STUDY GUIDE

STANDARD OIL

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i. Letter from the Secretary General

Dear Participants,

It is I, Recep Eren Durgut, a senior student at Bogazici University Industrial Engineering Department. As the Secretary-General, I would like to welcome you all to the 6th official session of BoğaziçiMUN. For February, our academic and organizational team have been working for almost a year now. I would like to thank Deputy Secretaries-General Kaan Akkas and Kaan Oztoprak for their efforts in the journey. And a big appreciation to Oyku Efendi and Kaan Berker for their efforts and cooperation during the process.

From the point the journey of BoğaziciMUN started, it's been years of hard work and sacrifices to achieve the best conference to satisfy your demands and needs. Years of tears, generations, and conflicts have now grown up for the year 2024. By the experience we had gained from the previous versions every year, our capabilities have become the finest version of the BogaziciMUN history. Every year, you, our participants develop a better global perspective, a better understanding of politics, and a sweet and sometimes bitter taste of global interactions. The year 2024 will welcome us with new agendas for future discussions and negotiations. As the Secretary General of BoğaziçiMUN, you have my full trust and support to address these agendas. BogaziciMUN is a place where you can find love, lifelong friendships, and chosen siblings. Months of hard work are just for you to be able to experience the best and find the ones that can change your life. BoğaziciMUN has been 'Bridging the Gap' for years and with the new version of it, the gap, and the way we bridge will be different and unique.

In every story, there has always been a point where the heroes have to say goodbye. I would like to thank the heroes of the BoğaziciMUN who are retired, but their legacy and vision will always be remembered.
Last but not least,

Welcome to the BoğaziciMUN'24, where we are "Bridging the Gap".

Recep Eren Durgut

Secretary-General of Boğaziçi MUN 2024

ii. Letter from the Committee Board

Most esteemed participants,

It is our greatest pleasure to welcome you to the sixth annual session of BoğaziçiMUN. We are delighted to have you among us in our committee, the Standard Oil Company. In this committee, we will simulate the executive board of Standard Oil during a tumultuous time for the company. The ever-changing economic and political scenes of the United States at the time will prove to be quite a challenge, as it did back in the days of the original Standard Oil.

We will also delve into the riches of the Rockefeller family and their associates where we will witness the birth of a dynasty that still has great sway over most of the world even as of today. Moreover, although most people can usually claim to have relevant experience as they were teenagers once, we will recall that family dynamics are complicated, especially if it's a very-extended-by-business-and-marriages type, and realize that everyone is out for blood, even if they're family.

You will have to navigate chaotic events with great precision, and you are advised to never show your true hand, even when the circumstance seems to be calling for it.

Remember that this study guide is a very comprehensive document intending to cover all aspects of preparation for the conference, so please refrain from skipping any sections as they provide valuable information, direction, or insight in relevant matters. Should you have any questions or need further clarification, please do not hesitate to reach out to us. You can contact us at your convenience via the provided e-mail address: emirelhatip@gmail.com.

Best Regards,
Emir Elhatip & Alper Sağtaş
Under-Secretaries General of Standard Oil

iii. Information Regarding the Committee and the Study Guide

First and foremost, as this is a historical committee, usage of all technological devices is prohibited during proceedings. No exceptions will be made for translation or research purposes. If you desire to bring a pre-written speech, make sure to transcribe it onto a piece of paper as you will not have access to your mobile phones/tablets during the sessions.

Due to the tentative nature of the committee, most proceedings still remain extremely unpredictable. Therefore, it is required of every participant to draw up a position paper and send it to the correspondence email provided in Section iii. within a time frame that ranges from receiving your allocation email to February 3rd, three days before the conference. Your position papers will be thoroughly evaluated by the committee board. Additional information and feedback will be provided once your position papers are evaluated. You can refer to Appendix C at the end of the study guide where you will find a sample position paper.

The rules of procedure, in its complete form, is available as a separate document and can easily be accessed on the official website. However, the study guide also includes an advanced, simplified version of the rules of procedure. You can always refer to Appendix B which contains the aforementioned version of the rules of procedure.

The study guide mainly intends to provide a preliminary, generalized overview of relevant time periods and concepts. Therefore, it is quite important to note that the information provided in the study guide is not complete in regards to the topics of interest. However, you can refer to Section 9. where you will find relevant material not included in the study guide to be utilized as additional resources.

Economic and political jargon is commonly utilized throughout most sections and no immediate explanations are provided, therefore it is in your best interest to constantly refer to Appendix A where you will find definitions for key terminology.

Former sections focus on historical aspects, latter sections focus on economic, political, and legislative aspects. Most sections are discrete in terms of topics, therefore, you do not have to start from the first section and work your way down.

1. The Last Great American Dynasty, an Introduction

The *Reconstruction Age* was certainly an interesting time to live in. From the rulers to the peasants, the entirety of the continent had been through hell and back, due to constant skirmishes, a four-year-long civil war, segregation and slavery, and extreme poverty at times. However, they were also blessed with the opportunity to witness one of the greatest transformations in the entirety of human history, as *the Union* defeated *the Confederates* and emerged victorious from the American Civil War, and with that, the States progressed into an era of reconstruction, marked with urbanization and industrialization at an unmatched pace. As the industrialization era slowly came to its end, the States, now officially recognized as the United States, had seen massive improvements across the board in any imaginable field. Railroads now sprawled across the continent, connecting the riches of the East Coast to the unblemished potential of the Midwest and the West Coast. Agriculture had flourished greatly, accounting for a total of 30$ billion in terms of GDP, whereas in the previous decade, it only accounted for a total of 8$ billion. Rural areas, once swamplands that no one dared to explore, were now home to vibrant farming communities, as the population of farmers grew by 300% in the span of two decades. The communities also transformed greatly, as most single farmers realized “the importance of having a hard-working wife and children” as put by Deborah Fink, an expert in anthropology with a special interest in working-class women in rural areas and farmlands. Marriage rates skyrocketed through the roof, and “family-life” became the centerfold of the rural ways of living, as most farms were now operated by a family. Even though there is still some debacle among historians regarding the following statements, most of them seem to have reached a consensus on the fact that although the Eastern image of farm life constantly emphasizes the isolation and the loneliness of the farmers and the rural life, the reality at the time was far from it. Most rural communities were described as vibrant and close-knit, and most rural folk are believed to be leading a rich social life. Many of them were members of their local church, *the Grange*, and most communities organized activities for their entertainment, such as barn raising, corn husking, and bee-quilting. Moreover, extended family visits were common, and womenfolk at the time were known to have hosted potluck events. To summarize, the age of industrialization in the United States transformed both the socio-cultural and the economic scene of the times greatly, and most importantly, towards a net-positive direction.

As the *Reconstruction Age* drew to a close, the United States was internationally recognized as a “proper industrial” nation, with factories sprawling across the continent, and urbanization reaching natural city limits and beyond. This, obviously, came with a number of consequences, although it’s important to note that most of them are net-positives, and not relevant to the topic. The one consequence that is relevant, however, is that the industrialization efforts led to a period of immense economic growth, referred to as *the Gilded Age*, as eloquently put by Mark Twain. The word “gilded” is fundamentally defined as “thinly covered with golden leaves or gold paint” in dictionaries, however, it also conveys the meaning of “wealthy and privileged", and as the definitions suggest, the *Gilded Age* was exactly that. This period of unparalleled economic growth allowed the United States to be the leading power in industrialization efforts, and the nation rapidly expanded its economy into new areas. The railroads in the United States were the gold standard for the world at the time, especially after the first trans-continental railroad's opening in 1869, which reduced the travel time between New York and San Francisco from 6 months to 6 days. The inauguration of this railroad opened up the West Coast for further economic development, and since the West Coast had already been densely populated, although not within close proximity to the population in the East Coast, due to the *California Gold Rush* (1848-1855), industrialization

and urbanization efforts in the region did not require much encouragement. Additionally, towards the end of the 1880s, the railroad network in the United States had already tripled in length, and would go on to double its length towards the end of the 1920s. These railroad linkages allowed many industries to flourish, notably commercial farming, mining, and ranching, in formerly isolated areas and turned them into commercial trading hubs.

