Name ____________________ Date ____________

CHAPTER 12
Section 3

GEOGRAPHY APPLICATION: REGION

The Automobile Industry: Sign of the Times

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.

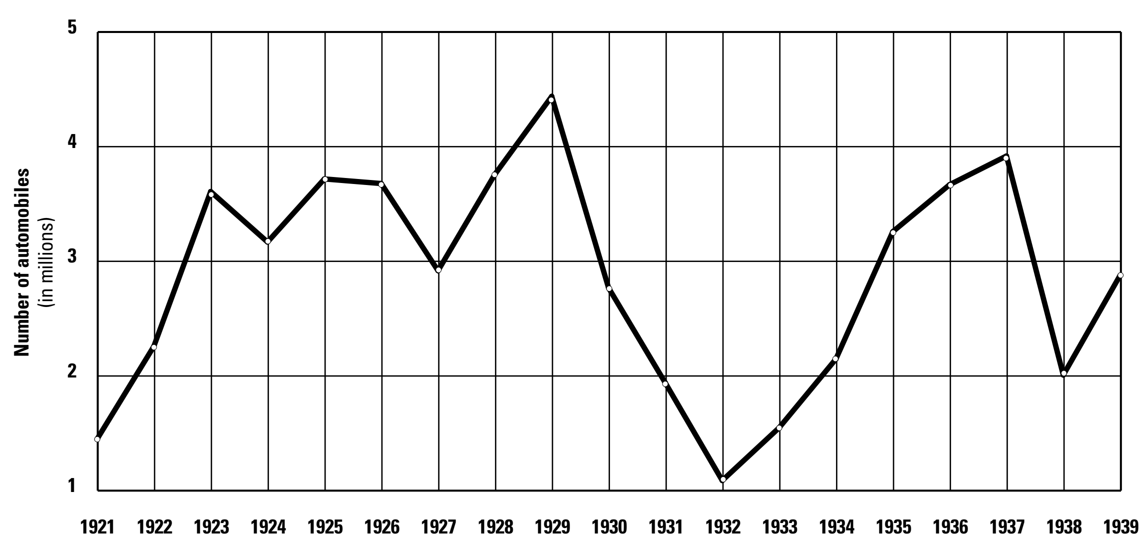
So many other industries—such as those producing oil, steel, rubber, plate glass, machine tools, plastics, and aluminum—are dependent on automobile production that cars are vital to the nation's economic health. For example, a very high percentage of the steel, rubber, and plate glass produced in the 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.

Two Decades of Automobile Production



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.) ______________________