

William Perry Finds Something Better than Gold in : Episode IV



SAN FRANCISCO 1851

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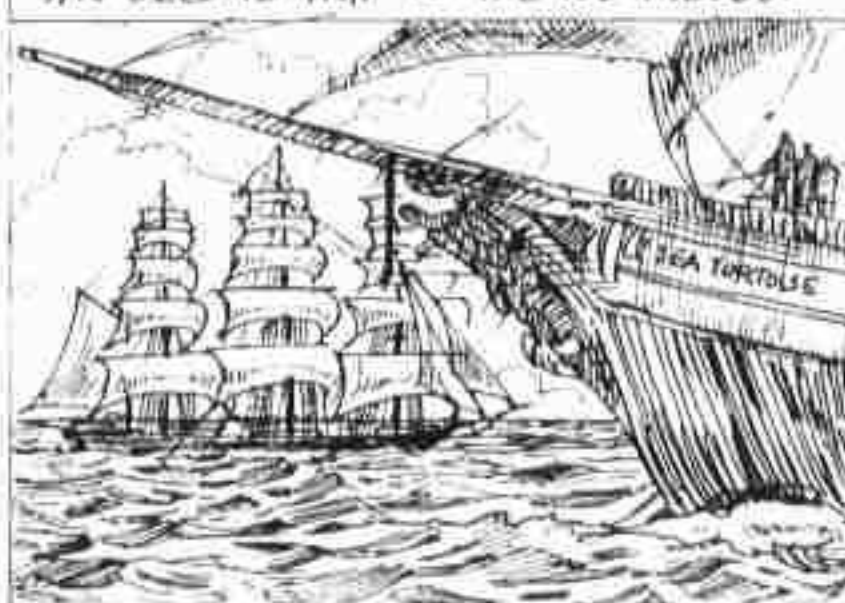
Over the next year, we will be printing the book *Adventures in the Alaska Economy* as a serial. Every week we will present approximately one and a half pages. The book, an economics text presented in comic book form, is the result of a collaboration between economics professors Steve Jackstadt, Lee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

Ice sold for \$75 a ton in 1852. The people of San Francisco were willing to pay a high price for ice and this provided an incentive for the entrepreneurs behind the Russian American Ice Company. Alaska's ice was closer, it was less than 2000 miles from Kodiak to San Francisco, so it cost less to bring to market than New England ice. The difference between the price of ice in San Francisco and the cost of bringing it from Alaska provided the entrepreneurs a profit.

In our story when William Perry first approached the Russian Consul with his idea, the consul couldn't understand what made the ice valuable. The ice wasn't valuable in Alaska. Besides hadn't the ice been around a long time? What made it so valuable in 1850. The value of any good depends on how much of it there is and how much of it people want to use or its scarcity. Ice wasn't valuable in Alaska because there was a lot of it and few people to use it. Ice got more valuable in San Francisco because the number of people wanting to use it increased.

WITH THE BOAT LOADED WE SAILED FOR HOME. BOSS TATE SAILED PAST US ON HIS SECOND TRIP TO THE ICE FIELDS.



AS WE ARRIVED IN THE MIDSUMMER HEAT, THE BOSS ALSO SAILED INTO PORT. HIS PREVIOUS TRIP HAD MADE HIM THE ICE KING OF SAN FRANCISCO. MY PARTNERS DESPAIRED, BUT I HAD A PLAN.



BOSS TATE SOLD ICE AS FAST AS HE COULD UNLOAD IT BUT THE SMALL LAKE AROUND HIS ICE WOULD BE A SOURCE OF TROUBLE. TROUBLE I WOULDN'T HAVE BECAUSE MY ICE WAS SAFE IN THE COOL ICE HOUSE.



WITH MY ICE SAFELY STORED AWAY I OPENED FOR BUSINESS.



LOWERING MY PRICE BELOW BOSS TATE'S SOON CREATED A LINE AT MY ICE HOUSE. I WAS A HERO BECAUSE I BROUGHT THE PRICE OF ICE DOWN. MY INVESTMENT OF TIME AND RESOURCES ALLOWED ME TO PRODUCE THE ICE AT A LOWER COST.



MY COMPETITION MELTED AWAY.



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