

THE PROGRESS REPORT

Goldilocks and the Three Bares

By Fred E. Foldvary

Once upon a time there was an economist lost in the woods of economic doctrines. It got dark, and the economist became cold and depressed. Finally, he came upon a big cabin. Above the door was a sign, "House of the Emperors of the Economy." He knocked, but there was no answer, so he carefully opened the door and peeked in.

The light was on, and he saw a naked emperor seated at a table eating porridge. "Why are you naked?" asked the economist. "I'm not naked," the man answered. "I am wearing a special emperor's robe. You have to be very refined in order to see it."

"Come in, and have some porridge," said the emperor. The economist started eating it, but it was fire hot, and he had to spit it out. It burned his tongue.

"Why is this porridge so hot?" asked the economist. "Oh," said the emperor, "it overheated. It started out too cold, so I kept raising the heat, and whoops, it overheated and inflated. But no sense wasting it, right? If it's too hot for you, go to the next room. The second emperor has also cooked some porridge."

So the economist went to the next room, where he saw another naked emperor eating porridge. "Have some," said the emperor. The economist started eating some, but it was ice cold, and he had to spit it out. "Why is this porridge so cold?" asked the economist.

The second emperor replied, "My porridge overheated, so I dunked it in ice water. I can heat it up again, if you wish."

The economist touched the emperor's arm to feel the special robe. "I don't feel any material," said the economist. "Well," said the second emperor. "You need to understand Keynesian neo-classical macroeconomics in order to feel the texture. Otherwise, to ordinary folks, the robe just feels like skin."

"Go to the third room," said the second emperor. "The porridge there may be more to your liking." The economist entered the third room, where a third naked emperor was seated. "Have some porridge!" said the third naked emperor.

By this time the economist was wary, so he carefully tasted the porridge. But it was warmed just right. "This is good!" said the economist. "Of course!" said the third naked emperor. "I'm an expert in cooking porridge. I heat it just enough so that it is not cold, but also so it does not overheat."

The economist asked the bare emperor if he was also wearing special shoes. "Yes!" said the emperor. "My slippers are fine-tuned so I can toe the line perfectly." "What line?" asked the

economist. "The line between inflation and recession," answered the emperor. "Too hot, and the porridge inflates. Too cold, it deflates."

"Interesting!" said the economist.

Just then the emperor's chair snapped and the emperor fell on the floor. "This was such a good chair!" he cried. "Where will we find another good chair in the empire?" The economist went to the stove and put more porridge into his bowl. But when he tasted it, he had to spit it out, because now it was too hot.

"Put it in the ice bucket!" cried the naked emperor. "But then it will be too cold!" replied the economist. "There's no other way to cool it," said the emperor.

The economist was now sleepy and went upstairs. There were three beds. He lay on the first one, but it was too stiff, and it was made with tacks which pricked him. The economist tried the second bed, but it was too soft. The mattress was entirely made of down. He kept sinking and sinking, and he feared the bed would collapse.

The economist then tried the third bed. By George, it was just right! Firm, yet comfortable. "Why is this bed so good?" he wondered. He noticed it was built without any tacks.

Just then the three naked emperors came up. "You can't sleep there," they said. "Only Goldilocks may sleep in that bed."

"Who is Goldilocks?" asked the economist.

"She has golden locks of hair," said the first bare emperor. "And the locks of this house are made of gold," said the second naked emperor. "And the rest of the gold is locked away," said the third nude emperor, "so we can't use it to buy porridge. That's why we must work so hard to make the porridge just right. But at least we have these beautiful robes to wear. Isn't it fine material?"