

CHAPTER
12

GUIDED READING *The Business of America*

Section 3

A. In the first column, write notes to describe how the inventions and trends of the 1920s changed American life. In the second column, write the name of a related company or product that contributed to the boom of the 1920s.

Invention or Trend	Effects of the Invention or Trend	Company or Product
1. Automobiles		
2. Airplane industry		
3. Alternating electrical current		
4. Modern advertising		
5. Installment plan		

B. Why should Americans in the 1920s have shown greater concern for their future? Note three things that were, or might have been, seen as “clouds in the blue skies of prosperity.”

1.

2.

3.

C. On the back of this paper, explain the meaning of **urban sprawl**.

CHAPTER
12**RETEACHING ACTIVITY** *The Business of America***Section 3****Multiple Choice**

Choose the best answer for each item. Write the letter of your answer in the blank.

- _____ 1. The president who said “the chief business of the American people is business” was
- Warren G. Harding.
 - Calvin Coolidge.
 - Herbert Hoover.
 - William Howard Taft.
- _____ 2. The mode of transportation that began as a mail carrying service for the U.S. Post Office was the
- automobile.
 - airplane.
 - train.
 - bicycle.
- _____ 3. During the 1920s, Americans’ average annual income rose by about
- 10 percent.
 - 15 percent.
 - 25 percent.
 - 35 percent.
- _____ 4. The famous Route 66 stretched from Chicago to
- California.
 - Wyoming.
 - Utah.
 - New York.
- _____ 5. The man known for making a historic transatlantic flight was
- Henry Ford.
 - Will Rogers.
 - Charles A. Lindbergh.
 - F. W. Woolworth.
- _____ 6. One industry that did not prosper during the 1920s was the
- farming industry.
 - advertising industry.
 - airline industry.
 - automobile industry.

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GEOGRAPHY APPLICATION: REGION

The Automobile Industry: Sign of the Times

Section 3

Directions: Read the paragraphs below and study the graph carefully. Then answer the questions that follow.

The automobile industry has been the single most important industry in the United States since the 1920s. The value of its products exceeds that of any other industry, and a prolonged decline in car sales is usually a sign that the entire U.S. economy is headed for rough times.

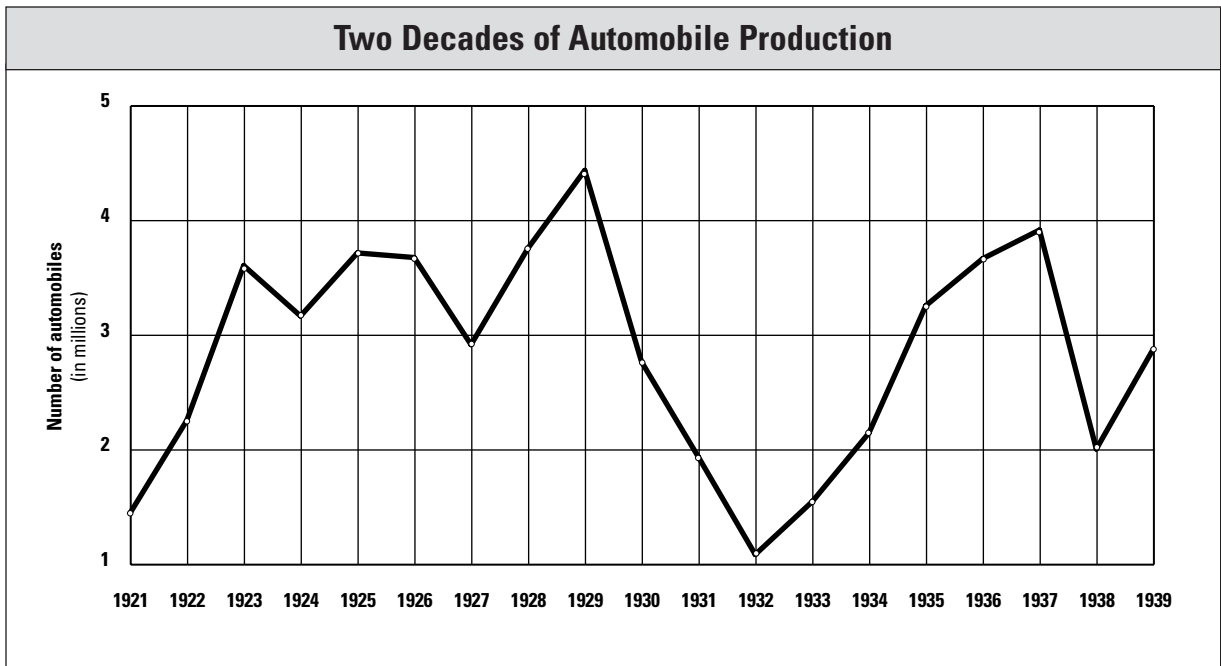
So many other industries—such as those producing oil, steel, rubber, plate glass, machine tools, plastics, and aluminum—are dependent on automobile production that cars are vital to the nation’s economic health. For example, a very high percentage of the steel, rubber, and plate glass produced in the United States winds up in cars. Businesses such as road construction and car-insurance firms, filling stations, and car-repair shops owe their existence entirely to the automobile. The lodging industry would be much less widespread today without motels. (The word *motel* was created around 1925 as a blend of *motor* and *hotel*.)

