

# BOOK ABSTRACT

## EPIC RECESSION: Prelude to Global Depression

By  
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EPIC RECESSION: Prelude to Global Depression, by Dr. Jack Rasmus, Pluto Press/Palgrave-Macmillan, May 1, 2010

Abstract: This book explains the origins and future direction of the current economic crisis, and the relationships between the banking system's breakdown and the economy in general. Epic Recession is described as a hybrid, unstable condition that is neither a typical postwar recession nor yet a classic Depression while nevertheless sharing characteristics of both, recessions and Depressions. The book describes how Epic Recession is highly resistant to traditional fiscal and monetary policy solutions and requires major structural changes in the economy in order to check and contain. The book describes and analyzes in depth the origins and causes of Epic Recession—revealing its roots in corporate and government policies and fundamental structural changes in U.S. capitalist economy since the early 1980s. Key variables of analysis include the explosion in global liquidity, expansion of the shadow banking system and its integration with the commercial banking system, the growing relative shift worldwide to forms of speculative investing, the emergence of the 'global money parade', the debt-deflation-default nexus, and the interacting of the above variables with forces of both financial and consumption fragility. EPIC RECESSION explains how the current economic crisis is similar to, and simultaneously different from, both the Great Depression of 1929-1934 and post-1945 recessions in the U.S. It categorizes Epic Recessions in two dominant forms: 'Type I' and 'Type II': The former similar to events of 1907-1914; the latter to events of 1929-1931. The book argues today's current crisis is evolving into a 'Type I', but has the potential for transforming into a 'Type II' and that 2011-2013 will be a critical period for determining which type will prevail.

The book further provides a detailed critique of both George W. Bush and Obama administration recovery programs, in both their monetary and fiscal dimensions, and assesses why they have fared poorly thus far in resolving the crisis. The book concludes by presenting a full alternative program necessary for recovery, which calls for a massive program of job creation, nationalization of residential housing and small business financing, the creation of a new kind of Federal Reserve system and national banking structure, and the long term rebalancing of incomes by a fundamental restructuring of wage, health, and retirement benefits systems and the federal tax structure in the U.S.

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