

year", "last year", "percentage change" and "percentage change after adjusting for inflation." The last column will save the stockholder the tedious job of making his own calculations should he want to find out what really happened.

— Ben Lansdale  
Eugene, Oregon

### Intrinsic Value Is Key Factor

I note in your Editor's Comment in your September/October issue, you quote Sidney Cottle as saying:

"Security analysis is 'the discipline of comparative selection.' Since stocks are only under- or over-priced with respect to each other, the process of comparison is going to identify over- and under-priced stocks with roughly the same frequency in good markets and bad."

I'm not sure what you have said above is what Mr. Cottle means but I must say as a security analyst, I take exception to this point of view.

I believe stocks should be evaluated based on their intrinsic worth, NOT on whether they are over- or under-priced in relationship with each other. For example, at the top of a bull market one can find stocks that may be cheaper than others but they both may be selling much above their intrinsic worth. If one were to recommend the purchase of Company A because it was **COMPARATIVELY** cheaper than Company B, he may find that he will sustain a tremendous loss.

On the other hand, if a stock sells at, say, one-third of its intrinsic value based on sound security analysis, one can buy it irrespective of whether other stocks are over- or under-priced.

Stocks are NOT over-priced or under-priced compared to other companies but compared to themselves. The key to the purchase of an undervalued stock is its **price COMPARED to its intrinsic worth.**

(Congratulations on printing Ben Graham's article on "The Future of Common Stocks." It was excellent!)

—Walter J. Schloss C.F.A.

Walter J. Schloss Associates  
New York

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Analyst Journal

Nov - Dec 1974

A Memorial Service for Ben Graham held at  
the Columbia University Faculty Club on Oct 10, 1976.  
About 100 people were present

It was a lovely day to have a service for Ben. A great many of his friends and relatives were there. I met Buzzy for the first time. He's 31 and is studying to be a doctor. He's married with a young daughter. I met Winnie for the 1st time. His daughter Marjorie gave a moving little talk about her father. It seems he used to give them talks (lectures) on any number of subjects. I think ~~he~~ she said he was a walking encyclopedia. On his 80th birthday they all went to La Jolla to celebrate. He gave a little speech in which he said that when he was young he was discouraged at all his mistakes but he was optimistic about things in the future. When he was old, he was pleased at all he had accomplished but was ~~optimistic~~ pessimistic about the future. He also related himself a little to (pessimistic) Ulysses altho he didn't travel in the same way. He felt the arts important

Dave Dodd was there with his wife. He gave a little talk in which he said he had been greatly helped by Ben. It seems that in 1928 Columbia wanted him to give a course in finance and Ben said he would only do it if he had an assistant. Dave was a young instructor at the time and had told the administration he wanted to get some practical experience. He said he wasn't sure if he got to be Ben's assistant because of his request ~~or~~ because he had recently married the former Secretary of the Dean Roswell McCrea had induced Ben to take the assignment. Anyway Dave went on, Ben asked him to keep notes ~~of~~ of the meeting. Dave took them not verbatim but then typed them all up. In 1932 after giving 4 years of lectures, Ben ~~xxx~~ thought they could write a book of the lectures and that's how "Security Analysis" was born. Dave said the book was really all Ben's thoughts but Ben had both their names on the book.

Throughout the service the constant repetition was of Ben's generosity. A group of Baptist Blacks from Bridgeport came down to pay tribute to Ben. It seems they had needed some money to build a meeting place or buy a building to worship in. The minister gave a short little speech. 2 carloads of blacks had driven down for the service. Later I learned that Ben had given them \$10,000 so they could buy a building after their church had burned down.

~~He~~ Jerry Newman officiated at the service by calling people to talk. McGill, the Pres. of Columbia was the 1st and talked about how he met Ben in La Jolla thru the student demonstrations ~~at~~ the University out there around 1965. He said he never found out about Ben's investment prowess thru Ben but only learned about it subsequently.

After the meeting I learned that Ben had translated Gilbert & Sullivan into Greek. He was a truly Renaissance Man.

Jack Traynor of the Analyst Journal spoke a few words and a telegram was read ~~by him~~ sent by the ~~Analyst~~ Financial Analysts. Ben was really the founder of the Society but was ~~never~~ really given credit for all his help. The Guild for the Blind sent a telegram.

After the meeting which lasted about 45 minutes ~~We~~ had coffee and cake. Esty was there looking very pretty. I talked to her and Dave Dodd, Victor Graham, Dick and his sons and ex-wife. Also Larry & Marie Kessel, Bert Olden, Mr. Karp who had been active in the Wellesley Summer Program. Edwin talked to a man from the Guild for the Blind. Ed Laufer was there with Rose, Conrad Taff. Also some of Ben's former investors who I didn't know too well including Lottie and Howard Marcus and Louis Berall. Berall told me that Ben & Hazel had gone to his camp ~~which~~ which was for young children. At that time I gather they were older and had several tents away from the camp but he let them use the grounds as he had a lot of acres. Bernie Werner also Florence Victor Graham really hadn't changed but some of the others had aged. Douglass Newman told me that he, Ben & Fred Greenman

of 6)

Pals at Boys High and that when Ben went into business he had asked Douglass to go in with him before he asked Jerry. Douglass said he wasn't really interested in finance so he never ~~took~~ took it up. Irving Kahn & his 2 sons were there. His first wife Hazel was there I was told.

I gathered from some of the conversation that Ben really didn't leave much money. He had given most of it away. He had left \$10,000 each to his grandchildren and ~~xx~~ possibly some of his nieces and nephews but there wasn't enough to go around. I gathered that Ben's personal affairs were never very orderly.

Dave Dodd said that Ben had told him that he ~~wanted~~ Ben, wanted to do good every day. I think he achieved his objective.

Ben was the kind of man people loved but were not close to. I think he would have enjoyed the ceremony. It was simple but eloquent.

Walter 10/11/76

I forgot to mention that at the ceremony there was an excellent picture of Ben painted by Bernie Schwartz. While it wouldn't be my favorite because it was of Ben when he was old, it was beautifully done.