

The Smartest Books We Know

FORTUNE

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FORTUNE offers the ultimate reading list: 75 books that teach you everything you really need to know about business.

FORTUNE

By JERRY USEEM

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(FORTUNE Magazine) – In a perfect world, we'd each have our own consigliere. You know, a Robert Duvall, an oracle of Delphi--someone to follow us around 24/7 and whisper wise words. Paper, not plastic. Google, not Infoseek. No, your boss will not enjoy your Mr. Burns impression.

But wait. You do have a wise counselor at your disposal — one that will sit patiently until called upon and even fit in your bag. It's called a book. During the Cuban missile crisis of 1962, John F. Kennedy took counsel from Barbara Tuchman's *The Guns of August* and its account of Europe's stumble into World War I. "I am not going to follow a course," the President told his brother, "which will allow anyone to write a comparable book about this time, *The Missiles of October*."

You can't always have the perfect book at the ready. But you can have the perfect reading list on hand, which is why FORTUNE called upon its staffers to select 75 books that will stir your brain — and maybe even stir you to action.

This isn't some dusty business-book Hall of Fame. For one, some of these "business books" aren't really about business. Barnes & Noble might shelve Michael Lewis's *Moneyball* in the sports section, but it has more to say about investing (and hiring) than any consultant's text. Also, it's not boring. *My Years at General Motors* is boring — even if it is a classic.

Some classics we love. *Reminiscences of a Stock Operator* was penned in 1923, but it still holds its own next to *Barbarians at the Gate*. Neither of those is a how-to book--and in general, we've avoided titles that self-consciously dispense wisdom in favor of those that embed it in a great read. And there's nothing better than the source. Because why read about Warren Buffett when you can read Warren Buffett himself?

It would, of course, take about 75 years to read everything here. But here's our own piece of advice: Don't resist starting a book just because you don't have time to finish it. Open the cover. Read the intro. Skip to Chapter 9. Or simply save this list and put it in a drawer. Because there's gold in them thar books. And they're just waiting for you to mine it.

Booms and Busts

THE GREAT CRASH 1929

By John Kenneth Galbraith (1955).

This concise, insightful history has never been out of print since it was first published. Why? "Every time it has been about to pass from print," Galbraith himself wrote in 1997, "another speculative bubble ... has stirred interest in the history of this, the great modern case of boom and collapse."

EXTRAORDINARY POPULAR DELUSIONS AND THE MADNESS OF CROWDS

By Charles Mackay (1841).

This chronicle of Holland's tulip mania of 1634 and the South Sea Bubble of 1720, among other irrational crazes, is an engaging, perceptive account of humanity's urge to plunge itself into speculative frenzies.

FUNNY MONEY

By Mark Singer (1985).

For sheer entertainment value, Singer's tale of the fall of the Penn Square Bank in Oklahoma--one of the first of the inside-a-scandal books--has never been topped.

THE GO-GO YEARS: THE DRAMA AND CRASHING FINALE OF WALL STREET'S BULLISH '60S

By John Brooks (1973).

Brooks, the late New Yorker writer, dissects the 1960s mutual fund boom with a panache that business writing hasn't seen before or since.

The Corporation

BARBARIANS AT THE GATE: THE FALL OF RJR NABISCO

By Bryan Burrough and John Helyar (1990).

This story of an iconic deal, the \$25 billion leveraged buyout of RJR Nabisco (co-written by a FORTUNE senior writer), has all the stuff of great business journalism--skullduggery, cigars, trophy wives, and enough greed to sink Wall Street. Wretched excess has never read so well.

BUILT TO LAST: SUCCESSFUL HABITS OF VISIONARY COMPANIES

By Jim Collins and Jerry I. Porras (1994).

Begin with the simplest of questions: What makes great companies great? Then research the heck out of it. It's a big, hairy, audacious goal--but then, this book coined the phrase.

CHAINSAW: THE NOTORIOUS CAREER OF AL DUNLAP IN THE ERA OF PROFIT-AT-ANY-PRICE

By John Byrne (1999).

When Dunlap took his enthusiasm for mass firings from Scott Paper to Sunbeam, he left broken pieces and a stock price in free fall. Byrne takes the reader through the debacle in detail, an account that is spiced with the vinegar of a writer who truly loathes his subject.

