

# The Chesapeake Marine Railway and Dry Dock Company of Baltimore

**Grade Level:** 8

**Duration:** 2 class periods

## **Maryland Voluntary State Curriculum (VSC):**

**Economics Standard:** Students will develop economic reasoning to understand the historical development and current status of economic principles, institutions, and processes needed to be effective citizens, consumers, and workers participating in local communities, the nation, and the world.

- 4.A.3.c Describe the economic opportunities and obstacles faced by different individuals and groups of people before and after the Civil War (Grade 8)
- 4.B.1.b Analyze how the characteristics of a market economy affected the economic development of the 19<sup>th</sup> century such as the role of entrepreneurs, markets, and competition (Grade 8)

## **Objectives:**

- Students will be able to describe the purpose of stocks.
- Students will be able to describe the obstacles faced by African American maritime workers in Baltimore during the 19<sup>th</sup> Century.
- Students will be able to analyze the efforts made by African Americans to overcome those obstacles.

## **Economic Vocabulary/Concepts:**

**Charter-** A document issued by a state that gives legal status to a corporation and details its specific rights, including the authority to issue a certain maximum number of shares of stock.

**Corporation-** a company authorized to act as a single entity, having rights, privileges and responsibilities distinct from those of the individuals within the entity

**Dividends-** part of a company's profits that may be distributed to share holders

**Stock-** shares in a corporation

**Stock Certificate-** document attesting to the ownership of shares of stock

## **Materials:**

*For Teacher:*

Candy

Teacher Resource Sheet #1, "Chesapeake Marine Railway and Dry Dock Company Stock Certificate"

Teacher Resource Sheet #2, "Certificate of Ownership"

Teacher Resource Sheet #3, "Chesapeake Marine Railway & Dry Dock Company"

Teacher Resource Sheet #4, "Charter"

Teacher Resource Sheet #5, "Founders of the Chesapeake Marine Railway & Dry Dock Company"

*For Student:*

Student Resource Sheet #1, "The Chesapeake Marine Railway & Dry Dock Company of Baltimore History Frame"

Student Resource Sheet #2a-b, "Chesapeake Marine Railway & Dry Dock Company"

**Resources:**

- Stock activity adapted from *Learning, Earning and Investing: Middle School*, National Council on Economic Education

*Note to teacher: Prior to class make enough copies of Teacher Resource Sheet #2 for each group of students in your class. Cut each copy into 10 pieces and place those pieces in an envelope. You will have one envelope for each group. Label each envelope Stocks for Group\_\_\_\_. In addition, create 10 true/false questions for the Stock Simulation Game.*

**Lesson Development:**

1. **Motivation:** Display Teacher Resource Sheet #1, "Chesapeake Marine Railway and Dry Dock Company Stock Certificate." Ask: What is this document? When was it created? Why do you think it was created?
2. Explain that the document is a stock certificate, a document attesting to the ownership of stock. Ask: What is a stock? Accept all answers.
3. Tell students that they are going to be participating in a simulation which will help them understand the purpose of stocks.
4. Explain to students that each of their group represents a household. Households earn income. Households usually spend some of their income and save some of it. Some households chose to use some of their savings to purchase stocks.
5. Each group will have the opportunity to earn stock by correctly answering questions. For each correct answer, they will receive a strip of paper worth 15 shares of stock in the Economics & Social Studies Knowledge Company. If the group answers all of the answers correctly, they will have enough strips to create a stock certificate that represents 150 shares.
6. Have each group appoint a spokesperson. Give that person a piece of paper with a large "T" written on one side and a large "F" written on the other. Explain that when a question is asked, group members will have a few minutes to discuss the question and decide the answer. When told to "Show the answer," the spokesperson will hold up the side of paper displaying the answer the group thinks is correct.
7. Tell each group to appoint a stockholder. This person will hold the envelope containing the shares of stock and will take a strip from the envelope when the group gets an answer correct.

8. Conduct the game with the True/False questions that you created prior to the lesson.
9. When the game is over, distribute a piece of construction paper and tape to each group. Give them time to tape their pieces together.
10. Display Teacher Resource Sheet #2, "Certificate of Ownership." Tell students that if they answered all of the answers in the game correctly, they will have a complete certificate. Ask:
  - If your group answered all of the questions correctly, how many share of stock would you own?
  - How many shares do you own?
  - Of the 150 shares your group could have earned, what percent does your group own?
11. Tell students that each group will receive dividends based on the number of shares that they own. Explain that in real life dividends are paid in cash, but for this activity, the dividends will be paid in candy. The dividend paid on each share of The Economics & Social Studies Knowledge Company stock is  $\frac{1}{5}$  of a piece of candy. Have each group determine its dividends. (15 shares = 3 pieces of candy, 30 shares = 6, etc.) Distribute the candy.
12. Debrief the simulation. Ask: Why would a company sell stock? (*to raise money to start or expand business*) Why would an individual purchase stock? (*to support that business and/or because they hope to earn a return- make money*)
13. Display Teacher Resource Sheet #1, "Chesapeake Marine Railway and Dry Dock Company Stock Certificate" again. Ask: What type of business do you think this company does?
14. Display Teacher Resource Sheet #3, "Chesapeake Marine Railway and Dry Dock Company." Explain that Chesapeake Marine Railway and Dry Dock Company was the first African American owned and operated shipyard in the United States. Tell them that they are going to be learning more about this company.
15. Distribute Student Resource Sheet #1, "The Chesapeake Marine Rail Way and Dry Dock Company History Frame" and Student Resource Sheet #2, "The Chesapeake Marine Railway and Dry Dock Company." Instruct students to read the selection and complete the graphic organizer. Debrief.
16. Display Teacher Resource Sheet #4, "Charter." Explain that a charter is a document issued by a state that gives legal status to a corporation and details its specific rights, including the authority to issue a certain maximum number of shares of stock. Ask: How many stocks were authorized to be sold? (*8,000*) How much was each stock? (*\$5*) Who signed this charter? Who do you think they were?

