

RIVERS OF GOLD AS PLENTY

FISH AND CHOWDER HOUSE

© 1989 Alaska Council on Economic Education
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Art by John Dawson

Over the next year, we will be printing the book *Adventures in the Alaska Economy* as a serial. Every week we will present approximately one and a half pages. The book, an economics text presented in comic book form, is the result of a collaboration between economics professors Steve Jackstadt, Lee Huskey and artist John Dawson.

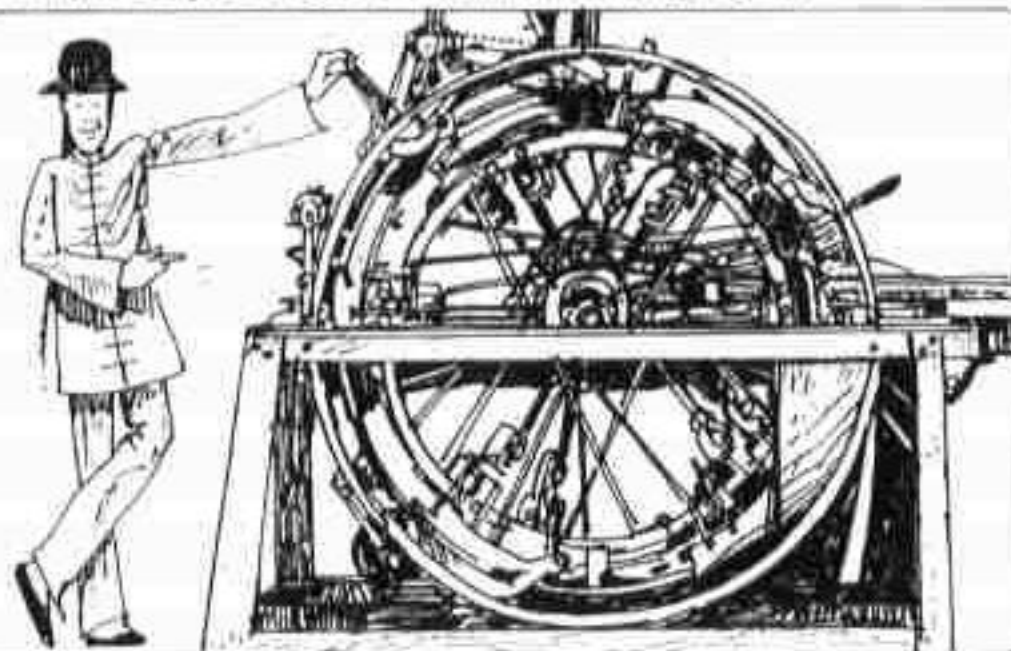
The book will be available after February 1990 and may be obtained by calling the Alaska Council on Economic Education at 786-1901.

The early salmon industry experienced tremendous competition. When one company found a productive salmon stream other companies would move in to share the bounty. The incentive that led to this behavior was the pursuit of profits. The number of canneries peaked at 160 in 1920.

Competition drove down the price of canned salmon. The industry responded to low prices by increasing its productivity. Low prices were dealt with through the development of new technology. The invention of the salmon butchering machine around the turn of the century is an example of new technology which increased the **productivity** of the resources and reduced the cost of production. New technology could reduce costs and allow profits to be made even at lower prices.



THE SALMON BUTCHERING MACHINE. MY INVENTION MADE EVERY WORKER MORE PRODUCTIVE AND LOWERED THE COST OF CANNING SALMON.



I HAD SAVED MY BOSS'S BUSINESS AND THE JOBS OF MY FELLOW WORKERS. HIGHER PRODUCTIVITY AND LOWER COSTS ALLOWED US TO PRODUCE EVEN THOUGH PRICES WERE LOWER.



INVENTIONS COULD LOWER THE COST OF CANNING SALMON BUT THE PROBLEM OF THE DISAPPEARING SALMON WAS HARDER TO SOLVE.



WHY ARE THE SALMON DISAPPEARING?

SALMON HAVE TO GET UP STREAM TO SPAWN, SO THERE WILL BE BABY SALMON. WE'VE CAUGHT SO MANY SALMON IN THE PAST FEW YEARS THAT FEW HAVE ESCAPED TO SPAWN.

SO THE SOLUTION WAS EASY!! I RACED TO TELL MY BOSS.



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