

The Economy in Perspective

by Mark Sniderman

People often ask me to recommend books about economics but now, with the onset of summer, I am getting requests for “beach books” on the dismal science. I certainly can relate—you can’t just take a pass on macroeconomics for an entire season, yet you want something that won’t give you a headache when you are out all afternoon in the sun. So here are my recommendations for books with an economics theme—for your summer reading pleasure:

Quayle’s Quandary is the eighth novel in Chris Cournot’s thriller series about everyone’s favorite government crusader, Casey Quayle. The story opens with a ceremony at which the Treasury Department bestows on the hero its highest honor for valor, which he earned by thwarting a hedge fund managers’ plot to slip self-serving language into pending tax legislation (read book seven, *Quayle’s Query*). Through a series of circumstances not to be divulged here, the president decides to nominate Quayle as the next Secretary of the Treasury.

The night before his Senate hearing, Quayle sits at his desk, reminiscing about his career and looking back at his numerous studies. He skims through his path-breaking report on foreign exchange markets, the study that propelled him into prominence (read book one, *Quayle’s Quagmire*), and there he finds—egad!—a computational flaw. He double-checks his calculations, but there is no escape—his original conclusion is simply wrong. Like the ethical man that he is, he vows to come clean in tomorrow’s hearing. But there is a problem: He knows that the day after the hearing, the Republic of China plans to announce its decision to freely float the renminbi instead of pegging it to the dollar—and that their decision rests on the persuasiveness of his report. If he disavows the report’s conclusion, the Chinese government will surely change its plan. How will Quayle resolve the tension between his country’s welfare and his own honor? This spell-binding story of intrigue and deception features a complex web of characters engaged in naked trades and dirty floats. As Cournot turns up the heat, make sure you keep applying your sunblock—the time will fly.

Another novel on my beach-reading list is *Legally Bland*, by Elinor Ely. This first-time author performs a tour de force about a central banker who tries her best to be completely forthright in her public discussions about monetary policy, only to be constantly second-guessed and misunderstood by media groupies. Meet Samantha (“Sam”) Powers, a central banker with all the right credentials. After being appointed to her central-banking post, Sam decides to demystify the secrets of the temple by saying what she means and meaning what she says. But complications arise when commentators try to “decode” her messages, not willing to believe that they were never coded in the first place.

Ely, who was formerly a central-bank official, turns her finely tuned ear to the everyday foibles of central banking. In one episode, Sam agonizes over how to phrase a sentence in her upcoming “Nuts and Bolts” speech, so nicknamed by her staff, who enjoy its double entendre: The speech, which is about the tools of monetary policy, will be given to a convention of hardware industry executives. Sam wants to stake out a middle-of-the-road position on a policy issue, wishing to appear neither hawk nor dove. She edits the draft of the speech, drawing a red line through the sentence, “Under some circumstances, an action might be warranted, but its merits will depend partly on other considerations that may exist at the time,” and penning simply, “I’ll cross that bridge when I come to it.” What could be clearer? But one media outlet prints its coverage of her speech under the headline, “Powers Hints of Interest Rate Moves.” The article’s lead sentence is, “Samantha Powers indicated her desire to hike interest rates another notch, declaring that she would ‘cross that bridge’ at the next policy meeting.” Powers’ repeated encounters with the media spin-meisters take financial markets on a roller coaster ride in this rollicking parable about who’s listening and who’s not. The heroine eventually has her day, and when you stop laughing, you will realize that *Legally Bland* challenges you to know the truth when you see it. This tale about central banking in the sunshine is a perfect choice for summer fun.