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Rev. Bernard Lonergan, S.J. St. Mary's Hall Boston College Chestnut Hill, Mass. 02167 U.S.A.

Dear Bernie:

Many thanks for your August letter re
Trinity and Economics. You mentioned an "enclosed"
when speaking of the participationes but there wasn't
one: however, we'll see about that in the new year.
I have been slow to get down to your references in
economics because of the chores of beginning the year
with four departments to watch over. However, I am
moving into the swing of the economics now, so I should
be a little more enlightened by next year. I hope to
spend a couple of days over Christmas in Toronto on
your old notes of the early forties. Then in late
February I'd like to spend a week in Boston with the
chance of talking with you. Also I want to get together
with Matt to see how he's doing.

Re your references in economics: Koopman's article, Quarterly J of Econ 78 (1904) 355-394 turns out to be our old friend Von Neumann: not, I think, very central to your project. Robinson's Economic Heresies (Basic books, Harper, 1973: I presume you have it?) has a neat few pages on him, as well as a brief indication of the use of turnpike stuff. I enclose the table of contents of J. Hicks, Capital and Growth, O.U.P. 1965, 692 PB, which locates Von N. Again, Hicks is not among the elect.

The volume of <u>Journal Econ Lit</u> with Shubik's article was missing out of Dalhousie library but I got Morgenstern's "Thirteen Critical Points" <u>JEL</u> 10 (1972) which is in the right direction. I like his reference to Cantillon (a half Irishman of course!) and his "paths of infusion": "There seems to have been no systematic development of economic dynamics along these lines, though after 240 years it would seem that one had waited long enough" (p. 1185). The thing about Morgenstern,

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and about games theory, is that they bring out the "third stage meaning" of the field of economics. The entire economy can be conceived of as a n-person non-zero sum game (cf. Von Neumann and Morgenstern, Theory of Games and Economic Behaviour, Princeton U.P. 1947, p. 47), which is reducible to a zero-sum n+1 - person game, and one is moving to something like the ideal Lowe microautonomy when one asks with Von N and M (same "What information is available to each person at every stage of the game? What is the role of a player being informed about the other player's strategy? the entire theory of the game?" But this is all evident to you: perhaps at the time that you wrote about "effectively augmenting the enlightenment of the enlightened selfinterest that guides exchanges " (Circ. Anal., p. 1) you had not envisaged the massive educational and cultural shift involved?

I enclose another article by Morgenstern, "Qui Numerare Incipit Errore Incipit" (the reference is incomplete: I got the article from Fiona's handouts in Macroeconomics: I can complete it for you later if need be): not profound, but with some telling points.

Do you know the journal History of Political Economy? Started in Duke University in 1969. (They had picked the title before they noticed the HOPE! It's worth looking up, not because of vast advance, but because it is a piece of the "emergent probability" of ideas-schemes. You might find Vol. 7 No. 4 (1975) interesting (table of contents enclosed): Blaug on Kuhn and Lakatos, Rosenberg on innovation, Mullins on "elites." The latter "who taught who? etc." I find important as I contemplate the history of North American economic texts, of which I am currently studying two: Fiona's second year micro- and macro-! Incredible stuff! I go back to Kalechi and Robinson and Lonergan for refreshment. Also I am beginning to get to grips with the "book-keeping" business in Robinson that you talked about.

The other offprints from HOPE I enclose, not because of brilliant content, but because they are aspects of one small group's struggle. Also I suspect "Dialectics and Economic Thought" would be sublated in your own Economics and the Religious Dialectic? Will you handle historic schemes of recurrence (parallel to Schumpeter's

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Business Cycles), history of economic ideas (parallel to Schumpeter's History), as well as the "gap" (e.g. Butterfield on Ren/Ref as incidents compared to emergence of science, or your own poolside quip of the late sixties, if I rightly recall, that the only science in the church for centuries has been law), the failure of theology to reflect on the heavily economic components of the cultural nation?

A final distraction: the use of the notion of Second Enlightenment, which you asked Fred Lawrence about once, I find in Peter Gay's two volume work, The Enlightenment: An Interpretation (New York, 1967). He writes of The First Enlightenment (Greek-Roman) in Vol. 1, Cp. 2.

Did you get yourself earphones, or the room soundproofed? Otherwise I can't see how I can safely send you Mahler - or even Beethoven, much less Chopin:

I hope this rambling letter finds you in good spirits. Call me (collect) any time if I can do anything. If HOPE is not available, I can order some copies for you.

Every good wish from Fiona and myself.

Sincerely yours,

Phi McShane

Encls.