Now that most of the United States had turned towards industrialization, the production in the country increased incrementally, actually so much that, in the country, annual production surpassed annual consumption, which led to most prominent companies start exporting their goods. This-in-turn brought an influx of foreign currency, and thus great wealth, into the country. Towards the end of the previous century, the United States was already the richest country in the world in terms of GDP, but with the arrival of the new century, its GDP soared to new heights, and its stock market, Wall Street, saw a great increase in foreign investments and managed to surpass the one of the United Kingdom to become the largest of its kind in the world. This influx of wealth and riches motivated the employers to increase wages by considerable amounts, although part of that motivation stemmed from the enforcement of the new wage policies declared by the Supreme Court of the United States. As the wages increased, the living standards followed suit. And since trans-Atlantic travel was much more accessible to the general public now, the relatively-high standard of living in the United States facilitated the working class in the United Kingdom, Ireland, Italy, and akin countries to immigrate to the United States, hoping to work in menial jobs, preferably similar to the ones they were already accustomed to, yet still lead a much better life than the life they led back in their home countries. This influx of workers only fueled the pace of the economic growth, once again alluding to the exponentiality of growth. However, even though the number of available workers continued to increase, most visionaries at the time started thinking about efficiency, which led to a great interest in developing technical, automated systems as an alternate means of production that would also allow the prevention of the depletion of human capital. Thus, *the Gilded Age*, a period spanning across only four short decades, not only witnessed the early industrialization efforts in the United States, it also witnessed the integration of technical systems into industrial production. A development this rapid had never been seen before in human history at the time, and probably will never be seen again until humanity manages to figure out a way to harvest cosmic power, mainly the power of fusion in the cores of stars, with great efficiency, and that probability is very close to zilch, so it's very safe to assume that it will never be seen again, at least in our lifetimes.

In the latter half of *the Gilded Age*, especially in the time frame after 1900, the economic scene went through a massive transformation, as the process of economic concentration had extended into most branches of industry. Large corporations began to dominate the economic scene in all prominent sectors, which mainly were steel, oil, sugar, meat, and farm machinery production, and emerged as *monopolies*. These corporations had already established their means of production and had control over the market, mostly through *vertical integration*. Through *vertical integration*, *monopolies* were able to manipulate the market, control every single aspect of production, and maximize their profits while minimizing their costs. Additionally, whenever a new company tried to enter the market, these corporations had the freedom of lowering their prices, which mostly ended up driving their competitors out of business, or at least out of that specific market.

Standard Oil was the most famous amongst these *monopolies*. At its peak, Standard Oil had control over 90% of all petroleum products in the United States. Although our committee, which consists of you, delegates, may alter the course of history, in real life, Standard Oil was deemed an illegal *monopoly* according to the Sherman Anti-Trust Act of 1890 by the Supreme Court, and was consequently split into 43 independent entities in 1911. The dissolution of the trust made John D. Rockefeller the single richest man in the history of the United States, and placed him among the wealthiest people in the entirety of history.

Figure 1.1, displaying a share dividend payment receipt for Standard Oil

2.History of the Standard Oil Company

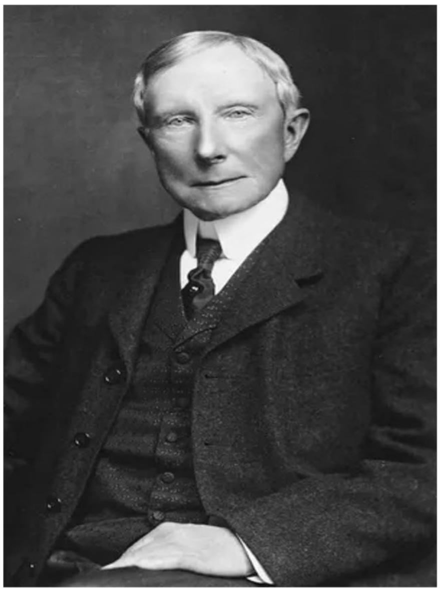
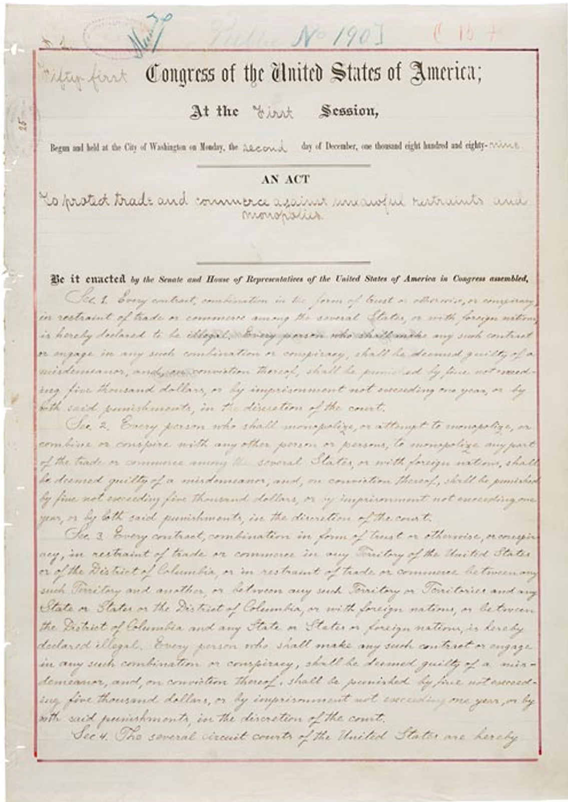


Figure 1. John D. Rockerfeller

The history of Standard Oil is the story of money and richness. The term "monopoly" is in use today because of the company and its founder, John D. Rockefeller. He is known as a business genius with a mind that works for money and an unethical capitalist who earned his money by making others disappear by buying them out of course. Standard Oil is the company and corporate trust of John D. Rockefeller (Figure 1) from 1870 to 1911. The famous Rockefeller family who has almost all oil production in the United States and other sectors such as transportation and marketing is the number one in the USA and earned their wealth by the Special Oil Company. At the start of 1863, Maurize B. Clark and Samuel Andrews were in the picture with Rockefeller. They purchased oil wells in Pennsylvania and constructed a new well in Cleveland. Clark was bought out by Rockefeller in 1865 creating Rockefeller & Andrews Oil Company, shortly after Henry M. Flagler was a partner in the business. The timing was not excellent for the business to grow, oil was becoming more popular but people only needed it for lighting. Oil prices fluctuated, and the demand was not constant. O.H. Payne entered the scene who had the largest oil refinery in Cleveland at the time, a merger took place which resulted in a single company. With such power in the oil market, other competitors were driven out of business or bought by Rockerfellar's company. In 1870, Standard Oil Company was incorporated in Ohio. The company had bought out almost all refineries and used important railroads to have the oil control in its hands by the time it was 1880. In 1882 Standard Oil Trust Agreement was signed by the trustees who were engaged in oil-related sectors. With the Trust in place, 40 new corporations were governed by the same trustees but it didn't seem like it. The trust was a legal wonder to the public and almost invisible. The federal government was watching the actions and the company was basically under attack from the government because of the company being a monopoly and holding the cards about pricing. It is called a "virtual monopoly" because there wasn't a single company which was leading the sector but multiple of them owned by the very same person who wanted them to diverge from another company which was owned by him or established for the very same reason as a new company. John Sherman, who is a senator from Ohio, brought the idea of an anti-trust act which allowed the federal government to act on monopolies and break them up which broke up businesses that prohibited competition. On July 2, 1890, The Sherman Anti-Trust Act (Figure 2) was approved which outlawed businesses from using monopolistic behaviors. It is the first measure taken by the United States government to prohibit trusts. What Standard Oil was doing at the time was exactly the same thing: no competition, sole profit from the sector was in their pockets. Ohio brought a suit against Standard Oil Trust in 1892, they won but then it went to appeal. The Supreme Court ruled against the company and the company had to divide in 1911. Technically the division was for a free market system which had different companies owned by different people and had competition against each other. The division resulted in many companies, some of them being: Standard Oil of Ohio, Standard Oil of Indiana, Standard Oil of New York, Standard Oil of New Jersey, Standard Oil of California, Standard Oil of Kentucky, Standard Oil of Iowa, Standard Oil of Minnesota, Standard Oil of Illinois, Standard Oil of Kansas, Standard Oil of Missouri, Standard Oil of Nebraska, and Standard Oil of Louisiana. After the



