

Goldilocks and the Three Bears

Once upon a time...

Once upon a time, there were three bears who lived in a pretty little cottage in the middle of the woods. Daddy Bear was a big, scruffy man with unkempt brown hair and a permanent scowl on his face. He worked as a bond trader in the City, a job that suits gloomy people since bond prices go up when the world goes bad. He knew beyond a shadow of doubt that everything was **not** going to be alright. **EVER**. When he woke up in the morning and was surprised that the sun ever bothered to come out at all; it was probably only doing so to keep the risk of skin cancer high. His breakfast never tasted right, the government was always making a mess of running the country and you could pretty much rely on the fact that everyone was trying to do you down. But what made him angriest of all was the certainty that he was going to die a miserable and penniless death because the pension he saved for every day would be destroyed by the incompetence of central bankers, policy-makers and fund managers.

How Daddy Bear ever found himself a wife is a mystery, but Mummy Bear was his darling sweetheart, one of those people who are always worrying, about their looks, their weight, their husband, and the environment. Her main vices were the things she used to cheer herself up – she liked pink clothes, Pink Floyd, sweet food and bizarrely, Barry Manilow.

The third member of the family was Baby Bear, known by everyone as Ben. Calling their son Ben was a compromise, since his father had wanted to call him Nouriel, while his mother voted for Barry. He was studying for his PhD in economics at the local university, living at home to save money. His thesis was entitled "Long-term commitments, dynamic optimisation, and the business cycle" which was a bit dry. He played the saxophone and in his spare time, attended Jazz bars with his mentor, the legendary player Al Bluespan.

Daddy Bear's real name was James, though nobody ever called him that. The bank he worked for had recently been nationalised after losing billions and billions of pounds lending money to people who couldn't pay it back. This made Daddy Bear even madder than he was before. Of all the stupid things for a bank to do, lending money was about the stupidest of all. He had been telling everyone who would listen at the bank to stop lending



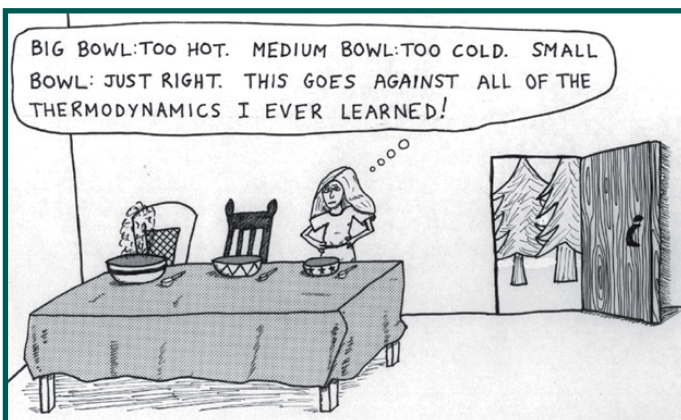
"Who's been eating my mince pie and sherry?"

money for years and years and they just wouldn't listen. And now he had received a pitiful bonus and was paying a huge amount in taxes. And he had been forced to sell his house in Mayfair and settle for this little cottage in the woods, with a long commute to his office.

On Ben's 21st birthday he woke up to the sound of his parents arguing. Bonuses were so small and taxes so high, Daddy Bear wanted to go and live in Switzerland. Mummy Bear didn't speak German or French or Italian, and didn't really like the cold – though she did like chocolate and thought pink ear-muffs were cute. Daddy Bear stormed out without eating his breakfast. Mummy left soon after. When they'd gone, Ben came down and ignoring his breakfast as well, wandered off into the woods, his saxophone on his back, and the proofs of his thesis in his satchel. Being a normal (forgetful) young man, Ben omitted to shut the kitchen door as he left. But he didn't give it another thought.

Meanwhile, on the other side of the woods, Goldilocks was setting out for her morning run. However, being a normal scatter-brained (if rather beautiful) girl, she wasn't concentrating on where she was going and got lost. She was thinking about an essay she needed to finish on how economics failed to understand human behaviour and would inevitably prescribe policies that lead to a boom and bust cycle. Worse still, it started to rain and after a while she was tired, hungry and wet and not very much like Goldilocks at all.

