

The
**Journal of
Macrodynamic
Analysis**

ISSN 1499 1586

VOLUME 1, NO. 1

SUMMER 2001

Introduction: The Journal of Macrodynamic Analysis <i>Michael Shute</i>	3
Foreign Trade in the Light of Circulation Analysis <i>Bruce Anderson</i>	9
System and History in Lonergan's Early Historical and Economic Manuscripts <i>Patrick Brown</i>	32
Underminded Macrodynamic Reading <i>Philip McShane</i>	77
Guidelines for Submission	101

The Journal of Macrodynamic Analysis is a publication of the
Department of Religious Studies, Memorial University of
Newfoundland, St. John's, Newfoundland, Canada, A1C 5S7.

<http://www.mun.ca/jmda>

General Editor:

Michael Shute
mshute@mun.ca

Managing Editor

Ian Brodie
f95ibb@mun.ca

All materials Copyright 2001

The Journal of Macrodynamic Analysis
ISSN 1499 1586

Department of Religious Studies
Memorial University of Newfoundland
St. John's NF, A1C 5S7 Canada

jmda@mun.ca

<http://www.mun.ca/jmda>



INTRODUCTION: *THE JOURNAL OF MACRODYNAMIC ANALYSIS*

MICHAEL SHUTE

The idea for this journal developed out of discussions among participants at a series of Lonergan Conferences held in Nova Scotia, Canada in 1997, 1999 and 2000. The first conference, coinciding with the publication of Lonergan's *For a New Political Economy*, introduced Lonergan's macroeconomic dynamics in a series of workshop sessions presented by Philip McShane. The second conference expanded the context of the first meeting, exploring the relevance of macroeconomic dynamics to core issues of social justice. Some things became clear: first, that macroeconomic dynamics challenged the root assumptions of present day economic analysis; second, that the probability at this time for gaining a sympathetic hearing for macroeconomic dynamics in mainstream economic journals was slim; and third, that issues of economic justice involved us in a series of questions about the practical implementation of the theoretic discoveries that went beyond economics properly speaking. We recognised that a fruitful forum for discussion of macroeconomic dynamics needs to explicitly incorporate developments in the notion of science in the light of generalized empirical method and functional specialization. The theme of the third conference, "Creating Categorical Characters," brought home to participants the long-term personal and collective challenge of displacing prevailing methods and approaches in the academy. We acknowledged that the inclusion of methodological questions opened up the possibility of a journal addressing issues that pertained to the implications of macrodynamic analysis not only for economics

but for other fields. We decided to go forward with a journal whose explicit aim was to discuss macrodynamic analysis in its full range of application.

What then, do we mean by macrodynamic analysis? The initial idea for the name derives from the title chosen for volume 15 of the *Collected Works of Bernard Lonergan*. In the editor's preface of that volume, Charles Hefling relates the reasons for calling the volume *Macroeconomic Dynamics* rather than Lonergan's working title of "An Essay in Circulation Analysis." Hefling noted that Lonergan had in a letter referred to the volume as a "Primer in Macroeconomic Dynamics." The name 'macroeconomic dynamics' rightfully highlights the crucial shift of Lonergan's economic analysis from static to dynamics.¹ Initially, when we envisaged a journal devoted exclusively to economic issues, we had in mind the name *The Journal of Macroeconomic Dynamics*. With the decision to broaden the context for the journal, the notion of 'macrodynamic analysis' emerged as a neat way to capture the set of issues that we wish to address. 'Macrodynamics' pertains to the long-term and large-scale dynamics of human process, the elements of which are relevant to any specific inquiry. 'Analysis' is theoretic understanding which explicitly takes into account the intermeshing of the operations of the subject with the object of investigation. 'Macrodynamic analysis' then would explore the 'upper blade' or macro-context governing 'lower blade' or micro-inquiry in any field. While our debt to Lonergan's genius is clear, we have avoided including Lonergan's name in the journal title. The simplest explanation for doing this is that Lonergan, like Galileo before him, developed a method. We do not call scientific method 'Galilean method,' so it made sense to continue that tradition.

There is a sense in which we could have called macrodynamic analysis 'post-modern' metaphysics. Classical metaphysics in its best expression provided a framework for

¹ Charles Hefling, "Editor's Preface," in Bernard Lonergan, *Macroeconomic Dynamics: An Essay in Circulation Analysis*, Frederick G. Lawrence, Patrick H. Byrne, and Hefling, eds. *Collected Works of Bernard Lonergan* 15 (Toronto: University of Toronto Press, 1999), xxiii.

directing and integrating the science of its day. However, classical metaphysics was static in conception, preferring to bracket the historical and dynamic feature of world process in order to preserve its conceptual unity. In its dominant decadent forms it was purely deductivist in method, bracketing not only the dynamics of world process but also the dynamics of human intelligence, whether theoretical or practical. Classical metaphysics failed to keep pace with the emergence of the empirical sciences and historical-mindedness. As criticism of the deductivist metaphysics developed, there came with it a widespread rejection of metaphysics itself. The issues of how to unify and implement theoretic discoveries, however, has not gone away by being denied, so the questions that metaphysics asks are not irrelevant. But there is needed the basic shift in context and mood represented by what we are calling macrodynamic analysis. The word 'post-modern' carries with it a connotation deeply meshed with the contemporary academic disorientation which we wish to avoid.

Certainly we aspire to being 'past-modern.' We envisage the emergence of macroeconomic dynamics as analogous to the shift in chemistry achieved with the discovery of the periodic table. Its discovery by Lonergan was based upon his development of a notion of science that is non-reductionist and incorporates fully the dynamic nature of world process. This was made possible by Lonergan's re-discovery of a prior achievement of Aristotle and Aquinas. In *Verbum* and *Insight* Lonergan, taking advantage of the modern developments in empirical science, historical scholarship, and in the understanding of human interiority, makes explicit in terms of the structure of human intentionality an understanding of the dynamics of cognitional process implicit in the metaphysical analysis of both thinkers. The method developing from this Lonergan named generalized empirical method. We would emphasise that a personal shift to generalized empirical method is crucial for the shift to macrodynamic analysis in any field of human inquiry, for "Generalized empirical method operates on a combination of both the data of sense and the data of consciousness: it does not treat of objects without taking into account the corresponding operations of the subject; it does not

treat of the subject's operations without taking into account the corresponding objects."²

We find the first core expression of macrodynamic analysis in Lonergan's two creative achievements: macroeconomic dynamics and functional specialization. Together they intelligently anticipate the broad lines for an effective collaboration in the healing of the fragmentation that characterises contemporary living on this globe. While macroeconomic analysis shows us how to proceed scientifically within a particular zone of inquiry, functional specialization or *hodings*, rooted in generalized empirical method, efficiently orders, by means of an eightfold division of labour, the dynamics of collaboration among the various sciences and among the distinct specialities within particular sciences. Lonergan differentiates eight specialities: Research, Interpretation, History, Dialectic, Foundations, Policy or Doctrines, Planning or Systematics, and Communications, which operationally differentiate the process from data to results that happens in any field of inquiry. It enables an efficient collaborative movement towards the responsible making of the human history that is integrated with world process. To re-turn a phrase, macro analysis is global-thinking about local acting.

What sort of writing do we imagine in these pages? Perhaps the unity and diversity of issues addressed in this issue will give you some idea. Bruce Anderson's article, "Foreign Trade in the Light of Circulation Analysis," plants our flag in the zone of economics. The article is the fruit of Anderson's work as a research fellow at the Woodstock Theological Center's Global Economics Project. Anderson introduces Lonergan's approach to foreign trade issues by contrasting it to the approach of the textbook tradition current in economics. Patrick Brown's article, "System and History," is an effort in interpretation. Brown develops a context for understanding Lonergan's first efforts to integrate systematics in the philosophy of history essays written in the 1930s. Finally, Philip McShane's article, "Underminded Macrodynamic

² Bernard Lonergan, "Religious Knowledge," *A Third Collection*, ed. Frederick E. Crowe (New York: Paulist Press, 1985), 129-45, at 141.

Reading,” marks a beacon to the kind of work we would move towards. His exercise in macrodynamic reading points some distance beyond what is expected or desired in most current journals and is a challenge to future contributors to take seriously the shift to theory required if we are to reverse the malaise of current *haute culture*.

We have begun this journal with work from the West Dublin Conference participants. As such this was a matter of ‘convenience’ for the editor. Certainly so in the modern sense of the word. I wanted to get this journal up and running, and what would be more convenient than to ask a favour of those who were part of the initial discussions leading to this venture? But I use that word also with a nod to the medieval origins of the word in *convenientia*, meaning fitting or appropriate. Certainly without each of their personal contributions and support this journal would not be a going concern. The editor owes them a large debt of gratitude. But also fitting because all the authors have made the commitment, however halting, to shift towards a new vision of intellectual praxis.

This brings me necessarily to a couple of points that had been much debated in our discussion about the form of this journal. We have chosen to start a web journal, in order to take advantage of the features made possible by this format. The web allows us to incorporate the comments of readers. To this end we have included a response feature which allows for the readers to follow up and discuss issues raised by the articles.³ This means that we understand these articles as working papers. Nonetheless this does not abrogate the need for peer review of articles. Each of these articles has been reviewed by two external readers before being accepted. Suggestions were made and revisions submitted. Our intent overall is to be helpful and supportive. We think this is important and will continue the practice from here on in.

Our hope for this journal is that it is a first step towards an academic revolution, a quixotic long shot, that shifts the way

³ We are developing the response form for Adobe Acrobat, which should be available for our next issue. Until then, please send comments to the managing editor at jmda@mun.ca or to the author directly at the e-mail address given at the end of each article.

we do business both in the economy and in the academy. That shift won't be realised in a hurry: we must work against the ideologies that have contributed to the dead zone of current academic life and against our own training and defective orientations that will inevitably creep into what we do. To give some indication of the difficulty involved, Lonergan first introduced his idea of functional specialization over thirty years ago. As yet the notion has not noticeably altered the approach to journal writing even in journals sympathetic to Lonergan's work.

Relevant are both the probabilities of emergence and the probabilities of survival of a new idea. The idea has emerged, but it is not a sure thing yet that it will survive. Perhaps we haven't yet figured out how to effectively implement the required division of labour? Nevertheless, we must muster courage to start somewhere. To bring to mind a twisted proverb that was repeated often at the West Dublin Conferences: "Any task worth doing is worth doing badly!" So we will start badly and take our knocks. For the time being we welcome and encourage any contribution that fits into the horizon of our broad, imprecise sketch of macrodynamic analysis. If things go well we will be supplanted by something better. If things go really well, the kind of eclectic mix of material we will bring forth here will be replaced by a thousand new journals precisely conceived along the lines of the species and genera of meaning differentiated by hodic method.

Michael Shute teaches Religious Studies at Memorial University of Newfoundland. He is the author of *The Origins of Lonergan's Notion of the Dialectic of History* and is currently working on *The Road to Lonergan's Economics* for the University of Toronto Press's Lonergan Studies Series. He can be reached at mshute@mun.ca.

Comments on this article can be sent to
jmda@mun.ca.

FOREIGN TRADE IN THE LIGHT OF CIRCULATION ANALYSIS

BRUCE ANDERSON

Introduction

In recent years the debate over free trade has heated up and has taken the form of violence in Seattle, Washington D.C., Quebec, and Genoa. Groups either embrace free trade or condemn it. In fact, it seems impossible to reconcile the arguments put forward by the supporters and the protestors. In this paper I want to investigate the problem by using Bernard Lonergan's work on economics. I begin by presenting the predominant view of economists, namely that trade benefits everyone. Next I turn to evidence that supports the claim that trade in the real world is not necessarily beneficial. Then I summarise Lonergan's analysis of the relation between the production of goods and services and the circulation of money in an economy in order to make the point that, if we want to make judgments about the merits or demerits of trade, we must first understand how economies actually work.

In the light of recent discussions about what counts and does not count as work pertaining to the functional speciality Dialectics, it is worth noting that my analysis does not belong to any of the functional specialities outlined by Lonergan in *Method in Theology*.¹ Even though I address opposed points of view, I am not engaged in Dialectics, and even though I present a version of Lonergan's economic analysis, I am not engaged in Interpretation. Rather, I am simply trying to communicate an aspect of economics to readers who have little

¹ (London: Darton, Longman and Todd, 1972; latest reprint, Toronto: University of Toronto Press, 1996).

knowledge of economics and who are not themselves engaged in a particular functional speciality.

1. The View of Establishment Economics

Most economists believe that “trade can make everyone better off.”² Their view is that “trade allows all countries to achieve greater prosperity.”³ Gregory Mankiw, for example, presents the rationale for international trade in terms of opportunity cost and the principle of comparative advantage. He claims that differences in opportunity cost and comparative advantage create the gains from trade. When each person specialises in producing the good for which he or she has a comparative advantage, total production in the economy rises, and this increase in the size of the economic pie can be used to make everyone better off. In other words, as long as two people have different opportunity costs, each can benefit from trade by obtaining a good at a price lower than his or her opportunity cost of that good.⁴ “These benefits arise because each person concentrates on the activity for which he or she has the lower opportunity cost.”⁵ “Trade can benefit everyone in society because it allows people to specialise in activities in which they have a comparative advantage.”⁶ According to Mankiw:

[The] effects of free trade can be determined by comparing the domestic price without trade to the world price. A low domestic price indicates that the country has a comparative advantage in producing the good and that the country will become an exporter. A high domestic price indicates that the rest of the world has a comparative advantage in producing the good and that the country will become an importer.⁷

When a country allows trade and becomes an *exporter* of a good, domestic producers of the good

² Gregory Mankiw, *Principles of Economics* (New York: Dryden Press, 1998), 359.

³ *Ibid.*, 55.

⁴ *Ibid.*, 52.

⁵ *Ibid.*, 53.

⁶ *Ibid.*, 53.

⁷ *Ibid.*, 192.

are better off [because domestic prices rise to equal the world price], and domestic consumers of the good are worse off [because they must pay a higher price]. Trade raises the economic well being of the nation, for the gains of the winners exceed the losses of the losers.⁸ [The sum of consumer and producer surplus is greater.]

When a country allows trade and becomes an *importer* of a good, domestic consumers of the good are better off [because the price is lower], and domestic producers of the good are worse off [because they sell their goods at a lower price.] Trade raises the economic well-being of a nation, for the gains of the winners exceed the losses of the losers.⁹

Trade in the Real World

After the debt crises in the 1980s orthodox views of trade such as Mankiw's were used to justify "the argument that the rapid liberalisation of trade, finance and investment would allow developing countries to overcome resource and foreign-exchange constraints on accumulation and growth."¹⁰ The claim was that "Trade liberalization would ensure the best allocation of resources according to comparative advantage, securing the export revenues needed to import key ingredients of faster growth. Financial liberalization would attract foreign capital seeking high returns in these capital-scarce countries, allowing developing countries to invest more than they save without running into a payments constraint." Further, "a more liberal trading environment would open markets in industrial countries to exports from developing countries."¹¹

However, according to the analysis of the UNCTAD Trade and Development Report 1999, "after more than a decade of liberal reforms in developing countries, their payments disorders, which had earlier ushered in a rethinking of policies,

⁸ *Ibid.*, 178.

⁹ *Ibid.*, 180 (bracketed material added).

¹⁰ United Nations Conference on Trade and Development (UNCTAD), *Trade and Development Report, 1999* (New York: UNCTAD, 1999), 73.

¹¹ *Ibid.*, v.

remain as acute as ever, and their economies depend even more on external financial resources for the achievement of growth rates sufficient to tackle the deep-rooted problems of poverty and under-development.” Growth in developing countries in the 1990s has recovered from 1980s levels. But it is below the average growth rate of 5.7% in the 1970s by 2% per annum. Further, the average deficit of developing countries (excluding China) in the 1990s is higher by 3% of GDP than they were in the 1970s.¹² In other words, “In recent years, developing countries have had greater current-account deficits as a proportion of their GDP than in the past, but without achieving faster growth rates.”¹³

These growing deficits have been due to the balance of trade. Export earnings have not kept pace with rapid import expansion.¹⁴ In almost one half of the developing countries the trend is increasing trade deficits plus falling or stagnant growth rates. Where trade balances have improved, growth and imports have slowed. For most countries that achieved faster growth their trade balances deteriorated due to inflows of private capital. The problem was that these inflows couldn’t always be sustained and there were currency crises, economic contractions, and massive import cuts. (China and Chile combined faster growth with improved trade performance.)¹⁵

Rapid trade liberalisation in developing countries has added to their trade deficits. Their imports increased sharply, but exports failed to keep pace. (The current account deficit in Latin America increased from \$65 billion to \$90 billion from 1997 to 1998. The trade deficit in Latin America in the 1990s averaged about 4%.¹⁶) In the first two years of trade liberalisation, imports grew faster than exports in all countries except Ghana, Morocco, and Tunisia where the real exchange rate depreciated. Trade liberalisation was associated with real appreciations, which added to import surges generated by tariff

¹² *Ibid.*, vi.

¹³ *Ibid.*, 76.

¹⁴ *Ibid.*, 76.

¹⁵ *Ibid.*, vi.

¹⁶ *Ibid.*, vii.

cuts particularly in Argentina, Kenya, Mexico, and Turkey.¹⁷

More statistics help round out the picture.

In the 1990s the average trade deficit of oil exporting developing countries was 3% higher than in the 1970s. The average growth rate fell by 2% per year.¹⁸

In the 1990s the trade deficit of non-oil producing developing countries is the same as the 1970 level. But the average growth rate is 2% lower than in the 1970s.¹⁹

Since the 1980s, policies and structural reforms to overcome the balance of payments constraint on growth have failed.²⁰

In Latin America, the average growth rate was 3% lower in the 1990s than in the 1970s. Trade deficits remained the same.²¹

In 51 of 84 developing countries the trade balance worsened from the 1980s to the 1990s and in ½ of the countries GDP stagnated or declined.²²

“Among the countries that have raised their growth rates in the 1990s, the majority have seen a deterioration in their trade balances, financed by large inflows of private capital; in some cases the deficits and capital inflows could not be sustained, eventually leading to payments crises, economic contraction, and sharp turnaround in trade balances.” Only a few countries have combined faster growth with improved trade performance.²³

External indebtedness of developing countries is increasing in relative and absolute terms. For example, in Latin America the ratio of debt to exports was 191% in 1997. The ratio in 1998 was 203% (and there was an increase in the ratio of interest payments to exports).

The evidence above does not support Mankiw’s view that trade makes everyone better off. What, then, is the strategy for economic growth? How can people in developing countries

¹⁷ *Ibid.*, 89-90.

¹⁸ *Ibid.*, 79.

¹⁹ *Ibid.*, 79.

²⁰ *Ibid.*, 79.

²¹ *Ibid.*, 80.

²² *Ibid.*, 81-84.

²³ *Ibid.*, 84-85.

improve their standard of living? The establishment view is that developing countries can export themselves out of poverty. Exports don't just earn foreign exchange for imports and investment. They also provide markets for goods that would not otherwise be produced or produced only to meet domestic consumer demand. Hence domestic savings can increase without a proportionate increase in domestic consumption.²⁴ However, the expansion of exports depends on foreign capital to finance it.

It is widely accepted that capital accumulation and economic growth in developing countries depend on foreign capital because:

1. If a developing country does not have enough savings, "external capital flows allow developing countries to invest more than they can save, thereby closing their savings gap."²⁵
2. If a developing country does not have enough foreign exchange to import intermediate and capital goods, capital inflows provide foreign exchange so that investment is not constrained, thereby closing the foreign exchange gap. Even if domestic savings are sufficient to finance all investment needs, imported intermediate and capital goods have to be imported and paid for.²⁶

The UNCTAD *Report on Trade and Development 1999* describes the link between exports and investment in the following way. "Since export expansion depends on investment, a sustainable growth process requires mutually reinforcing dynamic interactions between capital accumulation and exports, or an 'export-investment nexus.'"²⁷ The nexus is that, initially, the savings and foreign exchange gaps are large, but over time they narrow as exports and domestic savings grow faster than imports and investment. In this way, an economy can continue to grow rapidly despite a relative decline in real resource transfers from abroad. But if this nexus between exports and investment cannot be established, growth

²⁴ *Ibid.*, 75.

²⁵ *Ibid.*, 75.

²⁶ *Ibid.*, 75.

²⁷ *Ibid.*, 75.

will depend on external resources and will be restrained when such resources are in short supply.²⁸

As I see it, the writing about the investment-export nexus is vague. The nature of this link is not explained with any degree of precision. Why it is that increasing imports and decreasing exports will help developing countries grow is not explained. I want to use Bernard Lonergan's writings on economics to introduce an explanatory context in which to analyse economic problems that is more adequate than the current vague views informed by superficial economic models and analyses. In particular, my aim is to provide a fuller context in which to help you appreciate the links between trade and monetary circulations in an economy in order to help understand the nature of the links between trade and investment.

2. Lonergan's Circulation Analysis

Bernard Lonergan's explanation of how an economy works is quite different from the views of establishment economists. Philip McShane has referred to it *not* as a paradigm shift, but as the invention of economic science. In order to have any appreciation of how international trade affects an economy you first have to understand Lonergan's explanation of how an economy with no foreign trade and no government sector works. The problem is that an effort to communicate that perspective would comprise many pages. Hence all I can do in this paper is simply to state the key elements in his perspective and hope that you take the additional time necessary to understand his ideas.²⁹

What are the basic elements of an economy?

Establishment economists distinguish between capital goods and consumer goods. A capital good is a commodity that is used in the production of other goods and services. For example, a pencil bought for use in a drawing-office is a

²⁸ *Ibid.*, 76.

²⁹ I recommend Philip McShane's *Economics for Everyone* (Halifax: Axial Press, 1998). Of course, there are Lonergan's writings on the topic, Collected Works of Bernard Lonergan vols. 15 and 21.

capital good, but a pencil bought for a child is a consumer good. A consumer good is any good purchased by households for final consumption.

By contrast, Lonergan pushes this distinction. *He sharply distinguishes between surplus goods and services and basic goods and services.* For Lonergan, goods produced in order to produce other goods are surplus goods. Machine tools, transport trucks, cargo ships, tractors would be surplus goods. Goods that are not made in order to produce other goods to be sold are basic goods. For example, groceries, movie tickets, spy novels, clothes would be basic goods.

In fact, for Lonergan, the production and sale of surplus goods and services and the money that is used to make and buy them amounts to a distinct productive process with its own corresponding monetary circulation. Moreover, the production and sale of basic goods and services and the money that is used to make and buy them amounts to a distinct productive process with its own corresponding monetary circulation. In other words, there are two distinct types of exchanges: 1) surplus exchanges and 2) basic exchanges. Establishment economists do not make this sharp distinction.

The complicating aspect of the distinction is that the same goods and services can be classified as either surplus or basic. Their classification depends on how they are used. The purchase of a car solely for the work of a travelling salesperson would be a surplus expenditure, but the purchase of a car solely for going on picnics would be a basic expenditure. The purchase of a table saw by a carpenter would be a surplus expenditure, but if a do-it-yourselfer bought a table saw it would be a basic expenditure.

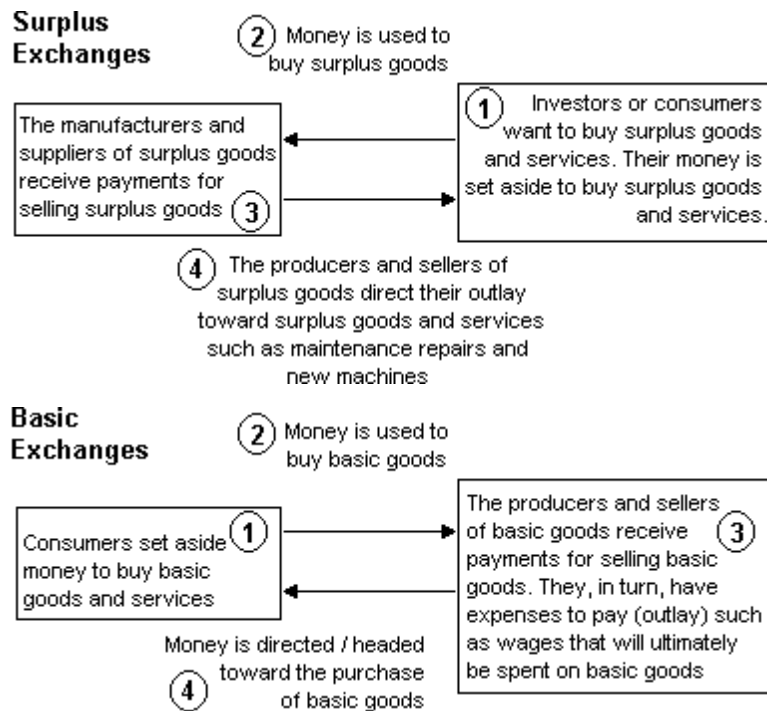
The third distinct type of exchange Lonergan identifies are redistributive exchanges. These exchanges, strictly speaking, do not involve the production and sale of goods and services. The exchange is merely a change, or transfer of, property rights in items such as shares, debt, buildings, second-hand goods, insurance pay-outs, government transfer payments. The point is that exchanges of this type are not part of the productive process per se.

