

Index

- Abelson, Alan 77, 81, 82, 85, 172, 229
 accountancy firms handmaidens of corporations 188
 Greenspan as *Wizard of Oz* 251
 gullibility at peak of finance 179, 181
 one-night-stands of forecasters 241–3
 accountancy firms 44, 88, 95, 143, 187–9
 ‘fair value’ 188, 202–3
 mark-to-market deceptions and calamities 203
 required to predict the future 198–9, 202; *see also* suspicion
 agent-principal model 42–50, 51, 64
 utopian/dystopian 67; *see also* suspicion
 Allied Irish Bank 117
 American International Group (AIG) insurance 175, 205
 analysts in investment firms 80, 89–92
 anger, *see* money (conflicts); betrayal of society; moral economies compared
 animal spirits, *see* confidence; Keynes
 arbitrage 117
 argument of the book 2–3, 5–7, 9, 11, 34–5, 66–8
 Arthur Andersen 187–9
 attributions 131, 233
 acclamation 125, 127, 169
 anthropomorphism, *see* money fund firms; markets; Federal Open Market Committee
 avoiding the odium 169, 198; *see also* Greenspan (hired to please)
 blame 70–1, 89, 97–8, 117, 147, 166, 195–6
 cause of booms/busts 132–3, 164, 182–3
 corporate claims 71, 182
 cult of personality bestowed 171–2; *see also* cult of personality
 generate emotions in feedback 132, 170–1
 greed (misses opportunism) 239
 mere luck 127, 128, 133, 160–1
 theory and practice of 105, 131–2, 167, 183
 Australian Council of Trade Unions 111
 Australian Prudential Regulatory Authority (APRA) 149, 162
 Bagehot, Walter 29, 31, 39, 63–4
 Baker, Wayne 101
 Banca d’Italia 29
 Bank for International Settlements 145
 Bank of England 26, 141, 155
 abuses or secrecy 26, 172
 Bank Charter Act 1844 26, 119
 independence 145, 149
 Monetary Policy Committee (MPC) 110–11
 regulation 26, 29, 34, 39, 144–5, 146, 221
 ‘light touch’ do nothing 162, 166, 174, 227; *see also* Financial Services Authority, UK
 relations to the City of London 46, 143, 159, 160
 Bank of Japan 149, 151
 banks 8, 64–5, 104–5, 118–19
 bailouts of 2, 10, 157
 CEOs of 12, 14, 96, 100, 109, 212

- collapse 2007 184; *see also* efficient market hypothesis (role in)
analysed in 2001 150, 180
- confidence in professionalism of 15, 50, 211–12
- constraints on profits formerly 141, 247; *see also* credit-money
- demand validation of future 173–4
- disintermediation or ‘risk spreading’ 33, 200, 210–11; *see also* securitisation of debt/promise
- infinite capacity to lose money 178, 182, 210, 212–13
- ‘move in step’ 118–19, 175
shared exposures and shared borrowing 221; *see also* LIBOR
- passed off Dotcom and Enron losses to pensioners 248–9
- performative rules, *see* *entscheidungsfreudig*
- play off states 34, 140
- purposes of 14, 22–3, 24, 32, 43, 49, 139–40, 146
- risk management 117, 182, 212, 213
- rogue 117–18, 152, 175, 181–2, 202, 225; *see also* traders for financial firms; gambling
- Royal Bank of Scotland 150
- run on banks 25, 26, 29–30, 211; *see also* central banks
- ‘too big to fail’ 51, 148
- umbrella theory of (Mark Twain) 27, 152; *see also* quantitative easing
- (VaR), creates dangers 223
see also Ephor; central banks; betrayal of society; trust
- Banque de France 29
- Barclays Bank 141, 152
CEO arrogance 152
revolving doors 143
- Barings bankruptcy UK 1995 110, 144
- Beggs, Mike 29, 145
- behavioural finance 38, 59, 60–3, 103–4
critics of 106, 110–11, 113
neurology 40
- benchmarks 143, 175, 186, 196
- Berle, A. A. and G. Means 46, 47
- Bernanke, Ben, Chair of US Fed 149, 162
inaccurate blame cast on 162
- betrayal of society 31, 32–3, 34–5, 147–8, 175, 185, 218, 222–3
in US Senate questions to GS&Co 249
of hope 252–3
see also securitisation of debt/promise; creditor and debtor relation; banks
- ‘big bang’ UK 1986 108, 146
- Birt, Jonathan 94
- blame, *see* attributions
- blame-o-meter 169–70
Montagu Norman, high on 172
- Blinder, Alan 110, 113, 122, 124, 133, 160, 220
Blinder, Goodhart and colleagues 147, 153
principles of central banks 160, 166
reinterprets Greenspan to lucky 133, 160
- BNP Paribas (French retail bank):
moral action 2, 100, 166, 184–5
- Bogle, John 115, 187, 196, 242
- Boltanski, Luc 141
- bonus incentives, *see* incentives
- booms 93, 178, 181, 238, 251
as great Ponzis 166, 179–80, 187;
see also creditor and debtor relation
- Dotcom 17, 60, 70–1, 76, 79–80, 92–3, 162, 195; *see also* technological determinism
- explanations of 10, 39, 78, 81–2, 84, 86–7, 97–8, 151
- profit and loss cycles vary 204
- property 60, 71, 81, 90, 91–2, 150, 182–4
social costs of 161
- bravery, *see* countervailing tendencies
- Bretton Woods agreement 146–7
- Budd, Sir Alan 110, 129, 143, 145
- bulls and bears 11

