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provides us with an invaluable window into small Southern towns as they transitioned from the world of antebellum plantations into reconstruction, sharecropping, Jim Crow, and, eventually, the early steps toward our more technological and corporate world.

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Carlen, Joe. *The Einstein of Money: The Life and Timeless Financial Wisdom of Benjamin Graham*. New York: Prometheus Books, 2012. 368 Pp.

The very name “Benjamin Graham” carries with it a certain weight, having become synonymous with conservative, disciplined value investing. Joe Carlen’s book on the investing legend endeavors to animate the person behind the name. As Carlen amply demonstrates, Benjamin Graham was a brilliant Renaissance man who capably pursued many passions, investing just being the one for which he is best remembered. (pp. 12-13) Nevertheless, Carlen devotes most of his book to exploring Graham’s legacy in investing.

One may wonder how much fresh ground Carlen is able to break on the subject, given that there are already several books written about Graham (not to mention Graham’s own recollections, *The Memoirs of the Dean of Wall Street*). Carlen, however, synthesizes material about Graham in new ways, benefitting from conducting myriad interviews with many people connected with “The Einstein of Money.” For example, he interviewed value-fund manager Irving Kahn, who had co-authored an excellent book on Graham in 1977 (*Benjamin Graham: The Father of Financial Analysis*). He also interviewed a host of others, such as two of Graham’s children (Benjamin Graham Jr., MD and Marjorie Graham Janis), Irving Kahn’s son, Thomas, as well as Graham’s most famous student at Columbia University, the legendary “Sage of Omaha,” Warren Buffett. It is interesting to see how, with the passage of time and

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changes in the investing world, friends, relatives, colleagues, and disciples of Graham remember him and his legacy. Clearly, to many, Graham's principles of investing have withstood the test of time.

Graham's first experience in the stock market was as a child, observing his mother's disastrous foray into stocks. In an effort to resuscitate the family's deteriorating finances in the wake of her husband's early death, Benjamin's mother Dora opened a brokerage account in 1907. She bought U.S. Steel on margin just two months before the Panic of 1907, and was soon wiped out.

Seven years later, in 1914, Graham graduated salutatorian of Columbia University, having attended there on a Pulitzer scholarship. Academically gifted, Graham was offered not one but three different full-time teaching positions at Columbia – in Mathematics, English and Philosophy. (p. 13) Concerned about his family's precarious financial position, Graham instead accepted a more lucrative offer to join Newberger, Henderson, and Loeb as a junior bond analyst. He soon founded the firm's first statistical department, and began to develop his ideas about applying quantitative analysis to the selection of stocks and bonds. He would come to focus on the importance of roughly assessing a company's intrinsic value and establishing a suitable "margin of safety" to help ensure investing success or, at the very least, preservation of capital.

By 1917, Graham had begun to invest money for his former English professor at Columbia, Algernon Tassin. The two agreed to split any profits or losses—an arrangement which worked out smoothly as the portfolio grew. When the United States entered the First World War, however, the stock market plummeted. Perhaps surprising to those who view Graham as the epitome of caution, he had been buying some stocks on margin. Consequently, when the stocks in the portfolio fell, the account received a margin call. Graham could not meet his financial obligation—a fact that he eventually had to admit to his friend. Luckily, Tassin generously agreed to a payment plan, and Graham, deeply embarrassed over the incident, eventually honorably repaid what he owed. (pp. 113-115)

Carlen offers this story as evidence of Graham's deep sense of fiduciary responsibility to his clients and his high moral character when

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it came to investing. These qualities were evident in other instances, such as Graham's response to the losses his clients sustained during the Great Crash of 1929. Like the vast majority of fund managers, Graham suffered severe fund losses during the initial Depression years—in part because during the booming 1920s, he had relied to some extent upon margin, despite the lessons afforded by his mother's experience in 1907 and his own in 1917. Avoiding the use of margin from then on, Graham in the Depression years began buying an array of seriously underpriced securities. As a result, the Benjamin Graham Joint Account (the precursor to the Graham-Newman Corporation) rebounded relatively quickly from the Crash, and by 1935 was back in the black. Remarkably, Graham felt duty-bound to repay investors for their earlier losses. Carlen notes that Graham's daughter, Marjorie Graham Janis, "seemed to be proudest" of her father's unusual insistence on making his clients whole again. (p. 182)

During the depths of the Great Depression, Graham and his student David Dodd co-authored *Security Analysis* (1934), which struck the right chord at the right time with its focus on value investing. In 1949, Graham again struck the right chord at the right time with *The Intelligent Investor*. As Buffett emphasized in his interview with Carlen, Graham aimed *The Intelligent Investor* at a non-professional audience (p. 11). Here, Carlen might have explored more thoroughly why Graham shifted his attention to the millions of average Americans who were predominantly investing neophytes. Also, he does not mention that in the late 1940s the New York Stock Exchange (NYSE) was debating the extent to which the middle class ought to be invited into the stock market. (At the time, fewer than 5 percent of the adult population in the U.S. owned any stock). During the height of the Cold War, the NYSE eventually embarked upon the "Own Your Share of American Business" marketing and educational campaign, in part to strengthen capitalism. One wonders whether *The Intelligent Investor* was inspired in part by this ideological drive to expand shareownership, or whether Graham simply saw an opportunity to make money with a book aimed at this underserved audience.

As Carlen emphasizes, Graham never became consumed by the pursuit of riches in the market. Graham's son, along with billionaire

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investors Buffett and Charles Brandes attest that Graham truly enjoyed the intellectual pursuit of investing. He desired financial security, but was “not preoccupied with amassing tremendous wealth.” (p. 101) When he died in 1976, Graham bequeathed an estate worth approximately \$3 million dollars, (p. 314) a sum many might find less than expected, given his legendary stature.

As Carlen highlights, Graham, with his careful articulation of the principles of value investing, deserves credit for inspiring some of the most successful billionaire investors in history. Some, like Warren Buffett, refined these principles to make them their own, yet he and many others still credit Graham with profoundly shaping their investing philosophies.

Benjamin Graham left a huge legacy in the investing world, and Carlen’s book is a welcome reminder of that. As Warren Buffett once said, “No one ever became poor by reading Graham.” (p. 9) Likewise, no one is poorer for reading another quality biography of him.

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Wright, Robert E. *Corporation Nation*. Philadelphia: University of Pennsylvania Press, 2013. 317 Pp.

My students would hate this book for its depiction of the messy reality of corporate governance where definitive solutions are far from clear. I, on the other hand, thoroughly enjoyed its stimulating and no doubt intentionally provocative richness and argument. Robert Wright, professor of political economy at Augustana College and author of numerous books and articles on US business and financial history, has two purposes. The first is to demonstrate that the US had become a “corporation nation” earlier (antebellum rather than postbellum) and to a greater extent than historians have previously argued. The second is “to improve the internal governance and external regulation of corporations