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An Improbable Christian Vision
and the Economic Rhythms
of the Second Million Years.

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Introduction:

"The term, alienation, is used in many different senses. But on the present analysis the basic form of alienation is man's disregard of the transcendental precepts, Be attentive, Be intelligent, Be reasonable, Be responsible. Again, the basic form of ideology is a doctrine that justifies such alienation. From these basic forms, all others can be derived. For the basic forms corrupt the social good. As self-transcendence promotes progress, so the refusal of self-transcendence turns progress into cumulative decline.

Finally, we may note that a religion that promotes self-transcendence to the point, not merely of justice, but of self-sacrificing love, will have a redemptive role in human society inasmuch as such love can undo the mischief of decline and restore the cumulative process of progress".¹

These two paragraphs conclude the chapter on the human good in Lonergan's Method in Theology. The present essay, in its five parts, is located in the Beethoven pause between these paragraphs. One must, however, consider those early chapters of Method in Theology as they recur,² sublated, within the general categories.

The five sections of this essay are:

1. The vision: Praxisweltanschauung;
2. Its improbability and the unity of proportionate Being;
3. A component of the vision: economic Praxis; b. 9
4. Economic heresies and accumulating alienation;
5. The deeper challenge of the improbable vision.

The paper serves a variety of needs. In the first place, it is part of a personal foundational search. As such it is continuous with previous efforts³ and an advance on them: the continuity permits the summary expression of present progress in sections one and two.

A search for foundations involves the subject, at least informally, in dialectic: sections two and three are only a shadow of the large strategy of assembly, completion, comparison etc.,⁴ of the functional specialty dialectic.

The more immediate need that the paper fills is the provision of a context for the four afternoon workshops on Fr. Lonergan's 130 page (unpublished) Circulation Analysis. But the paper is also written with the hope of wider dialogue and collaboration. There is a need to bring together two communities, or more profoundly to bring together in single heads two fields of inquiry that limp when alone.⁵ I wish, then, to reach those economists who may sense that accepted economics is as mature as Brahe's astronomy. I wish to open up modernity to young theologians who are willing

to labour towards a twenty-first century vision which founds a theology beyond present fantasy.

Section 1: The Vision: Praxisweltanschauung.

The vision, Praxisweltanschauung, is a controlling construction of the constructions and aspirations of the human spirit.⁶ It is an ongoing context⁷ which is a psychological present,⁸ reaching and reaching for a harmonious⁹ genesis of subject and world. It is all-inclusive and self-inclusive. It is "an overall view of the stages and variations of human meanings, values, structures"¹⁰ laced together by "a phylogenetic set of schemata"¹¹ which concretely conjugates sets and sequences of differentiations of consciousness¹² within the general form¹³ of emergent probability.

In being all-inclusive it is self-inclusive, but in a manner proper only to the third stage of meaning.¹⁴ This proper meaning may be indicated by relating the vision to recognisable theology and to traditional philosophy.

Recognisable theology may insist that it is a reflection on the significance and role of religion in a cultural matrix: but the vision locates that theological reflection as deeply culture-bound and of another age,¹⁵ whatever its praise of modern science or its appropriation of the strategies of nineteenth century history.

And it is only by an effort of third-stage self-inclusion, a shift from praise to practice and from appropriation to self-appropriation, that such theological reflection can recognise itself as a product of limited culture.

Traditional philosophy is a span of effort from Parmenides to Hegel and beyond.¹⁶ It is not open-eyedly methodological, historical, empirical, and passionate in its terms and relations. Regularly it arrives at general terms and relations: the Aristotelians had theirs, in our times the analysts and the Whiteheadians have theirs, and even Heidegger cannot regress to the compact consciousness of the early Greeks. But like Butterfield with the Renaissance and Reformation,¹⁷ the vision would recognise that tradition as episodic between the first and the third stages of meaning.¹⁸ When terms and relations have meaning in that vision, "their meaning is to be known not by a definition but by a history of questions asked and answers given":¹⁹ The self-inclusion shows itself in the presence within that history, that construct, of present questions, questioners, answers and aspirations.

Normatively,²⁰ the visionary is any academic of the second million years. The vision involves specialisations:²¹ otherwise the "overall view tends to be either a tentative summary ... or a popular simplification of issues that are really not simple at all".²²

The vision, a psychological present inclusive of the general categories²³ includes also the praxi-heuristics of functional specialisation. And the functional specialist needs that vision, since "the use of the general categories occurs in any of the eight functional specialties".²⁴

The notion of survival²⁵ which the thinker-doer is, may thus self-digest into these operative categories of the fuller genesis

of the third stage of meaning. An image of this genesis and of this self-digestion is the vortex.²⁶

The vision is Christian in origin²⁷ and in content: at its centre is the visionary's ever-growing practical heuristic word of the Word.²⁸ But there is the content, identifiable as general categories, generated by listening to the Cosmic Word, which makes the vision universalist. And it is this universalist heuristic word of our communal structured quest, within the passionate finality of being, that is now most necessary if we are to restructure theology and life beyond recognition.

There emerges, then, the existential question about one's degree of sympathy²⁹ with the project and one's commitment to cultivating the achievement in later generations, and in oneself in later years, so that one might eventually borrow Bachelard's words: "Late in life, with indomitable courage, we continue to say that we are going to do what we have not yet done: we are going to build a house".³⁰

And there remains Mystery.³¹

Section 2: The Improbability of the Vision and the Unity of Proportionate Being.

One needs a diagram if one is to think, to construct praxi-heuristically, the unity, the unification, of proportionate being.³² "In quaestione longiori atque difficiliori phantasma conveniens haberi non potest nisi per diagramma quoddam adiuvatur ipsa

imaginatio; et ideo qui omnia per modum unius apprehendere velit, diagramma quoddam faciat in quo et elementa quaestionis omnia omnesque inter elementa nexus symbolice represententur".³³

And the question of the unity of proportionate being is surely long and difficult. In the psychological present of the foundational visionary that question has the form of generalised emergent probability³⁴ which, with diagrammatic underpinning, makes possible and probable the strategic fragmentation of questions and quest. So, for instance, one wishes to think correlatively of the dinosaurs of the biosphere that disappeared 65,000,000 years ago, and of the multinational corporations of the noosphere that appeared at the beginning of the first million years A.D. An imaginative synthesis may generate enthusiasm; but it does not carry the thinking subject to a construct of Praxis. One is correlating sets of entities $g_x(p_i, c_j, b_k, z_l)$ ³⁵ with global distributions within schemes of emergence and survival over a period of years, with sets of structures, whose focal reality are n men: $\sum_n f(p_i, c_j, b_k, z_l, u_m, r_n)$, with similar distributions. The former distributions of schemes are a history of emergence, survival and breakdown which is still only partly understood; the latter distributions are a contemporary making of man and a communal responsibility.³⁶

The diagrammatic underpinning must be such as to pressure one towards explanatory praxi-thinking.³⁷ Such thinking is a normative concern for the actual in its emergence within the vision of emergent probability. I recall key elements in that vision: the notions of actual, probable and possible seriations.

One should recall too that the heuristic form of emergent probability is filled out by science in its broadest meaning. Illustrations related to our particular topic, economics, may help. "The actual seriation is unique".³⁸ Parts of that actual seriation are the "economic rhythms of production and exchange"³⁹ ranging from the daily rhythms of muscle and machine to the rhythms of booms and slumps associated with the dates ... 1831, 1837, 1847, 1854, 1857, 1866, 1873, 1883, 1890, 1900, ...⁴⁰ Parts also of that actual seriation are the sets of schemes within the academy and the economy that made probable the recurrent thought patterns - to be touched on later - of Marx and Mitchell, Keynes and Hansen.