When someone buys shares the ownership is transferred

from the seller to the buyer. This is simply a redistributive exchange because nothing new has been produced. A broker's fee for handling the transaction is, however, another story. The fee the broker collects for his work may be used to buy basic goods or it may be saved and later directed to, and spent as, an investment in surplus goods or services.

Let's recap. The basic elements of an economy are: 1) a surplus exchange comprising the production and sale of surplus goods and services and the corresponding monetary flow that makes this possible, 2) a basic exchange comprising the production and sale of basic goods and services and the corresponding monetary circulation that makes this possible, and 3) a redistributive exchange comprising changes solely in property rights and the corresponding monetary circulation that makes this possible.

These exchanges can be captured by diagrams. It is worthwhile studying these diagrams as they express the essence of Lonergan's view.

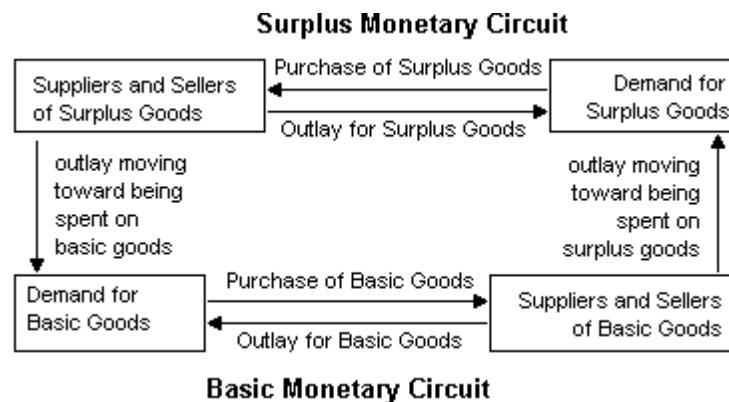


The Links Between the Surplus and Basic Monetary Circuits

I presented the surplus and basic exchanges *as if* they were independent of each other. But they are actually connected to each other. The suppliers and producers of basic goods may need to buy surplus goods such as new tools or machines for their businesses. A florist may need to buy a new truck – a surplus good – to deliver flowers. A grocer may need to buy a new fridge – a surplus good – to store ice cream. Hence some of their outlay will be directed to the surplus exchange to buy surplus goods and services. In this way, money leaves the basic monetary circuit and enters the surplus monetary circuit.

On the other hand, the producers and suppliers of surplus goods use part of their outlay to pay the wages of their employees. Because people must eat, pay mortgages or rent, buy clothes, buy movie tickets, and buy spy novels, a portion of the outlay by the suppliers of surplus goods and services will be directed to the basic monetary circuit to be used to purchase basic goods and services. In this fashion, money flows from the surplus monetary circuit to the basic monetary circuit.

Lonergan calls these two connections or links between the surplus and basic exchanges *cross-overs*. They are captured by the vertical lines in the diagram.



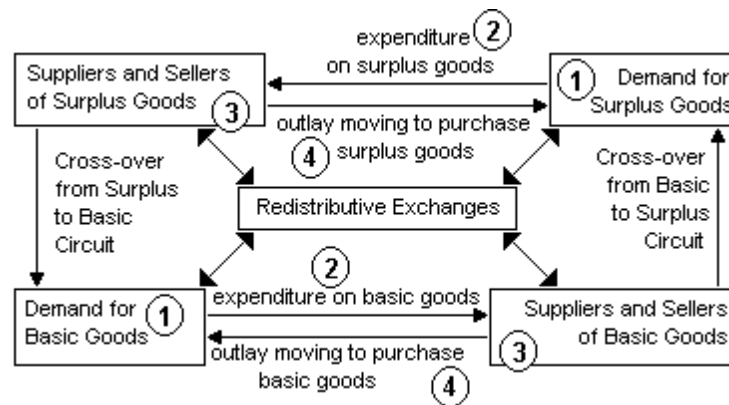
The Redistributive Exchange is Linked to the Surplus and Basic Circuits

I stated above that, strictly speaking, redistributive

exchanges were involved in transferring property rights (ownership, possession, etc.) concerning items like shares, debt, insurance pay-outs, loans, second-hand goods, and I stressed that this monetary circuit did *not* correspond to the production and sale of goods and services, either surplus or basic. Nonetheless, the redistributive exchange is connected to the surplus monetary circuit. Money from the redistributive exchange flows to the surplus circuit when the producers and suppliers of surplus goods borrow money from a bank to expand their business. Money flows in the opposite direction when they make a bank deposit.

The redistributive exchange and the basic circuit are also linked. Money flows from the redistributive exchange and joins the basic circuit when people use their credit cards to buy groceries, obtain a bank loan to buy a new car, and when producers and sellers of basic goods borrow money to finance a new delivery truck.³⁰ When consumers and sellers of basic goods and services make bank deposits, money flows from the basic circuit to the redistributive exchange.

This diagram captures the additional connections, expressing the basic elements of an economy.



³⁰ In this third instance, the money for the new truck subsequently flows to the capital circuit.

The Rules of Thumb, Norms, or Policies for Running a Closed Economy Properly

- 1 (a) The surplus circuit cannot be allowed to expand by draining money from the basic circuit. We do not want the production and sale of basic goods and services to collapse.
 (b) The basic circuit cannot be allowed to expand by draining money from the surplus circuit. We do not want the production and sale of surplus goods to collapse.
 (c) Hence the cross-overs must be balanced. The amount of money flowing from the basic circuit to the surplus circuit per interval must equal the amount of money flowing from the surplus circuit into the basic circuit.
 (d) The cross-overs can be balanced by directing a portion of surplus or basic monetary flows to and from the redistributive exchange as required.
- 2 (a) The production and sale of surplus goods and services and the surplus monetary circuit must be kept in step with each other. If you increase the production and sale of surplus goods you must increase, interval by interval, the amount of money in the surplus monetary circuit. If you decrease the production and sale of surplus goods you must decrease proportionately the amount of money in the surplus circuit to keep step with production and sale.
 (b) The same rule applies to the production and sale of basic goods and services and its corresponding monetary circulation.
 (c) The consequence of not matching the money in the circuits to the needs of the productive process is price spirals – up or down.
 (d) The job of redistributive exchanges is to supply, or remove, money from the two circuits.
- 3 Money (in the form of short-term capital flows, government transfer payments, ODA, donations) indiscriminately added to, or removed from, either the surplus or basic monetary circulations has the potential to adversely affect an economy.

Phases in the Economic Cycle

Establishment economists are concerned with keeping an economy in equilibrium, balancing the supply and demand of goods, services, money, etc. In an effort to combat inflation they advocate manipulating the money supply. Their aim is to keep the economy on an even keel. So, when the production and sale of goods and services grows rapidly, central bank economists increase the interest rate in order to combat inflation. This follows the standard paradigm, since establishment economists don't distinguish between the effects of interest rate changes on producers and on consumers. Moreover, the production and sale of goods and services is forced to adjust to the money supply. In other words, production is at the beck and call of the needs of money.

By contrast, in Lonergan's opinion, an economy is cyclical, not static. To be more specific, the relation between the turnover size and frequency of the production of surplus goods (and its monetary circuit) and the turnover size and frequency of the production of basic goods (and its monetary circuit) can vary. Further, the monetary circulation of an economy should be allowed to vary as production increases and decreases. To put it another way, the presumed needs of money should not be allowed to dictate levels of production. Rather, money should keep step with the needs of the productive process. The point is that variations in the production of surplus and basic goods must be recognised and dealt with intelligently. Variations should *not* be smoothed out.

What types of variations in production and sale are there in an economy? I'm sure you can imagine various combinations: a steady production of surplus and basic goods, an increasing production of surplus goods and a steady production of basic goods, a steady production of surplus goods and an increasing production of basic goods, an increasing production of surplus goods and a falling production of basic goods, a falling production of surplus goods and increasing production of basic goods, an increasing production of both surplus and basic goods, a falling production of both surplus and basic goods.

Lonergan argues that if an economy is to function properly

the varying relations between the production of surplus goods and the production of basic goods should take particular forms and occur in a particular order. By *phases* Lonergan means the particular relations between the surplus and basic circuits. The occurrence of these phases in their proper order comprise a *cycle*. The names of the phases are steady-state, surplus expansion, and basic expansion.

The Steady-State Phase

Imagine an economy in which the production and sale of surplus goods is constant. Surplus goods are repaired as needed and replaced when they wear out, but the production of surplus goods is not growing and it is not falling. Also, the production and sale of basic goods is constant. There is a steady sale of basic goods. In this state of affairs the cross-over flows from the basic circuit to the surplus circuit and from the surplus circuit to the basic would be balanced. The amount of money leaving the basic circuit for the surplus circuit each interval would be equal to the amount of money entering the basic monetary circulation from the surplus monetary circulation. Nothing dramatic is happening in this economy.

The Surplus Expansion Phase

Imagine that someone had a brilliant idea and invented computers. Of course, they want to go into the business of making and selling them to everyone. They would need to borrow money in order to start up the business – to buy land, build a factory, design an assembly line, purchase machines, pay workers, and so on. When their computers are sell rapidly they may want to expand their business. They would likely need to borrow money to expand. They might come up with further brilliant ideas. Even more money is required. Other people may want to get in on the act. They may start their own competing companies. Others may start a new business to supply the computer company with parts. Existing businesses may expand their factories to meet the new level of demand. An expansion in the production of surplus goods is underway.

Interval by interval, more and more money is needed to keep the expanding production of surplus goods going as more and more companies want to get in on the act. This money is

supplied to the surplus circuit through various financial instruments – loans, bonds, new share issues, etc.

The production and sale of surplus goods is booming. Lonergan stresses that this cannot happen at the expense of the proper functioning of the basic circuit. Money in the basic circuit should not be diverted to be used for the surplus expansion. The production and sale of basic goods should be maintained at a steady-state. (Money required for the surplus expansion should come from the redistributive exchange.)

Lonergan recognises that during a surplus expansion more money will be available for spending on basic goods and services as the production of surplus goods takes off. But he argues that when the surplus expansion is underway purchasing increasing amounts of basic goods would prematurely curtail the surplus expansion. There would be less money available to finance the surplus expansion because money would be spent on basic goods. If people used their wages to buy basic goods during a surplus expansion the prices of basic goods would rise, and more and more money would be diverted from the surplus expansion to the basic circuit. The consequences would be inflation and the surplus expansion coming to a premature end, i.e., ending before it reached its peak of production.

To re-cap, in the surplus expansion phase the production and sale of surplus goods increases dramatically (and the circulation of money in the surplus circuit keeps pace with the production of surplus goods). The production and sale of basic goods remains steady. The cross-overs are kept in balance by workers saving their money; they do not increase their spending on basic goods. They direct their savings to the redistributive exchange and ultimately to the surplus circuit.

The Basic Expansion Phase

After a time sufficient factories have been built to meet the market projections of surplus goods and of future sales of basic goods. The production of surplus goods has slowed down from a frantic pace to a new higher rate sufficient to cover repairs and replacements. For the moment basic production is still at a constant rate. The economy is now poised to shift from a surplus expansion to a basic expansion.

Loneragan refers to this as a shift from an anti-egalitarian phase to an egalitarian phase, from a phase in which the income of high income earners grows (and they invest their increased incomes in the surplus expansion) to a phase in which the incomes of lower income groups grows so that they can purchase the new basic products being produced as a result of the production and sale of more surplus goods and services. One might think of the production of surplus goods such as tractors leading to an increase in basic goods such as the production of more potatoes.³¹

The basic expansion proceeds until it reaches its maxima and levels out to a new higher steady production of basic goods and services. Then, perhaps, someone with another good idea comes along and a surplus expansion begins.

Loneragan emphasises that the transitions from one phase should be done intelligently. Even though an expansion may at some time proceed at a frantic pace, it must be intelligently managed so that it slows and reaches a steady-state before the next phase gets underway. Otherwise, a cycle of boom and bust will result.

3. Foreign Trade

Establishment economists distinguish between a favourable balance of trade and an unfavourable balance of trade in goods and services. When a country has a favourable balance of trade the value of its exports is greater than the value of its imports. If a country has an unfavourable balance of trade its imports are greater than its exports. They fail to separate surplus and basic goods and services in their analyses.

Because there are two distinct productive processes each with its own corresponding monetary circulation, Loneragan distinguishes between:

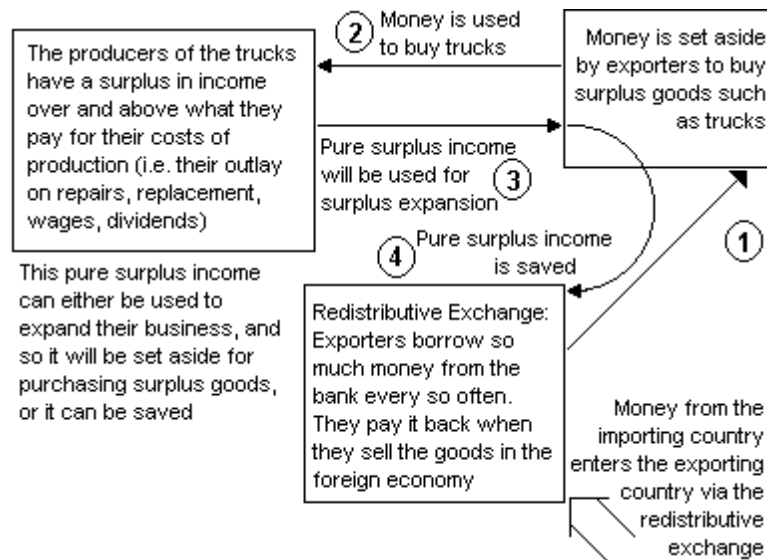
1. a favourable balance of trade in surplus goods,
2. a favourable balance of trade in basic goods,
3. an unfavourable balance of trade in surplus goods, and
4. an unfavourable balance of trade in basic goods.

³¹ See Philip McShane, *Economics for Everyone*, for an excellent discussion of the surplus and basic phases.

In discussing trade, one must bear in mind that goods or services *leaving* one economy for another have passed beyond the productive process of the exporting country. For Lonergan, they have become redistributive goods and services sold on the redistributive markets of the importing country. Goods or services *entering* an economy enter as redistributive goods or services, even if they enter the productive process for further fashioning or for sale in a regular commercial channel.³²

A Favourable Balance of Trade in Surplus Goods

Take the export of surplus goods such as table saws, plows, transport trucks. When a country has a favourable balance of trade in surplus goods and services money is added to the exporting economy's surplus circuit interval by interval. Let's examine how this occurs. The diagram captures the flow of money in an economy exporting goods and services.



What are the consequences of adding money to the surplus circuit in this way? The additional pure surplus income (i.e. income over and above all outlay such as wages, rent,

³² Bernard Lonergan, *For a New Political Economy*, Collected Works of Bernard Lonergan 21 (Toronto: University of Toronto Press, 1999), 197.

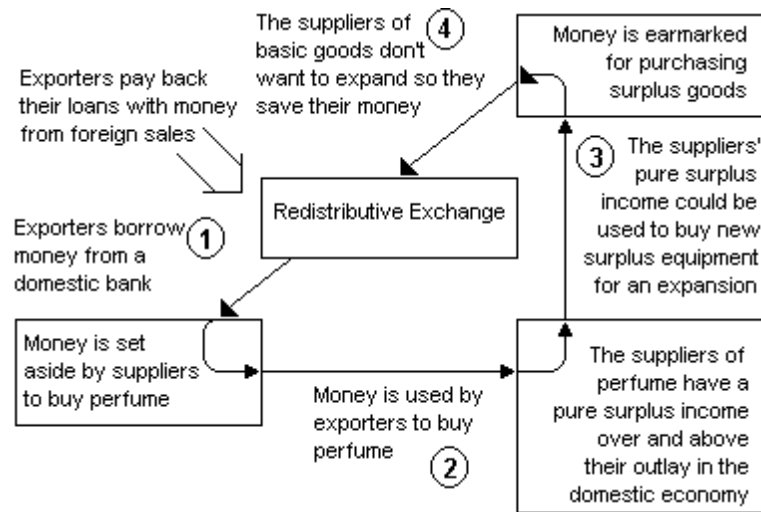
dividends, maintenance, repairs, replacements of machines) can be used to help solve the problem of finding ever-increasing amounts of money to invest during a surplus expansion. The pure surplus income can be invested in businesses devoted to the production of surplus goods and services.

The problem is that a surplus expansion could be prolonged by exporting the increment in surplus goods and services. In this scenario the basic expansion of the domestic economy would be inhibited or dodged. By selling abroad the surplus goods and services not needed by the domestic economy, it becomes unnecessary to lower higher incomes and raises lower incomes in order to enable lower income groups to purchase the increasing number of basic goods coming on the market during a basic expansion. In the exporting economy an increase in the production of basic goods would not occur because the surplus goods that ultimately lead to a basic expansion have been exported. To state it another way, the pure surplus income continues to flow to the owners of businesses. That pure surplus income, in turn, is saved by higher income groups, directed to the redistributive exchange, and ultimately invested (or spent) on surplus goods and services (invested) that are exported.

A Favourable Balance of Trade in Basic Goods and Services

Let's trace how the money circulates in an economy with a favourable balance of trade in basic goods.

Consider the export of bananas, coffee, perfume, spy novels, ski boots, yachts, etc., from the perspective of an exporting economy. The consequence of a favourable balance of trade in basic goods and services is that any income over and above what is needed for domestic outlay (wages, sinking funds, insurance, taxes) can be saved and ultimately used to expand businesses by purchasing surplus goods. Hence this additional flow of money is beneficial to a surplus expansion. However, the basic expansion may be inhibited or dodged by not lowering higher incomes and raising lower incomes when the production of surplus goods reaches its maximum. Like higher income truck manufacturers and suppliers during a



surplus expansion, higher income banana exporters can maintain their high salaries, savings, investments because pure surplus income is continuing to flow to them from the foreign economy.

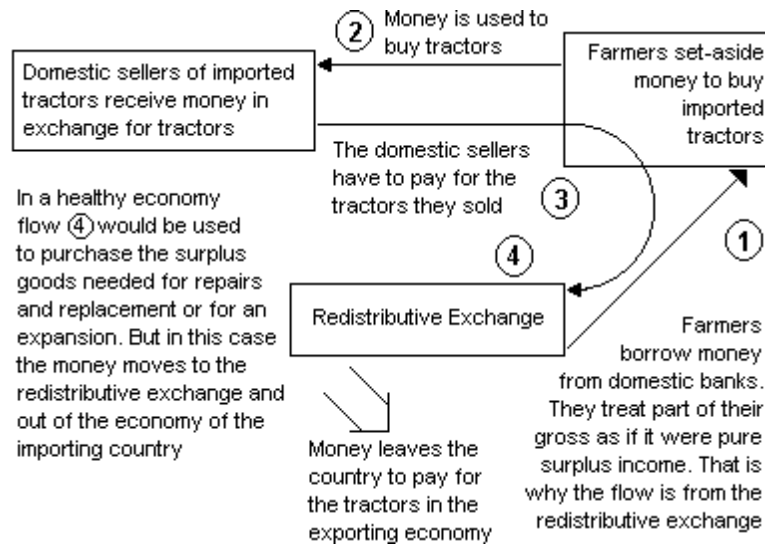
An Unfavourable Balance of Trade in Surplus Goods and Services

Now consider an unfavourable balance of trade in surplus goods and services from the point of view of an economy receiving the imports. Let's follow the monetary circulation of an economy which is maintaining a steady import of tractors, machine tools, assembly lines, printing presses, tractors, etc., interval after interval.

The problem with an unfavourable balance of trade in surplus goods and services lies in precisely locating where the money for buying the imported goods such as tractors comes from. If the importing economy uses the money received from domestic sales of surplus or basic goods, the monetary circulation corresponding to the production and sale of surplus and basic goods will be squeezed and their production and sales adversely affected. On the other hand, in order not to squeeze the domestic economy money must be borrowed from abroad at a steady rate. Here the problem is a growing foreign debt

that requires ever growing interest payments.

But the situation becomes even more precarious when you consider how the borrowed money could be spent. The money borrowed from foreign sources could be used to import surplus goods to be used for repairing worn out surplus goods and replacing surplus goods that are worn out. In this scenario, there is no surplus expansion and hence the phase required if a basic expansion is to get underway will not occur.



If the borrowed money is used to encourage a surplus expansion, the amount borrowed must increase at an ever-increasing rate, thereby creating a substantial foreign debt and proportionate interest payments.

In either scenario the economy is weak. An 'importing' domestic economy borrowing to buy replacements of surplus goods cannot maintain itself. An economy borrowing to fund a surplus expansion cannot accelerate itself. Investing in the 'importing' domestic economy would be unattractive, since any hope of returns on investments would depend on ever-increasing capital inflows, i.e., more foreign debt.

An Unfavourable Balance of Trade in Basic Goods and Services

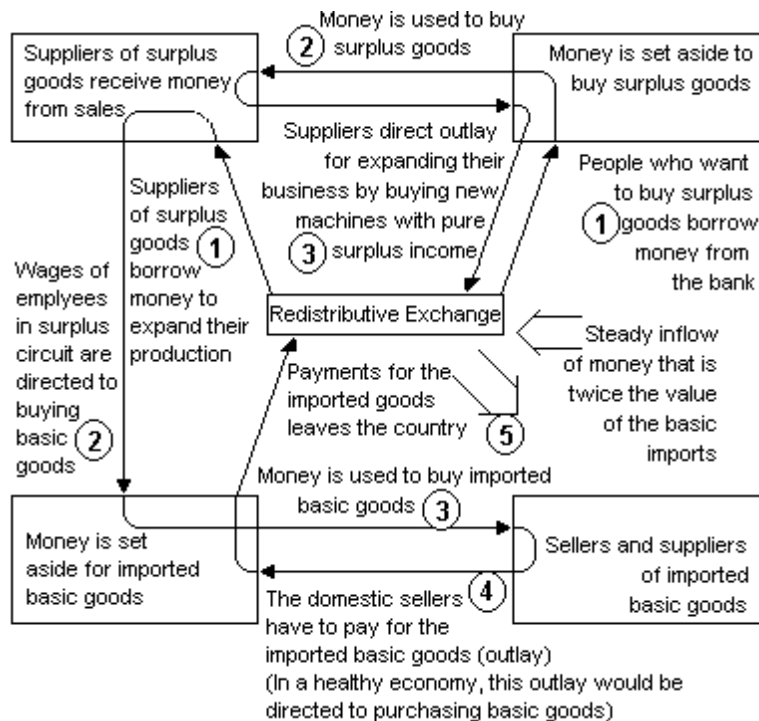
If an economy has an excess import of basic goods such as bananas, perfume, roses, and spy novels the problem is to precisely locate where the money to purchase these goods comes from. If money from the surplus circuit is diverted and used to purchase these goods then the production and sale of surplus goods is squeezed. Of course, if the economy is in the surplus expansion phase, pure surplus income could be used to buy these imported basic goods. But the problem is that the surplus expansion would be prematurely curtailed by not allowing it to reach its maximum.

If money in the basic monetary circuit is used to buy the imported basic goods, then the production and sale of domestic basic goods would be squeezed interval by interval. There are more basic goods and services than monetary income to pay for them at current prices. The consequence is a depression – prices fall, sales drop, production is curtailed, unemployment rises. Ultimately, people cannot afford to buy the imported or domestic basic goods. The economy crashes.

In order for a domestic economy not to contract in the face of importing more basic goods than it exports, Lonergan explores the consequences of a domestic economy borrowing money from abroad. Remember that the problem is to figure out how the excess basic imports can be paid for without upsetting the surplus and basic circuits. One possibility, letting basic credit grow rapidly, would only lead to a growing debt that would eventually have to be re-paid and hence the economy would be faced with the same problem – debt – except it would be larger this time around. To put it bluntly, borrowing money abroad and directing it to the basic circuit does not seem to be the answer.

