

THE GOLD RUSH

The Gold Rush

Lesson Length: 45 Minutes

Grade Levels: Recommended for high school grades, though elementary and middle school teachers may be able to incorporate concepts from this lesson plan into their teaching



Overview

In this lesson, students will learn how the discovery of gold in January 1848 by James W. Marshall in California ushered in the Gold Rush, a period of rapid expansion in California that transformed the United States into a global economic powerhouse. They will learn how the Gold Rush led to the creation of Wells Fargo Bank to handle America's growing finances and facilitate commerce. As they learn about the Gold Rush and Wells Fargo, they will learn how new discoveries created both positive and negative impacts, determine who the winners and losers from the Gold Rush were, and consider how economic developments may have unintended cultural and demographic consequences.

Objectives

Students will:

- Understand why the discovery of gold was so significant to Americans and foreigners alike
- List the pros and cons of the Gold Rush, from both an economic and cultural perspective
- Explain the role of banking services like Wells Fargo during the Gold Rush
- Identify how different groups of people were impacted differently by the Gold Rush
- Learn how the Gold Rush transformed America's economy and elevated the country's international status

Historical Background

During the 19th century, the money supply was tied to gold reserves: more gold meant more currency in circulation, which in turn enabled industrial expansion, greater levels of trade, and the promise of greater prosperity. Over 300,000 immigrants travelled to California seeking to take advantage of the discovery of gold in 1848, and in so doing, introduced California to new cultures, religions, languages, and customs.

Henry Wells and William Fargo were businessmen who initially made their name running American Express, a delivery service on the East Coast and the Midwest. When the Gold Rush took off, however, Wells and Fargo realized they needed to expand their operation to meet the demand for coast-to-coast communication as thousands migrated westward. Thus, Wells and Fargo started their own company: Wells, Fargo & Co.

Chinese immigration spiked during the Gold Rush, and many of them worked as miners. They were quickly confronted, however, by adversarial government policies such as the Foreign Miners' Tax, the Commutation Tax, and the Capitation Tax, which imposed mining licensing requirements, and taxed foreign vessels carrying non-US citizens. Chinese compliance with these policies only intensified anti-Chinese sentiment, culminating in the notorious Chinese Exclusion Act of 1882.

The people who became richest during the Gold Rush were often not gold miners but merchants, traders, and infrastructure builders who supplied goods and transportation to the massive influx of migrants. Businesses profited by meeting California's urgent need for food, tools, shipping, finance, and logistics, turning global trade networks into major sources of wealth.

Primary Source

"Gold! Gold! From the American River!"

Teacher Note: Samuel Brannan on May 12, 1848, a businessman who publicized the discovery of gold and sought to profit from it by selling equipment to prospectors

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Lesson Flow (45 Minutes)

Warm-Up (5 minutes)

Quick-write on two questions:

- What do you associate with gold, and why do you think it's important?
- In a sentence, what do you think are the role of banks?

Historical Context (10 minutes)

Teacher presentation explaining the significance of gold and the Gold Standard during the 19th century, and why Henry Wells and William Fargo felt the need to expand westward.

Primary Source Analysis (10 minutes)

Students on their own should read the Brannan quote, noting his enthusiasm and contrasting his willingness to publicize the discovery with Marshall's desire to keep the gold a secret. They should also consider how they would go about profiting from the discovery of gold if they were in Brannan's position.

Small Group Discussion (10 minutes)

Students discuss their response to the quote and answer the observation and walk-in-the-shoes questions. Students should also help each other understand the role of gold in the 19th century economy, if after the teacher presentation they are still confused.

Large Group Discussion (10 minutes)

As a class, students share any interesting responses from their small group discussions, before teacher guides larger conversation based on the discussion questions above. Teachers should draw students' attention to the disparate impact the Gold Rush had on various groups and discuss how migration and economic development unduly burdened native communities.

Guiding Questions

Walk-In-The-Shoes

- What challenges might the migrants to California during the Gold Rush have faced?
- If you were James W. Marshall, would you have kept your discovery of gold a secret? If not, who would you have shared your discovery with?

Observation

- Why was a banking service like Wells Fargo necessary in the aftermath of the Gold Rush?
- How is the modern-day phrase 'riding shotgun' connected to the Gold Rush?
- What was the long-term impact of Wells Fargo's logistical operation during the Gold Rush?
- What were the limitations posed by gold's physical features?
- What was Wells Fargo helping to transport across the American West during the Gold Rush?

Discussion

- How did the Gold Rush transform America's economy and population demographics?
- Is the economic ambition the Gold Rush engendered something that should be celebrated?
- Which group of people do you think benefitted the most from the Gold Rush (bankers, miners, merchants, etc.)?
- Why might you not trust a banking system like Wells Fargo to handle your assets during the Gold Rush?
- Did the risk of cultural clash resulting from significant migration outweigh the economic enrichment the Gold Rush promised?
- If a precious resource was similarly discovered today, how different would the response today be to the response of people around the world to the discovery of gold?

Research Base and Source Documentation

- Peter Yang, *Flexport*, “Miners vs. Merchants: How Global Trade Made Men Wealthy during the California Gold Rush” - <https://www.flexport.com/blog/trade-merchants-rich-california-gold-rush/>
- Santa Clara University, “Anti-Chinese Policies” - <https://dh.scu.edu/exhibits/exhibits/show/california-gold-rush-exhibit/chinese-immigrants/chinese-immigrant-policies>
- Norwich University, “Historical Impact of the California Gold Rush” - <https://online.norwich.edu/online/about/resource-library/historical-impact-california-gold-rush>
- Legends of America, “Samuel Brannan – California’s First Millionaire” - <https://www.legendsofamerica.com/samuel-brannan/>
- *Encyclopedia Britannica*, “California Gold Rush” - <https://www.britannica.com/event/California-Gold-Rush>
- Wells Fargo, “A Partnership Born to Solve Challenges” - <https://history.wf.com/the-surprising-start-of-wells-fargo-co/>