WHO SAYS ELEPHANTS CAN'T DANCE?

By Louis V. Gerstner (2002).

Gerstner's account of how he turned around IBM after taking over as CEO in 1993 contains valuable lessons for those who think "corporate culture" is consultant gobbledygook.

Decision-Making

ANNAPURNA: A WOMAN'S PLACE

By Arlene Blum (1980).

Triumph mixes with disaster in this nail-biting account of the first all-woman attempt on an 8,000-meter peak--an expedition the author led.

THE BEST AND THE BRIGHTEST

By David Halberstam (1972).

Halberstam's masterful explanation of how the application of raw candlepower--in this case Robert McNamara's whiz kids trying to apply what they learned at Ford Motor Co. to the Vietnam war--isn't always enough.

IN THE HEART OF THE SEA: THE TRAGEDY OF THE WHALESHIP ESSEX

By Nathaniel Philbrick (2000).

Back when the "oil industry" involved harpoons, a Nantucket whaling ship sinks in the Pacific--rammed by a whale that would inspire Melville's Moby Dick. The harrowing odyssey that follows is a study in bad decision-making.

THE KILLER ANGELS

By Michael Shaara (1974).

A Pulitzer-winning historical novel that places you at the Battle of Gettysburg in the shoes of the soldiers themselves--including Robert E. Lee as he contemplates one last, desperate charge.

THIRTEEN DAYS: A MEMOIR OF THE CUBAN MISSILE CRISIS

By Robert F. Kennedy (1969).

R.F.K.'s spellbinding first-person account reads like a Tom Clancy novel and delivers powerful lessons about delegation and plain old good judgment.

Economics

CAPITALISM, SOCIALISM, AND DEMOCRACY

By Joseph A. Schumpeter (1942).

Ignore the title and skip straight to Chapter 7, "The Process of Creative Destruction." Look around, and you'll see it happening everywhere.

EVERYTHING FOR SALE: THE VIRTUES AND LIMITS OF MARKETS

By Robert Kuttner (1996).

Free markets unleash entrepreneurial drive. They also produce the Asian financial crisis. Kuttner gets you thinking about why the invisible hand works and why it sometimes doesn't.

THE GENERAL THEORY OF EMPLOYMENT, INTEREST, AND MONEY, CHAPTER 12

By John Maynard Keynes (1936).

For all his fame as a wordsmith, too much of Keynes's work is dense and dated. The amazing Chapter 12 is something else: a timeless, witty, crystalline account of why financial markets confound and bewitch us.

POP INTERNATIONALISM

By Paul Krugman (1996).

Most of what's said about international trade is bunk, the economist argues in a series of contentious and entertaining essays. Targeting the lazy thinking of politicians, journalists, and even fellow economists, Krugman instructs even as he attacks.

THE WEALTH OF NATIONS

By Adam Smith (1776).

Smith is often caricatured as a laissez-faire zealot. He wasn't. The Wealth of Nations is an eloquent argument in favor of liberty, enlightened government, and the intrinsic worth of the individual. No one has ever made a better case for the morality of capitalism.

Ethics

DEN OF THIEVES

By James Stewart (1991).

In this morality tale, good (a crew of dogged government lawyers and detectives) triumphs over evil (Michael Milken, Ivan Boesky, Martin Siegel, and Dennis Levine).

But evil gives it a rollicking run for its money.

THE INFORMANT

By Kurt Eichenwald (2000).

With its deadpan prose, startling plot, and you-are-there dialogue, Eichenwald's book about a twisted informant at Archer Daniels Midland ranks with anything by le Carré for sheer suspense.

LEADING QUIETLY: AN UNORTHODOX GUIDE TO DOING THE RIGHT THING

By Joseph L. Badaracco (2002).

Finally, an ethics book for people who live in the real world. Recommended for people who want to keep their job and "do the right thing."

THE SMARTEST GUYS IN THE ROOM

By Bethany McLean and Peter Elkind (2003).

This riveting account of the Enron debacle (by two FORTUNE senior writers) is unsparing in laying the blame at the feet of all the guilty parties. It explains not just how Enron lost its way, but how all of Wall Street did as well.

