

Response to Paul St. Amour
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Let me begin with a confession. I have had for some time now a suspicion about Lonergan that I seldom voice because I fear it is a suspicion born out of ignorance. I have not done the work on Lonergan to confirm or deny this suspicion, and on the few occasions I have voiced this suspicion, those who have done that work assure me it is wrongheaded. I trust they are correct, but I will nonetheless voice my suspicion in this context, willing to be corrected. I voice it because Lonergan's approach to economics raised the suspicion for me once again. Here is my suspicion: Lonergan is modern, or to be more precise – Lonergan is insufficiently suspicious of certain modern structures of thought.

Now let me explain what I do and do not mean by that. I do not mean to invoke the modernist controversies within Roman Catholicism in the twentieth century. Unlike Karl Barth, who said he could under certain circumstances sign the modernist oath, I do not think I could. The overcoming of the singularity of neoscholasticism that Vatican II brought about is, for me, a great advance, one for which I remain grateful.

My suspicion has to do with a different understanding of the “modern.” By “modern” I mean a constellation of cultural and philosophical forces that contribute to dominant, albeit not exclusive, social and political forms as that which renders our everyday life intelligible, especially capitalism and liberal democracy. I use the term “forces,” which is admittedly a vague descriptor. But what I hope to identify are not only principles, concepts or ideas. They are that and more – they are also material practices that tend toward authorizing, perpetuating and sustaining specific social and political forms.

The cultural and philosophical forces I have in mind are these:

First, the fact/value distinction, especially as it gives rise to a strong distinction between reason and faith, science and theology – with philosophy standing on the side of science.

Second, “innovation” and technological progress as the guiding forces for human flourishing.

Third, the disenchantment of everyday life.

I will explain each in turn and point to where I find Lonergan possibly underwriting such forces.

1. The fact/value distinction:

I have in mind here less Hume's famous “no ought from is,” and more Weber's effort to bring “values” back into social and political life, which he thought had been too thoroughly defined by “facts.” The crucial material practice Weber identified was train travel. After the invention of the steam engine and laying down tracks a new form of “progress” was possible. It was a factual, scientific world that no longer depended upon previous forms of travel, a journey, pilgrimage or itinerary (to make reference to Decerteau). The train and its tracks were mathematical marvels, but Weber feared all of life was being construed in terms of such facts and sought to incorporate “values” into social analyses, once the “facts” were set forth. [Strikes me as analogous to the two-story thinking of some versions of neoscholasticism, with its two-fold end, natural and supernatural.] This fact/value distinction has a tremendous hold on the discipline of economics. So for instance, Edwin Mansfield's *Macroeconomics* textbooks begins with a distinction

between positive and normative economics. The first is what economists do in dealing with the facts; the latter is what moralists and theologians can do with economics once the facts are presented. They are invited to the conversation, but only at the level of the second floor after the foundation has been laid.

When I read Lonergan's *For a New Political Economy*, I was confused as to Lonergan's understanding of this basic distinction. He sharply criticizes modern economics, finding it focusing on the "data revealed by experience, observation, experiment, measurement" and not attending adequately to the "constructive activity of mind" – to "scientific generalization." His own "new political economy" seeks to set forth that "scientific generalization." He clearly is trying to do for economics what Keynes attempted with his "General Theory" (9-10). It is an ambitious project that takes as its "object of investigation" the "general rhythm" of natural human activity. He states, "we are to study the pulsating flow of human activity except insofar as it is purely cultural" (12). What does it mean, however, to study "human activity" as something other than that which is "purely cultural"? Is he laying bare the facts of economic processes separate from human culture? He goes so far as to suggest he will "prescind from human psychology" and "define the objective situation." He then identifies a "general theorem of continuity:" "the economic system is a pattern of aggregate dynamic relationships arranged in different kinds of velocity and accelerator rhythms. In the real order there are the primary and the secondary rhythms [which I take to be roughly equivalent to the two circuits identified by Professor St. Amour], with the former accelerated by the latter. In the monetary order there are the rhythms of excess release from the redistributive order to the primary and secondary rhythms; and again the former accelerate the latter" (74). [He diagrams this on p. 64 similar to the diagram Professor St. Amour presented.] Then Lonergan stated, "Now the general theorem of continuity is that this complex machine has a nature that must be respected" (74). Is Lonergan telling us that he has identified the natural, objective dynamic economic activity, distinct from culture, by which economic exchanges must occur? Where would such a purely economic activity exist? Perhaps you might see why such claims raise my suspicions?

Professor St. Amour provided a description of Lonergan's economic method that seems consistent with the "general theorem of continuity" as a "complex machine" whose nature must be respected. He wrote, "Lonergan did not seek to impose any *extrinsic* conception of the good upon economics, at least not in the sense of seeking to inject political, cultural, or religious values into economics. He was critical of well-intentioned moralists who would attempt to graft onto economics moral imperatives that misconceived or disregarded the intelligibility of economic process. Yet in his explication of the *intrinsic* finality of economic process *per se* Lonergan did nevertheless elucidate several senses in which economy could be said to have an end, goal, or purpose—and this is not without ethical significance." (1) From my limited knowledge of Lonergan's economics, I find this description compelling. It does, however, increase my suspicions. Does economics work within a discrete realm separate from "political, cultural or religious values"? Where does such a realm exist? Is there an "intrinsic finality" to economics that can be divided from political, and especially theological, ends?

