

Gulliver's eyewitness account

The Quaint Economy of Lilliput

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Table of Contents

INTRODUCTION 5

PART I

Ch 1 Potential Gardens of Eden 9

The Tithe Problem 11

Some Early Solutions 13

Expanded Government 13

War Machine 14

Wars 15

Ch. 2 Birth of the Almighty Sprug

And End of the Garden of Eden 18

Srug Becomes Medium of Exchange

20

Ch. 3 Lilliput Chartered As Economic Theocracy

23

The Sects 25

Saint Adam and the High Heels

25

Saint Karl and the Low Heels 26

Saint Vladimir and the All Heels

27

Ch. 4 Life in Lilliput's Economic Theocracy 29

Three Exciting Advantages 31

Simplicity 31

Equal Opportunity 32

Exciting Game 33

A Few Problems 34

Ch. 5 Faith Problem 35

The Civilized Norm 37

Exceptional Times 39

Wartime Economy 40
Private Credit Bubble 41
Public Credit Bubble 41

Ch. 6 Crime and Corruption Problem 44
The Angels 44
The Devils 45
The Fops 46
A Dual Economy 47

Ch. 7 Gambling Problem 49
How I Was A Winner 51

PART II

Ch. 8 Quaint Economy of Blefuscu 55
The Organization 57

Ch. 9 The Lowly Chug 59
Golden Age 61
Tragedy 63

Ch. 10 Conquest, and Conversion 66
The Subtle Difference from Lilliput 68
All Not Well On Blefuscu 69

PART III

Ch. 10 The Dissenters 71
The Econoscientists 72
Limited Role of Econoscience 74

Ch. 11 Rumor of Prosperous Island 78
My Undoing 79



Gulliver's old manuscript
with maps of Lilliput and Blefuscu
found behind a drawer in an old antique
desk I recently bought in London

The Author



Gulliver

Introduction

Gulliver's eyewitness account
of the quaint economy of Lilliput

Ye know me as Gulliver in Jonathan Swift's famous book of *Gulliver's Travels*. His book made me rich; and the story of my voyage to the remote Pacific Islands of Lilliput and Blefuscu made me famous. The good Dean gave word for word my description of the islands, and its people and much of their quaint political behavior. He told how the inhabitants were very tiny, hardly

reaching to my ankle, but were very industrious, intelligent, and hard working.

And he accurately observed that they were evenly divided into two political parties – the *High Heels* who strongly argued a soft boiled egg must always be opened on the pointed end – and the *Low Heels* who strongly argued it should only be opened on the round end. And he described in detail the intrigues and infighting that ensued from this major political difference.

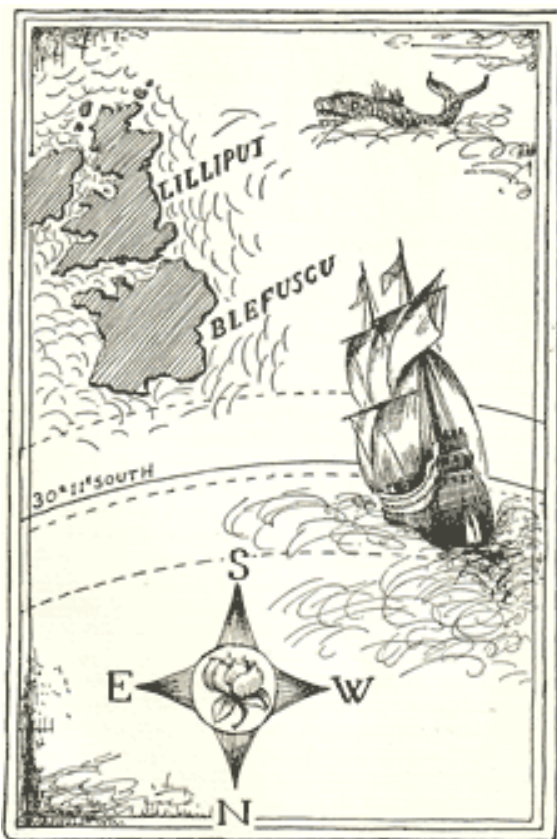
But to my great disappointment the good Dean completely left out my report of the quaint economy of Lilliput. His excuse was that nobody would believe a modern society would worship its money as a living God, and certainly such a report could not be included in a book published by a frocked Dean of The Church of England. So I didn't press the point and was just happy to have my other reports published.

However, as time passed, I found my reminisces of the quaint economy of Lilliput and the joys, problems, and infighting between the High Heels and Low Heels over the economy was probably the most interesting thing I witnessed in all my voyages. So I have written this brief account while it is still fresh in mind in the hope that in future it will be found by someone settling my estate and be published.

I'll start in the beginning with how I arrived on the islands of Lilliput, and the resources of the

islands, and then describe how the Lilliputians began worshipping their money as a God, reorganized their economy into a theocracy directed by it, and then describe what it was like to live in a society ruled by the Anointed of the “invisible hand” of The Almighty Sprug.

My account, however, will only make sense if you look at things as I did from the point of view of the little people. Remember, they didn't have the advantage we have of using a sophisticated secular monetary system backed by gold and silver and run by a brilliant Chancellor of the Exchequer, for on their island there was not a scrap of rare metal.



Gulliver's map of the islands of Lilliput and Blefuscu that I found folded into his manuscript

Part I

Chapter 1

The Potential Gardens of Eden

I chanced upon the islands of Lilliput and Blefuscu in June of 1699 while on what should have been an uneventful voyage from Tahiti to the north coast of Australia delivering 200 “transportation” prisoners. In a sudden and unexpected typhoon, as they called such Pacific storms, I lost my ship with all hands and all prisoners. Fortunately, the last person to abandon ship, I got tangled in a bunch of empty wine skins that acted as bladders and miraculously kept me afloat.

Apparently I was carried ashore by wind and tide to what turned out to be the uncharted Island of Lilliput. When I revived the next morning, I found myself tied down by hundreds of very tiny threads, and held prisoner by a huge mob of very tiny people. One islander was standing on my chest, and he weighed so little he felt like a mouse.

When the little people found I wasn't dangerous, they set me free, and, on my first walk about, I found Lilliput to be a blessed place. It had warm gentle breezes, regular soft rain common to the South Pacific, and I discovered that the island's rich volcanic soil and the hard work of the people easily yielded two and, in some leeward areas, as much as three annual harvests. In all respects Lilliput had the potential of being a virtual Garden of Eden.

Later I learned that Scripture in their Holy Book confirmed that the Lilliputians had indeed once lived in a Garden of Eden. But, unfortunately, by the time I arrived, their society had become a struggle for survival. A few lived like emperors, a small middle class prospered, and the lower class struggled to keep food on their table and a roof over their heads.

But the strange thing was the tiny people were not in the least upset at the passing of the Garden of Eden. They found the struggling for survival far more exciting than life in the humdrum Garden of Eden. Once they traded the Garden of Eden for the struggle for survival, they wondered why it had taken them so long to make the change.

I know it sounds like a sea story, and I can understand why the good Dean Swift excluded my account as unbelievable, but let me describe in detail what caused the little people to change from a tranquil and secure life in a Garden of Eden to

their present condition, and why they preferred it. I'll begin with the problem they had during the Garden of Eden that triggered the change – the problem of the tithe.

The Tithe Problem

During their Garden of Eden period the tiny people worked their fields, paid their tithe of 10% required by their Holy Book to the aristocratic land owners, and traded their goods by barter in well regulated marketplaces provided by the Emperor that included three imperial agents sitting on high stools with the power to resolve any dispute that might arise.

Their economy at the time was driven by their natural sense of pride in workmanship, sense of duty to society, and a natural joy in cooperating with each other in mutual trust. With this attitude and their natural resources and hard work, as organization and technology improved, production improved, until, eventually, they were producing enough to provide prosperity and employment for everyone.

But this very full employment and prosperity presented a serious problem, for as I said Scripture required the people deliver 10% of the production as a tithe to the castles of their Lords and Ladies, and, as production increased, the tithe increased, until eventually the castle's occupants were unable to consume one day's tithe before another was delivered.

Thus, day after day, the castles became more and more glutted with all manners of food and animals, and it didn't take long before every castle

on the island became little more than a stinking garbage dump. It became so bad the Lords and Ladies, instead of being honored and respected by the peasants, became objects of subtle ridicule – vestiges of which still lingered when I arrived.

Just as peasants all over the world should do when passing before the gate of the castle of their betters, the Lilliputians would respectfully stop, stand on one leg, doff their cap, close their eyes, and bow deeply toward the castle. But, because of the stink, the peasants began holding their nose between the thumb and fourth finger of the right hand, with their little finger stiff out pointing to the castle.

When I arrived, even though the problem of the stink had long been resolved by the birth of The Almighty Sprug, the naughty practice of holding their nose continued. In fact the practice became so ingrained in their culture, that whenever they would mention their Lords and Ladies, they would still hold their nose and, thus, speak of their betters with a very distinct nasal sound.

Well, getting back to the stink, quite naturally the Low Heels in Parliament proposed the sensible solution of reducing the tithe. However, the High Heels shouted them down arguing that the tithe was required by Scripture in their Holy Book, and couldn't possibly be eliminated. The High Heels were sticklers for not

deviating from any kind of ancient documents, especially ecclesiastical works.

Furthermore the High Heels argued the tithe was necessary as a mark of distinction between a peasant and his betters. Without a tithe, they complained, there'd be no difference between a peasant and his Lord and Lady, and the entire social structure of the island would crumble. So the full tithe remained a fixture, and, as organization and technology improved, production naturally increased, and the stink in the castles grew ever worse.

