

International Trade: Beginnings

Prologue

So: we begin again.¹ I think of returning our effort to listen to the *jek, the joke, of the previous essay. I could have footnoted it heavily, like adding a learned note to the Indoeuropean base *jek that would talk of the primitive speaking speaking. Or commenting on Lonergan's musing about our bolder axial shot at two-timing God.² Or reminding you of the first essay in *The Redress of Poise*, which nudges you to abandon all hope in busy initial meanness and try for explanation in economics.³

[Æconomics 6](#), "I Started a Joke" bubbled out in the early months of 2019 as the end of a series of shocks, *Interior Lighthouse*⁴ shocks. A key ongoing shock was listening to the jeking of grandson Matthew as he moved through his 39th month. Words like *trampoline* and *transformer* emerged and, unless he is lucky, he is heading for an axial life of initial meanings, even if he works through sums and science in school and college: he may even become a professor and use learnedly the words *trade* and *tax*.⁵ His world could become the apparently richer world of *Who We Are and How We Got Here*, with its topologies of human genes.⁶ I have to hand a higher-level topology, not of human genes but of human signs: *The Alphabet Makers*.⁷ I am tempted to comment further proleptically on the book's magnificent spread of signs, following my beginning in [Æconomics 1](#), "That the Word be Made Fresh," but that joke would be on me.⁸ Would you expect me to write it in plain English?

¹ Two points. First, the beginning is really after this Prologue: so you may well wish to skip now to section 1. Secondly, you may well happily leave the footnotes alone. The beginners' work is in the text.

² The relevant references can be reduced to two, avoiding complications of my commentaries on them. There is the second paragraph of chapter one of *Method in Theology*, in the first line of which occurs the word "bolder": it can be thought of as relating to the axial split between the two times of the temporal subject discussed by Lonergan in *CWL 12, The Triune God: Systematics*, 403–13.

³ The essay is titled "The Value of Lonergan's Economics for Lonergan Students". The book [The Redress of Poise](#), written in the last years of the 20th century, is available at: <http://www.philipmcshane.org/website-books/>.

⁴ See footnote 5 of *Æconomics 9* for a fresh context.

⁵ I am recalling a favorite quotation from Joan Robinson (you'll find it in my book, *Economics for Everyone* [Axial Publishing 2017], p. 6), about getting through the idiocies of Economics 100 and eventually teaching the junk. No harm in mentioning the beginning of Alfred Eichner's book (quoted there, p. xviii) where he talks of economists after a few evening drinks, admitting that they have nothing to teach.

⁶ David Reich, *Who We Are And How Got Here. Ancient DNA and the New Science of the Human Past*, Vintage pb, 2018. The notion of a new science, pitched in the Introduction, is quite daft. But chat here about that would be quite daft too!

⁷ Katie Voigtlander and Karen Lewis, *The Alphabet Makers: A Presentation from the Museum of the Alphabet* (Summer Institute of Linguistics, 1990).

⁸ Now wouldn't it be a bit of a joke to ask a gathering of New Testament scholars about the place in their vocabulary of, say, G_{jk}^i —a designation of the complex heuristics of Incarnated Divinity, i,—in "Understanding the Object" (*Method in Theology*, 156) of their concern? It will take generations of scriptures scholars to climb

The first joke I heard from Bernard Lonergan – it was Easter 1961 in Dublin - was about the person who asked Einstein over tea to explain relativity in plain English. The oddity, of course, is the plain English of *Insight* 's chapter 5, “a natural bridge over which we may advance from our examination of science to an examination of common sense.”⁹ Leap now from that paragraph to the beginning of the final paragraph, “The answer is easily reached.”¹⁰ Of course, your previous leap may have been a frowning reed shaken in the wind of new words, but, yes, a decent focus left you cosying up to the “broadened basis of our study”¹¹ which sentenced you into chapter six.

There is no point in going on: I am treading an old track, threading a new needling round the I-hole of initial meanings. I climbed to that new meaning in these past shocking months, to a better “luminous darkness of circumstance”¹² about our axial circumstance: they are not facilely communicable. Best leave collecting of those ramblings to later daze. Let us get on with the task of teaching.