2. Innovation and technological progress:

The second philosophical and cultural force that concerns me is Lonergan's affirmation of innovation and technological progress. Please do not misunderstand my concern. I am no

Luddite. Innovation and technological progress can be great goods, but surely they must be subjected to moral and theological critique, which is difficult to do because “innovation” and “technological progress” have become our fate. Gianni Vattimo defines modernity as the fatedness to play out indefinitely the “new” by sacrificing the “old.” What “characterizes” modernity is “the idea of history with its two corollary notions of progress and overcoming.”ⁱ Through overcoming the past, modernity always progresses toward the new. This is the “end of modernity,” and this “end” always requires a sacrificial economy – only when the past is sacrificed to be relevant to the present can the “new” arrive. But the “new” never arrives. Thus, this movement cannot come to an end; it can only be repeated. We find ourselves trapped in innovation and technological progress; they have become our “iron cage.” [So I’m quite comfortable with the 9 gears in the rear cluster of my bicycle, but they found a way to put 10 gears in that cluster with a narrower chain and now I must upgrade. Think of computer technology – you turn off your Macbook or Iphone and it updates automatically whether you will it or not.] Again, I find Professor St. Amour’s exegesis descriptively accurate when he presents how capital functions in Lonergan’s economics: “To generalize then, surplus production and capital formation in an economy occur not because of any intrinsic desirability of capital *per se*, but because it serves to “expedite and accelerate the process of supplying the goods and services that are wanted by consumers.”¹ But I want to raise some questions about the innovation and technological progress involved in the acceleration of the process. “What is desired as a particular good is meat. Spears and nets are sought not for their own sake, but as part of an economic good of order, because their use can increase the flow of meat over time.”

“While technologically it might be said that we have come a long way, from the fishing net to the internet, the fundamental principle of innovation and development remains the same.” (18)
Example of Lakefront brewery:

“returning to Lakefront Brewery, for example: stainless steel fermentation tanks, sheet metal welders used make these tanks, machine tools used to make the welders, CAD software used to design machine tools).²” Huge difference in “innovation and development” in moving from a spear to a net for the purpose of purchasing and distribution meat or fish to what is done today in the meatpacking industry with its efficiency. Lakefront Brewery versus Conagra?

Borgmann?

“Most importantly, the people implementing these innovations needed to be understood, believed, and supported in their efforts.³” “Phil McShane has suggested this to be the original meaning of the term “credit.”

Contrast with Goodchild

Here I want to raise a question of Lonergan exegesis. Professor St. Amour seems to have more of a role for the entrepreneur in Lonergan’s economics than is found in *For a New Political Economy*. Lonergan states that profit doesn’t result from “brilliant enterprise,” it is part of the capitalist phase.

¹ Lonergan, *Insight*, 233.

² Notice that as surplus goods are needed to produce other surplus goods, there can be levels of surplus production. The welder is needed to make the fermentation tank, machine tools are needed to make the welder, and software is needed to make the machine tools.

³ Phil McShane has suggested this to be the original meaning of the term “credit.”

Does this give sufficient criticism say of “Fordism” or “Taylorism” both of which would be examples, I think, of surplus goods – now applied to fast food industry.

3. Disenchantment

I would like to conclude by returning to Professor St. Amour’s first question. “For Lonergan, what is the end, goal, or purpose of economic activity? What is the economic good of order good *for*?” (1) This question is crucial; it is where I become suspicious about my suspicions. Unless we answer with the now discredited “profit maximization,” the teleological question put to economics undoes the fact/value split. Economics serves the interests of people. It cannot be understood as a machine with objective laws that work irrespective of people. To trade on a NRA slogan, money doesn’t make money; people do. Perhaps at their best, some of the ancient teachings of the church – the prohibition of usury, the tithe, the universal destination of all our goods, the just price – attempted, however feebly, to witness to the fact that economics should serve people and not vice versa. As the economist John Maynard Keynes stated, “economics is essentially a moral and not a natural science” (Skidelsky, *John Maynard Keynes*, 619). Theology and economics do not address different objects of study. They address the same object differently – the object being human action. For that reason, theological ends can never be viewed as “extrinsic” to economic practices, and to so construe them is to give credit to the false reality of disenchantment. Weber quote. It is a “false reality” because it ignores the fact that economics was born out of natural theology by a moral philosopher. Perhaps what appears to be natural is nothing but what we have made of the world, and it can be, like all human sciences, other?

So are my suspicions warranted? What difference do the concrete particulars of Christian theology make for Lonergan’s economics? Perhaps he is trying to convince economists that he can speak their language without interjecting religious piety into its factual analysis? If so, why would a theologian assume that the world can be described without reference to the first economy, the divine one? To begin with the divine economy does not mean theologians do not have much to learn from economists. Of course they do. But it does suggest that theology should not surrender a realm of activity, which can be described apart from the divine economy.

ⁱ Gianni Vattimo, *End of Modernity* (Baltimore, John Hopkins University Press, 1988) p. 4.