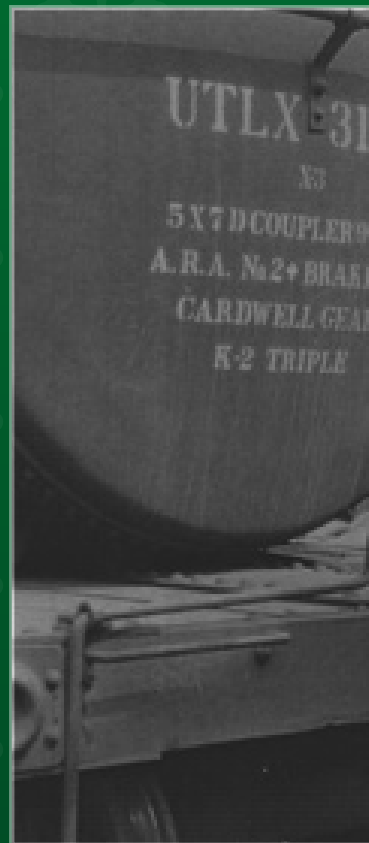
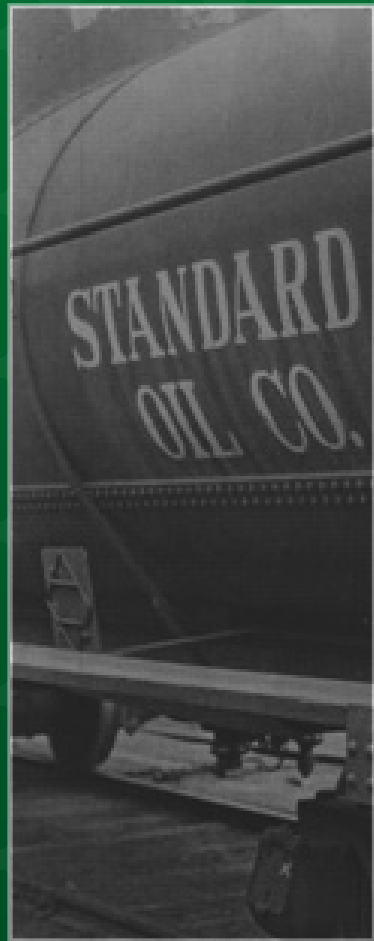


UCC: Rockefeller's Legacy Standard Oil Company



MUNEXT

Modelo de Naciones Unidas de la Universidad Externado de Colombia

Greetings from the Academic Director

Dear Delegates,
I extend a warm welcome, from the General Secretariat, to MUNEXT 2020. My name is Johann Sebastian Botello Rincón, graduated from the law school of the University Externado de Colombia; great lover of literature, history, videogames, and in general art in all its forms; I have also dedicated my passion in the last 5 years to the United Nations models, in which I have found the ideal spaces to materialize the academy and the knowledge acquired, but also to improve in personal aspects. For me, they have been the spaces that have allowed me to help understand me and the society in which I live, and in my role as Academic Director I aspire to grant all those attending the Third Version of the United Nations Model of the University Externado de Colombia, that same experience.

In this sense, and with the help of my great team of undersecretaries, we have put forth our greatest efforts to build a challenging academic event, demanding in Competition and rewarding personally. Without further ado, I leave you to enter the dynamics of the international system, meddle in the negotiations at the regional level, debate the national reality, lucubrate over the legal disputes, enter the battlefields of the past, and live first Hand the dynamization that awaits you. With the greatest joy in the world, welcome to MUNEXT 2020!

Cordially,

Johann Sebastian Botello Rincon
Academic director.

Greetings from the Undersecretary

Dear delegates,

Welcome all to MUNEXT 2020!

My name is Juan José Hurtado Calderón, proud rolo and proud second year student of Externado's law school. In this opportunity it's my honor and my pleasure to be a part of the MUNEXT Academic Direction as Undersecretary General for Crisis Committees.

I'm enormously happy knowing that you will enjoy this experience in this unique Under Secretary, in any of the committees that compose it; I hope you are as thrilled as me for the sessions to start and by all that can and will happen on them: cooperation, battles, financial speculation, all kinds of strategy, political transitions, legislative procedure, anarchy... possibilities are beyond wondering.