"The probable seriation has to exhibit the ramifications of probable alternatives"⁴¹ the visionary, seeking to think towards the unification of proportionate being, thinks explanatorily of "all that would occur without systematic divergence from the probabilities".⁴² Nor is what might have occurred without consequence to the thinker: reviewing the past in this sense is not nostalgia but relates to the implementation of dialectic associated with selecting and developing positions and leading "to an idealised version of the past".⁴³ But one is not here seeking an ideal associated with the possible seriation: one is seeking from the Cosmic Word the education associated with such questions as "what precisely went wrong?". "What might have happened if Hansen had stayed with Mitchell's thinking and sensed the burden of statics in Keynes?". "Would Samuelson, who followed Hansen, have not produced two million handfuls"⁴⁴ seeding other schemes of thought and policy?". More

explanatorily, one asks for "the flexible circle of ranges of schemes of recurrence"⁴⁵ that contribute to the making or maiming of man. One seeks out the defensive cycles⁴⁶ and the manner in which probabilities shift from product to sum.⁴⁷ One searches out, thus, thinking within the statistics and schemes of probable seriation, how it was that "from physics to Semitic literature, from Semitic literature to biology, from biology to economics, or from economics to depth psychology, the defenders were left in the unenviable position of always arriving on the scene a little breathlessly and a little late".⁴⁸ Such thinking leads to enlarged foundations.

Finally, there is the possible seriation, "still more remote from actuality. It includes all the schemes of recurrence that could be devised from the classical laws of our universe. It orders them in a conditioned series that ramifies not only along the lines of probable alternatives but also along lines of mere possibility or negligible probability".⁴⁹ That contemplation is essential to enriched foundations for man's future. It is not a fourteenth century preoccupation with the principle of contradiction. It is, rather, an extrapolation from the forms of our universe, leaping probabilities to envisage elements either of cosmopolis or, on the other hand, of further alienating shifts in "the murderous grotesque of our time".⁵⁰ Such praxi-thinking of the possible seriation is not only relevant but reverent: it can both touch on the Impossible Dream and mediate a more generous conception and implementation of the probable and actual seriations of the second million years.

It is within this Praxisweltanschauung of the unification of proportionate being that one can conceive most adequately of the improbability

of the vision. The vision within the third stage of meaning may be novel, but the species has recurred throughout history with low probabilities of survival. Praxis would seek out the ranges of schemes of recurrence associated with such low probabilities. It would envisage the relevant shifting of schemes, the conditions for jumps in probability, the strategies that would realise those shifts and those conditions. It would do so with a clear-headed admission of present statistics of growth and adult-growth,⁵¹ and of the present radical deficiencies of the academy. It would do so also with hope in the new dynamism of the Metaxy⁵² offered by the crisis and emergence of the third stage of meaning.

Yet it is not "It" but you and I that possibly, probably, actually, will hope and admit, not in any extrinsicist sense, but, in the tension of limitation and transcendence,⁵³ hope into consciousness and admit into consciousness.⁵⁴

Section 3: A Component of the Vision:
 Economic Praxis.

By economic praxis I mean that component⁵⁵ of the vision which seeks to mediate the transformation of "the totality of activities bridging the gap between the potentialities of nature, whether physical, chemical, vegetable, animal, or human nature, and, on the other hand, the actuality of a standard of living".⁵⁶ That seeking is attentive to the actual and probable series of schemes of recurrence in all their complexity: here there is an epiphany of the Cosmic Word's

refusal to be intuited. Indeed, the schemes of recurrence relevant for economic praxis were long in emerging. As Toynbee notes, part of the new species of society created by the Sumerians involved an economic surplus and surplus production.⁵⁷ The Romans had their economy and the medievals theirs. But regular rhythmic crises became a fact of economic life only at the beginning of the eighteenth century, and it was only in the twentieth century that a clear conviction regarding the central significance of economic rhythms emerged and that a fullsome analytic effort was made: "... another indictment stands against the vast majority of the economists of that period (1870 on) if it be indeed proper, considering the analytic situation in which they worked, to call it an indictment: with few exceptions, of which Marx was the most influential one, they treated cycles as a phenomenon that is superimposed upon the normal course of capitalist life and mostly as a pathological one; it never occurred to the majority to look to business cycles for material with which to build the fundamental theory of capitalist reality".⁵⁸ Such was Schumpeter's conviction, and his two volume work on Business Cycles⁵⁹ represents his own effort towards an integral view. The basic analytic achievement is Lonergan's Circulation Analysis.⁶⁰ But first, let us note some earlier efforts.

Schumpeter mentions Marx as exceptional. With Schumpeter I distinguish here Marx the economist from Marx the philosopher, the prophet, or whatever.⁶¹ One can draw out from Capital the set of elements "from which follows all the events that we connect with the trade cycle. Neither the labour theory of value nor the ponderous mechanism of the theory of surplus value is necessary to deduce this result".⁶²

Indeed, the real trouble is, as Schumpeter pointed out, that the labour theory of value as a tool of analysis worked very badly and leaves it exceedingly difficult to piece together a coherent view, more than Marx indeed had, of cycles. Nonetheless, he stands out from previous economists of prosperities and crises: "it must not be forgotten that the mere perception of the existence of cyclical movements was a great achievement at the time. Many economists who went before him had an inkling of it. In the main, however, they focused their attention on the spectacular breakdowns that came to be referred to as 'crises'. And those crises they failed to see in their true light, that is to say, in the light of the cyclical process of which they are mere incidents. They considered them, without looking beyond or below, as isolated misfortunes that will happen in consequence of errors, excesses, misconduct, or of the faulty working of the credit mechanism. Marx was, I believe, the first economist to rise above that tradition and to anticipate - barring the statistical complement - the work of Clément Juglar".⁶³ But Marx stands out also as representing what I might call the mood of praxis: "Reaching the goal would have been ineffectual, analyzing a social process would have interested only a few hundred specialists. But preaching in the garb of analysis and analyzing with a view to heartfelt needs, this is what conquered passionate allegiance and gave to the Marxist that supreme boon which consists in the conviction that what one is and stands for can never be defeated but must conquer victoriously in the end".⁶⁴

It was Clément Juglar, however, who brought into focus by his "great book of facts"⁶⁵ the need for a theory of business cycles rather than a theory of crises. He gave his attention mainly to that cycle of, roughly, ten years' duration with which his name is associated,⁶⁶ distinguishing phases in it: 'upgrade', 'explosion', 'liquidation'. He amassed an extraordinary amount of time-series material (prices, interest rates, central bank balances) relating to business oscillations in England, France and the United States, from 1696 to his own day. He concluded that one can get behind the various accidents of war etc., to establish that depressions were adaptations of the economic system to situations created by preceeding prosperities. Therefore, the basic problem of cycles' analysis centred on the question of the causes of prosperity. To this question he failed to provide a satisfactory answer.

Let us return to Schumpeter's contribution, a contribution which bears comparison with that of Lonergan. Indeed, Lonergan has already made that comparison, and it is worth quoting at this stage even though its comprehension requires familiarity with Lonergan's analysis and terminology:

"Schumpeter and Lonergan:

My real and my circulation phases involve no distinction between growth (mere increase in size) and development (new productive combinations). For Schumpeter these two are specifically distinct - the new production functions create new situations that increase enormously the average of error and bring about the cycle(s).

