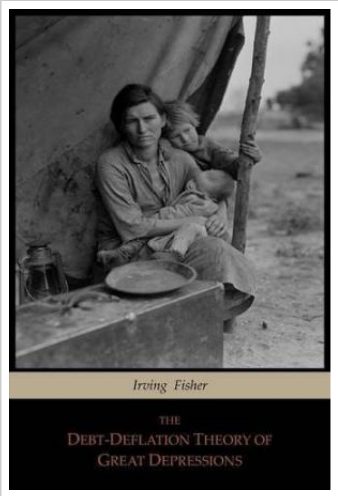

The Debt-Deflation Theory of Great Depressions

By Irving Fisher

Martino Fine Books, United States, 2011. Paperback. Book Condition: New. 224 x 150 mm. Language: English . Brand New Book. 2011 Reprint of the 1933 edition. Following the stock market crash of 1929 and the ensuing Great Depression, Fisher developed a theory of economic crises called debt-deflation, which rejected general equilibrium theory and attributed crises to the bursting of a credit bubble. According to the debt deflation theory, a sequence of effects of the debt bubble bursting occurs: 1. Debt liquidation and distress selling. 2. Contraction of the money supply as bank loans are paid off. 3. A fall in the level of asset prices. 4. A still greater fall in the net worth of businesses, precipitating bankruptcies. 5. A fall in profits. 6. A reduction in output, in trade and in employment. 7. Pessimism and loss of confidence. 8. Hoarding of money. 9. A fall in nominal interest rates and a rise in deflation adjusted interest rates. This theory was ignored in favor of Keynesian economics, partly due to the damage to Fisher s reputation from his overly optimistic attitude prior to the crash, but has experienced a revival of mainstream interest since the 1980s, particularly since the Late-2000s...

Reviews

The ebook is straightforward in read easier to recognize. It is actually writter in basic phrases and not difficult to understand. You can expect to like just how the author compose this book.

-- ***Camilla Kub***

Very useful to all category of individuals. It is one of the most amazing publication i have got read through. You will not feel monotony at anytime of your respective time (that's what catalogs are for about when you question me).

-- ***Mr. Johnathon Dach***