

# Banking 2 . NO !

Why Learning From The Past Is  
Important For Our Future

Owen Sims // TEDxCQ



“What are mankind’s greatest inventions?”







Mesopotamia  
(5,000 BC)



United Kingdom  
(2,014 AD)





WE ARE  
THE  
**99%**  
OCCUPY  
EVERYWHERE!

OCCUPY EDUCATION CA



**“Those who do not  
learn from history  
are doomed to  
repeat it.”**

**Edmund Burke**

1-21 →  
**WALL ST**

92-113 →  
**BROADWAY**  
CANYON OF HEROES

# Subprime Crisis 2007/08



**South Sea Bubble**



**1720**

**Panic of 1792**



**1792**

**Latin American Crisis**



**1825**

**The Cotton Crisis**



**1837**

**Railway Mania**



**1857**

**The Long Depression**



**1873**

**Bankers' Panic**



**1907**

**Great Depression**



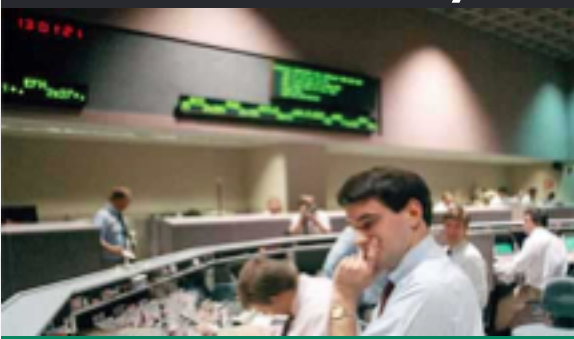
**1929**

**Oil Crisis**



**1973/74**

**Black Monday**



**1987**

**Asian Crisis**



**1997**

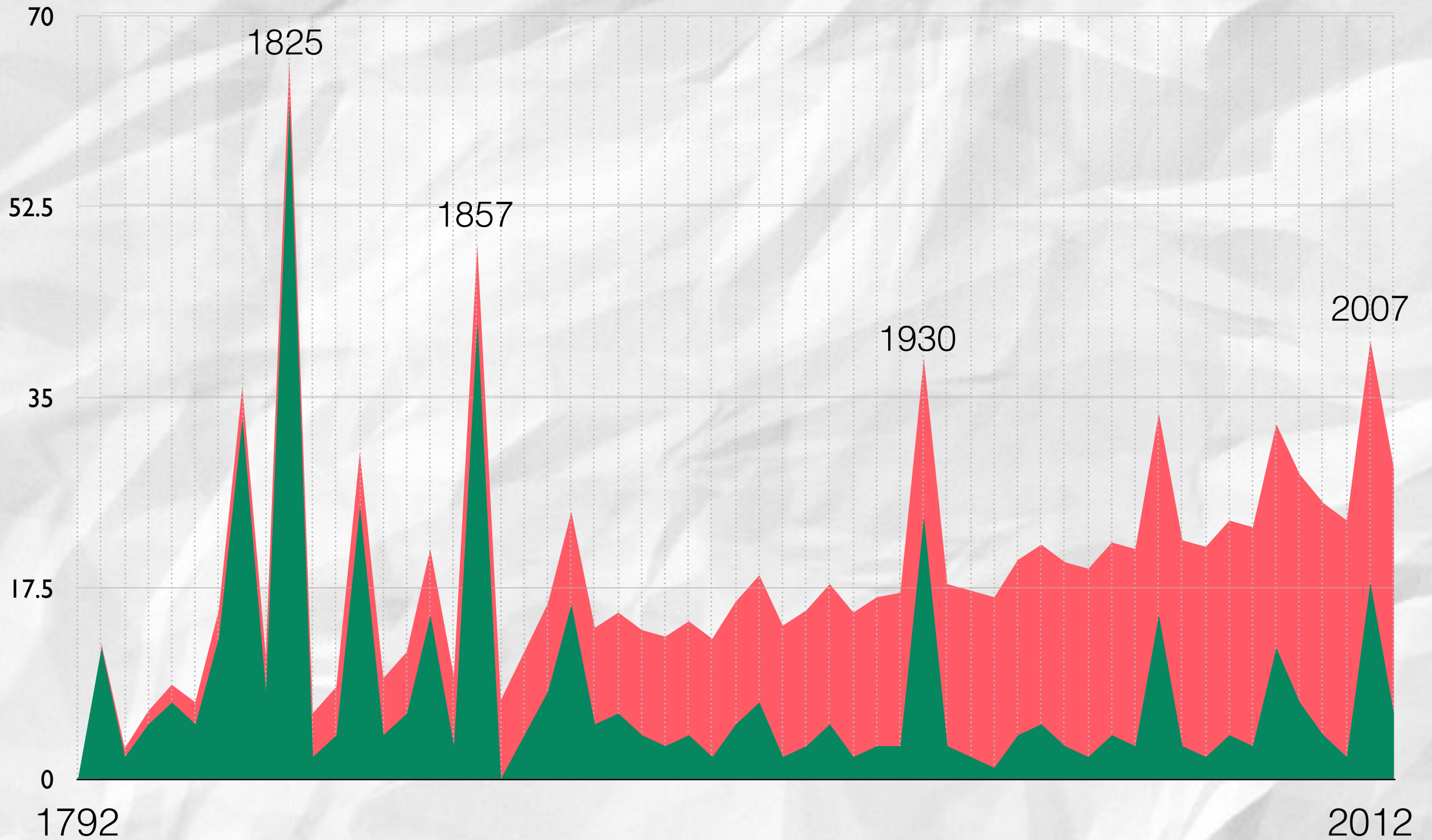
**Dotcom Crash**



**2001**

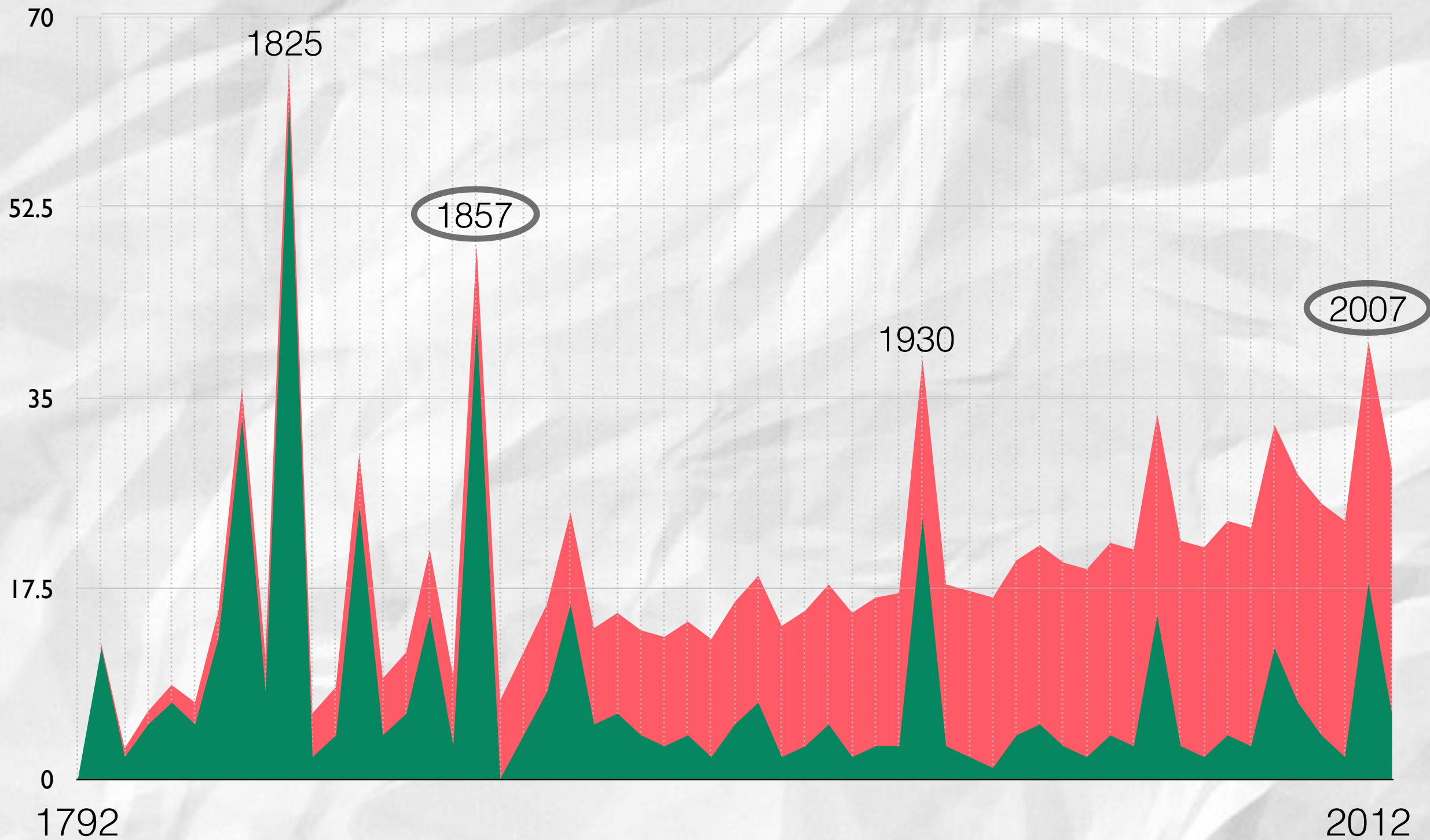


# #BankFailures





# #BankFailures





1825

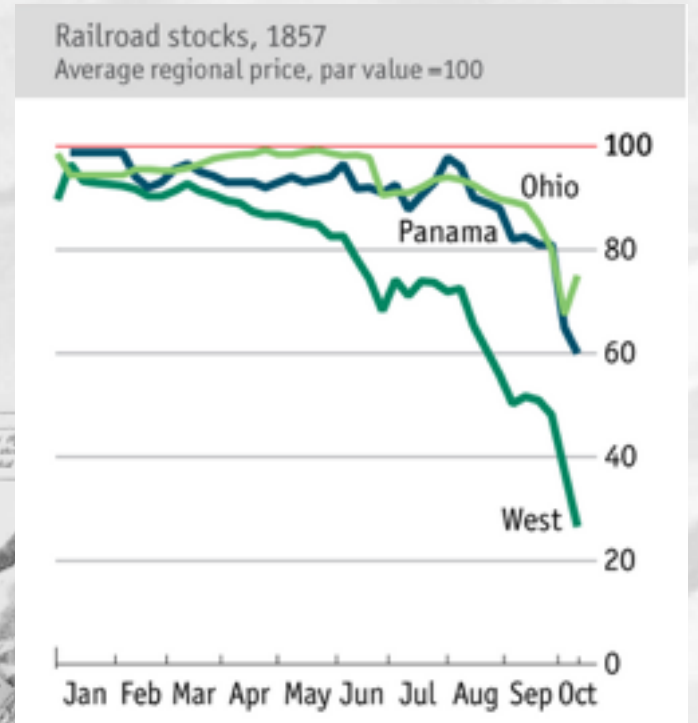
