

## Trusts and Monopolies



The student will explain the impact of the railroads on other industries, such as steel, and on the organization of big business. The student will also identify John D. Rockefeller and the Standard Oil Company and the rise of trusts and monopolies.

Double Column Note Taking:

Concept/Teacher Notes	In my own words...
<u>Trust</u> A group of companies controlled by one board of directors	<b>Several companies led by a single board of directors to act like one, big company.</b>
<u>Monopoly</u> Complete control over an industry <span style="color: green; font-size: 2em; vertical-align: middle;">✓</span>	
<u>Vertical Integration</u> Process in which a company buys out its suppliers	<b>Buying the companies which provide the raw materials / services need for your business</b>
<u>Horizontal Integration</u> Process in which companies producing similar products merge	<b>Buying out the competition.</b>
<u>Social Darwinism</u> Theory that only the strong survived	<b>If your business put others out of business, it was b/c they were weak. No need to protect the weak.</b>
<u>Corporation</u> Association of employers and employees in a basic industry or of members of a profession organized as an organ of political representation	<b>A business organization established to share risks and profits among various owners.</b>
<u>Robber Barons</u> Wealthy businessmen whose goal was to eliminate competition and create a monopoly instead.	<b>Businessmen who wanted to gain wealth by controlling an entire industry</b>

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### **Impact of railroads on other industries:**

<b>Individual</b>	<b>Impact</b>
Jay Gould	
Cornelius Vanderbilt	<b>Extremely wealthy business leader who made his fortune controlling railroads in the east and shipping companies.</b>
Andrew Carnegie	<b>Started life poor, but worked to become among the richest men in U.S. Made fortune by running Carnegie Steel. Sold to J.P. Morgan.</b>
J.P. Morgan	<b>Banker who bought Carnegie Steel and created U.S. Steel (monopoly over steel industry). U.S. Steel = world's largest company in 1901.</b>
John D. Rockefeller	<b>Owner of the Standard Oil Company, which was the nation's first "trust." He used his wealth to buy smaller oil companies, and add them to his monopoly of the oil industry.</b>

### **Rise of trusts and monopolies:**