MUN's have been a significant portion of my life experiences. I have been part of this wonderful world for 7 years now, in which I have met the most amazing people, the best of friends and people that have penetrated to the deepest region of my hearth. Thanks to this little world I have built a parallel universe once a month, for a weekend or so, in which I have been able to explore and to immerse in different cultures and

perspectives, that have allowed me, to the best of my abilities, to fulfill these duties that have been trusted in my name.

I'm looking forward for the developments of your activities, but I would like to set crystal clear something of the mayor importance:

Considering the long tradition of the University Externado of Colombia, I hope that, as the minor sons and daughters of this university for this weekend, you appropriate the values that traditionally have been related to this house of knowledge: plurality, respect, honesty and academia.

Enjoy your visit and prepare for anything, because, I can assure you: we are full of surprises.

With deep esteem,

Juan José Hurtado Calderón

Subsecretario para Crisis

juan.hustado03@est.uexternado.edu.co



Greetings from the Dais

Dear delegates,

It's a complete pleasure to welcome you all to MUNEXT 2020. It's an honor being part of this project, and I really hope that you enjoy this weekend as much as we all enjoyed the preparation of the MUN. My name is Daniel Felipe Vega Tobar, and nowadays I am studying law at the University Externado. I have always believed that the Crisis Committees are both an academic challenge, and a representation of our lives. First of all, I hope that you learn and enjoy as much as you can with this experience. I can assure that the dares that we have prepared will require all of your efforts to bring clever solutions.

Nevertheless, as I have said before, this type of committee is also a representation of our lives, so the human part is fundamental. In our lives, we must have an objective to pursue, that requires all of our efforts to achieve. Though, in the path there will be different troubles that must be solved in order to reach our biggest goals. Broadly that is my interpretation of a crisis committee. Finally, and talking in the representation of the whole staff don't doubt in any moment to ask us for anything you need. Feel in complete confidence to contact me directly before, during, or after MUNEXT if I can assist you with anything that is on my hands.

I am Alan David Gómez, a seventh semester Economics student minoring in Business Administration at Universidad de los Andes. I am very passionate about my career, especially when the topics are related to macroeconomics, game theory or political economy. Therefore, I am always trying to understand my surroundings using an economic perspective. However, I believe understanding could come from each area of knowledge, so I try to be open to all the standpoints. In fact, was this view who led me to Crisis committees, something that I had never regret. Quite frankly, I have never been president or delegate in any traditional committee since crisis is the most exciting experience and I always want to feel again the stressful but amazing sensation that comes with it. Consequently, I am eager to share with you this thrilling experience. Do not hesitate to contact me if you have any enquiries or just want to have a nice chat before the conference.

Daniel Felipe Vega
daniel.vega01@est.uexternado.edu.co
Alan David Gómez
ad.gomez@uniandes.edu.co

Greetings from the Crisis Director

Dear delegates,

Welcome to the 19th century and all the different experiences it will provide you this weekend. As senior executives of the most iconic company of the oil industry history, you will play a significant role on what this enterprise will build and deconstruct from now on. You will have to deal with an extreme amount of pressure that comes with the administration of a business that will battle the biggest threats it has ever seen. I am Juan Pablo Rodríguez, an economics student from the Universidad de los Andes, and, speaking on behalf of the crisis room, we expect a lot from you and we hope to meet your expectations.

Every single delegate has the duty of forging the path of human and academic excellence for MUNEXT 2020. With your inspiring speeches, your negotiation abilities, your peculiar imagination and your human quality, seek to inspire your fellow delegates, make a friend or two and change the course of history. Feel free to let your imagination fly for you to have a great time and accomplish your goals as a character, as part of the committee, as a delegate and as a person.

Remember to take this academic exercise as a

road to better yourself, not only in terms of your public speaking abilities or your history knowledge, but in what should be your goal for every MUN conference you assist, personal growth. During this weekend put all your effort in learning from others and from yourself. Every single person that will be making part of MUNEXT 2020 is valuable, and you have to remember that before taking the first step in the conference.

Have fun.

Juan Pablo Rodríguez
jp.rodriguezbl@uniandes.edu.co

A delegate for MUNEXT 2020

Hello again, it's your Undersecretary General. Once more: Welcome to MUNEXT 2020!

Towards your academic preparation for your active participation on the MUN, from the Undersecretary, your presidents, crisis agents and I, hope for great things: pure academia; this excluding what we will call "sensate craziness" and without acting against your characters ideals, acting, of course, always with humanism and mutual respect. In that in mind, this academic guide section will be dedicated to address some preparations tips that could and will be useful for MUNEXT and any crisis committee.

