

AM with Tony Eastley

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Britons reflect on Lehman crash

Philip Williams reported this story on [Tuesday, September 15, 2009](#) 08:03:00

TONY EASTLEY: This time last year thousands of Lehman Brothers employees learnt of the company's demise and soon they were streaming out of their offices at London's Canary wharf carrying in their arms their corporate world, bound up in cardboard boxes.

Europe correspondent Philip Williams reflects on the day money stopped moving.

PHILIP WILLIAMS: No one likes Monday, but as the stunned Lehman Brother's employees were sent home early and permanently, it was going to be a Monday like none other.

MALE LEHMAN EMPLOYEE: It's bizarre, yeah bizarre, I've never seen anything like it before, I've been through a few cullings and redundancies but I've never seen a whole building get emptied one by one, carrying their boxes out so, a lot of people working there for 20 years plus, who've lost all their shares, everything.

FEMALE LEHMAN EMPLOYEE: Why have they done this to us? I'm so angry, I either would like to ask them, or just hurt them in some way till they know how badly they've hurt us (crying).

PHILIP WILLIAMS: Like everyone else, Financial Times columnist Gillian Tett, was watching a disaster unfold over which no one seemed to have any control.

GILLIAN TETT: The experts were asking me as a mere journalist what I thought was happening, and that was pretty scary.

At that point I realised that in fact there was nobody who was comprehensively in charge or had a clear picture or how all the bits of the financial system added up at the very time that the financial system was melting down.

PHILIP WILLIAMS: One with a close up view from his Canary Wharf window was Market Analyst, David Buik. He'd seen bad times before, but nothing like this.

DAVID BUIK: I have never ever experienced a level of fear, of going home thinking have we got meltdown, is this the end of the world?

No one will ever understand the logic behind pulling the plug on Lehman Brothers, it was just frankly insane. And the most important thing of all, confidence was shot to ribbons.

PHILIP WILLIAMS: If Lehman Brothers had been saved, would all of this banking crisis and all of this economic gloom have been averted?

DAVID BUIK: No, but we would have had more control and people wouldn't actually have lost a sense of perspective.

PHILIP WILLIAMS: While David Buik sees a modest recovery he's warned of a double dip

recession caused by rising unemployment.

Still, with coordinated multi trillion dollar packages the central banks and government have regained control. Markets are up, the mood has improved.

And for some, like Australian former Lehman Brothers employee, Australian Caroline White, that dark Monday has changed her life.

CAROLINE WHITE: It was cataclysmic, the decision to let Lehman go to the wall, still to this day I wrestle with how they arrived at that decision, that that was the right thing to do.

PHILIP WILLIAMS: But rather than go under with it Caroline White decided it was time for a change. She now designs upmarket bags.

CAROLINE WHITE: It's got a theme of using the emergency evacuation kits which were kept under our desks to line the interior of what is a crocodile-skinned bag, and it's supposed to reflect really, the turmoil and the death spiral, the deal roll that Lehman went into on the 15th.

PHILIP WILLIAMS: Caroline White says most of her Lehman Brothers colleagues still have jobs at banks and there are encouraging signs of economic recovery.

But in Britain they won't forget the day the big bank folded, because it started a chain of events that will see the government spend around \$3 trillion trying to buy back stability.

This is Philip Williams at Canary Wharf in London reporting for AM.

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