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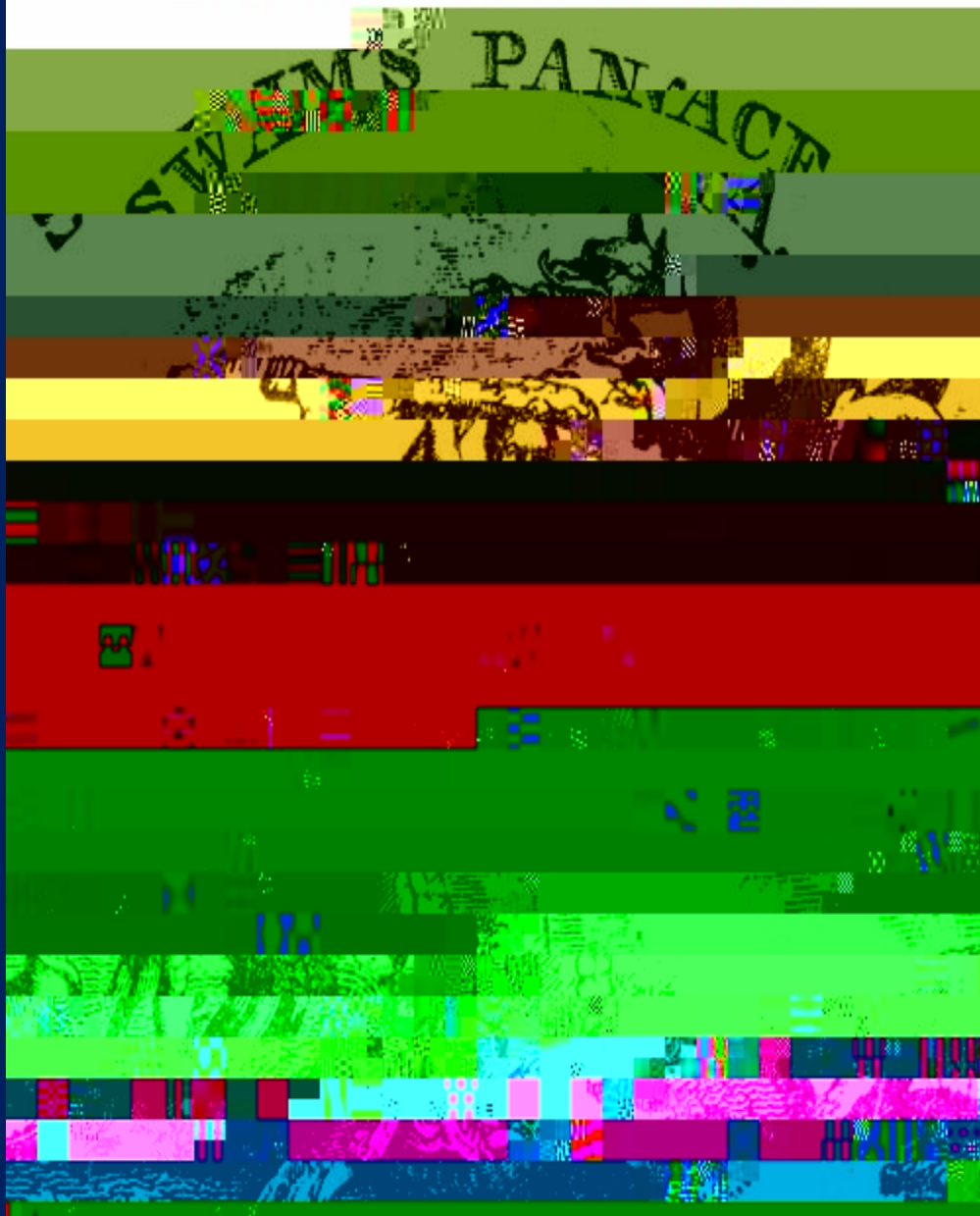
The Four Areas

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World without Regulation

- History leading up to Meatpacking Inspection Act of 1906 and Pure Food and Drug Act of 1906.

DIGGER ODELL PUBLICATIONS



Germ Bacteria and Fungus



1. The first step in the process of identifying a microorganism is to determine whether it is a bacterium or a fungus. This is done by observing the organism's morphology and growth characteristics.

2. Bacteria are prokaryotic organisms, meaning they lack a nucleus and other membrane-bound organelles. They are typically small, rod-shaped or spherical, and can be found in a wide variety of environments.

3. Fungi are eukaryotic organisms, meaning they have a nucleus and other membrane-bound organelles. They are typically larger than bacteria and can be found in a wide variety of environments, including soil, water, and living organisms.

4. Once the organism has been identified as either a bacterium or a fungus, the next step is to determine its specific species. This is done by comparing the organism's characteristics to those of known species.

5. The final step in the process is to determine the organism's pathogenicity. This is done by testing the organism for its ability to cause disease in a host.

Suze ("Susie") Orman



Suze Orman

- Enthusiastic Audiences.
- *The 9 Steps to Financial Freedom: Practical and Spiritual Steps So You Can Stop Worrying.*
- Financial advisees: do not follow rational budgeting.
- Test: expenditures do not add up.
- Real life: nothing left over for savings.

Statistical Portrait

- Could not raise \$2,000.
- Low financial assets.
- Purchases and payday.
- Bankruptcies.

Theoretical Puzzle

- Why are there all those sleepless nights, with worries about unpaid bills?
- Keynes: "Lives of our Grandchildren."

Answer to Puzzle

- Businessmen's Goals:
 - For you to spend your money.
- "How much is that doggie in the window?"
- Continual temptation:
 - Shop windows.
 - Supermarket aisles.
 - Renting/buying a house.
 - Buying a car.

Endemic Temptation

- Goes beyond credit cards.
- The nature of capitalist markets.

The Financial Crisis

- Phishing for phools as succinct explanation for what happened.

Reputation Mine

- Reputation for perfect avocados.
- I can sell you a rotten one.
- I will have mined my reputation.
- I will also have phished you for a phool.

Rating Agencies

- Ratings agencies: for a century built up reputation.
- Job: to rate prob. of default for bonds.
- New task: rate prob. of default for derivatives.
- Possibility: for reputation mine.

By Analogy

- Rotten avocados were rated perfect.
- Commanded high prices.
- Central-Valley-ful of growers:
profitable business of producing rotten avocados.

Role of Leverage

- Commercial banks, hedge funds, investment banks borrowed short term and invested in the over-rated securities.
- When truth discovered that securities were rotten:
 - Owed much more than they owned.

The Four Questions

Conclusion

- Telling stories:
 - Basic to how we think.
- Mental frames; scripts; narratives.
- Influence:
 - Grafts onto current stories.

Role in Economics

- Suze Orman example.
- Concluding chapter:

A wrong US national story regarding the unambiguous benefits of free markets has led to dysfunctional national policies.

