

## ***The Big Winner***

**Lesson Description:** This lesson provides a glimpse into the economic factors at work during the California Gold Rush Era. Using factual and fictional biographies, students encounter economic concepts such as entrepreneur, supply/demand, and scarcity at work in the marketplace of the 1850s.

**Grade Level:** 8

**Duration:** Two 45-minute periods

**Prerequisite Economic Concepts:** scarcity; choice; goods; services; wants; human resources; natural resources; capital resources; supply; demand

### **Maryland State Curriculum**

**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.1 Explain that people made choices because resources were limited relative to wants for goods and services in America.

4.A.2 Analyze how scarcity affected the choices in the production of goods and services

**Social Studies Skills and Processes:** Students shall use reading, writing, and thinking processes and skills to gain knowledge and understanding of political, historical, and current events using chronological and spatial thinking, economic reasoning, and historical interpretation, by framing and evaluating questions from primary and secondary sources.

6.A.2 Use strategies to prepare for reading

6.a.3.a Identify and use knowledge of organizational structures, such as chronological order, cause/effect, main ideas and details, description, similarities/differences and problem/solution to gain meaning

6.A.3.c Use a graphic organizer or another note-taking technique to record important ideas or information

6.A.4.i Draw conclusions and make generalizations based on the text, multiple texts and/or prior knowledge

**Reading Standard (Comprehension of Informational Text):** Students will read, comprehend, interpret, analyze, and evaluate informational texts.

2.A.1 Apply and refine comprehension skills by selecting, reading, and analyzing a variety of print and electronic informational texts

2.A.2.d Analyze organizational aids that contribute to meaning

2.A.4.d Summarize or paraphrase

2.A.4.f Analyze relationships between and among texts

**Objectives:** Given a reading selection and biographical sketches, students will...

- list Gold Rush events in chronological order
- explain the impact of supply and demand on price disparity
- identify those who truly struck it rich during the Gold Rush

## Vocabulary

Entrepreneur: an individual or group who takes the risk to start a new business or introduce a new good or service into the marketplace in the hope of earning a profit.

## Materials

1 copy per student of Resource #1: *The Rush for Gold*

1 biographical sketch per group from Resource Sheet #2 (Gold Rush Biographies)

Overhead projector

List of Gold Rush events on the board

Resource Sheet #3: *The \$100 Drink of Water*

1 transparency and a paper copy for each student of Resource #4: *Who Was the Big Winner?*

## Motivation

Ask students what comes to mind when they hear the phrase “Go for the Gold”? (Typical responses might include: Olympics, Olympic Gold Medals, prize, winners, etc....) In 1848, gold was discovered in California. What do you think “Go for the Gold” meant at that time in history? (Leaving your home and heading for the California gold fields.) During today’s lesson, we’re going to investigate who really “struck gold.”

## Development

1. Distribute copies of the reading selection “The Rush for Gold” to serve as historical background for the California Gold Rush.
  - As a pre-reading strategy, have a student-volunteer read the first paragraph aloud. Discuss the relationship between the title of the passage and the information in the first paragraph.
2. Draw student attention to the following list on the board and explain that they will have to arrange the events in chronological order after reading the selection:
  - President Polk informs Congress about the discovery of gold (3)
  - California admitted into the Union (5)
  - Miners move into Central California (4)
  - San Francisco Californian announces gold strike (2)
  - Workers leave Sutter’s Mill to seek gold (1)

Have students read the article silently and put phrases in chronological order to establish a working knowledge of the Gold Rush. (See answers in parenthesis).

3. After students have completed the reading and have placed the events in chronological order, go back over each of the five events and have students orally summarize information from the text related to each event.
4. Say to students: *So, the question remains: Who were the “big winners” that became rich?*
  - List student predictions on the board.
  - Divide the class into groups of 4-5 members each and distribute one biographical sketch to each group.

