End This Depression Now!, Paul Krugman (New York: W.W. Norton & Company, 2012), 272 pp., $24.95 cloth, $15.95 paper.

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It has been five years since the crash of the U.S. housing market plunged the global economy into a deep recession. And while the "Great Recession" has technically ended in the United States—the National Bureau of Economic Research, the official scorekeeper, determined that it did so in mid-2009—both the U.S. and global economies remain in a precarious state. Millions of people find themselves unemployed or underemployed, and for many who have jobs wages remain well below pre-recession levels. The net effect of this protracted period of subnormal economic activity has been nothing short of an "immense human disaster," writes Paul Krugman, winner of the 2008 Nobel Prize in Economics.

As Krugman explains in *End This Depression Now!*, however, this is no ordinary human disaster. With "ordinary" disasters—those caused by floods, earthquakes, and tsunamis, for example—we are rarely, if ever, in a position to prevent their occurrence. But with the current disaster, "none of this need be happening," for "we have both the knowledge and tools to end the suffering."

Drawing on the insights of economists such as John Maynard Keynes and Hyman Minsky, Krugman explores why the latest crash occurred and what we can do about it. The answers, he tells us, need not be sought in new economic models or theories; rather, they were conceived of nearly eighty years ago by Keynes in his 1936 magnum opus, *The General Theory of Employment, Interest, and Money*.

As Keynes argued, the usual textbook prescription for recessions—that central banks lower interest rates, which in most cases stimulates investment and other spending by lowering the cost of borrowing—can sometimes fail to boost aggregate demand, the lack of which causes recession. Indeed, in 2007 and 2008 the U.S. Federal Reserve aggressively cut interest rates, eventually down to zero. However, "consumer spending remained weak; housing stayed flat on its back; business investment was low, because why expand without strong sales? And unemployment remained disastrously high."

In short, we are confronted with a problem that Keynes referred to as a "liquidity trap." That is, how do we boost overall demand in the economy—which then allows firms to rehire workers and make investments to keep up with consumer purchases—when conventional monetary policy has exhausted its effectiveness? The solution, prescribed by Keynes in the 1930s and by Krugman today, is rather straightforward: the government needs to spend money to make up for what the private sector is unable or unwilling to do. For as Keynes colorfully put it: "The boom, not the slump, is the time for austerity."