The peasants, of course, enjoyed the growing prosperity of their Garden of Eden, but the Lords and Ladies were at their wits end to find some way to stop all the production to allow them to keep the tithe as a mark of distinction from the peasants, while doing away with the stink. Many books by famous High Heels were written about the problem, but prosperity continued to grow, and the castles continued to stink.

Some Early Solutions

There were many attempts to resolve the problem, and, because the High Heels hated to undo anything that had happened before, even though they no longer served any purpose, vestiges of the attempts were still in place when I arrived. Let me enumerate a few of their more important

attempts to end the problem with the tithe and the stink it created:

Expanded Government: The first attempt to end the stink was thought up by a Low Heel. He proposed to resolve the problem by expanding the size of the island's government bureaucracy. This, he argued, would take workers out of productive jobs and put them into non-productive jobs in government, and thus reduce production and, therefore, reduce the tithe. For once the High Heels agreed with the Low Heel and the idea, very well received, was quickly put into action.

The emperor and the Parliament particularly liked having a large bureaucracy to do their bidding, it made them feel important, so they continued to add to it all the time. But the bureaucracy created its own problems. For one thing the bureaucrats thoughtlessly began developing better economic organization. This improvement not only increased production, but benefited peasants, and it was not long before peasants were living on Lilliput almost as well as the aristocracy.

This obviously would not do. In fact the High Heels adopted a party policy against increasing government, because it tended to seriously reduce class distinction, and was too beneficial for peasants. However, the High Heels ignored their own policy, and kept adding to the bureaucracy, for

they loved having so many people at their command to carry out their wishes. So the bureaucracy continued growing and was enormous when I arrived.

Large War Machine: Unfortunately, while enlarging government took many people out of productive work, it still didn't solve the problem of the stinking tithe. Production just continued to grow, the tithe kept growing, and the stink kept getting worse. Then a High Heel hit upon another clever idea. Since the tithe didn't apply to a war effort, he suggested the emperor simply enlarge the army and navy and the production of war materials.

This idea got quick approval. It not only took huge numbers of workers out of productive labor, but the war material projects would produce goods not subject to the tithe that would quickly grow obsolete and need to be replaced on a regular basis. It was such a great idea, and had so many wonderful unproductive effects; the army and navy and war production were still growing when I arrived.

Wars: But a large bureaucracy, a large army and navy and extensive war production only solved the problem of the stink for a little while. Technology and organization kept improving production on Lilliput at such a rapid pace, the

tithe and the stink still kept growing by leaps and bounds.

Then, suddenly the emperor, himself, hit upon a brilliant idea. If he had an army and navy and plenty of war materials, "Why not go to war with the neighboring island of Blefuscu." After all the emperor of Blefuscu was having the very same problem with his tithe, too, and would probably think a war a jolly good idea.

And not only would a war rapidly use up goods and services, a war would have the extra bonus of casualties and remove workers permanently. It could even have the advantage of permanently destroying productive farms and factories.

So, where the people on the two islands had always lived in peace, their emperors agreed to create an incident to cause a war, and found going to war a very popular idea. While many Lilliputians enjoyed life in a Garden of Eden where there was no struggle, many found it very boring and longed for excitement. So when the emperors announced the start of a war, it was met by huge patriotic crowds and parades and long lines of men begging to serve. Girls liked it too, for they got a chance to work in factories and get out of the house. So, the soldiers and sailors, with banners flying and pipes playing, sailed off to war dreaming of returning heroes.

But, alas, the emperor soon found war also had its problems, for, eventually, the people discovered their sons and husbands could get killed in war, and their property could be destroyed. So, after the initial joy, the people would always begin to grumble. In fact there were sometimes protests on both Lilliput and Blefuscu that got so violent it upset the emperors and they both had to call out the militia.

But war was such a wonderful solution to the problem of the tithe that the emperors soon found a way to continue them. They arranged to have one big war with each new generation, and then only short limited wars in between. So Lilliput and Blefuscu had a big war about every twenty years, and then little limited wars in between. This worked out very well for they were spaced far enough apart that most would forget the problems with war, and happily to go along.

But, alas, even war didn't solve the tithe problem and the stink. Organization and technology just kept improving production, and castles just got so smelly the residents of the castles began to wonder if it was worthwhile to be a member of the aristocracy. They bugged the emperor to find some way to permanently stop this damned prosperity among the peasants – short of deliberately burning fields and killing workers – but that was also an option they kept on the table.

Finally, after racking their brains for many years, a lone High Heel from a new generation suggested a solution that was to prove absolutely perfect. It not only reduced production so the Lords and Ladies never had to worry again about a smelly castle, it totally ended the Garden of Eden, and made being a Lord and Lady wonderful again. The Emperor decided to issue what was to become known as The Almighty Sprug.



Remains of a Sprug

Chapter 2

Birth of The Almighty Sprug And End of Garden of Eden

Long celebrated as the moment marking the beginning of their modern civilization, the Emperor issued an edict that shifted responsibility for storing the tithe from the aristocracy to the peasant. The edict read that, henceforth, peasants would have to store their tithe in good condition until they received a Sprug – the Lilliputian word for a Note of Demand – at which time the peasant was to deliver his tithe to “the bearer” in good condition, and keep the Sprug as a receipt.

The peasants were stunned by the edict. They didn’t want to store the tithe on their property and suffer the stink. They felt that was

the responsibility of the aristocracy, but the penalty for not complying was fierce. So, to be safe, the little people stopped producing anything unless they could be sure they would receive a Sprug, and production on Lilliput slowed to a crawl.

Fields were left fallow, farm animals were slaughtered, and workers wandered about without jobs because factories also had to close for the lack of Sprugs. Production slowed to the amount of Sprugs available, and towns that had been a center of the noisy assembly of wagons and boats fell quiet. In one grand edict, designed to end the tithe and the stink it created, the emperor had also ended the Garden of Eden, and the Lords and Ladies were beside themselves with joy.

At first there was so much grumbling among the peasants because of the edict that the frightened emperor mobilized his army with orders to shoot to kill to enforce his edict. But, privately, because of the unrest, the Emperor was actually considering rescinding his edict, and executing the High Heel that had come up with the terrible suggestion. He didn't want to lose his throne over a few stinking castles.

But to the emperor's complete surprise; and the relief of the guilty High Heel, the grumbling among the Lilliputians abruptly quieted, and was replaced with a lot of strange bickering among the peasants. Then the emperor's spies reported something quite unexpected. Instead of grumbling

about the advent of the Sprug and the condition it created, the tiny people had suddenly fallen in love with it.

The reason for this change among his people was his peasants had discovered, by issuing Sprugs, the Emperor had unintentionally given the peasants a far more wonderful thing than the prosperity of a Garden of Eden. He had given the peasants a taste of using imperial power, and they had quickly fallen so in love with the thrilling experience, that they didn't want a return to the boring Garden of Eden.

Sprug Becomes Lilliput's Medium of Exchange

Peasants discovered that, once they got a Sprug as a receipt for their tithe, they could then use the Sprug to imperially demand a tithe from a neighbor. Peasants had never experienced such joy. Even more wonderful, they found neighbors were overjoyed to trade goods for a Sprug as a receipt. Everywhere on the island peasants were passing Sprugs around like crazy.

The peasants liked to get Sprugs, they liked to accumulate them, they liked to expend them for goods and services, they liked to talk about using Sprugs, and they even liked to read about their use by others on Lilliput. New journals and books began to pop up all over the island and experts

began giving seminars on using the imperial power of the Sprug. The advent of the Sprug had created a revolution that was to change Lilliput forever.

In fact, after the edict introducing the Sprug into society, the tiny people no longer thought about producing goods and services. All they thought about now was getting more Sprugs and experiencing the exquisite pleasure of their raw imperial power, spending them and saving them and getting the wonderful feeling of importance it gave. It wasn't long before people began to refer to it as The Almighty Sprug because of its power over people, and the power it gave people over their neighbors.

In short, the advent of the Sprug had transformed Lilliput's economy from a humdrum and highly organized Garden of Eden where prosperity came so easily, into a wonderful and exciting new game of chance where one could win and lose. As soon as they got up in the morning, peasants began scheming and dreaming of ways to get more Sprugs, and enjoying the sense of power possessing them provided.

As for the emperor, he had discovered a wonderful new way to run Lilliput's economy without having to bother organizing it or worrying about stimulating people to work. If he wanted something done, all he had to do was issue Sprugs and it got done immediately with no grumbling.

With the magical Sprug he could run his economy without human thought.

But the emperor soon discovered his great idea had backfired on him. By issuing a Sprug, he was permanently issuing a portion of his imperial power, and very soon clever peasants discovered ways to accumulate that power. And, by using them to bribe Parliament, the clever peasants took over control, not only of the economy, but of Lilliputian politics as well.

By the time I got there Lilliput's Emperor was merely a puppet in his own empire. Finding himself practically dethroned, the emperor attempted to cancel all Sprugs he'd issued, but in the attempt he nearly lost his head in one of the most violent upheavals in Lilliput's history. Every peasant and aristocrat who owned Sprugs took to the streets shouting all kinds of obscenities, and the frightened Emperor backed off.

Thereafter, no Emperor ever tried to cancel or tamper with Sprugs again. Lilliput was to be forever after governed by the raw imperial power of The Almighty Sprug in the hands of clever peasants who knew how to accumulate them. And by the time I arrived the Emperor and his aristocracy were all busy marrying off their sons and daughters to these new masters of Lilliput.

Chapter 3

Lilliput Chartered An Economic Theocracy

Theocracy: A form of organization in which a deity is recognized as the supreme ruler, the deity's laws being interpreted by Anointed authorities – a system of government by Anointed claiming a divine commission.