THE WAY WE LIVE NOW

By Anthony Trollope (1875).

Trollope's classic satire about Victorian London, where speculators and trust-fund fops "had but a confused idea of any difference between commerce and fraud," feels eerily familiar to observers of modern corporate miscreants.

Globalization

BEIJING JEEP: THE SHORT, UNHAPPY ROMANCE OF AMERICAN BUSINESS IN CHINA

By Jim Mann (1989).

The story of how AMC's 1979 joint venture to produce Jeeps in Beijing ended in tears is perhaps the closest thing to a classic work on doing business in post-Mao China. It's required reading for anyone venturing to the world's most populous nation.

DEVELOPMENT AS FREEDOM

By Amartya Sen (1999).

Dictators around the world argue that a strong hand is needed for economic development; freedom can come later. Sen, a 1998 Nobel Prize winner, says they are dead wrong. Freedom is a foundation stone for development--democracies, he points out, don't have famines.

THE MYSTERY OF CAPITAL: WHY CAPITALISM TRIUMPHS IN THE WEST AND FAILS EVERYWHERE ELSE

By Hernando de Soto (2000).

For liberal types who are vaguely uncomfortable with property rights (unless the property is in, say, Aspen), Peruvian economist de Soto explains why they matter.

NONZERO: THE LOGIC OF HUMAN DESTINY

By Robert Wright (2000).

A dazzling mix of history, theology, economics, game theory, and evolutionary biology that paints the world's increasing entwinement as a positive and possibly inevitable development.

THE PRIZE: THE EPIC QUEST FOR OIL, MONEY, AND POWER

By Daniel Yergin (1991).

Oil is the most important commodity on earth, the fuel of modern civilization. Yergin's great achievement is to give readers a thorough grounding in why the world--and especially the Middle East--works the way it does, while all along appearing to simply spin an engrossing yarn.

WORKERS: AN ARCHAEOLOGY OF THE INDUSTRIAL AGE

By Sebastio Salgado (1993).

A Bangladeshi shipbreaker's raised sledge. A Sicilian fisherman's anxious gaze. A technician glistening in Kuwaiti oil. This stunning set of images--the work of an economist-turned-photographer--brings us deep into the world economy's engine room.

Investing

THE ESSAYS OF WARREN BUFFETT: LESSONS FOR CORPORATE AMERICA

Compiled by Lawrence Cunningham (1997).

Buffett never wrote a book. Instead he poured his thinking about investments, managing, and corporate excesses into his annual letters to Berkshire Hathaway shareholders. Cunningham sifted through the 1979--96 bunch to create this best-of-Buffett anthology.

FOOLED BY RANDOMNESS: THE HIDDEN ROLE OF CHANCE IN THE MARKETS AND IN LIFE

By Nassim Nicholas Taleb (2001).

Taleb, a hedge fund manager, is equally disdainful of Wall Streeters and academics who claim to understand markets: They see patterns that don't really exist. Almost everything, he argues, comes down to Lady Fortuna.

THE INTELLIGENT INVESTOR: A BOOK OF PRACTICAL COUNSEL

By Benjamin Graham (1949).

Warren Buffett has called this classic guide to value investing--recently updated by Money magazine senior writer Jason Zweig--"by far the best book about investing ever written." What more do you need to know?

MONEYBALL: THE ART OF WINNING AN UNFAIR GAME

By Michael Lewis (2003).

Billy Beane, the Oakland A's general manager profiled here, isn't just a smart baseball guy with new ideas. He's an exemplar of how to succeed by zigging when everyone else is zagging--which of course is also how great investors make money.

Leadership

NEVER GIVE IN: THE BEST OF WINSTON CHURCHILL'S SPEECHES

Edited by grandson Winston S. Churchill (2003).

"Never give in--never, never, never, never, in nothing great or small, large or petty.... Never yield to force; never yield to the apparently overwhelming might of the enemy."

ON LEADERSHIP

By John Gardner (1990).

Gardner sees leadership as an ever-evolving learned skill separate from status or power, and he carefully dissects its many elements--without resorting to cute language or strained metaphors.

