

Theology and Money

Rationality, Religion, and Economics

MATTHEW L. LAMB

Boston College

God and money (or wealth) have always had a stormy relationship in human minds and hearts. Modern industrialized societies and cultures have tried to quell the storm by ignoring or expelling God, beginning with Adam Smith's (1965) critique of "monkish" theology bent on happiness in heaven rather than on earth, through Karl Marx's (1967) outright atheism, to contemporary economists, like John Galbraith (1975), for whom "theology" is used in reference to unverified opinions of fellow economists.

Religious leaders and theologians of all the world religions have continued to call for more humane and just economic orders, but often these calls have been met by no more than disinterested yawns from economists and business leaders who perceive them as moralistic appeals with little practical relevance to economic and monetary policies and practices. Money has become primarily a "technical problem" to which religious and moral questions are judged marginal at best.

The increasingly interdisciplinary approach toward economic and human values illustrated by the present study as well as the larger public and academic interest accorded the social and economic teachings of religious institutions suggest that it is time to develop categories capable of promoting a more adequate dialogue between economics and theology. Moreover, the very significant role that religious institutions played in the collapse of Communism in Eastern Europe and the former Soviet Union as well as in the Iranian and other Islamic-based revolutions demands a more differentiated attention to the question of how religious and economic values interact.

A commonplace of all histories of economic theory and practice is the constitutive role of rationality in the emergence and maintenance of industrial production. Max Weber (1927) saw rationality as intrinsic to capitalism:

In the last resort the factor which produced capitalism is the rational permanent enterprise, rational accounting, rational technology and rational law, but again not these alone. Necessary complementary factors were the rational spirit, the rationalization of the conduct of life in general, and a rationalistic economic ethic. (p. 354; see also 1978, vol. 1)

But what is the rationality at the heart of industrial production? The classical cultures of Greece and Rome, of medieval and Renaissance Europe, cultivated reason in ways that did not produce anything remotely resembling complex modern exchange economies and massive production processes. Did the process of rationalization in modern cultures, while enabling the production of vast wealth, also involve a diminution of other aspects of human reason—for example, the ancient concern for wisdom?

Daniel Finn's article on the meanings of money indicates how contemporary mainstream economics is empirically oriented, patterning itself on the successful physical sciences, with at least implicit commitments to an empiricist philosophy of science. Kenneth Doyle's exploration in the psychology of money indicates how "empirically derived fundamental dimensions of human personality" are indeed transcultural, applicable to all periods of human history. Other articles in this symposium illustrate the obvious and not so obvious ways in which modern exchange economies reinforce modern individualism, even to the point of jeopardizing family bonds and perhaps reinforcing criminal behavior.

In the first section of this article, I suggest that there are philosophical and hermeneutical resources whereby the notion of rationality can be more adequately articulated. The second section explores how this more adequate articulation provides categories for relating economic and religious studies and values.

HORIZONS OF RATIONALITY

As the works of Hannah Arendt (1958), Hans-Georg Gadamer (1975, 1981), Alasdair MacIntyre (1988, 1990), and others suggest, there are important lessons for contemporary intellectuals to learn from classical Greek and Roman cultures. Specifically, they call our attention to the threefold ways of living analyzed by Plato and Aristotle. The theoretical way of living stresses the need to cultivate the virtues required to develop human reason, such as wisdom, understanding, and science. The good of this theoretical way of living is the discovery of truth and the expansion of verified understanding.

The practical way of living emphasizes the need to cultivate practical wisdom capable of discerning how to act reasonably in the many unforeseen and contingent events of life so that human emotions and passions, desires

and fears, can be intelligently oriented to foster justice, courage, moderation, and the other moral virtues. The good of practical living is *intrinsic* to human activity itself; the good is within the *praxis* or performance of doing good acts. This enabled the Greeks to differentiate virtue from self-control, for the practice of virtue involved not only knowing the good, willing and doing it, but enjoying the actions. Without the enjoyment, one might have self-control but not genuine virtue. So, friendship among virtuous people is far more enjoyable and stable than friendship based on the emotions of pleasure or the demands of utility. Friends are to be enjoyed for their own sake, not for what they get out of one another. It is rather astounding to us to realize that for Aristotle, a good political life requires friendship among virtuous citizens. Without these, he claimed, no amount of force and punitive laws can engender enough self-control to assure stable and just polity.

The productive way of living stressed the importance of crafts, arts, and skills for making and producing those goods required for the satisfaction of human appetites for food, shelter, clothing, and all other material things. The good of this productive way of life is to be found not in the *praxis* of the producers but in the objects they produce. A carpenter may be virtuous and having an intense religious experience while making a desk, but his or her technical skills as a carpenter are to be judged not by these but by the object made. The good is *extrinsic* to the human performance as such and instead in what the technique or skill has produced.

Contemporary hermeneutical philosophers recall these three ways of living in order to suggest that modern conceptions of rationality might be so absorbed in technical productivity that the more specifically human dimensions of theory and *praxis* are ignored. They point out that the typically modern efforts to reduce science to technique and to equate rationality with calculation (Hobbes, Hume) leads to a scientism in which computers and artificial intelligence are used to alienate knowing completely from human knowers. Reason is denied the specifically human questions about truth and goodness and is forced into a mold of being no more than another instrument of power and domination over nature.

A difficulty with these hermeneutical philosophers, however, is that they do not adequately advert to how the actual practice of modern science is a self-correcting process of learning in which the instrumentalism and reductionism of empiricism is capable of being overcome (Lamb, 1992). I would suggest that the work of Bernard Lonergan could be very helpful in deepening our understanding of empirical verification and thereby also in enabling us to address the issue of a transcultural, empirically verifiable notion of human rationality that is neither reductionist nor instrumentalist. His invitation to "rational self-appropriation" in *Insight: A Study of Human Understanding*

leads individual readers to attend to and understand related and recurrent conscious acts that they perform every day yet rarely if ever come to know. He broadens the notion of "empirical" to include not only the data of human senses but the data of human consciousness. Each human being shares not only, therefore, physical, chemical, biological, and zoological patterns with all other material and animal beings, nor does each of us share only untold generic factors with other humans: we also have in common the conscious related and recurrent operations of experiencing, understanding, judging, deciding, and acting. While *what* we experience, understand, judge, and decide vary greatly with each individual, the related and recurrent acts or operations are experienced by all conscious human beings. Thus Lonergan provides a way through an individual and a broadened empirical self-appropriation to a transcultural perspective that overcomes the narrowness of the empiricism-versus-idealism debates that have hounded modern philosophies of science (Lamb, 1978, 1989).