The 1920s were a period of dramatic economic growth. Prices for cars actually fell during the decade, as assembly-line techniques permitted

faster production. Early in the decade, 90 percent of all the world’s cars were made in the United States. By 1930, about 23 million cars were registered in the United States, nearly three times the number registered just a decade earlier. The production of automobiles in 1929 was not surpassed in any single year until 1949.

Municipal governments scrambled to provide roads for the growing numbers of cars. To pay for the aggressive road-building campaign, property-tax revenue was soon supplemented by heavy borrowing and by the use of state funds. In the 1930s, the idea of tolls as a source for highway revenue had caught on.

Though the number of automobile registrations reveals the general health of the U.S. economy, a graph of automobile production reveals the fine points—the smaller ups and downs within boom-and-bust cycles. For purposes of contrast, the following graph shows automobile production for the decade of the 1930s as well as for the 1920s.



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Interpreting Text and Visuals

1. Characterize the general economic conditions in the United States during the decades of the 1920s and 1930s. _____

2. In what year was automobile production the highest? _____
About how many cars were produced in that year? _____
How many years did it take for annual sales to surpass that total? _____

3. What were the years of greatest economic decline between 1921 and 1939? _____

4. Describe the production of cars in 1932, in comparison to other years. _____

5. Between 1921 and 1929, there were two 13-month periods of economic downturn. During what years do you think they occurred? _____

6. What do you think happened to the economy in 1937–1938? _____

Compare this period with the periods of 1923–1924, 1926–1927, and 1929–1932.

7. What might have spurred car production again after 1932? (Hint: Think about the durability of the average automobile.) _____

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PRIMARY SOURCE **Advertisement**

In the 1920s, advertising developed methods it continues to use today, over half a century later. Ads like Ned Jordan's 173-word classic, "Somewhere West of Laramie," used poetic language to glamorize automobiles. Who might this ad appeal to?



Somewhere West of Laramie

SOMEWHERE west of Laramie there's a broncho-busting, steer-roping girl who knows what I'm talking about.

She can tell what a sassy pony, that's a cross between greased lightning and the place where it hits, can do with eleven hundred pounds of steel and action when he's going high, wide and handsome.

The truth is—the Playboy was built for her.

Built for the lass whose face is brown with the sun when the day is done of revel and romp and race.

She loves the cross of the wild and the tame.

There's a savor of links about that car—of laughter and hilt and light—a hint of old loves—and saddle and quirt. It's a brawny thing—yet a graceful thing for the sweep o' the Avenue.

Step into the Playboy when the hour grows dull with things gone dead and stale.

Then start for the land of real living with the spirit of the lass who rides, lean and rangy, into the red horizon of a Wyoming twilight.