17. Display Teacher Resource Sheet #5, “Founders of the Chesapeake Marine Railway & Dry Dock Company.” These men were the founders of the business. Explain that they were the leaders of African American society in Baltimore. Discuss their occupations. Tell students that while they were instrumental in founding and running the company, the company could never have existed without the help of its other shareholders. Explain that these men were the ones who convinced other African American Baltimoreans to invest in the shipyard. Ask: Why might a person have invested in the shipyard? Was it always about making money? What was the significance of this shipyard to the African American community? Discuss.

18. **Assessment:** Have students respond to the following prompt.

You are an advisor to Isaac Myers, one of the founders of the Chesapeake Marine Railway & Dry Dock Company. He has asked you to help convince the Baltimore African American community to invest in the corporation. You will be speaking to members of the Sharp Street United Methodist Church. Write a short speech for that presentation. Your speech should include:

- Overview of the obstacles faced by African American maritime workers
- Description of the Chesapeake Marine Railway & Dry Dock Company
- Explanation of the purpose of stocks
- Reasons why the audience should purchase stocks in the Chesapeake Marine Railway & Dry Dock Company

19. **Closure:** Ask: What types of companies might you be interested in investing? Why? Is making a profit the only reason you would be interested in those companies? (*Students might cite other reasons for investing in a certain company, such as their adherence to “Green” principles, to moral/ethical practices, support of minorities, etc.*) Discuss.

**Related lessons:**

- “African Americans and the Port of Baltimore in the 19<sup>th</sup> Century” Lesson- *Helen Delich Bentley Port of Baltimore Lesson Plan Project*
- “Isaac Myers” Lesson- *An African American Journey*, MSDE/Reginald F. Lewis Museum
- “African Americans in the Maritime Trades” Lesson- Maryland Historical Society ([http://www.mdhs.org/learn\\_afam\\_mari\\_trade\\_lesson.html](http://www.mdhs.org/learn_afam_mari_trade_lesson.html))

### Chesapeake Marine Railway & Dry Dock Company Stock Certificate



**Certificate of Ownership**

1	2	3	4	5	6	7	8	9	10
<b>Certificate of Ownership</b>									
<b>The Economics &amp; Social Studies Knowledge Company</b>									
<b>150 Share of Stock</b>									
<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>	<b>15 Shares</b>

Teacher Resource Sheet #3

## Chesapeake Marine Railway & Dry Dock Company



Maryland State Archives

<http://www.msa.md.gov/msa/stagser/s1259/121/6050/html/cmrdcc.html>

Teacher Resource Sheet #4

**Charter**

Be it remembered, and it is hereby certified, that John W. Locks, Samuel Dorrity, Isaac Myers, George Myers, John H. Smith, Joseph Thomas, Jacob W. Bowser, Edward Sythe, William Williams, Causeman H. Gaines, Wesley Howard, and Alexander Allen, all citizens of the United States and of the State of Maryland, all residing in the City of Baltimore in said State, desirous to form a Corporation, for the purposes of carrying on in this State, the business of Ship Building and repairing, and the other branch of business or manufacturing necessarily connected therewith, have agreed to form themselves into a body Corporate, under the name of the Chesapeake Marine Railway and Dry Dock Company of the City of Baltimore.

That this Corporation is sought for the purpose of enabling the said Corporation, their associates and successors, the better to conduct the business of building ships and other seagoing vessels, the hauling of such vessels out of the water and rebuilding, repairing and refitting the same, preparing them for sea voyages.

It is further certified that said Corporation have agreed...that the Capital Stock of said Corporation shall be Forty-Thousand Dollars, (\$40,000) divided into Eight- Thousand Shares of the value of Five Dollars each; that every Stockholder shall at all elections of Directors be entitled to one vote for each share of Stock of which he shall be the bona fide owner: that the concerns of the Corporation shall be managed by twelve Directors who shall be elected by the Stockholders on the second Monday of January, in each and every year, and hold their office for one year and until their successors are chosen...

