

A strange little pigsty parable

Douglas Stutsman of the University of Southern Alabama examines the curious case of the "spilled swill/hungry pig" dilemma as applied to modern economics. Reprinted from *The Chevron*.

There once was a pig farm that was operated by an old farmer, his son, and a hired man. The farmyard was filled with hundreds of pigs of all sizes, and they all ate their swill from a huge trough. The big hogs ate faster than the little ones, but they had bigger bellies to fill, and when the swill was finally gone, all the pigs were content.

One day some of the biggest hogs jumped into the trough, and the swill spilled over the sides. Some of the little pigs did not get enough to eat, because they could not lap up all the spilled swill before it soaked into the ground. The farmers saw the swill overflowing and they were greatly upset.

The old farmer had learned his agricultural theory in the old classical school, and he knew that when swill overflowed a trough there was too much swill in the trough. He did not see the big hogs in the trough and he did not notice that some of the little pigs were hungry, because he had been taught that hogs do not jump into troughs and that little pigs do not go hungry (unless they are just too hungry to eat).

The farmer's son had been educated in the new Keynesian school of agricultural theory, but he saw the problem much as his father did, for he too had learned that spilling swill means too much swill, and, like his father, he did not see the big hogs in the trough, for he too had been taught that

hogs do not jump into troughs.

But unlike his father, he knew that little pigs sometimes were forced to go hungry. (He was fond of joshing his father by reminding him of the notorious pig famines of the past and thus revealing the absurdity of the classical "hungry pig-lazy pig" theory.) But at first the son did not notice the hungry pigs either, because he knew that pigs do not go hungry unless there is too little swill, when quite obviously the present problem was too much swill, i.e., spilling swill.

The son had recently reached manhood and had taken over management of the farm, and so the problem was his to solve. The next day he put less swill in the trough, and sure enough the overflowing stopped. Both father and son were delighted, and each was sure that the happy results supported his school of agricultural theory; however, they soon noticed that some of the little pigs were starving. The father argued rather weakly that these must be lazy little pigs, but the son wore a broad smile of anticipation, for he knew how to solve this problem too.

Here, at last, was an opportunity to demonstrate to his father the superiority of the "new" agricultural theory. He patiently explained to his father that the starving little pigs were not lazy; they simply could not get enough swill. He poured more swill into the trough, and sure enough the little

pigs stopped starving. The father was amazed and he became a convert to the "new" agriculture. (The father was somewhat senile by this time.)

But soon they noticed that the trough was overflowing again, and they were greatly distressed. When they put in enough swill to feed all the pigs the trough overflowed,

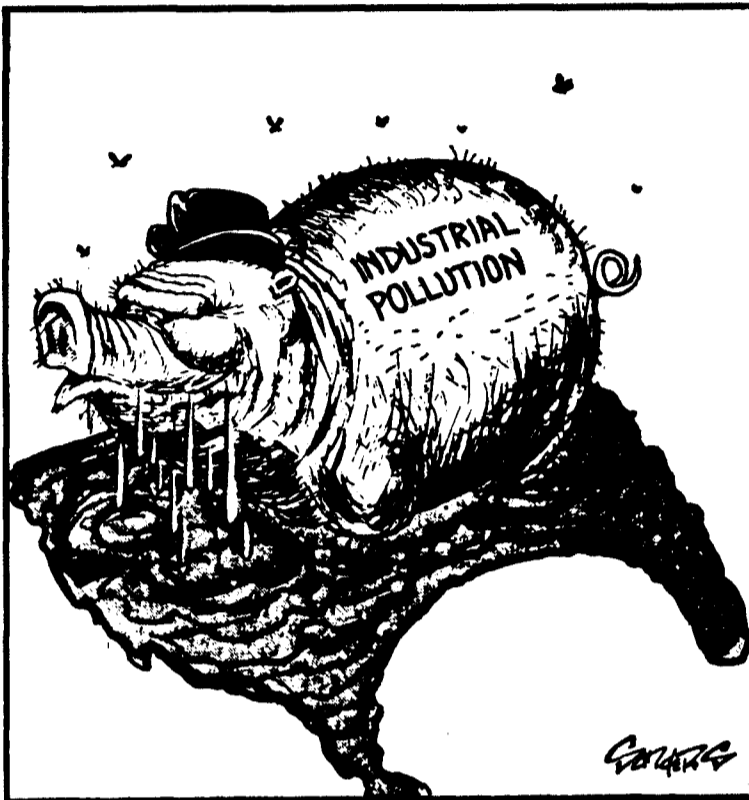
and when they took out enough to stop the overflowing some little pigs starved. They found nothing in either the classical or the Keynesian theory to explain and solve the problem. They worried about it constantly and came to call it the "spilled swill/hungry pig dilemma." They became desperate and tried all sorts of ingenious

procedures in an attempt to find a solution. They tried pouring in the swill from either side of the trough and from both sides simultaneously, they poured swill in one end while the hired man scooped it out the other, and they even tried running up to one side of the trough and acting as if they were going to empty their buckets and then hurrying around and pouring them in the other side, but still the dilemma remained; and it appeared to be getting more severe, because more big hogs were jumping into the trough. (Of course, neither father nor son noticed the big hogs in the trough, because they had learned that hogs do not jump into troughs.)

Finally desperation turned to resignation and they lost all hope of finding a solution. Instead they tried to find some balance, some acceptable compromise. They sought that combination of spilled swill and hungry pigs that would be preferable to all other combinations, but they could not agree. When the son was at the farm he instructed the hired man to pour in enough swill to keep all the pigs from starving, for if the "new" agricultural theory had taught him anything, it was that pig famines were unnecessary.

But when the son had to be away and the father was in charge, he instructed the hired man to pour in less swill so that the trough would not overflow, for the father still suspected that hungry little pigs were lazy little pigs.

The simple hired man had never been to school and was completely innocent of agricultural theory. He had great respect for both father and son and was awed by their obvious learning, but sometimes he wondered quietly why they did not pull the big hogs out of the trough.



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