Michael Shute: "Editor's Introduction"
Journal of Macrodynamic Analysis
2 (2002): 1-7
http://www.mun.ca/jmda/vol2/editors.pdf

EDITOR'S INTRODUCTION

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With the appearance of a second issue of *The Journal of Macrodynamic Analysis* our Quixotic venture has established a toehold for the discussion of macrodynamics. It is not, however, that any of the articles from our first issue could be clearly identified as written within a particular functional or hodic speciality. The simple habit of identifying what specialty we are working in, is not yet a communal expectation. We are, most of us, in the hold of dominant patterns of expression born of pre-hodic academic ideals and still working out how to make the move to hodic specific expression. My optimism, then, is not based on present achievement in the journal itself but only in the readiness of our writers and readers to take on the question.

We begin our current issue with Terry Quinn's article "The Calculus Campaign." The article addresses a pedagogical issue: How do we teach calculus in a way that effectively communicates an understanding of its fundamental notions? Quinn's strategy respects the slow pace of understanding and avoids the common tendency to teach the technique without the understanding. The article has a further relevance to those interested in macroeconomic dynamics. The calculus analogy was important in the discovery of both macrodynamics (philosophy of history) and macroeconomics. Lonergan conceived of his philosophy of history as a differential calculus for anticipating future praxis, and images from the calculus were fundamental to Lonergan's conception of the dynamics of the economic circuits.

By far the largest response from readers of the first issue was to Bruce Anderson's article on "Foreign Trade." There is

clearly an interest in macroeconomic dynamics and a need for articles which introduce its basics. For this reason we include in this issue a further contribution from Anderson. The article, "Basic Economic Variables," is an earlier version of a chapter of Anderson and McShane's recently published volume *Beyond Establishment Economics: No Thank You Mankiw*.[1] That volume tackles the malaise in the textbook tradition of mainstream macroeconomics. In this article Anderson's efforts are directed to specifying in a very introductory manner the core elements of macroeconomic dynamics. We can identify Anderson's work as a poised first-step in dialectic. It is a contribution to the assembly of materials relevant to the comparison of Mankiw and Lonergan that is attempted in *Beyond Establishment Economics*.

At the other end of the spectrum is Tom McCallion's article, "The Basic Price Spread Ratio." The article directs our attention to a specific section of Lonergan's "Essay in Circulation Analysis."[2] McCallion's work is a tremendous achievement, going a great distance towards a precise interpretation of Lonergan's account of the cyclical variations in price spread.

While the articles by Anderson and McCallion are both quite specific, Philip McShane's contribution to the second issue, "Business Ethics, Feminism, and Foundational Ethics," is in the style of random dialectic which has characterised his recent work. In this article McShane addresses the teaching of business ethics in university. He provides us with a foundational vision of future teaching of business ethics that takes seriously both macroeconomic dynamics and functional specialization.

We have had about a year to digest the response to our first issue of the journal. Certainly I am pleased by positive

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[1] Bruce Anderson and Philip McShane, *Beyond Establishment Economics: No Thank-you Mankiw* (Halifax: Axial Press, 2002).

[2] See Bernard Lonergan, *Macroeconomic Dynamics: An Essay in Circulation Analysis*, ed. Frederick Lawrence, Patrick Byrne, and Charles Helfling, 15 *Collected Works of Bernard Lonergan* (Toronto: University of Toronto Press, 1999), 156-162. See also Lonergan, *For a New Political Economy*, ed. Philip McShane, 21 *Collected Works of Bernard Lonergan* (Toronto: University of Toronto Press, 1998), 301-307.

comments and words of encouragement received. I am, however, especially pleased with the arrival of critical comments. Controversy is good for development and I have encouraged those with critical comments to submit their criticisms for inclusion in the journal. Some have agreed to do so, and we will reap the benefit of their efforts in future issues. In this issue we can enjoy the first fruits of disagreement. Soon after we made the inaugural issue available online an article arrived from Fred Crowe disagreeing with comments made by Patrick Brown in his article, "System and History in Lonergan's Early Historical Manuscripts." Fred took issue with Patrick's criticism of his view of Lonergan's development. Patrick responded with a rich and detailed reply. We end our current issue with this exchange. We trust it is a good omen for the future.

At the beginning I noted the communal challenge of lifting our efforts into an explicitly hodic context. To encourage this process, we thought we might be able 'to kill two birds with one stone.' In the last year we had been planning to put together a *Festschrift* to honour the 70th birthday of Phil McShane, whose teaching and writing, more than any other contemporary writer, have been devoted to the issue of fostering functional specialization. I asked Phil if he would write an article on the topic of 'implementing functional specialization' which would be designed with an eye to encouraging responses. Happily, Phil agreed to write the article and happily too about twenty scholars have agreed to respond. Respondents will include Robert Doran, Fred Crowe, Patrick Byrne, Michael Novak as well as many of the original respondents from the Florida Conference of 1970. McShane's original article and the varied responses to it will constitute a special issue of the journal we hope to have ready by this time next year.

Finally, our next regular issue will be devoted to the exploration of the hodic or functional speciality of interpretation. With this in mind we invite our readers to submit articles that address the problem of this specialty or are specific contributions to writing in the specialty. The contribution can be in any science or academic field. Here I

would ask contributors - and readers - to bear three things in mind with regard to interpretation.