Public No 190

Fifty-first Congress of the United States of America;

At the first Session,

Begun and held at the City of Washington on Monday, the second day of December, one thousand eight hundred and eighty-nine.

AN ACT

To protect trade and commerce against unlawful restraints and monopolies.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. ~~Every person who shall make~~ any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Sec. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Sec. 3. Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any Territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Sec. 4. The several circuit courts of the United States are hereby

Figure 2. The Sherman Anti-Trust Act 1890

division, one would expect them to stay separate and keep going as separate businesses. However, with new mergers, up until today, there are still some oil companies that are the descendants of Special Oil which dominates the oil industry. After the division which happened 110 years ago, the legacy of Special Oil is still standing even though the name may have been forgotten. Some companies are thriving while others again merged with the remnants or are renamed or bought by others, Chevron and Exxon dominate the oil sector (Figure 3).

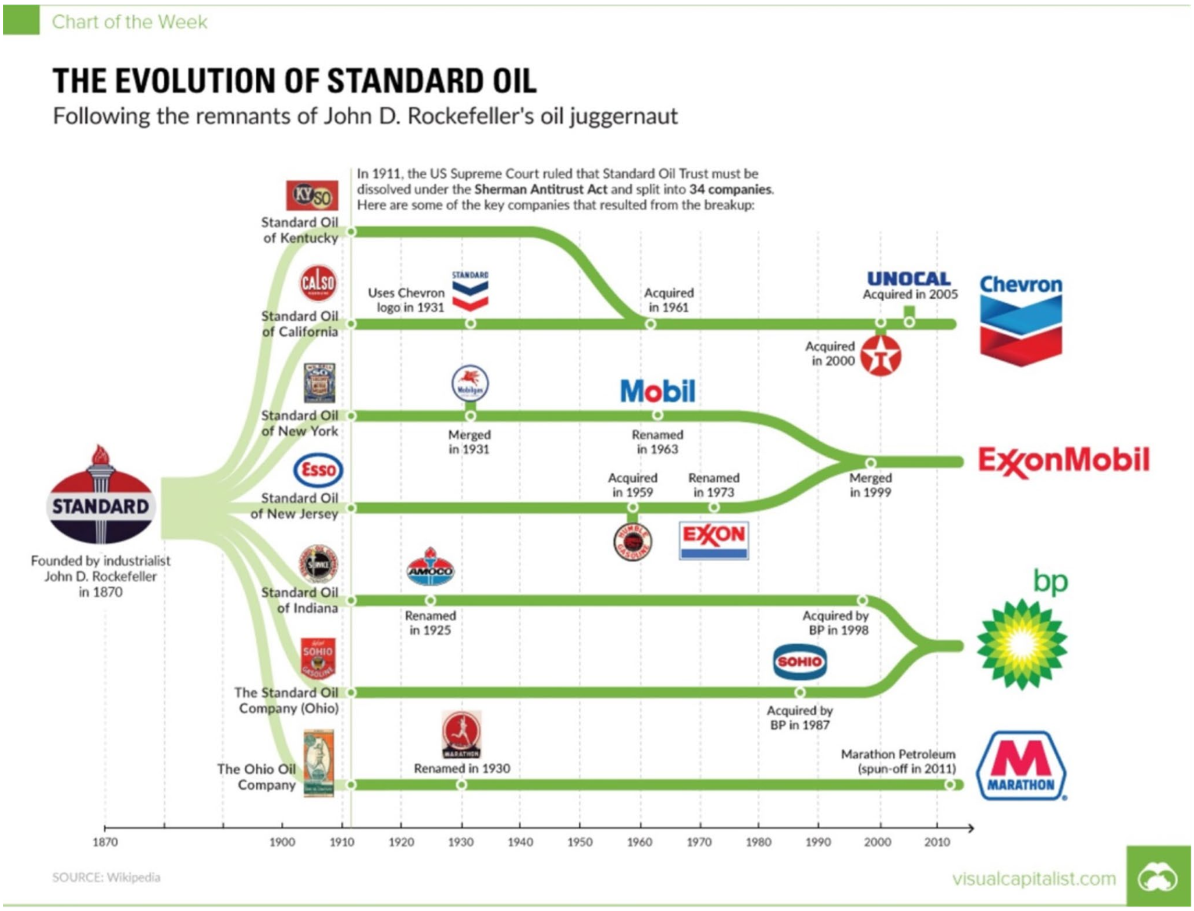


Figure 3. Standard Oil and the Companies Formed After the Division

3.1907 Bankers' Panic: the Knickerbocker Crisis

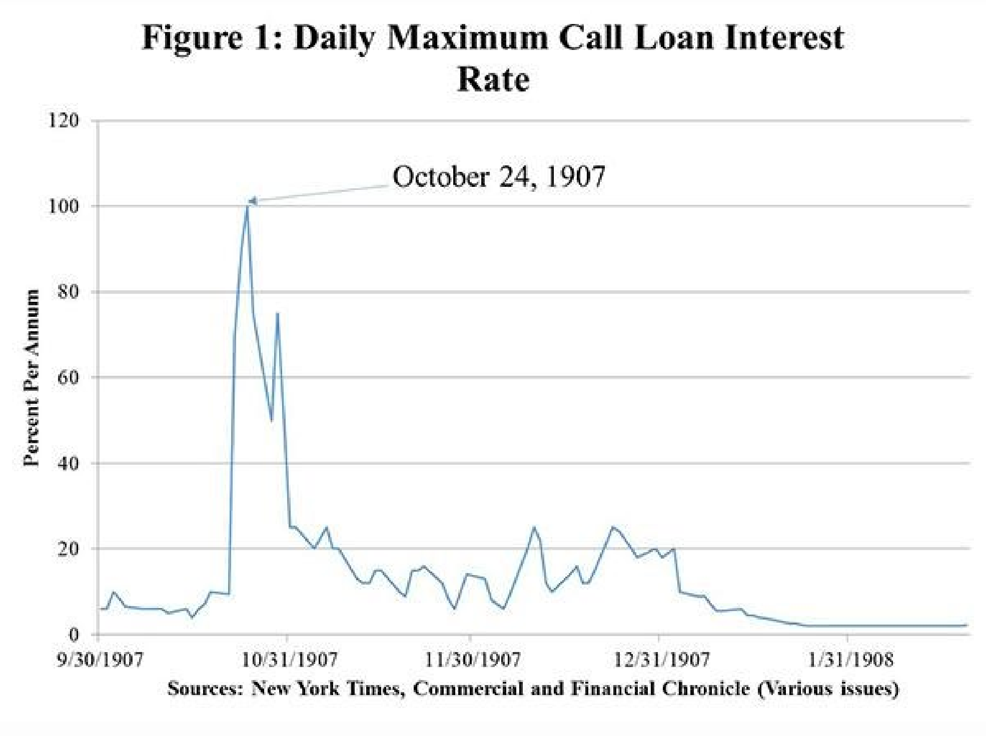
The 1907 Bankers' Panic is just another Bank run that happened, it wasn't the first one and certainly not the last. A bank run is a systemic failure of the banking system. Banks are basically money merchants. They take deposits from savers and loan out that money to borrowers. The interest difference between deposits and loans stays with them and is called the net interest margin. Banks hold cash and other assets. Their reserves -cash- are usually between 10-20%. This is called liquidity. The problem with Bank runs is the confidence of the banks or lack thereof. When the confidence is high that Banks will meet the withdrawal requests, the system works just fine. However, with lower confidence in Banks, customers tend to withdraw on the assumption that the Banks won't meet the withdrawal request. If a lot of customers want their money at the same time and "run" for exiting, "run on the bank" surfaces.

