



Book review of the year 2023

For professional investors only | Marketing communication

European Equity team

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“Some books are to be tasted, others to be swallowed, and some few to be chewed and digested.”

Francis Bacon

What is it about the smell of a book? Perhaps it’s the transportation to childhood, illicit evenings under duvets after you were instructed “lights out”. Or in more modern times, the hours we while away in front of screens makes the tangibility of paper and ink touching the nostrils all the more intoxicating.

There is a word, verging on the lascivious, which describes this devotion: bibliosmia. Although not an OED word as yet, it feels like a necessary one. It sits within a thoroughbred stable of words associated with books and reading, a brief list of which sit below:

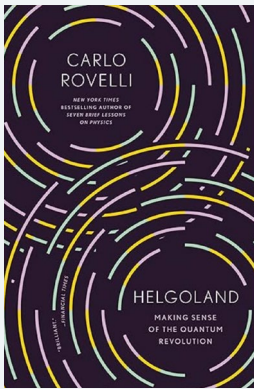
- **Abibliophobia:** a fear of running out of books to read.
- **Tsundoku:** a Japanese word concerned with the purchase of many books but never getting round to reading them.
- **Librocubicularist:** someone who reads in bed.

These words have been coined in response to the sometimes-visceral reaction sparked by the physicality of books. The one ignited by smell however is rooted not just in nostalgia, but in chemistry.

The smell of books changes over time. This should come as no surprise to us; paper is organic matter and is accordingly adept at absorbing smells from surrounding areas (think tobacco, perfume, damp.) However, the smell of older books in particular (by this we mean anything pre-1970 when acid-free paper was introduced) stems not from absorption, but from decomposition. As paper interacts with air, light and moisture, it begins to react and release volatile organic compounds (VOCs) into the air. Common smells that are noted are almond-like, caused by benzaldehyde or furfural, or vanilla, caused by lignin. These VOCs can now be analysed to measure the exact age of books, a welcome change from removing pages for laboratory analysis.

Perhaps it is slightly morbid to note, but this means the smell we bookworms are so intoxicated by is the slow death of what we hold in our hands. Which would give weight to the final word we would like to flag, a slang word found in the fabulous *Dictionary of Obscure Sorrows*. That word is *vellichor*, defined as: ‘the strange wistfulness of used bookstores.’

This year we again look back at some of the books that have, for various reasons, piqued our interest.



“This book is vital reading to anyone with a scintilla of interest in how we should seek to think about our world.”

* C. Rovelli, *Helgoland*, (London, Allen Lane, 2021)

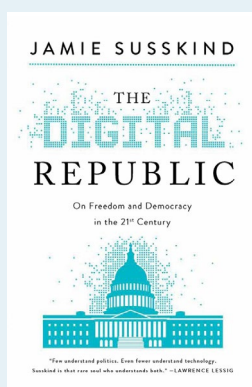
Helgoland – Carlo Rovelli

It is disconcerting when an author begins a book by stating that many of the greatest minds in history continue to be perplexed by his chosen subject, but that is precisely what Rovelli does. On paper the author is a physicist, but he could equally select the title philosopher or historian given the aplomb with which he has explained some of the core principles of physics and the universe through his previous works.

Helgoland is named after the island on which Werner Heisenberg brought about the kernel of quantum physics as we understand them today. Rovelli, in his inimitable way, attempts to explain to his (in this case deeply unscientific) readers perhaps the most counterintuitive and complex scientific phenomena yet to greet mankind. There is little point trying to rehash his explanations here. Instead, a quote must suffice: *“It has destroyed the image of reality as made up of particles that move along defined trajectories ... Distant objects seem magically connected. Matter is replaced by ghostly waves of probability.”**

You might ask why should we care about this? Well, on a prosaic level, quantum physics has clarified the foundations of our universe, chemistry, the colour of the sky. It forms the basis of computing, nuclear power, it is used everyday by engineers, astrophysicists, chemists, and biologists. And with quantum computing taking yet another step closer this year, the frenzy that has accompanied the advancements in AI will pale in comparison.

The more important reason though is how it speaks to that most foolish of human foibles: the arrogance of possessing knowledge. As Rovelli says *“Science is not a depository of truth, it is based on the awareness that there are no depositories of truth. The best way to learn is to interact with the world while seeking to understand it, readjusting our mental schemes to what we encounter and find.”** This book is vital reading to anyone with a scintilla of interest in how we should seek to think about our world.