1837

1847

Latin America  
Crisis

The Cotton  
Crisis

Railroad  
Crises

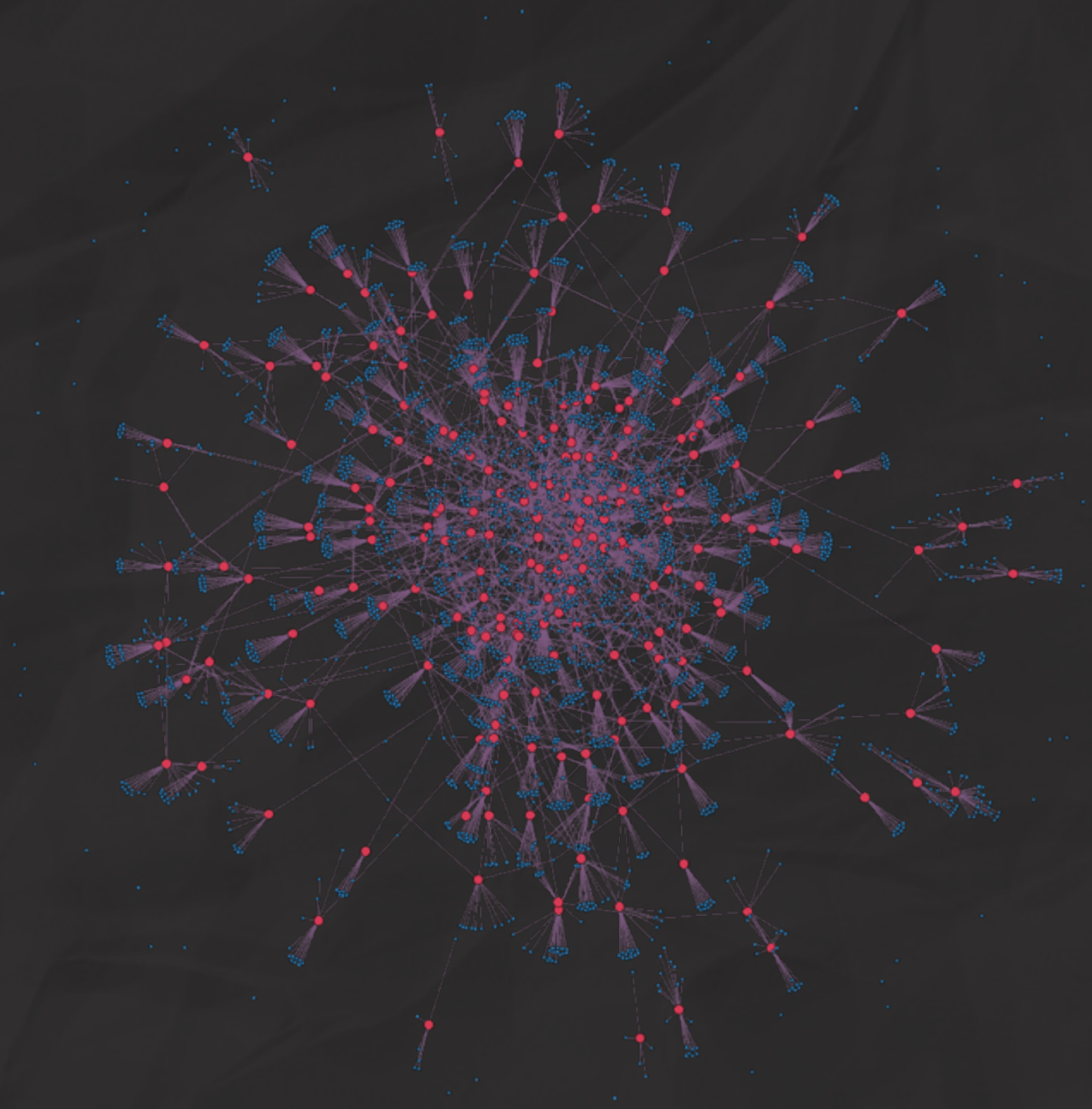




# 1857: HyperConnected World







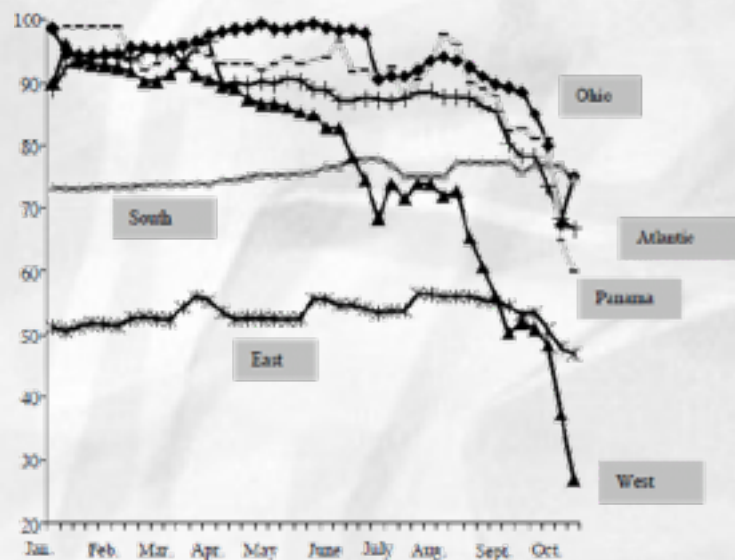


# Characteristics of 1857

- (A) Bank-run
- (B) Low interest rates
- (C) Financial Innovation
- (D) New technologies
- (E) Insufficient Regulation