Lonergan distinguishes between consciousness and knowledge. When we are not in a deep and dreamless sleep, we are in some fashion conscious. Awake, our consciousness is some blend and interaction of the operations of experiencing, understanding, judging, and deciding. We do not have to know these operations in order to be conscious. They spontaneously occur in our sensing, perceiving, imagining, feeling, remembering, inquiring, getting an insight, conceptualizing, weighing the evidence, grasping the evidence as sufficient, formulating a judgment, deliberating, deciding, loving, and acting. Knowledge results only insofar as the first three conscious generic operations occur: experiencing, understanding, and judging. Such knowledge may be our own immanently discovered and verified knowledge; far more preponderant is our acceptance of the knowledge of others through belief (see Lonergan, 1958, 1972, 1988).

The point of the distinction between human consciousness and human knowledge is that human beings as conscious in any culture at any time have experienced the activities of experiencing, understanding, judging, and deciding. But the knowledge generated by those conscious operations are almost always of things other than their own minds, their own conscious operations. McCarthy (1990) demonstrated the importance of adverting to these conscious operations today because knowledge of them will enable us to overcome modern scientism and reductionist instrumentalism without having to abandon a concern for the empirical and experiential in favor of an idealist absolutism.

Lonergan's (1988) notion of horizon might be helpful in articulating various models or horizons of rationality. Visually, a horizon "is a maximum field of vision from a determinate standpoint" (p. 198). The field shifts with

our standpoints; some objects are very distinct, others rather vague, and still others are totally beyond our visual horizon. Similarly, the scope of our knowledge and interest can be designated as a horizon. What we familiarly know and are interested in is clearly within our mental horizon, other realities are less distinctly present, and many things are beyond the horizon of our knowledge and interest. Any mental horizon is specified, then, by an objective and a subjective pole that mutually condition one another. The subjective pole is the knowing and being interested in; the objective pole is what is known and what is found interesting.

Popper (1972) distinguished three worlds that comprise everything that exists in our concrete universe. World 1 (W_1) is the world of matter and energy including everything from subatomic particles to galaxies, from chemicals to human brains, from pens to skyscrapers. World 2 (W_2) is the world of consciousness embracing all human conscious activities of dreaming, experiencing, understanding, judging, deciding, acting, and so on. World 3 (W_3) is the world of objective knowledge, the world of language, culture, and civilization, including all the expressions of human creativity and perversity that have been preserved and encoded in W_1 objects such as books, paintings, film, and buildings, (see also Magee, 1973; Popper & Eccles, 1981). In this context, one could argue that Lonergan has provided an analysis of W_2 capable of methodologically grounding W_3 , and through the physical sciences and technologies of W_3 , our relations with W_1 . Indeed, his worldview of "emergent probability" has been found to be very helpful in articulating interdisciplinary studies with ethical interests (Melchin, 1987). There is, however, an important corrective that I would make to Popper's (1972) account of the three worlds. Popper gave priority to W_3 , whereas I see a new control of meaning and value in terms of W_2 inasmuch as Lonergan's work has provided us with a verifiable articulation of the related and recurrent operations of conscious intentionality.

Using "horizon" here in a broad, generic sense of epochal controls of meaning (Lonergan, 1988), three horizons of rationality can be distinguished: classicist, modern, and contemporary or transcultural.

A classicist horizon of rationality can be defined with reference to any horizon within which the subjective pole is a normative, canonized construct of W_3 to which the objective pole (inclusive of other nonnormative constructs of W_3 along with W_2 and W_1) must conform. Examples of such a classicist horizon can be found in Hellenic and late medieval cultures. Aristotle set the ideal of rationality according to how any knowledge would most closely approximate the certain, immutable, necessary and true knowledge of first principles or causes (Lonergan, 1975, 1988). The static character of this horizon of rationality was reflected both in the organizations of societies in

the Greco-Roman and late medieval civilizations and in their cosmologies. W_1 was seen as corresponding with the canonical conceptions of W_3 in terms of the composition and movements of the perfect heavenly bodies. W_2 was similarly investigated in terms of the psychological, biological, and physical statements presupposing metaphysical categories of W_3 (Litt, 1963; Lonergan, 1967, 1974a). In calling this horizon of rationality classicist or classical, this is not to identify it as descriptive of all the great classics written in those periods. Indeed, the classics are such by the challenges they pose to readers of all ages to change, grow, and develop in order to understand the realities that the classics communicate (Lonergan, 1972, p. 161). So, for example, from his writings one can determine that the actual scientific performance of Aristotle was far better than the classicist ideal of science (Byrne, 1992). The limitations of classicism can be avoided insofar as attention is directed, as Lonergan indicated, at the intellectual performance, or what Pierre Hadot termed the *exercice spirituelle*, informing great philosophical and theological classics (Lamb, 1990).

The modern horizon of rationality can be defined with reference to any horizon within which the subjective pole rejects any canonized constructs of W_3 and insists that all such constructs (whether of meaning or value) must be controlled by verification in W_1 . Thus modern empirical science began by displacing the Ptolemaic universe, refuting the Aristotelian physics of motion, and elaborating sophisticated instruments of observation and verification. Empirical rationality found its greatest success in the physical sciences: Nature as W_1 became the controlling test ground for proving or disproving the hypothetical constructs with W_3 . Geographical discoveries led to discoveries of cultures empirically divergent from classicist culture. When the latter was rebelled against in the American and French Revolutions, this occurred in the name of a "reason" and "individual rights" patterned on W_1 as the datum of the new science (Macpherson, 1973; Strauss, 1953). The human sciences modeled their methods on the empirical natural sciences, so that the activities of W_2 and the constructs of W_3 were increasingly reduced to processes in W_1 . Historical scholarship further accelerated these developments by determining the empirical conditioning of all W_3 constructs. Enormous positive gains of empirical rationality in the physical sciences were accompanied by a proliferating reductionism, materialism, positivism, relativism, and historicism in W_3 . These latter disorientations finally led to the capability of actually reducing W_3 and W_2 to the level of W_1 through a possible nuclear holocaust or other environmental disaster on a large scale.