Official Legal Definition
By Lilliput Parliamentarians

It was not long after the birth of the Sprug before an eminent scholar named Adam noticed the social revolution that had taken place with its advent, and wrote a book that became The Bible of the Lilliputians. Later elevated to sainthood, Adam observed that the Sprug was not the lifeless object it appeared, but was actually a living God with a mysterious “invisible hand” that Anointed clever people to carry out its godly will.

Adam recommended that the Lilliputians recognize The Almighty Sprug as supreme ruler of their nation, and allow those Anointed by its “invisible hand” to have complete freedom from any regulation or taxation so they can interpret the will of The Almighty Sprug, grow rich and powerful,

“trickle down” benefits to the rest of society, and lead Lilliput into the best of all possible worlds.

Saint Adam’s revelation stunned the Lilliputians. A new God had appeared in their midst with a mystical “invisible hand” that Anointed clever people to carry out its will, and, if they followed the orders of the Anointed, benefits would simply “trickle down.” And the most exciting thing of all was this God wasn’t an undependable person up in the clouds, but was here on earth dependably demonstrating its power every day and could be held in one’s hand, and locked in a strong box.

Quite naturally the Anointed of the Heavenly God who had been in total control of Lilliput society before the advent of The Almighty Sprug were extremely jealous of the new power of the Anointed of its “invisible hand.” They lost no time to begin preaching against the people’s worship of this new pagan god; and against its Anointed as evil charlatans that took advantage of the Lilliputian poor.

But the Anointed of the Heavenly God totally underestimated the power and popularity of the Anointed of The Almighty Sprug, and, after several of their holinesses went missing and were never heard of again, they suddenly announced that intense prayer had provided a totally new revelation that had changed their minds.

They claimed it had been revealed to them that the Sprug was not the pagan god they had assumed, but was actually an earthly manifestation of the Heavenly God. This revelation relieved the tension between the Anointed of the Heavenly God and the Anointed of its earthly manifestation, and the Anointed of the two forms of the same God struck a formal *Concordat*.

It was agreed in the *Concordat* that henceforth Lilliputians would worship the Heavenly God on Sunday, and worship The Almighty Sprug the other six days of the week. The Anointed of the Heavenly God agreed to support the Anointed of the Sprug in return for liberal donations, and the Anointed ministers of the two forms of the same God became forever reconciled.

The Sects

By the time I arrived the Anointed of The Almighty Sprug had taken complete control of Lilliput and, with bribes, reduced the Anointed of the Heavenly God to their sycophants. Not only did they control the church and economy, but, by bribing Parliament, the Anointed of The Almighty Sprug quietly controlled its politics. But all was still not tranquil, for, by the time I arrived, Lilliput's theocracy had become divided into three distinct hostile sects:

The Sect of Saint Adam was the most devout. The High Heels had immediately adopted Adam as Patron Saint of their party, and petitioned the emperor to formally charter Lilliput's economy as a theocracy directed by The Anointed Ministers of the "invisible hand" of The Almighty Sprug. The Emperor, by this time a mere puppet, agreed to sign the Charter.

The High Heels then dedicated their party to the holy task of protecting the Anointed of the Heavenly God and the Anointed of its earthly manifestation from regulation and taxes so the Anointed of both forms of their God would grow rich and powerful, and "trickle down" benefits and lead Lilliput into the best of all possible worlds.

The Sect of Saint Karl arose not long after Lilliput was formally chartered as an economic theocracy. A reformer, Saint Karl was in general agreement with Saint Adam that Lilliput's economy should be organized as a theocracy directed by the Anointed ministers of the "invisible hand" of The Almighty Sprug.

But Saint Karl preached that it's too much to believe mere mortals could handle the raw Sprug power without become corrupt, so he preached that the people needed to regulate the behavior of the Anointed to remind them to "trickle down" enough to allow peasants to enjoy the best of all possible worlds.

The Low Heels quickly adopted Saint Karl as Patron Saint of their party, and began a crusade to put his gospel into action. They managed to get Parliament to override the High Heels and pass laws taxing and regulating the Anointed, and pass laws regulating hours, conditions, and salaries of workers. But the High Heels naturally opposed all such actions as blasphemy and battled for repeal.

The Sect of Saint Vladimir arose as a result of oppressive behavior of the Anointed and the failure of the Low Heel regulations to stop it. Saint Vladimir was in full agreement that Lilliput should be organized as a theocracy directed by the “invisible hand” of The Almighty Sprug, but he preached that the workers of Lilliput needed to forcefully replace its Anointed with a Central Committee made up of members of the All Heels.

The All Heel party adopted Saint Vladimir as their Patron Saint, and went on a crusade to put his gospel into action. But, unfortunately, whenever the All Heels gained power – after they had cleared the deck by killing the Anointed and turning their Sprugs over to the Central Committee – the control of the raw and unlimited power of the Sprugs taken from the Anointed always corrupted the Central Committee.

Furthermore the “invisible hand” of The Almighty Sprug refused to communicate with a Central Committee not of its choosing, and the

Central Committee always ran the economy on a reef. So, after a cleansing by the All Heels, the little people would return the High Heels to power to “privatize” the economy and the cycle would start over again.

The Dissenters: There were econoscientists who didn’t believe the Sprug was a God or that it had an “invisible hand” – and believed that the people shouldn’t be using the Sprug as a medium of exchange. But, as in all thriving theocracies, they were effectively silenced by the Anointed. They certainly had no voice in Lilliput when I was there, but I will have more to say about them at the end of my report in Part III.



Saint Adam
Patron Saint of Lilliput

Chapter 4

Life in Lilliput's Economic Theocracy

“WE THE PEOPLE of Lilliput by popular acclaim declare that The Empire of Lilliput shall henceforth be ruled by the Anointed of the “invisible hand” of The Almighty Sprug, and the Emperor shall enact no laws or regulations or taxes without the advice of its Anointed and consent of Parliament.”

Preamble of Lilliput's *Magna*

Carta

The Charter of Lilliput's economic theocracy clearly stated the emperor needed the advice of the Anointed and the consent of Parliament to pass laws, regulations and taxes. Since Scripture of the Charter gave Parliament the

last word, and the Parliament was elected by the people, it would appear the Charter created a democracy and not a theocracy.

And this was exactly how the Charter was sold to the Lilliputians, and, after approval, the democratic elections to Parliament became one of the main amusements of the little people. Candidates would spew all sorts of nasty accusations and twisted facts to make their opponents look badly – all relished by the people – and as soon as one election was over, the people couldn't wait for the next campaign to begin. Of course, the democratic elections were rigged, for it cost many Sprugs to run for office, and, with no guarantee of winning, candidates either had to be a member of the Anointed, or take bribes. But elections were great theatre and the best actor or the physically most appealing always got elected. However, having a Parliament with the last word did not create a democracy.

In drafting the Charter the High Heels had made sure one of its much touted “Freedoms” gave the Anointed the right to bribe members of Parliament, and, since they had most of the Sprugs, they did so profusely. So at any one time the lobby of Parliament would be full of agents of the Anointed buying votes, so things politically and economically got settled on Lilliput, not by members of Parliament, but by the agents of the Anointed.

Furthermore, since Parliament was officially responsible for the management and distribution of enormous sums of the raw power of Sprugs obtained by taxes, members of Parliament quickly fell under the influence of the “invisible hand” of The Almighty Sprug, and very quickly after taking office couldn’t be told from the Anointed.

So, in practice, the Charter publicly touted as a document creating democracy in Lilliput, actually created a theocracy. But, once the system was in operation, most Lilliputians didn’t care that they’d been hoodwinked. They got so much exquisite pleasure using the raw power of the Sprug; most managed to be convinced that the Charter had created a democracy, and the best of all possible worlds.

Three Exciting Advantages Of Economic Theocracy

Lilliputians, prompted by all three parties, could readily recite the three exciting advantages of living in Lilliput’s economic theocracy:

1. **Simplicity:** Everyone loved to point out how the advent of The Almighty Sprug and the Charter converting Lilliput into an economic theocracy had totally simplified economic and political life in Lilliput. Before the advent of the Sprug the Lilliputians had to worry about their sense of pride in their work, their sense of duty to

the society and spent much work and thought at organizing and regulating their economy.

Now with the “invisible hand” of The Almighty Sprug driving the economy, the little people reveled in the fact there was no longer any need to be concerned with these matters. The little people now merely had to do as they were told by the Anointed, and the Anointed, directed by the mysterious “invisible hand” of The Almighty Sprug, grew rich and powerful and “tickled down” benefits to the rest of society to create the best of all possible worlds.

The High Heels found it made their job simpler as well, for they found they no longer needed to think or develop economic or political programs. All they had to do was simply fight Low Heel efforts to regulate and tax the Anointed, and fight Low Heel attempts to twist the meaning of The Scripture of the Charter to get in the way of the Anointed. In other words, the High Heels found they had to do nothing, and see to it that the Low Heels did the same.

2. Equal Opportunity: The High Heels especially loved to boast that, because the raw power of the Sprug circulated freely in the economy without regulation, the Charter had turned Lilliput into a “land of free enterprise” where everyone willing to work – even the lowest born peasant – had an equal opportunity to accumulate Sprugs,

become an Anointed, and live in imperial splendor once reserved only for the hereditary aristocracy.

Whenever reciting this advantage in public, the High Heels would unfurl the Lilliputian flag, and the peasants would doff their caps, hold it over their hearts, and give thanks to The Almighty Sprug, and the Anointed, and the High Heels for providing them with such democratic conditions. The High Heels would especially recite this advantage whenever they cut old age pensions, medical treatment, and other government benefits for the peasants – since these were now unnecessary because everyone had the opportunity to get rich and pay for them on their own.