- Bundesbank 140; *see also* epistemic community of finance; central banks
- Burns, Arthur, former Chair, the Fed 111, 147
- busts 1, 87, 117, 149, 175, 240
 Dotcom of 2000 13, 60, 116, 142, 156
 explanation of 180–1, 189–91; *see also* attributions; countervailing tendencies; suspicion
- Japan in 1990s 151–2
 of 1929 on 139, 151
 of 1987 61–2, 125, 210
 personalising crashes 159; *see also* greed: only an emotion rule
- South-East Asian 1997 121, 157
 tipping point metaphor 181
 UK/US 2007 on 1, 72, 76, 100, 121–2, 131, 149, 153, 175, 182–4, 210–11; *see also* efficient market hypothesis; securitisation of debt
- undershooting ‘normality’ metaphor 181
- virus metaphor 39, 181
see also Savings & Loans USA
- Calhoun, Craig 40
- Cameron, David, UK Prime Minister 152
- capitalism, commercial 43
 financial 44; *see also* investment banks
 money manager 47, 50–1, 90–1, 143, 153, 175, 217; *see also* money fund firms; ‘democratising’ or ‘inclusive’ finance
see also banks
- Carroll, V. J. 12, 75, 78, 82, 83, 93
 analysis in 2001 of likely banking collapse 150, 171
- Cassidy, John 182
- caution rules 115–17, 140, 194, 208–9; *see also* rituals compared (ritual shaming of decent)
- caveat emptor* 16, 33, 50, 53, 88, 177, 187, 226, 257–9
- see also* suspicion; betrayal of society; Ponzi schemes
- central banks 26, 31, 34, 110–11
 ‘art not science’ or emotions 122–8, 166
 cognitive and emotion rules 111–14, 124, 172–4
 compromises of 136, 137, 150; *see also* betrayal of society
 credibility or reputation of 139, 140–1, 152–3, 155, 156
 face systemic dangers in decent prudential scrutiny 221–2
 feted or ‘cosy’ relations 75, 96–7, 146, 157, 187–9
 full employment remit 9, 112, 136–7, 146
 in deflation 122, 150–5, 173
 independence from democracy 140, 145–9, 250
 lender of last resort 29, 34, 140, 146
 in absence of supervisory control 149, 150, 178–9
 monetary policy 151–2, 154, 161, *see also* string metaphor
 public signals or confidence games 113–14, 124–5, 145, 148
see also transparency
 smug finance utopians 148, 150, 153, 171, 250–1
 supervision lost 149, 153
 trust in markets not society 147–8, 154, 170–1, 251
 values 112, 136–7, 138, 154; *see also* Blinder, Alan (Blinder, Goodhart and colleagues)
- ceteris paribus* 12, 54–6, 66, 88, 91, 112, 257–9
- regurgitating numbers *ad nauseam* 196, 219–20
see also ‘predictive’ models; obsession to extrapolate; risk
- Chamberlain, Rod 117, 119, 129, 144
- Chan, Paul 120
- chaos theory *versus* predictive models 219–20
- Chifley, Ben, Australian Prime Minister 19, 28

