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Inside Job: the story behind our economic collapse

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Inside Job: The ones who really stole more than one Christmas and ruined lives

Charles Ferguson, the director who brought us the 2007 documentary about the inside story of the war in Iraq, ?No End in Sight,? turns our attention to the causes of the 2008 financial meltdown in his current documentary ?Inside Job.?

This is a better movie than Oliver Stone?s fictitious ?Wall Street: Money Never Sleeps.? ?Inside job? is riveting. It is no Michael Moore mockumentary, such as ?Capitalism: a Love Story? filled with slight of hand and irony. The one thing all have in common, however, is the absurdity of people getting rich by using whatever regulatory system is left to do their own bidding and consequences be damned.

Writers Chad Beck and Adam Bolt divide the narrative in four parts so we can grasp the scope of the tragedy: what happened, why it happened, who did it, and accountability. Well, actually, lack of accountability.

Through a series of interviews, woven together by narrator Matt Damon, the global magnitude of the crash becomes more clear.

The good news is that you do not have to be an economics wizard to follow the story. The bad news is that few people will probably take the time to try and grasp why Bernie Madoff is in jail for life for his Ponzi scheme when the greatest Ponzi scheme ever perpetrated in the history of the world resulted in so much chaos and tragedy for people.

"Inside Job" exposes how that since the Sept. 15, 2008, crash that resulted in government bailouts, huge bonuses for the perpetrators continued. It shows the collusion of academia and finance and, finally, that the officials in the Bush Administration who should have had oversight and failed are now officials in the Obama Administration who are supposedly trying to save the U.S. and global economy.

It is helpful to understand ?hedge funds? and ?derivatives.? Neither of these are illegal, however much they yell ?Ponzi? to anyone paying attention.

Hedge funds, according to Wikipedia, are lightly regulated investment funds open to a select number of

investors who ?pay a performance fee to the funds investment manager?. These managers ?hedge? the risks of the investments they make for the members.

Derivatives, based on speculation of profits, by themselves have no value yet they are treated as assets and are often traded as such. They can serve as ?hedges? to minimize risks to financial investments.

When the banks and financial institutions failed in 2008, however, many individuals personally made out like bandits because they had taken out insurance on risky investments and mortgages. They bet against their own interests and it paid off. Legally.

This film made me think of two other movies. The first because the same people who were in charge under on Bush?s watch are now in charge during Obama?s and the second because ethics just don?t seem that important.

There is a conversation in Wayne Wang?s 2002 otherwise forgettable movie ?Maid In Manhattan? that I can't forget. Ty (Tyler Posey), son of Marisa (Jennifer Lopez) the maid of the title, happens into a press conference for political candidate Jerry (Stanley Tucci):

Jerry: What press are you affiliated with?
Ty: I?m10.
Jerry: What about your parents, are they Democrat or Republican?
Ty: What's the difference these days?

Then in the more recent ?The Social Network? when Cameron and Tyler Winklevoss appeal to the then president of Harvard, an economist and Secretary of the Treasury under Clinton, Lawrence Summers, to take disciplinary action against Mark Zuckerberg for an ethics violation for stealing their Internet idea that would become Facebook. Summers dismissed the idea of an ethics violation.

Summers resigned as president of Harvard in February 2006 amid turmoil with the Arts and Science faculty. As signs of troubled financial markets began to emerge in 2007, it became clear that Summers' extremely aggressive investment strategy with Harvard's endowment -- Summers made heavy bets in a risky mix of stocks, bonds, hedge funds, and private equity against the advice of endowment officers -? had put the university's endowment in danger. By September 2008, Harvard would lose 27 percent of its $37 billion endowment and $1.8 billion of general operating cash.

But in January 2009 President Obama appointed him as Director of the National Economic Council. On Sept. 21, 2010, *The Boston Globe* said that Summers, said to be disappointed at not being appointed as head of the Federal Reserve, is returning to Harvard.

And the hits just keep on coming.

A film like ?Inside Job? is a heavy expose of a film that I expect not many people will watch -- though it seems to me that it would be good to do so.

It may not be the final word, or even the whole story, about the financial crash of 2008. Yet I think it prods citizens of a democracy to be informed about our political economy that is widening the gap between the wealthy and the poor, and diminishing the middle class, in this country, and impacting the well being of people in other economies as well.

Hollywood is not all about sex and bad language. The entertainment industry also unmasks the violence of greed in very explicit ways.

Hollywood is often referred to as ?a dream factory?. When ?Inside Job? speaks of financial engineers one commentator explains, ?Engineers build bridges that you can see; financial engineers build illusions.?

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