JORDAN
JORDAN MOTOR CAR COMPANY. "The... Cleveland... Ohio"

Corbis-Bettmann

Activity Options

1. With a small group of classmates, analyze this ad. What images and persuasive language does it use to sell the car? What attitudes does it portray? What information about the car does the ad include?
2. Find a car advertisement in a recent issue of a magazine. Then do a side-by-side comparison for the class in which you point out similarities and differences between the car ad you found and Ned Jordan's ad.

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AMERICAN LIVES

Henry Ford

Engineer with a Vision

"[M]ake money and use it, give employment, build factories, and send out the car where the people [can] use it. . . . Business is a service, not a bonanza."
—Henry Ford, on his view of the goals of his business (1916)

Henry Ford (1863–1947) did not invent the automobile. He did not invent the assembly line. What he did was to use his engineering skill to develop a reliable car and to devise a method of manufacturing it that was cheap. In doing so, he achieved his vision—to put a steering wheel in the hands of ordinary people.

Ford was born on a farm outside Detroit and loved the peace of the countryside. He disliked farm work, though—machines interested him. At 16, he began to work in a machine shop. From that job and others he improved his knowledge of steam power and electrical systems. Meanwhile, he began to tinker with developing an automobile. In 1896, he completed his first, the “quadricycle,” in a small shed. After knocking out part of the wall—the vehicle was too wide for the doorway—he drove his first car onto the street.

Ford sold the car for \$200 and immediately began making another. Though his first two automaking companies failed, he earned a reputation as a skilled engineer. In 1902 Ford got the financial backing for a third company. Its first car was released in 1903. However, the investors wanted to sell cars to the wealthy—who bought most of the cars sold at the time. Ford wanted to make cars with mass appeal. He bought out these investors and in 1908 introduced his dream: the Model T. For almost 20 years, the Model T dominated the auto industry. By cutting costs, Ford was able to cut its price—from \$1,000 in 1908 to only \$345 in 1916. The durable, cheap “Tin Lizzie” became the everyday car of ordinary Americans. Much of the reduced cost of the Model T is attributed to Ford’s unique assembly-line construction that eliminated unnecessary motion through simplified operations.

Ford also had another type of improvement up his sleeve. In 1914 he stunned American industry by announcing that he would pay workers \$5 a day. As auto workers in Detroit were being paid from \$1.80 to \$2.50 a day, Ford’s new wage was revolutionary. Ford’s reasoning was simple: by paying

workers more, he offset the boredom of the assembly line by giving them the resources to afford to buy his cars. Still facing some opposition from other investors, Ford bought out other stockholders and put control firmly in the hands of himself and his family. The cost was \$105 million.

Ford suffered setbacks too. During World War I, he sponsored a “peace ship” that hoped to convince nations to stop the fighting. The idea failed miserably. He also became notorious for his extreme views, especially his hatred of Jewish people. Some workers resented the company’s “Sociology Department.” This group was set up to help workers—many of them immigrants and many uneducated—live thrifty lives. However, the staff often intruded in the workers’ lives. Finally, during the 1920s, sales dwindled as consumers preferred flashier cars from other companies.

In 1927, Ford shut down his factories and helped design a new car—the Model A. It was an instant but short-lived success. The depression severely hit Ford’s company. By the mid-1930s, Ford was only the third biggest automaker. In addition, the company had a poor labor-relations record. It suppressed union organizers until finally allowing a union in 1941.

Ford, meanwhile, devoted himself mainly to a new project. He founded a historical museum and village. This collection of homes and other buildings celebrated and preserved the values and lifestyle of nineteenth-century rural America—the life that Ford’s car had changed entirely. After 1938 Ford mostly gave control of his company to others before officially retiring in 1945.

Questions

1. Hearing of the \$5 day, a publisher said “He’s crazy, isn’t he?” Why did Ford’s action get such a reaction?
2. Assess Ford’s contribution to industry.
3. Do you think Ford was a good employer? Explain.