Books for the Summer Holidays

I used to read a lot more before our little nipper came along in 2012—these days, it's quality over quantity. But I've read a few good books over the past year or so, some I thought worth sharing given the coming Christmas break. Here's my summer booklist.

Red Notice: A true story of high finance, murder and one man's fight for justice by Bill Browder

Russia is a corrupt place—the statement is self-evident. But if you want a taste of how corrupt, read Red Notice.

The first third of the book is about how the American author set up his business in Russia in the years following the fall of communism. Clearly a natural contrarian, he was nonetheless a fund manager before he was a stockmarket investor. But brains, hard work and luck will take you a long way.

The second third of the book is about Browder's falling out with the Putin regime as their interests ceased aligning. He was deported from the country in 2005, lucky to retain his freedom and the fund's assets. Soon thereafter, some mid-level police and officials seized the remaining shell companies and used it to defraud the Russian government of tens of millions of US dollars in tax refunds. Out of curiosity and a concern for the Russian people, Browder hired lawyers to investigate. Two of them were lucky to escape with their lives. A third, Sergei Magnitsky endured unimaginable barbarism before being murdered in prison. Ultimately, the theft and the treatment of Magnitsky appears to have been sanctioned from very high in the Russian power structure, perhaps Putin himself.

The last third of the book highlights Browder's team's efforts to pressure Russia and the oligarchy over the wrongdoings done to Magnitsky and many others like him, including helping craft new laws in the USA and Europe to seize assets of those complicit.

Browder is a rich man and could be lying on a beach somewhere. Instead, he's risking his life (make no mistake, he's marked) to share his story. It's a great read and the author deserves our support and admiration.

The Secret Race: Inside the hidden world of the Tour de France: doping, cover-ups, and winning at all costs by Tyler Hamilton and Daniel Coyle.

Although there is something meditative about staying up into the wee winter hours watching skinny athletes peddling through the French summer countryside, I'm no bike guy. But this is an interesting read. Written in first person by Tyler Hamilton, a team mate of Lance Armstrong in the latter's first three Tour victories (1999-2001), and then a competitor on different teams.

Hamilton, busted for drug use earlier than Armstrong, reached a point a few years ago where he wanted to really clear out the closet. The result is this book, which lays it all out—EPO, blood transfusions, testosterone, dodgy team doctors, mules ferrying around bags of drugs and Eskys

of blood from town to town and corrupt officials providing advanced warning of blood tests for some.

Armstrong has gone from hero to villain over the past few years. The book makes clear why, not just the cheating but the maniacal, robotic way he controlled everyone and everything around him. And yet, somehow, I ended up feeling sorry for him.

The book also makes clear that it was impossible for a non-doper to win in the EPO era. By 2011, after the sport had cleaned up at least the more egregious doping of the Armstrong era, the winning climber up the Alpe d'Huez, one of the tour's nastier climbing stages, did so in a time that would have placed him 40th in the 2001 equivalent. The book had me thinking about those athletes who didn't succumb to the temptation to cheat during the Armstrong years and were robbed of much success stemming from their efforts.

The Grazing Revolution: A Radical Plan to Save the Earth by Allan Savory

Environmentally-speaking, cows get a bad rap. And given the way that the beef industry is practiced, particularly in North America with grain-feed beasts housed industrial feedlots, much of that is fairly deserved.

The temperate grasslands of the world are desertifying at a rapid rate. Many also blame this on the grazing cow. Not so, says contrarian Savory. Grasslands evolved with massive herds of grazing animals. The right sort of grazing, whether with wild or domesticated animals, can not only halt desertification but reverse it. The trick is to mimic the natural pattern, intense grazing by a bunched herd followed by long periods of recovery. It's Taleb's barbell strategy applied to grassland rejuvenation. Mimicking the natural pattern is the key to solving a lot of the world's problems and it's interesting to see an idea which could help feed the world and save the planet. It is surely worth testing.

The short book in itself is not that well written, it's the ideas that intrigue. Savory's 22 minute TED talk from 2013, How to fight desertification and reverse climate change is a useful introduction to his ideas.

Chasing the Scream: The First and Last Days of the War on Drugs

Johann Hari has a radical idea to minimise drug abuse and the pain and suffering that goes with it: legalise everything. Before the war on drugs began 100 years ago, you could pick up cocaine or opium laced cough syrups at the chemist. Today, gangs control the trade.

Most of us recognise that prohibition gifts the industry to criminals and brings much unnecessary pain and death in the world of trafficking illegal narcotics—the Mexican drug wars that started in 2006 resulted in around 100,000 murders. In 2012, the head of the US DEA called that level of tragedy 'a sign of success in the fight against drugs'. Never mind that a significant chunk of that toll, perhaps a majority, are innocent bystanders—merely collateral damage.

