as well? Because you mentioned that people should be allowed to own their own stuff, and I think, yeah, that makes sense. But if you look at the beginning of the 19th century, as capitalism begins to flourish, economic or free trade—or no government intervention—was seen as essential and a friend of liberalism. Free markets enable the individual to gain more independence and freedom from government.

So then free markets are the friend of the individual because they constrain the state. But toward the end of the 19th century, when you see all this concentration of economic power in different oligarchies, you have a new class of liberals emerging who see that what undermines the freedom of the individual are these oligarchic developments. So suddenly, the liberals begin to look toward the state as an ally that can intervene in the market to redistribute wealth, essentially. And now, if you go to different countries around the world, those who refer to themselves as liberals mean very different things.

In some countries, like the US, the liberals are the ones who want redistribution. If you go to Australia, it's the opposite—it's the people who want the free market to run things. So "liberal" means exactly the opposite there. And of course, it depends on what point in history you're looking at, when the idea of individual freedom translates into a specific policy. I mean, who are we defending? Are we allied with the free market against the state, or with the state against the free market because of the oligarchic tendencies it builds up? Do you see it? Is this the problem—that ideas simply have to be articulated in the form of politics, or...

#Daniel Klein

Yes, it's about politics. And so much of the speech comes from politics. Absolutely. Politics uses these words that thinkers develop, that culture develops, as tools to win in politics. What you say about the evolution and different meanings of "liberal," absolutely right on. Let me just make one thing really clear: Smith's notion of liberal is not some supreme principle or ethical trump. It's not like the justification for liberalism is liberalism. The justification for liberalism is the impartial spectator—it's the universalism, it's God, if you like, it's the good of the whole. So liberalism, properly understood, doesn't try to justify itself by itself. I mean, it tries to justify...

We all try to justify what we affirm, but the justification is not the same thing as what's being affirmed. And so, you know, the problems that occur with too much individual liberty—too much simple liberty—mean you've got to compromise liberty. And we don't pretend that that's actually increasing liberty; no, it's reducing liberty, but it's in the service of the good of the whole. You brought up the issue of concentration, and that's an interesting issue. I think that can happen, and there are issues—but very often the diagnosis is wrong. It's actually like, well, let's put it this way: the government is not actually ameliorating the problem very often.

In fact, they are often working hand in glove—the government and big players in the market, big companies, and so on. That's the way it often plays out. We see that so much with the corporatism, the kind of kleptocracy of Brussels, and so on—and the Green Party, for example, the MIC. So, you know, we can quarrel about how much liberty we should allow in certain, what seem to be, concentrated industries. But maybe a better—or I think a good—example is immigration, because

with immigration, I feel that open borders is actually the liberty position. And I object to and reject open borders. A lot of my colleagues at George Mason University are exponents of open borders, in particular Brian Caplan.

And I've engaged Brian on this and said we have to reject open borders—not in the name of liberty, or at least not direct liberty, but in the name of the good of the whole—because this goes back to a stable, functional polity, which is the presupposition of this whole liberal policy orientation. If you don't have a stable, functional polity, your whole aspiration for liberal policy within the country is very compromised, very doubtful. So I think this is where the conservatism kicks in: we can't have super-mass immigration. So I reject liberty there, and it's on the broader grounds of the good of the whole.

I know that, in a sense, it is an immigrant's right to just cross a border. He's not messing with someone's stuff, in my strict kind of jurisprudential view of a person's property and promises—which is very much, again, in the tradition of Adam Smith and Hugo Grotius. So, yeah, we have these problems and contradictions. Every political orientation or philosophy does. We should be able to disagree civilly and respect all that. And generally speaking, you know, I'm very concerned, just like you are, Glenn, about, let's say, censorship. I mean, you speak out about censorship very consistently, very ardently, and courageously.

And you speak out against these horrible things in foreign policy courageously. And that's a matter of allowing Glenn to pursue his own interests his own way—through the use of his own tongue, his own fingers, his own website, his own computer. And that's liberty. So, you know, this is where we need liberty. Freedom of speech is the most basic, most fundamental thing. It's not so much about economics; it's really about this whole liberty, liberalism thing. It's about not messing with people, allowing every man to pursue his own interests his own way. So, yeah, I just think "liberal" is the term, actually.

#Glenn

I don't know. I agree. I think that's what I like about liberalism—when it's one of the components rather than the silver bullet that necessarily fixes everything. I think, as you said, the defense of individual freedoms is a good thing. But at the same time, one has to recognize that human beings are social animals. That is, they organize in groups. We need, you know, commonalities; we get socialized into groups. This is where the individual does well. So it's not that liberalism is bad or that conformity is good. I think you want that balance between the collective and the individual.

And within this framework, I do think that liberalism is one of the main strengths and triumphs of Western civilization. Well, in terms of governments redistributing, I don't disagree there, though—I think they usually do a very terrible job. I find it interesting that even the Marxists often make the point that what was wrong with communism was the distribution of power—that they merely handed over the oligarchy to the state. So they didn't dissolve it through decentralization; they just made the

state the new oligarchy. Yeah. But I guess the point I want to get to is that even David Ricardo was making the point that he didn't care for this finding.

But when he saw that with every new technological innovation, productivity and revenue increased, he realized that more and more of it would go to capital. So over time, you'd almost inevitably end up with a greater concentration of wealth. And you see that with every technology since—whoever owns the digital platforms, the Zuckerbergs and the Bezoses, they're ungodly rich while labor is squeezed. So again, this is from Ricardo, not a Marxist argument. Not that I'm a Marxist, but I'm just saying this distribution of power is a problem. But again, I don't think the government is doing a very good job of redistributing. And I'd also look to the EU as a monstrosity of a government, though.

#Daniel Klein

Yeah. Again, we could get into how to understand some of those problems. I don't necessarily believe that great technological innovation necessarily leads to great concentration, because if other people can—if economies of scale can be reproduced—you can have competition, maybe just at a larger distance and larger scale, between, say, agricultural production or steel production or something like that. There are network economies, that's true, and so concentration will happen even in a free market, without question. There are, in that sense, certain natural monopolies.

I don't think—well, I think people tend to overstate the power of free competition to reduce such concentration. And again, once you start asking the government to remedy the problem, you're governmentalizing the matter in a way that could be turned in all sorts of directions through all sorts of incentives and politics that weren't what you had in mind. But again, there's the question of—even if the government doesn't make it worse—how exactly are they going to make it better in a useful, intelligent way?

Sometimes it's better just to let Jeff Bezos be Jeff Bezos. And I have problems with Jeff Bezos—don't get me wrong—but that's more about his political activity than Amazon per se. I mean, let's face it, Amazon's been an amazing blessing for ordinary consumers. Let's not complain too much about the efficiencies and economies that bigness can achieve for all of us. Similarly with oil and everything else in history. That's part of the amazing power of the market, especially the free market. So, I don't know—it's all complicated.

#Glenn

Well, that being said, I—uh—yeah, it's good we don't always agree. I think Walter Lippmann, in his 1922 book *Public Opinion*, wrote that when everyone thinks alike, no one thinks very much. I think it was repeated or rephrased by Orwell himself. But anyway, I think that's also what's necessary for liberalism to survive—to not treat it as some universal bullet. Yeah. Anyway, thank you very much. Fascinating stuff. Where can people find your work?

#Daniel Klein

Probably it's best just to Google Daniel Klein, George Mason University, and see what comes up. I'm launching a new website soon, but that's probably the best advice for now. Thanks a lot. Thank you.