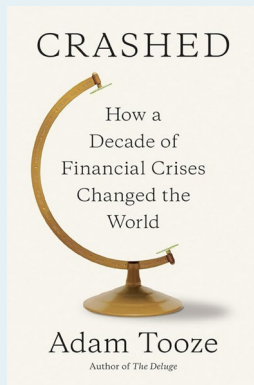
“Susskind’s book *The Digital Republic* offers more than moribund debate around big tech’s pitfalls.”

The Digital Republic: On Freedom and Democracy in the 21st Century – Jamie Susskind

Another year, another domination of S&P 500 returns by big tech, in this case re-baptised the ‘magnificent seven.’ It is also the year that the European Union unveiled two landmark pieces of regulation, aimed at curbing the seemingly uncontrollable power of big tech.

Susskind’s book *The Digital Republic* offers more than moribund debate around big tech’s pitfalls. Although he agrees on the common fare (privacy invasion, anti-competitive practices, and the increasingly dangerous disinformation and inherent biases built into the fallacy of neutral algorithms) he believes all are subservient to one greater ill: that this concentration of power is distorting democracies.

As the title suggests, the author is setting up a battle between ‘small r’ republicanism and market individualism, founded in the belief that individuals are not just consumers but citizens operating within a democratic society. We have all, governments and citizens alike, tolerated an uncontrolled and, importantly, unaccountable concentration of power into these company’s hands for too long. Written before the explosion of AI in 2023, the principles espoused in the book are becoming more vital by the day. However, the issue that we face is perhaps the book’s greatest flaw: Susskind brings a European objectivity to something that is predominately the purview of the United States. Accordingly, he may simply be suggesting possible remediation that flies in the face of the current American zeitgeist of individualism and mistrust of government.



Crashed: How a Decade of Financial Crises Changed the World – Adam Tooze

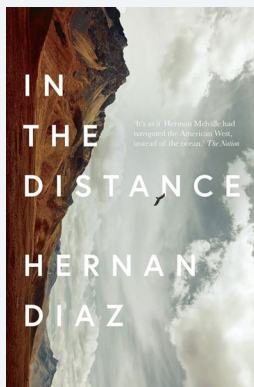
Not everyone will get excited about a 700-page epic concerning the previous few decades of financial crises. But delve beneath and there is a multitude of lessons not only on the behaviour of markets, but investors themselves.

In a searing indictment on the pitfalls of capitalism, human nature, and bureaucracy, *Crashed* covers everything from the first waves of the Great Financial Crisis in the United States before moving to the ensuing financial tidal wave that hits Greece and Western Europe.

“Adam Tooze could have written this book three times over and it would still be the same level of beautiful forensic detail.”

Unsurprisingly, the main characters in this the book are the Fed, ECB and the IMF as the author criss-crosses the deeply integrated globalized financial system. The result of this deep entwinement is that decades later, we’re still feeling the impacts of miss-sold mortgages in the United States from Frankfurt to Beijing. The stories told may be consigned to history, but their relevance today remains just as pertinent. The role of the dollar, globalization, China’s place in the world and European bureaucracy still fills column inches aplenty, and this epic gives a wonderfully researched insight into the origins of many of these topics.

Some books are well researched, but Adam Tooze could have written this book three times over and it would still be the same level of beautiful forensic detail. A deserved winner of the Lionel Gelber Prize in 2019, the pages may not rattle by, but the detail and knowledge imparted are well worth the time.



In the Distance – Hernan Diaz

In some ways recommending Diaz’s first novel rather than his Pulitzer Prize winning book *Trust* from this year seems incongruous, especially as the latter is superficially concerned with the world of investing.

But *In the Distance* is another of those novels that has left an indelible mark on this reader’s mind. Ostensibly it appears to be a Western. The young boy Håkan Söderström is sent to America around the year 1850 but is separated from his brother and they end up in California and New York. Håkan must fight his way across the west in his quest to return to his family. But the reader is deceived; this is no mere western, bildungsroman, or piece of science-fiction. It is an antinovel in all these regards.

“Diaz’s ability to smudge the reader’s window of view is supreme.”

Diaz’s ability to smudge the reader’s window of view is supreme. The protagonist remains elusive even while the story is told rigidly through his gaze, we gain only flashes of clarity in the dreamlike journey across the west. Our expectations of the genre are interrupted, not because the violence and desolation that period entailed are avoided, but because the suppressed nostalgia is missing.

Reading the novel again five years on and its message about the effects of displacement are all the more pertinent, as the world grapples with war and climate change, just as its questions around national identity remain unsolved. But if there was a finer reason to indulge in Diaz’s mesmerising world, it would be for the unforgettable moment a lone man, lost in the desert for months, comes across a mirror dropped in the sand, and realises he doesn’t know who he is looking at.

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