

Name: _____

Big Business Notes



Unions
(labor, workers)

Vs. Big Business
Large companies/owners



Social Darwinism: the idea that a social and/or economic system with unregulated competition will bring about the best outcome. Translated: "Survival of the Fittest" for social life and business life. If you are smart and work hard, you'll be successful and rich. If you aren't you will end up a broke and alone.

UNIONS:

Complaints:

Strategies:

= negotiations between worker reps and management to reach agreements over worker complaints

Strikes

Steelworkers refused to work and were going to prevent non-unions workers from entering mill. Company hired armed guards, gun fire broke out Killing 12 people. Workers held their ground for 3 months, but finally gave in. It took 45 years for the steel workers to unite again—big business won

= asking Senators & Representatives to make/pass laws

LAWS ENACTED FOR THE UNIONS

= gives federal government the right to regulate businesses that engage in transportation across state lines—like railroads, + later air, water & roads. + created agency to investigate such businesses (ICC – Interstate Commerce Commission)

=made it illegal to forma trust that interfered with free trade between states or other countries. Trust = agreement where companies turn over their stock shares to a group who then run all the companies together as if they were one company

ANDREW CARNEGIE (US STEEL)

Strategies: 1. Keep costs down by:

2. Get good prices on your ingredients by:

= Buy out the companies that make your ingredients

3. Reduce competition by:

= Buy out or merge with companies making the same product

Definitions

= only one producer. The only company with that product
= no competition to keep prices down or "keep them honest"

JOHN D. ROCKEFELLER (STANDARD OIL)

Strategy: 1. Low _____

2. Lower _____
(to drive out competitors)

3. Then _____ prices

4. have tons of money/power/control over the industry

5. have the angry public call you a "ROBBER BARON"

Fraud

Railroad construction company (really a trust) that over charged the gov't for laying tracks, then pocketed the money

Response to Strikes:

Non-union workers who will work in the place of workers who are striking.

They would claim that the strike interfered with free trade, which violates the Sherman Act = soldiers come to break it up

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UNIONS:

KNIGHTS OF LABOR

NATIONAL LABOR UNION

Complaints: **LOW WAGES**

LONG HOURS/WORK DAY

DANGEROUS WORKPLACE

Strategies: **COLLECTIVE BARGAINING**

= negotiations between worker reps and management to reach agreements over worker complaints

Strikes

HOMESTEAD STRIKE 1892

Steelworkers refused to work and were going to prevent non-unions workers from entering mill. Company hired armed guards, gun fire broke out Killing 12 people. Workers held their ground for 3 months, but finally gave in. It took 45 years for the steel workers to unite again—big business won

LOBBYING CONGRESS

= asking Senators & Representatives to make/pass laws

LAWS ENACTED FOR THE UNIONS

INTERSTATE COMMERCE ACT

= gives federal government the right to regulate businesses that engage in transportation across state lines—like railroads, + later air, water & roads. + created agency to investigate such businesses (ICC – Interstate Commerce Commission)

SHERMAN ANTITRUST ACT

=made it illegal to form a trust that interfered with free trade between states or other countries. Trust = agreement where companies turn over their stock shares to a group who then run all the companies together as if they were one company

ANDREW CARNEGIE (US STEEL)

Strategies: 1. Keep costs down by:
↑ Technology & worker efficiency
2. Get good prices on your ingredients by:

VERTICAL INTEGRATION

= Buy out the companies that make your ingredients

3. Reduce competition by:

HORIZONTAL INTEGRATION

= Buy out or merge with companies making the same product

Definitions

MONOPOLY

= only one producer. The only company with that product
= no competition to keep prices down or "keep them honest"

JOHN D. ROCKEFELLER (STANDARD OIL)

Strategy: 1. Low **WAGES**
2. Lower **PRICES**
(to drive out competitors)
3. Then **RAISE** prices
4. have tons of money/power/control over the industry
5. have the angry public call you a "ROBBER BARON"

Fraud

CRÉDIT MOBILIER

Railroad construction company (really a trust) that over charged the gov't for laying tracks, then pocketed the money

Response to Strikes:

SCABS

Non-union workers who will work in the place of workers who are striking.

USE VAGUE LAWS AGAINST THEM

They would claim that the strike interfered with free trade, which violates the Sherman Act = soldiers come to break it up