However, the Low Heels tended to muddy the waters in this case and play spoilsports. They would note that, while it was true under the Charter everyone seemed to have an equal opportunity to accumulate the raw power of Sprugs, something had gone very wrong. They noted the puzzling fact that 80% of Sprug power on the island wound up under the control of just 4% of the population, and, in most cases, these few hadn't earned the Sprugs, but had inherited them.

But, whenever the Low Heels pointed to this fact, the High Heels would accuse them of blasphemy and of attempting to incite social and class unrest. The High Heels would point out that this concentration of Sprugs was to be expected, for the “invisible hand” of The Almighty Sprug in its

mysterious wisdom had anointed this 4% with the ability to accumulate its raw power and use it to grow rich and powerful, “trickle down” benefits, and create the best of all possible worlds for Lilliput.

3. An Exciting Game: For most Lilliputians the best advantage wrought by the advent of The Almighty Sprug and the conversion of Lilliput into an economic theocracy was the fact they were no longer enslaved in a highly organized and boring Garden of Eden. Now, under the influence of the “invisible hand,” Lilliput’s economy had been transformed into an exciting game of chance, and all it took to play in this exciting game was to be born lucky enough to live in Lilliput under the Charter, and do as they were told by the Anointed.

In this case both the Low Heels and All Heels played as spoilsports. They claimed the exciting game was “rigged” because the Anointed tended to do all the winning. But strangely enough the peasants didn’t seem to care. They saw the uncertainty as all part of the excitement and were pleased to play the game with the “big boys,” who soon became their admired and personal heroes.

Three Modest Problems

Every thrilling game has to have problems for winners to resolve, and the exciting game of chance provided by using The Almighty Sprug and

living in an economic theocracy was no exception. Most Lilliputians knew of the problems, and each had his own secret way of trying to overcoming them. Since understanding a game requires understanding the problems to be resolved, let me explain at some length the three main problems that had to be overcome to prosper on Lilliput.

Chapter 5

The Faith Problem

The first problem was one that crops up in every theocracy – the vexing problem of trying to maintain the tiny people’s faith in the Almighty Sprug so the system would work. In fact, when Lilliput was chartered as a theocracy, the Emperor was very ceremoniously elevated and crowned *Emperor of the Holy Lilliputian Empire and Protector of Faith in The Almighty Sprug*; and everyone agreed his new role as protector of the faith was the Emperor’s most difficult and sacred duty.

And maintaining the little people’s faith was not an easy job for, in order to do so and keep the little people’s craving for Sprugs and prices stable, the Emperor had to deliberately keep Sprugs in short supply. If he tried to issue enough Sprugs for everyone to have a job and prosper, faith in the Sprug would decline and prices would rise. One careless emperor issued too many Sprugs, and prices rose so high it took a wheelbarrow of Sprugs to buy a loaf of bread.

Emperors soon discovered faith in the Sprug was highest and prices lowest when Sprugs were in very short supply, and faith tended to disappear and prices rise as the supply increased. And finding the perfect balance was so difficult that emperors

had to appoint a *High Priest of The Almighty Sprug* whose sole job was to advise the Emperor how many Sprugs to spend into the economy or how many to remove by taxation.

This exalted person employed a whole army of Soothsayers trained to search the economy for “signs” of faith in the Sprug. This was a tough job because the “invisible hand” tended to hide information from normal eyes. So the advice from the Soothsayers was never very accurate, and in the beginning faith in the Sprug and prices tended to wobble up and down like waves in a stormy sea.

And the problem of keeping the faith stable to keep prices stable was worsened by the fact that Sprugs tended to migrate from the countryside into big cities, where so many Sprugs accumulated that faith declined and prices rose to make it almost impossible to afford to live in big cities. And, of course, the opposite occurred in the countryside where there were often not enough Sprugs to conduct any kind of production.

But the Lilliputians didn't mind the wobbling of faith and prices. They enjoyed reading the prognostications of Soothsayers as much as they enjoyed reading the prognostications of the Emperor's Astrologer, and enjoyed more trying to out-guess them. And the betting on how faith and prices would wobble in the whole economy and different parts of the island became a national pastime.

In fact, the wobbling of faith in the Sprug and prices was one of the factors that made using the raw power of the Sprug so enjoyable, and a big part of the reason the little people were glad they no longer lived in a humdrum Garden of Eden where prosperity had just kept growing as technology improved. Now they were involved in a game where the stakes were high and the playing very thrilling.

The Civilized Norm

However, a clever emperor finally worked out a wonderful rule of thumb to determine how many Sprugs to keep in circulation to keep faith and prices reasonably stable on Lilliput. He had the Soothsayers count the number of people out of work, and the number living below the poverty line – he never called them poor – and found if he circulated just enough Sprugs to keep 90% of the people working, and 70% living above the poverty line, faith in the Sprug and prices would stay reasonably stable.

When he revealed this rule of thumb to the public, most Lilliputians – except the unemployed and the people living below the poverty line – agreed this was a very civilized “norm.” The Emperor was relieved because he had thought that, when the people discovered that 10% of them would be condemned to be out of work, and 30%

condemned to poverty, there'd be grumbling and violence, but the reverse turned out to be true.

The little people saw the fact that people would always be left out because of the shortage of Sprugs made the economy into a truly wonderful game. It required an exciting scramble to get Sprugs before somebody else got them. So as long as Emperors maintained the “norm,” most everyone – except of course the 10% unemployed and the 30% who didn't win – was very happy.

And the Emperor found having ten percent of the people out of work and thirty percent living below the poverty line made for a very healthy situation, for it made the people with a job and prospering feel grateful. The Anointed also found it a wonderful thing because the threat of losing one's job and joining the unemployed kept workers on their toes and made getting rich and powerful much easier.

So the “norm” became a national point of reference. They didn't use the increase or decline in production as an indication of the health of the economy. They used the norm. Whenever unemployment fell below 10% and the number of people living below the poverty line fell below 30%, the High Heels would claim the Sprug was on dangerous ground and press for a “reduction in government spending” to increase unemployment and poverty to restore “fiscal sanity.”

On the other hand, whenever unemployment rose above 10% and the number living below the poverty line exceeded 30%, the Low Heels would get nervous and press for “increased government spending” to reduce unemployment and poverty and return to the norm and “fiscal sanity.” So the two parties kept their eye on the “norm” as the indication of the health of the economy.

This whole focus of attention on the norm shows how the advent of The Almighty Sprug and conversion to an economic theocracy had totally changed Lilliput. During the Garden of Eden period the whole focus of the economy was to increase production to allow everyone in society to participate and prosper, but after the advent, the focus was stabilizing faith in the Sprug and prices, and production and prosperity became quite secondary.

Exceptional Times

There were, however, three exceptional times when the Lilliputians unleashed production regardless of the effect it had on faith and prices. During those exceptional times unemployment and poverty would almost disappear, and the Lilliputians would for a time almost recreate the conditions and prosperity they had during their Garden of Eden.

Let me note all three exceptional times separately for they clearly indicate the fact that, had the little people wanted to put their resources to work and recreate a Garden of Eden with employment and prosperity for all, they could have done it at any time by simply ignoring faith in the Sprug and rising prices.

A Wartime Economy: During a war or the threat of war the emperor would increase the amount of Sprugs and promises of more to produce the necessary war goods, regardless of the effect upon faith in the Sprug or prices. Out of patriotism and the excitement of war, the Lilliputians would work for the Sprugs or the government's promise to pay in the future even though their faith in the Sprug declined and prices inflated.

I was amazed at how quickly their economy would boom during a "good war" when they ignored faith in the Sprug and inflated prices. Factories would hum making goods and providing services to run the war and to replace them as they were blown up or sunk. And since raw materials were plentiful on the island, during a "good war" unemployment and poverty practically disappeared.

However, eventually someone would frighten the little people by noting it would be impossible to issue enough Sprugs to satisfy the promises to issue more Sprugs without totally destroying faith

in the Sprug, and the Lilliputians would force the emperor to negotiate an end to the war, and call on the High Heels to “cut government spending.”

As Sprugs became scarce and unemployment and poverty returned to the “norm,” even though faith in the Sprug had seriously declined and prices risen; there would be a general sigh of relief of the restoration of “fiscal sanity.” So after every big war faith in the Sprug would seriously decline and prices seriously rise, but they would soon forget all about the problem until the next war.

The Private Credit Bubble: Often when the Lilliputians really wanted something, say housing, the little people would borrow Sprugs from the Anointed, and unleash production of houses. As long as this Private Credit Bubble lasted, production in that particular field would boom, and unemployment and poverty in that field practically disappear. Private Credit Bubbles produced almost as much fun and prosperity as a “good war.”

But, again, eventually someone would note the terrible fact that there weren’t enough Sprugs in circulation to pay off the loans from the Anointed, and the emperor couldn’t issue more without compromising faith in the Sprug and raising prices, and, as this terrifying news sunk in, production in that field would stop and the tiny people, now deep in debt, would sink into a deep

depression thoroughly ashamed of their “fiscal insanity.”

Ongoing Public Credit Bubble: On the other hand, in order to pay for any benefits for the poor or the elderly – like health care or old age pensions or building roads and etc. – Emperors had to keep a Public Credit Bubble going all the time. They couldn’t issue Sprugs for benefits for peasants, because this would not benefit the Anointed, and they believed it would undermine faith in the Sprug.

So the emperors would borrow Sprugs from the Anointed to create public benefits, pay the Anointed interest, and promise to repay the loan sometime in the future. Of course, since there were wars and public needs all the time, emperors had to keep borrowing and the Public Credit Bubble kept growing. While I was there the interest on the loans payable to the Anointed to create public benefits amounted to about half of all the income of the government and was growing.