A contemporary or transcultural horizon of rationality can be defined with reference to any horizon within which the subjective pole appropriates the related and recurrent operations of W_2 and thereby seeks to correlate all the

knowledge and action of W_3 and W_1 as the objective pole of the horizon. Just as the operations of W_2 cannot be reduced to W_1 , so a genuine transcultural rationality does not attempt to reduce W_3 to W_2 . That mistake was made by German Idealism's elucidation of transcultural rationality as a conceptual form of W_3 (Lamb, 1984; Sala, 1971, 1990). Empirical methods in the natural, human and historical disciplines are fully encouraged specializations of the transcultural imperatives of attentiveness, intelligence, reasonableness, and responsibility (Lonergan, 1972). Transcultural rationality seeks to disengage the many empirical methods from the customary reductions to W_1 by indicating how those reductions, as constructs in W_3 , are at variance with the factual processes going on in W_2 . As Einstein counseled, pay attention to what scientists do and not just to what they say they are doing.

With these three horizons of rationality in mind, it is now possible to sketch how they affect the understanding of economic and religious values.

HORIZONTAL DIFFERENCES IN RELIGIOUS AND ECONOMIC VALUES

Within the horizon of classicist rationality there was little extended analysis of economic values, for the knowledge and interest defining the classical horizon in accord with canonical constructs of W_3 (whether metaphysical or theological) was more concerned with exploring the higher theoretical or practical ways of living. So Aristotle's discussion of economic values (i.e., the relation of exchange values to use values) occurs in the context of a thematization of ethical excellence in which just commodity values were determined by a society of reasonable people (Schumpeter, 1974). The productive way of life was not treated as an end in itself but as a means of assuring the political life with its moral virtues. These in turn were oriented to the dianoetic or intellectual virtues (*Nicomachean Ethics*, Books 5 and 6; Voegelin, 1957). "Economics" for Aristotle meant the art of household management; but trade for trade's sake, termed *chrematistike*, was criticized as catering to the lower faculties of the soul.

The concern of Plato or Aristotle, as later of Thomas Aquinas, was that wealth for wealth's own sake was a dehumanization of the soul. The productive way of living, as well as commerce, are good and just to the extent that they provide the material basis for satisfying human needs for food, shelter, and the other material necessities of life. Referring to Aristotle's distinction between natural wealth (means of sustenance, shelter, and so on) and artificial wealth (monetary means of exchange), Thomas Aquinas (1952) noted how the desire for the former always has limits (e.g., we can only eat so much)

but that the desire for the latter was unlimited as a result of disordered desire (concupiscence) perverting the unlimited scope of reason into the acquisition of material goods (1-2, q.30, a.4). He also remarked how the plasticity of the human hands linked to the unlimited potentiality of the human mind as *potens omnia fieri et facere* provided the possibility of producing an infinity of tools (1, q.76, a.5, ad 4; q.91, a.3 ad 1). Interest in the form of usury was condemned as unjust because it gave money a value in itself, irrespective of the use of the money as a means of exchange, and so would promote unjust inequality (2-2, 78). Of the periods in which a classicist horizon of rationality prevailed, Schumpeter (1974) wrote that “the How and Why of economic mechanisms were then of no interest either to its leaders or to its writers” (p. 30).

In the 14th and 15th centuries, “disordered desire” was more and more in evidence in the seemingly insatiable appetites of ecclesial and social institutions for the accumulation of wealth. Vincent of Beauvais extended the idea to the people, exhorting them to work “not just for a living, but for the sake of accumulation, thereby leading to the further production of wealth” (quoted in Mumford, 1973, p. 160). The canon and civil lawyers of the time shared in such exhortations to a work ethic. At the same time, agrarian technology was improving crops and livestock yields and trade markets were extending their influence into more sectors of society, bringing with them the expanding use of money as exchange medium (Nelson, 1969).

Martin Luther’s attacks against the manifold corruptions of late medieval Catholicism tended to despair of ever effectively checking concupiscence, while Calvin criticized the Patristic and Scholastic prohibitions against usury; and some of his followers are said to have worked out a sacralized interpretation of industriousness. Calvinism is often credited with having inspired sufficient transvaluation of previous values; accumulation in itself was the fruit of industriousness and was good when it did not lead to luxurious or wanton living. Weber’s interpretation:

Man could not hope to atone for hours of weakness or thoughtlessness by increased good will at other times. . . . There was no place for the very human Catholic cycle of sin, repentance, atonement, release, followed by renewed sin. . . . The moral conduct of the average man was thus deprived of its planless and unsystematic character. . . . Only a life guided by constant thought could achieve conquest over a state of nature. It was this rationalization which gave the reformed faith its peculiar ascetic tendency. . . . [Almost as if] drudgery itself was a means of attaining the certainty of grace. (quoted in Bendix, 1962, pp. 60, 64; see also Weisskopf, 1971)

Mumford (1973) agreed with Schumpeter that the beginnings of capitalism go back into medieval Catholicism, but he also concedes the conceptual rigor of Calvinist ethics, which

removed the golden serpent only to replace it with a more formidable monster, less tempting to the eye, whose very ugliness and inhumanity the Calvinist misinterpreted as a mark of moral value. That monster was the machine. . . . It is no accident that the theorists and practical inventors of the machine, in its initial stages, came so often from protestant and particularly Calvinist circles.
(p 194)

The various forms of the Protestant work ethic transformed the sacral W_3 construction of classicist rationality into a justification for the expanding agricultural productivity, Renaissance mercantilism, and industry. Puritanism would transplant that religious value system to America, where it would linger under various metamorphoses as civil religion (Bellah, 1975; Strout, 1974; Walzer, 1966). If for classicist rationality, economic values mediate the necessities of W_1 to W_2 , within ethical, metaphysical or theological constructions of W_3 , it is clear that these latter had changed sufficiently to permit, if not encourage, another horizon. As long as the new tendencies were contained within a context of religious values, there were restraints to their implementation. Both Catholic and Protestant theologies emphasized the moral and religious responsibilities toward human and nonhuman nature as being God's creation and under divine providence. But the rise of new horizon of rationality in the 17th and 18th centuries removed those restraints.