Important note: the use and effective application of this tips will be considered by the academic judges (chairs and strategy rooms) as criteria for the development of your activities in the grading matrix; both for debate and crisis notes. Emphasizing that this are a grading criterion and are not binding directives; that is how we will ensure the importance of academic preparation and it's preponderance over formalisms.

Committee Work

This specific subsection Will not be dedicated to explaining procedure as this is already explained on the corner stone documents over that matter. Moreover, this will treat some aspects of your actions in the coming sessions.

Realism

To allow academia in the undersecretary first is needed to ensure realism.

For example, the proposition of the mobilization of 90% of the troops in one battle should be inconceivable for all participants, unless is part of a bigger strategy of distraction for the easy conquer of an unassailable stronghold.

All those proposes exposed in debate should be possible in all criteria: resources, time, conditions, etc. For example: Explore the hearth of Africa utilizing the Congo River as a fluvial path; Congo River is not navigable, therefore, your ships will be destroyed quickly.

Another example: the Standard Oil company reduces the production of oil barrels in zone A by 20% for 4 months, this in order of elevating the prices and bankrupt the 10 smaller companies in the area for an easy hostile acquisition; that is possible, unless that 20% is necessary for the fulfilling of the bare minimum of selling to avoid bankruptcy.

Humanism

Though plotting is essential for the normal developments of crisis, bad faith isn't. A delegate that assassinate another one by all the legal ways is worthy of recognition, instead, a delegate that reading the crisis notes of another while is distracted assassinate him will have a lower grade in the matrix notwithstanding other disciplinary measures that fit. Planning is the bedrock of strategy.

🌟 Parliamentary Decorum

It may seem most of these subsections presents tips that seek to crush the parliamentary spirit of MUN, this isn't that way. The minimum standards of harmonic convivence are rock solid, no parliamentary transgressions should be allowed; this isn't a boundary for funny situations or that you can't have fun, this is only a way to assure the development of activities without mistreatments.

🌟 Language and parlance

As you are representing characters not countries, is important that you speak in first person; that's why, you should prepare all your document, interventions and crisis notes in the frame of your character, times and committee. The words you use would be use for the proper interpretation and appropriation of the character and the delimitation of activities.

You should strictly maintain to what your character would say and who he would say it, taking special care of not being rude or impolite.

🌟 Sensate Craziness

This subsection is vital for your activities.

All that you do can have added value. This committees are made to rewrite history, not copy it. The sensate craziness seeks for adding additional value and creativity to your acts in committee, that would allow the fulfilling of your personal and collective goals, even the craziest ones. Process and results are valued. The biggest value of MUN, specially crisis, is the capacity to create from reality, not acting in real and wild craziness that allow you to achieve your personal goals but go against academia.



Crisis Notes



These subsections are dedicated to give advices on the redaction of your crisis notes. More than the inherent elements of it and the explaining of its nature, it's a series of delimitations that allow the maximization of benefits to the lower cost.

General

Language should be clear, insisting on the high level of technicisms that your committees require. Your intentions, specific.

I will emphasize about specificity. It's necessary that they are specific, of course, but they can't be absolutely specific. Some crisis note require it, for example a crisis notes about the stealing of certain secret documents needs to be specific (including the pre-operation and post-operation crisis notes). But a crisis note regarding the movements of troops shouldn't be as specific as the one from the previous example; if you ask for really specific things (certain number of munitions, for example) you could, as it's say, shoot yourself in the foot.

Crisis notes, even they don't have a format, should secure a field of action. The best way is solving some implicit questions: to whom is addressed? What do I want to do? How do I want to do it? Why do I want to do it?

The question regarding the how have also some questions contained on itself: who would do it? Where? When?

Also, the most basic recommendation that we can provide is that there are some essential individual crisis notes to begging:

1. Encryption of communications.
2. Personal and family, friends or relatives protection.
3. Establishment of communication channels with contacts.

How would you redact these notes? depend on your imagination and strategy.

Don't forget that you should seek for achieving both personal and committee goals. That's why you should complement personal and committee notes. That the actions of one are not canceled by the actions of the other.

🌟 Private Crisis Notes

Take into consideration that your private crisis notes should be aligned with the public ones. Think as how a chess player would think, all the movements you could do and all the consequences that could happen.

