

Briefing Materials, First Congress of the Delegates of the Sandwich Islands, Darren Grant.

\*\*\* TOP SECRET – FOR THE EYES OF OFFICIAL DELEGATES ONLY \*\*\*

As you know, the inhabitants of our island archipelago subsist solely on Ham and Egg Sandwiches. It takes one Pound of Ham and two Eggs to make a Ham and Egg sandwich. It is possible to make fractions of a sandwich, but leftover Ham or Eggs does us no good.

Each island can produce Ham or Eggs. But all islands are not the same—some are bigger, some smaller, some are better suited to Ham production, others better suited to the production of Eggs. Based on the extensive research of our staff, the table below lists how many pounds of Ham *or* Eggs each island could produce in a day if the inhabitants devoted *all their time to the production of that commodity*. (They can't do all the Ham and all the Eggs—they must choose.)

We gather together in this Congress in order to combine our efforts and maximize sandwich production. Some islands may focus on Ham, others on Eggs, combining the two to make sandwiches; still other islands may produce some of each. Our people are hungry and we are desperate. Sandwiches we need; sandwiches we shall have! Your duty is to work with the other delegates from your island to figure out who should do what in order to achieve this goal.

Island	Pounds of Ham in a Day (in thousands)	Eggs in a Day (in thousands)
Apple	8	14
Ball	8	13
Victor	7	15
Pop	11	12
Echo	5	3
Fixins	7	10
Whisky	8	16
Delta	9	12
Gotcha	5	9
Happy	2	2
Mandible	3	9
Jumpin Jack	10	16
Keg	7	10
Nibbles	5	11
Lazy	8	15



**\*\*\* TOP SECRET – FOR THE EYES OF OFFICIAL DELEGATES ONLY \*\*\***

Our First Congress was successful. Working together, the Sandwich Islands are making a lot of sandwiches, and our people are no longer hungry. But there are rumors of discontent. Some islands think they would do better to opt out of the sandwich confederation and make their own sandwiches. In this Congress, we must decide what to do about this.

As before, the table below tells how many pounds of Ham *or* Eggs each island could produce in a day if the inhabitants devoted *all their time to the production of that commodity*. But an island could also devote some fraction of its day to Ham and the remainder to Eggs. For example, if Whiskey spent 1/4 of its time on Ham and the rest on Eggs, it would produce  $1/4 * 8 = 2000$  lbs. of Ham, and  $3/4 * 16 = 12,000$  Eggs. To make its own sandwiches, it must divide its time between Ham and Egg production.

In the first half of this Congress, each island must decide what fraction of its time to spend producing Ham, the rest to be spent making Eggs, in order to maximize the number of sandwiches produced in-house (that is, without trading with any other island). Above, for example, Whiskey is not maximizing its sandwich production. It should spend more time on Ham and less on Eggs.

In the second half, each island will determine how many sandwiches it can obtain by specializing in Ham or Eggs, as before, selling it all and purchasing Sandwiches with the money. (The price of a sandwich equals the cost of one pound of Ham plus the cost of two Eggs.) This way, we will discover which islands are better off opting out of the sandwich confederation and making their own sandwiches instead.

Island	Pounds of Ham in a Day (in thousands)	Eggs in a Day (in thousands)
Apple	8	14
Ball	8	13
Victor	7	15
Pop	11	12
Echo	5	3
Fixins	7	10
Whisky	8	16
Delta	9	12
Gotcha	5	9
Happy	2	2
Mandible	3	9
Jumpin Jack	10	16
Keg	7	10
Nibbles	5	11
Lazy	8	15



Briefing Materials, The Third Congress of the Delegates of the Sandwich Islands, Darren Grant.

\*\*\* TOP SECRET – FOR THE EYES OF OFFICIAL DELEGATES ONLY \*\*\*

Our first two Congresses were successful. Working together, the Sandwich Islands are making a lot of Sandwiches, and our people are no longer hungry. Furthermore, this bounty extends to every island. No island prefers to exit the confederation and make Sandwiches by themselves. However, there has now been a proposal to double the amount of money in circulation in the Sandwich Islands, in the belief that it will make the islanders richer. We must decide what to do about that.

Let's begin by calculating "national output": the total value of all Sandwiches produced across all islands, in dollars. After that, re-calculate output using the total value of the Ham and Eggs used to create Sandwiches. How do these two numbers compare?

Next, assume the amount of money people have to purchase things with doubles. However, all islands' PPF's remain the same. What will happen to the price of Sandwiches?

At the new prices, calculate the new national output of the Sandwich Islands in dollars. Has it changed? What about the number of Sandwiches produced—has it changed too?

In this country, Sandwiches are the only consumer good. So what is the rate of inflation in the Sandwich Islands after doubling the money supply? Is doing so a good idea or not?

Island	Pounds of Ham in a Day (1000's)	Eggs in a Day (1000's)
Apple	8	14
Ball	8	13
Victor	7	15
Pop	11	12
Echo	5	3
Fixins	7	10
Whisky	8	16
Delta	9	12
Gotcha	5	9
Happy	2	2
Mandible	3	9
Jumpin Jack	10	16
Keg	7	10
Nibbles	5	11
Lazy	8	15



Briefing Materials, The Closing Congress of the Delegates of the Sandwich Islands, Darren Grant.

\*\*\* TOP SECRET – FOR THE EYES OF OFFICIAL DELEGATES ONLY \*\*\*

Having successfully navigated the economic challenges facing our island nation, other countries are coming to us for advice. One such country, Kalaallit Nunaat, consists of fifteen remote villages separated from each other along the icy Arctic coast. The villagers subsist solely on “Mega-Smores,” which are made by combining one pound of Graham Crackers with three Marshmallows.

Each village can produce Graham Crackers and Marshmallows. But all villages are not the same—some are bigger, some smaller, some are better suited to Graham Cracker production, others better suited to the production of Marshmallows. Based on the extensive research of our staff, the table below lists how many pounds of Graham Crackers *or* Marshmallows each village could produce in a day if the inhabitants devoted *all their time to the production of that commodity*. (They can’t do all the Graham Crackers and all the Marshmallows—they must choose.)

We wish to guide Kalaallit Nunaat as to how to best pool its resources to create the most Smores. Indicate how this can best be done, identify the prices that support this, and calculate the total GDP of this country. Then, just for your village, draw out your PPF, determine whether you have comparative advantage in Graham Crackers or in Marshmallows, and figure out (approximately) how many Smores you could make without trade. Finally, would you recommend an increase in the money supply for Kalaallit Nunaat?

Village	Pounds of Graham Crackers in a Day (1000's)	Marshmallows in a Day (1000's)
Apply	4	14
Bell	4	13
Vector	4	15
Pup	5	12
Itch	3	3
Fitting	3	10
Whisk	4	16
Deltoid	5	12
Goth	3	9
Hammy	1	2
Edible	2	9
Javelina	5	16
Key	4	10
Nestles	3	11
Lately	4	15