

# BENJAMIN GRAHAM, SECURITIES EXPERT

Author and Financier Dead at 82  
in France—Pioneered Modern  
Analysis of Investments

By DOUGLAS W. CRAY

Benjamin Graham, widely regarded as the founding father of modern securities analysis, died Tuesday at his home in Aix-en-Provence, France. He was 82 years old.

An author and financier, whose investment insights made him a millionaire before he was 35, Mr. Graham influenced a whole generation of security analysts with his pioneering book "Security Analysis," which he wrote with David L. Dodd. Originally published in 1934 by the McGraw-Hill Publishing Company, the volume, which presents a detailed recital of procedural steps for an analyst in evaluating the securities of a company, has been through four editions.

A standard text, in use at business schools and universities, "Security Analysis" has sold more than 100,000 copies.

### Book Value a Key to Decisions

Eschewing charts and other manifestations of what has come to be regarded as "technical" analysis of stock market movements, Mr. Graham felt strongly that stock prices followed earnings and dividends and that the book value—the physical assets of a given company—was the key figure in investment decisions. As he told an interviewer several years ago in La Jolla, Calif., where he also maintained a home:

"To the extent that Wall Street gets away from book value, it is headed into potentially dangerous areas of thinking. It then introduces factors—chiefly the notion of increasing future earnings—which are very difficult to measure and which therefore may be badly measured."

In 1949 Harper & Brothers published the first edition of Mr. Graham's "The Intelligent Investor," a layman's guide to his essentially conservative investing policies. This book has also been through four editions and sold in excess of 100,000 copies.

In characteristically direct fashion Mr. Graham notes in the introduction to this popular work: "Our text is directed to investors as distinguished from speculators. There are no sure and easy paths to riches in Wall Street or anywhere else."

### Analyst Born in London

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Born in London on May 9, 1894, Mr. Graham had his own path to Wall Street and a successful career in the world of investments first charted by a dean at Columbia University, where he received a Bachelor of Science degree in 1914. His parents had moved to New York when Mr. Graham was an infant and his early education had been at Boys High in Brooklyn. His father had been in the bric-a-brac business.

A reader and translator of Greek and on English, mathematics and philosophy, dropping out of his only economics course after a few weeks. He graduated as a member of Phi Beta Kappa and was offered teaching positions in the English, mathematics and philosophy departments.

A reader and translator of Greek and Latin and student of music, Mr. Graham was nonetheless urged by the Columbia dean to consider a career in business. He started out on Wall Street at \$12 a week, putting prices of stocks and bonds on a blackboard at a brokerage house. By 1926, he had established, with Jerome Newman, an investment fund known as the Graham-Newman Corporation and an investment partnership known as Newman & Graham.

The two partners discontinued their business operations in the late 1950's but not before realizing impressive returns from investments. One of their most successful investments, amounting to \$750,000, was in the then-small Government Employees Insurance Company. GEICO has come under severe financial pressure in the last year, but Mr. Graham and his former partner have not been associated with it for some time.

In addition to his own investments, Mr. Graham was long active as a financial consultant to corporations and individual clients. He was also a guest lecturer in finance at Columbia University and from 1955 to 1965 was an adjunct professor in finance at the University of California at Los Angeles.

Surviving are his wife, Estelle, and four children: Mrs. Irving Janis, New Haven; Mrs. Elaine Sofer, Cambridge, England; Mrs. Winifred Downsbrough, Etna, N.H.; and Dr. Benjamin Graham Jr., Berkeley, Calif., and 10 grandchildren.