The So Called

Robber Barons

Rockefeller, Carnegie, Vanderbilt, and Morgan
(left to right)

& Antitrust Legislation

An Age of Trusts and Syndicates

A. Railroads--Many areas were served by only one railway, or two railroad companies accused of collusion on prices. Cornelius Vanderbilt was an owner of many shipping and railway lines
B. Standard Oil—holding company that owned at one time, 92% of the refining capacity of American oil
C. U.S. Steel—Steel magnates borrowed $492 million from J.P. Morgan and bought Carnegie's Steel Company and a few others, creating U.S. Steel
D. Banking—J.P. Morgan (head of a banking unit eventually to be known as J.P. Morgan and Co.)
    a. reorganized railway companies, gaining much stock and directorships while providing financing and preventing rate wars by coordinating prices
    b. financed the merger of steel companies, creating US Steel; agricultural equipment makers to make International Harvester; two large electric utilities to make General Electric

Antitrust Legislation

A. Interstate Commerce Act of 1887
    a. Required railroads to publicize their rates; outlawed secret rebates
    b. Prohibited better prices for particular shippers, cargoes, or locations
    c. insisting that short destinations be no more expensive than longer ones
    d. Rates had to be "reasonable and just"
B. Sherman Antitrust Act (1890)
    a. Banned every "combination …in restraint of trade or commerce," and every attempt "to monopolize any part of the trade or commerce."
C. Clayton Antitrust Act (1914) banned (when they substantially lessen competition):
    a. Price discrimination between different buyers
    b. Insisting that a buyer not purchase from other sellers, or requiring other products to be purchased
    c. Mergers between two competing companies
    d. Directors from sitting on boards of competing corporations
    e. Antitrust laws not applicable to labor unions