- Students should work in groups to read the biographical sketch, discuss the following questions and come to consensus on the answers:
    - Did he/she become rich?
    - Explain what helped him/her become rich?
    - or**
    - Explain what prevented him/her from becoming rich?
    - Explain how scarcity impacted the choices made by this person.
  - Each group should select a member to assume the role of the person described in the biography, summarize the biographical sketch and report the group findings. As the actor explains what happened to him/her, the rest of the class should take notes on the presentation using the “Who Was the Big Winner?” Chart. As a final check, the teacher could project an overhead compilation of information gleaned from the presentations so that students could verify the accuracy of their notes.
5. Return to “Go for the Gold” theme from the motivation. Ask students “Who really ‘struck it rich’ and were the ‘big winners’?” (Those who provided goods/services to the 49ers.) These “big winners” were entrepreneurs. Discuss the meaning of “entrepreneur” using clues from the biographies.
- Define **Entrepreneur**: *An individual or group who takes the risk to start a new business or introduce a new good or service into the marketplace in the hope of earning a profit.* Briefly discuss the concept in light of entrepreneurship in the 21<sup>st</sup> century: roadside stands, school carwash, snow shoveling, pet care, etc....
  - Based on your biographical sketches, what types of goods and services did entrepreneurs provide to the gold miners?
  - In your group, brainstorm a list of additional goods/services that entrepreneurs might have provided.
6. Was our prediction earlier in the lesson concerning who really struck it rich correct? Why? Why not? How did the information in the text help you to confirm or refute your original prediction?

### Assessment

Have students respond to the following prompt:

*Your school newspaper has a history section, The Rest of the Story, that prints articles about people and events in American History. You have been asked to write an article identifying several entrepreneurs who struck it rich during the Gold Rush and explaining how they acquired their wealth. Be sure that your article includes information and details about the individuals described in the lesson, The Big Winner, and the goods and/or services that each of the entrepreneurs provided. Additionally, make sure that your article is well-developed and organized.*

### Extensions/Connections:

- 1) Have students respond in writing to “The \$100 Drink of Water” activity.
- 2) Use the Internet or print materials to research the outcome of other Gold Rush entrepreneurs.

## The Rush for Gold

### Thelma Wible

On the morning of January 24, 1848, James Marshall, a carpenter who was building a sawmill on the American River near Coloma, California, found a gold nugget in a nearby ditch. When Marshall shared his discovery with his employer, Captain John Sutter, who owned a great deal of land in the Sacramento Valley, the discovery seemed unbelievable. Gold for the taking, in the rivers and streams and on the mountainsides.

The news of Marshall's discovery spread fast, despite efforts to keep it secret. One by one, workers at Sutter's Fort and at the sawmill disappeared into the hills to pursue the golden dust. Even James Marshall, jealous of sharing his imagined wealth, could not help bragging a bit.

On March 15, barely seven weeks after the gold was first noticed, the Californian, a weekly San Francisco newspaper, announced that gold had been found. On May 12, Sam Brannan, a leading citizen of San Francisco, displayed two bottles of gold dust and shouted the news in the streets of the town. Within a few months, Stephen Foster's popular tune had new words: "Oh Suzannah, don't you cry for me/I'm going to California with my washbowl on my knee!" Not until December did "Oh Suzannah!" echo from the eastern seaboard, however. It was then that President James Polk formally proclaimed the "abundance of gold" in California in his annual message to Congress.

In the midst of celebration, a chief of the friendly Coloma Indians warned that the gold" ... belongs to the great demon of the mountains. All who look for it will be eaten by the great demon. Do not look for his yellow earth. It is bad medicine."

Few, if any, heeded the warning. Historians believe that, within the next two years, between 100,000 and 200,000 men and women arrived in California by many different routes. The early Argonauts, as the gold-seekers were named, came to San Francisco from the eastern states on ships, rounding the tip of South America. Seasickness, scurvy, boredom, and constant danger from storms were some of the problems they faced. Other gold-seekers sailed south to Panama, traveled across the isthmus to the Pacific, then sailed north again to San Francisco. The course was shorter but no less hazardous. Many other gold-seekers took the overland trails that had been blazed by pioneers to California and Oregon.

The irresistible lure of great riches gained quickly brought thousands of people to California from Mexico, South America, Europe, China, and Hawaii, as well as from all the states and territories of North America. The prospectors arrived before law and order were established, and many took advantage by cheating and robbing. Not everyone seeking gold was greedy, however. There are examples of generosity and helpfulness, such as William Waldo's relief committee which collected money and supplies, and saved the lives of countless emigrants who were caught by early snows as they were crossing the Sierras.