The panic of 1907 marked the first global financial crisis of the 20th century. Even though it was definitely a horrific economic crash, it resulted in reforms which resulted in the establishment of the Federal Reserve System. At the time, trust companies had a minor role in payment systems but they were large and important to the financial system. Trusts loaned out money to brokers and they used these loans to purchase securities for themselves or their clients. Brokers then used these new securities as collateral for a call loan (overnight loan mainly used for stock purchases) from banks. Then the call loan was used to pay back the loan that was taken from the trusts. This extra liquidity supported the new transactions.

F. Augustus Heinze and Charles W. Morse, who were two minor speculators, endured losses trying to corner the stock of United Copper on October 16, 1907. This collapse drove depositors of the Heinze Banks -which was associated with these men- out, and the depositors moved their deposits to other banks After 4 days, a public announcement was made by the New York Clearing House to calm the depositors of Heinze related banks, also they offered those banks loans with were exchanged for clearinghouse loan certificates (one of the benefits of Clearing House Association).

This was an exception, other trusts also experienced runs. Knickerbocker Trust was also associated with Morse, the National Bank of Commerce offered credit to Knickerbocker Trust to cover withdrawals. The bank itself requested a loan from the New York Clearing House on behalf of Knickerbocker Trust on October 21, 1907. The request was denied since the resources were for only its member institutions. The denial led them to J.P. Morgan for an aid request. Benjamin Strong, then the first head of the Federal Reserve Bank of New York, was chosen to determine the financial condition of Knickerbocker. The condition was unclear, Morgan refused to aid the trust. This led to depositors withdrawing nearly $8 in a single day which suspended operations. Then like a domino, everything collapsed. The runs on deposits were in all trusts and the Trust Company of America took the big hit. Shortly, Morgan and New York Clearing House banks released aid changing their minds. The withdrawals continued in the upcoming weeks.

The interest on overnight loans on stock collateral offered at the New York Stock Exchange has seen an upward spike, this was one of the first signs of financial distress. The New York Stock Exchange remained open but took a hit and saw a sharp decline. Because of Morgan's action of "injecting"



cash, he took money from institutions and gave the money as a loan to support the brokers.

The stabilization was the work of Morgan. At the time, there wasn't a Federal Reserve System (established in 1913) which would check the monetary policy and try to provide financial stability in the USA. Morgan was a respectable man, he coordinated other bankers, took a leadership role, and helped respond to the crisis. The stability came with public confidence in the banking system with Morgan's work, just like how the lack of confidence caused the run itself.

In 1908, many things happened, one of them was the creation of the National Monetary Commission. The commission aimed to closely watch America's economy, banking and monetary systems. This commission later evolved into the Federal Reserve System of America. Another important thing that happened in 1908 as a response to the panic was the Aldrich-Vreeland Act. This act allowed the National Monetary System to issue emergency currency in needed times. Thus, there would be no need for people who pumped money into the system like Morgan. In 1912, the Pujo Committee was formed to investigate who holds the financial power in the country and how it affects the economy. What the committee found was no surprise, a need for monetary systems and banking reform. 1913 was the year that Americans finally saw the passing of the Federal Reserve Act which led to the Federal Reserve System's establishment. This act resulted in the decentralizing of the central banking system and gave the Federal Reserve authority for almost anything related to monetary and banking systems' stability. These steps taken after the Bankers Panic of 1907 led to the stability of the economy at the time.

The decline in the stock market during the Panic led the corporations to fall into financial distress. Raising capital became harder and harder for the companies with their market values falling each day. Credits from banks were not an option, liquidity was nonexistent. Without the money from investors and banks, companies were bankrupted. Production fell immensely and it affected the trade badly. The economy slowed down, and unemployment rose. When the Federal Reserve System was established and new regulatory acts were in place, businesses flourished. Public opinion got better, and capital raising got easier.

4. The Early Progressive Era: Political Overview

The early years of the new century saw a fast transformation of American society. The nation as a whole was transitioning from an urban industrial economy to a rural lifestyle centered on agriculture. In pursuit of employment and opportunities, more than eight million immigrants arrived in the US between 1900 and 1909. In the years just before the year 2000, fifty percent of Americans were farmers. Nearly half of all Americans lived in cities by 1910. Throughout the 1900s, the country faced numerous political and economic issues as a result of these significant cultural developments.

Large firms, led by a small number of extremely strong leaders, had more influence over the economy as the country got more industrialized. For instance, seven men-owned 85% of the railroads in America by 1906. A "laissez-faire" ("hands-off") economic policy, which held that the state shouldn't overly control business, was supported by the federal government at this time. As early as the late 1800s, corporations began to set up "trusts," or holding companies. Businesses came together to form trusts in order to pool their resources, buy shares, and eventually take control of their whole industry. During that time, the oil, gas, railroad, and meat-packing industries had some of the strongest trusts. Since they were largely free of government interference, trusts often treated their workers poorly, demanding that they labor for long hours at meager wages.

In the 1900s, a widespread movement for change emerged across America, drawing support from diverse groups like farmers, factory workers, businessmen, and activists of various ideologies. Their shared goal was to reform both the economic and political systems that governed the nation. Corruption, evident at local, state, and federal levels of government, became a focal point for reformers seeking transparency and accountability. This period witnessed a wave of public outcry against major corporations, highlighting issues like poor working conditions and the exploitation of child labour.

The grim reality of over half a million annual job-related injuries and thirty thousand deaths in unsafe workplaces spurred outrage among citizens. Journalists known as "muckrakers" played a crucial role in exposing these injustices, using vivid storytelling to shed light on the harsh treatment of laborers by corporate leaders. The government responded to these revelations by passing several laws aimed at improving employee rights and enhancing product safety standards, reflecting a growing concern for public welfare. It wasn't just journalists; labor unions like the Industrial Workers of the World (IWW) also worked to advocate for better treatment of workers.

Strikes became more frequent, often leading to clashes and occasionally escalating into violence when authorities intervened forcefully to end work stoppages. These confrontations between labor and management were intense, fueled partly by socialist influences within labor movements. Socialists, critical of the capitalist system, believed in worker control of workplaces and advocated for equal benefits for all workers. Their ideologies added to the radicalization of labor movements, contributing to the fervor of these conflicts. Overall, this period saw a broad coalition of groups demanding reform, motivated by a shared desire for fair treatment, safer working conditions, and a more equitable distribution of benefits among workers.