- City of London 28, 63; *see also*
Barclays Bank; Wall Street
practices (nervous tic)
end of restrictive practices 142; *see also* 'big bang' UK
evasion of post-war rules 231
money 'sticks to the palms' of 180, 233
new cognitive/emotion rules like
Wall Street 143–5, 174, 177–81, 238
government support for 153, 159, 227
- cognitive rules 111–12
of duplicity 179, 182, 188–9, 194, 195, 203–4, 215, 232, 243–4
of repressed brave 'serfs' 237
see also emotions (rules of office); epistemic community of finance; insider trading; motivations
- competition
among banks and money funds 142, 176, 213, 234
among national centres 146
re-regulation for 146; *see also* 'big bang' UK
spirals to moral bankruptcy 190, 206, 259–60; *see also* cognitive rules
- confidence 53, 56, 58, 61, 106
Confidence Game 148, 173
in forecasts 123, 220
surveys of 220–1
- conformity, *see* loyalty, grovelling or 'groupthink'
- conspiracy of silence since 2007 about
BNP Paribas action 185
- convention, *see ceteris paribus*
- Coombs, Dr H. C. 29
- corporations 41–50, 66, 188–9
as legal 'persons' 67
from internal to inter-corporate relations 138
hide past information 201–2
non-financial firms not bailed out 157
'predict' through 'guile' 192–3; *see also* traders for financial firms (spy trade); inside knowledge
see also shareholders
- countervailing tendencies 158, 160–1, 164, 168, 178, 185–7, 222–3, 238, 251
by satire and Kafka's dark comedy 244, 253
versus 'markets' 175–6, 231, 233–4
BNP 184–5
Japan 218–19
via 'decent utopia' assessments by key actors 225, 230, 232, 249
via numbers (ambiguously) 198
see also definition of the situation
- credibility 39
contingencies of 170–1, 190
definition of 136, 155–6, 158, 165
management of 136, 148, 151, 182
'measuring' central bank 137, 158
- credit default swaps (CDS) are *not* insurance 206–7
- credit-money 25–7, 29, 30, 118–19
alliances with the state 26, 27, 143
ignored by central banks 150, 153–5
little understood 128, 147; *see also* efficient market hypothesis
means of payment 139
rationing and screening 31, 151, 211–12
see also banks; inflation; deposit-creating loan; securitisation of debt/promise
- credit-raters 43, 88–9, 183, 190, 214–15
engaged in crafting promises into 'products' (implicit deceit of both sides) 217–18
method of restoring reputation 216–17, 218
Moody's and S&P dominant 213–14, 215
prediction requirement is irrational 215–16
- problems
not 'conflict of interest' 214, 215, 216–17
not lack of skill 216
ratings shopping by firms 214
uproar against Moody's honest creditworthy criterion of 2005 218; *see also* trust

- creditor and debtor relation 22, 26, 27, 30, 32, 176, 194
 commodified by the ‘free lunch’ 174–5, 178, 180, 182, 183, 184–5, 227, 230, 240, 248, 258
 IBGYBG 195
 LTCM 209, 212–13
 crises, *see* busts
 cult of personality (central bankers, gurus, CEOs, forecasters) 70, 82, 98, 171–4, 197, 233
 as short-term recurring process 242–3
- Dale, Henry 110, 178, 196
- Davies, Glyn 17
- de Larosière, Jacques 177
- debt-deflation 9, 139, 149, 168; *see also* central banks; Bank of England; Bank of Japan; Federal Reserve System (the Fed) USA; string metaphor
- decent
 banks and money funds 141, 164, 185–7, 225; *see also* BNP Paribas
 central banks 158, 164, 166
- decent society as pluralist utopia 5, 41, 249, 261–3
 silenced 238–9, 246–7
- definition of the situation 2, 77, 103, 175
 conflicts over 128, 180–1, 226–7, 229–30, 241
 societal compromises 137
see also money (conflicts); attributions; countervailing tendencies
- ‘democratising’ or ‘inclusive’ finance 226
see also Ponzi schemes; usury; betrayal of society; banks (passed off Dotcom and Enron losses to pensioners)
- deposit-creating loan 22, 23, 24, 26
see also credit-money; creditor and debtor relation
- depressions, *see* busts; emotions; emotional climate; trust (to bust)
- Dequech, David 63, 106
- destruction without function 22, 58, 147, 148, 165, 168, 175, 229, 261
- Deutsche Bank NYC 182–3
- devaluation 151; *see also* quantitative easing; Bernanke, Ben, Chair of US Fed
- Diamond, Bob 152
- distrust, *see* suspicion
- Dotcom bust, *see* busts
- Dow, Sheila 30, 62
- The Economist* hectors 180
- Edwards, John 176
- efficient market hypothesis (EMH) 59–60, 70, 181, 185
 Monty Python’s dead parrot 60, 99–100, 150, 181, 182
 role in 2007 onwards banking collapse 210–11
see also transparency; gambling (greater fool ‘theory’)
- Elliott, Larry 74, 83, 86, 92, 94–5, 156
- embarrassment, *see* Wall Street (nervous tic); City of London
- emotional climate 139, 142, 151, 229, 230–1, 252–3; *see also* morale of global finance
- emotions 54, 62, 240–1; *see also* trust; confidence; loyalty, grovelling or ‘groupthink’; fear and worry; suspicion
 anticipatory 71–2, 156
 corporate 42, 43–4, 64–5, 107, 159
 in finance generally 11–13, 33–4, 40, 99, 139
 institutionalised 36, 37–46, 79, 82, 134–5
 ‘management’ to disaster 137–8, 203
 of finance utopia 226, 232–3, 236–7, 245–7
 preferable and reasonable ones 255–63