Within a horizon of modern empirical rationality economics assumes an increasingly dominant role in defining the relationship between W_3 and W_1 . The growing dominance of economics could be traced through three phases. First, the transition period of economic theory grounded on natural rights, where classical reason was undermined by the political philosophy from Hobbes through Locke to Hume. Second, the so-called classical period (not to be confused with my use of classicist) of political economy, where economic theory in the proper sense was based on the supposed natural instincts (W_2 reduced to W_1) of man, for the sake of free enterprise within W_3 . Finally to arrive at modern analytic economics interested only in the development of empirically verifiable instruments of research into economic processes (Schumpeter, 1974, pp. 1140-1145).

What Schumpeter (1974) termed scientific or analytic economics has achieved the ever more sophisticated quantification of specifically economic values through a growing specialization in which the notion of economic value passed from the labor theory of value in political economy through the varieties of the marginal utility theories of value to the quantified indifference curves of equilibrium analysis. But insofar as empirical rationality assumed that all rational analysis of value relied *only* on matrix calculus or functional equations (i.e., as long as reason became synonymous with quantification), then the real problems could easily be overlooked, as post-Keynesians have

indicated with regard to equilibrium analysis (see Eichner, 1979; Robinson, 1973).

The late Renaissance and Baroque periods witnessed various state-church alliances fighting each other for power. The earlier Renaissance had seen the development of capitalist accumulation and bankers (e.g., the Fuggers and Medicis) to whom princes of the church and state would go for funds to carry on their wars. By the 17th century, with the struggles between the state and the estates, this function was taken over by the emerging nation states and large banks, like the Bank of Amsterdam (1690). Mercantilism, in tandem with the state power (Cardinal Richelieu, Wallenstein, Gustavus Adolphus, and Cromwell), helped finance expanding armies and state bureaucracies. As Colbert put it at the time, "Trade is the source of public finance, and public finance is the vital nerve of war." The Jesuit, G. Botero, elaborated the theory for state centralism in his *Della Ragione di Stato*, the practice came in the Thirty Years War (Friedrich, 1952, pp. 13-16).

Power struggles in the pragmatic order were less important in the long run than the emergence of empirical rationality in geniuses like Copernicus, Kepler, Galileo, Descartes, Bacon, Hobbes, Locke, Newton, Pascal, Boyle, and Leibniz. The development of mathematics provided hypothetical frameworks within which to measure empirical data. No longer could W_1 be explained in Aristotelian metaphysical categories. Galileo's mechanical laws marked the first major success in empirically mediating the explanatory meaning of W_1 events. As more precise measuring devices were constructed, empirical rationality increasingly refined natural scientific procedures for verifying mathematized hypothetical constructs through ever more accurate observations of W_1 . Newton's *Principia* and *Opticks* consolidated and extended these new methods. *A mathesis universalis* was extrapolated from the natural sciences to become ever more normative for all knowing (e.g., Spinoza's *Ethica more Geometrico*).

From Hobbes to Locke, theories of individual rights were applied to society, which ambiguously asserted an equality of all men while also maintaining that society is composed "of two classes differentiated by their level of rationality—those who were 'industrious and rational' and had property, and those who were not, who laboured indeed, but only to live, not to accumulate" (Macpherson, 1962, p. 243). Locke removed any limitations on the acquisition of property. The "value" of individuals would be measured by how much they possessed. Hobbes's "homo homini lupus" was proleptic, as was Boyle's reference to "these living automata, human bodies."

As Butterfield (1966) noted, empirical rationality's emergence in the 17th century as the new natural science "outshines everything since the rise of Christianity" (p. 7). To be sure, the thinkers of the period often strived to

accommodate religion to their new-found methods. But in that effort, they received little encouragement from the theologians (Lonergan, 1974a; pp. 55-67). Religious experience and the important advances of the Patristic and Scholastic periods began a long retreat into an interiority incapable of any critical mediation to the intellectual, moral, economic, and political upheavals and transformations of the time (e.g., Jansenism, Quietism, Pietism, Quakerism, and others).

In the Enlightenment, autonomous political economics was joined to an outright attack on the religious values of the old order. The attack was carried on by the *philosophes* who began assembling the categories of a secularist empirical understanding of self and world. If Voltaire remained a Deist, Holbach and Hume were convinced that their agnostic nontheism was the only consistently enlightened position. The encyclopedists sought to apply the empirical methods of research to all phenomena of W_2 and W_3 . The reductions of the materialists and perceptualists assured the success of a mechanistic conceptualism in absorbing the sacred into the secular, mind into matter-in-motion, society into bureaucracy and culture into industry (Horkheimer & Adorno, 1973; Weber, 1978; Yolton, 1990).

Although the goal of the Enlightenment was to enhance the autonomy and dignity of human life, the chief means to that goal was an empirical rationality whose canons would exclude from human being its dignity and freedom. The critique of religious values had the short-term effect of freeing rationality from the restraints of the *ancien régime*, but the long-term effect was to enthrone materialistic economic values. The warnings of the ancients against disordered desire, making wealth an end in itself rather than a means toward more human and divine living, were ignored. What began as a project to better humankind through the empirically rational control and manipulation of nonhuman nature would end in the control and manipulation of humans lost in the lonely crowd. Rousseau's aesthetic genius glimpsed this, but his alternative of setting up the "pre-rational self-preservation and animal sympathy" as norms only reenforced the reduction of $W_{2,3}$ to W_1 (Gay, 1966; Strauss, 1989; Voegelin, 1975).

Adam Smith's *Wealth of Nations* (1776) was a major breakthrough of empirical rationality in the determination of economic values. It provided a blueprint for the growth of national industrial production in accordance with the "natural propensities" of individuals and the "natural inclinations" of societies. By presupposing the common interest of individuals and societies in increasing production through a disciplined division of labor, Smith tried to show how this would not only avoid the uncertainties of mercantilism but be a means to the unlimited acquisition of money, riches, and possessions (see Schumpeter, 1974). The division of labor was not based on "any human

wisdom” but “is the necessary . . . consequence of a certain propensity in human nature . . . to truck, barter and exchange one thing for another” (Smith, 1965, p. 11). By rationalizing such a division through the introduction of machines, themselves a product of the division of labor, productivity is vastly increased, “which occasions in a well-governed society that universal opulence which extends itself to the lowest ranks of the people” (Smith, 1965, p. 8). From Smith through the econometricians, the quest for a proper quantification of automatic W_1 -like mechanisms was pursued as the classical political economists adopted the labor theory of value as norm over either the earlier natural price or later market theory of value.

