

---

Subject: The financial crisis for dummies

Posted by [Goztow](#) on Mon, 13 Oct 2008 09:10:46 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

The financial crisis for dummies:

discuss

---

---

Subject: Re: The financial crisis for dummies

Posted by [EvilWhiteDragon](#) on Mon, 13 Oct 2008 10:24:37 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

It's horribly flawed.

Because it doesn't depict the reality. The financial crisis started when people couldn't pay the interest of their mortgage. This was caused by two things:

1. banks giving out responsible high loans, thereby taking huge risks themselves.
2. decreasing growth of the (American) economy, which caused people to get fired or to have to pay more for food.

The result of that (and a lot of weird non-transparent ways of creating more money)\* was that banks started to go bankrupt, if it wasn't for the money injections many governments are giving them.

Another cause of banks going bankrupt is that people are scared of their bank going bankrupt and decide to get their money out of the bank. That will cause liquidity problems for the bank, and could indeed make it go bankrupt.

Basically the later thing is a "self-fulfilling prophecy". That is what happened to the Iceland bank "ICESAVE" it went bankrupt because UK and Spanish people decided to take their money out of that bank. And by doing so indirectly screwing over the Dutch government which now needs to protect its own citizen, by guaranteeing up to 100.000 Euro.

\*Banks could loan 5 Million dollars with an outstanding 500.000 dollar mortgage. In that way they were basically creating money. That is also one of the reasons the USA has had a continuous economic growth, which is basically built on fried air.

Another reason for the consistent growth is the increasing loans the USA has in foreign countries. Basically China and Europe (mainly) are paying for the "American way of living". This will stop at some point at which the USA will be not much more than a third world country.

I bet I will get flamed for saying that the USA economy is built on fried air.

---

---

Subject: Re: The financial crisis for dummies

Posted by [Jamie or NuneGa](#) on Mon, 13 Oct 2008 11:27:52 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

Goztow wrote on Mon, 13 October 2008 10:10The financial crisis for dummies:

discuss

They have transformer atm's in belgium...

britain can't afford em :/

---

---

Subject: Re: The financial crisis for dummies  
Posted by [Goztow](#) on Mon, 13 Oct 2008 11:34:24 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Quote:It's horribly flawed.  
It's a cartoon. And it's not flawed, it just doesn't show the complete crisis, only a small part of it.

---

---

Subject: Re: The financial crisis for dummies  
Posted by [EvilWhiteDragon](#) on Mon, 13 Oct 2008 12:01:33 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Goztow wrote on Mon, 13 October 2008 13:34Quote:It's horribly flawed.  
It's a cartoon. And it's not flawed, it just doesn't show the complete crisis, only a small part of it.  
It doesn't show any portion of it, and because of that it's flawed. Particularly when one would look at your topic title.

---

---

Subject: Re: The financial crisis for dummies  
Posted by [cheesesoda](#) on Mon, 13 Oct 2008 14:19:57 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

EvilWhiteDragon wrote on Mon, 13 October 2008 08:01Goztow wrote on Mon, 13 October 2008 13:34Quote:It's horribly flawed.  
It's a cartoon. And it's not flawed, it just doesn't show the complete crisis, only a small part of it.  
It doesn't show any portion of it, and because of that it's flawed. Particularly when one would look at your topic title.  
It's not flawed... not for America, anyway.

Banks got screwed because they're stupid for giving out loans to people who couldn't be trusted, then they go bankrupt because of it. Since they're bankrupt, they can't give people their money, thus they need money. To get the money, they essentially steal it from the people via the government. Now that the banks are operating on the People's money, they can afford to loan the People money again.

That's essentially what the comic has shown...

This comic isn't denying that banks gave out bad loans. However, talking about the bad loans in the comic would ruin the joke.

My government's fiat money system is a train wreck and has been since shortly after its conception. The idea of a government printing money, letting banks essentially create money out of thin air, and borrowing from foreign banks at high interest rates has never been smart, and now it's biting us in the ass. Plus, the pressure from the government for banks to loan money to people who will obviously default didn't really help.

Edit: EWD, that "injection" of money that you talked about is exactly what the comic is talking about. The money is, essentially, coming out of the pocket of the people.

---

---

Subject: Re: The financial crisis for dummies  
Posted by [EvilWhiteDragon](#) on Mon, 13 Oct 2008 14:38:04 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

Ok, if you would see the transformer as the government then it is at least somewhat correct.

---

---

Subject: Re: The financial crisis for dummies  
Posted by [cheesesoda](#) on Mon, 13 Oct 2008 14:47:58 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---

I think you're intentionally missing the humor of the comic. :\

The transformer is the bank. While they aren't DIRECTLY stealing from the people, they are using the government to steal.

---

---

Subject: Re: The financial crisis for dummies  
Posted by [Xylaquin](#) on Mon, 13 Oct 2008 20:56:48 GMT  
[View Forum Message](#) <> [Reply to Message](#)

---