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[Business](#), [Industries](#)



In the late 19th century big business had a tremendous impact on the economy and way of life for the United States. Immigration contributed to the rise of big business, it helped fill the space of employment big businesses controlled. One business that profited exponentially was the railroad business; from 1870 to 1890 railroads grew by 200% and by 1900 America had more railroad than Russia and Europe combined. This created a more efficient way to travel across the country which not long ago would have taken days or even weeks to reach. Moreover, the railroad could very possibly not have been a factor in the economy without the well known Jay Gould. Jay Gould was disliked by many people because of his big business but he did help boost other businesses such as steel which was used to produce the railroads due to its flexibility and durability. This and the lower prices of steel allowed the expansion for the steel industry and the production of steel mills.

From the railroad business to the steel business created another icon known as Andrew Carnegie, many had negative opinions about him but many also realized the intellect he contained. Andrew Carnegie formulated a system of business known as vertical integration which is the combination in one company of two or more stages of production normally operated by separate companies. Naturally, being a big leader of business he monopolized and bought off companies that sold materials which means he undercutted his competitors until they went out of business. Carnegie's workers had terrible working conditions and worked for cheap but Carnegie donated more than 350 million dollars to make up for the obstacles the people had to endure.

Additionally another popular business icon was the greatest and most of that time was John D. Rockefeller. He had the largest oil refinery which was located in the city of Cleveland. He manipulated his competitors by forcing them to refund him and also forced the railroad company to pay him to ship products. Ultimately, he would wipe them out or make them sell their business out to him. Rockefeller favored horizontal integration which is the process of a company increasing production of goods or services at the same part of the supply chain. Not long after in 1882 he found a trust known as the Standard oil trust which eventually lead to him owning 90% of the nations oil refineries.

However, government attempted to outlaw trusts but Rockefeller changed his company into a holding company which put his control under a single administration. From all this Standard oil went down to be the largest company in the world. There were many benefits such as urbanization or the transition of the location of the majority of the people from the country to the city.

This expanded the economy and allowed the country to progress. For example there were numerous inventions such as the telephone designed by Alexander Graham Bell and his company. Electricity also became a factor in the American economy with the help of Thomas Edison and George Westinghouse.

Electricity powered cars and people's homes which created more potential for business. Conversely, the disadvantages included the conditions of the workers. Many people endured the conditions so that a few could collect

their rewards. Overcrowding, child labor, crime, and murder increased due to urbanization.

As a result the assembly line was created and attributed to labor unions which resulted in violent strikes and rioting. From the history of big businesses and monopolies America has learned from its mistakes and has attempted to prevent it from happening again.