However, the ideas of capital, credit, interest, etc., that Schumpeter advances appear more clearly and more generally and in more detailed a fashion. The relevance of Schumpeter's insistence on development as opposed to growth is in the concatenation of the phases, e.g. Schumpeter's development can take place in my static phase if $DQ_n^{II} > 0$ and if the new combinations are continuously offset by equal liquidations of former enterprises.⁶⁷

Schumpeter focuses his attention on innovation, on new ideas, new men, new techniques. The quotation from Lonergan mentions error as significant in Schumpeter's analysis, and this significance helps to bring out the normative nature of Lonergan's own analysis. "Most people will link up recessions with errors of judgment, excesses (overdoing), and misconduct. This is no explanation at all; for it is not error, etc., as such but only a cluster of errors which could possibly account for widespread depressive effects. Any 'theory' that rests content with this must assume that people err periodically in the way most convenient to the economist. Our model, by showing the emergence of situations in which it is understandable that mistakes of all sorts should be more frequent than usual (i.e., when untried things are being put into practice and adaptation to a state of things becomes necessary, the contours of which have not yet appeared) does away with this and shows the place of the element of error in the various phases of the process, without having to introduce it as an independent, still less as a necessary, element".⁶⁸ In a footnote, Schumpeter adds "It is believed that our arrangement assigns its proper place, not only to errors of various types, but also to other kinds of aberration of economic action, and makes them analytically workable. The actual quantitative importance of the element of error is, however, a different question. The writer has not been able to answer it to his own satisfaction".

Lonergan centres his attention on the rhythms of the productive process and derives a theory of cycles which does not call for the

inclusion of error. Lonergan does in fact treat of error in relation to human inadaptation to the rhythms of economic process.

The comments in the second paragraph of the quotation from Lonergan need the exposition of Lonergan's coherent analysis. Schumpeter's discussion of the "New Economic Space"⁶⁹ created by innovation is a meshing of all that happens in terms of costs, wages, interest, prices, credit. Lonergan's analysis involves a clear separation of elements regularly confused or brought together by economic accountancy. What Lonergan says of interest rates may perhaps be taken as characteristic of his entire analysis: "Traditional theory looked to shifting interest rates to provide the automatic adjustment between the productive process and the rate of saving ... The difficulty with this theory is that it lumps together a number of quite different things and overlooks the order of magnitude of the fundamental problem".⁷⁰

Lonergan's analysis reveals the productive process as inherently cyclic in a manner "not to be confused with the familiar trade cycle. The latter is a succession of booms and slumps, of positive and then negative accelerations of the process. But the cycle with which we are here concerned is a pure cycle. It includes no slump, no negative acceleration. It is entirely a forward movement which, however, involves a cycle inasmuch as in successive periods of time the surplus stage of the process is accelerating more rapidly and, again later, less rapidly than the basic stage. When suitable classes and rates of payment have been defined, it will be possible to show that under certain conditions of human inadaptation this

pure cycle results in a trade cycle. However, that implication is not absolute but conditioned, not something inevitable in any case but only something that follows when human adaptation is lacking".⁷¹

An analogy drawn from an earlier typescript throws light on Lonergan's strategy: "A study of the mechanics of motor-cars yields premises for a criticism of drivers, precisely because the motor-cars, as distinct from the drivers, have laws of their own which drivers must respect. But if the mechanics of motors included, in a single piece, the anthropology of drivers, criticism could be no more than haphazard".⁷²

Lonergan moves neither in the manner of the descriptive economist who proceeds to a nuanced general view through descriptive language, nor in the manner of the statistical economist whose terminology is dominated by the proximate possibility of measurement. His analytic approach differs from both these: "Out of endless classificatory possibilities it selects not the one sanctioned by ordinary speech nor again the one sanctioned by facility of measurement but the one that most rapidly yields terms which can be defined by the functional inter-relations in which they stand. To discover such terms is a lengthy and painful process of trial and error. Exoerto crede. To justify them, one cannot reproduce the tedious blind efforts that led to them; one can appeal only to the success, be it great or small, with which they serve to account systematically for the phenomena under investigation. Hence it is only fair to issue at once a warning that the reader will have to work through pages, in which parts gradually are assembled, before he will be able to see a whole and pass an equitable judgement upon it".⁷³

In the afternoon workshops I will attempt to give some insight into that analysis.

Before concluding this section I would note that study of business cycles has continued, but with little of the analytic perspective of Schumpeter or Lonergan. Indeed, the study is regularly influenced by the viewpoint to be described in the next section. So, for example, Arthur Burns, commenting on Hicks' book, A Contribution to the Theory of the Trade Cycle,⁷⁴ remarks: "It is a sophisticated book, not to be confused with vulgar Keynesianism. It shares, however, the aggregative, mechanical, 'real' slant of much of the recent literature on economic theory".⁷⁵ Burns himself represents a tradition of interest in business cycles which derives from the influence of Wesley Clair Mitchell (1874-1948). Mitchell, as Schumpeter puts it, wanted to explore rather than to turn round and round on a small piece of land. So he moved with complete commitment to the concrete reality of economic process from his thesis on the Greenback episode to a life long study of the business cycle "which made Mitchell the foremost world authority on the subject".⁷⁶ While he was averse to theory, he gave the National Bureau of Statistics an orientation towards empirical research of business cycles during the twenty-five years (1920-45) of his chairmanship, an orientation which survived under Arthur Burns. The orientation grounds a healthy respect for economic reality and a source of criticism of the ongoing theorizing and practice of the new economics which emerged in the thirties.⁷⁷ The present situation is well summed up by Burns: "The only things we can be reasonably certain

of in the proximate future are, first, that our economic system will continue to generate cyclical tendencies, and second, that the government will at some stage intervene to check their course".⁷⁸ One is lead to recall a remark of Lonergan's regarding cyclical tendencies, in particular the pure cycle: "one may say that it is solidly grounded in a dynamic structure of the productive process; and one has only to think of the practical impossibility of calculating the acceleration ratios ... to smile at the suggestion that one should try to 'smooth out the pure cycle'.⁷⁹

Section 4: Economic Heresies and Accumulating Alienation.

"The business cycle was par excellence the problem of the nineteenth century. But the main problem of our times, and particularly in the United States, is the problem of full employment".⁸⁰

This remark was made by Alvin Hansen, "The American Keynes"⁸¹ in the presidential address to the American Economic Association at their annual meeting, December 1938. As in the previous section I picked out a handful of heroes, so here I name some of the villains who made probable and actual the schemes of recurrence within which emerged the textbook tradition associated with the name of Paul Samuelson and the concomitant inert and alienating schemes of recurrence of contemporary economic thought and practice. I will, however, be brief in this section, for several reasons. In the first place, Joan Robinson has provided a substantial amount of critical comment on the last hundred years of economics and it could not be briefly reproduced.⁸² In the second place, the tradition

in question here is the current climate of opinion. Any undergraduate economist will recognise the names and the theses that I briefly mention. Those who have not had such undergraduate studies would find even lengthier description obscure. But all may recognise in the reports and policies of governments and banks, in the criticisms and suggestions of journals and editorials, the prevalence of that inert climate.

I will begin by noting three points of criticism of the present tradition. In the first place, the tradition includes no serious effort at analysis of the productive process. Secondly, even when it takes on the trappings of a theory of growth, it remains economic macrostatics. Thirdly, inbuilt into it and into its political application, there is a fundamental ideology of alienation.

Joan Robinson regularly returns to the absence of serious analysis in her writings. She characterises the neoclassical theory of production as follows: "There is a mysterious substance, let us call it leets, measured in tons, which is used in conjunction with labour to produce output. There is a well-behaved production function in leets and labour for every kind of output, including leets. There is no distinction between the past and the future. An investment of leets, once made, can be squeezed up or spread out into a new form, instantaneously and without cost, if it becomes profitable to do so.