The industrial revolution of the 19th century coincided with both the further development of economic theory as patterned on the methods of the natural sciences and the explicit formulations that replaced religious with economic values in France and Germany. In England, urbanization and industrialization tempered the enthusiasm, if not the liberal reductionism, of the classical economists. Malthus's *Essay on the Principle of Population* called attention to different growth rates of population and subsistence, while his other writings contributed to monetary and investment analysis. Ricardo refined Smith by elaborating a labor-quantity theory of economic value. Schumpeter (1974) showed how the 19th-century economists invariably thought of themselves as extracting economic values out of the unscientific morass of the common prejudice of the time and how their empirically valid analytic discoveries were often clothed in reductionist epistemologies and philosophies. As Weisskopf (1955) indicated, this style of economics had the increasingly devastating effect of reifying human labor into a commodity:

Labor services are interpreted as output, produced by the input of food and necessities; labor bestowed on these wage goods produces the commodity labor and determines its value. . . . This interpretation reflects the general tendency of political economy to reify social interrelationships. Labor services are nothing but a link in the chain of production; they produce exchangeable commodities, but they are, in turn, “produced” by exchangeable commodities. The laborer consumes commodities in order to be able to produce commodities. People's purpose in life is production for the market. The economic value complex is reflected in this theory—work and production are ultimate ends. Thus the mechanistic and the ethical outlook are welded into a unified world picture. (pp. 66-67)

Mill's utilitarianism also contributed to this enthronement of economic values as ultimate ends. The expansion of modern industry and science throughout the West found the European Churches caught in the twilight of the old order. Their hierarchies often joined with the privileged aristocracies in reaction against the mounting liberalism and incipient socialism. The

development of critical historical methods, capable of appealing to empirical data in order to show the historically conditioned character of W_3 constructs, cast doubt on the historical veracity of the Bible (Buckley, 1987; Reardon, 1966). Wherever industrialism spread it compounded the intellectual problems with pastoral problems of massive proportions. Religious indifference spread among the impoverished workers—as a church census in England during 1851 concluded, they were “as utter strangers to religious ordinances as the people of a heathen country.” Some of the best minds of Europe and America were grappling with theological issues and their sociohistorical implications, but the only immediate effect they had was often to provoke ecclesiastical sanction. As Langer (1969) described the situation,

Indifference and unbelief remained widespread and deeply rooted throughout the lower classes and anticlericalism was rampant among the middle classes, especially in France. The churches had barely made a start in facing the problems raised by the forces of democracy and socialism when they were called upon to combat the destructive criticism of historical theology and the equally threatening impact of scientific discoveries. (p. 534)

Established religious institutions were unable to distinguish the positive advances of empirical rationality from its reductionist pretensions, and so they usually condemned the autonomy of the secular movements en bloc. It was hardly possible for the natural sciences, historical scholarship, economics, politics, and philosophy to avoid an out-and-out secularism. It was in France that the first full-blooded secularist theory of industrial production was articulated.

Auguste Comte's positivist philosophy effected a systematic reduction and transvaluation of horizons. The Law of the Three Stages showed the progress in man's knowledge and social organization from the theological stage, when men view everything as animated by will and in which military organization predominates, through the metaphysical stage, where inquiry seeks absolutely certain and necessary abstract forces and causes and legal forms of organization predominate, to the final, positive stage wherein empirically verifiable correlations are scientifically investigated and the social organization is industrial (deLubac, 1963; Schumpeter, 1974). Comte's sociology envisaged an asymptomatic development of scientific laws educating a universal consensus from the people and so stabilizing society. On this view, then, the French Revolution, as based on an abstract metaphysical negation of the feudal theological order, was necessary because the latter could not create consensus on account of its inability to assimilate the progress of the empirical sciences. In his later writings, Comte developed a positive religion of scientific reason that was a secularist inversion of Catholicism with its

least days celebrating great empirical discoveries, its scientist-saints, and a hierarchy composed of the scientific and industrial elite. The latter would assure a peaceful transition to a socialist economic order (mixed with private property) because both the proletarian workers and the industrialists would accept the promulgations of the scientific hierarchy (deLubac, 1963).

In Germany, a more thoroughgoing secularism of empirical reason and industrial production was elaborated in the writings of Karl Marx. Feuerbach's *Das Wesen des Christentums* appeared in 1842 and was immediately received as a master work by the young left-wing Hegelians. Feuerbach's atheism was not the denial of God as object but of God as subject; that is, mankind as a whole is in the process of becoming the subject of all those objective divine predicates falsely attributed to God (infinite wisdom, power, goodness, and so on; see deLubac, 1963).

In accepting this process as the epochal task of the historical moment, Marx (1959) nonetheless criticized Feuerbach's incomplete turn to the subject: "The chief defect of all previous materialism [including that of Feuerbach] is that things [Gegenstände], reality, the sensible world, are conceived only in the form of objects of abstraction, but not as human sense activity, not as practical activity, not subjectively" (p. 243). By "materializing" (in the sense of a reductive W_1 - W_2 relation) the Hegelian dialectical framework of internal relations, Marx constructed an empiriocritical perspective from which to criticize the capitalist mode of production. The humanization of nature and the naturalization of man, as mediated by the production process, was considered by Marx from an inverted materialist "transcendental" viewpoint in which all of the constructs of W_3 would be freed through the material praxis of W_2 from their alienated existence by being revealed as manifestations of economic relations in W_1 . Hence the basic form of alienation for Marx was the alienation of the workers from the appropriation of the production process in feudal and capitalist economic orders.