By the end of 1849, miners were pressing through the central area of California from a point north of Coloma to a point south of the Mariposa River. Stephen Foster's "washbowl on my knee" became a mining tool for the inexperienced miners, as did frying pans, spoons, and knives. New and better implements for mining were soon introduced, but despite this, gold mining did not prove to be a quick and easy way to the great wealth that had been expected.

For many, the Coloma Indian chief's warning about the "yellow earth" and "bad medicine" proved true. Small towns such as San Francisco were unprepared for the flood of emigrants who came seeking fortunes. Over-crowded mining camps and communities suffered at the hands of frustrated, disappointed Argonauts who gained little from their many hours of backbreaking work. James Marshall, John Sutter, and Sam Brannan were among the unlucky ones. Each one died penniless.

But for others, the Gold Rush was the start of fame and fortune. For example, Philip Armour grew rich from the gold he found in California, and he started the now-famous meatpacking industry. John Studebaker, who later had an automobile named for him, designed wheelbarrows for the miners. The effects of California's Gold Rush were far-reaching. California was admitted to the Union in 1850 with full statehood, without having to first become a territory, as many other states had. The Gold Rush led many to violence and misfortune, but it also helped to lay the foundations of a populous and prosperous land.

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**Biography #1**

My name is John Sutter and I am a Swiss immigrant who came to California in 1839. I was able to obtain a 48,400 acre land grant in northern California from Mexico. After the U.S. won the Mexican War, I set out to develop my land into an agricultural empire. A partner, James Marshall, joined in to help build the business. One of the first things we did was build a sawmill on the American River about 50 miles north of my land grant. One day, James noticed some shiny flecks on the riverbed. He inspected them, put them through some basic tests and determined that they were...gold! He brought the flecks of gold to me, but I was not excited. My land grant did not include the land on which the mill stood. Soon word of the gold strike got out and people began streaming into the American River area making it impossible to run my mill. As prospectors fanned out looking for other claims, they trampled my farmland. Eventually, my farmhands quit their jobs and went in search of gold. Get rich? Not me! My mill was useless, my crops rotted and my fields were destroyed. The Gold Rush ruined my fortune and my dreams.

**Biography #2**

My name is Daniel Bonney and I am a farmer from Ohio. When I heard about the gold strike in California, I figured it would be a way to get rich quick and come back to Ohio a wealthy man. I headed to New York to book passage on a ship to California. I couldn't afford the \$150 for a cabin, so I booked a spot in steerage for \$75...a pretty hefty sum for a small-time farmer. The 18,000 mile trip around Cape Horn was terrible. The food was moldy and full of worms, most of us were seasick, and there were bullies and card-sharks aboard who tried to take what little money we had left. Some of the passengers even died of malaria along the way. When we arrived in Sacramento, I went ashore and shopped for supplies such as a tent, pans, shovels, and food. Prices were sky-high and there weren't any other places to go to shop. I only had enough money for a pan and a little food. The pan was used in the river as I sifted the riverbed for gold, but I also used it for cooking, eating and as a make-shift shovel. I soon discovered that all of the good claims were taken. Even so, I stuck it out for two years before I finally gave up and headed back overland to Ohio, a broken and busted man.

### **Biography #3**

My name is Mike Johnson and I owned a stable in Sacramento. One day a fellow came running into the stable, yelling about a gold strike and wanting to rent a horse. I'm ashamed to say that I rented him a lazy old nag. As soon as he paid up and left, I grabbed my prized horse, flew home to gather up some supplies, said goodbye to my wife and took off for Sutter's Mill on the American River to stake my claim. Pretty soon, I panned two dollars a day, then five, then twenty-five. The work was hard. You had to bend over for hours on end working in cold water that kept your clothes, legs and feet wet all day long. It didn't take long until the area was overcrowded with prospectors.