An alternative is to borrow money from abroad and direct it to the production and sale of surplus goods and services. The idea is to jump-start a surplus expansion that would enable workers to spend a larger portion of their now larger wages on the imported basic goods. However, the problem is that in order to maintain a surplus expansion the amount of money needed per interval to purchase imported basic goods must be

borrowed and directed to the producers and suppliers of surplus goods who will expand their production. An additional equal amount of money must be borrowed and made available to people in the form of loans so they can purchase the newly produced surplus goods. Thus, *twice* the value of purchased imported basic goods must be borrowed and directed to the surplus circuit each interval in order to finance a surplus expansion and to finance the purchase of the imported basic goods.



When the surplus expansion reaches its maximum and a basic expansion follows we are back where we started – with an increasing production of basic goods relative to basic monetary income – the very problem we started with. The solution would be to export more basic goods than were imported. That would end the unfavourable balance of trade in basic goods and services. *But that is exactly the problem we started with.*

Loneragan's summary of the situation is that "...there is insufficient income derived from domestic production to purchase both domestic products and the excess import."³³

General Conclusions

In the light of Lonergan's perspective on trade, what conclusions can we draw?

1. Without distinguishing between trade in surplus goods and trade in basic goods we really do not know what is actually going on in an economy.

2. Trade liberalisation will not necessarily make everyone better off. The exports of one country can upset the circuits of another country. Also, an economy with an unfavourable balance of trade in surplus or basic goods is an economy in trouble. Even an economy exporting surplus goods or basic goods may not be better off because the basic expansion could be dodged by prematurely curtailing a surplus expansion.

3. The investment-export nexus is far more complex than indicated by the UNCTAD Report. Not only is it crucial to distinguish favourable and unfavourable trade balances in surplus and basic goods but, it is also essential to distinguish different phases when discussing foreign trade and investments.

4. Increasing investments themselves (i.e., long-term capital flows and ODA from abroad and capital derived from exports) will not solve the problem of how to increase the standard of living in developing countries. Rather, the phases of an economic cycle must be managed intelligently. And this requires understanding economies in terms of three exchanges and their corresponding monetary circulations and respecting their needs.

Bruce Anderson is the author of *'Discovery' in Legal Decision Making*, and, with Philip McShane, *Beyond Establishment Economics*. He can be reached at axial@bellatlantic.net.

Comments on this article can be sent to
jmda@mun.ca.

³³ *For a New Political Economy*, 199.

SYSTEM AND HISTORY IN LONERGAN'S EARLY HISTORICAL AND ECONOMIC MANUSCRIPTS

PATRICK BROWN

Before we are psychological subjects, we are sociological subjects. This is what Hegel called *objective spirit*.

Ortega y Gasset¹

I think there is something very true in the Hegelian connection between the subjective spirit and its manifestation in objective spirit. ... [T]he notion, it seems to me, is both true and extremely significant insofar as one is concerned to understand history.

Lonergan²

The point at which we now stand is the result of all the work that has been done over a period of 2300 years ... We should not wonder at the slowness of this. Universal, knowing Spirit has time, it is not in a hurry; it has at its disposal masses of peoples and nations whose development is precisely a means to the emergence of its consciousness. Nor should we become impatient because particular insights are not brought out at this time but only later, or that this or that is not yet there – in world-history advances

¹ "Hegel and Historiology" (1928), reprinted in John T. Graham, *Theory of History in Ortega y Gasset: The Dawn of Historical Reason* (Columbia: University of Missouri Press, 1997), 350.

² *Understanding and Being*, Collected Works of Bernard Lonergan 5 (Toronto: University of Toronto Press, 1990), 219.

are slow. Thus, insight into the necessity of such a long time is a remedy for our impatience.

Hegel³

The year 1935 was an interesting year in the history of the philosophy of history. In that year, Ortega y Gasset wrote “History as a System,”⁴ an essay R.G. Collingwood termed “true and profoundly important” in its central assertion that “history is the self-knowledge of humanity.”⁵ The same year

³ “Introduction to the Lectures on the History of Philosophy,” in Quentin Lauer, *Hegel’s Idea of Philosophy*, 2d edition (New York: Fordham University Press, 1983), 134-35. For a reference to Hegel’s “Lectures on the History of Philosophy” in Lonergan’s published work, see *Understanding and Being*, 188. It is unclear when Lonergan read the “Lectures,” or indeed, how much of them he read. But it seems likely they belong to the period in which Hegel profoundly influenced the young Lonergan, that is, to sometime prior to 1936. See the letter from Lonergan to Henry Keane, dated January 22, 1935, quoted in Frederick Crowe, *Lonergan* (Collegeville, MN: The Liturgical Press, 1992), 22-23.

⁴ *Philosophy and History: Essays Presented to Ernst Cassirer* (Oxford: The Clarendon Press, 1936), ed. Raymond Klibansky & H.J. Paton, 283-322. Lonergan read at least portions of the Cassirer *Festschrift* in which Ortega y Gasset’s essay appeared soon after it was published. In the same files containing the historical manuscripts from the 1930s are extracts from two of the essays in the *Festschrift*: one an essay by Emile Brehier (“The Formation of Our History of Philosophy”) and the other an essay by Johan Huizinga (“A Definition of the Concept of History”). I am not aware of any direct evidence that Lonergan read Ortega y Gasset’s paper. Certainly there are affinities, not least Ortega’s “bold” affirmation “that man makes himself in the light of circumstance.” Klibansky, 306. That affirmation coincides with the ringing recurrent theme in the historical manuscripts that history is concerned with “man’s making and remaking of man.” But Lonergan had already taken up that very theme by the time Ortega y Gasset’s essay was published in 1936. See, e.g., “Panton Anakephalaiôsis,” (April, 1935) *Method: Journal of Lonergan Studies* 9 (1991), 139-172, at 149.

⁵ R.G. Collingwood, Review of “*Philosophy and History: Essays Presented to Ernst Cassirer*,” *The English Historical Review*, LII / 205 (January 1937), 146. Collingwood later adapted this notion in his own programmatic statement in *The Idea of History* that “all history is the history of thought.” R.G. Collingwood, *The Idea of History*, ed. Jan Van Der Dussen (rev. ed., 1994) (Oxford: Oxford University Press), 444-45. Both Collingwood’s and Ortega y Gasset’s formulations bear comparison with Lonergan’s assertion in 1937 that “the formal object of the analytic

Collingwood published his essay, "The Historical Imagination," in which he advocated a "Copernican revolution in the theory of historical knowledge,"⁶ an effort Lonergan later praised as "excellent"⁷ and "right on the point."⁸

In 1935, Walter Benjamin drafted a précis for his "Arcades" project in which he declared that "dialectical thinking is the organ of historical awakening."⁹ Like Collingwood, Benjamin was struggling with the need for what he termed a "Copernican revolution in the vision of history."¹⁰ For Benjamin, the solution, or revolution, centred on a twofold movement of remembering and awakening "that converts the dream, the nightmare, or the myth of the past into a knowledge

concept of history is the making and unmaking of man by man." "Analytic Concept of History," *Method: Journal of Lonergan Studies* 11 (1993), 5-35, at 10. Louis Mink's clarification of Collingwood's remark applies also to Lonergan and Ortega y Gasset: "'All history is the history of thought' does not mean or even seem to mean that the subject-matter of history is limited to thought given verbal expression in writing or speech; it also includes the thought which is the initial stage of action and can be reconstructed from the evidence of the action itself and its consequences." Louis O. Mink, *Mind, History, and Dialectic: The Philosophy of R.G. Collingwood* (Bloomington: Indiana University Press, 1969), 163-64. Indeed, from Lonergan's point of view, the fact that all history is the history of thought makes history as a science possible. See Lonergan, "Analytic Concept," 9, 16; "A Theory of History," MS section 1. For details on the various manuscripts, see below, n. 16.

⁶ *The Idea of History*, 240.

⁷ "Questions with Regard to Method: History and Economics." Interview with Bernard Lonergan. In Cathleen Going (ed.), *Dialogues in Celebration: Thomas More Institute Papers/80* (Montreal: Thomas More Institute for Adult Education, 1980), 293.

⁸ *Method in Theology* (London: Darton, Longman and Todd, 1972; latest reprint Toronto: University of Toronto Press, 1996), 175, n.1. On the dating and publishing history of Collingwood's articles collected as the "Epilogomena" of *The Idea of History*, see the introduction to the revised edition by Jan Van Der Dussen, xv.

⁹ Walter Benjamin, "Exposé of 1935, Early Version," *The Arcades Project*, trans. Howard Eiland & Kevin McLaughlin (Cambridge, MA: The Belknap Press, 1999), 898.

¹⁰ Walter Benjamin, *Gesammelte Schriften*, vol. 5: 490, quoted in Rainer Rochlitz, *The Disenchantment of Art: The Philosophy of Walter Benjamin*, trans. Jane Marie Todd (London: The Guilford Press, 1990), 240.

allowing one to lucidly confront the past and the future.”¹¹

That same year, Heidegger delivered lectures at the University of Freiburg introducing his notion of “the history of being.” In those lectures, he lamented “how far questioning as a fundamental element of historical being has receded from us.”¹² In April of that year, Carl Lotus Becker delivered lectures later published as *Progress and Power*,¹³ in which he tried to work out an historical scale for progress¹⁴ and in which he identified the source of progress, in part, with the “indefeasible” human desire to know.¹⁵ In the same month, an obscure 30 year-old Canadian Jesuit finished a dense, tightly reasoned essay on “the historical determination of the intellect” with an ungainly title best abbreviated as “Panton Anakephalaiôsis.”¹⁶

¹¹ Rochlitz, 240. This twofold movement of remembering and awakening well describes the two phases of functional specialization. As Lonergan remarked, “the eight specialities we have listed would be relevant to any human studies that investigated a cultural past to guide its future.” “Bernard Lonergan Responds,” *Foundations of Theology*, ed. Philip McShane (Dublin: Gill and Macmillan, 1972), 233. See also *Method in Theology*, 133 (“operations occur in two basic phases ... If one encounters the past, one also has to take one’s stand towards the future.”) Does functional specialization propose or effect a Copernican revolution in one’s view of both historical process and historical investigation? Certainly historical investigations are revolutionised in light of the division of labour between historians and dialecticians on such issues as historical relativism. See *Method in Theology*, 195; 224. As I have argued elsewhere, the effect of functional specialization on historical process is related to the question of “reflex history” as it is treated in the historical manuscripts. The topic of “reflex history” in the historical manuscripts will be examined below.

¹² Martin Heidegger, *An Introduction to Metaphysics*, trans. Ralph Manheim (New Haven: Yale University Press, 1959), 143.

¹³ *Progress and Power* (New York: Alfred A. Knopf, 1949 [1936]).

¹⁴ See Lewis Mumford’s characterisation of Becker’s lectures in *American Journal of Sociology* XLII (November, 1936), 429.

¹⁵ Becker, 116.

¹⁶ The Pauline title translates as “The Restoration of All Things.” The essay remained published until 1991. See “Panton Anakephalaiôsis,” (henceforth, “Panton”). On “the historical determination of intellect,” see 143-46. Lonergan also glossed “anakephalaiôsis” as a “movement of integration.” “Essay in Fundamental Sociology – Philosophy of History,” MS, 120 (henceforth, “Philosophy of History”).

It may be helpful at the outset to detail the manuscripts to which my

Like Becker's efforts the same month, Lonergan's essay is a sustained reflection on the makings of progress; unlike Becker, however, Lonergan was concerned not with progress and power but with progress and potency, with the development, differentiation and diffusion in space and time of the generically "low *energeia* of human intellect."¹⁷ And just as Benjamin dreamed of a Copernican shift in historical theory that would adequately retrieve past history and serve as a guide to future history, so the young Lonergan envisioned a theory of history centred on "man's discovery of the reflex use of intellect and his utilisation of this discovery for the systematic

title refers. There are eight historical manuscripts falling roughly into two batches. See generally Michael Shute, *The Origins of Lonergan's Notion of the Dialectic of History: A Study of Lonergan's Early Writings on History* (Lanham, MD: University Press of America, 1993); see also Shute, 179 for approximate dates of composition. Three of them, "Panton Anakephalaiôsis" (1935), "Analytic Concept of History" (1937-38?), and "Sketch for a Metaphysic of Human Solidarity" (1935) have recently been published ("Sketch" was published as Appendix A to "Panton"). The rest remain unpublished. They include "Philosophy of History," apparently a chapter from a longer study now lost titled "Essay in Fundamental Sociology" from approximately 1933-34; "A Theory of History" (1937?), "Outline of an Analytic Conception of History," (1937-38?), and "Analytic Concept of History, in Blurred Outline" (1937-38?). Citations will be to the published versions, where available, otherwise to the pagination of individual manuscripts. For a fuller treatment of the historical manuscripts, see Shute, *The Origins of Lonergan's Notion of the Dialectic of History*. The economic manuscript in this paper's title refers to "For a New Political Economy," composed by Lonergan circa 1941 to mid-1943 and published for the first time in 1998. See the Appendix to *For a New Political Economy*, Collected Works of Bernard Lonergan 21 (Toronto: University of Toronto Press, 1998), 322, for dating of the manuscript.

¹⁷ "Panton," 145, 157. Lonergan's gloss on *energeia* may be found in "Sketch for a Metaphysic of Human Solidarity," appended to the 1991 publication of "Panton," at 165: "The dynamism of reality is either motion or *energeia*. Motion is the act of a being in potency insofar as it is in potency. *Energeia* is the act of a being in act insofar as it is in act (procession)." As Fred Crowe explains, "*Energeia* is almost identified with dynamism." "Panton," 167, editor's note 13. On differentiation and diffusion, see "Panton," 152 (explaining "the reason for the continuous variety of the objective *Geist*, its differentiations in time as one idea is complemented by another, its differentiations in space as each individual arrives at a viewpoint that is the integral of the influence exerted upon him.")

planning of the making of man by man.”¹⁸ This vision of the possibility of an increased informing and directing of the historical flow by theory and of theory by history forms a kind of theme with many variations over Lonergan’s career as a thinker.¹⁹ It is a theme that falls under the broader rubric of “system and history in Lonergan’s thought,” and this paper will examine its earliest expression in his intellectual development.²⁰

¹⁸ “Outline of an Analytic Concept of History,” 9 (emphasis added). Note that the “reflex use of intellect presupposes the erection of canons of thought and method.” “Outline,” 7.

¹⁹ This mutual relation of theory and history forms a crucial part of what Lonergan came to call “the experiment of history.” See, e.g., *Verbum: Word and Idea in Aquinas*, Collected Works of Bernard Lonergan 2 (Toronto: University of Toronto Press, 1997), 226 (referring to “the historical experiment of understanding understanding and thinking thought”). This is not unrelated to Ortega y Gasset’s 1935 remark that “to comprehend anything human, be it personal or collective, one must tell its history. ... Life only takes on a measure of transparency in the light of historical reason.” Klibansky, 311. But on a deeper level, not merely the understanding of history, but the making of history through understanding, is at stake. For man “goes on making for himself a being through his dialectical series of experiments. This is a dialectic not of logical but precisely of historical reason – the *Realdialektik* dreamt of somewhere in his papers by Dilthey.” Klibansky, 312. The same dialectical experiment of history was dreamt of by the early Lonergan as well. “By the dialectic ... we mean something like an experiment, a process of trial and error; yet not a formal experiment such as is performed in a laboratory, for man is not so master of his fate; rather an inverted experiment in which objective reality continuously strives to mould the mind of man into conformity with itself...” “Outline of an Analytic Concept of History,” MS, 5.

²⁰ It is important to observe how intimately this view was bound up with Lonergan’s emerging macroeconomic interests. A macroeconomic theory operating at an adequate level of generalisation provides a partial but important heuristic on historical process. *For a New Political Economy*, 11; 8-10. As he realised early, “any development of the ‘higher culture’ of arts and literature, science and philosophy presupposes a measure of general security and leisure that can be attained only by an exploitation of discovery and invention in the economic field. What C. Dawson calls the discovery of the ox made possible the higher culture for the few; the modern discovery of the machine would seem to have its finality in making possible such culture for the many.” “Outline of an Analytic Concept of History,” 4. See also *For a New Political Economy* 22; 24-25; 106 (describing notion of “cultural surplus.”) The economic basis of cultural advance appears in

A. The Early Historical Manuscripts

The discovery after his death of Lonergan's early manuscripts on history came as a surprise to scholars. Conditioned to think of Lonergan as a dedicated if unorthodox Thomist from the start of his scholarly career – he wrote his doctoral dissertation on grace and freedom in the thought of Aquinas – students of Lonergan were astonished by the discovery after his death of a trove of unpublished manuscripts dating from the period prior to his dissertation. Not only do the manuscripts provide the earliest written evidence of the rise of Lonergan's interest in economics, they also show him attempting to work out a full-fledged dialectical theory of historical process inspired, in part, by Hegel.²¹

On the marked influence of Hegel on the early Lonergan, more will be said in a moment. It is worth noting immediately, however, that Lonergan was no more a slave to Hegel than he was in thrall to contemporary interpretations of Aquinas. From both Hegel and Aquinas he drew considerable inspiration; but he had little patience for mere arguments to authority, and his unambiguous assertion in 1935 that 650 years of Thomistic

Insight and Method in Theology as well. *Insight*, Collected Works of Bernard Lonergan 3 (Toronto: University of Toronto Press, 1992), 559 (“Nor would the scientific and philosophic developments have been possible without a prior evolution of language and literature and without the security and leisure generated by technological, economic, and political advance.”); *Method in Theology*, 93 (in the first stage of meaning, the human subject “does not initiate a distinct economic and social and cultural context within which the pursuit of [a theoretically formulated ideal of knowledge, truth, reality, causality] could be carried out by human animals.”).

²¹ It would be an exaggeration to say that the historical manuscripts are entirely without precedent in Lonergan's prior known work; in retrospect, they seem most closely related to Lonergan's introduction to his doctoral dissertation, written in the period 1939-1940. The introduction itself remained unpublished until 1985. See “The *Gratia Operans* Dissertation: Preface and Introduction,” *Method: Journal of Lonergan Studies* 3/2 (1985), 9-49. That introduction's treatment of the need for an *a priori* for historical investigation will be discussed below in relation to positivism and historicism. Additional affinities appear in the 1943 article, “Finality, Love, Marriage,” also to be discussed below.

interpretation had largely missed the mark²² must have struck his superiors as, to say the least, unusually confident.

Still, surprise is a function of expectation and, in retrospect, the surprise occasioned by the discovery of the early manuscripts on history sheds more light on the ease with which Lonergan can be underestimated, even by those who study him most, than on Lonergan himself. For Lonergan's early engagement with Hegel, his enduring struggle with economic theory and theory of history, with the mechanisms by which human understanding unfolds in history and in part constitutes history, all suggest a thinker quite at odds with the conventional portrait of a lifelong Thomist.

Lonergan was once asked whether Thomism predetermined his views on cognitional process. His answer is revealing: "my interest in Aquinas came late. ... [I]t was in the forties that I began to study Aquinas on cognitional theory."²³ Indeed, if anything characterises the early Lonergan's struggles with Hegel and Aquinas, economics and historical theory, it is a pointed disappointment with merely inertial thinking, merely traditionalist mentalities.²⁴ There is no doubt, then, that the

²² See Letter to Henry Keane, January 22, 1935, quoted in Crowe, *Lonergan*, 22.

²³ "Theories of Inquiry" (1967), *A Second Collection* (London: Darton, Longman and Todd, 1974; latest reprint Toronto: University of Toronto Press, 1996), 38.

²⁴ The young Lonergan rather vigorously condemned merely inertial traditionalism. Numerous examples could be given, but I shall offer only three particularly luminous instances. The first is a long and interesting sentence on progressive understanding. "Now the new syntheses of progressive understanding have three disadvantages: (a) it is not clear that they offer the better, for concrete issues are complex; (b) it is certain they threaten the liquidation of what is tried and established, and so they meet with the inevitable bias and opposition of vested interests; (c) in most cases they contain an element of risk and demand the spirit that contemns the sheltered life – insured from tip to toe – and so meet with the condemnation of all whose wisdom is more lack of courage than penetration of intellect." "Analytic Concept of History," 21. The second example concerns Lonergan's insistence on the need to think on the level of the times, an insistence already conspicuous and pointed in 1935. "There are Thomists whose last thought is to imitate St Thomas in this matter of thinking in pace with the times." "Philosophy of History," MS, 126. His attitude in the same work towards anti-clericalism is likewise revealing. "What is called anti-

manuscripts require revised expectations and assumptions regarding Lonergan's development as a thinker. They establish beyond any doubt that Lonergan's interest in both historical dynamics and historical heuristics was early and profound.

This paper concerns the nature of those revisions as they bear on historical theory and on historical heuristics, that is, on what Lonergan would later call the problem of "an upper blade" for historical investigations. Even for the 30-year old Lonergan, scientific inquiry presupposed a heuristic structure.²⁵ Since historical reality is neither an unorganised flow nor an aimless accumulation of disparate nuggets called historical facts but is, instead, a structured process, it can be investigated in a scientific manner. But it can be investigated in a scientific manner if and only if one hits upon a heuristic structure, a

clericalism is at root the antinomy between a merely traditional mentality and a mentality that is thinking in terms of the future and of problems of which the mere traditionalist has not the ghost of a motion." MS, 126. The third is a principled and incisive critique of merely inertial conservatism. "The finality of man's capacities is their realisation: to withdraw oneself from that finality would be to withdraw from life itself. A society that made its ideal to be traditional and self-perpetuating would be inert, for it neglects the greater good, fatalistic for it is indifferent to the evils it suffers, insensitive for it brings no remedy to suffering; psychologically such a society could not fail to be in decay; le metier de l'homme est de se dépasser." "Outline of an Analytic Concept of History," MS, 7.

These and other remarks – including Lonergan's wry aside in 1942 that "the inertia coefficient of the human mind is normally rather high" (*For a New Political Economy*, 8) – hardly smack of a complacent traditionalism. To the contrary, they represent fragments of Lonergan's early attempts at a theory of institutional decline based on inertial resistance to new ideas. See, e.g., "Philosophy of History," MS, 112 ("The state had a real problem. There was in the philosophy of the spiritual authority no systematic recognition and official encouragement of progress after the counter reformation"); "Analytic Concept of History," 27-28.

²⁵ Lonergan does not use the term "heuristic" in the historical manuscripts, although he clearly envisions the analytic concept of history being put to heuristic use in historical synthesis, as I discuss below. The earliest use of the term "heuristic method" in Lonergan's writings, to my knowledge, occurs in what appear to be fragments of a lost essay on assent in Newman dating from the first part of 1933. The term occurs in a passage from those notes quoted by Richard Liddy, *Transforming Light: Intellectual Conversion in the Early Lonergan* (Collegeville, MN: The Liturgical Press, 1993), 46.

conceptuality, appropriate to the peculiar nature of historical data.²⁶ If history is a process whose structure stems in part from the structure of the human mind, then constants and variables in historical analysis can be discovered from an analysis of human knowing. Just as Aquinas attempted to draw on Aristotle to construct a conceptuality adequate to the disputed philosophical and theological questions of his day, so Lonergan proposed to draw on a synthesis of Hegel and Aquinas to construct a conceptuality adequate to the analysis of history.

We first examine the need or exigence for a theory of history, and second, the decisive influence of Hegel and his notion of “objective *Geist*” on Lonergan’s view of history. Third, we consider the nature of the needed theory of history. Finally, we contrast historical analysis and historical synthesis and briefly consider Lonergan’s early attempts at historical analysis as a response to the questions set by positivism and historicism.²⁷

B. The Need for a Theory of History

One may ask why a theory of history should have the primacy in Lonergan’s thought that it evidently does; why, that is, the attempt to work out a theory of history intensely interested and intensively occupied him from the beginning to the end of his scholarly career. A full answer to the question would involve a full exposition of his theory of history, or rather, his theories of history, for the history of Lonergan’s preoccupation with history itself forms a series of changing

²⁶ This view comes expressly to the fore in the introduction to Lonergan’s doctoral dissertation, written in 1939 or the first few months of 1940. But as the section on “historical analysis and historical synthesis” below suggests, I think it is a view Lonergan probably carried into his initial attempts at theory of history; and if those attempts did not begin with that view, they certainly terminated in it.

