

**A Day in the Life
Of
Milo and Zed**

By L. Lieske

A Day in the Life of Milo and Zed

Milo could hardly wait to get home from school. Not only didn't he have much homework, but he was looking forward to going on-line with his foreign e-mail pal, Zed Petrovsky. Zed was a riot! He was one of the most off-the-wall people Milo knew – and one of the smartest, too. But this ongoing e-mail conversation hadn't started out as a fun activity. When the two had met over the computer three months ago as part of an assignment for school, Milo hadn't been very enthused. What could he *possibly* have in common with some guy from a country like Slobotnia? He wouldn't know about any of the bands Milo listened to, or watch the same movies or TV shows – Milo figured it was going to be a royal waste of time. But it hadn't worked out that way! Although there *were* lots of differences between them, the two became friends almost immediately and now “talked” to each other over the computer at least two or three times a week.

Milo threw his backpack down on his bed, peeled off his jacket and added it to the pile of debris growing larger by the minute on the floor.

“Hi, Brat. You home from school already?” Milo's mom leaned casually against his open bedroom door and smiled. “Here,” she said, tossing him an apple, “do me a favor and eat something healthy for a change. And don't forget, homework *before* going on-line, OK?”

“Can’t I go on-line first,” Milo asked. “All I’ve got is some science stuff I need to do with Jerry when he gets home from practice later. If I’m going to talk to Zed it has to be now ‘cuz this is the only time he can get on the computer at his library.”

“Sounds like a reasonable plan,” she observed. “Just make sure it happens, got it? Remember, choices have consequences. If spending time on-line causes your grades to slip, you’re off the computer – choosing one thing often **costs** us the **opportunity** to have something else!”

“Don’t worry,” he said to her back as she turned and walked out of the room.

Holding the apple between his teeth, Milo plopped down on the chair in front of his computer, logged on, and settled in for an update from Zed. In just a moment, an instant message appeared on the computer screen:

“Hey, Loser, what’s going on?”

“Nothing much,” Milo typed with two agile index fingers, “just sitting here eating an apple and talking to you. How’re things in Europe? Made any progress with that girl in your ‘Young Citizens’ class?”

Zed seemed to ignore Milo’s question.

“Eating an apple? Wow, it’s been *months* since I’ve had an apple!”

“You’ve got to be kidding,” Milo typed back. “Don’t they grow apples in Slobotnia?”

“Sure they do,” came the electronic response, “it’s just that they’re awfully expensive and last time there were some at the market, they were gone by the time my mom got to the front of the line.”

Milo was sure Zed was pulling his leg.

“Aw, c’mon, you mean to tell me you have to stand in line to buy a stupid old apple?? You guys have *got* to have grocery stores. You’re not living on a deserted island, after all!”

Zed didn’t respond immediately and Milo was just about to ask if something was wrong when his screen was once again active.

“Sure we have grocery stores,” Zed typed, “but the shelves are empty a lot of the time and, like I said, the last time they had apples my mom didn’t get to the front of the line before they were all gone. The last time I got a pair of shoes they only had some a size-and-a-half too big for me by the time it was our turn to get into the store. But I just stuff paper into the toes to make them fit. Don’t tell me you always get exactly what you want whenever you go to the store.”

Milo had to admit that, of course, he didn’t always get everything he wanted, but the image of Zed’s mom waiting in line to buy apples and Zed having to buy shoes too large for him made Milo pause for a moment before continuing.

“Sorry, Zed,” he wrote, “guess I don’t know very much about your country after all. Don’t you guys have farms and factories and stuff like that?”

“Of course we do,” came the response. “The government factories and stores do the best they can, but there’s a problem with **scarcity** ~ there’s not enough to go around when everyone needs and wants the same basic things.”

Milo was again a little confused by what Zed was saying.

“What do you mean by ‘*government*’ factories and stores? What about chain stores and major corporations?? We’ve got huge stores like Meijer all over Michigan and companies that make everything from toothpicks to toilet paper. What’s the *government* got to do with whether or not you can get apples and shoes?”

“That’s because your country has a **capitalist** economy,” Zed explained to his less-informed friend. “Slobotnia has a **command** economy. My government believes an economy run by the *government* is better than yours where the economy is run by *individuals*.”

“Is that why the news always refers to Slobotnia as ‘**Communist**,’” Milo asked.

“That’s right,” Zed typed back.

Milo took a big bite out of his apple, using his shirtsleeve to wipe away the juice that trickled down his chin. Both guys let their screens sit idle for a minute.

Zed finally broke the electronic silence that settled between them.

“Let me ask you a question or two,” he typed. “Where does your father work and where do you live?”

Milo thought Zed was losing it but responded promptly.

“My dad owns a construction company and we live in a house. Why? Where does your dad work and where do you guys live?”

Zed’s response came quickly.

“Your dad *owns* a company?? Wow, that’s cool! How many other families live in the house with you?”

“Are you *nuts*,” Milo dashed off. “No one else lives in our house! That would be gross!! And yeah, my dad owns his company – he’s a real **entrepreneur** (great word, huh?). His company’s pretty successful, too. He’s always talking about the value of all the stuff his company owns and their total worth – calls it ‘**capital**.’ Competition with other businesses is tough but he works hard and makes a good living.”

Zed shook his head at the image of all those people working against each other in order to succeed and patiently tried to explain things to his American friend.

