

Railings at Wall Street

Lisa Von Ahn

David Faber is known as one of the cooler heads on financial news channel CNBC. All the more surprising then that his voice joins the growing chorus of anger at Wall Street about the financial crisis.

The title of his new book, *And Then the Roof Caved In: How Wall Street's Greed and Stupidity Brought Capitalism to Its Knees* (Wiley, HK\$216), speaks volumes about his position.

Interviewees range from former Federal Reserve chairman Alan Greenspan to one of the millions of Americans who lost their homes because they could no longer make their subprime mortgage payments.

Faber explains rather than rants about these mortgages, securitisations and bogus credit ratings, making the case that greed and stupidity caused the financial crisis. Much of the anger hinted at in the title shows up in chapter and section headings such as "Eyes Wide Shut" (to the subprime situation).

Faber focused on digging up news about big companies. It is a myth that lax lending standards at Freddie Mac and Fannie Mae triggered the economic crisis, he writes, because accounting scandals had essentially forced the two mortgage financiers out of the market from 2003 to 2005, leaving Wall Street to fill the void.

"It was Wall Street that encouraged mortgage originators of every kind to lower their standards by providing an endless supply of new capital to fund their mortgages," Faber writes.

"It was Wall Street that found willing buyers for US mortgages around the globe in order to keep funding the mortgage market. It was Wall Street."

In *The Looting of America* (Chelsea Green, HK\$120), author Les Leopold proposes a new law of economics: "When we allow surplus capital to pile up in the hands of the few, the money will be pumped into a fantasy-finance casino that will ultimately crash the economy," he writes.

"When that casino goes bust, we pay yet again – in lost jobs and pensions – and in tax dollars to bail out the biggest financial institutions that crashed the system in the first place."

Leopold, who co-founded and directs the Labour Institute and the Public Health Institute in New York, has his own ideas of how to reduce "the extra cloud layers of fantasy finance": regulatory reform, shifting money from Wall Street to "productive real-economy investments" and moving wealth from the upper echelons to the lower and middle classes.

One reason he wrote the book was to promote financial literacy.

"We are teetering on the edge of a vast economic depression," he writes. "The experts helped get us here. You want to let them write all the critiques as well?"

Reuters

She began her journey as a rootless thirtysomething: one of the highest-paid literary agents in Canada.

Yet Jennifer Barclay felt alienated from her success. As friends began to settle and have families, Barclay found herself in the arms of a sexy drummer almost 10 years her junior and followed him and his band to Seoul. A snap decision to quit her job and follow her gut instincts led to a whole new world – and life.

The story of that journey is told in her remarkable book *Meeting Mr Kim*. It also cemented a lifelong love of, and connection with, the Korean peninsula.

Barclay's roots are in a small village on the border between Lancashire and Yorkshire in the north of England. Her grandfather was a novelist; her father is the famous British sports journalist Patrick Barclay.

Jennifer Barclay trudged her way to Oxford University, where her studies included ancient "Middle English", before deciding on a year off to teach English in Greece. It was there that the first of what seemed to be a series of doomed relationships began: romances that all seemed to lead her to another country.

"I met a man sunning himself by the Mediterranean," says Barclay, back now in her native England. "We had a bit of a whirlwind romance. The next thing we were in Guyana, then Canada, and married ... the marriage lasted all of five minutes," she says, sighing. "So much went wrong in that marriage. But it took me to Canada and it's there I found myself in the world of publishing, and working my way up to become the youngest-ever literary agent in the country."

At one stage she was representing best-selling authors such as Rohinton Mistry, Naomi Klein and Yann Martel, but she was becoming burned out. "I had that itch I just had to scratch," she says. "I needed to get away. Travel is really important to me and I wanted to take a year out."

It was about this time she met a rock-band drummer named "Gav" (Gavin). "His band got a three-month gig as the house band at the Grand Hyatt [hotel] in Seoul."

Living near the capital's Itaewon district, Barclay had to adapt to the insular rhythms of band life. "It was a weird world of big hotels, high-ranking American military officers, big business chiefs like Bill Gates dropping by, diplomats and probably a few shady deals going off in the corners."

"It wasn't my world," Barclay says. "It was fascinating to see, of course, how this tiny cover band from Canada suddenly had rock-star status. But there's only so long you can feed off that; there was nothing there for me." What was worse was



A former literary agent embarked on a journey of self-discovery that sparked a love affair with Korea, writes **Nick Ryan**

Seoul sister

Asia Specific

that other band members would blame her, as the only girlfriend, for dragging Gav away from their nights out. When they did all go out together, it was to the nearby Western bars and Hard Rock cafes, drinking until 4am.

Barclay opted to miss the gigs in favour of midnight walks around the city, trying to escape the cloying atmosphere of Itaewon and its bars and prostitutes. It wasn't easy, however. "In Athens, I'd found you could always meet people in the street or at restaurants, but Seoul was nothing like that. If you met anyone, they just ignored you. Or worse, burst out giggling and refuse to serve you." She smiles ruefully.

In her book, Barclay wonders if South Korea's history of constant invasion and turmoil – including the Korean war and periods of dictatorship – drove its culture and people into isolation. Inter-marriage with outsiders is uncommon, she notes. "Apart from the [US] military, they'd hadn't had a lot of visitors," she says.

"I would get asked to leave restaurants. They would say, 'No, no this is Korean food!' and you'd have to explain to them why you wanted to stay. The waitresses were so embarrassed to deal with a Western person. They would just laugh and then run away," she recalls.

"It was genuinely hard to meet people. I would stand over most of them, a sea of slicked black hair, but they weren't curious about me, not even interested. That's what pushed me to get out of town, to try to find the real Korea."

An American friend who had adopted a Korean-Buddhist name recommended leaving Seoul and visiting the countryside. Following his advice, Barclay would venture outside Seoul on the

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weekends and found that a very different Korea existed outside the cities: a place of forests and temples, fellow walkers and friendly travellers. As she explored, Barclay began to slowly understand the Korean character.

Much of her book is a journey of self-discovery, tinged with Buddhist leanings. "I wasn't trying to learn about Buddhism intentionally," Barclay says. "On the first weekend I left Seoul, two amazing things happened: I was invited by this engineer inside an ancient king's tomb. The guy saw me standing around the entrance and let me

inside. Just standing inside this seventh-century tomb made me fascinated to find out more about this ancient culture. These kings had exported their architecture to Japan.

"Then the very next day I ended up being given a lift by this monk in his car and we stayed in a Buddhist monastery: it was a powerful experience, almost like magic. It was pouring rain and I was taken into a hall to my little room, where I slept on the floor overlooking this giant bronze bell. I later climbed the 108 steps [representing sins or defilements] above the monastery to a Buddhist statue and only later realised that there was a connection there to enlightenment."

Today Barclay is editorial director of a publishing house in Britain. "I have a need to write and be connected to books."

She still writes for the Korean community in London and has become an unofficial ambassador for South Korea.

"The president has issued a message saying the country should welcome us foreigners," Barclay says, smiling. "If I contrast the situation now to back then, it has become a lot more confident, the Koreans more outgoing. What most people don't know is that the people are very good fun; there's great food, and beautiful mountains and beaches to explore. Korea is a fun place. It's time to like it again."

Meeting Mr Kim: Or How I Went to Korea and Learned to Love Kimchi, by Jennifer Barclay (Summersdale, HK\$114)