



**Strictly embargoed**  
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## **LORDS OF FINANCE – Liaquat Ahamed** wins the Financial Times and Goldman Sachs Business Book of the Year Award 2009



London, 29 October 2009: **Liaquat Ahamed** today won the Financial Times and Goldman Sachs Business Book of the Year Award 2009 ([www.ft.com/bookaward](http://www.ft.com/bookaward)) for **LORDS OF FINANCE: 1929, The Great Depression, and the Bankers Who Broke the World**, published by William Heinemann.

The Award was presented today at a gala dinner at the Victoria & Albert Museum in London by Lionel Barber, editor, Financial Times, and Lloyd C. Blankfein, Chairman and Chief Executive Officer, Goldman Sachs. The keynote speaker was The Rt Hon Lord Mandelson, UK Secretary of State for Business, Innovation & Skills.

Lord Mandelson said: "The Financial Times and Goldman Sachs Business Book Award celebrates books that are not just about running a business but are also about the social, political, and even ethical landscape in which business is done. This is the business that I deal with as a Minister, and which shapes our economy."

Liaquat Ahamed saw off strong competition to win the £30,000 prize. The Award, which was established in 2005, aims to find the book that provides 'the most compelling and enjoyable insight into modern business issues.' Each of the

five runners-up received a cheque for £5,000 and can expect heightened interest in their influential books.

Lionel Barber said of the winning title: "A brilliant book, which brings to life the 1920s and the role of its great public servants in trying, but ultimately failing, to manage the world financial system. A must for anyone who wants to understand economics."

Lloyd C. Blankfein commented: "*Lords of Finance* is a timely reminder that turmoil and instability in financial markets are not an invention of the 21st Century. It is an extraordinarily researched book that is beautifully written."

The judging panel for the 2009 Award was:

- Lionel Barber, editor, *Financial Times*
- Lloyd C. Blankfein, Chairman and Chief Executive Officer, The Goldman Sachs Group, Inc.
- Mario Monti, President of the Bocconi University of Milan and the first Chairman of Bruegel
- Helen Alexander, President, CBI
- Lynda Gratton, Professor, London Business School
- Alexander S. Friedman, Chief Financial Officer, The Bill & Melinda Gates Foundation

Photographs of Liaquat Ahamed and shortlisted authors, keynote speaker The Rt Hon Lord Mandelson, the judges and the award ceremony are available on request.

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## **The Financial Times & Goldman Sachs Business Book of the Year Award 2009**

### **WINNER 2009**

#### **Lords of Finance: 1929, The Great Depression, and the Bankers who Broke the World**

Liaquat Ahamed (William Heinemann/Random House UK, The Penguin Press USA)

Many of us take it as a given that the Great Depression – the consequences of which reverberated for decades, crippling the future of an entire generation and setting the stage for WWII – resulted from a confluence of inexorable forces beyond any one person or government's control.

In fact, as erudite economist Liaquat Ahamed explains, it was the decisions taken by a small number of central bankers that was the primary cause of the economic meltdown.

In *Lords of Finance*, we meet the neurotic and enigmatic Montagu Norman of the Bank of England; the xenophobic and suspicious Émile Moreau of the Banque de France; the arrogant yet brilliant Hjalmar Schacht of the Reichsbank; and the dynamic Benjamin Strong of the New York Federal Reserve Bank. These four men were as prominent in their time as Alan Greenspan, Hank Paulson and Mervyn King are today, but their names were lost to history, their story untold, until now.

As yet another period of economic turmoil makes headlines today, the Great Depression and the year 1929 remain the benchmark for true financial mayhem. *Lords of Finance* brings a new understanding of the origins and global nature of financial crises, and offers a timely and arresting reminder that individuals – their ambitions, limitations and human nature – lie at the very heart of global catastrophe.

### **SHORTLISTED**

#### **Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism**

George A. Akerlof & Robert J. Shiller (Princeton University Press)

The global financial crisis has made it painfully clear that powerful psychological forces are imperilling the wealth of nations today. From blind faith in ever-rising housing prices to plummeting confidence in capital markets, "animal spirits" are driving financial events worldwide. Acclaimed economists George Akerlof and Robert Shiller challenge the economic wisdom that got us into this mess, and reassert the necessity of an active government role in economic policymaking by recovering the idea of animal spirits, a term John Maynard Keynes used to describe the gloom and despondence that led to the Great Depression and the changing psychology that accompanied recovery.

In rebuilding the case for a more robust, behaviourally-informed Keynesianism, Akerlof and Shiller detail the most pervasive effects of animal spirits in contemporary economic life – such as confidence, fear, bad faith, corruption, a concern for fairness, and the stories we tell ourselves about our economic fortunes – and show how Reaganomics, Thatcherism, and the rational expectations revolution failed to account for them.

*Animal Spirits* offers a road map for reversing the financial misfortunes besetting us today.

#### **Good Value: Reflections on Money, Morality and an Uncertain World**

Stephen Green (Allen Lane UK, Grove/Atlantic USA)

How should we create wealth in societies, and why is it right and necessary to do so? What improves the lives of the largest number of people? And how do we, living in a globalised world caught in an age of financial and ecological turbulence, respond to the differing needs of individuals and institutions?