²⁷ This paper cannot delve into Lonergan’s early theories of dialectic. That is a task for separate study, since the treatment of dialectic in the manuscripts is complex and intricate, and, moreover, the development in his theory of dialectic between the manuscripts adds a further layer of complexity. The first such study already has been admirably performed by Michael Shute in *The Origins of Lonergan’s Notion of the Dialectic of History*.

answers to the question, What is the importance or necessity of a theory of history?

A short answer, relevant to his efforts in the nineteen thirties, may be derived from Lonergan's assertion that the formal object of his "attempt at theory of history is the making and unmaking of man by man."²⁸ A theory of the nature and dynamics of history is, in short, necessary if humans are to intelligently and adequately guide our own future history. History is a flow that may be directed to a greater or lesser extent by human actors and human actions, by acts of meaning and meaningful actions; indeed, in its essence, history is a dialectical experiment in the determination of the human environment by humans and the determination of humans by the developing human environment.²⁹ Put otherwise, humans emerge and develop within the flow of history and in turn shape and form it.

But this making of history by humans and humans by history – essentially an ongoing "succession (within a social channel of mutual influence) of situation, thought, action, new situation, new thought, and so forth"³⁰ – includes not only making but also unmaking, not only forming but also deforming. A dialectical series of historical deformations, called by Lonergan 'a succession of lower syntheses,' have emerged and taken on a life of their own. The lower syntheses become accepted and operative in societies and cultures, mentalities and institutions, and to the extent they ground traditions of their own they cumulatively remake the human environment in their own image. For reasons that cannot be detailed here, that image is one which pre-empts reorientation through adequate theory. As the dialectic unfolds, the resulting situation is one in which theory is ever more needed and ever less heeded.

So a general theme, a recurring motif, in Lonergan's early historical thought is that we have arrived at a stage in which, as he put it, concrete problems can no longer be "solved merely in

²⁸ "Outline of an Analytic Concept of History," MS, 3.

²⁹ *Ibid.*, 5.

³⁰ *Ibid.*, 5.

the concrete.”³¹ It is comforting and very human to take refuge in the securities and shibboleths of common sense, and it is tempting and very human to assume that some combination of empirical science and technology will save the day. But Lonergan’s view was consistently less sanguine.

Something more than common sense was needed, and that something could not be provided by the pure theory of empirical science or the applied theory of technology. In Lonergan’s view, what was needed “if man is to solve the modern politico-economic entanglement, if political and economic forces are to be subjected to the rule of reason, if cultural values and all the achievement of the past” are to be saved, is a metaphysics of history.³² What was needed was some means on the level of theory to select “what is true in the incomplete acts of intellect of the objective *Geist*,” some theoretic means to develop “the absolute *Geist* as an intellectualism,” because that “is the natural means for man to overcome the evils consequent upon the low *energeia* of intellect.”³³

Even by the middle nineteen thirties, then, Lonergan had arrived at the clear-headed insistence that there is simply no “possibility of ‘muddling through’ the crises of history,”³⁴ no way of circumventing the “bias of practical thought”³⁵ or the descent of successive lower syntheses without first recognising them, no way around the dialectic of decline without confronting the accelerating and deeply embedded social and historical surds. As Lonergan noted in a haunting passage,

This bias of practical thought transforms the distinction of those who govern and those who are governed into a distinction between the privileged and the depressed. The latter distinction in time becomes an abyss: its mechanism would seem [to be] as follows. Insensibly the privileged find the solution to the antitheses of their own well-being and progress.

³¹ “Philosophy of History,” MS, 124.

³² “Panton,” 156.

³³ *Ibid.*, 157.

³⁴ “Analytic Concept of History, in Blurred Outline,” MS, 14.

³⁵ “Analytic Concept of History,” 21.

Too easily they pronounce nonexistent or insoluble the antitheses that militate against the well-being of the depressed.

Thus it is that with the course of time, the privileged enjoy a rapid but narrowly extended expansion of progress, and meanwhile the depressed are not merely left behind but more or less degraded by the set of palliatives invented to prevent their envy bursting into the flame of anger and revolution. The total result is an objective disorder: both the progress of the few and the backwardness of the many are distorted; the former by its unnatural exclusiveness, the latter by the senseless palliatives. And this distortion is not merely some abstract grievance waiting on mere good will and polite words to be set right: it is the concrete and almost irradicable form of achievements, institutions, habits, customs, mentalities, characters.³⁶

That deliberate³⁷ and disturbing phrase, “concrete and almost irradicable form,” laden with the tensive tragedy of human history, provides a latent clue. The relevant distortions come to pervade the social, cultural, historical scene at every level; the distortions are dynamic, that is, they accelerate the rate of the dialectic of decline; universally the distortions are either products of common sense or accepted by common sense; and only something beyond common sense can eradicate

³⁶ *Ibid.*, 21-22.

³⁷ The phrase, “and almost irradicable,” was neither an incidental remark nor a rhetorical flourish; Lonergan added it between drafts, honing it twice. Compare “Outline of an Analytic Concept of History,” MS, 10, lines 44-46 (“not merely abstract wrongs waiting on mere good will to set right, but the concrete form of achievements, institutions, habits, customs, mentalities, characters”) with “Analytic Concept of History,” 22 (quoted in the body of the text, above). Another formulation, midway between the first and the third, reads: “It is the concrete and practically ineradicable form of the social structure, of achievements, institutions, customs, habits, mentalities, characters.” “Analytic Concept of History, in *Blurred Outline*,” MS, 11. (I assume here that the later-published version was the last to be written. In fact, though, as Fred Crowe has noted, the published version and “*Blurred Outline*” are “practically contemporaneous.” “Lonergan’s ‘Analytic Concept of History’: Editor’s Introduction,” *Method: Journal of Lonergan Studies* 11 (1993), 1-4, at 2.)

them. In other words, the cumulative effect of compound decline is an accelerating dialectic of decline and ultimately an unintelligible chaos.³⁸ Once past the initial stages, one can no more arrest the cumulative and compound effect of minor and major decline with common sense than a climber caught in an avalanche can arrest his descent with an ice axe.

Nor is the challenge, grave as it may be, limited to the level of institutions, customs, laws, social structures. The problem is on the level of history, and it cannot be solved by attending only to psychological, social, political, legal, economic or institutional dynamics, complex as they may be. No solution that remains ignorant of the dynamics of history will be adequate to the problem. For the problem consists in the fact that evil and decline become “concretised in the historic flow”³⁹ in ways and at levels almost past understanding and so almost past remedying.⁴⁰ As the 30-year

³⁸ “Analytic Concept of History,” 23.

³⁹ “Philosophy of History,” MS, 129.

⁴⁰ The mounting unintelligibility of the social and historical surd following from major decline can be blunted and reversed only by a dialectical analysis; conversely, the human failure to understand ourselves and our situation dialectically leads to a series of less comprehensive and less intelligible syntheses. As these in turn become socially and historically accepted and effected, only dialectical analysis can untangle the resulting mess. *Insight*, 712. Lonergan introduces the notion of a succession of less comprehensive syntheses as a tool of historical analysis for the first time in the historical manuscripts. But that tool in turn has to be somehow mediated to actors on the social and historical scene whose mindsets are all or mostly common sense; it is those actors who must somehow assimilate and integrate what Lonergan would later call “a dialectical attitude of will.” *Insight*, 721. Yet as Lonergan later stresses, the “succession of ever less comprehensive syntheses ... is far too general a theorem to unravel at a stroke the tangled skein of intelligibility and absurdity in concrete situations. Its generality has to be mediated by a vast accumulation of direct and inverse insights and by a long series of judgments of truth and of value, before any concrete judgments can be made.” *Insight*, 712.

A parallel to the relation between theory and implementation in Lonergan’s economics suggests itself. The generalisation that he attempted in 1942 in economics entailed a vast educational project, and its implementation would “make the practical economist as familiar a professional figure as the doctor, the lawyer, or the engineer.” *For a New Political Economy*, 37; see also *Macroeconomic Dynamics: An Essay in Circulation Analysis*, Collected Works of Bernard Lonergan 15 (Toronto:

old Lonergan had already come to grasp, meeting the profound challenge implied by that fact calls for nothing less than a theory of history.

C. Hegel, Lonergan, and “Objective Geist”

It is not entirely clear precisely when Lonergan began to struggle towards a theory of history, but there is no reasonable doubt that his early struggles along those lines involved some serious grappling with Hegel. Whether Lonergan’s wrestling with Hegel came before *Summa* wrestling or after is beside the present point, for in either case the early historical manuscripts

University of Toronto Press, 1998), 115. Does Lonergan’s theory of history, or its adequate implementation, likewise require something like a “practical dialectician” in every community? It seems unlikely. Rather the relevant remedy would require a transformation of education. As Lonergan later noted after discussing the technique of inverse insight at the core of dialectic method, “Still, this subtle procedure has to be discovered, taught, learnt. Until this discovery is made and disseminated and accepted, man tends to regard his situation as a homogenous array of intelligible facts.” *Insight*, 711-12. The discovery of the subtle procedure involved in coming to grips with the successive lower syntheses is not an easy one. See Fred Lawrence, “Political Theology and ‘The Longer Cycle of Decline,’” *Lonergan Workshop 1* (Atlanta: Scholar’s Press, 1978), 236-37. Might it be helpful to think of this particular problem in the context of the last three functional specialities?

In any case, it is essential to stress here the presence even in the early historical and economic manuscripts of Lonergan’s concrete manner of envisioning the challenge of *implementation*. One might, for illustration, compare two passages. In the first, Lonergan speaks of a higher synthesis of progress and decline yielding an “ordered freedom in which all individuals find their own place of themselves, and all conspire for that infinitely nuanced ‘better’ that is the goal of progress, but can be known only by the work of all intelligences each in its own field, that can be attained only by individuals bearing the risks that each advance involves.” “Analytic Concept of History,” 25. The second is a passage from *For a New Political Economy*, written perhaps four years later, in which Lonergan estimates the magnitude of the displacement involved in implementing his generalisation of previous economic efforts. “The task will be vast, so vast that only the creative imagination of all individuals in all democracies will be able to construct at once the full conception and the full realization of the new order (37).” Here again, one might ponder this emphasis in the early Lonergan in the later context of, say, the functional speciality communication.

bear the unmistakable imprint of Hegelian ideas.⁴¹ One might begin with the centrality of dialectic in Lonergan's historical analysis, with the conspicuous and repeated use of the threefold movement of thesis, antithesis, and synthesis in the manuscripts, with the analysis of material development and scientific development in terms of the workings of a natural

⁴¹ Did Lonergan become acquainted with Aquinas on some level before being influenced by Hegel? It is difficult to say. He seems to have been influenced by both from secondary sources before he studied either intensively in the original. Fred Crowe dates Lonergan's first direct acquaintance with Aquinas (through the *Summa*) to the second half of 1933, with intensive study of Aquinas beginning in 1938. "Insight: Genesis and Ongoing Context," *Lonergan Workshop* 8, ed. Fred Lawrence (Atlanta: Scholars Press, 1990), 61-83, at 67-68. There are fragmentary portions of a lost essay on Newman in the Lonergan Archives, apparently dating from 1933. Richard Liddy, *Transforming Light*, 76-77. In those fragments, Lonergan attributes to Hegel "the germ of a solution" to the critical problem "by positing an identity of intelligence and reality." See Liddy, 81-82; Fragments, 9. Moreover, Michael Shute dates the first historical manuscript, "The Philosophy of History," to 1933-34 (Shute, 179). Joseph Komonchak identifies Peter Wust's article "Crisis in the West" as a source for some of the ideas in the historical manuscripts. See Joseph A. Komonchak, "Lonergan's Early Essays on the Redemption of History," *Lonergan Workshop* 10: *The Legacy of Lonergan*, ed. Fred Lawrence (Chestnut Hill: Boston College, 1994), 159-177. Wust's article was published in a collection of articles edited by Christopher Dawson in 1931 under the title *Essays in Order* (Komonchak, 171, n.20). Interestingly, Wust's article makes use of Hegel's notion of objective *geist*. See Komonchak, 174-75.

If Komonchak is correct, it seems that Aquinas and Hegel were tandem influences on Lonergan through secondary sources. This seems supported by the manuscripts. "Philosophy of History" reflects ideas derived from Thomas, such as material and intelligible individuation and the notion of pre-motions. But it is also permeated by the notion of dialectic, and it distinguishes an absolute dialectic, a dialectic of fact, and a dialectic of thought. "Philosophy of History," MS, 117. Although "Philosophy of History" makes no mention of Hegel it does mention absolute *geist*, but only once (MS, 125). Similarly, "absolute *Geist*" appears in the sketch for "Panton Anakephalaiôsis," MS, 3; that manuscript preceded the full version of "Panton" completed in April, 1935. The full version of "Panton" repeatedly mentions both "absolute *Geist*" and "objective *Geist*." See below, n.51. Lonergan's increased reliance on those terms may indicate an increased interest in, or exposure to, Hegel between 1933 and 1935 – before he began his intensive first-hand study of Aquinas in 1938. See Crowe, "Insight: Genesis and Ongoing Context," 67-68.

dialectic,⁴² or with the complicated extensions of single dialectics of cultural units into multiple interacting dialectic movements in history.⁴³

Yet however inspired Lonergan initially may have been with the conceptual tool provided by Hegel's formulation of dialectic,⁴⁴ it remains that the tool in Lonergan's hands quickly became altered beyond, as it were, Hegelian recognition. By "dialectic" Lonergan came to mean, not "Hegel's expansion of concepts"⁴⁵ but rather something closer to what Dilthey and Ortega y Gasset meant by a *Realdialektik*,⁴⁶ a dialectical experiment of reality in history, a real expansion.

⁴² "A Theory of History," MS, 5.

⁴³ "Properly the dialectic belongs to the social unit. But ideas have no frontiers. The interaction of many dialectics we term the multiple dialectic." "Outline of an Analytic Concept of History," MS, 5. Some measure of the importance Lonergan attached to the multiple dialectic may be gleaned from his statement that the analytic concept of history analyses the course of history "to view the whole as a Multiple Dialectic, a term we cannot explain in much less than all the pages that follow." *Ibid.*, 1.

⁴⁴ Whether Lonergan read Hegel directly prior to the age of 30 is an interesting question likely to be answered in the negative, see the letter of January 22, 1935 to Henry Keane, page 6, although given the paucity of surviving documentation from the period, the matter may be difficult to settle. It seems likely Lonergan absorbed Hegelian ideas from secondary sources. See above, n.41. Judging from references in the historical manuscripts, Lonergan read a number of Christopher Dawson's historical essays, in addition to his work entitled *The Age of the Gods*, which Lonergan read in 1930-31. *Caring about Meaning: Patterns in the Life of Bernard Lonergan*. Pierrot Lambert, Charlotte Tansey, and Cathleen Goings, eds. (Montreal: Thomas More Institute, 1982), 9. Dawson published an essay on "Karl Marx and the Dialectic of History" in 1935 as chapter V of his book *Religion and the Modern State* (New York: Sheed & Ward, 1935), 73-101. Perhaps Lonergan in the early and mid-nineteen thirties absorbed some of his ideas on Marx and Hegel from Dawson; at any rate, Lonergan later referred to the Dawson article on Marx as a "penetrating" and "trenchant" analysis and specifically noted that it had originally appeared in 1935. "Healing and Creating in History," *A Third Collection* (New York: Paulist Press, 1985), 100-109, at 109, n.11.

⁴⁵ "Outline of an Analytic Concept of History," MS, 5.

⁴⁶ See above, n.19. Relevant here is Lonergan's characterisation of his attempted theory of history as "real analysis." The phrase occurs at the beginning of a section titled "The Unity of History: the Dialectic." "Analytic Concept of History, in Blurred Outline," MS, 3. Is there a relation between his adoption of this term for his own efforts and its use in

If new thought emerges, then it is some general idea that gradually discovers and applies its implications. ... We term it an *expansion*. The expansion works some transformation of the data through human action, makes more or less evident the insufficiency of the basic idea, suggests a complementary antithetical idea. This antithesis has its expansion, reveals its insufficiency, and so to synthesis. But synthesis will not immediately be of sufficient generality, and we have the process repeated ...⁴⁷

In other words, just as Lonergan's concept of concept differed radically from Hegel's,⁴⁸ even by that early stage, so his concept of dialectic differed radically as well. And we have Lonergan's own contemporary testimony that he considered his achievement to be post-Marxist and post-Hegelian.⁴⁹ Yet in what precisely did his surpassing of Hegel, if that is what it was, consist? Lonergan's historical manuscripts from the 1930s are, in part, an attempt to transpose Hegel's central category of dialectic from a conceptualist to an intellectualist framework.

Precisely the same can be said of Lonergan's treatment of Hegel's notion of "objective *Geist*."⁵⁰ It may seem wild

economic theory? See Philip McShane's introduction to *For a New Political Economy* xxviii-xxix. Did he borrow the term, though of course not the meaning, from economics? Keynes discusses the term in its economic context in *The General Theory of Employment, Interest, and Money* (London: Macmillan, 1936), 33.

⁴⁷ "A Theory of History," MS, 3.

⁴⁸ The earliest written evidence of Lonergan's discovery of something like a preconceptual act of 'insight into phantasm' may be found in a paper entitled "The Form of Mathematical Inference," written just after he turned 23, and 'published' in *The Blandyke Papers* no. 282 (January 1928). For details, see Frederick Crowe, *Lonergan*, 32, n.33.

⁴⁹ Letter of January 22, 1935, p. 4-5, quoted in Liddy, *Transforming Light*, 110-111.

⁵⁰ Lonergan's brief gloss on "objective *Geist*" is "the common mind of man" as it expands and differentiates in history. "Panton," 147. Hegel treats the term in *Encyclopedia der philosophischen Wissenschaften im Grundrisse*. The *Encyclopedia* has three parts: the science of logic, the philosophy of nature, the philosophy of spirit. The philosophy of spirit, in turn, is divided into three parts: subjective *geist*, objective *geist*, and absolute *geist*. For a translation of part three of the *Encyclopedia*, including

exaggeration to say that the notion of objective *geist* played an early and crucial role in Lonergan's view of history, and a continuing role thereafter. Yet it is no exaggeration.⁵¹ The suggestion appears so implausible on its face only because Lonergan's express bows to Hegel are comparatively few.⁵²

the section on objective *geist*, see *Hegel's Philosophy of Mind*, trans. A.V. Miller and William Wallace (Oxford: Oxford University Press, 1971), esp. 241-291. For a brief account of the *Encyclopedia*, see Martin Heidegger, *Hegel's "Phenomenology of Spirit"*, trans. Parvis Emad & Kenneth Maly (Bloomington: Indiana University Press, 1988), 6-9.

⁵¹ For Lonergan's use of Hegel's terms "objective *Geist*" and "absolute *Geist*," see, e.g., "Panton," 147, 148, 149, 152, 155, 156, 157, 158. A particularly arresting use of the term occurs in Lonergan's phrase, "the expanding objective *Geist* of humanity." "Panton," 156. On the possibility of disengaging the important Hegelian category of "objective *Geist*" from Hegel's "peculiar metaphysics," see *Understanding and Being*, 219. That Lonergan understood his achievement in the mid- and late-nineteen thirties to be post-Hegelian seems clear. See, for example, "Analytic Concept of History," 24 (from his analysis "there follow the four characteristics of renaissance, the basic principles of a 'higher criticism' to replace the Hegelian."). While Lonergan's development of the notion of dialectic in his early writings has received considerable attention, the role of "objective *geist*" has not, to my knowledge, been remarked upon. Yet it provides a revealing clue to Lonergan's early understanding of history and, for that matter, to the meaning of "system and history" for Lonergan as late as 1959 and 1965.

⁵² Lonergan was in the habit of regularly using Hegelian phrases without attribution – and, of course, without necessarily meaning what Hegel meant. See *Method in Theology*, 239 ("Empiricism, idealism, and realism name three totally different horizons with no common identical objects.") Conspicuous examples include "rational self-consciousness" (*Insight*, 625; see Hegel's *Phenomenology of Spirit*, trans. A.V. Miller (Oxford: Oxford University Press, 1977), 211), "concrete universal" (*Insight*, 764; see Hegel's *Phenomenology*, 106-107; see also Quentin Lauer, *Hegel's Idea of Philosophy* (New York: Fordham University Press, 1983), 54-56), "troubled consciousness" (*Method in Theology*, 84; Hegel's *Phenomenology*, 126), and the movement from substance to subject ("Existenz and Aggiornamento," *Collection*, 2d ed., Collected Works of Bernard Lonergan 4 (Toronto: University of Toronto Press, 1988), 222-231. at 222-23; see Hegel's *Phenomenology*, 33; see also Nathan Rotenstreich, *From Substance to Subject: Studies in Hegel* (The Hague: Martinus Nijhoff, 1974), 1-16). One might also consider the notion of mediation (see *Method in Theology*, 28, and *passim* on "the world mediated by meaning"), although when he first began making systematic use of the notion of mediation, Lonergan expressly mentioned Hegel, as well as Henri Niel's *De*

But, as I detail below, comments by Lonergan himself support the suggestion. Of course, I do not wish to defend the proposition that Lonergan at any stage of his thought was a Hegelian. But I do wish to contend that Lonergan in his early formative period of systematic reflection on history drew on Hegel to a degree that is not at first obvious.⁵³

The early and continuing significance of Hegel's notion of objective *geist* for Lonergan may best be gauged by two unusual and distinctive passages from Lonergan, one from 1958 and the other from 1965. Although the passages are years past his historical writings from the 1930s, they show just how important a role Hegel had played in them. Hegel played the

la Mediation dans la philosophie de Hegel (Paris, Aubier, 1954). See "The Mediation of Christ in Prayer," *Philosophical and Theological Papers 1958-1964*, Collected Works of Bernard Lonergan 6 (Toronto: University of Toronto Press, 1996), 160-182, esp. 161-62 and 162, n.3.

The *Phenomenology* is a possible proximate or remote source for Lonergan's otherwise unidentified use of the German word *Zersplitterung* (fragmentation or atomisation) in "Panton" and other writings from the nineteen thirties. See *Phaenomenologie des Geistes* (Frankfurt am Main: Suhrkamp, 1970), 355: "Das Allgemeine, in die Atome der absolut vielen Individuen zersplittert, dieser gasetorbene Geist ist eine *Gleichheit*, worin *Alle* als *Jede* als *Personen* gelten" (emphasis in original); Hegel, *The Phenomenology of Mind*, trans. J.B. Baille (New York: Harper Torchbook, 1967), 501: "The universal being thus split up into the atomic units of a sheer plurality of individuals, this inoperative, lifeless spirit is a principle of equality in which all count for as much as each..." On other potential sources for Lonergan's use of *Zersplitterung*, see Komonchak, 173-76.

⁵³ It is surely understatement when Lonergan remarks in a footnote in *Insight* that his attitude towards Hegel is not merely negative. *Insight*, 398, n.21; see also the editors' note, 798, 'n' ("letters and papers from Lonergan's student days ... show a focal interest in Hegel and Marx"). He has, after all, just finished asserting that "Hegel's range of vision is enormous; indeed, it is unrestricted in extent. But it is always restricted in content, for it views everything as it would be if there were no facts (*Insight*, 398)." My comments in the text apply to Hegel's influence on Lonergan's view of history. I will not discuss the related question of his influence on Lonergan's cognitional theory except to note that Lonergan clearly believed he had successfully carried forward Hegel's project of rehabilitating rational consciousness beyond the limits imposed on Hegel by his concept of concept. See *Insight*, 397-98. Compare *Verbum*, 20 ("it is reason ... that gives meaning to the term 'real'") with Hegel's famous dictum in *The Philosophy of Right* that "the real is rational and the rational real."

role not, perhaps, directly, but at least he was the source of a precise heuristic phantasm for Lonergan that would eventually flower into 'the encounter with the past' cumulatively mediated by the first four functional specialities.⁵⁴ The two passages cast, I contend, a remarkable backward light on Lonergan's purposes and projects in the 1930s and early 1940s, and they allow us to notice an important motif, present even in the early Lonergan, a motif that might otherwise easily be overlooked.

