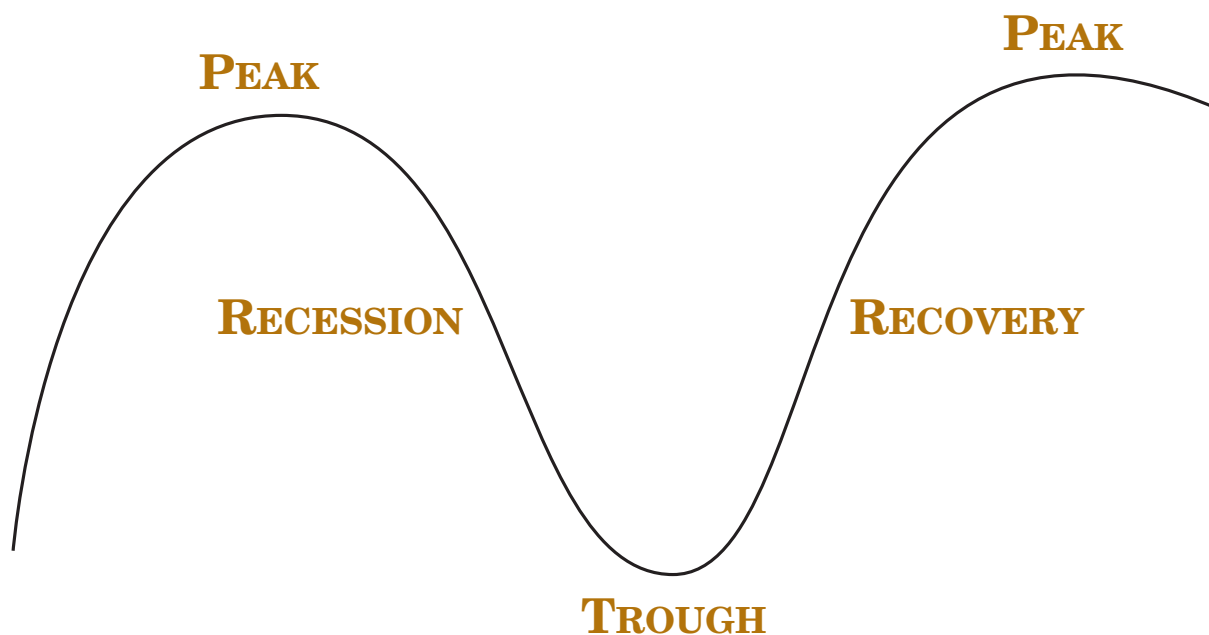


VISUAL 30.1

WHAT IS A BUSINESS CYCLE?

- Demand for durable goods falls
- Demand for investment goods falls
- Workers who make those goods are laid off
- Because these workers now have less income, they spend less — and demand falls further
- Demand for durable goods revives
- Demand for investment goods revives
- Workers are rehired

VISUAL 30.2

NUMBER OF U.S. BANKS CLOSING TEMPORARILY OR PERMANENTLY, 1920-1933

Year	Number of Bank Closings
1920	168
1921	505
1922	367
1923	646
1924	775
1925	618
1926	976
1927	669
1928	499
1929	659
1930	1,352
1931	2,294
1932	1,456
1933	4,004

Source: U.S. Bureau of the Census, *Historical Statistics of the United States* (U.S. Government Printing Office: Washington, D.C., 1960).

VISUAL 30.3
MONEY IN CIRCULATION

Year	Money in Circulation*
1929	\$26.2
1930	\$25.1
1931	\$23.5
1932	\$20.2
1933	\$19.2

*Currency plus bank deposits, in billions of dollars.

Source: U.S. Bureau of the Census, *Historical Statistics of the United States* (U.S. Government Printing Office: Washington, D.C., 1960).