- rules of bitterness in global finance 224–5, 229, 234–5; *see also* attributions
- rules of office 103–5, 106, 114–15, 120, 157, 172, 180–1, 216
- Enron (former US power firm) 60, 79, 96, 177, 244
- entscheidungsfreudig* joy in decisions 119–21, 234
- Ephor (magistrate) of capitalism 22, 57–8, 226; *see also* banks (purposes of); Schumpeter, Joseph
- epistemic community of finance 144, 172–3
 - casts expertise as elitist ‘dead wood’ 246–7
 - mediocrity of 241–3
 - see also* cognitive rules; emotions (rules of office); efficient market hypothesis; central banks; banks; utopia (finance)
- equilibrium aka social balance of power 31, 181, 244, 260; *see also* money
- Equitable Life, UK insurance firm 206
- European Central Bank (ECB) 149, 183, 184
- European Union (EU) 13
 - euro 14, 87
 - variations in regulations 30, 46, 177–8
 - see also* moral economies compared
- exchange rates floating 146
- expectations, *see* emotions; trust; confidence; fear and worry; suspicion; imagination
- experts, *see* interviews with experts
- Fairfax Media, publishers *AFR*, *The Age* and *SMH* 70
- fallacy of composition 200, 253–4
- Fama, Eugene and Michael Jensen 48
- fear and worry 114–15, 139, 146, 158, 219
 - of spy trade 222
 - VIX ‘Index’ of 220
- Federal Open Market Committee (FOMC) 113
- decisions 152; *see also* central banks (monetary policy); ‘hawks’; quantitative easing
- fear of markets, of blame 126, 159–63, 169, 183
- reliance on ‘value-free’ models 138
- transcripts and transparency demanded by Congress 124, 153
- Federal Reserve System (the Fed) USA 29, 46
 - approved bank ‘shopping’ for weakest regulators 195
 - did nothing on credit inflation in 2005 150, 160; *see also* Hoenig, Thomas
 - did nothing, on predatory lending 150, 153
 - District Feds, private ownership 145
 - ‘great moderation’ 1979–2007 or the Greenspan put 162, 166–7, 172–3, 184; *see also* confidence (Confidence Game); central banks; inflation
 - ‘independence’ 145, 156, 160
 - in the 1930s 139; *see also* string metaphor
 - in the 1980s–90s 142, 149, 167, 173–4
 - see also* destruction without function; cult of personality; transparency
- feelings, structure of, *see* emotional climate
- fiduciary responsibility 137, 180, 184–5, 187; *see also* trust; banks; betrayal of society
- financial architecture x 5 ‘new’ 176–7
- Financial Crisis Inquiry Commission (FCIC) USA 84, 185, 194
- financial news, *see* ‘The News’; inside knowledge
- financial PR 73, 89, 92–6
- Financial Services Authority, UK 178–9
- Flam, Helena 66

- Flemming, John 123, 142, 151, 215, 220
 on avoiding the odium 166; *see also* Lindsey, Larry
 on central bank espionage and dangers 221
- Fligstein, Neil 48
- Fourth Estate, *see* journalists' trust role
- Frankfurt finance centre 178
- Fraser, B. W., former Governor RBA 111–12, 113, 146, 148, 167
 countervailing approach of 158, 170
 opposed loss of RBA supervision 149
- fraud 43, 45, 54, 76–7, 85–6, 92, 95–6; *see also* Ponzi schemes
- Frey, Werner 117, 129, 178, 194
- Friedman, Milton 48, 67, 168
 as utopian of cynicism 226, 228, 237
 blamed by FOMC 169
 full employment 139; *see also* central banks
 central bank remit (Fed and RBA) 141
 destruction of 147, 154–5
 by NAIRU 150
 NAIRU central bank 'remit' 169
 post hoc ergo propter hoc fallacy of NAIRU 'prediction' 219
- Galbraith, John Kenneth 26, 47, 147, 151
- gambling 57, 61, 204
 banks 142, 184, 213
 double or quits 118, 212
 greater fool 'theory' 64, 117–18, 181
 see also traders for financial firms; margin loans; Keynes (musical chairs); behavioural finance
- Geithner, Timothy, US Treasury Secretary 112, 145
- Gladstone, William, British Prime Minister 10, 19, 26
- Glass-Steagall Act 1933 USA 46, 139
 repeal 142
- Goldman Sachs & Company (GS&CO) US bank 13, 89, 223
 revolving doors 127
- SEC and US Senate investigations 179, 232, 249
 tactics 14, 60, 182, 183–4, 185, 206–7, 218
- Gonzales, Henry, US Congress member 168
- Goodhart, Charles 112, 113, 123, 145
 non-decisions 124
- governments 'weak' 147, 217, 219, 226
 promoted finance utopia 227, 232
 see also Thatcher, Margaret; central banks (feted)
- Gramley, Lyle 168–9
- Grant, James 88
- greed: only an emotion rule 43–4, 51, 52, 54–5, 159, 174, 177
 former constraints on (aka bank profits) 144
- Greenspan, Alan 10, 70, 96, 110, 112, 125–7
 conviction 133, 159
 hired to please 156, 157, 159
 'irrational exuberance' speech of 1996 160, 166, 167
 presentational techniques 113, 153
 prevarication on asset inflation 161
 see also Federal Reserve System (the Fed) USA; cult of personality
- grovelling, *see* loyalty, grovelling or 'groupthink'
- guesswork, *see* uncertainty; central banks
 sanctified as 'skill' 159
- gullibility 179–80; *see also* banks; incompetence
- gut feeling 116, 126–7; *see also* emotions
- Hale, Brian 76, 80, 86, 92, 94
- hate, *see* money (conflicts); monetarist populism; suspicion; inflation
- 'hawks', *see* inflation (hard money men)
- Hayek, Friedrich 30
 totalising market utopian 228, 237
- hedge funds 164, 175
- Heimer, Carol 51
- 'herding' 63, 114
 of forecasters 219