Again, specificity is a key factor for the proper work of this tool, just like the connection with previous and future notes, related to the logic sequence they should follow. Even if simultaneous private actions could be taken place, coherence between notes in one line is imperative. Asking for a transportation train from A to B and then send merchandises in ship from A to B is not very coherent.

🌟 Public Crisis Notes

Never sign a public crisis note without reading it, as it could be prejudicial for your own character. A king



would never sentence its own execution, unless they execute a double.

The porpoise and the object of the crisis note should be crystal clear. Create emergency plans add enormous academic and strategic value.

Extras

Realism is very valuable on crisis, but this should not become a distraction, a problem. This should only be a mean for healthy fun and reflection, understood the deep historical and cultural differences, allowing a divergence from common thinking. Understood how it was conceived the world is key of general understand. The following tips are meant to give a certain charm to the committee, to breake the academic tension without loosing decorum. This is the exception to the upper note, these tips will not be taken as grading criteria, but would be nice to see them abide by you.

Supplies

The supplies the delegates bring by their own means allow a submergence on the reality simulates, always conserving decorum of course. Pergamene paper and feather written crisis notes issued by the head military of the romans allow a high grade of reality and authenticity.

Clothing

It's not a requisite, but clothing can influence of the perception over delegates and over the committee. Is not the same a delegate on a black suit and top hat representing John D. Rockefeller than a delegate on a suit representing Tarzan. In case you take the chance and dress, please note that should be respectful and not dilatory.

To conclude, don't forget this is both a competence and a space for learning and fun. Enjoy your time, don't let the things in committee get under your skin. Don't focus on the awards, that is the key for the success of your activities and the construction of memories, contacts, friendships or even relationships.

Introduction to the Committee

*25th February, 1890
New York City, New York.
Manhattan, 26 Broadway
Standard Oil
Directive Board*

Notification of an Emergency Board of Director Meeting

There is an important situation that urge the citation to an emergency meeting of all the directives of our great company. We must take the correct decisions to drive our enterprise to the best direction on these difficult days. As you all know our company is facing numerous and unexpected attacks from all our envious enemies. Therefore, as the leaders of the Standard Oil, we know that all the efforts of our key people must be working together to overcome these hazardous challenges.

We want to remind you that not only our capitals are at stake, all of our lives, as we are accustomed to relying on Standard Oil, are also in danger. Ourselves must burn one's bridges and surpass every problem with the efficiency and professionalism that have always distinguished us. Hence, we expect all of you tomorrow morning without excuses.

Sincerely,

John D. Rockefeller

Henry H. Rogers.

Historical Context

The Standard Oil Company has its origins with a young entrepreneur, J.D. Rockefeller, and his immersion on the world of business. Even as a teenager, Rockefeller was ambitious and had no fear of hard work. Only being a 20 year old young man, he venture with a business partner as a commission merchant of hay, meats, grains and other goods; this rapidly gave him the resources to establish with partners of previous business a oil-refining company that was consolidated in 1862 and started its operations in 1863 (Biography.com, 2014). Within the first 2 years, this company was the largest on the area, and in 1865, with the purchase of a partner's interest by Rockefeller, Rockefeller & Andrews Oil Company was born. In that only year of functioning the company gained over 200.000 dollars, that, for the time, was a great sum (Ohio History Central, 2012).

Even though both Samuel Andrews and J.D.

Rockefeller were obtaining a huge amount of wealth due to their company, it was no secret that the oil industry had no big repercussion on the world economy at the time. It was exclusively used for lamps that used that kind of fuel, and the high volatility of the demand for this product made the prices unpredictable and unstable. Searching to make the oil industry more trustful for investment, the owners of Rockefeller & Andrews Oil Company approached O.H. Payne, who was the owner of the most important oil-refinery in the entire Cleveland zone. Their objective was to unite companies in order to have more power over the market and determine prices on an easier way. This procedure was followed lately for other smaller oil-refinery business in the area, and those who refuse to merge their companies were bought out. Given the previous procedure, the Standard Oil Company was born in 1870 (Ohio History Central, 2012).

