Roger W. Babson, the Well-known Statistician, Tells of the Business
Epochs That Followed That Period of Depression.
The Recovery from the Great Panic of 1973

(Continued from preceding page)  

banks would keep the Eastern and other  
reserve cities. Many national banks  
were forced to close. The specie and  
gold standard was maintained in  
the United States, and currency was  
not as severely affected as in other  
countries in Europe.

The Recovery from the Great Panic of 1973

How a Panic Travels

It is not always the case that a  
world economic crisis starts in  
the United States. In 1910, for  
example, Britain was hit by a  
personal financial crisis that  
spread across the Atlantic Ocean  
and led to a worldwide financial  
crisis. The Great Depression of 1929  
also began in the United States  
and spread throughout the world  
within a few years. In the same  
way, the Great Depression of 1973  
also started in the United States  
and spread to other countries as  
well.

The Silver Purchase Act

In 1973, the United States Congress  
passed the Silver Purchase Act,  
which forced banks to hold a  
specific amount of silver reserves  
and prevented them from  
issuing more currency than they  
had silver to back it. This  
action helped to stabilize  
the currency and prevent a  
financial crisis from  
spreading.

The Great Depression of 1973

The Great Depression of 1973  
was one of the most severe  
financial crises in recent history.  
It lasted from 1973 to 1975 and  
affected many countries around  
the world. The crisis was caused  
by a combination of factors,  
including a decrease in  
consumer spending, a decrease  
in investment, and a decrease  
in foreign trade.

The Crisis of 1973

The crisis of 1973 was a  
financial crisis that started in  
the United States and spread  
throughout the world. It was  
caused by a combination of  
factors, including a decrease  
in consumer spending, a decrease  
in investment, and a decrease  
in foreign trade.

The Impact of the Crisis

The impact of the crisis of 1973  
was felt throughout the world.  
Many countries experienced  
high unemployment rates,  
high inflation rates, and  
high interest rates. The  
concept of monetary policy  
was introduced to prevent  
future crises.

The Lessons of the Crisis

The lessons of the crisis of 1973  
are relevant today. It is  
important for governments  
and central banks to have  
the tools necessary to  
respond to financial crises  
quickly and effectively.

The Future of the Economy

The future of the economy  
is uncertain. However, it is  
important to learn from the  
lessons of the past and to  
prepare for future crises  
by implementing effective  
monetary policies.