- High Frequency Trading (HFT) 60; *see also* efficient market hypothesis
 emotional rituals built into 196
 form of front running 212, 232; *see also* cognitive rules (of duplicity); traders for financial firms (spy trade)
- high-speed computer trading 89
- Hirschman, Albert 54, 229
- Hoenig, Thomas, Fed district president of Kansas City 145, 162
- Hongkong and Shanghai Banking Corporation (HSBC) 176
- Hoover, Herbert, US President 19
- Hume, David 123
- hypocrisy 199–200; *see also* Wall Street practices; City of London
- ideology of markets (not motivating or plausible explanation) 224–5, 227–8, 231, 234–5; *see also* utopia (finance)
- imagination 57, 67–8; *see also* uncertainty
- incentives 44, 177; *see also* motivations; cognitive rules; emotions (rules of office)
- incompetence 129–30, 179
 mediocrity of sector 224–5; *see also* Long Term Capital Management; Barings bankruptcy UK
- inflation 9–10, 13, 111; *see also* monetary policy
 credit 140, 150, 160
 hard money men 145, 147, 155–6, 158, 162
 illogical 168, 169
 ‘targets’ for central banks 149
 wages 136, 154–5, 161
- Ingham, Geoffrey 11, 17, 21, 27, 147
- Ingham, Graham 74, 82, 147
- inside knowledge 143–4, 153, 222–3, 233; *see also* traders for financial firms; Goldman Sachs & Company
- insider trading 98–9; *see also* pump and dump; efficient market hypothesis; High Frequency Trading; traders for financial firms
- insurance firms 43, 208
 exclude powerless, craven to powerful 205–7
 more discretion than accountants 204
- International Monetary Fund (IMF) 121–2, 139, 140, 182
 condescension of 157
 rigidity and incompetence of 216, 222
- interviews with experts 4, 35, 67–8, 69–70, 105–6, 229–31; *see also* countervailing tendencies; emotional climate
- investment banks (stockbroking firms) 45, 49, 178; *see also* capitalism (financial)
- investors, *see* shareholders; traders for financial firms
- irrational exuberance 39, 71; *see also* attributions
- journalists’ trust role 70, 71, 73–4, 75–6, 102
 clichés against 73
 compromised 72, 73–5, 77–8, 80–1, 87–97
 independence of 73–5, 82–4
- JP Morgan Chase (US bank) 14, 184, 194
- Kadlec, Dan 74
- Kahneman, Daniel 61
- Kaufman, Henry 129, 147, 153, 180, 230, 243
- Kemper, Theodore 106
- Keynes, John Maynard 12, 16, 20, 71
 animal spirits 39, 56, 62, 98, 151
 economic groups 56
 musical chairs 181; *see also* gambling (greater fool ‘theory’)
 on liquidity 31, 118–19
 uncertainty 38, 104
see also ‘The News’
- Keynesians 58–9, 111
 ‘knew’ the finance utopia threat soonest 229
 policy vicissitudes 148, 152, 158
- Kindleberger, Charles 39
- King, Sir Mervyn, Governor Bank of England 166, 173