During the 1958 Halifax lectures on *Insight*, in the course of a discussion on the historical component in self-appropriation, Lonergan remarked that self-appropriation is conditioned by self-expression or self-manifestation. He then extended that point from the level of the individual to the level of history, and added: "I think there is something very true in the Hegelian connection between the subjective spirit and its manifestation in objective spirit. ... [T]he notion, it seems to me, is both true and extremely significant insofar as one is concerned to understand history."⁵⁵

The same point, it seems, underlies the section on "The Genesis of Adequate Self-Knowledge" in Chapter Seventeen of *Insight*. For in that chapter Lonergan emphasises not only "the long history" that is involved in the genesis of human self-knowledge but also human history as an extended objectification of what humans are, or perhaps of how humans reach, since human history is in part a history of the fact that "le metier de l'homme est de se dépasser."⁵⁶ "So it is that each new venture, each new success and failure, in the history of man provides an objectifying revelation of man's capacities and limitations, a contribution to his self-knowledge, and a premise from which, perhaps, some item of metaphysical import may be gleaned."⁵⁷

Although Hegel is not expressly mentioned, it is not difficult to discern Hegel's objective *geist* hovering over that passage from *Insight* and, indeed, over much of chapter

⁵⁴ See *Method in Theology*, 133.

⁵⁵ *Understanding and Being*, 219.

⁵⁶ "Outline of an Analytic Concept of History," MS, 7.

⁵⁷ *Insight*, 559.

seventeen. It may haunt, as well, not only the title but much of the content of chapter seven of *Insight*.⁵⁸ A sceptical interpreter might beg to differ or doubt, of course, yet the grounds for reasonable doubt vanish in the light of the second passage I wish to emphasise, penned by Lonergan in a sketch of the first chapter of *Method in Theology* in 1965. As in the 1958 lecture, the reference to Hegel is explicit, and the intimated scale and task of historical theory, method, and scholarship is unmistakable.

As the labour of introspection proceeds, one stumbles upon Hegel's insight that the full objectification of the human spirit is the history of the human race. It is in the sum of the products of common sense and common nonsense, of the sciences and philosophies, of moralities and religions, of social orders and cultural achievements, that there is mediated, set before us the mirror in which we can behold, the originating principle of human aspiration and human attainment and failure. Still, if that vast panorama is to be explored methodically, there is the prior need of method.⁵⁹

Perhaps the first and most important question to ask of this passage is, Who is the "one" in this passage who stumbles upon "Hegel's insight"? It is Lonergan himself, I suggest, and he stumbled upon the insight as early as 1935, for by that year he had thoroughly and expressly appropriated – or better, perhaps, expropriated – Hegel's category of objective *geist* and carried it over into his own burgeoning attempts at theory of

⁵⁸ Hegel makes a ghostly appearance in other parts of *Insight* as well. One may, for example, compare the third epigraph to this paper with *Insight*, 474 (finality enlightens humans "by allowing their actions to have their consequences that by this cumulative heaping of evidence men may learn; and if one tribe or culture, one nation or civilization, does not learn, finality will not stoop to coaxing and pleading; it lets things take their course that eventually tribes and nations, cultures and civilizations, may reach that degree of intelligent and rational consciousness necessary to carry forward the task of finality in transcending limitations.").

⁵⁹ File A697 in the Toronto Lonergan Archives, p. 14; see Appendix A of *Phenomenology and Logic*, Collected Works of Bernard Lonergan 18 (Toronto: University of Toronto Press, 2001).

history. But if that is so, might Lonergan also have begun to consider seriously, as early as 1935, “the prior need of method” that alone makes possible the adequate exploration of the full historical panorama? And if so, what form did his investigation take of what he then termed “reflex history” and “the reflex use of intellect,” together with their “utilisation ... for the systematic planning of the making of man by man”?⁶⁰ How was history to be methodically approached and understood, and how was history as methodically understood to assist in effecting the transition from spontaneous history to reflex history?

D. The Nature of a Theory of History

A theory of history, writes Lonergan in one early manuscript, “is an explanatory account of those general forms of human history within which particular events take place.” Such a theory is concerned with “the laws that govern the direction and content of historic movement through the past, in the present, and into the future.”⁶¹ It is not narrative history, a mere chronicle of particulars, of who did what to whom and when. Nor is it merely an abstract account. It seeks “the historic universal,” that is, human nature considered “not apart from its individuations nor yet in its individuations but in the laws of its expansion through successive generations of new individuations.”⁶²

The philosophical and methodological richness of Lonergan’s early reflections on history defies tidy and adequate summary. In part that is because his thought is complex and nuanced, in part because the elements of truly systematic thought are tightly interwoven and so tend to imply or entail one another, and in part because his thought on history unfolded rapidly in a series of leaps and then underwent further refining and recasting as he wrestled with an expanding series of questions.

Though the richness of Lonergan’s thought in the historical manuscripts is elaborate and labyrinthine, we may

⁶⁰ “Outline of an Analytic Concept of History,” MS, 9.

⁶¹ “A Theory of History,” MS, 1.

⁶² *Ibid.*, 1.

use three threads to mark a navigable (or at least a practical) path through the labyrinth.

The first is the relation between theory and fact, between heuristics and history. The second is the distinction between the period of spontaneous history and the period of reflex history, and related to that thread is the transition from spontaneous to reflex history by means of the emergence of reflex thought.⁶³ The third thread, related to both the first and the second, is the distinction between historical analysis and synthesis.

1. *Theory and fact*

The opposition of theory and fact is a commonplace of common sense. The limitations of that view, however, quickly become apparent. For upon reflection, theory and fact are intimately related, not opposed. To paraphrase Kant, theories without facts are empty, facts without theory are blind.⁶⁴ Theory provides a heuristic framework for assembling and correlating data, and when the data are thoroughly and correctly understood, one arrives at the facts. In other words, facts are not pre-established pieces one assembles into a mosaic called theory; rather, under the guidance of a hypothesis or heuristic framework one discerns in the data a coherence, pattern, or structure, and when the data so configured are verified one arrives at the facts.

The point is essential, especially in the context of the complicated relation between theory and fact that obtains in historical inquiry. The very notion of an analytic concept of history shows at least implicitly that Lonergan grasped the point early. Perhaps the most explicit evidence comes from notes he took on an article by Emile Brehier published in 1936. Brehier points out that though Bayle in his *Dictionnaire historique et critique* (1697) regards facts as the point of arrival for historical investigation, not the point of departure, he nonetheless “systematically carries out the unsystematic

⁶³ See, e.g., “Analytic Concept of History, in Blurred Outline,” MS, 8.

⁶⁴ See *Critique of Pure Reason*, trans. Norman Kemp Smith (New York, St. Martin’s Press, 1965 [1781, 1787]), B75 (“Thoughts without content are empty, intuitions without concepts are blind.”).

juxtaposition of facts.”⁶⁵ Lonergan’s notes on Brehier’s article stress his own view that facts must be correlated, not merely juxtaposed. And while he approves the idea of facts as what one arrives at, still the real question is “what is fact, theory enters into its structure.”⁶⁶ In other words, explanatory theories are not an extrinsic layer of thinking slathered onto a prior layer of freestanding facts. Rather, facts are precisely what explanatory accounts explain; what is explained pertains to the nature of the facts. Were that not true, explanation would literally have nothing to explain; it would be merely a superfluous if exotic addition to a domain of known fact already exhaustively occupied by common sense.

In order to deepen this line of questioning, perhaps it will be helpful to approach the relation between theory and fact from another angle. Why did Lonergan regard sociology as a relevant heuristic for the study of history? Surely it is at least curious that he should regard what he referred to as “fundamental sociology” as an essential tool for understanding history. One might consider Lonergan’s efforts at the time in the context of the social teachings then flowering in the church.⁶⁷ But those were more the occasion than the inspiration or source of his effort in fundamental sociology. A more helpful clue is that prior to the period of the historical manuscripts Lonergan was deeply influenced by Christopher Dawson. Lonergan read Dawson’s *Age of the Gods* in 1930–31,⁶⁸ and he seems to have read other essays by Dawson prior to 1934 or 1935.⁶⁹

In an article entitled “Sociology as a Science,” published in 1934, Dawson disputes the traditional contention that history cannot be a science, since history deals with particulars and

⁶⁵ “The Formation of Our History of Philosophy,” Klibansky, 163.

⁶⁶ (Sic.) Lonergan, single page of extracts of Brehier’s article in the Cassirer *Festschrift*, available at the Lonergan Archives in Toronto.

⁶⁷ See generally, Komonchak, op. cit.

⁶⁸ *Caring about Meaning*, 9.

⁶⁹ In “Philosophy of History,” Lonergan refers by memory to a sentence from one of Dawson’s “reflective essays (MS, 105).” He refers again to Dawson at MS, 109, and also lists “Christopher Dawson’s historical essays” as illustrations of synthetic understanding in “Analytic Concept of History,” 7.

there can be no science of particulars. Dawson summarises his argument by remarking,

Thus the old opposition between science and history is being done away and history is being brought into increasingly intimate relations with the other social sciences, and above all with sociology. History and sociology are, in fact, indispensable to one another. History without sociology is 'literary' and unscientific, while sociology without history is apt to become mere abstract theorizing.⁷⁰

Dawson had previously published articles titled "On the Development of Sociology in Relation to the Theory of Progress"⁷¹ and "Progress and Decay in Ancient and Modern Civilization,"⁷² so there is some reason to believe that Lonergan's early interest in the relation between sociology and scientific history may have been influenced by Dawson.

Yet whatever the extent or import of Dawson's influence, it remains that historical theory first must resolve the problem of how the particularity of historical happenings can become the subject of a science. Sociology as conceived by Dawson may have offered an initial clue, but the "sociology" eventually envisioned by Lonergan in the 1930s was quite unlike any previously conceived. It centred on "human wills in the space-time frame-work of human solidarity"⁷³ and made that solidarity the essential cause of historical process. To the problem of how history, riddled as it is with particularity, can be a science, and to Lonergan's response to that problem, we return in the third section. But first we must consider the

⁷⁰ "Sociology as a Science," *Science for a New World*, "planned and arranged" by Sir J. Arthur Thomson, ed. J.G. Crowther (New York: Harper & Brothers, 1934), 151-72, at 159. Lonergan was so taken with this idea, or something like it, that in 1935 he contended that "a *Summa Sociologica*" was necessary to meet the crisis of modern history then manifesting itself in the crisis of the west. He identified such a *Summa* with a metaphysics of history, "Panton," 156-57, the nature of which is only gradually and schematically hinted at in the historical manuscripts.

⁷¹ *The Sociological Review* XIII (April 1921).

⁷² *The Sociological Review* XVI (January 1924).

⁷³ "Outline of an Analytic Concept of History," MS, 2.

unusual role in historical process that Lonergan assigns to theory.

2. *Spontaneous and reflex history*

History for the early Lonergan is essentially a human product, a web or mesh of series of multiple discoveries and decisions, actions and effects, overlapping and interacting over time to create a transtemporal field of mutual influence and adaptation. It is on the “effective transience” from person to person and period to period of the cumulative products of prior periods that the early Lonergan centres his analysis of history. “The human decision to think or speak or act has an effective transience; it influences both directly and indirectly other human decisions; and it is this solidarity of human decisions, this interdependence of the present and dependence of the present on the past, that would seem to constitute the essence of history.”⁷⁴

Human intellectual development yields progress: new ideas, better implements, improved social, political, economic, or cultural arrangements. The stunting or thwarting of intellectual development that would otherwise emerge yields decline: stagnant ideas, implements inadequate to the task, defective social, political, economic, or cultural arrangements. Now for Lonergan certain dialectical laws govern the unfolding of human actions, inactions and interactions, and to those laws he devotes considerable attention in the historical manuscripts. Yet apart from the complication of single and multiple dialectics of social units, their rates and phases and interactions, history divides into spontaneous history and reflex history, that is, into spontaneous progress and directed progress.

The reflex use of human intellect “presupposes the erection of canons of thought and method,” while the spontaneous use of human intellect does not.⁷⁵ For that reason, spontaneous history comes first. Spontaneous history may be characterised “by popular religion and morality ... by the

⁷⁴ *Ibid.*, 2.

⁷⁵ *Ibid.*, 7; compare “Analytic Concept of History,” 17: “the reflex use of intellect presupposes the discovery of the canons of thought and the methods of investigation.”

development of agricultural and the mechanical arts, the evolution of economic and political structures from barter to exchange and the tribe to the state, and the cult of fine arts and humanism.”⁷⁶ The economic development stemming from the accumulation of spontaneous insights and political or tribal arrangements makes leisure possible, and sufficient leisure leads to the emergence of reflex thought. Eventually higher cultures emerge, which give birth to philosophy and science, which in turn produce an expansion of reflex thought. Then religion and morality find philosophic foundations, science and its applications develop, and these give rise to “a more abundant and universally distributed leisure” and open the way to a still higher culture.

Sufficiently developed reflex thought eventually turns to the investigation of history itself. In itself, however, that is not sufficient for the emergence of reflex history. Reflex history combines the emergence of canons of thought and method “with the social consciousness that the earthly task of man is the making of man, giving him his body, the conditions of his activity, the material from which he must draw in the fashioning of his soul.” Reflex history is nothing less than “the deliberate and social direction of human activity to its immediate goal: history, the making of man by man.”⁷⁷ Lonergan’s example of the transition is revealing. “The ‘class consciousness’ advocated by the communists is perhaps the clearest expression of the transition from reflex thought to reflex history.”⁷⁸

What has all this to do with the nature of a theory of historical process? At a minimum we may say that an adequate theory of history will have a role to play in guiding the unfolding of future history. Human beings can move from spontaneous, haphazard and disorganised making of the human to deliberate, planned and methodic making of the human only if humans know what history is and how it unfolds. Stated otherwise, historical theory reflexively mediates the unfolding of higher levels of culture, of the self-conscious self-making of

⁷⁶ “Analytic Concept of History in Blurred Outline,” MS, 8.

⁷⁷ *Ibid.*, 8.

⁷⁸ “Analytic Concept of History,” 18.

man. The theory of historical process, developed along the lines suggested by Lonergan, becomes a maieutics of the historical process.

3. Historical process, historical inquiry, and the history of systems

‘Theory enters into the structure of fact’ serves as a useful slogan for introducing Lonergan’s view of the problem of historical theory. The slogan helps explain the need for a theory of history if one is to fully understand the facts of history. The slogan only goes so far, however. It helps establish the *prima facie* need for a theory of historical process; it helps debunk the positivist view of historical facts;⁷⁹ but it does not indicate how one can derive a theory of history that is not hostage to the particularity and contingency of historical events. It does not explain how there can be a science of history which is not that ultimate oxymoron, a science of the particular.

Lonergan’s answer to that quandary relies on two factors: first, human nature – it is the nature of the human being to be a conscious potency in the realm of intelligence, and therefore to progress cumulatively from limited acts of understanding to less limited acts⁸⁰ – can be analysed into its component dynamics, and that analysis can be projected into history as the form of progress.⁸¹ Such a projection, appropriately elaborated,⁸² would not be a mere chronicle of particularity;

⁷⁹ See below for a discussion of Lonergan’s view towards historical positivism in the late 1930s.

⁸⁰ See “Outline of an Analytic Concept of History,” MS, 7: “The human intellect is a conscious potency conditioned by experience”; “Analytic Concept of History in Blurred Outline,” MS, 7: “The mind of man is a conscious potency conditioned by sense”; more fully, “Analytic Concept of History,” 16: “In the genus of intelligible things the human being is as potency.’ ... The instrument of human progress is the mind of man. If then the mind of man is such that some things must be known first and others later, an analysis of mind will reveal the outlines of progress.”

⁸¹ “Outline of an Analytic Concept of History,” 7: “Since the instrument of progress is the intellect, it follows that the form of progress is a projection in history of the form of intellectual development. We outline the latter to determine the former.”

⁸² What Lonergan calls “the ideal line” so established would have to be outfitted with the corrections that come from (1) the cumulative refusal

instead, it would stand to historical narrative as pure science stands to applied science.⁸³ In Lonergan's later terminology, it would provide a heuristic structure for historical scholarship. Second, for Lonergan "the essential cause of history" is the historical solidarity of human decisions,⁸⁴ or, more accurately, "human wills in the space-time framework of human solidarity."⁸⁵ The essential cause of history is human wills in their "effective transience by which they influence others both directly and indirectly." That influence includes not only the channel of mutual influence pervasive in any social structure, but also the broader, cumulative influence of the manmade environment, together with "the influence of the historical situation which past action created and present action has to face."⁸⁶ As Lonergan explained, "Everything that a man does or thinks is pre-moved by the action of other things. Further, this pre-motion extends into the intellectual field and constitutes the pre-motion of the will."⁸⁷

Lonergan's deployment of statistical reasoning to explain the space-time solidarity of humankind and to interpret and apply the Thomist notion of pre-motion⁸⁸ is an especially striking element in his analysis. According to Lonergan, human choices to abide by or depart from the exigences of intelligence and rationality are not "ultimately predetermined" but they are nonetheless "strictly subordinate to a statistical law. ... What differentiates one epoch from another does not lie in the individual wills of the time but in the upper and lower limits

of humans to abide by the intelligent and rational exigence which stems from being potency in the realm of intelligence, and (2) the cumulative effects of grace re-establishing harmony with that exigence. In other words, Lonergan treats the ideal line as either the first moment in a dialectical process or as the first part of a threefold approximation analogous to Newton's laws of motion.

⁸³ "Outline of an Analytic Concept of History," MS, 2, lines 9-14.

⁸⁴ *Ibid.*, 1, 3.

⁸⁵ *Ibid.*, 2.

⁸⁶ "Analytic Concept of History," 10.

⁸⁷ "Philosophy of History," MS, 97.

⁸⁸ For an extremely helpful account of "pre-motion" in Aquinas, see Patrick Byrne, "The Thomist Sources of Lonergan's Dynamic Worldview," *The Thomist* 46 (1982), 108-45.

set these wills by the previous age.”⁸⁹ Thus, a single human nature is materially individuated in space-time into “a successive manifold of individuals” in which the earlier operate upon the later “according to the law of a pre-determined bracket of influence and a statistical uniformity within that bracket.”⁹⁰

Now these two factors not only pave the way for a theory of history operating on a level of scientific generality above the mere particularity of historical narrative. They also accord a notable significance in the flow of history to the emergence of new ideas. As Lonergan notes, “a fresh intellectual synthesis understanding the new situation created by the old intellectual form and providing a statistically effective form for the next cycle of human action” reveals the real incompleteness of the new synthesis by setting it new problems once the synthesis becomes embodied in action.⁹¹

In other words, the historical flow is a series of cycles of (a) the pre-motions and intellectual forms of an initial situation statistically determining human action in a later situation, (b) the emergence of new ideas within the later situation which shift or expand the pre-determined bracket of influence, (c) the change in the statistics governing action following from the shift in the bracket, (d) a resulting change in the flow of action, and (e) the emergence of a new situation created by the changed flow of action, embodying the new but incomplete idea in concrete form, and therefore capable of evoking a further increment of incomplete acts of intellect with respect to the new situation. Lonergan puts the sequence neatly: “The human intellect is intellect in potency; it is gradual; it arrives at its perfect act through a series of interactions between objective situations giving rise to intellectual theories *and intellectual theories changing objective situations.*”⁹²

We can, perhaps, see here seeds of the very themes that later blossomed in Lonergan’s writings on system and history in *Insight* and in the post-*Insight* period. For Lonergan’s early

⁸⁹ “Philosophy of History,” MS, 98.

⁹⁰ *Ibid.*, 98.

⁹¹ *Ibid.*, 99-100.

⁹² *Ibid.*, 100 (emphasis added).

view of history leaves out the aggregate of particular events as merely particular to concentrate on the underlying dynamics of history, namely, first the emergence of new ideas creating a vector of progress, then the resistance to or refusal of new ideas creating a vector of decline followed by a growing unintelligibility in the manmade facts of manmade history, and finally the possibility of a higher synthesis of progress and decline in which human nature would not be negated but relatively transcended.⁹³

It is a remarkable achievement. As Fred Crowe writes of Lonergan's early historical theories, "one wonders what became of this work of Lonergan's youth ... why he kept these papers all his life, if he had abandoned the direction he seemed to have taken in them. Or *did* he abandon it, did it endure as an underlying purpose, and can one find it all-pervasive in his later work?"⁹⁴ The answer to that question, as I hope to have made clear, is not seriously in doubt. In a sense, it is no wonder that Lonergan's early struggles toward a theory of history took root in his mind and continued to emerge in different and more refined form in his later thought. Indeed, the wonder would be if they did not.

But I would contend there is a still more remarkable aspect to Lonergan's early achievement, and it can be specified by reference to the slogan from which we took our initial bearings. That slogan – "theory enters into the structure of fact" – takes on a new and deeper meaning in light of Lonergan's emphasis on the role new ideas play in determining the flow of history. That is to say, the slogan indicates not only the necessity of historical theory but also something of the nature of the required theory as well. When the object of investigation is the flow of history, 'theory enters into the structure of fact' in a profound and further way. For however much theory may enter into the structure of fact in the natural sciences, it does so to a distinctive and greater extent in human sciences such as history. Theory enters into the structure of historical fact not merely because historical explanation

⁹³ For the characterisation of the third component, see "Analytic Concept of History," 24-25.

⁹⁴ Lonergan, 27.

explains something. More radically, the very data of history include the emergence of ideas and theories, and the emergence of ideas and theories alters the historical flow to be explained by an explanatory account of history.

Lonergan in the surviving section of his “Essay in Fundamental Sociology” puts the matter this way. Theory of history is a theory of change, and change divides into three categories: first, “the mere change of ordinary action”; second, “the change that follows from the emergence of new ideas”; and third, “*the change that follows from the emergence of systems of ideas, of philosophies.*”⁹⁵ To the third kind of change he attributed great significance.⁹⁶ Ideas of the second kind are changes of idea in the concrete, but those in the third kind are ideas in the abstract. Ideas in the concrete follow a logic of fact; they work themselves out in the objective situation as it unfolds. Ideas in the abstract follow a logic of thought; they work themselves out in systems of ideas.

But the function of systems of ideas is not merely to respond to changes in the objective situation but instead to bring them about. As Lonergan stresses, “the function of the applied dialectic of thought is to *anticipate* the need of the objective situation.”⁹⁷ Thus, the theory of history that takes into account “the interactions between objective situations giving rise to intellectual theories and intellectual theories changing objective situations”⁹⁸ must also take into account itself as an intellectual theory that will change the objective situation. To put it bluntly, even Lonergan’s earliest version of historical theory explicitly envisioned itself as a form of what we would now call historical praxis.

It may seem surprising to attribute so majestic an advance to the 30 year-old Lonergan, but there really is no other way of accounting for the textual data. In the later historical

⁹⁵ “Philosophy of History,” MS, 123 (emphasis added).

⁹⁶ He continued to do so throughout his life. As late as 1982 Lonergan remarked, “There is an interdependence between man’s historical development and the development of his own grasp of his own historicity.” Introductory lecture to his seminar, “Macroeconomics and the Dialectic of History,” Boston College, January 1982, transcript by Nicholas Graham, 4.

⁹⁷ “Philosophy of History,” MS, 124 (emphasis added).

⁹⁸ *Ibid.*, 100.

manuscripts, as we have seen, Lonergan distinguishes between a spontaneous and a reflex period in history, and the transition between the two is effected by a development of reflex thought, including the development of philosophies of history, liberalism and historical materialism foremost among them. In the earliest manuscripts, something like the same distinction appears in Lonergan's discussion of two phases in human progress, the automatic stage and the philosophic stage.

In setting forth the significance of the distinction, Lonergan first conceives the possibility of philosophy as immutable to the extent that it seizes on "elements that will necessarily be found in the ultimate and perfect science of the perfect act of the human intellect"⁹⁹ – a remote anticipation, perhaps, of the later notion of self-appropriation as relatively non-revisable.¹⁰⁰ He then elaborates on the possibility of philosophy as a "universal science that is the form of all science, because it rests on the forms, the outer edges, the frames, of all possible human knowledge"¹⁰¹ – a remote anticipation, perhaps, of the later notion of transcendental method as foundational. The most revealing passage, however, is the immediately following one in which he discusses "the philosophic stage in which the historical expansion of humanity has its ultimate control in a sound philosophy that not only is sound *but also is able to guide the expansion effectively*"¹⁰² – a remote anticipation, perhaps, of the later notion of the third stage of meaning.¹⁰³

⁹⁹ *Ibid.*, 101.

¹⁰⁰ *Insight*, 359-60.

¹⁰¹ "Philosophy of History," MS, 101.

¹⁰² *Ibid.*, 102 (emphasis added). In "Panton," it is "the expanding objective *Geist* of humanity (156)" or "the wandering objective *Geist* of humanity (154)" that must be guided effectively by adequate theory. The same theme appears in different form in "A Theory of History" where Lonergan speaks of the object of theory of history as "the historic universal" which is human nature considered "*in the laws of its expansion* through successive generations of new individuations (MS, 1, emphasis added)."

