**Chapter 12, section 3**

**1. SECTION 3: THE BUSINESS OF AMERICA**

* **The new president, Calvin Coolidge, fit the pro-business spirit of the 1920s very well.**
* **His famous quote*: “The chief business of the American people is business . . .the man who builds a factory builds a temple – the man who works there worships there”.***

**2. AMERICAN BUSINESS FLOURISHES**

* **Both Coolidge and his Republican successor Herbert Hoover, favored governmental policies that kept taxes down and business profits up. Republican Formula?**
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ were high which helped American manufacturers.**
* **Government \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in business was minimal. Laissez Faire? Hands off govt.?**
* **Wages were increasing.**

**3. THE IMPACT OF THE AUTO**

* **The auto was the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the American economy from 1920 through the 1970s. Ripple Effect on the economy?**
* **It also profoundly altered the American landscape and society.
How?**

**4. IMPACT OF THE AUTO-RIPPLE EFFECT**

 **Among the many changes were:**

* **Paved roads, traffic lights**
* **Motels, billboards**
* **Home design**
* **Gas stations, repair shops**
* **Shopping centers**
* **Freedom for rural families**
* **Independence for women and young people**
* **Cities like Detroit, Flint, Akron grew. What type of factories?**
* **By 1920 80% of world’s vehicles in U.S.**

**5. AIRLINE TRANSPORT BECOMES COMMON**

* **The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ began as a mail carrying service and quickly “took off”.**
* **By 1927, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Airways was making transatlantic
passenger
flights.**

**6.AMERICAN STANDARD OF LIVING SOARS**

* **The years 1920-1929 were prosperous ones for the U.S.**
* **Americans owned 40% of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**
* **The average annual income rose 35% during the 1920s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**
* **Americans found it easy to spend all that extra income & then some.**

**7. ELECTRICAL CONVENIENCES**

* **While gasoline powered much of the economic boom of the 1920s, the use of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ also transformed the nation. Products & advancements?
Factories? Suburbs?**

**8. MODERN ADVERTISING EMERGES**

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ no longer sought to merely “inform” the public about their products.**
* **They hired \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to study how best to appeal to Americans’ desire for youthfulness, beauty, health and wealth.** Why? Major part of the economy? Today?
* **“Say it with Flowers” slogan actually doubled sales between 1912-1924.**

**9. A SUPERFICIAL PROSPERITY**

* **Many during the 1920s believed the prosperity would go on forever. Everybody ought to be Rich?**
* **Wages, production, GNP, and the stock market all rose significantly. Why?** Consumer economy? Bull Market?
* **But. . . .**

**10. PROBLEMS ON THE HORIZON?**

* **Businesses expanded recklessly.**
* **Iron & railroad industries faded.**
* **Farms nationwide suffered losses due to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**
* **Too much was bought on \_\_\_\_\_\_\_\_\_\_\_\_ (installment plans?) including stocks. Buying on credit was excessive, created too much debt and a false foundation for success. Today?**