- Knight, Frank 56, 59, 212
 Krugman, Paul 177, 244, 245
 Kurtz, Howard 79
 Kynaston, David 17, 145, 151–5
- Lazar, David 109
 Lazar, Michael 49, 130, 142, 186, 188, 243
 Lehman Brothers (US investment bank) 183, 185
 bankruptcy 2008 2, 8, 79, 239
 cases against 88, 186
 leveraged buyouts (LBOs) 153; *see also* private equity firms
 Levitas, Ruth 228
 Lewis, Michael 87, 109, 182, 238
 libel cases 88–9
 LIBOR, London Interbank Offered Rate 184
 inquiry in 2011 about collusion to manipulate 222, 241
 Lindsey, Larry, Fed Governor 125
 countervailing voice 160–1, 168
 lobbying, *see* money (organised); banks; money fund firms (collaboration)
 Long Term Capital Management (LTCM) US hedge fund 33, 114–15, 176
 bankruptcy of 156–7, 178; *see also* Federal Reserve System (the Fed) USA
 intimidation of banks 179–80
 loyalty, grovelling or ‘groupthink’ 121–2, 125–8, 159–62, 216; *see also* ‘herding’; gullibility; banks; central banks; accountancy firms; credit-raters
 luck, *see* attributions
- Mahathir, Dr, Malaysian Prime Minister 14
 Mannheim, Karl 228, 234–5
 Manning, Ben 108
 margin loans 86, 161–2
 markets 13–15, 30, 33, 36, 41, 257–8
 not proper object of analysis 178;
 see also ideology of markets
 public dislike volatility of 157, 226, 230–1
 sainted by central banks 126–8, 156–7, 159; *see also* monetarist populism
 ‘think’, feel and ‘know’ 14, 156, 159–62, 180–1
 see also efficient market hypothesis; traders for financial firms; banks; epistemic community
 Marris, Robin 47–9
 Mayer, Martin 33, 140
 media corporate logic 72, 73, 78–84
 growth of financial media 195
 self-promotion 85
 memory and somatic markers 129–31, 135, 152
 merchants of debt 22, 58, 175, 224;
 see also banks; Minsky, Hyman; securitisation of debt/promise
 Merrill Lynch 179, 183
 Merton, Robert C. and the ‘holy grail’ 156, 209
 Merton, Robert K. 17, 70, 209, 213
 Mieg, Harald 105
 Minsky, Hyman 17, 43, 50, 58
 Mitterrand, François, French President 19
 monetarist populism 128, 147, 148, 168; *see also* emotions (of finance utopia)
 monetary policy, *see* central banks; string metaphor; *see also* specific banks
 money 10–11, 20–2, 25, 41, 72, 101, 181, 255–6
 as liquidity 31–2
 cf. barter 27–8
 cf. IOU 21, 33
 conflicts 9, 28–9, 31, 65, 123, 137, 151–5, 174, 181, 249; *see also* suspicion; betrayal of society
 organised 19–20, 26, 31, 78, 84, 87–9, 172
 payments system 27–8, 140, 180
 social compromises (deals) 30–2, 46, 52–3
 but of the past 239–40
 see also banks; credit-money; debt-deflation; inflation;

- State-money; settlements
 democratic; trust
- money fund firms, *see* hedge funds;
 Long Term Capital
 Management; mutual funds;
 Vanguard; pension funds
- collaboration to collusion with
 banks 175, 177, 182
- ‘investor’ or ‘market’ nomenclature
 with ‘feelings’ 13–14, 180
- see also* banks; capitalism (money
 manager); trust (hierarchy of)
- moral and morale hazard 205
- moral economies compared 108,
 111–12, 120–1, 129–30, 177–8,
 180, 246
- UK and USA 142, 168, 174
- moral situations compared 184–5
 in public and private sectors
 138
- morale of global finance 224, 232–4;
see also utopia (finance)
- Morgenson, Gretchen 182
- motivations 111, 123–4, 136
- changes in 139–40, 166
- excess from success 169,
 170
- of finance utopia 234, 240–1
- paralysis from failure 171
- unpredictable outcomes of 205
- see also* attributions; emotions;
 moral economies compared
- Murdoch, Keith 83
- Murdoch, Rupert 14, 50, 78
- mutual funds, in name only 175,
 185–6
- mutually or cooperatively member-
 owned 185–6
- NAIRU, *see* full employment
 (destruction of)
- New Deal USA 139, 143
- controls over margin loans 161–2
- Second 19
- see also* trust (impersonal); suspicion
- New York State Attorney General
 office charges and 2002 fines
 179
- NINJA loans (subprime) 22, 33, 41,
 71, 78, 79, 83
- Nixon, Richard, US President 146,
 147, 231
- Norman, Montagu, BoE Governor
 172; *see also* blame-o-meter
- Northern Rock (English bank) 8, 26,
 39, 185
- Obama, US President Barack 19
- obligations to long-term maturity
 206, 210; *see also* creditor
 and debtor relation;
 insurance firms
- obsession to extrapolate 192; *see also*
ceteris paribus; ‘predictive’
 models; cognitive rules
 ‘seeming to decide’ by numbers
 196–7
- odium, *see* attributions
- opportunism to new utopia depths
 193, 195, 218, 233–4, 262
- Ouma, Henry 116
- Partnoy, Frank 109
- pension funds, defined or contributory
 116, 229–30, 248
- Peston, Robert 82, 96
- Pimco (US bond trading firm) 14
- Polanyi, Karl 26, 28, 46
- specific thesis not repeatable 239
- Pollard, Sidney 42
- Ponzi schemes 10, 23, 166
- Madoff swindle 45, 65, 175
- see also* booms
- portfolio ‘insurance’ or option pricing
 209–10, *see also* busts (of 1987)
 and (UK/US 2007)
- does not ‘spread’ or pool payments
 to pay losses 209, 210
- peasant ‘theory’ of eggs and baskets
 209
- ‘predictive’ models 114, 155, 169,
 181, 182, 183, 219–20
- ‘proof’ by choice of time series or
 assumptions 200, 206, 213,
 219
- rise and rise of 195; *see also* Long
 Term Capital Management;
 busts; ‘herding’
- private equity firms (corporate raiders,
 LBOs) 47, 48–50, 182, 237–8