“You need to understand more about my country, Milo. For one thing, here there’s no such thing as competition. My government believes that if *they* own all the big companies, factories, and stores then the citizens will be better off. My government tries to protect the people by controlling what is sold and how much it costs.”

“Now, wait a minute,” Milo typed back, “even *I* remember learning about **supply and demand** in school. You said before that your country’s supply of stuff was *low* – that should make prices go *up* because supply and price are always opposite – when there’s not a lot of something, the price goes *up*, when there’s lots, price goes *down*.”

You also said there's not always enough to meet your country's demand for stuff – that should *also* make prices go up because demand and price are always the same – if everyone wants something you can charge more; if no one wants it, you put it on sale. Seems to me that you guys would have a real problem with rising prices – that's called '**inflation**,' isn't it?

“But remember,” Zed reminded his friend, “I just said my country controls prices so we're treated fairly.”

Milo didn't think it sounded like controlling prices was helping Zed's people to be treated fairly – especially since Zed had said that apples were 'awfully expensive' – but he decided not to risk insulting his friend by saying so. He was also beginning to understand what his social studies teacher had meant when she said the United States is also called a '**Free Market**' economy; people can do basically anything they want in America – as long as it's *legal*!

After pausing a moment, he continued the conversation.

“Hey jerk, you never answered my questions. Where does *your* dad work and where do *you* guys live??”

“Show some respect, you American snob,” Zed typed back good-naturedly.

“Remember, I'm older than you – and *obviously* smarter! For your information, my father works at a government factory that makes farm machinery. They assigned him to the factory right after he finished his 'Young Citizens' classes. And we live in the

government apartment building he and my mother were assigned to when they got married. It's pretty nice, really. I have to share the couch-bed in the living room with my brother, but my parents have their own room. And the bathroom's only a few doors down the hall from our apartment."

Milo had typed out his flabbergasted response to Zed's living conditions and was just about to press 'send' when he thought better of it and pushed 'delete' instead. How could anybody think sharing a couch with your brother and using a bathroom down the hall from your apartment was 'pretty nice'???

"Let me see if I've got this right," he began again, typing thoughtfully. "Sounds like there's a lot of things you guys *can't* do. You can't own a business, you can't choose your job, you can only buy what the government makes, and wages and prices are controlled. Is that right? What about getting a house? I don't mean to insult you, but can't your folks afford to buy something of their own?"

"You've got it right," Zed typed back. "My government protects us by controlling all those things. As far as buying a house is concerned, we can't own land. The government owns all the land to make sure the people have what they need."

Milo was beginning to feel that, in spite of being a really smart guy in lots of ways, Zed just didn't get it. How could so much government control be good for the people? He knew from school that in the U.S. economy the government sets the *rules* but then stays pretty much out of the picture unless someone breaks them. Under

capitalism, Americans are free to buy or sell whatever is legal, own land, run a business, work at the best job you're qualified for, and make as much money as you legally can.

It seemed to Milo that economies are like a football game. In a capitalist economy the government is like the referee who watches the game to make sure no rules are broken but isn't one of the players. In a command economy the government is more like the head coach, calling all the plays and deciding who's in the game and who gets benched.

Milo reread what Zed had written about the government owning and controlling everything to 'make sure people have what they need.' In Milo's opinion, that just didn't make sense. Zed's people *obviously* didn't have what they needed! He couldn't help wondering why Zed couldn't see that the differences between their two governments probably explained the difference between empty store shelves in Slobotnia and stores in the U.S. that offer everything you could possibly want.

Milo decided it was definitely time to change the subject.

"Hey, moron," he typed, "enough talk about money and politics! You haven't told me if you've made any progress with that great-looking girl in your 'Young Citizens' class. What's the scoop?"

THE END

CAPITALIST ECONOMY

What it is:

Also called:

Capitalism's freedoms:

1. _____
2. _____
3. _____
4. _____
5. _____

COMMAND ECONOMY

What it is:

Also called:

Command economy's restrictions:

1. _____
2. _____
3. _____
4. _____
5. _____

WORDS TO KNOW

1. Scarcity: _____
2. Law of Supply: _____
3. Law of Demand: _____
4. Opportunity Cost: _____
5. Capital: _____
6. Entrepreneur: _____
7. Inflation: _____

Milo

CAPITALIST ECONOMY

What it is:

Economy run by individuals --
govt sets/enforces rules

Also called:

Free Market

Capitalism's freedoms:

1. Buy/sell whatever is legal
2. Own land
3. Run a business
4. Get best job you can
5. Make as much \$ as you can -- LEGALLY!!

Zed

COMMAND ECONOMY

What it is:

Economy run by the
government

Also called:

Communist

Command economy's restrictions:

1. Can't own business
2. " choose job
3. Can only buy what govt provides
4. Wages/prices are controlled
5. Can't own land

WORDS TO KNOW

1. Scarcity: There's not enough of what everyone needs/wants
2. Law of Supply: Supply and price are always OPPOSITE (↑↓)
3. Law of Demand: Demand and price are always THE SAME (↑↑)
4. Opportunity Cost: Choosing one thing costs you the opportunity to do/have something else
5. Capital: Total value of what a business has (building, machines, etc.)
6. Entrepreneur: Someone who owns a business
7. Inflation: Rising prices due to changes in supply/demand