BIG BUSINESS

The late 1800s brought a huge growth spurt to American business. American stores, for instance, became larger to sell the many new products being invented and produced. Before, people had to go to several small shops to find what they wanted. Now, large department stores opened in cities, offering such items as clothes, shoes, furniture, and food, all under one roof. Woolworth's and J.C. Penney also appeared as early chain stores, which were nearly identical stores under the same ownership, sprinkled all across the country. Sears, Roebuck and Co. and other stores sold their products for the first time through catalogues sent nationwide. This was the beginning of the mail-order catalogue business, today a multibillion-dollar industry.

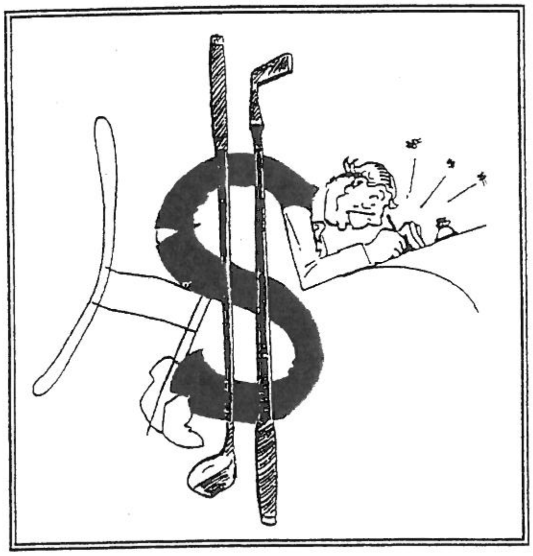
Larger and larger companies were creating the products people bought. John D. Rockefeller founded one of the largest: the Standard Oil Company. Standard Oil first grew by buying up other oil producers and oil refiners. Rockefeller joined these companies into a new type of business organization called a trust. In a trust, a central board of directors reduces competition among its companies and sets prices. When one organization sells nearly all of the available supply of one product, as Rockefeller did with American oil, it is called a monopoly. A monopoly can be dangerous because it can keep prices for its goods high without worrying about another business selling the same thing for less.

Many people were upset when big businesses destroyed smaller ones and forced buyers to pay high prices. The government responded to the public feeling with the Sherman Antitrust Act of 1890. The law was supposed to keep trusts from ending competition. The law turned out to be difficult to enforce, but it showed that government could have a role in setting business rules.

Business owners defended themselves against public criticism by saying they increased economic activity and so helped the nation. Andrew Carnegie, owner of a huge steel company, argued that rich businesspeople should use their money to help other people. At the end of his life, Carnegie gave his money to found public libraries all over the nation and to help build hospitals and schools.

Across

2. One set of officers controls competition and prices among several companies in this form of business.
4. Name of the government's antitrust act
5. From this book, customers could order goods by mail.
8. Building full of books; Carnegie paid for many

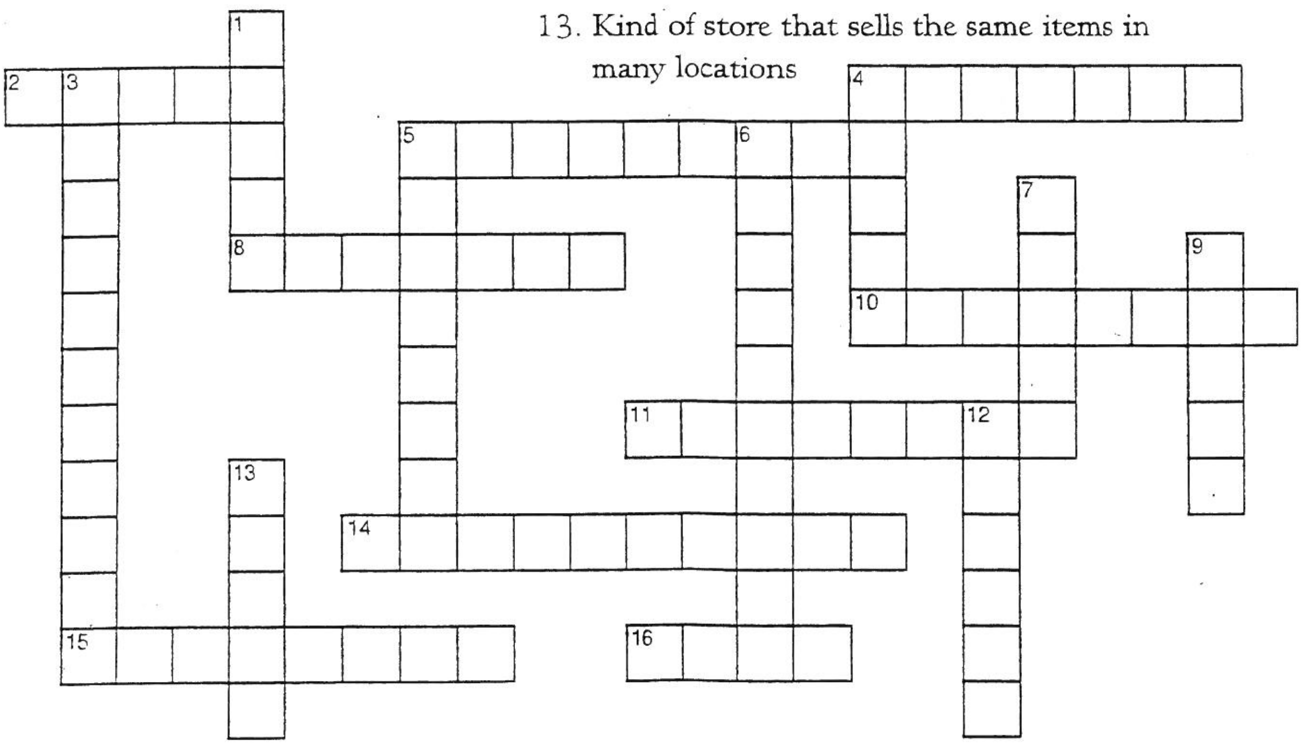


This cartoon from the late 19th century shows how rich business owners had the reputation for caring about nothing except money and golf.

10. Name of the oil company Rockefeller founded
11. A business controlling all of one product
14. Kind of store selling many sorts of things under one roof
15. Rockefeller bought out both oil producers and oil ________.
16. A place where early department stores were located

Down

1. Product that made Carnegie rich
3. John D. ___________ created one of the first trusts.
4. Example of a mail-order catalogue store
5. He made a fortune in steel, then gave much of it away.
6. The Sherman Antitrust Act showed that __________ had a role in making rules for business.
7. The press showed concern that all rich people cared about was this.
9. A monopoly can control the _____ of goods.
12. What U.S. stores became in the late 1800s
13. Kind of store that sells the same items in many locations



Word List

Carnegie city library refiners Standard
catalogue department money Rockefeller steel
chain government monopoly Sears
larger price Sherman trust