

Bookshelf / By Dave Kansas

The View From the Street

For most folks, the world of investing flashes by in brief updates about the Dow Jones Industrial Average on the evening news or on drive-time radio. It is a somewhat mysterious world with formulas and calculations, rites and rituals, cycles and disruptions, all its own. But a great deal of middle-class well-being depends on the workings of this world. Indeed, Wall Street has famously democratized in the past 50 years—thanks to private pension funds, discount online brokers and a vibrant mainstream business press.

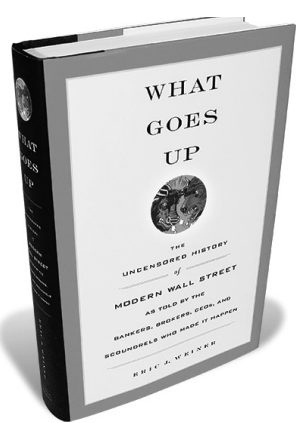
And yet the place is more inscrutable than ever. Thousands of hedge funds work the market with dizzyingly complex strategies. Wall Street firms, once eager for the bubble-era spotlight, now prefer a quiet approach. Stock soothsayers make themselves aggressively boring. All in all, Wall Street would rather that people paid more attention to football games

overpriced. The charts kept telling us they were not the most desirable areas, but we were too dumb to realize it." Many investors will hear echoes of the recent bubble era in such remarks, a reminder that go-go enthusiasm comes and, well, goes.

The Black Monday of 1987 is another riveting story. The downward in stock prices—nearly 23%—would mean, in today's market, a spine-curdling drop of more than 2400 points on the Dow industrials. Mr. Weiner sets up Black Monday nicely—Peter Lynch, the famed Fidelity fund manager, is nervously vacationing in Ireland—and brings in participants from Washington, Wall Street and the business press. For some Tuesday's trading, at least in the morning, created more fear and panic than Monday's startling skid: The downward movement seemed headed for new depths despite an announcement on Tuesday morning that the Fed would supply liquidity to the markets. Indeed, it is still hard to account for the rebound late on Tuesday. Gerald Corrigan, former head of the New York Fed and now at Goldman Sachs, confesses: "Anybody who tells you that they know exactly why the market came back is full of prunes."

The culture of Wall Street is another theme in "What Goes Up." Voices from Lehman Brothers detail the loss of a certain clubbiness as age-old customs, most notably fixed commissions, give way to increased competition. The late-1980s bidding frenzy surrounding the RJR Nabisco leveraged buy-out is a fabled example of competition in motion. Mr. Weiner presents Henry Kravis (the eventual winner) denying that he was merely protecting his firm's leading-player reputation by bidding so aggressively. "When they announced at \$75 a share, I said, 'This is stupid. It's an absolute steal.'" Turned out, it really wasn't such a great deal for Mr. Kravis and his firm, Kohlberg Kravis & Roberts. Wall Street's culture has morphed, of late, from competitive push to ethical recklessness. "What Goes Up" ends on a sobering note. John Jakobson, a member of the NYSE since 1955, says: "The game never changes, just the players. The more there is to steal, the more it will be stolen."

As readable as Mr. Weiner's oral history may be, it is not without its prob-



A history of modern Wall Street, from the inside. So what was Black Monday like?

work on the reader's part to check text against notes routinely.

Second, the book's chronological reach is over-ambitious. Arguably an oral history works best when it gives voice to a particular moment or a limited period of time. Mr. Weiner's survey of the past 80 years or so serves a purpose, but readers may find themselves wanting more in various places, such as the late 1990s investment explosion.

Five years have passed since the bubble burst, and the national mood toward the stock market has softened a bit. Anyone still addled by the market's malevolence may not want to curl up with "What Goes Up." But for those who open their 401(k) statements instead of just binning them, Mr. Weiner provides an engaging history of how Wall Street came to be what it is today.

Mr. Kansas is editor of the Journal's Money & Investing section.