1. The Context

Here you are: we are straight into an exercise in reading. But in fact the effort from now on is into such exercising as fits us into the new culture of generalized empirical method. I don't want to get into that issue now, but it helps towards that newness to pause freshly over the first sentence here. Lonergan, writing in 1942, sees an opposition, a radical difference. Might we pick up on his poise of 34 years later and see the self-illuminating challenge genetically in terms of locating in that structure “a vaguely defined psychological situation”? Then we get a different reading of “radically” and “but rather” in the first sentence, and we are challenged to replace the word “prescind” in the second sentence by . . . ? What would you suggest? Might this twisting of mine lead you in fantasy to a shocking leap of the Copernican revolution?

But I twist us thus only to leave it aside. It seeds in you a poise in an expectation and a fantasy about how the new economics “differs **radiantly** from traditional economics” in the fullness of Lonergan's hopes and future facts. So, let's get back to a shabbier beginners' reading of the text of 1942.

Our inquiry differs radically from traditional economics, in which the ultimate premises are not production and exchange but rather exchange and self-interest, or later, exchange and a vaguely defined psychological situation. Our aim is to prescind from human psychology

out of the sad present joke, to take my humorous and humorless hint about turning round the Object talked about, God's work. *Deshil Alles Eamus*, as Joyce puts it in *Ulysses* ' “Oxen of the Sun” (translation from the Irish, German and Latin there gives ‘right turn, all, let us go’). So I have written “Turn Wright,” where I have in mind the great but locked-in work of N. T. Wright. Perhaps I tempt you to venture further into the sad comedy of errors? See, on my website, [Disputing Quests](#) 4, 5, and 8: “Scripture Studies. Turn Wright” I, II, III.

⁹ *Insight*, 163.

¹⁰ *Ibid.*, 195.

¹¹ *Ibid.*, 197, twisted.

¹² I borrow the phrase from the relevant Website article (no. 2), “[Towards a Luminous Darkness of Circumstances.](#)”

that, in the first place, we may define the objective situation with which man has to deal, and, in the second place, define the psychological attitude that has to be adopted if man is to deal successfully with economic problems. Thus something of a Copernican revolution is attempted: instead of taking man as he is or may be thought to be and from that deducing what economic phenomena are going to be, we take the exchange process in its greatest generality and attempt to deduce the human adaptation necessary for survival.¹³

The simpler reading gets us poised over 20th century economics, and on up and past Piketty,¹⁴ to see a present style of thinking about, really, anything human, as a patterning of initial meanings of that humanity in deceptively enriching contexts. You may well here, or anywhere, take off in directions that are self-enlightening—think of the rich mesh and mess of the “academic disciplines”¹⁵ of the humanities—but we focus now on just one silly trail. The trail is noted in the first chapter of *For a New Political Economy*, where a silly “level of generality”¹⁶ of previous centuries is identified as ho ho leading us all into “the labyrinthine course”¹⁷ of Economics 101.¹⁸

You ask—or already know?—what is the silly level of generality? But can you neatly drop the question mark at the end of that previous sentence? Yes, what is the silly level of generality, a what untutored, a truncated and arrogant what that sees a flow of money, IOU or You owe me, and settles for tinkering mathematically with that single flow as if the flow had sacred scriptural unity. On goes the study of that single flow into the twists and turns of trade and tax and take-offs, bringing forth a population of well-heeled voodoo merchants in the world’s economics departments. Even the best of them live in locked whats. Now there you have “a vaguely defined psychological situation”! I recall lecturing into the chained whats of an economic department in Korea: one of the lockedhearts remarked early in our question period, “but it’s all in Mankiw.” To which remark I wisely or foolishly replied, “Well then we have nothing to talk about.”

Have we not something to talk about here?

In raising that apparently simple question at this early stage, I turn you back towards the modified phrase “differs **radiantly** from traditional economics,” and twist your reading towards the fullness of the new scientific stance. It leans you and me into the future, into our descendants’ lives. Humanity, beginning with you and me, needs to gradually grow radiantly luminous about what we are at, what what is at. Let me be blunt: this is not a side-line

¹³ *For a New Political Economy*, 42–43.

¹⁴ I picked up on Piketty in *Piketty’s Plight and the Global Future* (Axial Publishing, 2014).

¹⁵ I referred in note 2 above to the beginning of the second paragraph of *Method in Theology*: here the reference is to the conclusion of the paragraph. The journey between has to do with the Axial Period, the negative Anthropocene Age weaving forward into truncation and savagery. See *Æconomics* 9, “We Were Not Savages”.

