

From Wall Street To Watergate?

THE WALL STREET GANG. By Richard Ney

(Praeger, 284 pp. \$8.95)

Reviewed by
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Richard Ney is at it again. In his first book, "The Wall Street Jungle," he strongly implied that specialists on the floor of the New York Stock Exchange were either involved in, or at least expecting, the assassination of President John F. Kennedy. In his new book, to show he stays on top of the news, he makes those same specialists the real masterminds of the Watergate break-in. "It should be pointed out that Maurice Stans is a stockbroker and John Mitchell a bond expert," he says by way of proof.

It's only natural that Ney should blame the specialists for Watergate; he blames them for everything else. (A specialist is an Exchange member who is granted important advantages in the market in return for assuring "fair and orderly" markets. He is far from an angel, but neither is he a break-in artist.) Reading this book, you get the idea that if Ney caught a cold, he would bill the specialists for the aspirin.

Ney's reasoning is simple, albeit a bit much to swallow. Start with the assumption that the specialists are the bad men—the black hats. Then, it stands to reason (or does it?) that whenever the public is shafted in Wall Street—admittedly quite often—it is the fault of the specialist. It doesn't stop with the stock market, although stock prices are the reason behind it all. Special-

ists are equally responsible for war, famine, high interest rates, heavy rainfall in the month of April and the last time your mother complained that you don't call often enough.

This is not to apologize for specialists. They are no friends of the investing public, thanks in part to the rules of the Stock Exchange (formulated when the specialists firmly directed Exchange policies) which cre-

ate deep conflicts of interest and then give the specialists the power to resolve those conflicts in the way that best suits their own pocket-books. Study after study has shown that they are not nearly as committed to "fair and orderly" markets as they are to capital gains.

So Ney's charges may well be true (except, possibly, for that part about calling my mother). What's missing is proof. In the first book, and in this one, there is none, or at least none that I can buy.

The charges against the specialists are based on page after page of stock charts, appropriately marked with trendlines, peaks, bottoms and all the rest of the esoteric language of Wall Street. He points out the spot where the public got its rooking, but he always does it in the past tense, which of course is the easiest way.

Unlike the first book, which deals almost solely with the specialist system, Ney has some other black hats in this one. The "Jungle" was not well received by the financial press, although it did make a brief appearance on the best-seller list (thanks, no doubt, to a high-pressure New York Stock Exchange campaign against it).

Therefore, by Ney's reasoning, all financial writers—including this one—are tools of Wall Street. For myself, I deny it. For the others, many of whom are long-time acquaintances, I doubt it. (It's interesting to note that he uses excerpts from three of my bylined pieces, but lists only one in the index—the one he uses to "prove" that I'm a tool of the money magnates)

Like the first book, this one will appeal to devotees of the great conspiracy theory: that there are people out to get us all and they are all so brilliant that they attack in ways that the rest of us simply can't understand—without the help of Ney.

For the aficionados, there is a center section of photos showing the author, his dog and, of course, the Rolls-Royce that he's practically made into a trademark.