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State of the Union / By Elif Shafak

Whirling Histories

The Ottomans were loved and respected by the nations they ruled. The millet system was a righteous system in which every religious minority could preserve and practice their religion freely as long as they paid their taxes," we Turks were taught at school.

Furnished with this information it comes as a shock to find that the children of those nations might feel differently. For us, for example, the devshirme system let the children of impoverished non-Muslim families climb the social ladder all the way up to Grand Vizier. But for the nations ruled by the Ottomans, devshirme took away their beloved offspring and assimilated and converted them to Islam.

Differences in the interpretation of the past notwithstanding, it is a bigger shock to realize how vivid those memories remain, passed on from one generation to the next in former Ottoman lands, be it the Middle East, the Balkans or among the Armenian diaspora. "Countries under the Ottoman occupation often had to live under severe conditions. This fact is not completely forgotten even though it happened in the 16th and 17th centuries," the Brussels-based Russian Orthodox Church proclaims on its website. "The culture, traditions and way of life that characterize Turkey are far distant from the one which has roots in the other countries of South-Eastern Europe."

Under these circumstances, one of the biggest challenges facing Turkey in its negotiations to join the EU, launched earlier this week, will be the struggle between memory and amnesia. This is a new state, a new generation and a new country, Turkey reminds again those who only see her through the spectacles of the past.

If Turkey as a whole leans more toward rupture and amnesia, the Austrians this past week have proved to be inclined to the other end—toward historical continuity and rigid memory that sees today's Turks as directly descended from the men who besieged Vienna more than 300 years ago. The insinuation is clear: Turkey is the same old Turkey and unfit for membership in Europe's elite club. Austria blocked the start of the talks, before relenting at the last minute.

The past haunts Turkey as well. Yet it too often goes unrecognized that Turkish civil society is profoundly heterogeneous, replete with differing voices that both co-exist and come into conflict with each other. The recent Armenian Conference here, which was held last week, shows that Turkey's civil society and its media are a diverse and dynamic lot. We, a group of intellectuals, had gathered to discuss the 1915 massacres and deportation of Armenians. We are pressing the

government to recognize the atrocities inflicted by the Turkish authorities of the time upon the Armenian minority. The justice minister prevented us from meeting last spring, and a local court tried, but failed, to do so again last month.

The struggle that will shape Turkey's future.

During the meeting, we were vilified and applauded by numerous voices on the political left and right. While ultranationalism runs deep in Turkey, it is equally true that Turkish society is changing quickly and fundamentally, embracing multiculturalism and diversity. European politicians should pay more attention to the shades of gray in between. It is here where the potential for further social transformation lies.



A similar clash is going on in Turkey—albeit with a difference. Here, the clash is between those who are oriented toward the state and those oriented toward civil society. Dedication to the state machinery is strong. It can form crooked and unusual alliances between army officials, conservative bureaucrats, fiery diplomats, ultranationalist "Gray Wolves," ultraleftists, Kemalists and some Islamists. In modern Turkish history, the three military coup d'etats as well as various illegal acts of the nationalist paramilitias have all been legitimized in the name of "protecting the state interests."

Those who favor the rise of a civil society want to diminish the role of the army, the state machinery and strengthen the cosmopolitan, multicultural, multiethnic strains from Turkey's past in order to build its future. This pressure will bring great changes to the country, and the EU can help or hinder.

As part of this process, Turkey must come to terms with 1915. But it won't help for the EU or the European Parliament to impose the recognition of genocide as a precondition for membership. It will only serve to increase hatred against those of us who are critical of the state ideology. The distinction between change coming from the "outside" and "inside" is one that should be taken into account when it comes to understanding the "ordinary" people in Turkey. Any decision perceived as "imposed" from above or outside is bound to spark a nationalist, defensive reaction in which open-minded intellectuals become targets. It would bring about the old "anti-imperialist backlash" that we have seen all around the world.

Already we have been receiving e-mails and letters, asking us: Are you guys happy now, is this what you wanted all along by organizing the Armenian Conference, you intellectuals are in collaboration with anti-Turkish EU politicians....