But many of us counter the idea of decriminalisation with the officially-sanctioned argument that prohibition is necessary to save drug users from themselves.

Hari questions that, and not without reason. I came across this book after watching this short video by *The Economist*, What really happened when Portugal decriminalised all illegal drugs in July 2001? What happened is that the number of heroin addicts halved and the number of drug-related deaths per year fell 80%. Opponents to the 2001 law changes have now mostly come to celebrate the changes. Heroin use in tough-on-drugs America has gone markedly the other way over that period.

The War on Drugs has been a disaster and Hari presents an alternative. ‘Soft on drugs’ might be a future political slogan worth embracing.

Total Recall by Arnold Schwarzenegger

I’m almost embarrassed to write this one, but I enjoyed the book. The self-reporting is biased, of course—there’s only a small section on the infidelity and illegitimate fathering that destroyed his marriage, for example. But Arnie came from nothing and worked his guts out to achieve success and wealth, first in property, then bodybuilding, then acting, then politics. Delusions of grandeur backed by a workload to match can still create something interesting. And how can you not be a little bit charmed by his one liners. My favourite? ‘Money doesn't make you happy. I now have $50m, but I was just as happy when I had $48m.’

A Bone of Fact by David Walsh

Professional gambler earns millions of dollars over the decades by having the odds on his side, then uses all of it and more to create the Museum of Old and New Art (MONA) that put Hobart on the global art map. This book isn’t an autobiography, not in any conventional chronological sense of the word. More a rambling of ideas from a smart, unique free spirit. I really don’t know how to describe this book—if you’re wondering about Walsh’s former sex partners, all of them, it’s in there. If you are concerned about whether you’ve been cuckolded, he’s offered odds. His brother's last days, card counting at Wrest Point Casino, ramblings on various artists, the survival tactics of penguins; it’s all in there.

Most really interesting books I devour like a buffet after a bushwalk. This one was different. Two fingers of single malt, a few chapters and a few laughs, and then put it down for a few days. Thanks for the Christmas present Hoff.

The Story of the Human Body: Evolution, Health and Disease by Daniel Lieberman

Evolution has become something of an amateur obsession of mine over the past decade. So many of the world’s ‘problems’ would be better described as ‘evolutionary mismatches’. We are able to change our environmental surroundings much quicker than we can evolve to fit them, and we both reap the gains and suffer the consequences. As Dobzhansky noted, ‘nothing in biology makes sense except in the light of evolution’. Using an evolutionary template can help us solve problems as diverse as healthcare, diet, fitness, education, environment, productivity and anything else touched by biology. Lieberman covers it better than I do.

Deep: Freediving, Renegade Science and What the Ocean Tells Us About Ourselves by James Nestor

I don't remember how I came across this one or what attracted me to the abstract, but I enjoyed the read. Nestor uses the ridiculously dangerous sport of competitive freediving as the entry into the underwater world—a world both completely foreign to us and yet deeply familiar. The instant cold water hits our face, our heart rate slows 10-20%, vasoconstriction sets in and, as we dive into water, the blood flows from the extremities to provide oxygen and stabilise pressure on internal organs as we dive deeper. It's called the mammalian diving reflex. It feels like we're reserving the right to return to our oceanic roots when the moment calls.

The part on sperm whales was also pretty amazing. Stunning creatures.

Different: Escaping the Competitive Herd by Youngme Moon

Moon's thesis is that, in a hyper-competitive world, brands' attempts to differentiate through augmentation by addition (adding features) or multiplication (adding varities) results in 'heterogeneous homogeneity'. Where consumers used to have a handful of choices, they now have an aisle full, with little real differentiation.

You may know of Hotelling's law. To illustrate, imagine there was just one ice cream stand on Bondi Beach, right in the middle. If you wanted to open a competing and otherwise un-differentiable store on the beach, the most rational place to put it is not halfway to North Bondi or half way south to Icebergs, it's right next door to the existing player. The way Moon explains it, consumer businesses seem to be increasingly playing a multi-facted game of Hotelling's law, crowding the centre.

The second half of the book focuses on a handful of companies that found genuine niches by acting very differently—chiefly companies brave enough to offer something that ignores or fails to meet our expectations but yet 'resounds in an entirely unanticipated way'. When the MINI Cooper was relaunched into an SUV-loving world, one of its taglines was "Worried that this car is too small? Look here. It's even smaller than you think." Those niches are likely to eventually be eroded in a hyper-competitive world, but in the meantime the contrarian company gets the spoils.