The High Heels, of course, were always complaining about the “creeping” debt, but they battled any rise in taxes on the Anointed to slow the creeping. They insisted, instead, that government stop spending on benefits to the peasants, and use the Sprugs saved to pay the Anointed creditors. But because High Heels kept cutting taxes on the Anointed, the Public Credit

Bubble tended to increase even when they were in office.

The Low Heels also complained about the “creeping” Public Credit Bubble, and would sometimes manage to increase taxes on the Anointed to slow its growth. But, no sooner had they done so, than they’d discover some new social benefit needed that, because the High Heels fought raising taxes, required increasing the Public Debt. So the Public Credit Bubble kept growing, and, since nobody knew how to stop it, the little people usually left it to future generations to solve the problem.

Ultimately, a future generation reduced to grinding servitude paying the interest on the debt to the Anointed, would turn to the All Heels to solve the problem. The All Heels always demanding dictatorial power would raise taxes, rob or kill the Anointed and turn over the Sprugs to a Central Committee; cancel the debt payable to the Anointed, and close their gambling casino.

Unfortunately, controlling the raw and unlimited power of the Sprugs taken from the Anointed would quickly corrupt the Central Committee, and, worse, unable to interpret the wishes of the “invisible hand,” would ultimately run Lilliput’s economy on to the rocks, and the Lilliputians would have to call in the High Heels to “privatize” the economy and return control to the Anointed and the whole cycle would start again.

But, as I mentioned before, these three exceptional times show that, whenever the little people ignored faith in the Sprug and rising prices, and just unleashed their economy, they had the resources to recreate their Garden of Eden. But, whenever faced with a decision whether to unleash production or protect faith in the Sprug, ultimately they would always chose to protect faith in the Sprug and reduce production. They believed they could live with unemployment and poverty, but they couldn't live without the emotional thrill of using the raw imperial power of the Sprug.

Chapter 6

The Crime and Corruption Problem

The Gospel according to Saint Adam as adopted by the High Heels was that the “invisible hand” only anointed competent people to carry out its wishes and that any incompetents that happened to gain Sprug power would soon be eliminated or “corrected” by a mysterious “market force.” Thus the High Heels were against any government interference or regulation of the economy.

The Gospel according to Saint Karl and Saint Vladimir adopted by the Low Heels and the All Heels was that using the raw and unlimited imperial power of the Sprug tended to corrupt even good people; and that it was necessary for government to interfere and regulate the Anointed to be sure something “trickled down” to society. To support this view, the Low Heels and All Heels were always noting how the Anointed fell into three categories of perfection:

The Angels: This was a class of clever people who used their Sprug power in valuable ways that benefited society. They organized and ran

productive factories, invented productive goods and services, paid taxes, took pride in their leadership, got very rich and powerful, and, retaining some vestige of compassion, saw to it that some benefits “trickled down” to the peasantry. The High Heels would always parade these fellows before the people as shining examples of the Anointed.

The Devils: This was also a class of clever people anointed by the “invisible hand” that took pride in their work, and were good managers, organizers, and inventors. However, this group of Anointed dealt in illegal products and services, and lacked any vestige of compassion or interest in the health of the rest of society. They varied from individual cut purses to vast organizations that robbed, cheated, kidnapped, and killed other people to gain Sprugs.

Interesting enough the organized Devils tended to “trickle down” as much benefits to society as the organized Angels. They provided jobs for farmers growing illegal substances, spent large sums as bribes to bolster the salaries of local and national officials and police, paid “hush money” to citizens of many towns, paid great salaries to their workers, and were very popular with their customers.

Even more interesting, a large part of the people on Lilliput considered the Devils heroes. One of the longest running plays in Lilliput was

about *The Baritones*, a family of Devils that fascinated audiences with their illegal exploits. The tiny people tended to ignore their evil manners, and admire the Devil's ability to accumulate Sprugs and manipulate society. The Lilliputians seemed to see something of themselves in the Devils.

The Fops: These people made up the largest category of Anointed. Usually inheriting their Sprugs, or winning them gambling in the casino, some Fops had the ability to interpret the will of the “invisible hand” to become Angels or Devils. However, most Fops did not have that ability, and generally used their Sprug power to clog up Lilliput's economy with worthless projects and incompetence. Their projects were forever ending in bankruptcy, taking with them innocent people dealing with them.

Saint Adam and the High Heels flat out denied that useless Fops existed. They insisted that all those Anointed by the “invisible hand” were good, and that all were important in leading Lilliput into the best of all possible worlds. Following the advice of Saint Adam, the High Heels were categorically opposed to any limitation or taxation of anyone who became rich and powerful.

Just before I left Lilliput, the Low Heels, confused over how the “invisible Hand” could have chosen the Fops to direct Lilliput's economy, were

totally ineffective. However, the All Heels, pointing out that 80% of all the Sprugs on Lilliput were controlled by just 4% of the population, most of whom were Fops, had begun arguing that it was again time to elect All Heels and systematically clean the economy.

The All Heels promised, if given power, they would rob and kill the Devils and Fops and redistribute their Sprugs, and cancel all Public Debt owed to them. But, while I was there, the argument still generally fell on deaf ears for most Lilliputians were still hoping to accumulate some of the raw and unlimited Sprug power and become Fops themselves, and weren't interested in making waves for the benefit of a minority.

A Dual Economy

Let me be quick to report that the Lilliputians knew that handling raw power tended to corrupt. They'd already limited the power of the Anointed of their Heavenly God and politicians to limit religious and political corruption. But most Lilliputians so enjoyed using the raw power of The Almighty Sprug that in almost all cases they didn't want to limit economic power.

However, the Lilliputians were no fools. They knew that, to survive, certain vital areas of the economy had to be kept clear of the corrupting influence of the raw power of the Sprug. Even the

Anointed absolutely forbid the use of Sprugs as a medium of exchange within the different departments of their businesses because of its corrupting influence.

So, within all vital private, public, and military organizations the Lilliputians insisted that members conduct business using their sense of pride in their work, their sense of duty to the Anointed owners or the public or the nation, and operate on well organized cooperation and mutual trust. Anyone caught buying and selling any goods or ideas for Sprugs within vital economic organizations was preemptively fired, and even criminally prosecuted

Parliament was the only exception to this rule, for the Supremes ruled that, since Lilliput was an economic theocracy, the Anointed of the “invisible hand” of the Sprug should be free to influence members of Parliament. So Lilliput’s Parliament was not classified as a vital area and its members were free to sell their votes for Sprugs, and, thus, the Anointed controlled Lilliputian politics as well as the Lilliputian economy.

So I found the little people practiced duplicity in two different ways: They limited the power of their political and church leaders, but not the power of their economic leaders – and they divided economic behavior into vital areas where the use of Sprugs as a medium of exchange was

prohibited, and general areas where everyone was free to indulge in using the raw power of the Sprug.

Chapter 7

The Gambling Problem

Because the people craved Sprugs, and gambling was a way to instantly accumulate a lot of them without bothering to produce anything, the Lilliputians used many Sprugs already in short supply in gambling. For this purpose the Anointed created a huge casino on the street next to the old south city wall where they used a lot of the nation's Sprugs in highly organized and unproductive gambling.

In the casino they gambled on the success of new projects by investing in them – and in this capacity served an important role in the exciting game of chance that constituted the economy. But they also bet or “hedged and shorted” against the continued success of businesses, and this produced nothing. So many Sprugs, already in short supply in order to maintain faith and stabilize prices, were employed in non-productive activity.

Peasants were also invited to gamble on new and existing projects, and to bet or hedge that a business would not secede. This spawned a huge industry of “gurus” who claimed to know the future and charged great sums to bet for the public. They claimed to know this and that about the gambling odds, but usually the Anointed who ran the casino

knew information months before the public or the “gurus,” so peasants rarely made any large winnings.

Another problem was that Devil Anointed would bet that a business or even a section of the economy would fail, and then secretly manipulate conditions to create the failure. Well planned, these illegal operations often caused the entire economy to “crash,” and then the Devils would compound their deed by buying up property and businesses they had nearly destroyed on the cheap like vultures.

It always tickled me how the Devils who had created a “crash” at the casino covered up their scam. They would tell the peasants that the crash was created by the peasants who had too many expectations and were living too high. The peasants, feeling guilty, would call in the High Heels to “cut government spending” to reduce their standard of living to make up for the Sprugs that they had carelessly “lost.”

The truth was, of course, that no Sprugs had ever been “lost.” There were just as many Sprugs after the “crash” as before. The so called “lost” Sprugs were actually in the pockets of the Devil Anointed that caused the “crash.” Most of the little people were aware of this, and once in a while would put a few Devils in jail, but generally they

just shrugged and secretly admired the “business acumen” of the Devils.

The Low Heels knew unrestricted gambling at the casino was rigged and generally unproductive, so they wanted important things like pension funds, banking, insurance and medical funds be kept out of the casino. But the High Heels opposed them for they wanted all funds run through the casino to give the Anointed a crack at everything. The High Heels always had great faith that everything the Anointed did was beneficial to society.

In fact the little people so believed that gambling at the casino was such an important part of their economy, that they judged the health of their economy – not on how much was produced in the economy – but on how much was won or lost by a select list of Anointed in the casino. The economy might be producing an enormous amount of goods and services, but if members of this select list lost a lot of Sprugs, the whole island would become depressed.

How I Was a Winner

One of the biggest things gambled upon at the casino while I was there was my future whereabouts, because my comings and goings had an unlikely impact on the economy. Under normal

conditions, I certainly would have had a negative impact since I tended to eat them out of house and home, and was often such a destructive nuisance. You'd tend to think my appearance in a town would have been met with dread, and my leaving with joy.

