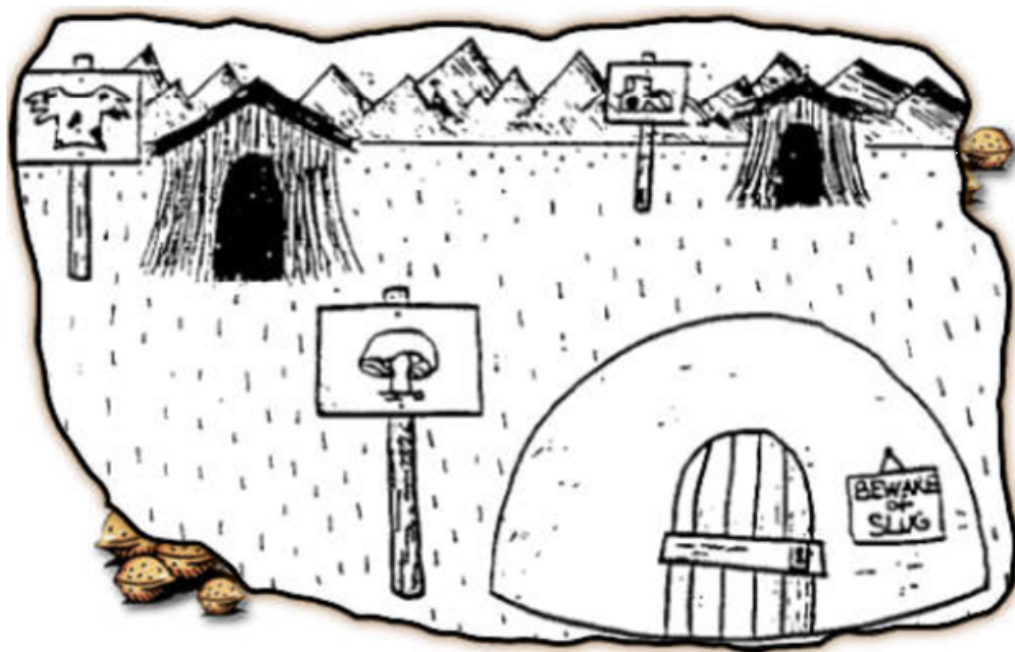


TO EACH HIS OWN

(Division of Labor)



Since there was no longer any need to work after supper, the villagers used their extra time to make and play musical instruments, relax, and discuss ideas in informal town meetings. At one of these meetings, a young man named Bart made a startling proposal.

"Why don't Marvin and Bianca take charge of all the farming for the whole village?" he asked. "They have the largest field, and they really enjoy farming. Then Harry and Harvey can devote all their time to hunting, because they are without a doubt the best hunters in the valley.

Everyone could do what they do best!"

At first, not many of the villagers paid attention, since Bart was something of a practical joker. But the idea was such a good one that it began to stir a lot of controversy at the meeting. Previously, all cooperation had been done in small groups, but village-wide cooperation seemed to offer many advantages. Yet one man named Wally thought this sounded incredibly boring.

"Marvin and Bianca love to farm, and I know Sean over there enjoys making shoes," he agreed, "but the only thing I seem to be able to do well is grow walnuts. I like eating walnuts as much as everyone else does, but I don't really want to spend all of my time growing them!"

This was a good point, but Bart's idea still seemed to win out in the long run. Although Wally might end up spending five or six hours each day in his walnut grove, at least he would be able to take the rest of the day off and not have to spend it making shoes and shirts! With some hesitation, Wally agreed that this division of labor would benefit everyone.

Soon, each villager became a specialist, working at only one task. Some, such as Shirley the shirt maker, produced things which you could hold in your hands...which they called goods. Others, such as Herb, who repaired huts, performed a service that could not be

put in a box. All the inhabitants of the valley were also consumers, taking the goods or services of others in return for the goods or services they themselves produced.

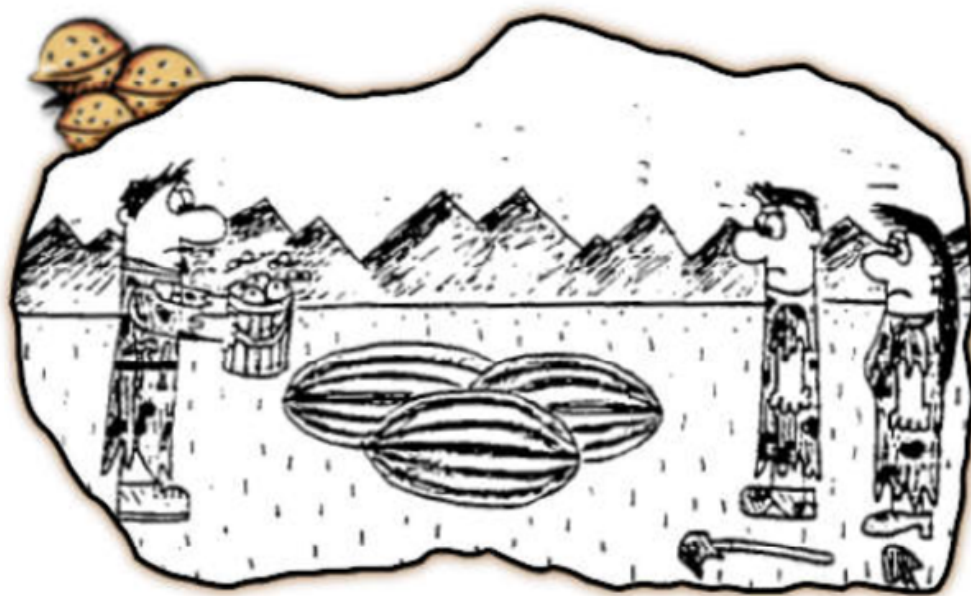
There was only one problem the villagers faced with the new system, and that was how to distribute all the goods and services they produced, in order to get what they needed. For example, Herb had to get vegetables, shirts, and shoes. How could he exchange his service, repairing huts, for what he needed?

