

1 Pre-reading.

1. When companies know they can count on government support in case of trouble, do they act as carefully with stockholders' money as when they expect no support?
2. Should government participate in the stock market to keep share prices high?
3. Consuming tobacco and alcohol may be unhealthy, but is it immoral?

When business begins to fail, government is asked to step in and provide financial assistance called *subsidies*. Some industries enjoy popular support, others do not. Fill in the table below with your own opinion about which types of businesses should, or should not, be subsidized. Write "Yes" or "No" and your reasons individually. Then, discuss in a group.

Industry Type	Subsidize	Not Subsidize	Reason
Defense			
High technology			
Agricultural products			
Alcoholic drinks			
Casinos			
Tobacco			
Aerospace			
Automobiles			
Share prices of stocks			

2 Predict.

Scan the pictures in this unit, including the one on the introduction page, and decide what the author is inferring about government subsidies to private business. Check off ✓ as many boxes as needed.

Subsidies to private businesses

- ...are sometimes necessary.
- ...are never really necessary.
- ...waste taxpayers' money.
- ...encourage companies to take foolish risks.
- ...help establish a healthy economy.
- ...allow bad companies to remain in business longer.
- ...allow for the abuse of public money.
- ...provide much needed jobs.

3 **Guess.** What does the expression “too big to fail” mean?

- a) Some companies have so much money, they cannot possibly go bankrupt.
- b) Some companies are so important to a nation they can never be allowed to go bankrupt.
- c) Some companies are so well-run by smart, talented people, they can never go bankrupt.

4 **Vocabulary.**

A. Matching. Match these words with the correct definition.

Par. 1

- | | |
|-------------------------------|---|
| _____ 1. policymakers | a) in need of help |
| _____ 2. requiring assistance | b) to return something to its original condition |
| _____ 3. to trigger | c) to follow as a consequence or result |
| _____ 4. panic | d) to set off or begin |
| _____ 5. to ensue | e) people who plan the government’s course of action |
| _____ 6. desperate | f) a sudden fear |
| _____ 7. to restore | g) to lower in quality, character, or value |
| _____ 8. to deteriorate | h) having lost all hope and overcome by a sense of defeat |

B. Fill in. Paragraphs 2 and 3. Choose the word which best completes the meaning.

intervention	deductible	inclined	falter	regulations
negligence	hook	consequences	hazard	incentive

- 1. The new mayor was not _____ to give interviews.
- 2. Having old news papers piled around the house presents a serious fire _____.
- 3. The students did poorly on their tests, because they had no _____ to study.
- 4. An insurance company will pay for most of an accident, but the driver still has to pay the _____ out of his own pocket.
- 5. Due to the store owner’s _____, the fire alarm system was not working properly.
- 6. The principal felt the accident was not the boy’s fault, and decided to let him off the _____.
- 7. _____ by the central bank saved the economy from ruin.
- 8. Some people complain that too many rules and _____ limit their freedom.
- 9. No one can avoid the _____ of not getting enough sleep for very long.
- 10. No sooner had the mayor announced his decision, than he began to _____ and change his mind.

5 **Antonyms.**
Choose the word with the opposite meaning of the word on in bold.

distress	joy	pain	sorrow	suffering
sympathy	kindness	consideration	coldness	care
massive	great	tiny	huge	giant
hesitate	wait	move	pause	delay
spin-off	copy	imitation	reproduction	original
doctrine	freedom	principle	rule	policy
collapse	fall	break	build	crumple
brokers	agents	customers	advisors	dealers
immoral	wicked	evil	bad	honest
slaughter	butcher	massacre	help	kill
potential for abuse	can help	can hurt	can misuse	can harm