So, with respect to facing the past, and perhaps rewriting our common history, the change we all sorely need has to come from within Turkey, not from beyond its shores, and definitely not put in front of Turkey as a "condition" for anything. By trying to isolate or block Turkey, Austria and other EU skeptics are undermining the forces of change in my country. If the isolationists win, we will all lose—Austrians, "Europeans" and Turks.

Ms. Shafak, a novelist, is professor of Near Eastern Studies at the University of Arizona and author, most recently, of "The Saint of Incipient Insanities" (Farrar, Straus and Giroux, 2004).

WEATHER WATCH AccuWeather.com

Forecast positions of weather systems and precipitation for Thursday, Oct. 6, at noon local time. Temperature zones represent highs for the day.



Legend: S-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, h-ice.

European Forecast: A storm system in the northern Mediterranean Sea today will cause showers and a thunderstorm or two across northern Italy and the western Balkans. Another storm system leaving eastern Europe will cause a thunderstorm in the northeastern Black Sea. Showers will dampen northern areas of Sweden and Norway. High pressure will provide a pleasant day elsewhere.

City	Thursday		Friday	
	Hi	Lo	Hi	Lo
Algarve	25	20	28	23
Amsterdam	20	18	18	15
Athens	23	17	23	17
Barcelona	18	14	15	12
Belgrade	23	17	22	16
Berlin	19	12	18	12
Bonn	20	12	18	12
Brussels	20	12	18	12
Budapest	22	14	21	15
Copenhagen	17	12	18	12
Dublin	16	10	17	12
Frankfurt	19	12	18	12
Geneva	17	12	18	12
Helsinki	14	7	14	7
Istanbul	22	15	22	15
Lisbon	29	19	27	20
London	20	13	18	12
Madrid	27	18	26	19
Milan	18	13	18	12
Minsk	17	10	15	9
Moscow	11	5	10	5
Nice	20	12	18	12
Oslo	13	5	12	5
Paris	18	10	18	12
Prague	19	12	18	12
Rome	20	12	21	13
Strasbourg	18	11	18	12
Stockholm	15	8	16	8
Venice	19	11	19	13
Vienna	22	14	21	15
Warsaw	18	10	17	12
Zurich	16	10	18	12

Who's News

EU Picks Monitor For Antitrust Deal With Microsoft

By MARY JACOBY

BRUSSELS—A year-and-a-half after charging Microsoft Corp. with massive antitrust violations, European regulators said they had settled on a consultant to help enforce sanctions against the software company.

Neil Barrett, a computer security expert from the U.K., will offer technical advice to the European Commission as it struggles to force Microsoft to comply with long-standing orders. Mr. Barrett has a five-year contract for an undisclosed amount to be paid by Microsoft, said Jonathon Todd, a commission spokesman.

The commission's March 2004 decision to fine Microsoft €497 million and order it to open software markets it dominates to competition also mandated the hiring of a "monitoring trustee." But regulators and Microsoft only recently agreed on whom to hire, said a person familiar with the discussions. The decision required Microsoft to pay the trustee's fees.

Since sanctions were leveled, some of the work waiting for Mr. Barrett has evaporated. For example, the trustee was supposed to decide whether Microsoft had fairly complied with an order to sell a version of its Windows desktop operating system without Windows Media Player software attached. Instead, the commission ordered changes in the stripped-down version at the behest of rival Real Networks Inc. The version is for sale in European stores.

In June, EU antitrust chief Neelie Kroes reached a pact with Microsoft to allow an EU court in Luxembourg to decide one of the most pressing issues: The terms under which Microsoft must license software information to rivals so their computer programs will mesh well with Microsoft products. Mr. Barrett will now be authorized to advise the commission on ways to resolve the licensing dispute.

Mr. Barrett will have access to Microsoft's source code to help referee disputes about whether European antitrust orders violate the company's intellectual property rights. Microsoft, which nominated him for the job, said in a statement that it looks "forward to working constructively" with him.

Mr. Barrett didn't respond to a call for comment.

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in your city it is rising  
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