What is still more remarkable, leets can absorb technical progress without changing its identity, again instantaneously and without cost, so that new inventions raise the output from a ton of leets, without any investment being required.

All of this has been very candidly spelt out by Professor Meade.

(In the first edition of A Neoclassical Theory of Economic Growth he refers to what I have called leets as 'steel'). It is the essence of Professor Ferguson's concept of 'capital'".⁸³

The difficulty of conceiving adequately of capital and of production is not superficial. It is a difficulty of heuristic conception. "The intending that is conception puts together both the content of the insight and as much of the image as is essential to the occurrence of the insight; the result is the intending of any concrete being selected by an incompletely determinate (and, in that sense, abstract) content".⁸⁴ As opposed to the impoverished abstraction⁸⁵ "leets" there is an enriching abstraction which holds together,⁸⁶ within a general heuristics of process, the aggregate of rates at which goods and services move, directly or indirectly, into a standard of living, without excluding wheat and cotton, bread and dresses, ships and machine tools, management and innovation.

Wedded to the difficulty of conceiving capital, as Robinson notes in the quotation above, is the difficulty of conceiving change.⁸⁷ Nor can this be surprising if the accusation of macrostatic thinking is valid.

An early villain was Leon Walras (1834-1910), a hero of Samuelson⁸⁸ but also paradoxically a hero of Schumpeter's history. Schumpeter's admiration was based on his recognition of the masterly analysis of economic equilibrium which Walras achieved, by methods cousin to nineteenth century statics, but Schumpeter did not consider this the peak or ideal of economic achievement. "Now, an observer

fresh from Mars might excusably think that the human mind, inspired by experience, would start analysis with the relatively concrete and then, as more subtle relations reveal themselves, proceed to the relatively abstract, that is to say, to start from dynamic relations and then proceed to working out static ones. But this has not been so in any field of scientific endeavor whatsoever".⁸⁹

Later, he speaks of Marshall, despite his extra-static considerations, failing to cross the Rubicon. He notes pointers by Pantaleoni, Pareto, Samuelson: but "they left the main body of economic theory on the 'static' bank of the river";⁹⁰ "no attack on the whole front of Walrasian theory has as yet developed".⁹¹

Just as one can solve the equilibrium problem of a set of rods and other elements, through the principle of virtual work, so one may solve the equilibrium problem of prices, of demand and supply, through the application of marginal analysis. However, while a set of rods can settle in equilibrium with one rod at a 10° angle to the vertical, it is disconcerting to find the set of economic elements in equilibrium, with the factor employment at 10% off full employment. Keynes arrives on the scene to set that right and "the old theology closed in again. Keynes himself began the reconstruction of the orthodox scheme that he had shattered.

"But if our central controls succeed in establishing an aggregate volume of output corresponding to full employment as nearly as is practicable, the classical theory comes into its own again from this point onwards ... It is in determining the volume, not the direction of actual employment that the existing system has broken down".⁹² As Schumpeter notes, "the exact skeleton of

Keynes' system belongs, to use the terms proposed by Ragnar Frisch, to macrostatics, not macrodynamics".⁹³ But Keynes' reconstruction bears little resemblance to the theory and practice associated with Sir John Hicks' IS and LM curves,⁹⁴ which found its way particularly into the American tradition.

Hansen, whom we quoted at the beginning of this section, is the central figure of that tradition. He began his career closer to the interests of Wesley Mitchell,⁹⁵ but became the leading figure in the evolution of American Keynesianism. I do not need to document that tradition here.⁹⁶ After Hansen, comes Samuelson. Abba P. Lerner, whose functional finance specifies strategies of government operation, provides another strand. Then there is Milton Friedman of whom Robinson remarks: "There is an unearthly, mystical element in Friedman's thought. The mere existence of a stock of money somehow promotes expenditure".⁹⁷ Hansen's characterisation of the shift of interest in the twentieth century takes on a different hue from the perspective of Praxisweltanschauung and of the third stage of meaning. Then one sees it as an abandonment of the search both for a dynamic economic theory and for democracy. An image I find suggestive of modern economic theory and government practice is that of a hydrostatic control of a whirlpool.⁹⁸ A certain aggregate of elements in the whirlpool "ought" to have a property called employment. Employment is a matter of adjusting valves. It is very remote from the notion of employment as pivoting on communal and individual attention, intelligence, reasonableness and responsibility; on the praxis of micro-autonomy, on coherent economic theory, and on a profoundly different notion of control.⁹⁹ So we come to the third point of criticism:

the embedded ideology of alienation.

One must be careful how one conceives of alienation. There is no question, within the vision, of talking in popular terms of Alienated Man. I recall here my comments and suggestions of sections one and two. One thinks, then, of alienation in terms of the history of aggregates of persons $H\Sigma f(p_i, c_j, b_k, z_l, u_m, r_n)$, pivoting in one's searching of past and future on some imaginative device. The alienation of the modern politico-economic structure reaches like leukemia into every vein of modernity. You can hear it's molecular echoes in radio-new's vocal muscles; you can see it in the stagnation of the five o'clock subway people's attention, intelligence, reasonableness and responsibility; you can sense it in the corridors of academe: but only if you are labouring towards the vision. "What I want to communicate in this talk on art is the notion that art is relevant to concrete living, that it is an exploration of the potentialities of concrete living, that it is extremely important in our age when philosophers for at least two centuries, through doctrines on economics, politics and education, have been trying to remake man and have done not a little to make human life unlivable".¹⁰⁰ But how many of us smell, taste, feel, the unlivability? And even if we do, ever so slightly, how many of us build the discomfort into our academic vortex which is - if we are of third stage meaning - a praxis vortex, a personal vortex of generalised empirical method. And I recall that the present paper is bracketed between a paragraph on alienation and a paragraph on redemptive progress.¹⁰¹

Section 5: The Deeper Challenge of the Improbable Vision.

"I have urged that so great a transformation needs a renewed foundation, and that the needed renewal is the introduction of a new type of foundation. It is to consist not in objective statement, but in subjective reality".¹⁰²

The transformation, then, is of subjects, and I would recall that "this transformation of sensitivity penetrates to the physiological level".¹⁰³ I find indeed that there are too many things, everything, to recall, to "remember"¹⁰⁴ in a novel fashion in this new context, and in order to keep this final section brief I will restrict myself to some few related points.

The transformation in question is the genesis of foundations persons who would mediate the presence of users of the general categories in all functional specialties. In particular, I note here the need for that presence in the genesis of doctrines. My concern in the two previous sections has been with the transformation of economic policy or doctrines. My broader concern is with the transformation of theological doctrines. Moreover, the two transformations mesh: the moral theology of the economic process is not based on a doctrine of the family wage.¹⁰⁵

Fr. Frederick Crowe has drawn attention, in this matter of the transformation of doctrines, to the notion of transposition in Lonergan's Method in Theology. I share his concern, repeat his "plea to Lonergan students for more concentrated attention

on the topic of dialectic",¹⁰⁶ and add a plea for a hard look at the general categories that sublate both Insight and Method in Theology.¹⁰⁷ So, doctrines will be transpositions of dogmas, reached through the use of "the functional specialty, foundations to select doctrines from among the multiple choices presented by the functional specialty, dialectic".¹⁰⁸ But all this involves the "transposition that theological thought has to develop if religion is to retain its identity and yet at the same time find access into the minds and hearts of men in all cultures and classes".¹⁰⁹ The new subjective realities, incarnate foundations, "provide the basic orientation",¹¹⁰ an orientation including "the transposition of systematic meaning from a static to an ongoing dynamic context",¹¹¹ so that "the intelligibility proper to developing doctrines is the intelligibility immanent in historical process".¹¹² Such an intelligibility can emerge in the theologian only through "a long-delayed response to the development of modern science, modern scholarship, modern philosophy",¹¹³ only through three basic differentiations of consciousness, all three "quite beyond the horizon of ancient Greece and medieval Europe"¹¹⁴ and, I would add, beyond the horizon of most of contemporary theology.