Soon I found out the hard way that I had more gold than sense. Nearby, a little tent city of sorts sprouted up. After a hard day at work, it was easier to go buy a meal or have my clothes washed than do it myself, even at those outrageous prices. And then there were the gambling tents. I just couldn't seem to stay out of those. The next thing I knew, there wasn't as much gold around as at the start and life in the gold fields was costing a fortune. So, I packed up and went back home, penniless, to face my family. You won't believe the surprise I found. While I was gone, my wife and kids ran the stable. By raising the prices on shoeing horses and fixing the gold miner's tools, my family had made a fortune. I felt foolish, but grateful.

### **Biography #4**

My name is John Studebaker. I was a nineteen-year-old wagon maker from South Bend, Indiana when I came to California. Since I was a skilled craftsman, I was offered a good job building wagons as soon as I arrived. Making wagons in California? Not me! I was going to make my fortune panning for gold. Fortunately for me, an elderly friend talked some sense into me and I accepted the job. I took on some other jobs too such as repairing picks, axes and various other tools used by the gold prospectors. I not only built wagons and wheelbarrows, but I had a steady line of customers who brought their old ones in to be fixed. I saved over \$8,000 in five years...a fortune in those days.

Eventually, I went back home to Indiana. I used my fortune to improve the family wagon-building business. Our wagons were so good that we were chosen to sell them to the Union Army during the Civil War. That business brought in another fortune. After the war, we went back to building wagon and buggies. As time passed and transportation changed, I went into the automobile business. I guess you know the rest of the story.

**Biography #5**

My name is Mary Crocker. I came to California with my husband shortly after he left the Army at the end of the Mexican War. The money he earned as an officer, plus the sale of our home back East, left us with enough money to buy a large home in a sleepy town called San Francisco. Unfortunately, he contracted pneumonia and died in January of 1849, leaving me alone in San Francisco. Being a woman, my opportunities for employment were limited. Although folks were coming into town with stories of having struck it rich in the gold mines, I couldn't strike out on my own leading a rough life like that! So, I turned my house into a boarding house and began to make good money providing a clean room and three nourishing meals per day for my boarders. I soon realized that I could make extra money by doing their laundry for them. I hired a helper and expanded that business by also doing laundry for prospectors on their way to and from the gold fields, bringing in \$100 a month. When my boarders kept talking about the pies that I served for dessert, I decided to try my hand at selling my pies. In one month, I made \$200 just in pies. Over time, I became a very wealthy and self-sufficient woman.

## The \$100 Drink of Water

Would you spend \$100 for a glass of water? Some 49ers on the California Trail did.

Because of poor planning, many western-bound 49ers were unprepared for the hot, dry deserts of Nevada. A few sharp businessmen in California knew this and took advantage of the situation. They traveled eastward with barrels of water. Extremely thirsty, many 49ers paid \$1, \$5, even \$100 for a glass of precious water.

But water was not the only expensive item on the Oregon-California Trail. For example, at the start of the journey, flour could be purchased for \$4.00 a barrel, but further along the price rose to a sky-high \$1.00 per pint. Other staples could also be quite expensive:

- Sugar \$1.50 per pint
- Coffee \$1.00 per pint
- Liquor \$4.00 per pint

Surprisingly, there were other staples that were amazingly cheap. For example, at Fort Laramie, bacon could be had for a penny per pound. Those who had excess bacon often considered it worthless and dumped it by the side of the road. One emigrant reported seeing ten tons on one pile.

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The story above illustrates a wide disparity in prices during the rush to California and the gold fields.

- Explain why there was such a disparity in prices.
- Identify the basic laws of economics that caused the disparity.
- Include details and examples from the activity and from what you've learned in class to support your answer.

"The \$100 Drink of Water" source: <http://www.pbs.org/goldrush/funfacts.html>

## Who Was a Big Winner?

**Directions:** Read your assigned biography. As a group, discuss what you have read and complete the line associated with the person about whom you read. Identify the economic concept(s) involved in the biography, decide if your person was a "Big Winner," and jot notes to support the information that you placed in the columns.

| Biography       | Economic Concept(s) | Big Winner? | Notes |
|-----------------|---------------------|-------------|-------|
| John Sutter     |                     |             |       |
| Daniel Bonney   |                     |             |       |
| Mike Johnson    |                     |             |       |
| John Studebaker |                     |             |       |
| Mary Crocker    |                     |             |       |