Remember, it took an army of grooms just to keep me clean, and another army just to carry away my waste and fumigate my outhouses, another army to grow my food and cook it; and entire factories to make and mend my clothes, tents, and bedrolls. My daily care employed the whole town wherever I stopped, and I consumed everything they produced.

Furthermore, I was an enormous nuisance for I was forever accidentally stepping on their farms, roads and bridges, and my snoring often kept whole towns awake at night. And when I suffered gas, or the wind blew the smell of my outhouse the wrong way, they often had to evacuate their homes. But my arrival was never seen as a negative – instead it was seen as a positive and my arrival a great boon for a town.

You see the emperor paid the towns for my keep, so, instead of seeing my arrival as an economic tragedy for a town, my attendance was considered so valuable that betting on where I'd go next or where I wouldn't go was the largest game at the casino. Fortunes were won and lost betting on my future whereabouts, and towns fought over who would enjoy my presence next.

In fact, my main job while I was on Lilliput was as a roving stimulus package. The emperor would send me to areas where the economy lagged for lack of employment and Sprugs, and leave me there until things picked up and then move me on. All during my stay towns on the islands would fight over my comings and goings, and you can't imagine how many times they tried to bribe me into coming.

This reminds me of an incident. One day a little fellow came to me cap in hand, and introduced himself as the mayor of a small town to the east called Wagonville. He said his town was in tough shape because so many of the factories that made wagons had been closed. He asked me if I'd be kind enough to slip over and shit in the middle of his town square, report it as an accident, and have the Emperor pay the town to clean it up.

I thanked the Mayor and told him I understood his problem, but I was already committed to shitting in the town I was staying in. I admit that I often felt guilty being such a consumer and nuisance, and tried to eat less, wear clothes longer, and wade out to sea to relieve myself. But the townspeople would always plead with me to stop, for they desperately needed the jobs and the Sprugs they received for my care.

Of course, for the gambling to be honest and give an accurate measure of the health of the economy, my comings and goings had to be kept a

national secret. However, I noticed that wherever I arrived, well-connected Anointed would already have set-up shop in anticipation of my arrival. So while I did provide jobs and some Sprugs to the little people of the towns, mostly I stimulated the pockets of well connected Anointed.

So, to conclude explaining the problems of life in the economic theocracy – there was this problem of gambling, the vexing problem of maintaining faith in the Sprug that required keeping Sprugs in short supply to maintain the norm of 10% unemployed and 30% living below the poverty line, and there was the problem of crime and corruption caused by using the raw power of the Sprug.

However, most Lilliputians believed these problems to be “modest,” and easily outweighed by the advantages – the simplicity of using the Sprug as a medium of exchange – the equal opportunity of the people to accumulate the imperial power of the Sprug and live royally – but most important the fact that they so enjoyed playing with the raw power of the Sprug that they were ready to endure any problems.

With that I’ll end my report of the quaint economy of Lilliput and move on to give a brief account of the equally quaint economy of the neighboring Island of Blefuscu. It follows a much different course, with lots of novel twists and turns,

and, in passing, you'll discover why I never felt welcome on Blefuscu, and why I stayed mostly on Lilliput.

Part II

Chapter 8

The Quaint Economy Of Blefuscus

As I explained in the beginning both Lilliput and its sister Island of Blefuscus were potential Gardens of Eden, and while I was there both operated their economy as a theocracy governed by the Anointed under the influence of the “invisible hand” of The Almighty Sprug. And, of course, both enjoyed the same advantages and disadvantages and were convinced the advent of The Almighty Sprug had led them out of a boring Garden of Eden into the best of all possible worlds.

However, because the channel between the islands was so full of riptides and fast currents and was practically impassable in their tiny boats, Blefuscus had sailed a much different course to become an economic theocracy, and on that different course had passed through a Golden Age of universal prosperity before tragedy led the Blefuscusians to abandon their Garden of Eden and adopt The Almighty Sprug and economic theocracy.

In the very beginning, because they worshipped the same Heavenly God and used the

same Holy Book as Lilliput, Blefuscu had the same problem of too much production and the stinking tithe. And their emperor also tried all the same solutions. He expanded their bureaucracy, created a large army and navy and war materials industry, created incidents to engage in war with Lilliput, and ended with the same lack of success as had the emperor of Lilliput.

But on Blefuscu, when the emperor found these steps didn't solve the problem of the stinking tithe, he didn't introduce the Sprug as did the emperor of Lilliput. No fool, he was very jealous of his imperial power, and wasn't willing to issue it into circulation. His spies had warned him how the clever Anointed on Lilliput had accumulated Sprug power, and used it to make Lilliput's emperor their puppet.

Instead, the emperor of Blefuscu assembled the Anointed of their Heavenly God, and ordered them to reinterpret the Holy Book's passage about tithes. After this pressure and much prayer, the Anointed of the Heavenly God declared that the tithe was not an offering to the emperor, but was a votive offering to the Heavenly God. Thus the emperor and his Lords and Ladies didn't need to store the tithe in their castles as on Lilliput.

So, as the peasants of Blefuscu dutifully delivered their tithe, the aristocracy and the Anointed of the Heavenly God skimmed off as much as was needed to support themselves in the regal

splendor they deserved – and, of course, to support the large government bureaucracy, the army, navy and war material production, and their wars – and, in an elaborate ceremony, the balance of the tithe was ceremoniously dumped out at sea to the hallelujahs of 100 naked choir boys singing from the rigging.

The Organization

Where Lilliput only organized its vital areas as a Sprug free business corporation, and allowed the “invisible hand” to direct the rest of their economy; Blefuscu organized its whole economy as a Sprug free business corporation. Although there was a concerted attempt by The Anointed to later destroy the evidence, a description of the organization during that time survived, and I’ll relate it as best I can from memory.

Basically the emperor owned the entire island, and leased out shires of the islands to his Lords, and they all lived by skimming the tithe. The Lord lived in a manor on the highest hill in the shire, and his peasants lived in a town below the manor. Each shire would appoint a Board of Directors with the responsibility to determine what was to be produced, how much, and who was to head production.

There was also a Board of Directors for the whole island with a member appointed by each

shire to coordinate what was needed by the island and to make rules and regulations to improve organization and development of technology. This allowed the little people to use their natural pride in workmanship, sense of duty to society, and their joy of cooperating on mutual trust to drive the economy and produce what was needed most efficiently.

Because each shire had different conditions and resources, each became famous for some product or services, and was named for them. There was Fishtown, Irontown, Bathtown named for its mineral spas, and etc. And in the beginning each shire took its goods and representation of services to well organized markets staffed by three monitors with the power to settle any disputes, and trading was conducted by barter.

But eventually the economy became too complex to use barter, and a more flexible system of exchange was needed. After much trial and error the clever little people invented a system or medium of exchange that worked quite differently than the Sprug, so let me describe how it worked for it was a very unique invention that had all the advantages of the Sprug, but none of the problems.

Chapter 9

The Lowly Chug

The Lowly Chug was a very unique medium of exchange that had all the advantages of a Sprug and few of its faults. Each shire would deliver its production to the various imperial markets, and the emperor's monitors would judge the value of the goods provided by the shire; and issue the manager of the shire an amount of fully certified Chugs representing the present appraised value of their total delivery.

The Chugs would then be distributed by the manager to those who had created the goods based on the value of their individual contribution. Every able bodied worker and supplier received a base salary of Chugs to provide his family basic food, housing, and clothing for the period; but workers could and did receive more based upon the value of their contribution to the corporation for the period. The disabled and retired workers in the shire also received a base salary.

The workers would then use their Chugs to purchase goods at the different market places; and to purchase goods and services from private sources – for example a visit to a spa or to hire a maid, etc. The people providing the private services would

then use the Chugs they received to purchase goods at the market places. So as a medium of exchange it worked not much different from a Sprug. But in every other sense the Chug was very different.

First, it's important to note that production didn't depend upon available Chugs. Chugs were issued based on the production after it was produced. So there was never a shortage of Chugs. The value of Chugs in circulation each month and the value of production each month always agreed. So production depended upon available resources, available labor and available organization and technology all of which were plentiful, and Chugs depended upon what was produced.

Second, the Chug did not represent raw unlimited imperial power like the Sprug. The Chug's power was limited because it expired one month after issue, and had to be used during that period or be lost. Thus, every able bodied person had to participate in the economy every month to get his share of the Chugs for the month, and, since Chugs couldn't be accumulated, there were no corrupt Anointed controlling the economy. It was directed by managers and Boards of Directors.

However production that wasn't used during a month, if durable goods, was simply added to the production of the following month and new Chugs were issued on the combination. So goods that remained from unused Chugs weren't wasted, they simply carried over to the next month. In this way

they could either use more the next month, or reduce production and take a day off.

Third, since Chugs didn't represent unlimited power, using them didn't alter the personalities of the people as much as Sprugs. So, the people's natural sense of pride in their work, sense of duty to society, joy of cooperating with mutual trust, and compassion were never completely overwhelmed by greed to distort and corrupt the economy as on Lilliput. The Chug was just a useful medium of exchange to facilitate trading, and was never considered a God, or led to poverty, corruption or gambling.

The Golden Age

As organization and technology improved on Blefuscu, with scientists and inventors developing fantastic windmills and complex canals and waterfalls to speed up production, prosperity on Blefuscu increased so rapidly that quite soon the people had to work together only a few days a week to produce all Blefuscu's society needed. This gave everyone lots of leisure time that was used quite differently by different parts of society.