PARTING THE WATERS: AMERICA IN THE KING YEARS 1954--63

By Taylor Branch (1988).

This spellbinding tale of how Martin Luther King Jr. and others built the civil rights movement shows creative, disruptive leadership in action. King and his comrades possessed none of the conventional tools of power but found ways to wield it nonetheless.

PERSONAL HISTORY

By Katharine Graham (1997).

The late Graham grew up shy and insecure and stayed that way till her glamorous husband shot himself. Then she found the strength to take over Washington Post Co., which hit new financial and journalistic highs during her tenure. Her defense of the First Amendment made her a hero; her dinner parties made her a legend.

TITAN: THE LIFE OF JOHN D. ROCKEFELLER SR.

By Ron Chernow (1998).

If 75 books were burning and you could save just one, this might be it: a biography as powerful and detail-minded as its subject.

Negotiating and Managing

A CIVIL ACTION

By Jonathan Harr (1995).

Harr's story --an attorney fights polluters over carcinogenic toxic waste they left in a town's groundwater--reads like a thriller. It shows how one dogged individual can take on the formidable resources of two corporate giants.

THE EFFECTIVE EXECUTIVE

By Peter Drucker (1966).

Before you can manage anyone else, you've got to learn to manage yourself. In this slim volume, Drucker tells you how.

REMEMBER EVERY NAME EVERY TIME

By Benjamin Levy (2002).

Here's a book that delivers on its promise. Read it, and you'll never stare blankly at an employee or a client again.

TAKEN FOR A RIDE: HOW DAIMLER-BENZ DROVE OFF WITH CHRYSLER

By Bill Vlasic and Bradley A. Stertz (2000).

A tale of how the merger unfolded--and how Daimler's Jürgen Schrempp always managed to stay two moves ahead of Chrysler's Bob Eaton.

WOMEN DON'T ASK: NEGOTIATION AND THE GENDER DIVIDE

By Linda Babcock and Sara Laschever (2003).

The first book to adequately explain the dramatic differences in how men and women negotiate and why women so often fail to ask for what they want at work (starting with equal pay).

Every male manager in America should read it.

Office Politics

LIVE FROM NEW YORK: AN UNCENSORED HISTORY OF SATURDAY NIGHT LIVE

By Tom Shales and James Andrew Miller (2003).

Given the behind-the-scenes sex, drugs, and screaming matches, the most amazing thing about Saturday Night Live is that it ever managed to get on the air, let alone stay there for 30 seasons. Consider this oral history a handbook for managing the highly creative and the borderline deranged.

THE PRICE OF LOYALTY: GEORGE W. BUSH, THE WHITE HOUSE, AND THE EDUCATION OF PAUL O'NEILL

By Ron Suskind (2004).

No, George W. Bush ("a blind man in a roomful of deaf people") does not come off well. But whatever your politics, you'll be fascinated by the dishy descriptions of how Bush, Karl Rove, and Dick Cheney operate around the office.

THE PRINCE

By Niccolò Machiavelli (1513).

Machiavelli wasn't as Machiavellian as he is made out to be. Today we'd probably call him "pragmatic." But his treatise--penned after losing his political job in Florence--was shockingly frank. Power and idealism, he said, don't really mix.

SOMETHING HAPPENED

By Joseph Heller (1974).

This novel--Heller's follow-up to *Catch-22*--portrays one man struggling with the American dream and a Kafkaesque office where perseverance is the key to promotion.

Power

FATHER SON & CO: MY LIFE AT IBM AND BEYOND

By Thomas Watson Jr. and Peter Petre (1990).

A son's-eye view (co-written by a *FORTUNE* senior editor at large) of how Watson Senior started and ran IBM and how Junior took it over. Told in an intensely personal voice, by turns shrewd, grudging, exasperated, and kind, it is the operatic story of power passing between generations.

THE 48 LAWS OF POWER

By Robert Keister (1998).

The overarching thesis--deceive others lest they deceive you--is appallingly cynical. The wealth of observations ("The longer I keep quiet, the sooner others move their lips") is eminently useful.

INDECENT EXPOSURE: A TRUE STORY OF HOLLYWOOD AND WALL STREET

By David McClintick (1982).