In witness whereof... [on] this twenty-third day of September, A.D. 1868.

Test:

*Wm. H. Bayzand*

John W. Locks  
Edward Sythe  
Isaac Myers  
George Myers  
Joseph X Thomas (his mark)  
J.W. Bowser  
Samuel Dorrity  
Wm. Williams  
Causeman H. Gaines  
Wesley Howard  
Alexander Allen

## **Founders of the Chesapeake Marine Railway & Dry Dock Company**

Jacob Bowser

- Minister, Business leader, & draymen

Samuel Dorrity

- Mariner, draymen & caulker

Lemuel Griffin

- Brick Maker & Prince Hall Mason

George Hacket

- Ship steward, army recruiter, livery stable and coal yard owner

Henry Hitchens

- Caulker

William James

- Sharp Street United Methodist Church

James Lemmon

- Draymen

John Locks

- Caulker, carpenter & business owner

George Myers

- Grocer & Caulker

Isaac Myers

- Grocer, caulker, & labor organizer

George Washington Perkins

- Grain measurer, laborer & grocer

John Henry Smith

- Graveyard Owner

Walter Sorrell

- Mariner & barber

Edward Sythe

- Waiter & barber


Joseph Thomas

- Owned Dray business

### The Chesapeake Marine Railway & Dry Dock Company of Baltimore History Frame

<b>Who:</b> <b>When:</b> <b>Where:</b>
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<b>Problem:</b>	<b>Solution:</b>
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<b>Key Events:</b>
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<b>Outcome:</b>
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<b>Impact:</b>
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## **Chesapeake Marine Railway & Dry Dock Company**

In Baltimore, only months after the Civil War ended and nearly two years after Maryland's emancipation of its slaves, the Chesapeake Marine Railway and Dry Dock Company opened for business. The company symbolized the possibilities of the day, as the nation attempted to leave slavery behind. Symbolism aside, however, whatever civil rights and social access blacks achieved in the first decade following emancipation was directly related to their struggle for economic survival.

For most of the antebellum era and well into the post-bellum period, Baltimore's smaller black community held greater numbers than whites among ship caulkers, hod carriers, barbers and brickmakers. Though not as dominant, blacks were also counted among the city's blacksmiths, silversmiths, iron molders, sailmakers, and numerous other trades. Several even belonged to unions. Yet, as the decades unfolded, blacks increasingly found themselves on the defensive occupationally. For skilled and semi-skilled craftsman, the attacks emerged from the need of a growing native and immigrant white population for employment, and the white workers' fear of job competition.

In 1865, only months after the war ended, white ship caulkers working at Henderson's Wharf on Fell Street in East Baltimore put down their tools and walked off the job, vowing to return to work only after black caulkers had been fired. Soon, whites called a general strike, and work all but stopped in many Baltimore shipyards, though black caulkers kept working. Some in the press empathized with the rights of blacks to work, and the rights of shipyard owners not to be intimidated. Ultimately, however, loss of business and other considerations saw the shipyard owners submit to white worker demands. Blacks were summarily dismissed.

Several business and civic leaders from the black community saw opportunity in this setback. They held meetings, and a movement began to develop a black-operated shipyard. Among the leaders of this effort were John H. Smith, William Applegarth, who was white, John W. Locks, Joseph Thomas, Walter Sorrell, and Isaac Myers. The organizers leased an existing ship yard (though, for a time, many thought that the property had actually been purchased) at the corner of Philpot and Point streets in Fells Point, the very neighborhood where, three decades earlier, a young Frederick Douglass had learned the caulking business. On February 7, 1866, the yard was assigned to "John H. Smith & Co.," and work began soon after. Two years later, a charter announced its new name, the Chesapeake Marine Railway and Dry Dock Company.

Business growth was promising during its first several years. The company won a number of lucrative government contracts, helping to bolster its operations overall. Even though government work fell off after a few years, other opportunities allowed the company to meet its many expenses, including a payroll of nearly 200 employees. However, by the beginning of its second decade, rapid turnover among management

Student Resource Sheet #2b

and workers, along with the results of poor long-term planning, began to take its toll. Worn-out equipment needed replacing, and operating with a sometimes make-shift staff earned the company an unwelcome reputation for shoddy work.

Although the owners appeared willing to do the hard work necessary to replenish their coffers and rebuild their reputation, intensified competition and technological advances conspired against them. By the 1880s, larger wooden ships and steel-hulled ships were coming into greater use, and the Chesapeake Marine Railway and Dry Dock Company could accommodate neither. Added to this, the fact that the company's plant was leased, not owned outright, came to light, and investor confidence waned. Finally, in 1884 the leaseholders declined to renew with the company, and management had no choice but to close shop.

Given the circumstances of its beginnings and the context of the times, the almost twenty-year run of the Chesapeake Marine Railway and Dry Dock Company was impressive. Black workers had protected their old economic turf and proven their proficiency in all manner of labor.

Excerpt from the Maryland Online Encyclopedia  
<http://www.mdoe.org/cmrdcc.html>