The message would seem loud and clear. Present foundations, doctrines and systematics belong to another age: they just do not ground a reaching into the minds and hearts of present and future people. While the issue calls for detailed discussion and exemplification, I must restrict myself to one general point of precision.

The notion of transposition is explicitly introduced in Insight.¹¹⁵ "True propositions may be merely descriptive; to assign their metaphysical equivalent, they must be transposed into an explanatory form".¹¹⁶ Moreover, there is also required a structural transposition to move from logic to metaphysics.¹¹⁷ Failure to observe such a strategy "results in the substitution of a pseudo-metaphysical myth-making for scientific inquiry".¹¹⁸ The communal effort to observe that strategy, in the use of, and ongoing genesis of, general categories, is what will eventually lift forward dogma and history to doctrinal adequacy.

Let us return, parenthetically, to the issue of economic doctrines. When we seek light here we are evidently moved, transposed, to a dialectico-genetic grasp of economic policy. Emerging economic doctrines are such only within that grasp, and the relevant grasp is within the vision, Praxisweltanschauung: "the appropriate theoretical framework for creativity is open system and so basically transcendental method".¹¹⁹ Within that view one finds redefined, with third stage meaning integrality,¹²⁰ the sequence of economic dogmas terminating with transcendental openness and doctrinal specificity in the present aspirations of men. The old dogmas, thus contextualised, present in their roots and in their fruits, are transposed beyond popular recognition.¹²¹ So, for example, through the foundational grasp of ongoing process - through the use of the general categories - one transposes dogmatic movements in history such as the nineteenth century "imperialist dogma",¹²² or doctrinal drifts in authors like Adam Smith. The imperialist dogma can be identified as a descriptive advertence to the

disruption of the phase of basic expansion in the pure cycle, probable within a statistics of emergence of global economic maturity. The movement in Smith can be identified as a heretical enthusiasm for the priora quod nos of price, leading to a reliance for salvation through price analysis which fathered Walras.¹²³ One locates too, not with the vagueness of popular discontent,¹²⁴ but with praxis precision, the history and future of nationhood,¹²⁵ government,¹²⁶ monopoly,¹²⁷ and the significance of upper and lower leisured rentier classes.¹²⁸ One locates proleptically: one is seeking the expansion of microautonomy through a poetics¹²⁹ and ethics¹³⁰ of Economic Space. One envisages, within emergent probability, the possible and probable schemes of recurrence of intermediate technologies and microtechnologies¹³¹ which would shift in future centuries the global statistics of alienation. In particular, such innovative movements towards microautonomy, within a global economic maturity, would mesh with the eventual epiphany of an economy of aggregate, if not synchronic, pure cycles.

We are still in a Beethoven pause between two paragraphs on page 55 of Method in Theology, and our problem and privilege is to be drawn out of alienation into chemical, psychic, mindful harmony with the compositional energy of history. Henry Simons was not optimistic about the outcome of the struggle between labour and capital, but he still could write: "It is easy to argue that the whole problem is so hard and ominous politically that no effort should be made to solve or even to see it - that the real choice lies between a certain,

gradual death of economic democracy and an operation ... which would cure if successful but is almost certain to kill. I am no fore-caster and am not in direct communication with the Almighty. Consequently, I can only maintain that it is immoral to take such absolute dilemmas seriously. Democracy would have been dead a thousand times if it paid much attention to historical extrapolations".¹³²

The love of God, the third stage of meaning, and the second million years are on our side.

The foregoing parenthetical consideration of issues of economic policy is evidently not without relevance to the set of necessary developments of doctrines in theology. "It is not in some vacuum of pure spirit but under concrete historical conditions and circumstances that such developments occur, and a knowledge of such conditions and circumstances is not irrelevant in the evaluational history that decides on the legitimacy of developments".¹³³ So we are led again to focus on the present crisis of theology by focusing on what is relevant to evaluational history, to dialectic. Moreover, the crisis in dialectic is necessarily personal, and, in conclusion, I would like to symbolise it in the turning of a page, the turning over of a new leaf.

In Insight the crisis page is page 388: a strategic position is offered which is "startlingly strange"¹³⁴ and the beginning of a new way of life. In Method in Theology the crisis page is page 250: a larger strategy is offered inclusive of the strategy of Insight. Turning over that page the theologian is faced¹³⁵ with a task of assembly which includes events and movements of the past four

centuries to which recognisable theology has been external.¹³⁶

Such are the present schemes of recurrence of contemporary theological education and discourse that probabilities of theologians psychologically present in the fruits of those four centuries are low. The transposition of theology into the end of the twentieth century is comparably remote. The turning of that page, that leaf, is discomforting, can be dreadful. "Classical culture cannot be jettisoned without being replaced; and what replaces it, cannot but run counter to classical expectations. There is bound to be formed a solid right that is determined to live in a world that no longer exists. There is bound to be formed a scattered left, captivated by now this, now that new development, exploring now this and now that new possibility. But what will count is a perhaps not numerous center, big enough to be at home in both the old and the new, painstaking enough to work out one by one the transitions to be made, strong enough to refuse half-measures and insist on complete solutions even though it has to wait".¹³⁷

Notes:

1. B. Lonergan, Method in Theology, Darton Longman and Todd, 1972, 55.
2. I use the word in a Viconesque sense, and in a sense related to the vortex of note 26 below, as well as in the more evident sense: that their content recurs in the list of general categories, Method in Theology, 286-7. The recurrence, obviously, must be in the subject seeking foundations.
3. Most recently expressed in The Shaping of the Foundations: Being at Home in Transcendental Method, University Press of America, Washington, 1977.
4. B. Lonergan, Method in Theology, 250.
5. The point relates to generalised empirical method being academic method in the third stage of meaning. I have dealt with this in "The Psychological Present of the Academic Community", Boston Lonergan Workshop of 1976, in process of publication.
6. This echoes August Boeckh's view of philology, as noted by Lonergan, Method in Theology, 210.
7. I think here of actual context, interwoven questions and answers as constitutive of the subject. See Lonergan, Method in Theology, 163.
8. The notion of psychological present is derived from Lonergan, Method in Theology, 177 and developed in the paper referred to in note 5. The third part of that paper, "The core psychological present of the contemporary theologian", will appear in a Festschrift in honour of F. E. Crowe from Regis College Press, 1977.
9. The harmony calls for inner dialogue of the six-levelled subject, as well as a third-stage-of-meaning aesthetics of global transformation. Further pointers on this topic are given in section 5.
10. B. Lonergan, "Philosophy and Theology", A Second Collection, Darton Longman and Todd, 1974, 206.
11. Ibid.
12. Lonergan, Method in Theology, 273-76; 303-5.

