

# The (H)edge of Reason

Not to be confused with this guy

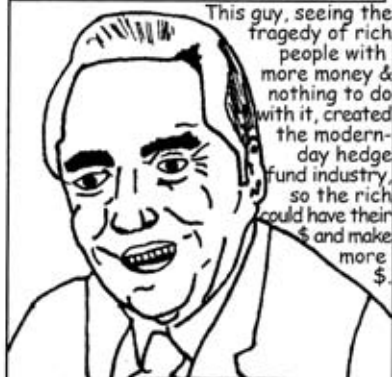


The hedgehog: a small and prickly rodent



The Golden Rule: He who has the gold makes the rules.

In the 1980s, this rodent (Ronald Reagan) largely deregulated the U.S. financial industry. He also gave giant tax cuts to the rich - so they could get richer.



This guy, seeing the tragedy of rich people with more money & nothing to do with it, created the modern-day hedge fund industry, so the rich could have their \$ and make more \$.

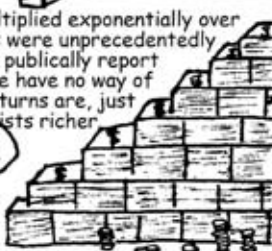
Hedge funds are off shore or limited partnerships so they go totally unregulated.



They are very exclusive so they are super expensive to buy in - sometimes millions of bucks. Only the very rich, and pensions and foundations, have hedge funds

**JACK NASH**

The money people already had multiplied exponentially over a short time. Hedge fund returns were unprecedentedly large. Because they don't have to publically report their returns like mutual funds, we have no way of knowing exactly how high their returns are, just that they are make greedy capitalists richer.



Hedge funds are part of what is called the "shadow banking system." It is called this because it operates in the dark - away from public or governmental oversight. In Canada, because they aren't federally regulated it is up to the province to regulate it but only Quebec put in regulations.

Hedge funds were capped at 100 investors per fund until Bill Clinton lifted this cap in 1996. So hedge funds grew even more.



During Hillary's bid for prez, Bill had to reveal he has hedge fund investments.



In 2006, Chelsea, Bill's kid, joined a \$12 billion hedge fund run by a democratic party supporter. It is likely every president or former president benefits from hedge funds.

Obama has introduced new laws in the U.S. to put an end to the tax loophole that lets hedge fund managers pay less than 1/2 the tax on much of what they make.



A similar law didn't pass in '07. But, politicians invest in them & get campaign \$ from them - including Obama.