Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_

Guided Notes: The Rise of Big Businesses

**Development of Corporations:**

* Up until the mid-1800’s, most businesses were owned by one person or a single family
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ provided businesses with access to raw materials and customers farther away**
* **With markets expanding, investors would team up to form ownership groups known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**
* **Corporations**
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + Helped navigate the challenge of expanding businesses
    - Access to large amount of capital and geographical markets
* Corporations gained competitive edges by…
  + Decreasing cost of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + Obtaining **monopolies** 🡪 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* **Corporations** increased dramatically after 1870 as they **became more important to industrial capitalism**
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 🡪 **the system of consolidating many firms in the same business**
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 🡪 **the system of gaining control of all the phases of a product’s development**

**Who Were Some of the Major Players?**

1. **John D Rockefeller** 🡪 **oil tycoon that created U.S. Standard Oil**
   * Formed the Standard Oil Trust and controlled 95% of the industry
2. **Cornelius Vanderbilt (1794-1877)**
3. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (1835-1919)**
   1. Sold \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – necessary to make a railroad!
   2. Started buying steel mines, and railroad companies
   3. What type of integration id this and why?
4. **J.P. Morgan (1837-1913)**

* Began gaining power in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ industry when he began reorganizing railroads
* Was involved in reorganizing General Electric and US Steel

**Was Big Business Good?**

* These business tycoons came to be viewed in different ways
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 🡪 created jobs, increased production, provided cheap products, and gave back to community through philanthropy
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 🡪 exploited customers, corrupted government, pushed out small business, greedy
* William Sumner coined the term **Social Darwinism 🡪** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + Based off of Charles Darwin’s natural selection or “survival of the fittest” theory

**Government Steps In:**

* **Big Businesses started using Social Darwinism to justify all sorts of beliefs and conditions**
  + Supporters of BB argued that the government should stay out of the private sector as it would disrupt natural order
  + Social Darwinism was used to discriminate against minorities and the lower class as these groups were seen as ‘unfit’
* **Interstate Commerce Commission (ICC)** :\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
  + This is one example of gov’t setting up federal bodies to regulate American businesses
* In 1890, the Senate passed the **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ which authorized federal action against any "combination in the form of trusts or otherwise, or conspiracy, in restraint of trade.”**
  + **Why is this significant?**