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SIDE LINES

Ben Graham, Magazine Writer It was one of the more interesting episodes in business journalism, and it was one of the great market calls of the century. In June 1932, only weeks away from when the Great Crash bottomed out, FORBES began a three-part series on how cheap stocks were. As evidence, the stories cited the fact that a third of the industrial companies on the Big Board were valued at less than their net working capital—you in effect got the goodwill and the factories for free. The author: an obscure Columbia Business School researcher named Benjamin Graham. Decades later Warren Buffett, who was one of Graham's students, made value investing famous.



Benjamin Graham

With the Nasdaq's biggest companies now trading at a collective 164 times earnings, Grahamism seems rather quaint and out of step with the times. If the old master were alive today, would he be a bear? Not necessarily. He was not so much a market timer as a believer that shares should be treated as pieces of businesses, not as trading cards. If he wanted to own an Internet stock, we think, he would rather have AMR than CMGI. In the cover story that goes with our semiannual investment guide, Thomas Easton explains why, and tells what Graham should mean to you as you confront today's manic markets.

The money guide has lots more in it—articles about tax strategy, charities that do and charities that don't waste your contributions, and the assessment of technology stocks, among other things. It reflects the enterprise of 17 writers, as well as editors Tim Ferguson, Mary Beth Grover, Steve Kichen, Larry Light, Janet Novack, Stewart Pinkerton, Larry Reibstein, Laura Saunders and Matt Schifrin.

Our confederates at the FORBES Web site have republished the original text of Graham's classic articles. Check out forbes.com/graham.

William Baldwin

EDITOR

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