- probability, *see* risk; gambling
 proprietary trading 89; *see also*
 Glass-Steagall Act
 prudence and speculation 205
 prudential regulators 167
 psychology and neurology, *see*
 behavioural finance
 pump and dump 90, 91, 178,
 179
 PwC, Price Waterhouse Coopers 188
- quantitative easing (QE) 25, 137, 152;
see also devaluation
 Queen Elizabeth II 8
- rational economic man (REM) 38,
 54–5, 58–9, 64
 rational expectations 59
 Reagan, Ronald, US President 48,
 108, 147
 Reserve Bank of Australia (RBA) 97,
 111–12, 158
 ‘battle’ in origins 28, 145–6
 reined in leverage during 2002 162,
 167–8
 shadowing APRA 149
 trusted by banks 141
 Reserve Bank of New Zealand 149
 risk 12, 56–7, 59, 195
 in insurance never *prevents* dangers
 207, 223
 ‘risk-free’ finance claims aka no
 dangers 193–4, 195, 200, 207,
 208–9; *see also* portfolio
 ‘insurance’ or option pricing;
 banks (risk management)
 rituals compared 120–1
 allay anxiety 196; *see also* High
 Frequency Trading
 ritual shaming of decent 246–8
 Rivlin, Alice, Fed governor 156
 Roosevelt, Franklin Delano, US
 President 19–20, 45
 Rubin, Robert, former US Secretary of
 the Treasury 127–8
- Savings & Loans USA 128, 149,
 153
Schadenfreude 27, 164, 234
 to frenzy 241
- Schiffirin, Anya 77, 80, 91, 216
 Schumpeter, Joseph 14, 17, 20–1, 22,
 30, 38, 57, 67
 Securities & Exchange Commission
 (SEC) USA 45, 80, 91, 188
 accountancy rules 203
 model copied 140
 underfunded 178–9
 securitisation of debt/promise 33, 42,
 90, 140, 174–5, 211
 examples of 175, 181, 184
 hidden deceit, dangers of 33, 216,
 217–18
 see also money (social compromises
 (deals))
 self-fulfilling prophecy 70, 182
 too many forecasts to be 220
 settlements democratic 143, 145–6,
 259–60; *see also* money; New
 Deal USA; definition of the
 situation
 Shackle, G. L. S. 17, 57
 shame 140, 190, 244; *see also* Wall
 Street (nervous tic); rituals
 compared (ritual shaming of
 decent)
 Shapiro, Susan 45, 51, 53
 shareholders 42, 48–9, 66, 72, 81
 of banks 140
 Shiller, Robert 62–3, 73, 98, 213
 shills 76–7, 93
 shock therapy 28, 52
 short (bet on decline) 50, 86, 87, 182
 naked shorts ‘hasten the death’ 204
 ‘signals’ mixed, proxies for future 194,
 197–8; *see also* risk; ‘predictive’
 models
 manipulation of past signs to
 deception 201–2, 203
 Simmel, Georg 21, 30, 41
 Smith, Adam 12, 43, 64, 199, 237
 social movement of finance 226,
 231–2
 not nineteenth-century type 239–40
 transformative aim 244, 245
 vast scale of activity 247–8
 social sciences 16–19, 40, 123
 orthodox scaffolding to finance,
 cognitively irrational 141,
 156–7, 176, 204, 256;

- see also* monetarist populism;
 'predictive' models
 performative 'black boxes' 220,
 226, 238
 some complicity with finance
 utopia 226
see also cognitive rules (of
 duplicity)
 Soros, George 14, 114, 248
 Soviet Union, to Russia 27, 139, 178
 speculators, *see* traders for financial
 firms
 Starkman, Dean 79, 85, 92
 State-money 26, 27, 30; *see also*
 money; central banks;
 quantitative easing
 Stinchcombe, Arthur 14
 stockbroking firms, *see* investment
 banks
 string metaphor 151, 154
 effects of pulling and pushing
 168–9
see also central banks (monetary
 policy)
 suspicion 38–9, 43–4, 50, 51
 against democracies and cautious
 discretion 147–8, 198, 215–16
 agents of other agents 199, 200,
 215
 global scale of 174–6, 184, 222; *see*
also LIBOR
 in impersonal New Deal rules 143
 of banks by Australian public 146
 prompts dishonesty and disgust
 176–7, 202, 215
see also money (conflicts); emotions
 (rules of office); *caveat emptor*
 Swedberg, Richard 63, 185
 Sykes, Trevor 95, 217

 technological determinism 97–8, 99,
 195, 200
 Teeters, Nancy, former Governor, the
 Fed 111
 Tett, Gillian 182, 239
 Thatcher, Margaret, UK Prime Minister
 48, 94, 231
 ritual shaming of 'wets' aka decent
 246
 weak 146, 227