13. "The intelligibility ... is immanent in world process ... Emergent probability is a view of world order within the limits of empirical method", Lonergan, Insight, 128. In what sense the form is normative will gradually emerge. Praxis transforms the notion of empirical method.
14. Lonergan, Method in Theology, 93-99. Recall Insight, 647: "The intelligible in the ordinary sense can be understood without understanding what it is to understand; but the intelligible in the profounder sense is identical with the understanding, and so it cannot be understood without understanding what understanding is".
15. 1680, the beginnings of modern science and of the Enlightenment, is a relevant date. See Lonergan, "Theology in its New Context", A Second Collection.
16. One should put Insight, 364-74, and Lonergan, De Constitutione Christi, Gregorian Press, Rome 1961, 9-13, into the context of E. Voegelin's "Reason: The Classic Experience", The Southern Review, July 1974, 245-64.
17. H. Butterfield, The Origins of Modern Science, G. Bell and Sons, London, 1965, vii: the scientific revolution "outshines everything since the rise of Christianity and reduces the Renaissance and Reformation to the rank of mere episodes".
18. "The Greeks needed an artistic, a rhetorical, an argumentative development of language before a Greek could set up a metaphysical account of mind. The Greek achievement was needed to expand the capacities of commonsense knowledge and language before Augustine, Descartes, Pascal, Newman could make their commonsense contributions to our self-knowledge. The history of mathematics, natural science, and philosophy and, as well, one's own personal reflective engagement in all three are needed if both commonsense and theory are to construct the scaffolding for an entry into the world of interiority". Lonergan, Method in Theology, 261-2.
19. Lonergan, "Philosophy and Theology", A Second Collection, 200. Illustrative of the attitude is Lonergan's discussion of natural right in "Natural Right and Historical Mindedness", a paper read to the American Catholic Philosophical Association, Easter, 1977.
20. The precise meaning of "normative" here requires the praxis view of the actual, probable and possible serialiations discussed in section two.

21. I have presented the case for this in "Image and Emergence: Towards an adequate Weltanschauung", chapter one of The Shaping of the Foundations.
22. Lonergan, "Theology in its New Context", A Second Collection, 60.
23. Lonergan, Method in Theology, 286-8, briefly lists these. I must insist, however, on the difficulty of this inclusion. "If one wants to know just what forms are, the proper procedure is to give up metaphysics and turn to the sciences", Insight, 498. This page in Insight speaks of a division of labour. In the third stage of meaning, with generalised empirical method as academic method, this division and a separate metaphysics become obsolete.
24. Lonergan, Method in Theology, 292.
25. "That notion of survival which is you at core but also you in kilos", P. McShane, Wealth of Self and Wealth of Nations, Exposition Press, New York, 1975, 95. The particular chapter, "The Notion of Survival", raises a set of issues relevant to the present essay.
26. I originally borrowed this notion from Ezra Pound's vorticist movement but it is also Jungian. See The Shaping of the Foundations, 164, n.11; 211, n.171. A related topic, psychic conversion, is discussed by R. Doran in Jung, Ricoeur and the Problem of Foundations, forthcoming from University Press of America, Washington, 1977.
27. See B. Lonergan, "The Origins of Christian Realism", A Second Collection, 239-62. Relevant also is a history of the emergence of the vision in Lonergan.
28. "Intus in nobis intelligibiliter secundum emanationem veritatis dicitur verbum nostrum verbi divini et secundum emanationem sanctitatis spiratur dilectio nostra divinae Dilectionis", Lonergan, De Deo Trino, Pars Systematica, Gregorian Press, Rome, 1964. The present essay focuses on general categories. But clearly Lonergan's transformation of Trinitarian theology is the centrepiece of the new Christian vision. I have tried to present it in popular form in Music That Is Soundless: An Introduction to God for the Graduate, University Press of America, Washington, 1977, chapters 5-7.
29. On different degrees of sympathy see The Shaping of the Foundations, 105ff.

30. G. Bachelard, The Poetics of Space, Beacon Press, Boston 1969, 61.
31. Central to the entire effort is a fundamental inverse insight. One should link here Lonergan, Method in Theology, 341-42 with the treatment of Mystery and inverse insight in Lonergan, De Deo Trino: Pars Dogmatica, 1964, 274.
32. See Lonergan, Insight, 510. Praxisweltanschauung, however, changes the meaning of the page - and indeed of the book as gesture. One may speak of "the realization in accord with successive schedules of probabilities of the compound conditioned series of concretely possible solutions", but what does one mean by "realization"? One is not an observer. By Praxisweltanschauung one is in ever more disturbing yet peaceful resonance with the finality of being.
33. Lonergan, De Constitutione Christi, 80.
34. Lonergan, Insight, 115-128, 259-62.
35. Just what one means by, and can say about, such a symbolic indication helps to locate one's position with regard to the improbable vision. The animal is an integrated (zoological forms in the unity of a thing) aggregate of the three lower levels. p₁ denotes forms of physics. How would one symbolise organs and neural networks etc? All this may seem farfetched, even foolish. Yet the psychologists are hard at an equivalent, but largely reductionist enterprize (See, for example, Macromolecules and Behavior, edited by John Gaito, Appleton Century Crofts, New York, 1966). Do the children of light have to always arrive "a little breathless and a little late"? (See note 48, and the text there).
36. On the notion of collective responsibility, see the beginning of the paper by Lonergan, "Natural Right and Historicity" mentioned in note 19.
37. A text I have found extremely helpful in opening up the explanatory perspective is Insight 464-6, "Study of an organism begins from the thing-for-us..." One can replace the word "organism" by plant, dog, man, Christ, universe and strain to reach the "world invisible" of explanation (see Insight, 394-5). I may refer forward here also to the notion of transposition as discussed in section 5. See note 42 below.
38. Insight, 119.
39. Ibid., 118.

40.

Selected from a table of business recessions in England (1790-1925), W. Mitchell, Business Cycles: The Problem and its Setting, National Bureau of Economic Research, New York, 1927, 390.

41. Insight, 119.

42. Ibid. Perhaps at this stage I might indicate a diagrammatic underpinning that may help. One needs a solid global matrix, radius measuring time, each layer being a network of elements of schedules of probability at each corresponding point on earth. Six-levelled things within schemes become part of the actual series with the emergence of man. Obviously, one needs Toynbee and Voegelin and Lonergan's sets and sequences of differentiations of consciousness to fill this out. And one needs to complement and balance such diagramming with Method in Theology, 48, and Collection, 42; etc., etc.

43. Method in Theology, 251.

44. I refer to the two million copies sold of Samuelson's famous text book. However, had Samuelson thought and written otherwise, the probability schedules would have shifted.

45. Insight, 466.

46. Ibid., 118.

47. Ibid., 121. See also P. McShane, Randomness, Statistics and Emergence, Gill Macmillan and Notre Dame, 1970, 230-1.

48. Insight, 733.

49. Ibid., 119.

50. E. Voegelin, op. cit., note 16, 251.

51. I recall Maslow's well-known statistic: self-actualization occurring "certainly in less than one per cent of the adult population" (Towards a Psychology of Being, New York, 1968, 204). I recall also Aresteh's view on the absence of research on adult growth: "Unless the psychologist has himself experienced the state of quest of final integration in the succession of identities he will hardly acquire an understanding or incentive for doing research on it", Final Integration in the Adult Personality, Leiden, 1965, 18.

52. I refer to Voegelin's notion of the In-between. See either of the works referred to, in note 16, or in note 125 below.

