

# The History of Monopolies and Anti-Trust Legislation

A.

The concept of monopoly—where a single company or entity dominates a market—has existed for centuries, often provoking concern from governments and citizens alike. The term itself is derived from the Greek words "monos" (single) and "polein" (to sell), describing the exclusive control over the supply of a product or service. While monopolies can emerge naturally through innovation and business success, they often raise fears of unchecked power, price manipulation, and stifled competition. Throughout history, governments have periodically sought to curb these powers through laws and regulations designed to protect both consumers and the broader economic order.

B.

One of the earliest examples of state-sanctioned monopolies occurred in Elizabethan England, where the crown granted exclusive trading rights to certain companies in exchange for loyalty and revenue. This practice, however, led to growing resentment among merchants and consumers, culminating in the Monopolies Act of 1624, which limited the crown's ability to grant such privileges. Although this act was primarily symbolic in curbing abuses of royal authority, it set a legal precedent for challenging monopolistic behavior on the grounds of fairness and economic justice.

C.

In the 19th century, monopolies became a major concern in the United States, particularly with the rise of powerful industrialists who came to dominate key sectors. Figures such as John D. Rockefeller, whose Standard Oil company controlled over 90% of the American oil industry at its peak, became synonymous with monopoly power. The resulting public

backlash against such "trusts" led to the passing of the Sherman Antitrust Act in 1890—the first federal law aimed at combating anti-competitive practices. The act prohibited agreements that restrained trade and banned attempts to monopolize any part of interstate commerce.

D.

Despite its historic passage, the Sherman Act was initially weak in enforcement. Many companies found ways to circumvent its provisions, often restructuring themselves in ways that maintained dominance while technically complying with the law. It was not until the early 20th century, under President Theodore Roosevelt's administration, that more aggressive legal action was taken against monopolies. Roosevelt earned the nickname "trust-buster" for his willingness to break up large corporations, including the dissolution of Standard Oil in 1911 following a Supreme Court ruling that it had violated antitrust laws.

E.

Antitrust efforts continued to evolve throughout the 20th century. The Clayton Antitrust Act of 1914 strengthened the original Sherman Act by prohibiting specific practices such as price discrimination, exclusive dealing contracts, and mergers that substantially reduced market competition. This legislation also created the Federal Trade Commission (FTC), an independent agency tasked with enforcing antitrust laws and protecting consumers from unfair business practices. Over time, courts increasingly relied on economic theories and analyses to determine whether a company's conduct harmed market competition, rather than simply assessing size or market share.

F.

By the latter half of the 20th century, the focus of antitrust law began to

shift. Influenced by the Chicago School of economic thought, regulators and judges started prioritizing consumer welfare—particularly the effects on prices—over other considerations such as market structure. This interpretation made it harder to prove antitrust violations, especially in cases where a company's size did not necessarily translate into higher prices for consumers. As a result, major mergers and acquisitions that might once have been blocked were increasingly approved, ushering in a new era of corporate consolidation.

G.

In the 21st century, the rise of technology giants such as Amazon, Google, and Facebook has reignited public and governmental concern over monopolistic behavior. These companies control vast platforms that dominate digital commerce, advertising, and communication, often operating in markets where "winner-takes-all" dynamics prevail. Critics argue that current antitrust frameworks are ill-equipped to address the unique challenges posed by digital monopolies, including data control, network effects, and algorithmic manipulation. In response, some lawmakers and regulators have called for updated legislation that reflects the realities of the digital economy, while others propose breaking up the tech giants to restore competition.

H.

The history of monopolies and antitrust legislation is one of continual tension between economic power and regulatory oversight. As markets and technologies evolve, so too must the laws designed to keep them fair. Whether through updated statutes, renewed enforcement, or public debate, the struggle to balance innovation with competition remains

central to economic policy—and the outcome will shape the business landscape for generations to come.

# Questions

## Questions 1–4: Paragraph Matching

Choose the correct paragraph (A–H) for each statement below.

You may use any letter more than once.

1. A shift in legal focus toward consumer pricing rather than market dominance.
  2. A legal milestone in 17th-century England that limited exclusive economic privileges.
  3. The creation of an organization responsible for enforcing competition laws.
  4. A modern concern that current laws may not be equipped to handle digital monopolies.
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## Questions 5–8: Yes / No / Not Given

Do the following statements agree with the information given in the Reading Passage?

Write:

YES – if the statement agrees with the views of the writer

NO – if the statement contradicts the views of the writer

NOT GIVEN – if there is no information on this

5. John D. Rockefeller helped to draft the Sherman Antitrust Act.
6. The Sherman Act was initially difficult to enforce effectively.
7. Theodore Roosevelt supported the growth of monopolies.

8. The article claims that the Clayton Act was more important than the Sherman Act.

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### Questions 9–13: Summary Completion

Complete the summary below using words from the box.

There are more words than you need.

Write the correct letter (A–H) for each answer.

#### Summary

Monopolies have existed for centuries, but public concern over their effects became especially pronounced in the 9. \_\_\_\_\_ century. In response, the U.S. government passed the 10. \_\_\_\_\_ in 1890 to control anti-competitive behavior. However, it took presidential action under 11. \_\_\_\_\_ to enforce the law more assertively. Later, the 12. \_\_\_\_\_ was enacted to close legal loopholes and to limit certain business practices. In recent years, tech companies such as Amazon and Google have prompted debate over whether 13. \_\_\_\_\_ should be reformed for the digital age.

#### Word Box

- A. Clayton Act
- B. 20th
- C. Roosevelt
- D. monopolies
- E. Sherman Act
- F. antitrust laws
- G. 19th
- H. Congress

## Answer Key

1. F
2. B
3. E
4. G
5. NO
6. YES
7. NO
8. NOT GIVEN
9. G (19th)
10. E (Sherman Act)
11. C (Roosevelt)
12. A (Clayton Act)
13. F (antitrust laws)