¹⁶ *For a New Political Economy*, 7, line 20.

¹⁷ *Ibid.*, 5, line 7

¹⁸ *The Allure of the Compelling Genius of History*, chapter 3, “The Canons of Economic Meaning,” is a good context here. A few of the idiot course outlines are given on page 31.

informative course in the eccentric view of Bernard Lonergan: this is a course aimed at involving you in changing the course of history, ontically and phyletically.

Pause over the empiricity of your present interest. I suggest that it should be primarily to change your story and history, that if you are “just interested in finding out how Lonergan’s economics is different from the standard stuff,” then you are inhumanly tinkering: Monday morning quarterbacking, sitting on the ditch, not even fiddling on the roof. There: you have my context perhaps clashing with yours. “Ho hang! Hang Ho! And the clash of our cries as we spring to be free.”¹⁹ Best leave the spring to the footnote.

2. The Illustration

Below, in the third (indented) paragraph, is the text that leads us to musing over an illustration of what we are about. You recall that it is a text that we left, as it were, suspended, at footnote 14 of [Economics 4](#), “Sorting Out Superposed Circuits”. It has been in suspense through two essays, one a quite lengthy Helsinki paper on structuring the future through what I call *Futurology*,²⁰ the other, [Economics 6](#), quite brief, singing with Robin Gibb about Starting a Joke. There, midway, I remarked, “The joke began in 1961, built on the previous decade of laughter and sorrow. “Who, on earth, was I writing to when I put together ‘[The Contemporary Thomism of Bernard Lonergan](#)’?” Lonergan’s joke bellies up when he pushes economists to face his meaning of “mechanical structure.”²¹ Who on earth was listening?²² Facing that meaning meant facing, existentially, “the rub”²³ of the text quoted above at note 12, a rub startlingly beyond present economists and politicians. What chance have I to rub your knows in the rub in this little essay? But remember the context: the lifting of your chance of rubbing “the right way”, massaging persuasively some friend or relation in an influential economic realm. To do that you have to call

¹⁹ The second last page of James Joyce’s *Finnegans Wake*.

²⁰ I refer to the secular version of the heuristics of the future, *Futurology Express* (Axial Publishing, 2013). My paper for the Helsinki Conference (June 13–14, 2019) on [Sustainability and Peaceful Coexistence](#) is available as [Economics 5](#).

²¹ I refer you back here to the text at note 13, but also to my Index-preface conclusion, where I quote Wordsworth, but now perhaps a fuller quotation helps us along—I quote from a memory of the 1940s!—“And now I see with eye serene / The very pulse of the machine / A being breathing thought and breath / A traveller between lift and death”. This is not Wordsworth at his best: he is talking thus about a lady! But note how it fits into our aesthetic bent. The mechanical structure is indeed a human thing thought of as working well, in glorious concomitances (the largest entry in my index!). The problem that we note is the curious deviation from that wellness in Lonergan’s reach for an understanding of international trade.

²² I am recalling here both Lonergan’s remark, “What on earth is to be done?” (*Bernard Lonergan. His Life and Leading Ideas*, 154) and the problem of my ‘starting a joke’ raised in [Economics 6](#). See the conclusion to the next note.

²³ I am thinking of Hamlet, a topic in my Helsinki paper presented in this sequence as [Economics 5](#). So, there is the line (Shakespeare’s *Hamlet*, Act 3, scene 1, line 65) “perchance to dream. Ay, there’s the rub”. Useful, perhaps, to quote note 25 there: “The origin of the meaning of *rub* is an ancient game of bowls. A rub is some fault in the surface of the green that stops a bowl or diverts it from its intended direction. The word is recorded some few years before Shakespeare’s time, and is still in use.” Lonergan’s fully-developed “mechanical analysis” is to be a massive normative heuristics within a heuristics of history grounding an operative dream, statistically effective. Perchance to dream, indeed!

him or her back from such topics as arbitrage or monetary policy or Phillips curve to the topic named “mechanical structure.” The calling has to be a decently competent call from a personally-held poise on the consequences of there being **two types of firm**. So, “we take the exchange process in its greatest generality and attempt to deduce the human adaptation necessary for survival.”²⁴

Perhaps you could read now the two texts with which we are dealing—quoted at notes 12 and 23—and brood over your “take.” Unlike you interlocutor in economics our “take” is not one of abstractive modelling: it is had “in mind” as a “take” for granted that “what is good, always is concrete.”²⁵ Did you exercise yourself into that poise when you read about, round about, there being **two types of firm**?²⁶ On we go now, with another read of our illustrative text and situation.