The problem was solved by a process of bargaining. Marvin and Bianca would offer Herb a bushel of potatoes for having their huts repaired. Herb might feel that his service was more valuable, so he might ask for two dozen tomatoes in addition to the bushel of potatoes. Finally they would work out a compromise; Herb would fix their huts for a bushel of potatoes and only one dozen tomatoes.

All the villagers adopted this system, which they called barter...in Bart's honor. Everyone produced what they produced best, but could still consume the goods and services that they needed from the other villagers. Even Smidley, a shifty-eyed man who lived in a cave on the fringe of the village, finally began trading his mushrooms for goods and services.

GOING NUTS

(Standard of Value)



The villagers no longer had to do everything for themselves, and it was easy to find the person who had the goods or services that they wanted. But finding them wasn't enough--sometimes the specialist didn't need what you made to offer! Frequently, people had to go through numerous transactions before they ended up with what they were looking for.

One such example was when Sean needed a new hammer. He approached Tony, the toolmaker, and asked if he would be willing to trade a hammer for a new pair of shoes. Unfortunately, what Tony wanted was a high quality

shirt. When Sean went to see Shirley, she did not accept the shoes but told him that she needed two heads of lettuce.

"This could go on forever," muttered Sean. He was so frustrated he decided the hammer could wait!

Dealing with each product and service's value also created problems. When Harvey and Harry came back from hunting, they were uncertain as to how many carrots they should charge Marvin and Bianca for a duck, as compared to the number of shirts Shirley could give them for the same duck. Plus, there was no way Shirley could offer "half a shirt" to trade. It was very confusing.

Most of the villagers wanted to get down to making shoes or repairing huts, and they considered negotiation to be a hassle...especially if they had to deal with several people to get the one thing they wanted. Yet strangely, Wally seemed to be trading his walnuts for things he didn't need on purpose, just so he could try and find someone else to trade with again.

"I don't believe it!" exclaimed Marvin to Bianca. "We've got our hands full bartering vegetables all day, because otherwise they'll rot on the vine. Wally's walnuts last for years...so he could wait however long he wanted, but he spends all day trading."

Bianca nodded in amazement. "Something else I heard," she gossiped, "is that most of the time he just trades it all back for walnuts again. He treats it like a game, where he tries to get more than he started out with!!! Wally is nuts!"

"Wait a second," mused Marvin. "Since Wally likes this game so much, why don't we just take all our vegetables to him and get walnuts? They'd last much longer than our vegetables do, and we could focus on farming and spend less time trading!"

Wally was eager to strike a deal, so Marvin and Bianca swapped their entire harvest for buckets upon buckets of walnuts. They took a few of them to Herb, who they'd been wanting to talk to about building a shed to store their gardening tools in. Herb waved as they walked up, but shook his head.

"I know they're good for me, but I still don't like vegetables!" he said, stepping down from his ladder. "What I could really use right now are some new shirts! So you'll need to go talk to Shirley first."

Marvin and Bianca showed him that their buckets contained walnuts, not vegetables.

"Well, I don't really want walnuts either," remarked Herb. "Today, I could use a shirt. Tomorrow...who knows?"

"Come on Herb," pleaded Marvin, "you know Wally, he's always got tons of stuff he's picked up that he's trying to trade back for walnuts again. If he finds out you have walnuts and you want a shirt, he'll find a way to get that shirt to you."

"And if you change your mind and decide you want something else, Wally will find that too!" chimed Bianca.

"I guess you're right," said Herb, scratching his head. "You pretty much can't go wrong with walnuts! If worst comes to worst, I can just eat them."

They all felt a little bad taking advantage of Wally, but he didn't seem to mind a bit. It wasn't long before Marvin and Bianca decided to trade their crops for walnuts every time they had a harvest. It made it fairly easy for them, but now if the villagers wanted fruit and vegetables they would have to do their bartering with Wally, since he was the only one who distributed them.

Eventually everyone adopted this. Shirley would go to Wally on the first day of each month and give him all the shirts she had made in return for several bushels of walnuts. Harvey and Harry would take the ducks they had hunted each day to Wally and traded them for walnuts. Herb began accepting only walnuts as payment.

It was now Wally's job to barter all the products with the villagers. Walnuts had become a standard of value for Capland.