First, there is the problem of one's own a priori. Lonergan remarks that "the use of the general theological categories occurs in any of the eight functional specialties."[3] Now, if we take seriously the demands made by his later definition of generalized empirical method,[4] the genuinely up-to-date interpreter would have control of the best contemporary understanding of the object with which the interpreted writer is dealing. This is a very tall order in present circumstances. Let me spell this out in terms of the task of interpreting Lonergan's writing. Recently, I have been working at an interpretation of Lonergan's early writings on finance. My interest is in understanding how Lonergan understood the notion of 'credit.'[5] Lonergan himself was not satisfied with his own effort, and the whole question of finance, especially the problem of long-term financing, remained unfinished business for him.

What, then, is involved in understanding the relevant object, that is, the function of credit in an economy? Like Lonergan himself I would have to research into the best available contemporary understanding of credit. An excellent starting point would be the relevant chapters in Joseph Schumpeter's *The Theory of Economic Development*[6] and *Business Cycles*.[7] This was Lonergan's own strategy in 1942, a strategy he returned to again in the 1970s. I have attempted the same strategy. Lonergan's reading of Schumpeter in 1942 and again in the 1970s was informed by a much deeper

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[3] Lonergan, *Method in Theology* (New York: Herder and Herder, 1972), 292.

[4] "Religious Knowledge," *A Third Collection*, ed. Frederick Crowe (Mahwah NJ: Paulist Press, 1985), 129-145, at 141 (noting that generalized empirical method "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.")

[5] Lonergan, *For a New Political Economy*, 21 *Collected Works*.

[6] Joseph A. Schumpeter, *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*, trans. Redvers Opie (Cambridge: Harvard University Press, 1934).

[7] Schumpeter, *Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process* (London: McGraw Hill, 1939).

understanding of macroeconomic dynamics. Whatever credit is, it must include an understanding of its functional significance in the basic and surplus phases. To this I would add the function of re-distributional activity. But over and beyond Lonergan's own work is the task of developing an appreciation of how credit, both short-term and long-term, functions in the global economy. My work on Lonergan research must also be supplemented with the best available current research on the dynamics of credit.

My problem is that I am still learning the basics of Lonergan's macroeconomic dynamics, and I do not adequately understand the economy which is the object I am trying to interpret. Nor am I alone in this. My, and perhaps your, real status as an interpreter of Lonergan on macroeconomics, and therefore his notion of credit, is that of a student. The best I can do at this point is admit the short-coming. I find such an admission a welcome relief. The effort at pretending expertise is draining and, I strongly suspect, ultimately holds back genuine progress. Most importantly, the explicit admission of this shortcoming reawakens an appreciation of the real mystery of the intended object of study.

Secondly, then, if we seek an adequate interpretation of Lonergan's writing then we would need to be in control of, and be controlled by, his general categories. These are expressed briefly, inadequately, and with a key omission, on pages 286-7 of *Method in Theology*. Before I note the inadequacy and the omission, I suggest that most, if not all, of us would admit that we are not in control of the categories as listed on those two pages. This would mean that what we might call "an interpretation of Lonergan on X" is actually more an attempt at a learning of Lonergan's meaning of X. Such learning does not fall, per se, within the functional specialty of interpretation. Alternatively, we might say that we admitted such expression, but then it must be subject to the first principle of criticism of the third canon of interpretation: that is, the validity of the work is questionable, and needs to be sifted for successful contribution.[8] In fact, it would be a good idea not to exclude for the time being such beginning efforts at interpreting

[8] *Insight*, 588 [611]

Lonergan. However, it would also be a good idea if the interpretation were criticised. We are back at the problem raised by the Brown-Crowe exchange. My suggestion for now is that it would be better to begin such criticism as self-criticism, and that this self-criticism should include an expression of where we stand personally with regard to the general categories. This undoubtedly requires some discomforting honesty, a stand against *voraussetzungslosikeit.*[9] For example, we bring to our interpretation admissions like the following: "I am trying to interpret Lonergan's view of doctrinal development but I have not as yet come to grips with his work on genetic method." Such self-criticism and self-revelation would be enormously beneficial in our attempt to come to grips with the full challenge of Lonergan's notion of interpretation.

I mentioned an inadequacy and an omission. The omission has been noted by McShane in his recent work *Lack in the Beingstalk*[10] and bears noting here. There should have been a listing number (10) on page 287 of *Method in Theology*, a listing that claimed some categorial acceptance of functional specialization as foundational. Secondly, there is the inadequacy—and this, fortunately, is noted by Lonergan in the paragraph after the listing—the substance of which is that the first half of *Method* is merely descriptive, thus methodologically inadequate. "One has not only to read *Insight* but also to discover oneself in oneself."[11]

Thirdly, what has been said of interpreting Lonergan applies in general. So, for example, if one is interpreting Aristotle or Kant on the object called "deliberation" then one should know the object. To know that particular object, of course, one is helped enormously by working on Aquinas' discussion of deliberation in Ia IIae, qq. 7 - 17. Similarly, to interpret either Newton or Kant on space-time one had best have some grip on the contemporary shift to conceive forces as conjugate forms whose meaning is geometrical and with the rejection of notions of spacetime as other than grounded in

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[9] *Insight*, 578 [600]

[10] Available online at: http://www.philipmcshane.ca/books.html

[11] *Method in Theology*, 260

properties of things. Again, to interpret Freud or Kant on the sense of duty one had best be up-to-date on the contemporary neuro-chemistry of compulsion.

These are tall orders with regard to efforts to interpret. But to objectify our inadequacy would be at least a beginning of the move to linguistic feedback that will characterise later luminous hodic writing.[12] Are there any of us brave enough to venture such a beginning? I hope so.

[12] *Method in Theology*, 88, n.34.