During the 1900s, the Supreme Court initially hesitated to intervene in labor conflicts. However, over time, it began to assert its influence by reevaluating the concept of interstate commerce. Throughout this period, the Court grappled with balancing the desires of businesses seeking minimal regulation for economic growth and labor movements aiming to alleviate the exploitation of the working class. The era was characterized by a divided America on various fronts. Workers often felt undervalued and exploited by corporate leadership. Immigrants encountered difficulties as the United States appeared unwelcoming to their traditional customs, insisting on conformity to the so-called "American Way." Racial segregation was widespread, with minimal interaction between Blacks and whites in schools, churches, and social spheres.

The nation was rife with divisions, prompting concerned citizens to advocate for widespread reforms. Recognizing the economic, political, and social issues plaguing society, these reformers dedicated themselves to improving conditions across these spheres. Their efforts aimed at addressing the nation’s ills, advocating for change, and working towards a more equitable and inclusive society for all.

President Theodore Roosevelt emerged as the most influential political figure of the first ten years of the century when he took office in 1901 after President William McKinley was assassinated. The American presidency was a comparatively weak office held by a number of uninteresting politicians in the late nineteenth century. Roosevelt was a charismatic man whose robust physical presence and reforming zeal captivated the nation's attention. He pushed himself into domestic and global affairs, increasing American sway across the globe. Roosevelt's support of environmental issues was one of his most significant programs. As industry exploited America's land for its coal, iron ore, timber, and other raw materials, Roosevelt and fellow conservationists recognized that the environment was not abundantly plentiful and that the nation must protect its natural resources.

5. The Early Progressive Era: Economic Overview

The economic scene of the period, as mentioned in the first section, is marked with immense growth. However, it is very important to note that this growth did not stem from purely coincidental causes and did not manifest itself in the form of sporadic bursts. In fact, an argument can be made for how the forefathers meticulously placed every single stepping stone along the path that led to the Progressive Era, and thus, set the course for a continuous strive towards a much more prosperous future.

The Progressive Era at its heyday saw a great economic transformation that came hand-in-hand with the aforementioned societal changes. Rapid industrialization efforts led to the rise of powerful industrialists. Many industries thrived in the Progressive Era, however, oil, steel, and railroads had the most notable expansions. Although this development had many contributing factors, technological advancements of the period were the solemn key factor. The assembly line, a groundbreaking invention pioneered by Henry Ford, was the centerfold of these advancements and completely transformed manufacturing processes.

Since the corporate structure was still a foreign concept to many, including legislative bodies of most governments at the time, most corporate ambitions were left unchecked. Even in the United States, laws only mandated minimum wage specifications and pension payments, therefore, large corporations had a fairly easy time dominating select markets and exploiting their workers. Moreover, the concept of company trusts was introduced towards the end of the 19th century, and enabled powerful corporations to consolidate their control over markets and emerge as monopolies. Trusts were often criticized for not providing their employees with proper working conditions and limiting competition.

The rapid transformation in the industrial scene, marked only with poor working conditions such as health hazards, low wages, and long working hours, led to the rise of the labor movement. Labor unions, such as the American Federation of Labor (AFL), organized strikes and advocated for workers' rights, including better wages, shorter working hours, and safer working conditions. Income inequality was another significant issue for workers. The wealth gap between industrialists and the working class was stark, leading to social tensions and calls for economic justice.

On a different note, The United States expanded its influence overseas through imperialism. Economic interests played a role in overseas expansion, and the acquisition of territories like the Philippines and Puerto Rico provided new markets for American goods.

In conclusion, the early Progressive Era offered many prospects to companies, and not so many to individual workers, effectively creating the wealth gap between the blue collars, the white collars, and the corporate bosses, which still persists, even as of today.

6. General Concepts in Economy and Politics

Scarcity: The universe we live in has scarce resources that can be used for many things. The problem starts with peoples' wants, they are unlimited. Whatever people's imagination can produce, they want it. There is no limit to it. With limited resources, people need to choose what they want and use their limited resources for it. Because the wants and the resources are not equal, priorities come into play. These priorities make up the market system. Ice cream could be prioritized instead of cookies by some people.

Supply and Demand: Supply and demand are directly related to the scarcity of resources. Supply and demand relation changes with the availability of scarce resources and peoples' demand for that resource at a specific time. For example, at a certain price, people would demand 10 ice creams and producers would produce 8 ice creams. It is like a precise machine, with slight changes in supply or demand ultimately changing prices as well. When the supply and demand are equal at a certain price, the market for that specific good is said to be at equilibrium.

Cost-Benefit Analysis: This concept is related to rational choice. Economics operates under the assumption that people behave rationally. The producers would want to produce more ice cream if the demand is high. However, they would only produce it if the benefit of producing more ice cream would exceed its cost. This cost would include the cost of materials, employees and other unseen costs such as time that can be used somewhere else. Also from the customers' point of view, they would want to buy the best ice cream in the market for as little money as possible. People have a favorite ice cream brand that they will buy even if it is slightly pricier and there is another similar ice cream brand which produces similar ice cream.

Incentives: Incentives are important for almost everything. Economically, the incentive is related to supply and demand. If a good's demand is increased, the price goes up. Thus producers have an incentive to produce more of that good so they can sell it at a higher price.

Market Volatility: Market volatility refers to the degree of variation or fluctuation in the price of a financial instrument, such as stocks, bonds, or commodities, over a specific period of time. It is a statistical measure that reflects the level of uncertainty or risk in the financial markets. High market volatility indicates that prices are experiencing significant and rapid changes, while low volatility suggests more stable and predictable price movements.

Opportunity Cost: Opportunity cost refers to the value of the next best alternative that must be forgone or sacrificed when a decision is made to allocate resources (such as time, money, or effort) to one option over another. In simpler terms, it represents the benefits or returns that could have been gained from choosing an alternative course of action instead of the one actually pursued.

Macroeconomic Indicators: Important indicators such as inflation, gross domestic product (GDP), and unemployment rates provide crucial information for large-scale corporations. Executives can anticipate the general trajectory of economic trends and adjust their quarterly plans accordingly.

International Trade and Globalization: Understanding global economic trends and following international cash flow is of utmost importance for a corporation that operates beyond borders. Trade policies vary greatly from region to region and there are great benefits to be reaped from the fine print for skilled contractors. Currency exchange rates and international market volatility may allow a corporation, or even an individual, to turn a great profit in the short span of a single night. Therefore, an executive must have a great comprehension of international trade policies and global economic trends.

Risk Management: Although large-scale corporations may simply choose not to take risks and instead rely on the capital they accumulated, taking calculated risks will dramatically increase a company's profit margins, or their influence on a certain market or region. Therefore, precise risk management is a key factor for large-scale corporations. Executives must identify all relevant risks, whether it be stemming from the day-to-day operation of the company, the current financial status of the company, or from the exterior market, and thoroughly evaluate them from all aspects.

Government Regulations and Workarounds: Governments work for the people and usually attempt to restrict malicious intent in national affairs. Corporal greed can only go so far due to legislative barriers put in place. However, governments also consist of people, and individuals tend to work only for themselves. Therefore, striking deals and/or bribing government officials usually result in mutually-beneficial agreements for both parties involved. It is a cutthroat world, so we do what we must do and sleep like babies at night.

Public Opinion and Advocacy: Although we established that governments work for the people, they tend to not care about matters that the public does not take an interest in, or events that elicit mostly positive responses from the community. Additionally, all corporations, especially at the time, are fueled completely by human resources. Therefore, the public opinion must be on our side. Remember, the public can be your biggest advocate for your dirtiest deals, so long as you spin a plausible fairytale on the stand.