¹⁰³ See *Method in Theology*, 94-96; "Natural Right and Historical Mindedness," *A Third Collection*, 169-83, at 176-79; see also *Method in Theology*, 182, on the multi-staged transition from "existential history" to "the notion of scientific history."

The goal and role of a philosophy of history, then, is not only to assist in explaining the past but also to assist in guiding the future. It is to provide what Lonergan repeatedly calls “higher controls”¹⁰⁴ for the unfolding of the historical process, the making of man by man in history that for Lonergan is the essence of history.¹⁰⁵ Pre-human nature “functions perfectly in blind obedience to intelligible law.” But human nature is radically different. “Humanity must first discover its law and then apply it.”¹⁰⁶ to discover the law is a long process and to

¹⁰⁴ See, e.g., “Philosophy of History,” MS: “the importance of philosophy to fulfill its function of higher control (111);” “the modernist desires to leave the whole of history without any higher control (110);” regarding spontaneous social organisation, “the postulate of higher control over commerce changed the rule of priests into a rule of empire (111);” “Christianity was at once a symbol and a trans-philosophic higher control (111);” “liberalism denied higher control to bring theory into accordance with objective fact (111);” Decline and sin “are brought under a higher control, are integrated into a new movement” of integrating all things in Christ (120).” That movement of integration became the subject of the next manuscript, “Panton.” Moreover, Lonergan retained and refined this notion. He applied it to historical method in 1954 in “Theology and Understanding”, *Collection*, 114-32, at 129-30 (“just as scientific method in the physical sciences is not a mere matter of measuring and curve fitting but employs these pedestrian techniques under the higher guidance supplied by relatively a priori differential equations, so there is no reason to suppose that scientific method in the historical sciences is free from higher-level controls”) and to the periodisation of historical process in 1965 in “Dimensions of Meaning,” *Collection*, 232-45, at 235 (“changes in the control of meaning mark off the great epochs in human history”). See also *Method in Theology*, 85-99. The continuity and development of Lonergan’s use of “higher controls” both to characterise method and to differentiate periods of history is worth further study.

¹⁰⁵ See, e.g., “Philosophy of History,” MS, 116. Perhaps a theory of what the later Lonergan would call “historicity and praxis” could be derived from the theory of human freedom implied throughout Lonergan’s early historical writings. It would, of course, call for a separate and nuanced study. I would note here, however, one aspect of that theory: Lonergan’s insistence on the position that choice is concretely conditioned. “What can operate only as the result of a premotion and only according to pre-established laws is simply an instrument, a machine; it does not cease to be merely instrumental causality because of the freedom of selecting between the determinate order of an objective *Geist* and the determinate order of subintellectual operation (“Panton,” 148-49).”

¹⁰⁶ On the importance of the theme of implementation in Lonergan’s

apply it a painful process but it has to be done. The alternative is extinction.”¹⁰⁷

Historical theory in the early Lonergan, then, not only becomes somehow a means of retrieving the past but also a means of anticipating and guiding the future in light of the retrieved past. And not only the historical theory but also the historical process mediated by such historical reflection and anticipation becomes reflexive. The theory of historical process becomes progressively a maieutics of historical process. In short, as early as 1934 Lonergan was energetically attempting to formulate a rather rigorous “practical theory of history,”¹⁰⁸ as he later termed it in *Insight*.

So theory enters into the structure of historical fact on the deepest level because of “the change that follows from the emergence of systems of ideas,”¹⁰⁹ including those systems of ideas known as theories of history. In other words, that process can occur reflexively as well as spontaneously. This contention, I think, goes to the heart of Lonergan’s efforts at historical theory in the 1930s. A correct theory of historical process, properly accepted and diffused and therefore effectively setting “the upper and lower limits”¹¹⁰ of phantasm, understanding, and will for the next situation, would give birth to a stage of historical process in which historical process itself is reflexively guided by a heuristically sophisticated theory of history.¹¹¹

4. Historical Analysis and Historical Synthesis

One may move to a deeper grasp of the heuristic nature of the historical theory constructed by Lonergan in the 1930s by asking what precisely he meant by “historical analysis.” It is a difficult question, and one that cannot be answered in its

thought, see above, n.39.

¹⁰⁷ “Philosophy of History,” MS, 125.

¹⁰⁸ *Insight*, 258.

¹⁰⁹ “Philosophy of History,” MS, 123.

¹¹⁰ *Ibid.*, 98.

¹¹¹ It may help to think of this theme in the historical manuscripts in terms of Lonergan’s assertion in *Insight* that when humans discover how emergent probability governs the course of human history, it becomes possible for humans to become “the executor[s] of the emergent probability of human affairs.” *Insight*, 252.

entirety here. But even a brief exploration of that topic may help to lay to rest the notion that the distinction between history as “what is written” and history as “what is written about” can be used to periodise Lonergan’s own thinking, that the first half of his life centred on the history that is written about, while only after *Insight* did his concern turn to the history that is written.¹¹² My contention is that even in the 1930s historical analysis was understood by Lonergan to be a methodological component to historical reflection, a heuristic upper blade for historical investigation. In other words, historical analysis was in the service of, and was to be completed by, a higher level “historical synthesis.”

One might get the impression reading the historical manuscripts that philosophy or theory of history is one thing, historical scholarship is another, and never the twain shall meet. This impression stems from Lonergan’s tendency to emphasise, as he puts it in one passage, that he is attempting

¹¹² This contention appears, for example, in the editorial notes to “Analytic Concept of History,” 31, n.11, and also “The Philosophy of History [1960],” *Philosophical and Theological Papers 1956-1964*, 54-79, at 79, n. 43. I believe the distinction between the two meanings of “history” to be merely a semantic one required by the fact that popular English has only one word for two distinct things, namely, historical process and the scholarly investigation of that process. Initially Lonergan used the conventional difference between “history” and “historiography” to name the difference (“Analytic Concept”). But by the end of the 1930s “historiography” had come to mean the study of the history of historical reflection, and so Lonergan abandoned the terminology. See Carl Lotus Becker, “What Is Historiography? [1938],” in *Detachment and the Writing of History*, ed. Phil Snyder (Ithaca: Cornell University Press, 1958), 65-78. And, in any case, four lines after distinguishing history and historiography, Lonergan connects his theory of history to “the historian’s principle of selection,” and two lines later he says that “history is the aggregate of human actions in their causes. As such it is a science.” Clearly, the “history” that “is a science” is not the history that is written about but the history that is written. To put the matter simply, the merely semantic distinction misdivides the relevant data, and implies Lonergan spent years thinking about ‘the history that happens’ without concentrating on the methodology required to write the history that is written on the level of the times. It is true that Lonergan in *Method in Theology*’s history chapters concentrates on the epistemology of critical historical scholarship; it does not follow that he had, until then, neglected the upper blade necessary to give the history that is written an eventual possibility of scientific status.

“to raise history to the level of a pure science.”¹¹³ The theorist of history “is a scientist” while in contrast the historian is “radically a chronicler.”¹¹⁴ On the one hand, Lonergan’s theory “outline[s] history a priori” in a manner “comparable to the pure mathematician’s knowledge of planetary motion of a perturbed ellipse.” On the other hand, he resolutely declines to discuss “the value of such knowledge” since it lies “outside our present scope.”¹¹⁵

Yet scattered hints in the manuscripts suggest a different conclusion. Lonergan was breaking rather radically from a well-established model of historical positivism – a model whose entrenched status may be measured by Becker’s sustained resistance to it in his 1926 essay “What Are Historical Facts?”¹¹⁶ – and it is therefore not surprising that he would emphasise how radically his own approach differs from the reigning paradigm. A thinker departing from an established paradigm necessarily emphasises his or her differences with it. But we should not be misled by Lonergan’s emphasis. As we have seen, his intent was not to write a prismatic theory of history that would hang glittering in mid-air, pristine and useless, but to create a theory of history that would assist in redirecting the flow of history and in lifting it into a “reflex period.” It was, and was expressly intended to be, a step towards a practical theory of history.

By the same token, the analytic concept of history is remote but not irrelevant to practising historians. Ordinary historical scholarship is synthetic understanding; Lonergan’s example is Christopher Dawson’s historical essays.¹¹⁷ But historical analysis is different. The analytic concept of history “does not proceed from historical fact to theory, but from abstract terms to the categories of any historical event.”¹¹⁸ It is

¹¹³ “Analytic Concept of History in Blurred Outline,” MS, 2.

¹¹⁴ “Outline of an Analytic Concept of History,” MS, 2.

¹¹⁵ *Ibid.*, 1.

¹¹⁶ Carl Lotus Becker, “What Are Historical Facts?,” in Snyder, 41-64. The essay was read to the American Historical Association in 1926 but not published until 1955.

¹¹⁷ “Analytic Concept of History,” 7.

¹¹⁸ *Ibid.*, 8.

“knowing why history is what it is,”¹¹⁹ and, as he says, “in this knowledge we have a premise to further knowledge.”¹²⁰ In other words, the analytic concept of history does not end in analysis, however refined, since it aims “only at the first and most general act of understanding with regard to history.”¹²¹ What was the further knowledge for which Lonergan intended historical analysis to furnish premises?

The further knowledge, I suggest, is a higher-order historical synthesis. It is historical scholarship guided by an upper blade of theory. Ordinary historical scholarship may proceed from historical fact to theory, but historical analysis proceeds from abstract terms to the categories of any historical event. Higher-order historical synthesis, in turn, uses those categories to determine particular sequences and relations of thoughts, words, deeds, meanings in history.

In relation to the ordinary historian, then, Lonergan’s analytic concept of history – the definition of history as essentially the course of human action in its causes – must seem strange indeed. It seems strange, he says, “because it defines, not what the historian attains, but *the ideal towards which he tends*. Only in terms of this ideal can the selection of fact in any written history be accounted for.”¹²² Now this is a remarkable programmatic statement in the guise of a passing aside, and it is worth pausing a moment to appreciate its significance.

The analytic concept of history provides the historian with a principle of selection. It would take us too far afield to consider how this might be relevant to what *Insight* calls “the canon of selection.”¹²³ But it does raise an important possibility. The analytic concept of history proceeds not from

¹¹⁹ *Ibid.*, 8.

¹²⁰ *Ibid.*, 7.

¹²¹ “Analytic Concept of History in Blurred Outline,” MS, 2.

¹²² *Ibid.*, 2 (emphasis added).

¹²³ “The necessity of some canon of selection is obvious. Possible correlations, hypotheses, laws, probability expectations, theories and systems form an indefinitely large group. They can be set up at will by the simple process of definition and postulation. But there is no reason why the empirical inquirer should investigate all the trees in this endless forest of possible thoughts, and so he needs some canon of selection.” *Insight*, 94.

historical fact to historical synthesis; instead it proceeds from an analysis of human nature to an analysis of history in its essential causes. But does this analysis itself stand to a higher level of historical synthesis as historical fact stands to the lower level of historical synthesis?

The most powerful evidence for this view comes from the two projects Lonergan worked on immediately following the historical manuscripts examined in this paper: his doctoral dissertation and his first attempt (or at any rate, the first surviving attempt) at a full-fledged theory of economics. We will briefly examine the theme of higher-order synthesis in both.

Viewed in light of the subsequently discovered historical manuscripts, the introduction to Lonergan's doctoral dissertation is an elaboration and application of key ideas in the manuscripts. There is, for one, an emphasis on the necessity of "the human mind for some scheme or matrix within which data are assembled and given their initial correlation."¹²⁴ And just as historical analysis is derived from an analysis of the human mind, so the upper blade for the study of the history of speculative theology is derived "from an analysis of the idea of its development, for the analysis does yield a general scheme but it does so, not from a consideration of particular historical facts, but solely from a consideration of the nature of human speculation on a given subject."¹²⁵

Such a scheme is necessary, he says, because "even historians have intelligence and perform acts of understanding; performing them, they necessarily approach questions from a given point of view; and with equal necessity the limitations of that point of view predetermine the conclusions they reach."¹²⁶ In other words, what Lonergan later called "historical scholarship" alone is quite insufficient. Without "an *a priori* scheme that is capable of synthesizing any possible set of historical data irrespective of their place and time,"¹²⁷ human historical knowing is hostage either to a sterile positivism or a

¹²⁴ "The *Gratia Operans* Dissertation: Preface and Introduction," 12.

¹²⁵ *Ibid.*, 12.

¹²⁶ *Ibid.*, 11.

¹²⁷ *Ibid.*, 11.

rudderless relativism. The a priori scheme he proposes as a solution bears a distinct resemblance to the earlier historical analysis that moves not from historical fact to theory but “from abstract terms to the categories of any historical event,”¹²⁸ albeit now adjusted and adapted to theology.¹²⁹

Loneragan seems to have carried forward this notion of analysis leading to higher-level synthesis when he undertook to write a theory of economics.¹³⁰ Lonergan originally intended to

¹²⁸ “Analytic Concept of History,” 8.

¹²⁹ The theme in Lonergan’s introduction to his dissertation of an “a priori scheme or matrix” for historical investigation points backward to the analytic concept of history and forward to *Insight* and *Method in Theology*. From the viewpoint of the present study, the introduction provides an invaluable window into the workshop of an already accomplished master of theory. Themes that will occupy him in different ways in later years occur again and again. Among the most important is the clear affirmation that there are two distinct components to methodical historical investigation, which may be labelled for convenience the upper and the lower blades. The lower blade is the familiar matter of historical scholarship. Yet even by the period of his dissertation, Lonergan had already distinguished what *Insight* calls “the historical sense” or what *Method in Theology* later refers to as “a sophisticated extension of the procedures of common sense” from an explanatory approach to hermeneutics and history. In the introduction to his dissertation, Lonergan refers to historical scholarship as “the slow and incommunicable apprehension that comes to the specialist after years of study (“The *Gratia Operans* Dissertation: Preface and Introduction,” 17).” But historical inquiry and historical hermeneutics are by no means limited to the historical sense (*Ibid.*, 17). To the contrary, the whole point to having an upper blade or heuristic is that “the finer fruits of historical study are taken out of the realm of personal opinion and made part of the common heritage of science (*Ibid.*, 17).” The relation of the introduction to the historical manuscripts deserves much fuller study. In any case, though, the discovery of the historical manuscripts moves the introduction from the status of a contextless work of precise theory appearing almost *ex nihilo* to the status of a masterly extension and recontextualization of the work Lonergan began in 1933 or 1934 in “Philosophy of History.”

¹³⁰ For a clear statement regarding the upper and lower blades in any science, see *For a New Political Economy*, 5: “By themselves the data are objective, but they are also disparate, without significance, without correlation, without coherence. Of itself, the mind is coherence; spontaneously it constructs correlations and attributes significance; but it must have materials to construct and correlate; and if its work is not to be fanciful, its materials must be the data. ... science is an exact equilibrium of the two.” Lonergan uses the same language 17 years later in describing the problem of the upper blade in “the scientific approach to general history.”

develop his economic analysis and then apply it in a comparison of medieval, classical, and totalitarian attitudes to the economic field.¹³¹ Presumably the “new political economy” formulated by Lonergan – “a generalized economics” that lifted prior particular economics to “a more general plane” – was to be serially construed and contrasted with the older systematisations.¹³² But the point relevant for present purposes is that he expressly intended to move “from pure [economic] analysis to *historical synthesis*.”¹³³ And in lines reminiscent of the project hinted at in “Philosophy of History” of combining theory of economics with a theory of history, Lonergan wrote:

... all historical study rapidly reaches the point where interpretation of the data can no longer be determined solely by the data. Thus it is that each nation tends to write its own history of the past and that each philosophy constructs its own theory of history. Similarly, in economic history, general conclusions depend much more on the validity of general principles of interpretation than on accuracy of factual detail. ... Accordingly, if we succeed in working out a generalization of economic science, we cannot fail to create simultaneously a new approach to economic history. Such an approach in itself is already a *historical synthesis*.¹³⁴

Not only, then, was Lonergan interested in the relation of economic theory to economic history, and of both to general history. He was also working out, in the context of economic analysis, “general principles of interpretation” with which to guide historical scholarship in the economic field, just as the introduction to his doctoral dissertation attempted to work out general principles of interpretation for historical scholarship in the context of speculative theology. In both contexts, as in the prior work on the analytic concept of history, the finality of

See *Topics in Education*, Collected Works of Bernard Lonergan 10 (Toronto: University of Toronto Press, 1993), 251, lines 8-12.

¹³¹ *For a New Political Economy*, 9.

¹³² *Ibid.*, 8.

¹³³ *Ibid.*, 8 (emphasis added).

¹³⁴ *Ibid.*, 9-10 (emphasis added).

historical analysis is a higher-order historical synthesis, one which begins not from historical facts but from the results of an adequately general analysis.¹³⁵

Conclusion: A Copernican Revolution in History?

Kant is commonly held to have effected a “Copernican revolution” in philosophy, and in 1935 both R.G. Collingwood and Walter Benjamin insisted on the need for a parallel Copernican revolution in historical investigation.¹³⁶ While Collingwood and Benjamin were calling for a Copernican

¹³⁵ The state of the question in Lonergan’s mind at the end of the extraordinarily fruitful ten years from 1933 to 1943 appears in notes in the Lonergan Archives. Those notes put the issue concerning historical analysis and synthesis incisively and concisely. The relevant page of Lonergan’s notes titled “Historical Analysis” dates, it seems, from the early 1940s (a parallel page contains a reference to volume 5 of Toynbee’s *A Study of History*). The quotation is lengthy and revealing; it serves as an apt if compact summary of the ascent in Lonergan’s thinking examined in this paper (emphasis added):

The fact is that the study of history necessarily presupposes the solution of a large number of questions, just as physical or chemical research leads nowhere without a prior and independent mathematics. Research can never give more than data and these are never more than samples of a larger whole. To reach that ultimate through the data there has to be a determination of the empty categories to which the data give a content. *To write history one has to know what history is.* In fact, just as physical or chemical research presupposes a mathematics that largely is prior and independent, so too history presupposes the determination of the categories or pure correlations for which historical data can never supply a content. ... There is then *a problem of historical analysis*, and its solution can be had only in terms of some philosophy or super-philosophy that not merely embraces all truth but also comprehends all error.

¹³⁶ Contrary to popular belief, Kant never actually used the phrase, “Copernican revolution.” See *Critique of Pure Reason*, Bxvi & n.1, Bxxii, B213; chapter four of Robert Hahn, *Kant’s Newtonian Revolution in Philosophy* (Carbondale, IL: Southern Illinois University Press, 1988), esp. 50-55. Kant simply pointed out that attempts to extend our knowledge based on the view that our knowledge must conform to objects “have, on this assumption, ended in failure (Bxvi).” Given that failure, says Kant, we must entertain a novel hypothesis, one that, like Copernicus’s hypothesis, will transform our view of the existing data. As we have seen, Lonergan too emphasises that what is necessary is not more historical data or more historical research; what is necessary is an adequate theoretic structure.

revolution in history, Lonergan was undertaking the task, first in “Philosophy of History,” then in 1935 in “Panton,” and then over the next three to four years in a succession of efforts and refinements. Like Kant, he attempted to derive applicable principles from an analysis of the nature of the human mind itself.¹³⁷ Like Kant, he engaged in a revolutionary “attempt to alter the procedure which ha[d] hitherto prevailed” in the science at issue, in Kant’s case metaphysics, in Lonergan’s case history. And, like Kant, while appearing to produce a body of doctrines, the real thrust of his efforts was to produce “a treatise on the method”¹³⁸ of the science, a heuristic structure to guide further investigation rather than a completed edifice.

Yet the real basis for Lonergan’s attempt at a Copernican revolution in historical theory in the 1930s and early 1940s was not any Kantian inspiration but Lonergan’s own transposition of the Hegelian insights into dialectic and objective *geist*. We know little about what the “Essay on Fundamental Sociology” originally contained besides the surviving section titled

¹³⁷ See, e.g., “Analytic Concept of History,” 16.

¹³⁸ *Critique of Pure Reason*, Bxvii. Lonergan’s historical manuscripts also bear comparison to Kant’s historical essays. To select one key example, one of the guiding principles Kant proposed in “Universal History” was that “those natural capacities which are directed towards the use of [human] reason are such that they could be fully developed only in the species, but not in the individual.” “Idea for a Universal History from a Cosmopolitan Purpose [1784],” in *Kant’s Political Writings*, ed. Hans Reiss, trans. H.B. Nisbet (Cambridge: Cambridge University Press, 1970), 42. In the same essay, Kant appeals to something like the statistical determination of human wills as a ground for the possibility of a “law-governed history of mankind (41).” But in view of the difficulty of formulating such a philosophy of history, Kant says, he aspires only to discover “a guiding principle for such a history, and then leave it to nature to produce someone capable of writing it along the lines suggested (42).” 150 years after Kant wrote that essay, Lonergan developed and extended the same notion, together with the notion of a statistically determined uniformity of human wills, in “Philosophy of History.” That nature may be relied upon to periodically produce great philosophers certainly implies an interesting perspective on the emergence of theory and reflex history. It is a perspective Lonergan shared. “To produce philosophers is simply a matter in the natural order.” Letter of January 22, 1935, quoted in Crowe, *Lonergan*, 23.

“Philosophy of History”¹³⁹ and perhaps an early version of economic theory.¹⁴⁰ But we know from that section and other manuscripts that Lonergan was fully in accord with Ortega y Gasset’s interpretation of objective *geist*, namely, that “before we are psychological subjects, we are sociological subjects.”¹⁴¹ Or as Lonergan put it in the essay which in many ways caps his theoretic ascent in the 1930s and early 1940s, an essay which is also the last of his writings explicitly alluding to his historical analysis of the 1930s, “human development is a personal function of an objective movement in the space-time solidarity of man.”¹⁴² In short, Lonergan’s aim in his efforts at historical theory from the 1930s was not only the systematisation of historical inquiry, but also the higher systematisation of historical process, the “objective movement” of the space-time solidarity of humankind.

Patrick Brown is an instructor in the Philosophy department of Seattle University’s College of Arts and Sciences. He can be reached at brownp@seattleu.edu.

Comments on this article can be addressed to jmda@mun.ca.

¹³⁹ The lost essay apparently contained an effort by Lonergan he referred to as “outline of a Summa Philosophica.” “Philosophy of History,” MS, 123.

¹⁴⁰ *Ibid.*, 116 (“but in every economic question the antiquated sovereignty of the state is the fundamental difficulty; this will sufficiently appear from our discussion of economics.”)

¹⁴¹ “Hegel and Historiology,” 350.

¹⁴² “Finality, Love, Marriage,” *Collection*, 17-52, at 45.

UNDERMINDED MACRODYNAMIC READING

PHILIP MCSHANE

Underminded is a curious Joycean word round the meaning of which we will circle in the concluding section. But obviously my essay has something to do with the nature of macrodynamics, and we will gradually see how my effort fits in with the editor's general reflections on the various challenges that can be associated with the title of this new journal.

This essay is divided into three uneven sections. The Prologue gently introduces you to a particular problem, the problem of reading non-doctrinally. You might, at this stage, think of doctrinal reading as the sort of reading that a traveler does of the map of a strange country, quite different from reading the country. The second section of the article, the Dialogue, is the main challenge. I understand something, a seemingly rather insignificant thing, and I think it important that you reach towards that understanding, or something equivalent.¹ The Prologue gives some perspective on that importance, but as I mention at the end of that section, you might well benefit from a perusal of the third part, the Epilogue, before either tackling the second part or giving up reading this essay entirely. The Epilogue is an effort to point you towards a broader perspective on the challenge of Part Two, and an effort to open up the meaning of underminded. The pointing there is twofold, evident in the change of pace of footnoting which at that stage is like a set of suggested orchestrations under a melody. It would be best to stay with the melody at a first reading.

¹ See below, note 45.

1. Prologue

The first paragraph of the book *Insight* recalls Descartes' advice about attending to small problems. It goes on into four relatively readable chapters on mathematical and scientific insights. What I wish us to concern ourselves with here is the meaning of "readable." There is an obvious sense that we are all familiar with, illustrated perhaps by our first reading of that first page. There we read about Archimedes and have a sense of "something happening" that caused him to leap out of his bath. But what was that something? Did we pause to get his insight, make it precise, contextualise it, and then face the task of asking about that contextualised insight, seeking an insight into Archimedes' insight? Certainly I did not, on that first reading. What about the second or third reading?