Presupposing the reductionist tendencies of 19th-century science (because for Marx, the only alternative was Idealism), he held that a socialist appropriation of the means of production would restore the surplus value of production to the workers who created it and so do away with their alienation not only from their productive activity and its products but from other men together with all the potentialities of the species (Ollman, 1971). An enforced division of labor based on domination would give way to an active cooperation. The return of the use value of labor's surplus value to its worker creators would do away with the reification of value within the fetishism of commodities. The segregation of man into classes based on wealth would eventually vanish, and with it, the state (as opposed to society) whose political bureaucracies were created in order to regulate the competing

interests of classes hostile to— yet interdependent on— one another.

Marx did not see that by investing the production process with such transcendental value, he was radicalizing the very alienation of empirical rationality that he so staunchly opposed in capitalism. Indeed, in his efforts to locate the essence of human nature in the production process and to ground human value-creating activity in terms of his theory of surplus value, he not only failed to understand adequately the production process itself but provided an ideology capable of justifying the most inhumane sacrifices in the name of liberation. When the *Weltgeist* is “set on its feet” in the material process of production, its boots may trample with impunity (Adorno, 1966).

The contemporary crisis has resulted from our inability to distinguish the positive gains of empirical rationality from scientific and technocratic reductivism. The more theoretic secularism of the previous century has now been translated into a practical secularism in the absolutizing of the capitalist market economy to the detriment of all nonquantifiable meaning and values. The phenomenal successes of the natural sciences appeared to promise the efficient solution to any and all problems if only the proper formalization or equation could be found. Since the turn of the century, mass production has become large-scale under the impetus of the military demands of world wars.

Economists from Marshall through Pareto and Pigou discovered ever more sophisticated quantitative methods of economic analysis. Marginal utility theories of economic value were refined from the cardinal to the ordinal type (Schumpeter, 1974, pp. 1060-1069). The theory of maximizing behavior, although not fully articulated until Samuelson's *Foundations of Economic Analysis* in 1947, was nonetheless implicitly operative (Schumpeter, 1974, p. 912). The maximization of monetary and consumption gains became a driving force in Western economies. The United States assumed leadership in applying the new industrial technology and “rational” maximalization. But, as Macpherson (1962) pointed out, the maximization-of-powers claim had a defect:

The powers which liberal-democratic society actually and necessarily maximizes are different from the powers it claims to maximize, and the maximization it achieves is inconsistent with the maximization that is claimed. The powers which it claims to maximize are every man's potential of using and developing his human capacities; the powers it does maximize are some men's means of obtaining gratifications by acquiring some of the powers of other men as a continued net transfer. (pp. 12-13)

Socioeconomically, the marginal utility theory of value and theory of equilibrium price assumed that all buyers and sellers “had perfect knowledge of each other's intentions,” but in actuality, this became increasingly impossible as corporate mergers proliferated and public access to corporate policy-

making was limited. Antitrust legislation only inhibited monopolization resulting from the combination of corporations and could do nothing to impede the monopoly of large businesses enjoying decisive advantages in finance, merchandising, and research. Unable to control the “private” accumulation of surplus income, the maximization process suffered a temporary breakdown in the Great Depression.

The emergence of Communism, Fascism, and Nazism was originally hailed by some as a solution to an increasing social unrest and economic disintegration. As in Russia, so in Italy and Germany, the model of military regimentation and command was applied to the production process and ramified out to the entire social system. Anything could be justified by the values of increased productivity and a sound, stable efficiency. The same cool, calculating, formal rationality was put at the service of a pathological resentment in the Second World War and the “final solution” of the Jewish question. As Weisskopf (1971) put it,

The real question — far transcending economics and even the Nazi atrocities — is inherent in the Western abandonment of objective reason and in the cutting off of value-judgments from reason. . . . If formal, maximalizing rationality is “good” regardless of its context, and if rationality exhausts itself in the efficient pursuit of any goal regardless of its origin and content, there is no principle from which one could deduce the duty to examine the goal itself. (p. 91)

The titanic irony of purely secularist empirical rationalism is suggested as the data from fields as widely divergent as quantum mechanics, neurophysiology, biology, psychology, sociology, analytic economics and ecology cumulatively warn us to abandon the Promethean maximization flaunted until now.

Perhaps the greatest long-term achievement in theology in our century has been to thematize the critical potential of transcultural rationality. It is the basis for a demystification of the secularist perversion of empirical rationality. The secularism of communism is obvious and now completely discredited. The secularism of capitalism is also a danger for human development.

Within the horizon of transcultural rationality as appropriated, economic values, as mediating the interchange between W_1 and W_3 , are determined through genuinely scientific economics. The contribution of an appropriated transcultural rationality consists in promoting the relative (because interdependent) autonomy of the scientific analysis of economic values in two ways: negatively, by exposing the folly of deforming empirical rationality by erecting the procedures of quantitative analysis into the sole criteria for reason; positively, by providing a completely open yet critical correlation between various methods of knowing and thereby indicating, at least heuristically, the scientific analysis of economic values within the emergent prob-

ability immanent within all the relations between W_1 , W_2 , and W_3 (Lonergan, 1958). This amounts to a methodological framework within which to work out the interrelations between economic values and natural, technological, human, political, cultural and religious values.

Within the horizon of classicist rationality, canonized constructs of W_3 took on a religious or sacral value. When the classics of this period were adequately understood, that is, when the intellectual and spiritual performance they demanded occurred, the W_3 construct mediated the Divine Reality. Classical rationality involved a divine unveiling. The metaphysical speculations of Plato and Aristotle had their ground, as did all of history, in the Metaxy (the ontological In-Between) of the Divine Unlimited (*Apeiron*) and the finite limited (*peras*; Voegelin, 1974, 1987). In Judaism and Christian traditions, the transcendence of this immanent unveiling was intensified by divine revelation: God creates the universe as good, and when humans freely turn away from God through sin, God's love is such that God redeems humans from sin and death to eternal life. The Patristic and Medieval theologians, especially in Augustine and Aquinas, showed how the light of faith is a healing and strengthening of the light of human reason (Lonergan, 1967). On a more popular level within the Hellenic, Roman, and Medieval cultures, religious meanings and values were interwoven with other elements of the culture to form an undifferentiated sacral cultural matrix—what Lonergan (1974b) referred to as a “sacralized construct of man and his world.” In this sense, one might speak of an undifferentiated sacralization.