Luckily, just as she was about to get soaked to the skin, she saw the Bear family cottage's open door. Being an intrepid young lady with black belts in karate and judo, she didn't just run on by but stopped at the door of the cottage and called a friendly



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“Yoo-hoo!” When no-one answered she popped her head inside and smelt breakfast. “They won’t be far away and if I just do some stretching here they’ll be back and can show me the way home” she thought. But after a couple of minutes, she found the smell of porridge irresistible. “It would be a shame to waste it” she thought, and sat down at the table. The first bowl of porridge she tried was cold, clammy, made with water but no milk, and laced with some kind of chilli powder (for the heart). “Yuck!” Putting her spoon down, she moved to the next bowl. This one must have had fifteen spoonfuls of sugar added to it and was quite inedible. But the third bowl was just fine and filled her up. In fact, it filled her up so well, she couldn’t stop herself yawning.

“I’ll just have a look around to make sure there’s no-one here” she thought to herself, and having checked out the living room, headed for the stairs.

There were three bedrooms upstairs. She entered the first which had absolutely no decorations, just bare walls, and sat on the bed. It seemed to be made of granite – as hard as stone, cold and uncomfortable. The second room was decorated with pink wallpaper and about a thousand fluffy toys. The bed had a mattress so soft her back ached as soon as she lay on it. By the time she walked into a room that clearly belonged to a young man with a keyboard, some speakers and an impressive collection of economics textbooks on the shelves, she was almost asleep on her feet. The bed was just right and she just had time to think “I’ll just lie here for a moment” before she fell fast asleep.

On his way to work, Daddy Bear received a call from a colleague to inform him the bank had closed down so he turned around and went home. When he saw that someone had been eating his porridge, that was almost the last straw. He threw the bowl at the wall and marched up to his bedroom. And when he saw that his bed was unmade that really was the last straw. He stormed out of the house in a rage.

Just after he had left, Mummy Bear came back panicking because she had remembered it was Ben’s birthday. She saw the smashed bowl, saw that someone had been eating her breakfast too and went upstairs to find her bed messed up. Now she was really worried. What had happened? She got back in her car, called a friend and arranged to meet at Starbucks for a toffee and caramel hot chocolate with extra cream to calm herself down.

So when Ben ambled back to eat his breakfast, humming a tune, he found the house a mess and no-one there. Fearing his parents had had yet another row, he decided that he would grab a few

things and head back to university. You can imagine his surprise when he walked into his bedroom and saw a beautiful girl in jogging clothes asleep on his bed.

Goldilocks awoke immediately, apologised profusely and explained her predicament. Ben just stared. He’d never seen such a gorgeous smile. When he found out she too was a student at the university studying anthropology, he offered her a lift on the back of his scooter and she said she would buy him a replacement breakfast. He left a note for his parents telling them he’d be back in a few days and off they set. Breakfast got muddled up with lunch, lectures were missed and pretty soon they couldn’t remember a time before they were together.

Goldilocks was just what Ben needed. She took one look at his thesis and persuaded him to give it a catchier title: “How to avoid repeating the Great Depression”, and took a copy to discuss with Bluespan, who was a really big cheese in the world of finance when he wasn’t playing the Blues. Anyway, the thesis was turned into a book and its central suggestion – that the best way to avoid the deflationary effects of the Great Depression was to print money like mad and make everyone feel richer even if they weren’t – was lauded by Bluespan, who dubbed it “perfectly rational exuberance”. In fact it became all the rage, and all the central banks everywhere adopted this bizarre practice.

And so it was that on Christmas Day a year later, the new Mr and Mrs Bear arrived at Ben’s parents’ cottage door laden with presents. Mummy Bear gushed at Goldilocks, who was already expecting a new Baby Bear of her own. Daddy Bear was trying to sound as grumpy as possible but since his son’s recipe for saving the financial system involved the issuance of absolutely huge numbers of bonds, he had found a great new job trading for a foreign un-nationalised firm. So he was in a better mood than usual and actually was willing to admit that losing his job was the best thing that ever happened to him. The cottage was for sale and he had his eye on a new Porsche, even if he had been forced to give in to his wife and stay in the UK after all.

As for Ben, or Doctor Ben Bear as he was now, he had got a job with a small investment firm with offices by the sea where everyone wore jeans and no-one minded if he played the saxophone during his lunch break. And he thought to himself that if there was ever another banking crisis he might even consider working for the government to help sort it out before it caused undue unhappiness.

Did they live happily ever after? Well, time will tell, though Daddy Bear still thinks it will all end in tears.