
Chapter 25 Section 4 - Rockefeller and Corporations

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Vocab

Corporation - A business that is owned by many investors, or people who help pay for businesses initial expensive.

Trust - A group of corporations run by a single board of directors.

Monopoly - A company that controls all products and sales of a particular product or service.

John D. Rockefeller

John D. Rockefeller changed the oil business by creating a monopoly on oil refineries. These places turned petroleum into usable oil. He eliminated or bought out all of his competition. He also created the first trust.

By 1880, Rockefeller controlled 95% of America's oil refining.

A corporation allows a person to create a big business because the person has money which gives them an advantage and allows them to grow more easily.

Other Industries and Corporations

Other industries, such as railroad, sugar, tobacco, meatpacking and whiskey copied Rockefeller's way of business.

Many people did not trust corporations because if a corporation had a monopoly, the corporation could inflate the price to whatever they wanted. They could also bribe government official, mostly in Congress, to swing a vote into their favor. One last reason was that if a company had a monopoly, that had little drive to increase the quality of the product.