53. Insight, 472-7.
54. What is meant by "admission into consciousness" is discussed in the Epilogue of The Shaping of the Foundations, 124ff. "Hoping into consciousness" is related to the discussion of the Eschaton there.
55. I recall the notion of self-inclusion from section 1. Third stage meaning involves a discontinuity in instrumental acts of meaning. Is the component not the composer?
56. Lonergan, Circulation Analysis, 2. I am grateful to Fr. Lonergan for permission to quote from his unpublished work throughout this essay.
57. A. Toynbee, Mankind and Mother Earth, A Narrative History of the World, Oxford University Press, 1976, 53-54. The use of the word "surplus" in Lonergan's analysis relates more to Toynbee's usage than to that of Marx.
58. J. Schumpeter, History of Economic Analysis, Oxford University Press, New York, 1954, 1135.
59. Business Cycles. A Theoretical, Historical and Statistical Analysis of the Capitalist Process, 2 volumes, McGraw-Hill, New York, 1939.
60. The analysis was probably completed in 1944. Lonergan's dependence on Schumpeter is not clear. Lonergan's notes include 25 pages of handwritten notes on, and extracts from, Schumpeter, some of which (like that cited shortly in the text) indicate that Lonergan had a developed view when reading Schumpeter.
61. Schumpeter distinguishes these various sides of Marx in Capitalism, Socialism and Democracy, Harper and Row, 1942, Part one. That Part is reprinted in Joseph Schumpeter, Ten Great Economists from Marx to Keynes, Oxford University Press, New York, 1951.
62. H. Smith, "Marx and the Trade Cycle", The Review of Economic Studies (iv) 1936-37, 202.
63. J. Schumpeter, Ten Great Economists, 50-1.
64. Ibid., 7.
65. Wesley Mitchell's characterisation: op. cit., note 40, 11.
66. Apart from the Juglar, two other types of cycle have been named: the Kitchin, a short cycle of about three years, and the Kondratieff, a long cycle of about sixty years.

67. From handwritten notes, in a file labelled "Economic Analysis: notes Nov. 1942, no. 60".
68. Schumpeter, Business Cycles, Vol.I, 140.
69. Ibid., 134. I would note that economic space requires the large six-levelled heuristic of sections 1 and 2. See also nn 139, 140 below.
70. Lonergan, Circulation Analysis, 86.
71. Ibid., 19.
72. Lonergan, from an incomplete early typescript in a file "Econ. Spec. (2) No. 58". The typescript is entitled An Outline of Circulation Analysis, and the quotation is from section 1, "Viewpoint".
73. Lonergan, from the same file and typescript, as mentioned in note 72, Section 2, "Method".
74. Clarendon Press, Oxford, 1950.
75. Arthur Burns, The Frontiers of Economic Knowledge, National Bureau of Economic Research, Princeton University Press, 1954, 267.
76. Ibid., 97. The comment occurs in the essay "Wesley Mitchell and the National Bureau", 61-106.
77. The volume by Burns, just cited, is a good example. See, for instance, his essays "Economic Research and the Keynesian Thinking of our Time", 26-45 and "Hicks and the Real Cycle", 236-67, from which I have already quoted at note 75. The British tradition, of course, that Robinson represents, continues to call for serious theoretic effort: "The sad thing is that economists, including many more eminent than Bober, continue to be defeatist in this way about the possibility of understanding the real world, and gladly retreat into their warm, theoretical wombs, where they are not threatened by facts. What is needed is a reallocation of economic brain-power towards an analysis and interpretation of the real world". J. C. Odling-Smee, in a review of S. Bober, The Economics of Cycles and Growth, John Wiley, New York, & London 1968, in Economic Journal 79 (1969) 588.
78. Ibid., 175.
79. Lonergan, Circulation Analysis, 73.

80. Alvin Hansen, "Economic Progress and Declining Population Growth", American Economic Review, Vol. XXIX, no. I (March 1939), 4.
81. So titled in William Breit and Roger Ransom, The Academic Scribblers: American Economists in Collision, Holt Rinehart and Winston, New York, 1971. This volume, coupled with Joan Robinson's Economic Heresies: Some Old-Fashioned Questions in Economic Theory, Basic Books, New York, 1973, provides a background to the present section.
82. See the previous footnote. Her recent text book, written with John Eatwell, An Introduction to Modern Economics, McGraw-Hill, Maidenhead, England, 1973, complements that criticism.
83. J. Robinson, in a review of C. E. Ferguson, The Neo-classical Theory of Production and Distribution, Cambridge University Press, London, 1969, in Economic Journal 80, 1970, 337. I am indebted to a set of more recent (1976) notes and extracts (pp.37) of Fr. Lonergan for this reference.
84. Lonergan, Method in Theology, 11. See also Insight, 30. There is a great deal more, of course, to be gleaned on abstraction and conception in Lonergan, Verbum: Word and Idea in Aquinas, University of Notre Dame Press, 1967; see the index.
85. See Lonergan, Insight, 87-89.
86. The paper continues to point to the necessity of the inner word of Praxisweltanschauung. It is useful to recall here Lonergan's discussions of the necessity of inner words De Deo Trino, Pars Systematica, 1964, 105, 290. "Tertia autem verborum necessitas est ut scientias excolere possimus. Nisi enim verba universalia formarentur, totum mundum aspectabilem nunquam scire possemus, sed ad particularia experta vel imaginata religaremur. Item, nisi verba exacte definita formarentur, fluxu quoddam imaginum ad modum mentalitatis mythicae ferremur, cum nunquam clare et distincte constaret de quanam re ageretur" (105).
87. One may note that the two difficulties are not unrelated. See Lonergan, Insight, chapter 8, for the contrast between "body", which grounds confusion and blocks thought and "thing", which is the basis of a clear heuristic conception of change, genera and species, aggregates of events and the emergent probability of things.
88. Leon Walras, Elements of Pure Economics, translated by W. Jaffe, Richard Irwin, Inc., Illinois, 1954. Originally

published in 1874. "Samuelson feels that Walras and Augustin Cournot carried the development of mathematics in economics to a highly sophisticated level by the turn of the twentieth century. At that point, he claims the study was interrupted by the "verbal" tradition of the English economists at Cambridge" (Breit and Ransom, The Academic Scribblers, 114, n).

89. J. Schumpeter, History of Economic Analysis, 964; italics his.
90. Ibid., 1160.
91. Ibid., 1161.
92. J. Robinson, Economic Heresies, XV. The inner quotation is from J. M. Keynes, The General Theory of Employment, Interest and Money, Macmillan, London, 1936, 378-79. Robinson seeks to rescue Keynes from the Keynesians, and even from himself. She also draws on the Polish thinker, M. Kalecki, who independently arrived at a more coherent position than Keynes. We will refer to Kalecki later. Schumpeter is, to say the least, not over-enthusiastic about Keynes' achievement. I refer here to his essay on Keynes in Ten Great Economists, 260-91. He even remarks that "Professor Myrdal's gentle sneer at 'that Anglo-Saxon kind of unnecessary originality' is amply justified" (ibid., 277).
93. Schumpeter, Ten Great Economists, 282.
94. I pass over this topic entirely here. There is a brief presentation of the theory as "The Hicks-Hansen Synthesis" in Breit and Ransom, The Academic Scribblers, 107-10. It originated with Hicks' "Mr. Keynes and the 'Classics': A Suggested Interpretation", Econometrica 5 (1937), 147-59. It is standard text book stuff. It is bad statics. J. Robinson gives it due treatment, Economic Heresies, 82-85. In contrast with Hicks' simple relating of increasing interest rate to decreasing investment, there is the refreshingly realistic efforts of M. Kalecki, e.g., "Entrepreneurial Capital and Investment", "Determinants of Investment", both essays reprinted in his Selected Essays on the Dynamics of the Capitalist Economy 1933-1970, Cambridge University Press, 1971.
95. Breit and Ransom, The Academic Scribblers, 89.
96. Breit and Ransom, op. cit., tell the story at some length.
97. J. Robinson, Economic Heresies, 87.
98. The whirlpool contains the aggregate of six-levelled vortices of human aspiration and human desperation.