About a quarter of the people used the free time most constructively. They went to school to study favorite subjects, invented wonderful new things to make life easier or more interesting, wrote amusing stories, histories, poems, plays,

composed music, and designed and built wonderful new edifices and cathedrals that were still admired on both Blefuscu and Lilliput as classics when I arrived.

Another quarter of the people were happy with their new free time. They had no desire or talent to write or invent things, but they passed their days in peaceful and useful tasks among family and friends. So about half of the people on Blefuscu were very happy living in their Garden of Eden, thankfully gave their tithe of 10% every day to their Heavenly God for the bounty, and enjoyed their wonderful leisure time.

But the remaining half of society proved quite a problem. These people had never been really happy in what they complained was a humdrum and regimented Garden of Eden. These people craved excitement and had always envied the Lilliputians who had transformed their economy into an exciting game where common peasants had the chance to accumulate the raw imperial power of the Sprug and live like aristocrats.

And now that they had all this free time, they became doubly bored and, craving even more excitement, made a lot of trouble for themselves and the rest of society on Blefuscu. They began filling their hours drinking, smoking, and listened to demigods whipping them into frenzied riots over

imagined wrongs. In short they were spoiled rotten by Blefuscu's prosperity and doubly spoiled by the leisure.

I know exactly how that goes. On long voyages a ship's captain is kept busier keeping his crew occupied than sailing his vessel. You need to keep them tying knots, furling, unfurling, changing and mending sails, scrubbing the holds and decks, and to dream up all sorts of jobs just to keep them busy, or you take a chance on boredom and mutiny on long voyages.

But what proved to be even worse, this half of the population began to eat from boredom, until half the population on Blefuscu was obese, weighing three times their normal weight, and weakened by all kinds of sickness and scurvy. The Lilliputians, who wanted nothing to do with the boring economy of Blefuscu, made fun of their neighbors, predicting that someday Blefuscu would sink into the ocean from the weight of its unhappy people.

The Tragedy

But what actually happened was even more tragic and not funny. One fall, just at harvest time with Blefuscu's fields full of grain, a typhoon blew up out of the southwest that must have been even worse than the one that sunk my ship. The people on Blefuscu hid in caves and cellars and survived,

but the typhoon blew off course a flock of geese migrating from Australia to the warmer climes in Sumatra.

To escape the storm, the big birds landed on Blefuscu; and, with everything so plentiful, none bothered flying on to Lilliput, but stayed on Blefuscu eating and crapping. Then, a few days later when the typhoon quieted down, to the great relief of the people, the birds took off to finish their migration north leaving several of their flock dead on the island. The birds had not died from the wind, but from some sort of mysterious illness, and a few days' later people began to fall deathly ill with some sort of aviary plague. The healthy people on Blefuscu soon recovered, but within a month the half of the population already weakened by overweight and sickness were dead and buried at sea.

Then, with colder weather, the plague ended as quickly as it began, leaving Blefuscu stunned with half its people dead. The hardy survivors gathered themselves up, and decided to go back to work and continue their Garden of Eden using the Chug. But not everyone was of this mind. When word came to Blefuscu that the people of Lilliput had survived totally untouched by the plague, many Blefuscuians were shocked and began to grumble.

After all, they said, Blefuscuians had prayed to their Heavenly God for salvation, and dutifully

offered Him a daily votive of a tenth of their production, while the people of Lilliput worshipping The Almighty Sprug had survived unscathed. Many urged the emperor of Blefuscu to convert Blefuscu to an economic theocracy, and issue Sprugs, arguing it was apparent that the “invisible hand” of The Almighty Sprug was more powerful and benevolent than their Heavenly God.

But the Emperor, still very jealous of his imperial power, had no desire to give away his imperial power, and allow clever peasants to accumulate it and make him a puppet, and rested on his oars. But, while the people and emperor on Blefuscu went back to work to continue their Garden of Eden, the Anointed on Lilliput had a quite different idea.

With word that Blefuscu had been dealt a serious blow by the plague, the Anointed on Lilliput organized a mercenary army of adventurers, added a band of missionaries of The Almighty Sprug, and sent them off to invade Blefuscu and convert it to an economic theocracy with the hope the Anointed of Lilliput could rule both islands.

Chapter 10

The Conquest and Conversion to Theocracy

Lilliput had just discovered gunpowder, and invading Blefuscu appeared a sure bet. Blefuscu was quickly subdued, but it wasn't the cannon and blunderbuss that did the trick. It was the introduction to the people of Blefuscu of the exquisite joy of using the raw power of The Almighty Sprug.

The missionaries allowed Blefuscuans to have hands on experience of using Sprugs to see how it turned the dry economics of a Garden of Eden into a wonderful and exciting new game. Word of this wonder spread to towns ahead of the invaders, and weakened any resolve at defense.

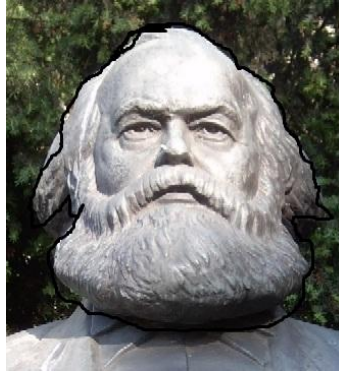
Once subdued, it wasn't long before the majority of the little people on Blefuscu craved the use of the raw unlimited power of Sprugs like the Lilliputians; and very soon they were to clamoring to convert Blefuscu into an economic theocracy and flood their island with these wonderful Sprugs.

Under a real threat of being overthrown, the Emperor relented, and signed a Charter converting his realm to an economic theocracy directed by the

Anointed under the influence of the “invisible hand” of The Almighty Sprug, and began issuing Sprugs to pay Blefuscu’s bureaucracy, its army and navy and war material industry, and etc.

The missionaries, seeing the chance of a lifetime, deserted their ties to Lilliput and eagerly joined in the new game of economics on Blefuscu; and, being experienced users of Sprugs, they quickly became the foundation of the Anointed on Blefuscu. Most of the families of the Anointed on Blefuscu when I arrived could trace their ancestry to these clever fellows. The missionaries had come with the intention to “do good,” and wound up “doing real good.”

Of course, the conversion to an economic theocracy marked the end of the Garden of Eden on Blefuscu just as it had on Lilliput. And naturally a High Heel party and Low Heel party appeared, and Blefuscu settled into a Sprug driven society. And, just as on Lilliput, the majority of Blefuscuians had jobs and prospered, and never wanted to return to the humdrum prosperity of the Garden of Eden.



Saint Karl Patron
Saint of Blefuscu

The Subtle Difference Between Blefuscu and Lilliput

While to the untrained eye the behavior of the little people of Blefuscu might appear the same as the behavior of the people of Lilliput, there was a subtle difference. Perhaps, because they had lived in a Garden of Eden much longer, the Blefuscuians weren't devout followers of Saint Adam. Blefuscuians chose to adopt the more compassionate Gospel of Saint Karl, and generally supported the Low Heels. The High Heels were there and ready to serve, but had fewer members in Blefuscu's Parliament.

So Blefuscu Low Heels adopted regulations and taxes to require its Anointed to "trickle down" enough to allow everyone a job, a roof over their

head, and medical treatment. Many Anointed, upset by this, left Blefuscu and moved to Lilliput where there were fewer regulations and taxes, but most soon returned. They found Blefuscu's society more stable, healthier, taking more pride in their work, and enjoying cooperation with other workers. Thus business was more profitable and worth the regulations and taxes.

So, while the Blefuscuians worshipped The Almighty Sprug and enjoyed the thrill of using the raw power of Sprugs like the Lilliputians, when I was there they didn't have the unemployed, poor and homeless on Blefuscu as on Lilliput. Working people had more holidays and medical treatment, and when workers grew old they received a salary from the government and spent their old age quite happily.

However, the most noticeable difference was the fact that, unlike Lilliput, the little people of Blefuscu declared their Parliament a vital area, forbidding its members from taking bribes and selling their votes for Sprugs. Campaigns for office in Parliament on Blefuscu were limited to six weeks, and no more, and the Emperor of Blefuscu provided every candidate a free platform and handbills to explain his position.

As a result members of Blefuscu's Parliament were not as deeply under the influence of the "invisible hand" as on Lilliput, tended to retain some vestige of compassion for their

constituents and interest in their problems, and resist some of the influence of the Anointed.

But all was not well on Blefuscu for the Low Heels had created their more compassionate economy on Blefuscu with a Public Credit Bubble, and unable to issue more Sprugs because it would reduce faith in the Sprug, the social benefits on Blefuscu were constantly increasing the Public Credit Bubble. By the time I arrived, Blefuscuians were beginning to worry that there was no way to issue enough Sprugs to pay off the Public debt without destroying faith in their Sprugs and inflating prices.

So Blefuscuians were electing more High Heels who, as expected, were at work to severely cut the social benefits, and reduce the regulations and taxes of the Anointed. So I suspect, with the growing power of the High Heels, it wouldn't be long before unemployment, poverty, and the homeless will appear on Blefuscu as they had on Lilliput.

I afraid I can't tell you much more about Blefuscu. The Emperor of Blefuscu refused to pay for my care, and when I did go there on official business for the Emperor of Lilliput, I had to take my own food, and care for myself. Despite this, everywhere I went I was treated with silent resentment, so I stayed mostly on Lilliput and had

to rely upon hearsay about conditions on Blefuscu,
and the direction they were headed.

Part III

Chapter 11

The Dissenters

Every theocracy is plagued by dissenters and the economic theocracy of Lilliput was no exception. While most people on both islands worshipped The Almighty Sprug and believed its “invisible hand” had led them into the best of all possible worlds, there were some who didn’t agree. I’ll quote a few of their thoughts from memory:

“The love of the Sprug is the root of all evil.”