In *Good Value* Stephen Green, Chairman of HSBC, puts forward a modest proposal: despite the current crisis, the world may well need a financial industry. What we need inside that industry are good bankers.

Do businesses – and banks in particular - have a duty to society that goes beyond the creation of profit? Does open market capitalism remain our best hope for creating wealth that benefits all aspects of society? And how can individuals, who work in profit-making workplaces, combine their moral, spiritual and ethical selves with their everyday work?

*Good Value* presents us with a possibility: that through good bankers come good banking, and through good banking comes a richer, more dynamic world.

### **Imagining India: Ideas for the New Century**

Nandan Nilekani (Allen Lane UK, The Penguin Press USA)

Indian software entrepreneur Nandan Nilekani has written the definitive book about modern India.

Nilekani gives us a fascinating new perspective for the twenty-first century, defying received and imported wisdom, and showing us what is really at stake in the world's largest democracy. He reveals why India's huge population has now become her greatest strength; how information technology is bringing the benefits of globalisation; why rapid urbanisation is transforming social and political life; and how we can learn from India's difficult journey towards a single internal market.

He also gets to the heart of debates about labour reform, the social security system, higher education and the role of the state. And he asks the key questions of the future: how will India as a global power avoid the mistakes of earlier development models? Will further access to the open market continue to stimulate such extraordinary growth? And how will all this affect - and be shaped by - her young people?

### **In Fed We Trust: Ben Bernanke's War on the Great Panic**

David Wessel (Crown Business)

That was Federal Reserve Chairman Ben Bernanke's vow as the worst financial panic in more than fifty years gripped the world and he struggled to avoid the once unthinkable – a repeat of the Great Depression. Brilliant but temperamentally cautious, Bernanke researched and wrote about the causes of the Depression during his career as an academic. Then when thrust into a role as one of the most important people in the world, he was compelled to boldness by circumstances he never anticipated.

The president of the United States can respond instantly to a missile attack with America's military might, but he cannot respond to a financial crisis with real money unless Congress acts. The Fed chairman can. Bernanke did. Under his leadership the Fed spearheaded the biggest government intervention in more than half a century and effectively became the fourth branch of government, with no direct accountability to the nation's voters.

Believing that the economic catastrophe of the 1930s was largely the fault of a sluggish and wrongheaded Federal Reserve, Bernanke was determined not to repeat that epic mistake. In this penetrating look inside the most powerful economic institution in the world, David Wessel illuminates its opaque and

undemocratic inner workings, while revealing how the Bernanke Fed led the desperate effort to prevent the world's financial engine from grinding to a halt.

### **The Match King: Ivar Kreuger and the Financial Scandal of the Century**

Frank Partnoy (Profile Books UK, Public Affairs USA)

Ivar Kreuger, the infamous "Match King," is remembered as the most colourful and compelling business personality of the roaring 1920s. From 1929 to 1932, he was the most talked-about businessman in the world, for good reason. Wealthier than Morgan and as generous as Rockefeller, he miraculously survived the Great Crash, only to be found, one dark Paris morning, with a bullet through his heart. Opinions about Kreuger were deeply divided: hero or villain, innovator or fraudster, suicide or murder victim.

Known as the "Match King" because he held monopolies on the sale of matches in many countries, Kreuger's financial empire extended to banking, construction, film, mining, paper, railways, and telephones. He was a statesman as well as a financier, and usurped Jack Morgan as the leading lender to Europe. He rescued France from bankruptcy, and nearly saved Germany. He charmed everyone, from President Hoover to Greta Garbo, to the journalists who put his boyish face on the covers of *Time* and *The Saturday Evening Post*. When asked to name his three rules for success in business, Kreuger advised "silence, more silence, and still more silence."

Unfortunately, the silence killed, and by the end Kreuger's shares were worth just pennies. Historians, including John Kenneth Galbraith and Arthur M. Schlesinger Jr., labelled Kreuger the greatest fraud in history.

#### **Notes to editors:**

The closing date for entries for The Financial Times and Goldman Sachs Business Book of the Year Award 2009, invited from publishers or bona fide imprints based in any country, was June 30, 2009. Details of the Terms and Conditions are available from [www.ft.com/bookaward](http://www.ft.com/bookaward). This annual award aims to identify the book that provides the most compelling and enjoyable insight into modern business issues, including management, finance and economics.

#### **About the Financial Times:**

The Financial Times, one of the world's leading business news organisations, is recognised internationally for its authority, integrity and accuracy. Providing extensive news, comment and analysis, the newspaper is printed at 23 print sites across the globe, has a daily circulation of 408,544 (ABC figures, September, 2009) and a readership of 1.3 million people worldwide. FT.com is the definitive home for business intelligence on the web, providing an essential source of news, comment, data and analysis for the global business community. FT.com attracts 11.4 million unique users, generating 83.2 million page views (ABCe figures, March 2009) and now has over 1.4 million registered users.

#### **About Goldman Sachs:**

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

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