

## KEEPING PROMISES

*Patrick Brown*

I return to my introductory reflections against the background of Mike Shute's very concrete illustration of a small economy moving forward in what we can agree to call a promising fashion. There is the promise of nature whose rhythms are detected; there is the promise of inventive controls like the weir; there is the complex trust of the community edging towards an elementary banking system, nicely caught in Shute's phrase "let us make a note of that."

The suggestion, "let us make a note of that," is a promising suggestion in two senses of the word *promise*. It is, on the spot, a suggestion that we set up a structure of trust, of belief, of collaboration. We are moving toward making promises to each other in the community. But there is also the larger, long-term side to the suggestion, a long-term side that can lead into strange unknown zones.<sup>1</sup> The suggestion of "making a note" may have emerged in a very simple fashion, but it can take off, as indeed it did in the emergence of banking. Shute asks us, in concluding his essay, to imagine two people on a village bench coming to the statement, "let's make a note of that." It turns out to be a really central jump in the village life: eventually the bench is a place of many such transactions, so that it becomes important to put a roof over it for rain-day work and to get decent damp-resistant paper for the notes. But it also becomes important not to lose the village grip on the promise in either sense of the word. Indeed there is the challenge to improve the villagers' grip on the meaning of promise in either sense, and that challenge is the focus of this short essay.

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<sup>1</sup>Each author in the present volume points this out in different ways, and while we all insist on the volume's focus on appreciating and drawing attention to the missing economic variables, there may well be readers who leap on and lead all of us forward into unknown zones, unexpected reforms and applications.

There is a common way of talking about the symbolic paper, money, that Robert Heilbroner refers to in a way that fits our searching here: “Behind all the symbols rests the central requirement of faith. Money serves its indispensable purposes as long as we believe in it. It ceases to function the moment we do not. Money has well been called ‘the promises men live by.’”<sup>2</sup> We are back in the context of the second essay in this volume, back with the puzzling meaning of giving credit. If McShane’s essay strikes you as obscure it is because it is indeed so: the topic relates to a massive cultural shift that is quite beyond our present talents and habits of thinking. To deal with it a little here, in a constructive fashion, I need to appeal to the historical context that Zanardi introduces later, but I do so only in a vague sense that lifts Shute’s community into that larger picture.

Shute’s community members did not understand what a promise is: such understanding is a long and difficult process of future education. In the larger story of the emergence of money, the same spontaneity was present in the transition to a monetary economy. That larger picture can point us effectively to the historical dimensions and problems of the education involved. And there are other facets of the ongoing story that complexify the problem: one may think of such movements as the Gaia movement or such crises as that of global warming. There is a present fermenting of new problems and new ideas that foreshadow needed changes in local and global patterns of living. No doubt such shifts were on Lonergan’s mind when he wrote:

Now to change one’s standard of living in any notable fashion is to live in a different fashion. It presupposes a grasp of new ideas. If the ideas are to be above the level of currently successful advertising, serious education must be undertaken. Finally, coming to grasp what serious education really is and, nonetheless, coming

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<sup>2</sup>R.L. Heilbroner, *The Economic Problem* (Englewood Cliffs, NJ: Prentice-Hall, 1972) 352.

to accept that challenge constitutes the greatest challenge to the modern economy.<sup>3</sup>

To help us towards a fantasy of the novelty of that culture it is useful to pause over the meaning of *transition* in the title of Lonergan's early treatment of the central topic: "Transition to Exchange Economy."<sup>4</sup> In that chapter Lonergan considers the network of decisions and promises and valuations that go to structuring an adequate exchange economy. He introduces money as "a dummy that will bridge the intervals, short or long, between contributing to the process and sharing in its products."<sup>5</sup> He goes on to list conditions on the dummy, and then gets to our main concern, which is emergent in Mike Shute's essay and more manifest in the essay that follows, by Darlene O'Leary: "we compare the two flows of the circulation: the real flow of property, goods, and services, and the dummy flow being given and taken in exchange for the real flow."<sup>6</sup> We are back at the key point and the key quotation of my first essay here: the two flows must balance if the exchanges and the dummy are to be significantly stable. "The necessary and sufficient condition of constant value in the dummy lies in its concomitant variation with the real flow"<sup>7</sup>; "the concomitance of the two flows is the condition of constant exchange value."<sup>8</sup>

I will return almost immediately to the complexity of this condition and to the meaning of *concomitance*, but the point I wish us to dwell on—as of deeper significance for the cultural change to which we are invited—is the consideration that is missing from this early treatment by Lonergan.<sup>9</sup> Lonergan considers the network of decisions and promises and valuations,

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<sup>3</sup>*CWL 15*:119.