During the decades of the 1870s and the 1880s, the Standard Oil Company's efforts were focused on expanding influences throughout the United States. By 1878 they had already control over the 90% of the industry, which was saw as problematic by politicians and other businessmen. Given the previous events, Rockefeller decided that it was better to camouflage the company's influences by dividing the company in an artificial way. In essence, the Standard Oil Company created various companies across the United States that were purportedly their own entities in 1881. These were called trustees and were divided within the senior executives, but these companies were really under the power of the president of the company J.D. Rockefeller (Biography.com, 2014) (Ohio History Central, 2012).

Even though the trustee method was helpful for the company's protection for a few years, eventually the federal government discovered the objective of still maintaining market monopoly power. Due to the fact that monopolies cause a loss on a market's efficiency and generates shortcomings on the fair distributions of surplus for consumers and producers, day by day it was more evident that this was not convenient for the American society. Although monopolies were still not theorized at the time, it was evident that there was a price discrimination due to the huge market power of the Standard Oil Company (Standard Oil Trust in this decades). By February 25th, 1890, which is the current date, there are rumors that senator John Sherman is building a bill in which actions will be taken against monopolies, of course targeting Standard Oil. This bill is expected to be voted in the end of this semester or the beginning of the semester to come.

Economic Context

The United States economic history dates back a few centuries in which the country was composed of Pilgrims escaping from religious persecution and Europeans searching for business ventures in a new land. Even though they were still subjugated to the English Crown, these people were forced to create a self-sufficient country rapidly in order to have a decent life. Centuries passed and the United States evolved from a country of farmers and a few merchants in little cities to a successful colony that based its wealth on plantations, ship building and sailing, and crop and fur exports. Due to the success and given the nonconformity of the Americans for the British presence and laws, including a taxation system, the

independence war began in 1775 and ended with an american victory in 1783 (Moffat, 2001).

With a new independent country created, the american people were free to rebuild their institutions and govern themselves. The U.S. Constitution was adopted in 1787 and is still in force. This law of laws included new economic tendencies as the state control of the international commerce, the annulment of the interstate commerce tariffs and taxes, the establishments of the bankruptcy laws, monetary policy measures and the copyright and patent laws. This came with the creation of post offices, roads and, due to Alexander Hamilton's proposal as first secretary of the treasury, the National Bank (in force until 1836, with the task of helping the debt caused by the war and serving as the first central bank of this nation). This last organization mentioned was created as part of Hamilton's economic strategy, that also included tariffs in imported products and providing of overt subsidies to cause the growth of infant industries, and served a period of 20 years that was later renewed in 1811 until 1836 (Moffat, 2001). With the arrival of President Andrew Jackson to office, more specifically in his second term, there was a serious opposition to the central bank strategy implemented by Hamilton. With the vote against from the congress, the system was changed, the national bank was privatized and the strategy was replaced for state chartered banks and the "free banking" laws (requirements for a note producing bank to exist) that were in force until 1883 (Wells, 1987).

The industrial revolution took part between the 18th century and the late 19th century and it was a matter of

time for it to arrive to the United States. This brought new methods of transportation as the steam boat and the railroad which made commerce more efficient and fast. By 1860 the population lived in urban areas and a third of the nation's income came from manufactured products. Although the industrial revolution brought even more prosperity to the country, only a few northern states were able to become industrialized, even with the economic and territorial expansion in western territories. The south still was rural, and depended totally on the manufactured products of the north and many economic factors that made their production profitable and efficient; slavery for example. With the victory of Abraham Lincoln in the presidential elections in the 1860s, a Republican Party representative who protected the interests of the industrialized north, slavery was no longer in the good eyes of the government and this unleashed the first and only U.S. Civil War. Its end, in 1865, had changed the path of the U.S. economic system; slavery was now forbidden and the workforce was no longer cheap. Southern cotton plantations were not that profitable anymore (Moffat, 2001).

After the U.S. Civil War there were several changes in the economic systems and context. The monetary policy used before the war was showing not expected results and the government decided to try to improve on it while making up for the costs the war generated. Two methods were used for this: the implementation of fiat currency and the National Banking System (as a convenient place to sell low interest bonds) (Wells, 1987). Moreover, the tycoon era started due to the presence of the “second industrial revolution”, that included new

discoveries, inventions and more industrialization. Oil was discovered in western Pennsylvania; the typewriter was developed; refrigeration railroad cars came into use; and the telephone, phonograph, and electric light were invented. Also, the industrial infrastructure was developed, coal was found in abundance in Pennsylvania and Kentucky, iron mines were built, cement factories were open and mills were put together to produce steel. Consequently, with great business opportunities, tycoons were born and some of them started to stand out, some of them were: Jay Gould, who made his money in railroads; J. Pierpont Morgan, banking; Andrew Carnegie, steel; and possibly the most prominent of all, John D. Rockefeller with the oil business (Moffat, 2001).