Within the horizon of modern empirical rationality, on the other hand, the control of meaning and value through verification in W_1 led increasingly to a secularist reduction of religious values. We may distinguish three stages: First, the breakdown of a unified, sacral cultural matrix in the wars of religion leading to rival, dialectically opposed sacral constructions of W_3 and to the retreat of thoughtful men into forms of natural rational religiosity, as in Deism; second, empirical rationality discovered that it did not need the “God hypothesis” in order to understand W_1 ; and third, the modern secularist reduction of religious values, either overt, as in the Freudian or Marxian view of religion as projection of collective neurosis or of socioeconomic alienations, or more covert, as in secularist claims that religious values have meaning only in terms of empirical investigations of a historical, psychological, or sociological kind. The result was an undifferentiated secularist cultural matrix in which no true judgments about religious values can be made except in reference to the observable phenomena of W_1 . Experience was too often reduced to sense experience, and the transcendent is dismissed as no more than vague “ideas” gleaned from sense impressions. Thus one can speak of an undifferentiated secularism.

Within the horizon of transcultural rationality, the full legitimacy of empirically oriented historical, psychological, and sociological studies of religious values is affirmed. But these are relieved of the task of completely reducing the truth of religious values to merely external empirical observations. The exigencies of W_2 give rise to the differentiation of theoretical-technical discourse from commonsense discourse and to the differentiation of the inner W_2 from the external W_1 , but those exigencies also ground the transcendent differentiation of $W_{1, 2, 3}$ as legitimately secular from the sacred as completely transcending those worlds (Doran, 1990; Lamb, 1984; Lonergan, 1972).

The process of questioning the dynamism of W_2 reveals its ability to transcend the limitations that it has through W_1 and W_3 . Moreover, the discovery by transcultural rationality of emergent probability as an intelligibility immanent in $W_{1, 2, 3}$ indicates how meaning and value cannot reductively be limited to "closed" worlds and that religious values as true do not "disrupt" the emergently probable patterns of those worlds (Lonergan, 1958, 1972). Thus the task that transcultural rationality sets itself is the twofold one of promoting a differentiated secular-sacred cultural matrix. Against fundamentalists who, in the name of a canonized sacralization, condemn the very idea of a legitimate secular domain, not to mention the validity of empirical studies of religious values, a fully appropriated transcultural rationality would insist on the legitimacy of secularization. On the other hand, against the secularist denial of the ultimate truth of religious values, transcultural rationality works toward a differentiated resacralization (Lonergan, 1974b). In the context of economics and ethics, this demands a reorientation of priorities in which wealth and money is understood within the larger human drama of history. The autonomy of economic analysis is both respected and set within a vast collaborative project that would relate economic theories and policies with ethical reflection (Lawrence, 1989; McShane, 1981). To make accumulation of wealth an end in itself is not only morally wrong and religiously idolatrous, it is also profound unintelligent, manifesting an ignorance of how in fact complex exchange economies should function. On the other hand, to promote the accumulation of wealth for the common good of humankind, to respond to the many needs of human living, is both intelligent and good. Unlike the modern dichotomy between science and ethics, between intelligence and faith, a postmodern transcultural horizon would foster their proper differentiations, while also emphasizing the need for interdisciplinary cooperation to understand both the world and human history.

CONCLUSION

The social, cultural, and religious ramifications of transcultural rationality are hardly more than proleptic at this point. Similar to discussions of a “postmodernity,” how society and culture informed with this fuller appropriation of human rationality would appear is conjecture at this point. The modern forms are changing, and the new have not yet been formed (Giddens, 1990). The massive modern efforts at surplus production and accumulation of wealth are skills that humans are still learning. The purposes to which the skills, along with the production and accumulation, are dedicated must, however, not be disordered if human life is to flourish on the planet. The wisdom of the ages is needed. The very least that could be said of the Middle Ages is that the human drama on this planet has continued. It is still open if as much will be able to be said of the Modern Ages.

Human intelligence, as the classical Christian theologians insisted, is the image of God in us. God is infinite understanding, generating infinite knowledge, breathing infinite Love. Genuine religious faith does not blind human intelligence but heals and elevates it toward a wisdom that, far from being inimical to the sciences, gives them a dignity and orientation away from death and towards life. The collapse of Communism only confronts the world religions with the immense task of mediating to liberal, secularized societies and cultures the truth of God as a truth that does not dominate or overpower but that nourishes genuine creativity and heals the many wounds of human history in a love that embraces not only our friends but especially our enemies. Genuine faith, as Thomas Aquinas remarked, does not stop at propositions or images but ushers the believer into the truly sacred and awesome presence of Divine Reality as Infinite Understanding and Love. No amount of material wealth or money can substitute for that Presence in human minds and hearts. Nor, as Augustine wrote, will wealth and all that it can buy fully satisfy the desires at the very core of all human longing. The birth of a new, more intelligent and humane culture and set of economies require that that longing be neither diverted nor extinguished.

REFERENCES

- Adorno, T. (1966) *Negative Dialektik*. Frankfurt: Suhrkamp.
Arendt, H. (1958). *The human condition*. Chicago: University of Chicago Press.
Bellah, R. (1975). *The broken covenant*. New York: Seabury.
Bendix, R. (1962). *Max Weber*. New York: Smith.