The second or third reading of the problem, or indeed of the whole book, can, unfortunately, occur without a serious shift to the focus implied above. Then one can grow in a familiarity which breeds competence. One can arrive at a stage of speaking, lecturing, on canons of inquiry, be they the canons of chapter three or of chapter seventeen. But has there been a real ascent?

The apparently little problem of defining the circle doesn't help.² Leads are given in chapter one, of course, to other instances of insight: footnotes invite ventures into Hutchinson's illustrations and Fraenkel's treatment of countable and non-countable numbers. The mention of Hilbert and of the Clerk-Maxwell equations, of course, provide other leads, but these are uncomfortably complex zones. And it takes a heartily committed reader to read seriously the invitations of the last paragraph of the chapter about Riemann and Einstein and thus to put a toe on that "natural bridge over which we may advance from our examination of science to an examination of common sense."³ How many "readers" have implicitly scorned

² Unless, of course, you push the question in larger contexts such as the Calculus of Variation, where a definition of the circle emerges as containing a maximum area. Then, interestingly, you are into the zone of Husserl's doctorate of 1882 under Weierstrass, *Beitrage zur Theorie der Variationsrechnung*.

³ Bernard Lonergan, *Insight: A Study of Human Understanding*, 5th ed.

Loneragan's suggestion here: chapter five is not "a bridge too far";⁴ it is a bridge on another river. Isn't chapter five just a nuisance for a humanist, a preserve of philosophy of physics? So one may read on about common sense, and perhaps not even be disconcerted by Lonergan's concluding remark in chapter seven: the neural base of common sense is just as familiar as the spacetime base.

The book *Insight* is a doctrinal book: it can mistakenly be read as somehow a treatise on understanding, and that mistake has deep cultural grounds in the long tradition of encyclopedic writing that began with Plato's nephew. The doctrines it develops – in a moving-viewpoint style⁵ – can certainly be held to in the fashion of a believer. But a long tradition of "comprehensive presentation of the essential" may lead the believer into the illusion of comprehension of the essential. Then, instead of developing a molecular sense of doctrinal distance there emerges in the community of readership the "distaste of illusion of knowledge."⁶ It is a distaste, a disemboweling, that has to be slowly opposed by the struggle towards self-taste⁷ that may be associated with some of the great contemplative traditions.⁸

Frederick E. Crowe and Robert M. Doran, eds. *Collected Works of Bernard Lonergan* 3 (Toronto: University of Toronto Press, 1992), 163.

⁴ The reference is to McShane, "Features of Generalized Empirical Method and the Actual Context of Economics," in Matthew L. Lamb, ed. *Creativity and Method: Essays in Honor of Bernard Lonergan* (Milwaukee: Marquette University Press, 1981), 543-71.

⁵ I discuss this in "Elevating *Insight*: Space-Time as Paradigm Problem," to be published shortly.

⁶ I quote from notes of Lonergan that belong to his lectures on education. *Topics in Education*, Frederick E. Crowe and Robert M. Doran, eds. *Collected Works of Bernard Lonergan* 10 (Toronto: University of Toronto Press, 1993), 145. This entire page, on "Teaching Physics" is relevant. See also the index of *Philosophical and Theological Papers 1958-1964*, Robert C. Croken, Frederick E. Crowe and Robert M. Doran, eds. *Collected Works of Bernard Lonergan* 6 (Toronto: University of Toronto Press, 1996), under *haute vulgarization*, and note 11 below.

⁷ Lonergan recalls Gerard Manley Hopkins on the topic in "Religious Knowledge," *A Third Collection*, edited by Frederick E. Crowe (New York: Paulist Press, 1985), 129-45, at 132.

⁸ I am interested here, however, in the cultivation of a neglected kataphatic

One may think here of The Little Way of Theresa of Liseaux, a way that would lead one gracefully away from the struggle of methodology, but I presume that I am writing to some who are interested in Lonergan's way, his "little book, *Insight*."⁹ So I take a little problem of mathematics that is difficult yet that requires no advanced mathematics and I invite you to struggle along with me non-doctrinally in order to discover what non-doctrinal reading in mathematics and in methodology involves.¹⁰ This struggle might well lead you to opt out of this type of inquiry, to find your own way of being at home in the universe. The struggle is against the *haute vulgarization* that haunts our hearts and our academic circlings.¹¹

But all this, and its relation to the four types of bias, as well as to the axial emergence of grammatic and linguistic alienation, are larger topics. We are, if you like, back at the third paragraph of another version of *Insight*, the beginning of section 1, "our first illustrative instance of insight..."¹²

It is, however, an illustration of absence of insight, a question:

How many ways can n married couples be seated about a round table in such a way that there is always one man between two women and none of the men is ever sitting next to his own wife?

The first elementary comment, or rather line of reflection, is on the meaning of "absence."

I would note immediately that the secondary comment, regarding a line or a haze of reflection, is central to our effort to shift from purely doctrinal reading. Such reading either merely

tradition, neglected in both West and East.

⁹ This is how Lonergan would occasionally refer to the work in lectures. See, inter alia, 'Exegesis and Dogma,' *Philosophical and Theological Papers 1958-1964*, 142-59, at 156.

¹⁰ It seems to me that Lonergan was replying to that attitude when he wrote the Epilogue to the *Verbum* articles. He describes there an attitude towards reading which complements my own discussion in this paper. *Verbum: Word and Idea in Aquinas*, Frederick E. Crowe and Robert M. Doran, eds. *Collected Works of Bernard Lonergan 2* (Toronto: University of Toronto Press, 1997).

¹¹ I discuss the problem of *haute vulgarization* in physics in the article mentioned in note 5.

¹² *Insight*, 27.

confirms what we already hold or is accepted, in the manner of belief, as linguistically coherent: “the logarithm of one is zero.” On the first page of *Insight* Archimedes’ insight is mentioned and accepted, and it is accepted that an outburst of delight is a natural consequent. Lonergan at that stage remarks, “But the point I would make does not lie in this outburst of delight but in the antecedent desire and effort that it betrays.”¹³

Betray is, you may agree, an odd word here, with the secondary meaning here of *reveal*. I might claim that this essay is about *betrayal* in both the primary and the secondary sense. The long axial period is a period of increasing betrayal of integral curiosity: I am interested in the betrayal of that betrayal in you, to you.

The Epilogue will turn more around that topic of betrayal, but perhaps I could encourage your attempting the grim exercise of the second part by noting a few benefits which might be called *ordinary*. So, for instance, Lonergan talks of a shift in culture being associated with a new control of meaning, a newness associated with the emergence of the second and third stages of meaning. Would it not be good to have experienced something of such a new control of meaning, something you could appeal to in thinking and in speaking? And there are substructures of this new control without the experience and understanding of which one may tend to use words such as *system*, *systematic*, rather vaguely.

The struggle to which the little problem invites you brings you to a quite sharp experience of the problem of controlling meaning. You will find, very soon after getting into the problem, that it is difficult to *keep track*: you are not in control. You master a few sentences or a few steps, only to find that what you supposedly mastered *is not with you*: you are not at home with it, it is not at home in you. My own experience is that it takes days of contemplative poise to structure one’s imagination towards such control. Sufficient control is present, say, when you can present the problem and its solution relying only on the inner control: not then on notes or aids, devices to carry you through.

The solution to the problem involves systematic thinking,

¹³ *Ibid.*, 28.

but it goes beyond system and is in fact a control of non-systematic meaning. There is the experience of aggregating images, of aggregating insights, of reaching for more complex integrative images, of moving to a higher level of control by which the whole is held marvellously together neurodynamically, like Clara Schumann with a sonata at her neurotips. And by such a climb you find yourself, self-taste, in quite a different position, poise, as you read forward through *Insight's* print about images, clues, systems, procedures, non-systems, canons, primary and secondary components in an idea, etc.

Does this not encourage you to have a go at the problem with my help? I could well enlarge on the encouragement, especially for those who have never had the advantage of an invitation to the world, the horizon, of theory. One does not, of course, need the world of theory to lead a rich life or, in the case of art, to underpin significantly what I call the undermining, and in the case of commonsense philosophic interest, to ground the genesis of a complex naming of the problems of being human. Lonergan notes that "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."¹⁴ But our present crises call for contributions that go beyond common sense. Our little exercise is a possibility of a serious glimpse of that going beyond.

I will not write further about the range of benefits that surround such an effort as is demanded by the next section, You already suspect, perhaps, that I am enthusiastic about its possibility as an education in humanity: to that I return in the Epilogue. But here, returning to Descartes and to the first page of *Insight*, it is not a bad little problem to begin your asking freshly the question, What is it to understand? At the end of a week with this problem – and I must be honest in admitting that it can take a week – you will be on the edge of a new world.

Of course, the dialogue to follow is non-dialogue. What would obviously be best is a teacher-student patient presence. But the invitation is to replace that with a dialogue with self that

¹⁴ *Method in Theology*, 261.

is sufficiently honest to critically assess whether understanding is accumulating properly, sentence by sentence, line by line, phrase by phrase.

2. Dialogue

Most recently I have been sloganizing the educational significance of generalised empirical method in the words “when teaching children geometry, one is teaching children children.” So, here, “tackling the problem” has the same twist.

But let us go at it head-on, where head-on, of course, nudges you towards the same twist. It is for you to keep the twist operative, against the present culture of language. A later culture will live in and linguistify self-investigation.¹⁵

My first suggestion is that it would be worthwhile to tackle the problem on your own. If you are not used to this type of thinking or problem, then you will probably start by envisaging the question for two couples, three couples, and so on. Try it, if you like. Of course you will notice all along that diagrams help, with conventions like w for women and m for men. You can work with a circular diagram, or you can use a simple line provided you have the convention that the end person sits next to the first person. But you will find that getting beyond five couples takes quite an amount of work.

If you have experience of such problems as this you will know – or by previous efforts you gradually discover – that this line of effort is not going to get you the general answer. What is needed is some way of linking the answer for n couples to the answer for lower numbers. I suppose if you worked it out painstakingly for $n = 1, 2, 3, 4, 5, \dots$, using all the computer help you can get, you might end up with a sequence of numbers and then ask is there some way of relating them. I don’t encourage you to go this way: you would find that the numbers get discouragingly large all too swiftly. For ten couples the number of ways is close to half a million.

The key move is to grasp the problem as a search for a recurrence formula. Such a formula would look something like this:

¹⁵ *Ibid.*, 88.

$$A(n+1) = aA(n) + bA(n-1) + cA(n-2) + dA(n-3) \dots$$

where a, b, c, d etc. are just ordinary numbers, and $A(k)$ is the right answer for k couples.

Now I am not going to invite pauses over the “generalised empirical method” aspect of your effort here. It would lengthen this paper considerably, as I note in the Epilogue. But it seems worthwhile to have a single pause here to note that there is an array of casual insights involved in getting this far. So, for instance, “recurrence” raises curious questions, ranging from the lofty level of the nature of recurrence arguments (dare I mention transfinite induction?!)¹⁶ to the brute problem of how ‘A’ recurs in a different place on the page, but remains ‘the same.’

So let us get on with the puzzling.

We envisage a circle of chairs numbered from 1 to $2n$. Let us say that the wives are seated immediately on the odd-numbered chairs. How many ways can the wives be thus seated? I hope this question, and its answer, does not provide a stumbling block.

Any of the wives can be seated on the first chair, i.e., there are n ways of filling the first chair. That leaves $n-1$ wives, any one of which can sit on the next chair. Any one of the $n-2$ wives left can sit on the third chair. And so on. Are you with me? Can you figure out, comfortably, with perhaps a “release of tension,” even “uninhibited exultation” (certainly that should occur when you “have” – with a real assent that will be pointed up in the Epilogue – the final formula), that the answer is $n(n-1)(n-2)(n-3) \dots 3.2.1$, where a multiplication of all these numbers is meant? You may even know that the conventional symbolism for this product of numbers is $n!$, called “factorial n .” So, $4!$, factorial 4, is $4.3.2.1$, which is 24.

Now, you notice that we used the odd-numbered seats. We get a second seating arrangement if we move all the ladies to the right or left onto the even numbered seats. Then we can repeat

¹⁶ Bernard Lonergan, *Phenomenology and Logic*, Philip J. McShane, ed. Collected Works of Bernard Lonergan 18 (Toronto: University of Toronto Press, 2001), 57-58.

the question of number of ways of seating on the even-numbered chairs. Are you happy, exultant, that the total number of ways of seating the wives is $2.n!$?

Let us leave this aside and move now to the heart of the problem, which is finding out the number of ways we can seat the n men between any particular seating of ladies.

Symbolism is, of course, helpful, unavoidable. We assume a particular seating arrangement of the ladies designated by $F_1, F_2, F_3 \dots F_n$. Next we label their husbands in the obvious manner: $M_1, M_2, M_3 \dots M_n$. So the couples are $(F_1, M_1), (F_2, M_2)$, and so on. Finally let us call an arrangement in which there are n married couples an n -pair arrangement.

One final piece of required symbolism. We are going to be placing men that are not husbands alongside F_1, F_2 , etc. For this placement we conveniently use the letter X : so we have the unidentified men X_1, X_2, X_3 , etc.

We are ready to begin our search for a formula for $A(n+1)$, are we not?

You may like, at this stage, to tackle the problem on your own. By 'tackle' here I mean tackle in the normal sense. Only in a later culture, the post-axial culture of the third stage of meaning,¹⁷ will the patience and delight and self-taste of generalised empirical method be present, indeed in a third order of consciousness.¹⁸ At all events, tackling the problem alone means a great deal of stumbling, stumbling that cannot be included here, but that could certainly be part of, party of, a classroom presence. I recall presenting this puzzle to a group of academics to which I was giving a two-week course in generalised empirical method. I proposed the problem on a Friday as a topic for the following Monday. There were four mathematicians present: two from the Department of Mathematics volunteered to present the solution on the following

¹⁷ *Being at Home in the Transcendental Method* ch 1, 2nd half.

¹⁸ The notion of three orders of consciousness comes from a typescript of Lonergan identifiable as a 1965 version of chapter one of *Method in Theology*. It places generalised empirical method in a historical context. This typescript, along with Lonergan's 'discovery file' of the functional specialities, is available in Darlene O'Leary, *Lonergan's Practical View of History* (Halifax: Axial Press, 2001).

Monday, on which we had four hours available. After three hours of friendly and humorous messing, I had to take over to guide the group in the right direction. Here such messing is unfortunately not possible, but notice that you can at any stage break off from this text to see what way you would move at that stage.

Here I start with a straight-line $(n+1)$ arrangement:

$$F1X1F2X2 \dots FmFmF(m+1) \dots F(n+1)X(n+1)$$

Don't forget that the arrangement is actually circular: $X(n+1)$ is beside $F1$. And, of course, no man is next to his wife here. What next? We are looking for some connection between such an arrangement and arrangements of smaller groups. So isn't "pulling out a pair" a good idea? Which pair? Let's try $F(n+1)$ and her husband $M(n+1)$. We don't know where this guy is: so let's say he is Xa . With these two gone we now have $X(n+1)$ hanging at the end as well as a gap at Xa . So the next move "suggests itself" (you think?): put $X(n+1)$ in the gap. Now, what sort of arrangement is this?

$X(n+1)$ could be a husband to a lady on either side. Also, Xn could be the husband of $F1$. So, we certainly cannot say that we have an A_n arrangement. We need to think this out.

We do have an A_n arrangement if $X(n+1)$ is not either Ma or $M(a+1)$ AND Xn is not $M1$.

Next, suppose that either Xn is $M1$ or $X(n+1)$ is a "proximate husband." Then we have an arrangement in which one man is sitting next to his wife.

Thirdly, if both Xn is $M1$ and $X(n+1)$ is a "proximate husband" then we have two men beside their wives. Notice that here we do know which side of $F1$ her husband is on, but we don't know which side of his wife the other chap is on.

Are we making progress?! The best move now seems to be to label the three groups of arrangements that we get by "stepping down" from $A(n+1)$.

We have no trouble with the first case: it covers what we agreed to call A_n , where A_n is the number of seating possibilities of n couples.

Think next of the case where one man is next to his wife and the man is Xn , on a definite side of his wife: let us call this a B_n

arrangement, where again B_n is the number of such cases.

Our “thirdly” above gives us another arrangement which we can identify by C_n , the number of arrangements in which a man sits on a definite side of his wife and another man somewhere is also beside his wife, but not on a definite side. O.K.?

Have we covered all the “fall-out” from our elimination of the $n+1$ couple? What about the second set, when X_n is not F_1 , but $X(n+1)$ is a “proximate husband”? Is this a new arrangement or is it another instance coming under B_n ?

$X(n+1)$ is either the husband of F_a or of $F(a+1)$. So we have in either case a husband on a definite side of his wife. That seems to give us another version of B_n . O.K.¹⁹

Now you should find yourself in agreement with me when I suggest that it is time to review, regroup our aggregate of insights into the aggregate situation. What do we have?

The removal of the $(n+1)$ couple from each of the collection represented by $A(n+1)$ – don’t forget that $A(n+1)$ is a number we are looking for – leaves us with three sub-collections that are parts of the collections A_n , B_n and C_n . Are you with me?

The next move is a strategic twist, a reversing of the previous procedure. We form an $A(n+1)$ arrangement by adding $F(n+1)$ $M(n+1)$ before F_1 in the three types we have specified, A_n , B_n , C_n . Be clear on what we are looking for here: we want to find all the $A(n+1)$ arrangements that we can cook up this way. Is that equivalent to all the possible $A(n+1)$ arrangements? You need to think this through. Any $A(n+1)$ arrangement breaks up into the three types: so if we cover all possible add-ups of the three types we get the full number $A(n+1)$. O.K.?

The next step will require from you, I suspect, some pauses

¹⁹ [Editor’s note: I believe that some expansion may be needed here. In a C_n , one man (M_1) is on a definite side of his wife (even though ‘definite’ does not mean ‘known’): the process works equally whether he is on the left or on the right. However, the additional out-of-place man is in an indefinite position not because he isn’t next to his wife (by definition of a C_n he has to be either to the left or to the right), but because it is unknown where he is in relation to the M_1 . The second man is $(k \pm 1)$ away from M_1 , where k is the distance from M_1 to the second man’s wife. Thus a C_n must factor for both $(k+1)$ and $(k-1)$ arrangements. Any arrangement which has one man out of place is a B_n arrangement, regardless of whether the misplaced man is to the left or to the right. (Ian Brodie)]

of patience. Our next moves are neither obvious nor easy. Perhaps some sub-divisions are in order.

(i) *Going up from A_n :*

After the insertion we have $F_1X_1F_2X_2 \dots F_nX_nF_{(n+1)}M_{(n+1)}$.

We now have to exchange $M_{(n+1)}$ with some other man to get an $A_{(n+1)}$. We cannot exchange him with either X_n or M_1 . O.K.? (This takes a little mental juggling.) So there are just $(n-2)A_n$ of the $A_{(n+1)}$ type from this addition.

(ii) *Going up from C_n :*

(I leave B_n till last so as not to discourage you!)

We have the C_n arrangement $M_1F_1X_2F_2X_3F_3 \dots X_nF_n$ where one of $X_2 \dots X_n$ is next to his wife. After the addition – watch the strategy! – we have:

$$M_1F_{(n+1)}M_{(n+1)}F_1X_1F_2 \dots X_nF_n.$$

We have separated M_1 from his wife; then we switch $M_{(n+1)}$ with the X-man who is next to his wife, who is obviously not M_1 . So we have an $A_{(n+1)}$ arrangement. O.K.?

So we have a relatively simple result. Every C_n type gives an $A_{(n+1)}$ type.

(iii) *Going up from B_n :*

This is a little messier, but let us find this out by plunging in. A certain man is on a certain side of his wife. Suppose it is the first man, thus:

$$\dots F_1M_1F_2X_2 \dots$$

If we insert $F_{(n+1)}M_{(n+1)}$ “at the end,” that is, after F_nX_n , we have to attempt “the expected” swap to get M_1 away from his wife. The “expected” swap would go from

$$F_1M_1F_2X_2 \dots F_nX_nF_{(n+1)}M_{(n+1)}$$

to

$$F_1M_{(n+1)}F_2X_2 \dots F_nX_nF_{(n+1)}M_1$$

Do you see the problem here? We don't end up with an A arrangement because? (The gap here indicates the usual procedure of puzzling, messing with images, etc.... or are you tempted to skip on to my answer, like most of my undergraduate students?!). Because M1 is beside F1.

So we must take a closer look at the different line-ups of the B-arrangements. Let us list them in an orderly fashion, thus:

F1M1F2X2	...	$F_n X_n$
F1NUF2	...	$F_n X_n$
F1X1F2M2	...	$F_n X_n$
F1X1F2MsF3	...	$F_n X_n$
...	...	...
...	...	...
...	...	$M_n F_n X_n$
...	...	$X_{(n-1)} F_n M_n$
...	...	$X_{(n-1)} F_n M_1$

Now we try the “insert at the end and swap” strategy. We have already seen that it doesn't work for the first form of B. But it works for the second. O.K.? And the third, and the fourth... Indeed all the way down to the second last. In the second last we have a problem similar to the first. Swap $M_{(n+1)}$ with M_n in it and what do we get? $F_n M_{(n+1)} F_{(n+1)} M_n$, which is not an A arrangement, but a B arrangement.

What about the last of the list? It now ends with $F_n M_1 F_{(n+1)} M_{(n+1)}$. Do you notice the oddity here? The insertion blocks off M1 from F1, so we are free to swap $M_{(n+1)}$ with any of $M_2, M_3, M_4 \dots M_{(n-2)}, M_{(n-1)}, M_n$. O.K.? So we have $n-1$ ways of making a swap in this case.

So, how many ways are there to get an A arrangement from a B arrangement? We need to count them up.

First of all, count the number in the list: not too difficult if you notice that for each woman there are the two ways of man: man to the left and man to the right. So? $2n$ ways. But the first and the second last – number $2n-1$ – don't work. So, not counting the $n-1$ from the last we have $2n-3$ ways. Add in the last and we have $(2n-3) + (n-1)$, that is, $(3n-3)$ A $_{(n+1)}$

arrangements from the B_n arrangements. And, to your relief, we do have a type of recurrence formula for $A(n+1)$. We simply add together the results of our three efforts to get

$$A(n+1) = (n-2)A_n + (3n-1)B_n + C_n \quad [1]$$

But we are looking for a recurrence formula that relates A -arrangements. We are, alas, not there yet. We need relations between the B s, C s and A s that will help us to replace B_n and C_n in formula [1] with A s.

Since I know where we are going, a good deal of messing on your part is excluded. We start with a $B(n+1)$ arrangement with $M(n+1)$ on the right of $F(n+1)$:

$$F_1 X_1 F_2 X_2 \dots F_n X_n F(n+1) M(n+1).$$

Either $X_n = M_1$ (group 1, say) or he is not (group 2). Now take out $F(n+1)M(n+1)$. Group 1 gives us? All the B_n arrangements in which M_1 is on the left of his wife. O.K.? What does group 2 give us? No man is next to his wife, so we have all the A_n arrangements. So we have, rather quickly and neatly, another equation:

$$B(n+1) = B_n + A_n \quad [2]$$

Let us next try for the C s, starting with the following $C(n+1)$ lay-out:²⁰

$$M_1 F_1 X_1 F_2 X_2 F_3 \dots F_n X_n F(n+1).$$

Since it is a C arrangement, we must assume that one of the men $X_1, X_2, \dots, X_n$ is beside his wife. We are going to drop $M_1 F_1$ and again, we get two groups according as X_1 is (group 1) or is not (group 2) equal to $M(n+1)$. What do we get from the first group? We get all C_n of the C -arrangements with $M(n+1)$ seated on the right of his wife.

²⁰ To make the presentation easier, we will shift to a sequence beginning with the men.