The oil industry, at first, was intended to be a replacement for coal and natural gas, with lighting purposes and with some commercial uses. “Petroleum was much more adaptable and flexible than coal. Additionally, the kerosene that was refined originally from crude provided a reliable and relatively inexpensive alternative to “coal-oils” and whale oil for fueling lamps. Most of the other products were discarded” (Ekit interactive, 2019). But, due to Thomas Jefferson discovery of electricity and a new way of using it in products, by the 1880s the oil industry lost most of its use and users (The Environmental Literacy Council, 2015).

Legal Context

Monopolies came to the United States with the colonial administration. The large-scale public works needed to make the New World hospitable to Old World immigrants required large companies to carry them out.

A monopoly is characterized by a lack of competition, which can mean higher prices and less quantity of products. However, the great economic power that monopolies hold has also had positive consequences for the U.S population.

The oil industry was prone to what can be called a natural monopoly because of the rarity of the products it produced. John D. Rockefeller, the Founder and Chairman of Standard Oil, and his partners took advantage of both the scarcity of oil and the revenue produced from it to set up a monopoly without the help of the banks. The business practices and questionable tactics that Rockefeller used (hostile elimination of the regional competence for example) to create Standard Oil would make the Enron crowd blush, but the finished product was not near as damaging to the economy or the environment as the industry was before Rockefeller monopolized it.

Back when there were a lot of oil companies competing to make the most of their find, companies would often pump waste products into rivers or straight out on the ground rather than going to the cost of researching proper disposal. They also cut costs by using shoddy pipelines that were prone to leakage. By the time Standard Oil had cornered 90% of oil production and distribution in the United States, it had learned how to make money off of even its industrial waste - Vaseline being but one of the new products it launched.

The benefits of having a monopoly like Standard Oil in the country was only realized after it had built a nationwide infrastructure that no longer depended on trains and their notoriously fluctuating costs, a leap that would help reduce costs and the overall price of petroleum products. Benefits as homogeneous prices and standard quality of the products to name a couple.

Antitrust laws, also referred to as competition laws, are statutes developed by the U.S. government to protect consumers from predatory business practices. They ensure that fair competition exists in an open-market economy. These laws have evolved along with the market, vigilantly guarding against would-be monopolies and disruptions to the productive ebb and flow of competition. Antitrust laws are applied to a wide range of questionable business activities, including but not limited to market allocation, bid rigging, price fixing, and monopolies.

The Sherman Antitrust Act was the first measure passed by the U.S. Congress to prohibit trusts. Several states had passed similar laws, but they were limited to intrastate businesses. This Act was based on the constitutional power of Congress to regulate interstate commerce. This Act authorized the Federal Government to institute proceedings against trusts in order to dissolve them. Any combination “in the form of trust or otherwise that was in restraint of trade or commerce among the several states, or with foreign nations” was declared illegal. People forming such combinations were subject of fines of \$5,000 and a year in jail. Individuals and companies suffering losses because of trusts were permitted to sue in Federal court for triple damages. The Sherman Act

was designed to restore competition but was loosely worded and failed to define such critical terms as trust, combination, and monopoly.

A trust was an arrangement by which stockholders in several companies transferred their shares to a single set of trustees. In exchange, the stockholders received a certificate entitling them to a specified share of the consolidated earnings of the jointly managed companies. The trusts came to dominate a number of major industries, destroying competition.

Qarmas

- 1.** What is the current state of global economy? How does it reverberate on the company?
- 2.** Who are our most important clients? Who are our business rivals?
- 3.** Which objectives can I have as a character given my position in the company and the context?
- 4.** How can the company evade legally the consequences that may come with the Sherman Antitrust Act? Is there another way to evade the consequences given that the bill is still on the build?
- 5.** How can the Standard Oil company expand even more its influences taking into account the context?
- 6.** How can I, as character, or the Standard Oil Company, as a committee, make the oil industry more crucial for the world's economy?

Multinational Corporation (MNC): An enterprise that manages operations in several countries but managed from one home country.

Shares & Stocks: Financial instruments that represent a value title that denote the ownership of a part of a company. The difference relies on the fact that stocks refers to a whole portfolio in various firms, and shares to the capital invested on a specific enterprise.

