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Wall Street Mocked American Values

Just look at the lifestyles of these überconsumers.

By THOMAS FRANK



The announcement last week that *Trader Monthly* magazine was ceasing publication was one of those moments when a chance arrow of history scores a perfect bull's eye on a deserving target. The current recession, brought on at least in part by Wall Street's bonus lust, has claimed countless innocent victims. But in this case it has finally delivered a comeuppance to our era's loudest, gaudiest, cockiest champion of Wall Street excess.

Those who still single out former Merrill Lynch CEO John Thain as a symbol of extravagance should take note. Yes, the man once spent over a million dollars having his office remodeled and went on to arrange questionable bonuses for the year in which Merrill lost billions and sold itself to Bank of America.

Just a few years ago, however, the bonus cognoscenti at *Trader Monthly* depicted Mr. Thain as something of a piker. In an article that began with the sentence, "What, did somebody forget a zero?" they sneered at Mr. Thain's "reported compensation," which they claimed was \$6 million for 2006, back when he was CEO of the New York Stock Exchange.

What was \$6 million in those days? Remember, 2006 was the year of "the Biggest Bulge Ever," as the magazine tastefully put it, when "the bonus pool increased to a size almost beyond comprehension." That was the year that Goldman Sachs famously distributed \$16.5 billion to its employees, and if you were one of the lucky ones, *Trader Monthly* -- "See It, Make It, Spend It," was its slogan -- stood ready to help you figure out how to blow your share properly, conspicuously, flamboyantly.

Oh, there were cars: Lamborghinis, Bentleys, Ferraris, Maseratis, sometimes described in the magazine's characteristic tone of flippant indulgence. There were airplanes, reviewed and rated in a column specifically dedicated to that purpose.

There were Scotches, including, in the "Bonus Guide" for 2008, a \$20,000 bottle of Johnnie Walker. There were watches, mechanical ones of course, and among the most desirable were the ones with transparent faces, presumably so the little gears were visible and everyone knew the timepiece was for real.

Reading through back issues of the magazine, which was published in Europe with distribution help from *The Wall Street Journal Europe*, one does not get the sense that its trader readers aspired to live this way because they were jolly bon vivants. Quite the opposite. At one point in its intermittent pursuit of the best possible record player, for example, *Trader Monthly* described what it claimed to be a \$300,000 turntable as "a huge middle finger to everyone who enters your home."

If you didn't understand why someone would want to greet their guests in such a way -- and as a nation we certainly didn't -- then you didn't understand what it meant to be a trader.

But *Trader Monthly* did, and it limned the trader so that all might behold his glory. A trader was a sort of embodiment of the primal drama of capitalism; not just an überconsumer, but a bullying, self-maximizing, wealth-extracting he-man, a lout in full.

Traders often "craft themselves to be shocking," says Caitlin Zaloom, an anthropologist at New York University who has studied trader culture. "They try to make themselves into characters that embody the dog-eat-dog character of the market. In order to be a top speculator, you're supposed to be able to crush those around you and aspire to your self-interest."

Consider, in this connection, the Chicago Mercantile Exchange trader whom *Trader Monthly* inducted into its "Hall of Fame" in 2006, describing him, admiringly, as "a conqueror, physically imposing and, at times, verbally abusive. Clad in his signature white jacket, he would crush anyone who dared to cross him or tried to pick his pocket."

The magazine's panting worship of the truculent personality culminated in a bizarre spectacle it arranged in November of 2007: trader boxing. Before an audience chewing steak and guzzling luxury vodka, the furious fists of bond traders connected with the jaws of corporate vice presidents.

And to those who wondered why the nation should heap up its wealth at the feet of such pugnacious vulgarians, the magazine gave the usual answer: Traders prospered because they delivered.

"The rewards have become so astronomical that the competition for coveted entry-level trading positions has become extremely fierce," mused the magazine's founder in the gilded year 2007. "Or is it the other way around -- the talent entering the market is so substantial that it has pushed the returns and, therefore, the rewards to levels once considered unthinkable?"

Although he didn't mention it, there was also a third possibility: that much of the financial engineering, the fancy new derivatives and balance-sheet legerdemain, was part of a bubble that would one day burst. That many of these hustlers, gamblers and pugilists were helping to misallocate capital on a fantastic scale. That with or without the aid of a \$300,000 stereo component, they were telling America just what they thought of it.

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