Government Spending and Taxation: Governments spend a lot of money, therefore, they intend to collect as much capital as possible from their subjects. Their subjects, on the other hand, try to pay as little as possible. Surely, a state of equilibrium will be reached eventually, right?

Geopolitical Considerations: Locations are the key factors to be considered for all logistical purposes of company operation. Political affairs can be utilized and/or manipulated for personal gains. All’s fair in love and politics.

7. Legislative Procedures for Company Trusts and Dissolutions

Although legal proceedings sometimes vary from country to country, there seems to be a consensus on most principles. Trusts need to be registered within the appropriate regulatory authorities so that the regulatory body - usually a government office - can monitor the trust, and oversee the administration so that they operate with all the beneficiaries' best interests in mind. Therefore a trust needs to adhere to regulatory stands, and compliance is of utmost importance.

Trustees are responsible for the management of the trust assets, however, they do not have completely free will. Trustees are bound with the initial trust set-up agreement, which usually explicitly states possible action steps for trustees. Additionally, trustees are required to report to all beneficiaries in the event of a fiduciary problem.

If necessary, the trust agreement may be modified or amended based on the needs of the beneficiaries or changes in circumstances. This process usually involves legal documentation and, in some cases, court approval.

The company's board of directors typically initiates the dissolution process by passing a resolution recommending the dissolution. This resolution should outline the reasons for dissolution and propose a plan for liquidation if applicable. This plan involves selling or distributing assets, paying off creditors, and distributing any remaining assets to shareholders. Additionally, creditors must be notified of the company's dissolution. The reasoning behind that is to provide them with an opportunity to file claims against the company's assets. This is typically part of the liquidation process. The next step is ensuring that all tax obligations are fulfilled, including filing final tax returns. Compliance with tax laws is crucial to avoiding legal issues.

After completing all necessary filings with government authorities to officially close the company, the board of directors must notify employees, customers, and other relevant stakeholders about the dissolution. When all liabilities are satisfied, any remaining assets will be distributed to shareholders according to their ownership interests and national inheritance laws.

8. Guide to Prominent Companies in the US

In the 1900s, several prominent companies in the United States played significant roles in various industries, contributing to the nation's economic landscape and growth.

United States Steel Corporation

Founded by J.P. Morgan in 1901, this company was a behemoth in the steel industry. It was one of the first billion-dollar corporations in the world and a result of consolidating several steel companies, including Carnegie Steel. U.S. Steel dominated the steel market, controlling a substantial portion of steel production during this period. It controlled steel production from start to finish. It was linked with the Homestead Labor Strike of 1892 and the Great Steel Strike of 1919. It was a major player in the steel market in its early years, currently, they have diversified its portfolio and mainly has business in North America and Europe.

Carnegie Steel Company

Andrew Carnegie and his associates created the Carnegie Steel Company which manages the steel mills in Pennsylvania. It was formed in 1892 and sold to US Steel in 1901 making the sale one of the largest business transactions at the beginning of the 20th century. The company sold cheap steel products to the industry that was growing at a high speed.

General Electric (GE)

General Electric, established by Thomas Edison and J.P. Morgan, acquired all the assets of the Edison General Electric Company and two other electrical companies in 1892. GE was a leading player in electrical engineering, lighting, and power generation. X-ray machines, electric home appliances, vacuum tubes, home television and commercial jet engines are just one of many innovations they led. The company's innovations in electricity, including the development of incandescent bulbs, made it a major force in the industry.

International Harvester Company

This company was a prominent manufacturer of agricultural machinery, including tractors and combines. Its products revolutionized farming practices, significantly impacting agricultural productivity during this period. In 1830, Cyrus McCormick invented the mechanical reaper, The McCormick Harvesting Machine Company was founded by him in 1847. In 1902, a merger with other companies occurred and the International Harvester Company was founded. It dominated the agricultural machinery market being the figure of American farming innovation. The company faced labor issues during its time. The name changed to Navistar International Corporation in 1985 and started to produce trucks and engines. Case Corporation bought the agricultural part.

International Business Machines Corporation (IBM)

IBM, founded in 1911 as the Computing-Tabulating-Recording Company (CTR), initially specialized in tabulating machines and punch card systems. It laid the groundwork for modern computing technology, becoming a major player in the emerging field of data processing.

Ford Motor Company

Although Ford was incorporated in 1903, its influence grew significantly in the following years. The introduction of the assembly line in 1913 revolutionized automobile manufacturing, making cars more affordable and accessible to the general public.

AT&T Corporation

AT&T's history dates back to 1876. After the invention of the telephone by Alexander Graham Bell telephone services were high in demand. AT&T had a subsidiary called Bell Labs, this subsidiary helped AT&T with many innovations in communication innovations. It was in a position that can be called a "natural monopoly" in the 20th century. In 1984, the monopoly was divided into 22 regional companies that are nicknamed "Baby Bells". Currently, the company is more focused on communications infrastructure.

The Coca-Cola Company

It was founded in 1892, and it is the largest beverage manufacturer and distributor. It produces more than 2800 and is in 200 countries. The iconic drink Coca-Cola was first produced by pharmacist John S. Pemberton at his company in 1886. The drink was based on cocaine from coca leaf and caffeine-rich extracts of the kola nut. It was sold as a syrup for soda fountains, in 1891 Asa Griggs Candler, another pharmacist, bought the business and incorporated the Coca-Cola Company one year later.

These companies, among others, wielded considerable influence in their respective industries, contributing to the industrial and economic growth of the United States during the early 20th century.

9. Guide to the Board Members of the Standard Oil Company

John D. Rockefeller

John D. Rockefeller was an American industrialist and philanthropist, founder of the Standard Oil Company, which dominated the oil industry and was the first great U.S. business trust. He is the major historical figure behind the famed Rockefeller family and is widely considered the richest American and biggest philanthropist in history.

John D. Archbold

John D. Archbold is an American businessman and one of the United States' earliest oil refiners. His small oil company was bought out by John D. Rockefeller's Standard Oil Company. Archbold rose rapidly at Standard Oil, handling many of the complex secret negotiations over the years.[2]

John D. Rockefeller Jr.

John D. Rockefeller is an American financier and philanthropist. Rockefeller was the fifth child and only son of Standard Oil co-founder John D. Rockefeller. He was involved in the development of the vast office complex in Midtown Manhattan known as Rockefeller Center, making him one of the largest real estate holders in the city.

William A. Rockefeller

William A. Rockefeller is an American businessman, lumberman, herbalist, salesman, and con artist who went by the alias of Dr. William Levingston. He worked as a lumberman and then a traveling salesman who identified himself as a "botanic physician" and sold elixirs.[3] He was known to buy and sell horses and was also known at one point to have bought a barge-load of salt in Syracuse. Land speculation was another type of his business, and the selling of elixirs served to keep him with cash and aided in his scouting of land deals. He loaned money to farmers at twelve per cent but tried to lend to farmers who could not pay so as to foreclose and take the farms.[4] Two of his sons were Standard Oil co-founders John Davison Rockefeller Sr. and William Avery Rockefeller Jr.

Oliver H. Payne

He is a businessman and philanthropist. He was educated at Phillips Academy and Yale, leaving the latter in 1861 to serve in the Civil War, earning the brevet of brigadier-general. In Nov. 1864 he resigned his commission and returned to Cleveland, organizing Clark, Payne & Co., the largest Cleveland competitor of Rockefeller, Andrews & Flagler, and the largest single oil refiner in the city. In 1872, it merged into Standard Oil Co., of which Payne became treasurer until 1884 when he moved to New York. Payne's holdings in Standard Oil were exceeded only by those of Rockefeller, the Chas. Pratt estate, and the Harkness Family.