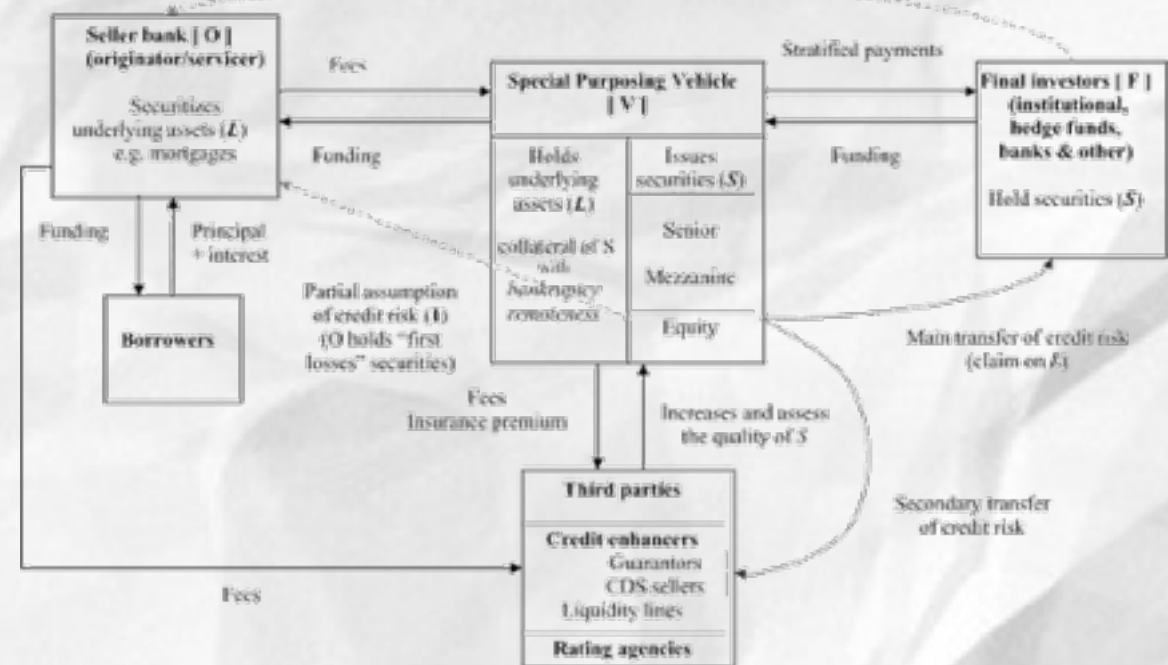
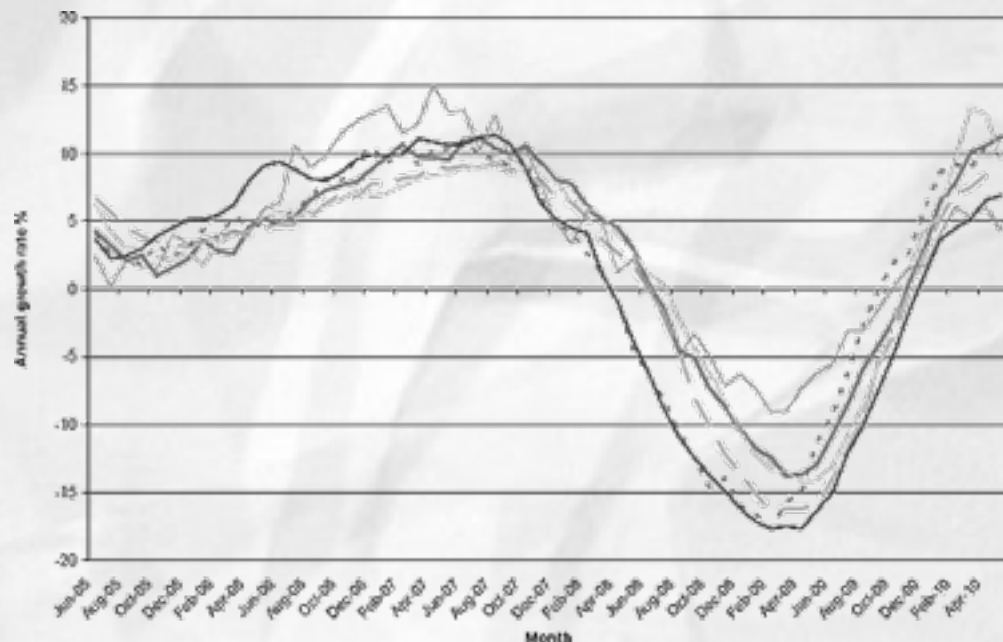


Railroad stock indices, 1 March 1857–10 October 1857



# Characteristics of 2007

- (A) Bank-run
- (B) Low interest rates
- (C) Financial Innovation
- (D) New technologies
- (E) Insufficient Regulation





# A Cause of Crises

**‘Banks are prone to instability whenever shareholders do not face much risk because their liability is limited and their paid-up capital is low relative to deposits. When this is so, management will engage in risk-shifting. They will lend excessively. They will gamble in riskier ventures.’**

**John Turner, “Banking in Crisis”, 2014**

**Ideas worth sharing**

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graph TD; A[Ideas worth sharing] --> B[Adequate incentives.]; A --> C[Stringent regulation.]
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**Adequate  
incentives.**

**Stringent  
regulation.**

**Our history is our greatest resource**