McClintick turns the federal case against Columbia Pictures and David Begelman into a drama of power--East Coast moneymen like Herb Allen vs. West Coast production honchos--and lets you watch, in intimate boardroom detail, as they tear at one another's throats.

INFLUENCE: THE PSYCHOLOGY OF PERSUASION

By Robert Cialdini (1993).

How do you get people to say yes? To answer that question, psychologist Cialdini mines nuggets as diverse as mother turkeys, pickup situations, Hare Krishnas, and the unlikely power of the word "because"--and identifies six principles that entice people to buy your stuff.

THE POWER BROKER: ROBERT MOSES AND THE FALL OF NEW YORK

By Robert Caro (1974).

Moses, the legendary city builder, defied mayors, governors, and even a President, constructing a political machine that lasted for decades. Caro's classic biography is one of the most exhaustive--and exhausting--studies of American power ever written.

Project Management

AMERICAN STEEL: HOT METAL MEN AND THE RESURRECTION OF THE RUST BELT

By Richard Preston (1991).

If Nucor employees can get molten metal flowing in one unbroken strip, they'll revolutionize the steel industry. If something goes wrong, their new plant can blow up. The author of The Hot Zone makes the tale truly riveting.

THE BILLION-DOLLAR MOLECULE: ONE COMPANY'S QUEST FOR THE PERFECT DRUG

By Barry Werth (1994).

No writer has ever gotten as deeply inside a company as Werth got inside biotech Vertex. He offers deep insight into the difficulties of drug discovery, the trials and tribulations of startups, and the conflict between great science and good business.

CADILLAC DESERT: THE AMERICAN WEST AND ITS DISAPPEARING WATER

By Marc Reisner (1990).

The West was not won by gunslingers and whores with hearts of gold. It was won by people who gave it water. This is the best book ever on how politics, business, ambition, and most of the seven deadly sins can work to literally shape the landscape of America.

THE MAKING OF THE ATOMIC BOMB

By Richard Rhodes (1986).

Reaching far beyond Los Alamos and the Manhattan Project, this hefty tome meticulously pieces together one of the most important and terrifying scientific projects in history.

Strategy

THE ART OF WAR

By Sun Tzu (circa 500 B.C.).

What may be the greatest book on war ever written contains such aphorisms as "All warfare is based on deception" and "When the army engages in protracted campaigns, the resources of the state will not suffice." It's time-tested poetry for the strategic mind.

BLACK HAWK DOWN: A STORY OF MODERN WAR

By Mark Bowden (1999).

No one--not the Pentagon, not the spooks, and certainly not the soldiers rappelling from helicopters into the middle of Mogadishu--had any idea of the hell they were getting into. Bowden's history of the humiliating U.S. incursion into Somalia is an eloquent treatise on how not to plan an operation.

INFORMATION RULES: A STRATEGIC GUIDE TO THE NETWORK ECONOMY

By Carl Shapiro and Hal Varian (1997).

If most writing from the dot-com era reads like 17th-century medicine (give the patient mercury?), here's a book that that holds up. No, the laws of economics haven't changed. Shapiro and Varian show how they apply to the world of information.

ONLY THE PARANOID SURVIVE

By Andrew S. Grove (1996).

Think of this as a Special Forces handbook for corporate managers. Grove, a co-founder of Intel and its current chairman, shows you squarely how to thrive in the most feared of business environments: one where competition, technology, or the very rules of engagement have suddenly changed.

THE TIPPING POINT: HOW LITTLE THINGS CAN MAKE A BIG DIFFERENCE

By Malcolm Gladwell (2000).

What do bestselling novels, crime waves, and yawning have in common? They're all examples of how ideas and group behaviors can "tip" from fad into epidemic. Gladwell's book is filled with examples of eclectic freethinkers using the phenomenon to their advantage.

Technology and Innovation

THE LAST LONE INVENTOR: A TALE OF GENIUS, DECEIT, AND THE BIRTH OF TELEVISION

By Evan I. Schwartz (2002).

This is a cautionary tale of the brilliant visionary (Philo T. Farnsworth) up against Big, Determined Business. You can guess who wins.

NEW AND IMPROVED: THE STORY OF MASS MARKETING IN AMERICA

By Richard Tedlow (1990).