The first group is not as easy to handle: it should remind you of the problem we had with B_n . X_1 is not the husband of $F(n+1)$, but the husband is somewhere in the circle. Perhaps seated on the left of $F(n+1)$? Seating him there would give us a definite sub-group of this group 1, and this sub-group of course (?) is a B-arrangement with B_n members. But it is only one of the sub-groups of group 2. Recall our juggling with B_n in section (iii) above. A first sub-group has M_2 on the right of F_2 , the next M_2 on the right, the third has M_3 on the left of F_3 , the fourth has M_3 on the right of F_3 , etc. etc. up to the $(2n-1)$ subgroup, with $M(n+1)$ seated on the left of $F(n+1)$. Yes, we get $(2n-1)$ B_n arrangements. So we gather the numbers and find we have a third formula:

$$C(n+1) = C_n + (2n-1)B_n \quad [3]$$

We have now three formulae, which we might as well line up together:

$$A(n+1) = (n-2)A_n + (3n-1)B_n + C_n \quad [1]$$

$$B(n+1) = B_n + A_n \quad [2]$$

$$C(n+1) = C_n + (2n-1)B_n \quad [3]$$

The question now is, are these three formulae enough to get us on to the required recurrence formula for $A(n+1)$? One cannot tell beforehand. One simply has to mess around. But I can give you relief immediately by telling you that, yes, the three formulae are enough. You notice that the three give sets of equations, like $B_n = B(n-1) + A(n-1)$, so you have much more than three equations. I could certainly steer you through the mess, but would it not be better to find your own way forward? I should warn you, of course, that the way is not obvious; but eventually you could arrive at the following recurrence formula for $A(n+1)$:

$$(n-1)A(n+1) = (n-1)(n+1)A_n + (n+1)A(n-1) + 4(-1)^n.$$

You can see that you can get the value of any A_n if you have the value of the two previous ones. Try it for A_5 , which is not

too difficult to check directly. From $A_3=1$ and $A_4=2$, the formula gives $A_5=13$. Don't forget, though, that the number of ways is given by $2(n!)A_n$.

3. Epilogue²¹

If you have in fact found your way forward to the recurrence formula, then you are indeed a hero, and that in the full sense of all the mythologies.²² Even getting to the halfway house where I

²¹ In the following note I speak of the yearning for adult growth, symbolized in our time by Proust (see the concluding paragraph and two final notes). Maslow's famous and grim remark intimates the problem "less than 1% of adults grow." As I struggled with this strange Epilogue I thought of others, such as the Epilogue to Lonergan's *Verbum* articles that speaks of slow growth (223): "five years work for anyone who disagrees with me" is a remark attributed to Lonergan. My own struggle against shrinkage goes back to my teen years with Chopin, who is still quite beyond me. Still, that aesthetic is a key part of the undermining of forty years reaching into the world of *theoria*. It seems valuable to add to the symbolic of Proust some of my own mappings of the climb. I do so by naming four key books of mine, some of which I refer to below. I have made these available on the Axial Press Website (free of charge: but of course all contributions are gratefully received!). The books are: *Wealth of Self* (1974); *The Shaping of the Foundations* (1976); *Lonergan's Challenge to the University and the Economy* (1980); *Process: Introducing Themselves to Young (Christian) Minders* (1990). The summary titles are WS, SF, LCUE, PIT. The Website is <http://home.istar.ca/~axial/>.

²² Shortly (note 28) I will refer to *Transformations of Myth through Time* (New York: Harper and Row, 1990), late lectures of Joseph Campbell, who obviously lends a context: but not the context of the drive for understanding that should be the reach of science, if it were not so badly mauled by "science." At the end of my introductory comments I mentioned that footnotes in this final section would add larger contextualizations. What I have in mind is the call, which may be yours, a yearning that barely survives "The monster that has stood forth in our time." The yearning is for the human human life that involves adult growth. It is under attack by glittering culture and glib philosophy. It was my thematic concern even before I wrote of the need for philotherapy in the first of two papers written for the Florida Lonergan Conference of 1970 (chapter 1 of SF). In the years since I have followed my Proustian bent, but with a focus always on what I call *theoretic displacement* (conversion in Lonergan's usage). There are adult growth patterns associated with all the differentiations of consciousness: there is the adulthood of George Eliot and George Sand, of Beethoven and Cézanne. However, the adult growth that is vital in this new

left off would be an immense achievement.²³ And there should be a deep satisfaction even in a serious effort, for you have got some glimpse and sense – satisfied molecules! – of what it means to quietly strive for a control of meaning that, perhaps, was unfamiliar to you previously. It could have been familiar to you had you had a good teacher of Euclidean geometry. Then each theorem would have been a joy of control, the conclusion coming as a YES to the integral grasp of the IF of the Euclidean slices of proof.²⁴ But we were aiming here at the intimation of a larger joy, a pointing to an undermining of the form of inference that you are, crippled in our axial times.²⁵

How can I, in conclusion, enlarge the intimation? I can, perhaps, presume that you are one who was somehow attracted to reading Lonergan. This short article can then be seen as a matter

millennium is the growth in second stage meaning that would shift the probabilities of moving to the third stage. My decision to *orchestrate* the melody of this final section is meshed with the hope that some of my readers are mad enough to take a stand of serious understanding and the slow visionary adulthood that it can make breed, breath.

²³ The mention of *halfway house* will recall for readers of *Insight* the identification, in the Introduction, of Idealism as a halfway house (*Insight*, 22). I obviously did not enter, in this short essay, into the remoteness of what I call the *Extreme Realism* of Thomas. My conversations with macrodynamic readers of *Insight* leave me with the conviction that the book can be read without any crisis of organic solitude, of startling strangeness. Reaching into the world of theory can mediate the crisis.

²⁴ My implicit reference to Lonergan's first printed publication, "The Form of Inference," reprinted in *Collection*, 2nd ed. Frederick E. Crowe and Robert M. Doran, eds. *Collected Works of Bernard Lonergan* 4 (Toronto: University of Toronto Press, 1988), 3-16, is important. That article could well be your next Ken-exercise or, if the present one was not to your talent and taste, a first step to re-reading *Insight*'s first paragraph. It is a very tough read, self-read, introducing you to your dumb *thymos* (Indo-European *dhumos* leading to both *thymos* and *dumb!*), your feeble form of enthymemic inference. But the better achievement would be to put the two exercises together in a small self-discovery of what-asking and is-saying.

²⁵ Identifying axial period hoimization in oneself is a decade-long task to which this essay hopes to contribute. I give a perspective on the millennia-long axial period at the end of the first chapter of *A Brief History of Tongue: From Big Bang to Coloured Wholes* (Halifax: Axial Press, 1998).

of taking the measure of the attraction and the reading.²⁶ It may, indeed, be a liberation: the type of reading represented by section 2 is not your calling.²⁷ Then I would surmise that your calling is neither foundational nor hodic. But there is still the wider call to undermined reading. And what, finally, could I possibly mean by undermined reading?

I had best digress: to the drive of Zen, to the yearnings of Poets. Or perhaps Chief Seattle's undermined reading of land and life would provide a gentler nudge. In 1855 he puzzled over the President's desire "to buy our land. But how can you buy or sell the sky, the land? The idea is strange to us. If we do not own the presence of the air and the sparkle of the water, how can you buy them? The shining water that moves in the streams and rivers is not just water but the blood of our ancestors. If we sell our land to you you must remember that it is sacred."²⁸ Chief Seattle's reading of space and time was marrow-meshed: the minding was molecular. Present was the undermind of millennia. "The idea is strange to us."²⁹

How can we begin to re-sonata with the melody of the undermind? How can we turn again towards "attaining the

²⁶ "Taking the measure" may bring to your mind either Plato or St. Ignatius. Both are apt. The issue is self-searching discernment, the hope is that it might blossom out in culture to the full reality of methodology, the topic of which is the discernment of discernments of discernments. This triplicity is a sublation of Lonergan's suggestion, in unpublished notes towards the first chapter of *Method in Theology*, of three orders of consciousness: a first order is spontaneous method, a second order is thematization of method; the third order is method-ology proper, which would study methods as zo-ology studies animals. *Hodics* is the full field of taking the measure, its task nicely captured in the slogan, A Rolling Stone Gathers *Nomos*. See below, note 36.

²⁷ This can be a wonderful personal enlightenment, a liberation from pretense and stress. I discuss one aspect of it in the Epilogue of both *A Brief History of Tongue* and *Economics for Everyone: Das Jus Kapital* (Halifax: Axial Press, 1998).

²⁸ Quoted in Joseph Campbell, op. cit., 28.

²⁹ By *us* here I dare to mean also contemporary anthropologists. One can become enormously sophisticated in studying the so-called primitive without benefiting from meeting that primitive, without *meeting* that primitive.

marrow?”³⁰ I might scandalously suggest, as Dogen did regarding Buddhism, a turning away from the dialectics of Lonergan: “You must cease to concern yourself with the dialectics of Buddhism and instead learn how to look into your own mind in seclusion.”³¹ But such mind-searching is already undermined, scotomatous, schizothymic. Certainly there is *The Redress of Poetry*, but is poetry not also afflicted?³² Still, any poet in a storm, any pop-group that might betray the undermind.³³

But our simple exercise is paradigmatic of a core way to the undermind. For the core of mind is the empty-longing form of forms. “Under glowlamps a sloth of the underworld, reluctant, shy of brightness.... The soul is in a manner all that is: the soul is the form of forms. Tranquility, sudden, candescent,”³⁴ a capacity,

³⁰ I refer here to the work of the Zen Master Dogen, written about 1240, *Raihai Tokuzui (Attaining the Marrow through Worship)*, a significant document for feminist studies in Zen Buddhism.

³¹ Quoted in Roshi Philip Kapleau, *The Three Pillars of Zen* (New York: Anchor Doubleday, 1989), 308-9. One might muse over the manner in which different *seclusions* ferment metaphysics. See below, notes 39, 41, 49, 51.

³² My reference here is to Seamus Heaney’s book, *The Redress of Poetry* (New York: Farrar, Strauss and Giroux, 1995). I deal with the larger problem in *The Redress of Poise* (Halifax: Axial Press, 2001).

³³ I already referred to the dual meaning of *betray*. Here I use the word in an overlay of meanings: the cry of popular music is ambivalent. My use of the word *betray* brings to mind another context, that of my book, LCUE. The Website copy has the added interest of having Lonergan’s markings and corrections – I used the archival copy. Lonergan has markings on page 67 that relate to the present topic. I was commenting on a text by Walter Benjamin and noted regarding expression, “The achievement has been expressed, and the expression is the possibility of the betrayal of the achievement. I recall Beckett’s comment on Joyce’s *Work in Progress*: ‘Here is direct expression – pages and pages of it. And if you don’t understand it, Ladies and Gentlemen, it is because you are too decadent to receive it ... etc.’” Lonergan doubly marked my initial sentence, and then he marked the entire ten lines that I quoted from Beckett. See also his double markings on page 81, directly on the topic of macrodynamic reading.

³⁴ James Joyce, *Ulysses*, London, 1958, 23. A more recent corrected text reads: “Under glowlamps, impaled, with faintly beating feelers: and in my mind’s darkness a sloth of the underworld, reluctant, shy of brightness, ...The soul is in a manner all that is: the soul is the form of forms.

need, calling, called, in vertical finality, for incandescence.”³⁵ That capacity and core is cabinned and confined in our axial times by techniques of surfing talk, and the rescue is a hodic task of millennial proportions.³⁶ But the rescue of the *moi-intime* can find an inscape in a humdrum exercise that is not a koan but a conundrum, revealing molecular form: “what am I?” asks Arjuna,³⁷ and you and I; yes, I am what, molli-patient what, Molly-patient what.³⁸ What different seating arrangements are possible? The serious asking reveals feebleness but yet molecular fitness: it arranges one’s mental seating in a *zazen* that is not Zen but Ken discomfort.³⁹ And the feebleness is further revealed in

Tranquility sudden, vast, candescent” (London: Penguin Books, 1986), 21.

³⁵ The main reference is to the diagram on p. 48 of *Method in Theology*. I take the opportunity to note that the first two lines of the diagram represent the operating good of order. Genuine personal relations, in the third line, represent the dark reach beyond that order. It is the *greeting of solitudes* that Rilke writes about. Or I recall Lonergan saying to me once, talking of Dante’s Beatrice, “...that’s what life’s about. Saying Hello!” Am I greeting the nerves of your solitude, saying hello to your molecular minding?

³⁶ I use the word *hodic* as a substitute for the awkward phrase *functional specialist*. *Hodic* relates to the Indo-European root of *method*, but it also has a happy connection with the first line of the song *Finnegan’s Wake*, “And to rise in the world he carried a hod.” A hod is an instrument that facilitates building.

³⁷ A question of Arjuna to Krishna in the *Bhagavad-Gita*. I discuss this, and also Molly’s yearnings, in chapter two of PIT.

³⁸ The obvious reference here is to Molly Bloom. I cannot resist, however, adding a passage from a very funny book about Joyce, secretly alive, by Flan O’Brien, *The Dalkey Archives* (London: Macgibbon and Kee, 1964). It may well give you a satorialised feel for the axial struggle for redemption from the cycling and bicycling of the present academy: “– if you hit a rock hard enough and often enough with an iron hammer, some mollycules of the rock will go into the hammer and contrariwise likewise. – That is a well-known fact, Mick agreed. – The gross and net result of it is that people who spend most of their natural lives riding iron bicycles over the rocky roadsteads of the parish get their personalities mixed up with the personalities of their bicycles as a result of the interchange of the mollycules of each of them, and you would be surprised at the number of people in country parts who are nearly half people and half bicycles (88).”

³⁹ *Zazen* is a seating and mental posture in Zen. The key difference is the mental posture or poise of Ken contemplation. The focus there is *What becomes my cosmic organism*, not as a mantra but as a molecular yield. Note the ambiguity: the poise can vary in the contemplation from question

solitary talk, perhaps to a mirror. “I think I told you. Solve it! Remounting a liftle towards the ouragan of spaces. Just how grand in cardinal rounders is this preeminent giant, sir Arber? Your bard’s highview, avis on valley! I would like to hear you burble to us in strice conclave, purpurando, and without too much italiote interfairance, what you know in peto about our sovereign beingstalk.”⁴⁰

But would you like to hear hear tilly your own honest burble of what you know in peto about beingstalk?⁴¹

The young Lonergan wrote of the form of inference; the old Lonergan identified incandescently the form he was in as foundational reality and burbled it briefly in a couple of pages,⁴² with no interference from the Italian that he acknowledged at the end of *Insight*. He had become a categorial character that is an evolutionary sport in our axial times, an echo of Athenian strangers.⁴³ Our own honest burble of what we know in peto, of

to conviction, from kataphatic to anaphatic. But the question of this short paper is for you to gently greet: does the What of *theoria* become you? See the reference at the end of note 51 below.

⁴⁰ James Joyce, *Finnegans Wake*, 504.

⁴¹ Metaphysics involves speaking out your “native bewilderment ... even insanity” (*Insight*, 410), perhaps best done “in the solitude of loneliness” (*ibid.*, 648). Gradually, the hodic spiral will generate speakers of more adequate foundations, but our present performance is very distant from present needs. The forward specialities of Lonergan are empty promises.

⁴² The few pages have as center pages 287-88 of *Method in Theology*. I recall my excitement in finding them in late 1971, when I was struggling with the indexing of the book, for I was expecting them. Lonergan had puzzled with me in the mid-sixties about *Insight* and *Method*: “What can I do? I can’t put all of *Insight* into a first chapter of *Method*.” His strategy pleased me then, but now I am not so sure. See my alternate strategy in chapter three of *Pastkeynes Pastmodern Economics: A Fresh Pragmatism* (Halifax: Axial Press, 2001).

⁴³ *Character* is a crisis word. The context here is supplied by Eric Voegelin’s third volume of *Order and History* (Baton Rouge: Louisiana State University Press, 1957). Recall also the beginning of Aristotle’s *Magna Moralia*, “The treatment of character then is, as it seems, a branch and starting point of statecraft.” Add *Method in Theology*’s two shortest sections, 3.6 and 14.1, “...the reality of the one that means ... character (356).” The West Dublin Lonergan Conferences of 2000 and 2001 dealt with the challenge of *Cultivating Categorial Characters*. Identifying Lonergan as an evolutionary sport helps towards appreciating that we are

what we can comprehending self-identify and outspread as foundations, is desperately needed if we are to face the long repentant climb out of the axial cycle of linguistic decline. Such honest burbling can open us to the humble collaborative effort that is the hodic way.⁴⁴ It is towards such honesty that the silly puzzle at the centre of this essay points. It seems to me, then, that it is not enough to vaguely acknowledge one's nescience, to bow to our mysteriousness. The bruising of an unattractive foothill climb can genuinely begin to undermine the reading of the peak.⁴⁵

All along here you may well have been catching and courting familiar references, linking comfortably my words and phrases to familiars like *neural demand functions*, *vertical finality*, *harmonious development of subjectivity*. But such comfort could deflect the pointing and the poking that is towards and into the molecules of your minding that have been trained out of cosmic patience. There is the canny uncanny cramped craving of your organic self for a rhythm that is not axial.⁴⁶

quite remote from his foundational perspective. Foundations as the ground of direct speech towards the future leans minimally on belief, without then too much Lonergian interfairance. Rather it must echo Aquinas' astonishing refrain, *Respondeo dicendum quod*.

⁴⁴ The search for axioms of progress reaches from Aristotle to Husserl. The hodic way is a sublation of the modesty of Schumpeter, *History of Economic Analysis* (Oxford: Oxford University Press, 1954), 4: "Scientific analysis is not simply a logically consistent process that starts with some primitive notions and then adds to the stock in a straight line fashion. ... Rather it is an incessant struggle with creations of our own and our predecessors' minds."

⁴⁵ Redemptive bruising has many forms, but the bruising that is the focus here is the bruising of our naiveté about the difficulty and slowness of serious understanding. If my little exercise is not to your taste, try another zone. There is, for instance, "the power of hydrogen," **pH**. Do you understand this pH business? Do you understand how it is that you can hold back a large ship with a rope and a bollard? And heavens, dare I ask, Do you understand Pythagoras' theorem? But the centrally important bruising for Lonergan disciples is his call for democratic economics, which is a call to theory.

⁴⁶ A key text for me since the late 1950s has been "Study of the organism begins ..." (*Insight*, 489). I would suggest, in your effort at honest being-stalk, the slow discomfiting reading of that page. We are nowhere

Certainly I can invite you to latch onto and into the thematic of the molecularity of vertical finality as Lonergan does in “Mission and Spirit” or in his desperate call back to art’s heart in our times.⁴⁷ But the latching I wish to occur here, in your vital response – resentment, disdain, revulsion, unease, frustration, surrender, musing, zazen, detaildogging, digestive-easing – to the circle problem, is the latching of a dream-disturbance of neural preparations. I would call forth, epiphanically, a turbulence of the biased fork-tongued talk of our axial grouping.⁴⁸

More plainly, I would like to disturb your foundational claims, your burble of what you know in peto about being-stalk. Our foundational speaking to the future is – if we are deeply and impossibly honest – pathetic and pretentious. What is offered here is one personal possibility of a fresh beginning, like the stressful beginnings of Zen education, but my aim is towards Ken Mystery rather than Zen Mastery.⁴⁹ Your nerves and

near such foundations. Next, read it with a change: “Self-study of the organism ... The page then gives doctrinally the life quest of the foundational character. I would note that, in the hodic spiral, the personal data is enlarged by the remembrance that is dialectics. So, like Dogen (1200-53) and Aquinas (1225-74), our craving moves in a pattern cramped by our different timebeing in the axial period. See below, note 49.

⁴⁷ See Bernard Lonergan, “Mission and Spirit,” *A Third Collection*, 23-34; *Topics in Education*, chapter nine, deals with art.

⁴⁸ The context is the specific form of general bias that is identifiable as schizothymic linguistic over-reach.

⁴⁹ *Rather than* is, of course, inaccurate. There is the massive task of dialectics of the next generations. But the inaccuracy fits in here with the emphasis on kataphatic *rather than* anaphatic contemplation. On a personal note, the aim mentioned emerges for me in these early days of my seventieth year as a struggle towards 2003 with a book-title, *Towards Ken Mystery*, or perhaps *Lack in the Beingstalk*. Among other things it involves a struggle with Aquinas’ reachings on the meaning of *willingness* which point beyond present Lonerganesque (i) neglect of the transcendental ‘Be Adventurous’ (see the diagram in Appendix A of *Phenomenology and Logic*, or its modification in chapter five of *Pastkeynes Pastmodern Economics*): the context is the *Ia IIae* sublated in the direction noted above, note 46, (ii) confusions about willing, feeling, value, (iii) failure to take seriously a primary charity towards the embodied self (see *Ia IIae*, q.25, aa.4,5; q.26, a. 4). The Zen tradition shows a deeper concern for the embodied reach for Buddhahood, for the earthbody’s transformation (*II Cor* 5:4).

molecules are more nature-patient than our haste-laced axial passover cover-story. Within them there is the promise of adult growth and elderhood, a membering and remembrance of things passed over,⁵⁰ a remembering of the future.⁵¹

Philip McShane is Professor Emeritus of Philosophy at Mount Saint Vincent University. He has recently edited *Phenomenology and Logic*, Volume 18 of the Collected Works of Bernard Lonergan. He can be reached at pmcshane@ns.sympatico.ca.

Comments on this article can be sent to
jmda@mun.ca.

⁵⁰ The reference, of course, is to Proust, to the contrast especially in that final section of *Remembrance of Things Past*, between old people that were just “faded sixteen year olds” and the searcher “as it were, on giant stilts.”

⁵¹ “Remembering the Future” is the title of the chapter dealing with J. M. Synge in Declan Kiberd, *Inventing Ireland: The Literature of the Modern Nation* (Cambridge: Harvard University Press, 1997). If the precious footnote points to a symbolization of the hodings of the past, this reference can become a magnificent symbol of the reach towards the future. The chapter deals with the problem of decolonization (see the index of the book, under *colonialism*, for fuller pointers). I would see two key challenges here: the decolonization of language and the decolonization of hearts. Those challenges are brought into a helpful personal focus in chapter 4 of *A Brief History of Tongue*.

JOURNAL OF MACRODYNAMIC ANALYSIS

GUIDELINES FOR SUBMISSION

I. Approach

1 The intent of this journal and website is to act as a forum for new ideas and applications of macrodynamics. Responses to each article are encouraged and will be posted on the JMDA website. A selection of the responses may also appear in a subsequent issue, with an opportunity for the author to respond. Thus, the articles in the JMDA, although peer-reviewed, are meant to be considered as works in progress, each contributing towards a larger collaborative project.

2. Although the JMDA does not currently appear in printed form, nor, unless demand takes an unexpected upturn, will it do so in the future, the standardised formatting available through the use of Adobe Acrobat (PDF files) allows us to proceed as if it were. Therefore pagination becomes standardised and not dependent on the browser of the particular reader, making referencing easier. The reader can download either the entire issue or individual articles, and treat them as 'offprints.'

II. Procedures

1. Manuscripts submitted to JMDA should not be under assessment by another journal at the same time.

2. Send three copies of your article to:

Michael Shute
Department of Religious Studies,
Memorial University of Newfoundland,
St. John's, NF A1C 5S7
E-mail: mshute@mun.ca

3. All articles should be accompanied by a 3.5" IBM compatible diskette in WordPerfect or Microsoft Word.
4. The manuscript will be submitted to qualified readers for judgment.
5. The editors reserve the right to make editorial changes in all articles, solicited or unsolicited, in the interests of clarity, brevity or uniformity of style. Proofs will be sent to the author and must be returned promptly after necessary corrections are made.

III. Preparing the Manuscript

1. The article should be limited to 7,500 words including notes and references; shorter articles are welcomed. The text must be typed clearly and double-spaced throughout, leaving generous margins.
2. The first page of each article must comprise the author's name and position, the name of his or her institution, and the full title of the article. The second page must consist of an abstract of the article not exceeding 10 lines, with the exact mailing address of the author, including e-mail address.
3. Tables and diagrams must be submitted on separate sheets, and must be suitable for immediate photographic reproduction. The editors may at their own discretion reproduce any tables and diagrams in accordance with JMDA's style guidelines.
4. Artwork will only be accepted under exceptional circumstances, and must be submitted in electronic form plus three offprints on separate sheets. It is the responsibility of the author to obtain any necessary copyright clearance.

IV. Style

1. All articles should follow *The Chicago Manual of Style*.
2. In references to scriptural and other ancient writings, use Arabic numbers unless Roman numerals are essential to avoid confusion (e.g., Rom. 5:16).
3. Languages requiring non-Roman characters should be transliterated according to orthographical conventions recognised and in customary use among scholars in the field.
4. JMDA has an inclusive-language policy.
5. The normal method of citing dates is B.C.E. and C.E., both of which come after the date.
6. References to the work of Bernard Lonergan should be to the Collected Works editions, unless unavailable.

Any questions concerning these guidelines can be addressed to:

Michael Shute (mshute@mun.ca), General Editor or
Ian Brodie (f95ibb@mun.ca), Managing Editor
Department of Religious Studies
Memorial University of Newfoundland,
St. John's, NF A1C 5S7