99. A. Lowe, On Economic Knowledge. Towards a Science of Political Economics, Harper and Row, New York, 1965, discusses the problems of microautonomy and control. I have commented on his work in Wealth of Self and Wealth of Nations, chapter 10.
100. B. Lonergan, in a talk on art, during a workshop on the philosophy of education, 1959.
101. B. Lonergan, Method in Theology, 55, the last two paragraphs.
102. B. Lonergan, "Theology in its New Context", A Second Collection, 67.
103. B. Lonergan, Insight, 741-2.
104. I have treated the topic memory, re-membering, "boning up", in The Shaping of the Foundations, 107ff. Again, foundational shifts are normatively integral. One may recall, with symbolic value, Marcel's words: "the thinker is continually on guard against the alienation (through inertia), the fossilization of his thought. He lives in a continual state of creativity and the whole of his thought is always called in question from one minute to the next". Being and Having, Fontana, 1965, 181.
105. The point was made by Lonergan in correspondence with me in the summer of 1966. He had been reading Metz' political theology at the time. It was then that he indicated the existence of his Circulation Analysis to me and was seeking an economist who would be interested in working on it.
106. F. E. Crowe, "Doctrines and Historicity in the Context of Lonergan's Method", Theological Studies, 38, 1977, 123.
107. B. Lonergan, Method in Theology, 286-8. A careful reading brings out the sublation.
108. Ibid., 298.
109. Ibid., 132-33.
110. Ibid., 142.
111. Ibid., 304. Recall the quotation on p.4, above, at note 19.
112. Ibid., 319.
113. Ibid., 353.
114. Ibid., 317
115. B. Lonergan, Insight, 504-06.
116. Ibid., 504.
117. Ibid., 506.

118. Ibid., 505.
119. The quotation is a comment of Lonergan's, from the 37 page set of 1976 notes already mentioned (note 83, above). The comment is on an article by R. R. Nelson and S. G. Winter, "Neoclassical vs. Evolutionary Theories of Economic Growth: Critique and Prospectus", Economic Journal, 84, 1974, 886-905.
120. See note 111 above, and recall note 42. The strategy I indicated in note 37 is useful here. Recall, for example, that the dog is studied by genetic method. An adequate account of the set of organic tracts within the dog's life requires that method and its context of emergent probability. An account handling a "slice" of the dog's life falls far short of this. Think, now, of the larger problem that is associated with the set of dogmatic tracts.
121. In The Shaping of the Foundations, 116-17, I discussed the problem of communication within theology in terms of an 8x8 symmetrical matrix. Unfortunately, contemporary theology, unlike most other modern areas of inquiry, does not have that problem in any acute fashion.
122. The doctrine is associated with the Englishman John A. Hobson, with Rosa Luxemburg, with Lenin. It relates to the channeling of surplus wealth abroad, to an economics of armament and war, and to a theory of the instability of capitalism. See M. Kalecki, "The Problem of Effective Demand with Tugan-Baranovski and Rosa Luxemburg", Selected Essays on the Dynamics of the Capitalist Economy, 1933-1970, 146-55. The problem is popularly discussed in R. Heilbroner, "The Victorian World and the Underworld of Economics", The Worldly Philosophers, 164-204.
123. See Nicholas Kaldor, "The Irrelevance of Equilibrium Economics", Economic Journal 82, 1972, 1237-1255: "The difficulty with a new start is to pinpoint the critical area where economic theory went astray ... I would put it in the middle of the fourth chapter of Vol. I of The Wealth of Nations ... in (that) chapter, after discussing the need for money in a social economy, Smith suddenly gets fascinated by the distinction between money price, real price, and exchange value and from then on, hey presto, his interest gets bogged down in the question of how values and prices for products and factors are determined. One can trace a more or less continuous development of price theory from the subsequent chapters of Smith through Ricardo, Walras, Marshall, right up to Debreu and the most sophisticated present-day Americans" (1240-41). Again, I am indebted here to

Lonerger's 1976 notes for this reference. Lonergan's analysis shows no hesitation about the significance of prices: "prices cannot be regarded as ultimate norms guiding strategic economic decisions ... the function of prices is merely to provide a mechanism for overcoming the divergence of strategically indifferent decisions..." (Circulation Analysis, 1). Also, internal to Lonergan's analysis is a theory of distribution.

124. The popular discontent with the quality of life is regularly sublated by economists, without much theoretical underpinning, and with little suspicion of the large educational problem of a microautonomic shift in values. Again, it is essential to locate the scientific and technological advances within the optimism of an emergent probability which recognises the different sets of statistics relating to the maturation of the lower, middle and higher sciences and technologies in the next 1,000 years.
125. A context here is E. Voegelin, The Ecumenic Age, Louisiana State University Press, 1974. Were the unifications of Italy, of Germany, of S.A. and of S.S.R. progress or decline?
126. There is much that is suggestive in Lonergan's unpublished typescripts and handwritten notes. In a file, dating probably from the early forties, of economic notes and clippings, there is a brief scribble: "Either minimum taxes, free capitalist (machine?), violent cycles from above corrected by elimination or social welfare programmes, high taxes, breakdown of capitalist motivation, socialism, or middle way - group economics".
127. On the unhappy history of the Sherman Act and its reforms, see William Letwin, Law and Economic Policy in America. The Evolution of the Sherman Antitrust Act, Random House, New York, 1965. What can be noted throughout is "the relative lack of economic criteria in the formulation of ... legislation", (W. L. Baldwin, Antitrust and the Changing Corporation, Duke University Press, North Carolina, 1961, 282). The United Kingdom started late (1948: Monopolies and Restrictive Trade Practices Act) but "have fallen into almost all the same pitfalls as their American counterparts", (P. J. Curwen and A. H. Fowler, Economic Policy, Macmillan Press, 1976, Introduction). There is required here an integration of Lonergan's analysis with contemporary discussions of degrees of monopoly, both corporation and labour.
128. "... the depression has notably augmented the numbers of the unemployed, and so the brilliant expedient of a steep income tax on the rich to provide a dole for the poor will effect the required ... (adjustment); the upper leisure class of rentiers is recruited from a lower class of unemployed. Obviously an economy that has

worked itself into this impasse is not to be regarded as a model of enlightened legislation ...", Circulation Analysis, 125-6.

129. I think here of an extension from house to city to environment to globe of G. Bachelard, The Poetics of Space, Beacon Press, Boston, 1969.
130. Recall R. Poole on ethical space, Towards Deep Subjectivity, Harper Torchbook, 1972.
131. There is a large but somewhat stagnant literature on the relation of technology to human living. (For a survey see Bernard Gendron, Technology and the Human Condition, St. Martin's Press, New York, 1977). What is needed, however, is a reorientation of technological innovation within generalised empirical method. See note 124 above. E. F. Schumacher, Small is Beautiful: Economics as if People Mattered, Harper and Row, New York, 1975, is suggestive.
132. Henry C. Simons, Economic Policy for a Free Society, University of Chicago Press, 1948, 157.
133. B. Lonergan, Method in Theology, 320.
134. B. Lonergan, Insight, xxviii.
135. Method in Theology is method. But Method in Theology recurs in dialectic, and there it is to be faced incarnately.
136. See Lonergan, Method in Theology, 317.
137. B. Lonergan, "Dimensions of Meaning", Collection, 266-7.