Act of Congress: The legislation that the US Congress approves based on the constitutional powers that it has. To be approved it must pass by a majority of members of both the House and the Senate, and then ratified by the US President.

Sue: To take legal action against a person or organization, especially to make a legal claim for an atonement if a harm was caused. It can be taken by the state's institutions or by particulars.

Anti-Monopoly Law: Is a statement made by the government that promotes the free competence in the markets, it aims to benefit the consumers by protecting them from unfair market conditions.

Antitrust Paradox: Concept made by the Chicago School of economics that criticize the anti-monopoly laws. They argue that monopolies should not be attacked if they don't harm the consumers because they don't affect the whole market's yield. Also, they state that a too protective state can restrict the free competence and raise the good's prices by protecting inefficient enterprises.

Common Law: Is the body of law used in the Anglo-Saxon countries, its principal source is the jurisprudence. This means that the judges' decisions

are fundamental in the creation of law, also the precedent is important in the resolution of conflicts.

Immediate effect of the law: Juridical general principle that states that the effect of a law only rules to the future when it enters into force.

Freedom of contract: Right contemplated in the US Constitution that stated that any private or public individual have the freedom to make legal contracts without government restrictions

Rule of reason. Legal doctrine of competition law that states that there are some illegal actions per se that the companies can take; but also, there are some actions that even if at first sight may seem illegal, they should be tolerated by the government. For example, the emergence of natural monopolies should be tolerated, only if they are the result of efficiency advantages of a company in free markets.

Bid rigging: In competition law is an illegal practice in which competing parties collude to pre-choose the winner of a bidding process. It was made punishable in the US by the Sherman Antitrust Act by fines and imprisonment.

Undercutting: Practice in which a company lowers the price with the intention to achieve new customers. It is illegal in some countries when it's considered predatory pricing, to eliminate the competition in markets.

Equitable remedy: In American jurisprudence is a mean in which a court can impose a penalty within civil law to repair damages. Those are more flexible



penalties; for example: subrogation, rectification or injunction.

Commerce clause: In the Constitutional Law of the United States, the Congress have the power to “Regulate commerce with foreign nations, and among the several states (...)” (Art I, Section 8, Clause 3. United States Constitution)

Corporate Trust: Is a large group of companies linked between each other that have significant market power. There are different ways in which a trust can be embodied; nevertheless always one party conveys legal possession and administration of a third's capital.

Vertical integration: Strategy where a firm extends its operations by acquiring businesses that are not related to its own kind of product or service. Usually, the firms use this strategy to avoid the transactional cost that comes with outsourcing.

Horizontal integration: Strategy where a firm acquires business operations that are highly related to its own kind of product or service (if is not the same). Frequently, the firms use this strategy to eliminate competence and thus extend its market power.

Perfect competence equilibrium: Economic equilibrium where the market is balanced, all the agents are maximizing their respective utility and all members of both producers and buyers cannot change the price since it is set by the market.

Monopoly: Market structure where just one producer controls the supply. This is considered as a market failure since it allows the producer to avoid any competence and hence set higher prices than the market in perfect competence equilibrium.

Collusion: Market structure where various producers decide to work together in order to gain market power and later modify the equilibria in its own benefit. This

market failure also allows the colluded enterprises to avoid competence and hence set higher prices than the market in perfect competence equilibrium.

Schumpeter's gale: Also known as creative destruction is a concept that refers to the economic process of innovation where the obsolete goods/technologies are totally replaced by new and more advanced goods/technologies.

Welfare capitalism: Is a kind of industrial paternalistic system where the political and economic institutions create game rules that protect the employees' welfare through different common structures (e.g. social-security programs).

M&A transactions (i.e. Mergers and Acquisitions): Transactions where one or various firms decide to transfer (Acquisition) or share its operations (Merge).

Assets: Economic position which is expected to provide future revenues to its owner.

Liabilities: Obligations that are often legally binding and therefore are expected to be paid in the future.

Equity: the difference between some firm or agent assets and liabilities. Usually this measurement is used as a proxy of financial health.

Fiat currency: This is a currency that is only backed-up by exchange rates ruled by the market and trust. A good example of this is the current dollar or the Colombian peso since the beginning of the 90s.

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UCC: Rockefeller's Legacy Standard Oil Company

Edition

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