<sup>4</sup>This is the title of the third chapter in *CWL 21*.

<sup>5</sup>*CWL 21*:37.

<sup>6</sup>*CWL 21*:39.

<sup>7</sup>*CWL 21*:39.

<sup>8</sup>*CWL 21*:39.

<sup>9</sup>There is a coherent account of this sequence of events, and the missing consideration, in chapter eleven of Pierrot Lambert and Philip McShane, *Bernard Lonergan: His Life and Leading Ideas* (Halifax: Axial Publishing, 2010).

but he does not consider the decisions and promises in the serious manner in which he later faced that challenge. The “Transition to Exchange Economy,” I might say, is being considered in a way that suits the spontaneity already noted in the emergence of bench-notes.

So, we come to the full meaning of my title, “Keeping Promises.” Lonergan’s later considerations, invitations to self-understanding of those who exchange, are relevant to the education that he envisages, are relevant to the keeping, the cherishing, of the promises both of nature and of the humans that are part of nature.<sup>10</sup> If money is the promise we live by, then it is not sufficient to focus just on the dummy, money: one needs to ask, What is a promise?, and to make the sufficient answer an operative component in the culture. Otherwise, we have an aggregate of unknown variables in the situation: promises. To the missing of the meaning and significance of real variables noted by Shute there is added the missing of the meaning and significance of the controlling variables.

Obviously, making and keeping promises in the normal sense is involved in this challenge of caring for the concomitance of the flows of money and goods in the two circuits. We may think in homely fashion of McShane’s illustration, from Schumpeter, of a banker dealing shrewdly with the promise of an inventor and her invention as the banker moves to the promise of money. But it is necessary, if we are to move to a new culture of global care, to keep these and all other promises in mind. The keeping is a new meaning of *keeping* that is to define a future of global caring. The method of that keeping was described in precise but difficult terms by Lonergan in later life as a generalized empirical method:

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<sup>10</sup>This is a problem that keeps raising its head in these essays. It is the problem of a massive shift in culture and in education over these next centuries. It is literally unimaginable, indeed, for the most part, unthinkable at present. We focus in this volume on the thinkable and on the concrete possibility of nudging the economic community to think the thinkable. But here, above, I risk going on to say a few things about the unthinkable.

“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 in to account the corresponding objects.”<sup>11</sup>

The slow and difficult importation of this method into economics is a necessary condition of a sane global economics, in McShane’s phrase. The highly improbable achievement that would ground that importation is an unprecedented shift in education.

So I am led to bring in the context of Zanardi’s article here with its reflections on history. While Zanardi focuses on coming to grips with history and past orientations, it is poised towards the effective reorientation of the future story of our global livings, of making sense of humanity’s progress in the full sense of *making*. So he is poised in regard to a methodology that would match care of history with a reach for a full science of the future, a science of policy-making, global and local planning, adequately mediated executive direction.

Let me return to the meaning of *concomitance* in the context of the need for that fuller care. McShane notes that *concomitance* is the central word in the index of *For a New Political Economy*,<sup>12</sup> and points in his final essay here to the problem of attitude that cuts off investigation of its meaning and its reality.<sup>13</sup> That problem is the problem of failing to be genuinely scientific, and I would note that this failure applies also to the extended methodology suggested later by Lonergan, briefly adverted to in my above comments on Zanardi’s essay. In his final essay here McShane brings forth in disconcerting

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<sup>11</sup>B. Lonergan, *A Third Collection: Papers by Bernard J.F. Lonergan, S.J.*, ed. F.E. Crowe, S.J. (New York/Mahwah: Paulist Press; London: Geoffrey Chapman, 1985) 141.