 'The News' (Keynes's term) 71,
 97–100
 financial peepshow 178; *see also*
 traders for financial firms (spy
 trade)
 Tiffen, Rodney 75, 88
 Tilly, Charles 169
 time-orientations of every utopian
 hope 234–5, 236, 259–60
 traders for financial firms 13, 14,
 59–60, 77, 78
 as CEOs and public officials 127–8,
 152, 212
 attempts to deter excesses of 151,
 201–2
 fear of future 173
 had 'the measure' of Greenspan
 160
 like fish in the sea 78, 130, 158,
 233; *see also* opportunism to
 new utopia depths
 ruthless competitive rules 108–10,
 117–18, 130–1
 spy trade 172; *see also* High
 Frequency Trading
 transparency 59, 172
 cf. opaque 153
 demanded by whom 153, 222
 to the 'public' 154–5, 184–5
 Treasuries 107
 British 76, 145, 169
 Japanese 151, 218–19
 trust 4, 36, 52, 62, 257
 between banks 12, 221–2
 hierarchy of 138, 164–91, 219
 ignored 40, 74, 76–7, 132,
 193
 impersonal 36–7, 40, 41–2, 51–4,
 63–4, 66, 73
 in banks 32, 176
 in cult of personality 171, 241; *see*
also cult of personality
 in markets: effects 170, 179,
 249–50
 in money 1, 3–4, 12–13, 15–16,
 30–1, 139
 in numbers and 'risk' 192, 197–223
 in state-money 31
 public cynicism, fatalism or
 confidence 174, 230

- trust (*cont.*)
 personal (old school tie) 107, 110, 141
 presentational 50, 155, 172–3
quis custodiet ipsos custodes? 52, 217–18; *see also* banks;
 securitisation of debt/promise
 to bust 165, 175, 191, 240; *see also*
 LIBOR; betrayal of society
 trustworthiness as fictitious
 commodity 164–5, 192
 Turner, Lord Adair, Chair FSA, UK
 25, 61
- uncertainty 3, 9, 52, 54, 56–8, 63,
 103, 255
 as ‘excuse’ 162, 194
 denial of 113–15, 134, 136, 146; *see*
also credibility; insider trading
 generates emotions 189, 193–4,
 213
 guesswork 112, 114, 122, 181,
 200–1, 202–3, 220; *see also*
 ‘predictive’ models; inside
 knowledge; trust (in numbers
 and ‘risk’); credit-raters;
 accountancy firms
 irrational 222; *see also*
 destruction without function
 of competition 171–2
 of money’s promises 9, 31, 37,
 90–2, 161
 of ‘when’ not ‘what’ 115–16,
 165–6, 178, 182
 prompts search for ‘messiahs’
 173–4; *see also* epistemic
 community of finance; cult of
 personality; utopia (finance)
 unacceptable to global finance
 politics 219
 uninsurable as in finance 207–8
 vulnerabilities of 138, 255
 unintended boomerang of finance
 utopia 228
 US Senate report on the financial crisis
 (Levin 2011) 150, 216, 249
see also moral situations
 compared; countervailing
 tendencies
- US Supreme Court 67
 usury 30
 as ‘innovation’ 32–3, 212
 utopia as useful concept 225, 228,
 234–5, 253–4
 utopia (finance) 66, 225
 god of opportunism 241
 hopes of ‘peasant’ anarchists 236–7
 of the twilight confidence men
 253
 totalising not partial 246, 247,
 252
- Values, *see* moral economies; moral
 situations; central banks
 Vanguard US mutual fund 115,
 186–7
 Veblen, Thorstein 18, 58, 192
 Volcker, Paul, former Chair of the Fed
 110, 111, 125, 128, 142–3
 on ‘innovation’ 212
 Volcker Rule 155; *see also*
 Glass-Steagall Act; destruction
 without function
- Wall Street practices 116, 174,
 183–4
 changes 146
 government support 153, 159
 hypocrisy and spite of 137, 138,
 169, 239; *see also* Goldman
 Sachs & Company
 nervous tic 192, 208, 222, 224,
 234, 260; *see also* City of
 London; Barclays Bank
 warnings ages ago 150, 171, 179, 218,
 251
 Weber, Max 12, 26, 28, 64
 Whimster, Sam 185
 William III, King of England 26
 Wolf, Martin 75–6
 Wong, Chia Siew 115
 Woodruff, David 27
 World Bank 27, 248
- Ziegler, Dominic 81, 172,
 217
 Zucker, Lynn 43
 Zuckerman, Ezra 90