William P. Whitney

William P. Whitney is an American businessman and member of the influential Whitney family. He inherited a fortune and enlarged it through business dealings, then devoted much of his money and efforts to a wide variety of philanthropic purposes.

Charles M. Pratt

He is an American oil industrialist,[5] educator, and philanthropist. As the eldest son of industrialist Charles Pratt. in 1875 he began working at Charles Pratt and Company, soon becoming president. He was a director of the Standard Oil Company and later a president of the Pratt Institute in

Brooklyn. A philanthropist, he donated large sums to Vassar College and Amherst College, among other institutions.

Herbert L. Pratt

Herbert L. Pratt is an American businessman and a leading figure in the United States oil industry. In 1923, he became head of Standard Oil of New York; his father Charles Pratt was a founder of Astral Oil Works, which later became part of Standard Oil.

Harold I. Pratt

Harold I. Pratt was an American oil industrialist and philanthropist. A director of Standard Oil of New Jersey. He played a role in the family's associations with Standard Oil, contributing to their ventures within the oil industry.

Henry M. Flagler

Henry M. Flagler is an American industrialist and a founder of Standard Oil, which was first based in Ohio. He was also a key figure in the development of the Atlantic coast of Florida and founder of the Florida East Coast Railway. He is also known as a founder of the cities of Miami and Palm Beach, Florida.

Henry H. Rogers

He is an American industrialist and financier. He made his fortune in the oil refining business, becoming a leader at Standard Oil. He also played a major role in numerous corporations and business enterprises in the gas industry, copper, and railroads. He became a close friend of Mark Twain.

Mary H. R. Coe

Commonly known as “Mai”, she is the youngest daughter of Henry H. Rogers. She is greatly interested in horticulture and philanthropy, and has a tumultuous past of - annulled - marriages. She showed a great promise for business prowess starting from a young age, which caught the attention of her father. She is the sole beneficiary for her father’s shares of the Standard Oil Company.

William L. Harkness

William Lamon Harkness was born in Bellevue, Ohio, the son of Daniel M. Harkness, who was the half-brother of Henry Flagler and Stephen V. Harkness, both founders of Standard Oil, and his wife Isabella Harkness. Upon his father Daniel's death in 1896, he inherited a large share in Standard Oil, a company in which his father had been an early shareholder. He is also a cousin of noted philanthropist Edward Harkness who also benefited from his father's involvement with Standard Oil.

Lamon V. Harkness

Lamon V. Harkness is an American businessman and one of the largest stockholders in Standard Oil. Lamon V. Harkness became involved with Standard Oil through his father Stephen V. Harkness, who was a primary silent investor in the formation of Standard Oil.

Charles W. Harkness

On his father's death in 1888, Charles inherited stock in Standard Oil amounting to the second largest holding in the company, surpassed only by that of the Rockefeller family.[6] Harkness became a director at Standard Oil and was a director of the Southern Pacific Railway Company, the Chicago, Milwaukee and St. Paul Railway, the Baltimore and Ohio Railroad, and the Tilden Iron Mining Company, and managed his father's immense holdings.

Daniel O’Day Jr.

His father, Daniel O'Day, was a director of the Standard Oil Company and a prominent factor in the petroleum business. Daniel O’Day Jr. was one of northwestern Pennsylvania's earliest independent refiners to be brought into John D. Rockefeller's Standard Oil Company.

10. Further Reading and References

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Appendix A - Key Terminology and Definitions

Monopoly: A situation in which a single company or entity dominates and controls an entire market, limiting competition and often exerting significant influence over pricing and supply.

Vertical Integration: The process by which a company controls and manages multiple stages of the production or distribution chain, from raw materials to the final product, to increase efficiency and reduce costs.

The Grange: A farmers' organization founded in the late 19th century that aimed to provide social, educational, and economic support to farmers, advocating for their rights and interests.

Trust Company: A financial institution that acts as a trustee, managing assets on behalf of individuals, organizations, or businesses, often involved in estate planning and investment management.

Sherman Anti-Trust Act: A U.S. federal law enacted in 1890 to prevent anticompetitive practices and promote fair competition by prohibiting monopolies and restraining trade.

Industrialist: A person involved in the ownership, management, or operation of industrial enterprises and the promotion of industrial development.

Philanthropist: An individual who engages in charitable activities and donates money, resources, or time to promote the welfare of others and contribute to social well-being.

Magnate: A person of great influence, power, or wealth, especially in a particular industry or business.

Monopolistic Behavior: Conduct by a company that seeks to establish or maintain a monopoly, often through anticompetitive practices such as price fixing or exclusionary tactics.

Court Appeal: The process of requesting a higher court to review and reconsider a decision made by a lower court.

Bank Run: A situation in which a large number of depositors withdraw their money from a bank simultaneously, usually due to concerns about the bank's solvency.

Liquidity: The degree to which an asset or security can be quickly bought or sold in the market without affecting its price, indicating the ease of converting it into cash.

Laissez-Faire: An economic philosophy advocating minimal government intervention in markets, allowing free competition and natural economic forces to determine prices and production.

Dissolution: The formal process of winding up or ending the existence of a business, organization, or legal entity.

Annulment: The legal declaration that a marriage is void, as if it never existed, often due to specific legal grounds such as fraud or incapacity.

Stock Collateral: The use of stocks or shares as collateral for loans, providing security for lenders in case of default by the borrower.

Muckrakers: Journalists and writers in the early 20th century who exposed and criticized social and political issues, corruption, and abuses in order to bring about reform.

Interstate Commerce: Trade or transportation of goods, services, or people between different states within a country.

Conservationism: The advocacy and practice of preserving natural resources and the environment through sustainable and responsible use, often associated with environmental protection and ecological balance.

Appendix B - Rules of Procedure Overview

Article 1: Company Positions and Hierarchy

The company continues its day-to-day operations throughout the conference. Participant chair(s) have complete autonomy over the committee, as *(Vice) Chairman(s) of the Board*. Remaining participants are equals in terms of *voting power* as executive board members, commonly referred to as *the Board*, holding the same amount of *company shares*. However, this balanced state will not persist if a delegate *acquires* or *divests company shares*. Additionally, over the course of the conference, delegates will have the chance to be appointed to various positions. The positions in-question are:

1) Head of Acquisitions
2) Director of External Affairs
3) Chief of Staff

The *Head of Acquisitions* is responsible for company finance, dividend payouts, and stock investments. The *Director of External Affairs* is tasked with modulating the public opinion towards the company and cultivating business partnerships. The *Chief of Staff* is entrusted with maintaining the integrity of day-to-day operations of the company and mediating employee-related disputes. All three positions may be conferred to delegates at any time during a session if need be. In the case of a promotion, the delegate then-in-question will have the chance to present a *report* regarding the matter to *the Board* in the following session.

Article 2: Procedural Medium

The company mainly operates on a variety of voting procedures, broadly referred to as *board votes*. There are three types of *board votes*:

1) Simple Vote
2) Ballot Vote
3) Vote of Distrust

All three voting procedures need not be utilized during a single session and are at the discretion of the Board. However, before any *board vote* is held, a preliminary approval from the acting *Chairman of the Board* is required.