- Buckley, M (1987) *At the origins of modern atheism*. New Haven, CT: Yale University Press
- Butterfield, H. (1966) *The origins of modern science*. New York: Free Press
- Byrne, P. (1992) *Analysis and science in Aristotle*. Unpublished manuscript, Boston College.
- deLubar, H (1963) *The drama of atheist humanism* New York: New American Library
- Doran, R. (1990) *Theology and the dialectics of history*. Toronto: University of Toronto Press.
- Eichner, A S (1979). *A guide to post-Keynesian economics*. White Plains, NY: Sharpe.
- Friedrich, C. J (1952). *The age of the Baroque*. New York. Harper & Row
- Galbraith, J. K (1975) *Money. Whence it came, where it went*. Boston: Houghton Mifflin.
- Gadamer, H G (1975) *Truth and method* New York: Crossroad
- Gadamer, H. G. (1981) *Reason in the age of science* (F. Lawrence, Trans) Cambridge MIT Press
- Gay, P. (1966). *The enlightenment: An interpretation* (2 vols.). New York: Alfred A. Knopf.
- Giddens, A (1990) *The consequences of modernity*. Stanford, CA: Stanford University Press
- Heilbroner, R (1974). *An inquiry into the human prospect*. New York: Norton.
- Horkheimer, M , & Adorno, T. W. (1973). *The dialectic of the enlightenment* (J. Cumming, Trans) New York: Seabury.
- Lamb, M L (1978) Metascience, methodology, and political theology. In *Lonergan workshop* (pp 90-145) Atlanta: Scholars Press.
- Lamb, M L (1984). *History, method, and theology* (2nd ed). Atlanta: Scholars Press.
- Lamb, M. L (1989) The dialectics of theory and praxis within paradigm analysis. In H. Küng & D Tracy (Eds), *Paradigm change in theology* (pp 63-109). New York: Crossroad.
- Lamb, M L (1990) The notion of the transcultural in Bernard Lonergan's theology. *Method-Journal of Lonergan Studies*, 8(1), 48-73
- Lamb, M. L. (1992) Communicative praxis and theology: Beyond modern nihilism and dogmatism In D. Browning & F. Fiorenza (Eds.), *Habermas, modernity and public theology* (pp 90-125). New York: Crossroads.
- Langer, W. L. (1969) *Political and social upheaval 1832-1852*. New York: Harper & Row.
- Lawrence, F (Ed) (1989) *Ethics in making a living: The Jane Jacobs Conference*. Atlanta: Scholars Press
- Litt, T (1963) *Les corps célestes dans l'univers de S. Thomas d'Aquin*. Louvain: Presses Universitaires.
- Lonergan, B (1958). *Insight. A study in human understanding* New York: Philosophy Library.
- Lonergan, B. (1967) *Verbum. Word and idea in Aquinas* Notre Dame, IN. University of Notre Dame Press
- Lonergan, B. (1972) *Method in theology*. New York: Crossroad.
- Lonergan, B (1974a). *A second collection* (B. Tyrrell & W. Ryan, Eds.). Philadelphia. Westminster.
- Lonergan, B (1974b). *Sacralization and secularization*. Unpublished manuscript, Lonergan Workshop.
- Lonergan, B (1988) *Collection: Papers by B. Lonergan* (F. E. Crowe, Ed) Toronto: University of Toronto Press.
- MacIntyre, A. (1988). *Whose justice? Which rationality?* Notre Dame, IN: University of Notre Dame Press.
- MacIntyre, A (1990). *Three rival versions of moral enquiry*. Notre Dame, IN: University of Notre Dame Press.
- Macpherson, C B. (1962). *The political theory of possessive individualism: Hobbes to Locke*. Oxford: Oxford University Press
- Macpherson, C B (1973). *Democratic theory: Essays in retrieval*. Oxford: Oxford University Press.
- Magee, B. (1973). *Karl Popper*. New York: Viking

- Marx, K. (1955). *Theses on Feuerbach* In L. S Feuer (Ed), *Basic writings on politics and philosophy, Karl Marx and Friedrich Engels* (pp. 243-245) Garden City: Anchor.
- Marx, K (1967). *Capital*, Vols 1 and 3. New York: International Publishing Co.
- McCarthy, M. (1990). *The crisis of philosophy*. Albany: State University of New York Press.
- McShane, P. (1981). Generalized empirical method and the actual context of economics. In M. Lamb (Eds), *Creativity and method* (pp. 543-571) Milwaukee: Marquette University Press.
- Melchin, K. R. (1987). *History, ethics and emergent probability* New York: University Press of America.
- Mumford, L (1973). *The condition of man*. New York: Harcourt, Brace.
- Nelson, B. (1969). *The idea of usury: From tribal brotherhood to universal otherhood*. Chicago: University of Chicago Press
- Ollman, B (1971) *Alienation. Marx's conception of man in capitalist society*. Cambridge: Cambridge University Press.
- Popper, K. (1972) *Objective knowledge: An evolutionary approach*. Oxford: Oxford University Press.
- Popper, K , & Eccles, J C. (1981). *The self and its brain: An argument for interactionism*. New York: Springer.
- Reardon, B. M. (1966) *Religious thought in the 19th century*. Cambridge: Cambridge University Press
- Robinson, J. (1973). *Economics heresies*. New York: Basic Books.
- Sala, G. (1971). *Das Apriori in der menschlichen Erkenntnis: Eine Studie über Kants Kritik der reinen Vernunft und Lonergans Insight*. Meisenheim. Verlag A. Hain.
- Sala, G (1990) *Kant und die Frage nach Gott* Berlin. Walter de Gruyter.
- Schumpeter, J. A. (1974). *History of economic analysis* (8th ed) New York. Oxford University Press.
- Smith, A. (1965). *An inquiry into the nature and causes of the wealth of nations* (E. Cannan, Ed). New York: Modern Library.
- Strout, C. (1974). *The new heavens and the new earth*. New York: Harper & Row.
- Strauss, L. (1953). *Natural right and history*. Chicago: University of Chicago Press.
- Strauss, L. (1989) *An introduction to political philosophy* (H. Gildin, Ed.). Detroit: Wayne State University Press.
- Thomas Aquinas. (1952). *Summa theologiae*. Turin, Italy: Marietti Press.
- Voegelin, E. (1957). *Plato and Aristotle*. Baton Rouge: Louisiana State University Press.
- Voegelin, E. (1974). *The ecumenic age*. Baton Rouge: Louisiana State University Press
- Voegelin, E. (1975) *From enlightenment to revolution*. Durham, NC: Duke University Press.
- Voegelin, E. (1987). *In search of order*. Baton Rouge: Louisiana State University Press.
- Walzer, M. (1966). *The revolution of the saints*. Patterson, NJ: Atheneum.
- Weber, M. (1927). *General economic history*. Glencoe, IL: Free Press.
- Weber, M. (1978). *Economy and society* (2 vols.; G. Roth & C. Wittich, Eds.). Berkeley: University of California Press.
- Weisskopf, W. A. (1955). *The psychology of economics*. Chicago: University of Chicago Press.
- Weisskopf, W. A. (1971). *Alienation and economics*. New York: Dutton.
- Yolton, J. W. (Eds.). (1990). *Philosophy, religion and science in the 17th and 18th centuries*. Rochester, NY: University of Rochester Press.