Who invented the shopping cart? What become of Coke-Ola, Co Kola, and Koke? When did consumers first appear on the American continent? An eminent business historian answers questions you wish you'd thought to ask.

THEY MADE AMERICA: TWO CENTURIES OF INNOVATION FROM THE STEAM ENGINE TO THE SEARCH ENGINE

By Harold Evans (2004).

Evans takes us from the steam engine to the search engine, profiling 53 of the top innovators in U.S. history. The trait they share isn't greed or the lust for fame, but the drive to democratize--the often shocking desire to bring to the many products previously enjoyed only by the few.

SAM WALTON: MADE IN AMERICA

By Sam Walton with John Huey (1992).

Most great ideas really aren't that complicated, and Wal-Mart is a perfect example. To wit: Put discount stores in towns that the other retailers thought were too small to support them. Walton's words (written with the editorial director of Time Inc., FORTUNE's parent) still resonate with simple wisdom.

THE VICTORIAN INTERNET: THE REMARKABLE STORY OF THE TELEGRAPH & THE 19TH CENTURY'S ON-LINE PIONEERS

By Tom Standage (1998).

A new technology will connect everyone! It's making investors rich! It's the Internet boom--except Samuel Morse is there!

Wall Street

AGAINST THE GODS: THE REMARKABLE STORY OF RISK

By Peter L. Bernstein (1996).

Life has always been chancy, but putting that truism into a mathematical model is a relatively recent achievement. The effects of that insight have been stunning: Probability theory has played a role in everything from bridge building to derivatives and hedge funds.

MORGAN: AMERICAN FINANCIER

By Jean Strouse (1999).

The man with the bulbous nose was not so much a robber baron himself as the man who gave the robbers their financial tools. J.P. Morgan's biographer sees his flaws but credits him with doing much to create the modern U.S. economy. It was on his watch that Wall Street became a powerhouse.

REMINISCENCES OF A STOCK OPERATOR

By Edwin Lefevre (1923).

The fictionalized biography of Jesse Livermore, who might be considered the original day trader, gives a hugely entertaining insider's view of the market in its wild, unregulated days of the late 1800s and early 1900s.

WHEN GENIUS FAILED: THE RISE & FALL OF LONG-TERM CAPITAL MANAGEMENT

By Roger Lowenstein (2000).

Lowenstein's book offers a rare look inside the secretive world of hedge funds. It is also a story of greed and power gone awry, and that makes it a modern classic.

WHERE ARE THE CUSTOMERS' YACHTS?

By Fred Schwed Jr. (1940).

In this mordantly funny critique, a former stock trader reveals that most stock market pros are greedy fonts of self-serving nonsense and most customers are greedy fools. (Not much has changed since 1940.)

Work and Life

NICKEL AND DIMED: ON (NOT) GETTING BY IN AMERICA

By Barbara Ehrenreich (2001).

This journalist spent months toiling as a waitress, hotel maid, Wal-Mart clerk--and trying to live on what she earned. Her funny and wrenching account shows why it's so hard for the nation's working poor to get ahead.

RECLAIMING THE FIRE: HOW SUCCESSFUL PEOPLE OVERCOME BURNOUT

by Steven Berglass (2001).

If you haven't hit that wall, you will someday. At that point, you can head for Hawaii--or you can try to understand what burnout is. Written by a shrink who counsels entrepreneurs and executives, this book is a fine place to start.

THE TIME BIND: WHEN WORK BECOMES HOME AND HOME BECOMES WORK

By Arlie Russell Hochschild (1997).

We're starved for time. We want balance. So a sociologist interviews everyone at a FORTUNE 500 company — executive suite to factory floor — and guess what? We're not using "flextime," paternity leave, or even all the vacation time offered. Are we the problem?

WORKING: PEOPLE TALK ABOUT WHAT THEY DO ALL DAY AND HOW THEY FEEL ABOUT WHAT THEY DO

By Studs Terkel (1974).

It would take a callous reader to flip through these interviews of dozens of working Americans, from dentists to gravediggers to housewives, and not come away with the impression of how difficult many lives are--and how gracefully so many people cope. Terkel, a questioner of brilliance and empathy, got it down on paper.

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