The book was digestable without being dumbed down. She seems to be as sick of the tired platitudes—'think outside the box', 'dare to be different'—as we are, mainly because marketers are using the catchcry yet doing the opposite (or, at least, achieving the opposite despite their attempts). As with many good books, the ideas didn't necessarily strike me as completely ground-breaking, more that they linked together various ideas that might already have been floating around and put them under one theme.

Mindset: How You Can Fulfil Your Potential by Carol Dweck

This a decent book outlining a great concept, and nowhere near as self-helpy as it sounds. Dweck is the pioneer researcher in what I would describe as a sort of framing, useful particularly for children but applicable to everyone. Simplistically but usefully, Dweck divides people into two types of mentalities—we have either a Fixed or a Growth mindset. Fixed mindsetters believe their brain is what it is, their skills and intelligence is fixed and unchangeable. This mentality leads them to be more focused on defending their reputational turf and avoiding anything near the edge of failure. Growth mindsetters believe their mind can be shaped, like a muscle, and take on challenges that actually help achieve that aim, embracing failure where need be. They

reap the rewards. Importantly, mindsets can be shifted by simply knowing that our brain is shape-able—the introduction of short 30-minute weekly lesson about how the brain is developed through effort has had quite amazing impacts on childrens' learning, particularly for those from disadvantaged backgrounds. Dweck urges parents and teachers to praise efforts over talent – 'I'm so proud of how hard you worked' trumps 'You're so smart', hands down. A simple but profound idea. You could get the meat of the idea reading a few of her essays, if you'd rather not read a whole book.

A crack in the edge of the world: America and the great California Earthquake of 1906

Simon Winchester's book sat on my shelf undisturbed for almost a decade before I started reading it. It looked a little daunting. I'm not sure that most people will love it. But if you do happen to be interested in geography, geology and history, it's a good read.

Again for that target audience, I'd also suggest *The Earth: An Intimate History* by Richard Fortey, another book that sat on my shelf too long before brightening a dozen long commutes a few years ago.

More Money Than God: Hedge Funds and the Making of a New Elite by Sebastian Mallaby

I got this book for free, and wasn't expecting to ever get around to reading it. But I actually found parts of it engrossing. It's long and the author is an unabashed fan of hedge funds. Where it's interesting is in the individual stories. In each tale, he's sought to capture the competitive advantage of each hedge fund rock star. It's a competitive world, and something about each manager's approach and place in time contributed to their track record of outperformance. It's here where I learned things.

Jim Simons is the mathematical genius that built secretive models to take advantage of an amazing array of pricing mismatches, decades before the term high frequency trading was coined. He also has the most amazing staff retention system I've ever seen (a legally-binding contract saying you will never work in finance elsewhere ever again). George Soros, and later Stan Druckenmiller, focused on finding asymmetric bets – heads I win and tails I lose little – and then bet as heavily as they possible could. Paul Tudor Jones…well I still don't understand how he did it.

With the exception of Soros, the book is focused on money managers who I haven't read a lot about before—it wasn't a salve to value investors. Klarman and Buffett (who once managed a hedge fund) didn't even make the cut.

The book also highlighted what it is about hedge funds that can be useful and can be destructive. When they operate independently and thoughtfully, they can burden some of the globe's financial risks more effectively than modern investment banks. On the flipside, when many are involved in a crowded trade, pack hunting and using leverage of 10 times or more, they can be part of the problem with modern finance—they go from being useful shock absorbers to leaking tins of gasoline.

Elon Musk: Tesla, SpaceX, and the quest for a fantastic future by Ashlee Vance

At the forefront of electric cars, commercial rocketry and solar power, and with grander

ambitions of colonising Mars (really), Elon Musk seems incapable of inspiring lukewarm feelings in anyone. He’s a bit nuts. But I like the fact there’s a multi-billionaire out there with a massive brain, ridiculous work ethic and a preparedness to roll the financial dice on it all, every chance he gets. We could use a few more. Steve Jobs gets so much hero worshipping for creating some nice gadgets. This guy, if he doesn’t go down in flames, has a better shot at genuinely changing the world.

Off topic, after reading the book I found out that the biographer went to the same high school as our own Kevin Rose - small world.

The story of Australia’s people—the rise and fall of ancient Australia by Geoffrey Blainey (latest edition)

If you look back at all the people who have ever lived in Australia, from the time it was settled 40,000+ years ago to you reading this blog today, something like 90% of that mass of humanity have been aboriginals – there have been at least 500 million of them walk this land since day 1. This book, although not only concerned with indigenous Australia, was a great introduction to a topic I’ve sadly waited too long to learn more about.

If you've got any good book ideas to share, please leave a comment. Thanks.