“The introduction of the Sprug into society was a disaster for it causes good people to do bad acts.”

“If you make the Sprug a God, it will plague you like the devil.”

“Power corrupts and the absolute raw power of The Almighty Sprug corrupts absolutely.”

“Lilliput’s Parliament is the best that Sprugs can buy.”

The Econoscientists

The dissenting point of view was also held by a group of well-organized econoscientists, the scientists that had organized the economy during the Golden Age of Blefuscu, but now were limited to organizing vital areas for the Anointed. These people believed both islands should return to using the limited power of the Chug. Naturally I was curious, and wanted to hear more, but my friends in high places dissuaded me.

I didn't think further of the matter again until one warm and very dark night when I had gone to the seashore to stretch out to listen to the surf and dream of England. I had just become comfortable when I heard a movement at my head. At first I thought it was an animal that had strayed onto the beach, but it turned out to be a lady econoscientist who, after introducing herself, asked me not to speak or look in her direction.

I nodded agreement, relaxed on my back with my head on my hands, and listened to what turned out to be a well-rehearsed monologue: "Let me begin," she said, "by saying that we econoscientists don't believe the Sprug is a God; or that it has a 'mysterious invisible hand.' The Sprug is merely a piece of paper granting the bearer raw imperial power, and our craving or greed for that raw power is the "invisible hand" that drives our economy.

“We’re a sick society,” she continued. “When we have all kinds of resources and people willing to work -- for us to stop production just because we don’t have pieces of paper or no one to lend us some is not healthy. I’ve been in towns where the roads are almost impassable, with schools falling down, bridges ready to collapse, and while we have all kinds of teachers and workers sitting around with no jobs, we don’t put them to work repairing the roads, the schools or the bridges because we don’t have little pieces of paper.

“As long as we limit our production to the amount of Sprugs available – we’re doomed to have poverty because we can’t print enough Sprugs to allow everyone to prosper without inflating prices. And it doesn’t matter what the High Heels, Low Heels, or All Heels do, because the problem is not mismanagement. Our problem is we try to run an economy based upon faith in a paper god, and we pay the price.

“Running a society based on faith has always proven undependable, and there are always those in the rigging ready to take advantage of the faithful. Ultimately, if we continue to use this primitive system, it will collapse of its own accord, and the signs of collapse are already among us. Our middle class is rapidly disappearing, Sprug power is accumulating in fewer and fewer clever hands,

and interest on our ever growing Public Debt is bankrupting us.

“Perhaps the next generation can compensate by reducing government spending and reducing the prosperity of the people, but one day,” she said, “as sure as the sun rises, a future generation will have to turn to the same solution that has always been used in the past. It will have to call on the All Heels to rob or kill the Anointed and redistribute their Sprugs, cancel the Public Debt, and close the casino; and then, having cleared the deck, the All Heels will sink the ship.

“Then our people will call on the High Heels to “privatize” and restore the Anointed to power, and we’ll start the cycle all over again. This is the pattern we’ve followed ever since we adopted the Sprug and converted to a theocracy, and it will go on forever as long as we continue. The only way to break the cycle,” she said, “is to limit the power of the Sprug and return to using the limited power of the Chug.”

The Limited Role Of Econoscience

“But,” she admitted, “we’re under no illusion that this will happen any time soon. Our society truly loves using the raw power of the Sprug – we love accumulating it, we love spending it, we love counting it, we love talking about it, and we even

love reading about it. It's the love story of our lives, topped only by our love of sex, eating, and drinking, and Lilliputians may never want to give it up for they love playing the game of economics.

"The problem is people forget it is only a game and that some people aren't good at playing. Handling the raw power of the Sprug causes even the best of us to lose our humanity and want to play the game for keeps. So they may only be playing a game for the excitement of the chase, but they allow others to go hungry and homeless simply because they lose a game. This is inhuman.

"And it's our fault," she said. "We blundered on Blefuscu. We thought we were gods producing prosperity and leisure in the belief everyone would want to live in a Garden of Eden. We heard people complaining that working in a Garden of Eden was boring, but we had only one goal to get more production in a shorter time to give workers more free time away from the job.

"This was so wrong headed. Most of us little people are not searching for prosperity and leisure. We want excitement. We crave the thrill of joining in the chase and the dangers of the kill, and the chance to show off and strut about with trophies on our belts. Getting everything we need, and lots of free time without struggle spoils a lot of us rotten and we're still not happy without excitement.

"The same goes for the marketplace. It should be an enjoyable social event where people

who make things can meet the people who will use them. But instead of recognizing this reality, we were efficiency experts who tried to turn our people into machines to produce things in the least time and go home, and eliminated all the fun. And we paid the price with failure.

Then, after a pause, the voice sighed and said sadly, "I guess it won't be the last time that science puts a means of mass destruction in the hands of an unprepared society, but we econoscientists have been wearing a hair shirt ever since. And now it's too late to go back and try again because our society is "hooked" on using the raw power of the Sprug, and maybe they will never want to stop.

"Today," she said with a sigh, "we confine ourselves to working for the Anointed, engineering vital areas to improve production for products and services needed to survive, and, of course, to make the Anointed richer. But even that doesn't really help our society, for the more we improve production in the vital areas, the worse things get.

"I just came from a factory where they make wagon wheels. Before we went to work there, the factory employed 100 people. Now, with our improvement in organization and technology, they produce twice as many wheels with half the workers; and the rest have been laid off work and have no income. No wonder people hate us and our econoscience!

“What we should be doing, as scientists, is operating experimental colonies and test all our ideas that we have developed from our failures, but the Anointed won’t let us. They see such behavior as a serious threat to their power, and any such experimental colony would be quickly sabotaged and the econoscientists running them blacklisted and worse. Today our hands are tied and econoscience reduced to developing efficiency.

“There is, however, one crusade that we are working on that we’re sure will improve social conditions on Lilliput. We’re trying to convince Lilliputians to declare their Parliament a vital area, like on Blefuscu, and outlaw bribery of its members. We shamed the Low Heels into passing a law outlawing some of the bribery, but it has all been undone for the Supremes ruled bribery of Parliament is protected by the Freedom of Speech clause in Lilliput’s Charter.”

Then the monologue changed to a plea: “Captain Gulliver, it was to further this crusade that I’ve taken this dangerous chance to talk with you. You’re a big man on Lilliput, and we’re hoping that you might put in a word for us in high places, and help us with our crusade to get Parliament declared a vital area.”

I didn’t respond, but I thought to myself: “Sister you’re hailing the wrong vessel. My life on Lilliput depends on the continued use of the Sprug, and the goodwill of the Parliament, and I’m

certainly not going to torpedo my own life boat for your crusade.”

Chapter 11

The Rumor of Prosperous Island

Then the voice said something that caught my attention. She said that a century before a group of econoscientists and laymen, those with the desire to return to a Garden of Eden and its Golden Age, had provisioned three large ships, and set sail for a third deserted island rumored to exist to the north that was supposed to have the same resources as Lilliput and Blefuscu.

She said they planned to experiment with a new organization of the economy using the Chug as a medium of exchange, and make the economy an integrated part of the social structure. People would join the economy as a small child, and grow up being educated, not in some dry schoolhouse, but as a part of the economy, learning to master new technology as it is developed, and remaining a part of the economy as long as they wish.

I was all ears and anxious to hear more about the plan, but, suddenly at that point, a full moon broke over the horizon. “I’ve got to go,” she said, “but I’ll leave you with this note. The official word is that the rumored island didn’t exist, and that the expedition perished at sea. But,” she added, “the unofficial rumor has it that the

expedition found the island, and created a modern Garden of Eden.”

The lady then vanished leaving me quite excited about the rumored island. The next day I began studying the currents and winds, and watching birds fly north to return with full bellies, and concluded that there could very well be another island just to the north. I couldn't see an island when I stood on a hill, but one day I saw a mirage of an island to the north, and foolishly began inquiring around about the rumor.

My Undoing: I know now I acted foolishly, but, since I received such festive welcomes as I travelled about Lilliput, I had come to believe that I had nothing to worry about and could stay as long as I wanted. And because every moment I spent on the two islands with the little people provided something new and interesting I was in no hurry to leave and had no inkling how quickly things could change.

After all, hadn't I often opened my eggs on the wrong end when in High Heel territory; and did the same when in Low Heel territory; and all they'd did was laugh at my ignorance. Such political indiscretions didn't really matter to the Lilliputians for they all knew politics was a sham and that the Anointed ran everything.

But I found this didn't apply to the economy. Any real or imagined threat to the use of The

Almighty Sprug got a very quick reaction, and spies were everywhere ready to report suspicious behavior or loose talk or negative comments. So my innocent curiosity about *Prosperous Island* quickly put me on their watch list, and quite soon I was summoned to appear before an Investigating Committee of Parliament.

It was a terrible experience. I was accused of being an All Heel “sympathizer” who wanted to enslave the people of Lilliput in a highly organized economy, and nothing I said made any difference. The Commission lost no time in finding me guilty of blasphemy, and voted to strip me of my government support.

Suddenly all my grooms, farmers, cooks and builders were fired; and I changed from an economic asset to a giant freeloader and, worse, a social nuisance. Everywhere I went mobs, now deprived of Sprugs for my care, formed around me shaking their fist and shouting obscenities, and I knew my life was in danger and my days were numbered.

Dean Swift has described in detail how I escaped from Lilliput with only the clothes on my back and returned to England, so I won't bore you with repetition. But, after I got home and became rich and famous, I grew restless with nothing to do to create excitement in my life. So, I've decided to leave this account among my papers, take ship in a

fortnight to feel the rolling deck under my feet
again, and see if I can find *Prosperous Island*.

End