Canal Choices

Economic ideas behind the Erie Canal.

SS4E1 "Use the basic economic concepts of trade, opportunity cost, specialization, voluntary exchange, productivity, and price incentives to illustrate historical events."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Circle one clue for each economic idea in the passage. Write T for trade, S for specialization, V for voluntary exchange, P for productivity, I for price incentive, and O for opportunity cost beside the clue.

The Erie Canal Opens

1 In 1825, the Erie Canal opened across New York. It linked farms near the Great Lakes to the Hudson River and New York City. Before the canal, wagons carried goods slowly over rough roads. Canal boats moved heavy wheat, flour, and lumber for less money. This new trade connected sellers in the West with buyers in eastern cities.

2 The canal helped people specialize. Some western farmers focused on growing wheat. Mill workers in towns turned wheat into flour, while boat crews carried it. Specialization let people practice one kind of work. Canal travel also raised productivity. A boat could carry far more cargo than a wagon, so workers could move more goods in one trip.

3 Lower shipping costs gave farmers a price incentive to send crops east, where they could earn more. Store owners chose to buy western flour because it could cost less. These voluntary exchanges benefited both sides. Yet choices had opportunity costs. A farmer who planted more wheat might give up time or land for another crop. Canal builders also used money and workers that could have gone to other projects.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did the Erie Canal help trade between western sellers and eastern buyers?

2. Give one example of specialization and one example of higher productivity from the passage.

3. What price incentive caused farmers to send crops east? How was the exchange voluntary?

4. What opportunity cost might a farmer have when planting more wheat?

3 YOUR TURN

Your own words

Imagine it is 1850 and a railroad reaches your town. Write six sentences explaining how it changes trade. Use each idea once: specialization, voluntary exchange, productivity, price incentive, and opportunity cost.

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PART 1 · READ AND MARK

Circle one clue for each economic idea in the passage. Write T for trade, S for specialization, V for voluntary exchange, P for productivity, I for price incentive, and O for opportunity cost beside the clue. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did the Erie Canal help trade between western sellers and eastern buyers?	**It moved goods such as wheat, flour, and lumber for less money and connected western sellers with eastern buyers.**
2	Give one example of specialization and one example of higher productivity from the passage.	**Specialization: western farmers grew wheat, mill workers made flour, or boat crews carried goods. Higher productivity: one boat could carry more cargo than a wagon, so workers moved more goods per trip.**
3	What price incentive caused farmers to send crops east? How was the exchange voluntary?	**Farmers could earn more by sending crops east. Farmers chose to sell crops, and store owners chose to buy western flour, so both sides chose the exchange.**
4	What opportunity cost might a farmer have when planting more wheat?	**The farmer might give up time or land that could have been used to grow another crop.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

The railroad lets the town trade apples with a city far away. Some farmers specialize by growing only apples. City store owners voluntarily exchange cloth for the farmers' apples. One train can carry more crates than many wagons, which raises productivity. A high city price gives farmers a price incentive to ship apples there. Farmers who plant more apple trees give up land for corn, an opportunity cost.

Accept equivalent passage-based wording for the short answers. For Your Turn, accept a historically plausible railroad example that correctly uses trade and all five named economic ideas.