

ACTIVITY 7.1

Changes in the Market

Market #1: Horses in the United States

News event: Equine flu infects many horses, making it difficult for them to perform tasks such as pulling wagons and carrying people or items on their backs.

Market #2: Coal

News event: Due to a lack of inexpensive, healthy horses, coal becomes difficult to transport from the mines.

Market #3: Grain

News event: Due to a lack of inexpensive, healthy horses, it has become more costly to harvest and deliver grains to processing plants.

Market #4: Transport by mules, oxen, and other beasts of burden

News event: Equine flu has dramatically reduced the availability of horses and greatly raised the price of healthy horses.

Market #5: Bread

News event: Higher grain prices increase the cost of making bread.

Market #6: Farm workers

News event: Equine flu has dramatically reduced the availability of horses and greatly raised the price of healthy horses.

Market #7: Railroad transport

News event: Coal used to power locomotives is much less available and, when available, the price of coal is very high.

ACTIVITY 7.1 (Continued)**Market #8: Canal transport**

News event: Fewer canal boats can be transported due to a lack of healthy horses.

Market #9: Ice

News event: Many ice houses close, due to an increase in the cost of horse transportation.

Market #10: Powdered milk

News event: Families substitute powdered milk for fresh milk because the latter must be kept cool by ice, and ice prices have increased, causing the price of milk to rise.

Market #11: Construction in Philadelphia

News event: The cost of building materials has risen because of the high cost of canal transport of all goods.

Market #12: Restaurant meals

News event: The prices of milk and bread, as well as other food items, have increased.

Market #13: Construction workers in Philadelphia

News event: Construction projects have stalled or stopped altogether.

Market #14: Residential rental space in Boston

News event: A destructive fire in Boston has left many citizens homeless.

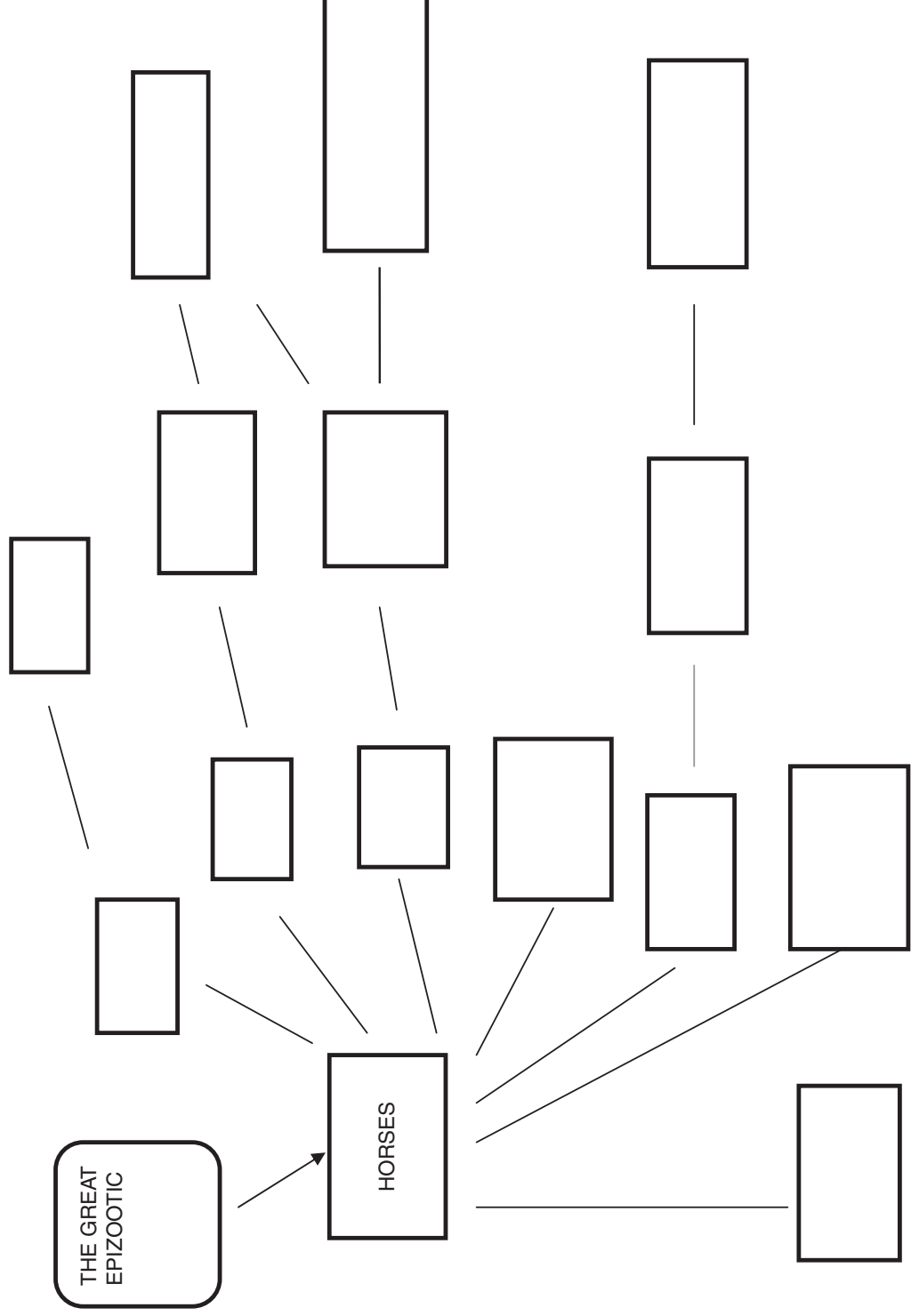
Market #15: Milk

News event: Increased ice prices make keeping fresh milk cool more expensive.

ACTIVITY 7.2

Interdependence Among Markets

Directions: There are 15 markets affected by news events in Activity 7.1. Equine influenza has left horses without the strength to do their work. This has initiated a string of changes touching markets tied directly and indirectly to the horse. Using the diagram below, illustrate how the markets listed in Activity 7.1 were sequentially affected by the horse flu.



ACTIVITY 7.2 (Continued)

Suggested Answers

Directions: There are 15 markets affected by news events in Activity 7.1. Equine influenza has left horses without the strength to do their work. This has initiated a string of changes touching markets tied directly and indirectly to the horse. Using the diagram below, illustrate how the markets listed in Activity 7.1 were sequentially affected by the horse flu.