<sup>12</sup>See his Introduction to the Index in *CWL* 21:326. See also the abundant entries there under *Concomitance*.

<sup>13</sup>Note that the search for its meaning and its reality both come under the methodology that is required by the new normativity defined at note 11 above.

fullness, quite beyond Lonergan's elementary treatment, the problem of being scientific in the matter of the oscillations of economies that are named business cycles.<sup>14</sup> Elsewhere he brings out the empirical pressure towards their globalization and integration that has been brought to bear on all scientific disciplines in these past centuries.<sup>15</sup>

In particular, and in conclusion, I would note the emergence of that pressure in relation to my own discipline, the study of law.<sup>16</sup> But there is a more proximate pressure due to the emergence of new ways of breaking, and breaking brutally out of, the network of promises that constitute normatively local and global economic exchanges. That breaking has been a familiar reality of daily news and views: the obscure world of CDSs, mortgages, insurances, derivatives, etc that is committed to turning money into a commodity.<sup>17</sup> The horror of these activities requires

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<sup>14</sup>In Lonergan's elementary presentations in *CWL 15* and *CWL 21* he attends only to macro-problems of the economic cycles as they affect both national and international economics. McShane envisages a fuller collaborative science, on the analogy of global hydrodynamics, which will strive modestly to understanding what goes on both globally and locally. Regarding the modesty, there is Lonergan's comment made at the end of his reflection on "Economic Control": "despite this almost baffling indeterminacy, it remains that there is a definite dynamic structure. There are hypotheses on which the game can go awry; and this possibility constitutes a fundamental indeterminacy for the structure" (*CWL 21*:212). On just how far the game can go awry see the tables given by Lonergan on *CWL 21*:55 and 208. On indeterminacy as a topic, see further, note 11 of Shute's essay.

<sup>15</sup>See chapter one of his website book ([www.philipmcshane.ca](http://www.philipmcshane.ca)) *Method in Theology: Revisions and Implementations*.

<sup>16</sup>Bruce Anderson, 'Discovery' in *Legal Decision-Making* (Dordrecht: Kluwer Academic Publishers, 1996). The final chapter deals with global functional collaboration, but the earlier chapters enlarge on points made by me in my initial essay above regarding the need for an analysis of decisions and promises that would effectively infiltrate commonsense cultures.

<sup>17</sup>These issues require detailed legal airing in the decades to come. The following quotation mentions **promise**: but one may ask, in the light of

legislation—law is a vulgar low level determinant of tolerability—but the horror will not become manifest without the serious effort, the serious education, needed to reach a scientific and responsible grasp on the keeping of promises, an untried omnidisciplinary practical science described by Lonergan four decades ago.

Is my proposal utopian? It asks merely for creativity, for an interdisciplinary theory that at first will be denounced as absurd, then will be admitted to be true but obvious and insignificant, and perhaps finally be regarded as so important that its adversaries will claim that they themselves discovered it.<sup>18</sup>

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#### ABSTRACT

This fourth essay carries forward the search for a normative empirical economics by focusing on the challenge of finding out just what could be meant by speaking of money as promise. While the essay does not blossom out into a wholesome precision and a serious development of the meaning of promising, it should lead you to a suspicion that the self-attention required to meet that challenge is a shocking lift of

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the reaching described above, about the character of the **keeping**. “The recognition that money has become a commodity, or as Richard O’Brien terms it, an ‘information product,’ (Richard O’Brien, *Global Financial Integration: The End of Geography* [London: Pinter, 1992] 7) has arisen out of the development of very deep secondary markets, in terms of discounting and futures products, which has been a constituent part of the re-emergence of long-term financing via the issuance of various types of securities. The **promise** to pay which these financial instruments represent is thus increasingly being traded as a commodity according to supply and demand. The impact of this practice on the company or government whose instruments are traded is direct and immediate, and makes further access to financing dependent upon the extent of the commodification of past debt.”(Randall D. Germain, *The International Organization of Credit: States and Global Finance in the World-Economy* [Cambridge: Cambridge University Press, 1997] 126; see also 129, 130.)

<sup>18</sup>CWL 15:106.

culture and education. The problem of the volume is to make that leading effective by you taking over the leading.