Article 3: Voting Types

The *simple vote* is the common practice for all procedural matters unless a set procedure is specified below. As the name suggests, only a simple majority is a must for the approval of the pending proposal in-question. However, it is quite crucial to note that this majority is measured in terms of *company shares*, defined as 50% + 1. The *ballot vote* is reserved for situations that call for an election, such as the retirement of the *Chairman of the Board*, or the appointment of a *Head of Acquisitions*, a *Director of External Affairs*, or a *Chief of Staff*. Additionally, the *ballot vote* is held in complete anonymity, unless an *appeal* is made to the *Chairman of the Board*. The *Chairman of the Board* can overturn the *appeal* or grant a *waiver-of-anonymity* to hold the *ballot vote* in an open fashion. This decision is unilateral and final. The *vote of distrust* is not part of the usual modus operandi. However, delegates are allowed to call for a *vote of distrust* regarding some procedural matters, and in the event of one, operation is suspended for the time being and a previous decision is re-evaluated by *the Board*. The decision-in-question may be a past appointment, the result of a vote, or a ruling imposed by the *Chairman of the Board*. Only for the *vote of distrust*, the metric used is the number of votes instead of *company shares*, however, the *Chairman of the Board* may choose to partake in the vote as well, with additional *voting power*. The standard for such a situation sits at a scaling factor of magnitude 5. The result of a *vote of distrust* is final, and cannot be altered, even by the authority of the *Chairman of the Board*. A *vote of distrust* regarding a past *vote of distrust* is not proper precedent and shall not be entertained.

Article 4: Ousting and Overturning

If the result of a *vote of distrust* turns out to be against the notion in-question, an event of *ousting* or *overturning* will occur. The tenure of a specific position will be *ousted* on grounds of incompetence or malpractice, meaning that they will lose their current position and will be forced to *divert* a set portion of their stocks, set at 1 percent of the controlling interest, which is roughly equal to 0.5 percent of total *company shares*. A decision or ruling will be *overturned*, meaning that the operation will resume as if that decision or ruling were never enacted in the first place.

Article 5: Debating Medium

The committee is moderated by the *Chairman of the Board*, who has the sole authority on appointing speakers. However, a speaker can choose to indicate a desired speaker at the end of their speech, and the *Chairman of the Board* may simply choose to uphold the request. A time limit for speeches does not exist, however, the *Chairman of the Board* reserves the right to interrupt a speaker during a speech and appoint another speaker. The speaker is free to entertain questions from *the Board* during their speech, although in an orderly fashion. The conversation taking place should not turn dialogic. Additionally, delegates may express the desire to privately confer with one another. If such a proposal is brought to the table and accepted with a *board vote*, the committee will suspend its operations, enter a state of unmoderated debating, and allow for free movement in the room. Moreover, a separate chamber is at the convenience of delegates to allow private conferring. This state may last at most 20 minutes and can be concluded earlier by the *Chairman of the Board* either by their own authority or upon a request from a delegate.

<u>Article 6: Operating Medium</u>

The operation of the *Board* is based on short-lived agendas. At any point in the meeting, a new agenda item can be introduced to the *docket*. The *docket* consists of proposed agenda items, both by the *Chairman of the Board* and the rest of the *Board*. There is no hierarchy between the proposals in the *docket*, the proposals will be brought to the table in an earliest-to-latest fashion, and the *Board* will work through the *docket* one-by-one. To adopt an agenda item, a *simple vote* will suffice, however, for the elimination of an agenda item, a *vote of distrust* is a must. Before the debate commences, a smaller *docket* will be introduced to the table for each agenda item, this time consisting of *proposals* regarding the current agenda item. At any point in the debate for an agenda item, delegates may call for a *simple vote* to adopt or renounce a proposal. Again, there is no hierarchy between the proposals on the *docket*, and the delegate calling for a vote must specify the proposal that they wish for to be voted on. The *Board* may adopt multiple proposals for each agenda item or choose not to adopt any proposals at all. Both decisions come with their own set of consequences.

<u>Article 7: Promotions</u>

If the need for a promotion arises, the *Board* will have a *ballot vote* to determine the member to be promoted. However, the *Chairman of the Board* reserves the right to overturn the *ballot vote* and reject the promotion.

Article 8: Jurisdiction of the Board

The Board has complete autonomy over the company; however, the *Board* can not influence outside decisions. The *Board* addresses four main points during their day-to-day operation, which are:

1) optimizing oil production & petroleum product sales
2) controlling company stocks & dividends
3) acquiring other companies
4) striking deals

Each of these are considered *actions* and these *actions* can naturally occur so long as a delegate or a crisis team member/participant chair presents an option to the *Board*. Throughout the conference, these four *actions* will form the backbone of the committee.

Article 9: Action Precedents

All *actions* come with a small precedent of their own. To optimize oil production & petroleum product sales, the *Board* may open or close oil wells and refineries in various locations, allocate a budget for the marketing of their products, and increase or decrease the wages of their employees. For controlling company shares and dividends, individual delegates may choose to *acquire* the *shares* of another delegate or *divest* their own *shares* to strike a deal. This may happen in a private setting and does not need to be reported to the *Board* so long as the transaction is less than 4 percent of the *controlling interest*, which is roughly equal to 2 percent of total *company shares*. The Board can also choose to inflate or deflate their profit margins to alter the amount of dividends paid to silent partners & other stockholders. This comes with a set of consequences. The Board also will be presented with various opportunities to *acquire* another company. A delegate may suggest an agenda item regarding the *acquisition* of a specific company. The acquisition process must be navigated with great precision. The *Board* can choose to *acquire* or *pass* on any third-party entity. In the event of an *acquisition*, the Board must choose between adding the acquired entity to the main company portfolio or dissolving them for a payout. Both come with a set of consequences. The Board may also try to strike lucrative deals with the government, or other companies, however, a delegate can be prosecuted, sued, and tried in a court if they operate in bad faith. Prosecution comes from government officials while delegates have the option to sue each other for *company shares*. However, losing at trial has serious implications on a delegate and will cause them to lose their promotion and force them to *divest* a considerable portion of their *company shares*. The amount is not set and will be decided upon in the trial. The delegate(s) in question may present their case(s) in open court, however, the judge is not an internal member of the committee, and their decision is unilateral and final. If a delegate is declared innocent in trial, their name is cleared, and they cannot be tried for the same alleged crime again. In the event of a delegate suing another delegate, if the delegate-in-question is declared innocent, the plaintiff must cover the legal fees by *diverting* their own *company shares*. However, if the delegate is declared guilty, the defendant must *divert* a portion of their *company shares* and the plaintiff will *acquire* a percentage of said *shares*.

Article 10: Privileged Actions

Various positions in the company allow some privileged *actions* to take for their respective holders. The *Head of Acquisitions* may choose to directly *acquire* a company or alter the dividends ratio with no procedural precedence and will directly face the consequences of their decision. The *Director of External Affairs* may choose to issue a public statement regarding an agenda item or a proposal, or choose to partner with another company, and again, will directly face the consequences of their decision. The *Chief of Staff* may choose to alter employee wages and regulate oil production and transportation, and again, will directly face the consequences of their decision. These privileges can be utilized only once for each promotion.

Appendix C - Sample Position Paper

Please do not change the bold texts and use them as templates. Answer all three questions thoroughly and send your position paper to the e-mail address provided in either .docx or .pdf format. Do not forget to check your e-mails for feedbacks regarding your position papers.

Monday, 22 January 2024

POSITION PAPER

Delegate Name: Emir Elhatip
Delegate Correspondence E-Mail: emirelhatip@gmail.com
Board Member: John D. Rockefeller

Insights Regarding the Committee:
I believe that Standard Oil can potentially be split up into different entities by the Supreme Court in accordance with the Sherman Anti-Trust Laws. Therefore, I believe that we should focus on trying to eliminate the circulating rumours regarding the topic and try to reach an agreement with the government to definitively prevent a dissolution.

Possible Proposals:
Acquiring the operating rights of a railroad from Omaha to Des Moines to improve logistics in the area and provide low-cost petroleum products to the citizens to drive a local competitor out of business.

Approach Regarding the Other Members of the Board:
I am very open to collaboration with other executives and will do whatever it takes for the prosperity of our company.