Suppose two countries A and B each with its mechanical structure. Let A have some rate of excess exports of value DX, so much every so often. Let B pay for this in the first period by exporting gold of equal value DY, so much every so often; and in the second period let the payment be by floating loans in A, again at a rate of DY, so much every so often.

The first point is that DY constitutes an additional flow of net surplus income in Country A. In any closed system aggregate expenditure and income must be equal; but in the open system A, there is a part of aggregate income, DY, of which the corresponding expenditure takes place from outside. To put the point differently, the citizens of A but all their production, minus DX, continuously; but they receive all their income, including DY, continuously. Thus DY is an additional flow of net surplus income.²⁷

The text begins with “suppose” and you are a very strange person if you paused over that word in serious, semi-luminous, fashion. The word, if read with my intent,²⁸ places your minding in a heuristics of the full non-systematics of the finite, placing you there with a normative twist. You are in that realm of unknowing, yet none the less controlling the exclusion of myths and self-myths, thinking of a parallel universe where countries A and B are working properly despite the mad comedy of stochastically diverging hellos and good-buys. Their mechanical structures are in perfect shape, whatever random clusters of innovations there are in the multidimensional weave.

Are their mechanical structures in perfect shape? Our supposition throws into the paragraph and the myriad of graphs and techno-programs two “lets” of supposition: ‘let’ us focus on the

²⁴ *For a New Political Economy*, 42–43.

²⁵ The first words of chapter two of *Method in Theology*: the primary inner word of a deliberating human who is in the second time of humanity.

²⁶ This is a key piece of any initial struggle: see the Amazon *Economics for Everyone*, the Preface to the 2017 edition, pp. iii-v.

²⁷ *For a New Political Economy*, 94.

²⁸ This is a hugely difficult topic regarding the new science of humanity. Center your attention on the meaning of *with*: are you with me in leaning forward towards ontic and phyletic growth? The intent is with and within the dynamics of history expressed by the W_3 diagram that concludes *Æconomics 9*.

first. The splendor of A includes an extra, like “a throw away” and we’re still fine: but the throw away is exported to B.

Obviously, our supposition includes that “we have to drop the assumption of a closed economy.”²⁹ But is there something wrong about this steady state for A in which A “enjoys a cushioned domestic effect”?³⁰ Certainly, B’s “mechanical structure” does not seem to be in a sound and happy state: its state is “the inverse to the cushioned profit cycle of the favorable balance.”³¹

We seem to have stepped or slipped out of our broad, though implicit, assumption of there being operative—what a heuristic we are in!—healthy mechanical structures all around the globe. So we are thrown back—if we have been thinking clearly—to puzzle about the stuff of the first paragraph of section 46 of the 1942 version of Lonergan’s analysis. “Is this favorable balance a possibility?”³² There is a sense in which it is not. Can you find that sense? Can you introduce further suppositions that make some modified version of it possible?

Thus I end this class in a manner that parallels my classes of long ago in mathematical physics: we have climbed a little only to find ourselves cliff-hanging. But, yes, here’s the rub. The finding at this stage is a vague puzzledness, a what trapped. Can you find your way out of the trap and by so doing find deeper trappings of yourself? Can we find our human way out, out out, in in, to salvage “dwindling humanism”?³³

²⁹ *For a New Political Economy*, 197. Note that we are now “in” the first version of the later shot at the analysis, but now with Lonergan’s glorious leap or “Let”, mentioned on line 21: “transactions between economies will be assumed to take place in the respective redistributive functions”.

³⁰ *For a New Political Economy*, 312, 5 lines from end. See line 7 of page 313. Note here that we are now in the 1944 typescript of the same topic.

³¹ *Ibid.*, 198, 4th last line.

³² *Ibid.*, 94, 2nd last line.

³³ *Insight*, 750. We are poised at the end of the book. There remains the problem of a fuller “**Identification of the Solution**” (*ibid.*, with the bold face in the text).