

GRAHAM-NEWMAN CORPORATION

122 EAST 42ND STREET

NEW YORK 17, N. Y.

March 1st, 1954

To the Stockholders of Graham-Newman Corporation:

Submitted herewith are financial statements of the Corporation covering the fiscal year ended January 31st, 1954.

The appended balance sheet indicates a net asset value of \$1,286.69 per share on January 31st, 1954, compared with \$1,361.11 per share on January 31st, 1953. The indicated net asset value on February 12th, 1954, was approximately \$1,288 per share.

FISCAL YEAR RESULTS AND DIVIDENDS

The overall gain for the fiscal year, including the net increase in unrealized appreciation, was \$15.89 per share, or 1.2% on the asset value of the shares at the beginning of the fiscal year.

Net realized profits for the fiscal year (without reflecting the decrease in unrealized appreciation) amounted to \$139.12 per share. The total dividends paid and declared applicable to the net realized profits for the fiscal year aggregate \$154 per share. Such dividends consist of the quarterly dividends of \$12.50 each paid in June, September and December 1953, and a dividend of \$116.50 declared February 17th, 1954 payable March 5th, 1954 to stockholders of record February 23rd, 1954.

Total dividends of \$154 per share applicable to the fiscal year exceed the net realized profit for the fiscal year by \$14.88 per share. This distribution is necessary due to applicable provisions of the Internal Revenue Code under which we have elected to be taxed as a "regulated investment company".

Of the total dividends of \$154 per share applicable to the fiscal year, the entire amount represents long term capital gains.

CALENDAR YEAR DIVIDENDS

During the calendar year 1953 the total dividends paid amounted to \$90.31, consisting of a dividend of \$52.81 paid in March out of net realized profits of the fiscal year ended January 31st, 1953 and dividends of \$37.50 paid as stated above.

Of the dividends of \$90.31 paid during the calendar year 1953, \$74.81 per share represents long term capital gains, \$14.67 per share represents ordinary income, and \$.83 is a return of capital.

The financial statements have been reviewed by Messrs. Stern, Porter, Kingston and Coleman, independent public accountants, whose certificate is set forth herein.

THE ANNUAL MEETING

The proxy statement for the annual meeting of stockholders which will be held on April 12th, 1954 will be mailed to the stockholders on or about March 31st, 1954.

At the annual meeting resolutions, previously approved by the Board of Directors, will be presented, providing a more responsible position for Howard A. Newman in the Management of the Corporation. Mr. Howard A. Newman is presently Vice President and a Director of the Corporation, and a General Partner of Newman & Graham. Under the new arrangement Benjamin Graham will become Chairman of the Board, Jerome A. Newman will become President and Howard A. Newman will become Vice President and Treasurer of the Corporation. The Management contract will be revised so as to name Howard A. Newman as a third Manager of the Corporation. However, there will be no increase in the total compensation provided for the Managers, including therein amounts paid last year to Howard A. Newman.

By order of the Board of Directors,

Benj. Graham,
President

Jerome A. Newman,
Vice President & Treasurer

OFFICERS

Benjamin Graham, President
Edward E. Laufer, Secretary

Jerome A. Newman, Vice Pres. & Treas.
Howard A. Newman, Vice Pres.
Walter J. Schloss, Asst. Secy.

DIRECTORS

Benjamin Graham
Robert J. Marony

Jerome A. Newman
David L. Dodd

Wm. K. Jacobs, Jr.
Howard A. Newman

STERN, PORTER, KINGSTON & COLEMAN

CERTIFIED PUBLIC ACCOUNTANTS

551 Fifth Avenue, New York 17, N.Y.

MURRAY HILL 2-8075

To the Board of Directors and Stockholders
of Graham-Newman Corporation:

We have examined the Balance Sheet of Graham-Newman Corporation as at January 31, 1954 and the related statements of Profit and Loss, and Changes in Net Assets for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and related statements of Profit and Loss and Changes in Net Assets, as supplemented by the notes appended thereto present fairly the financial position of Graham-Newman Corporation as at January 31, 1954 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Stern Porter Kingston & Coleman
STERN PORTER KINGSTON & COLEMAN
Certified Public Accountants

New York, N.Y.
February 20, 1954.

CORPORATION

YORK

S H E E T

1954

LIABILITIES AND CAPITAL

SECURITIES SHORT - at cover value (net proceeds of sales \$209,597.20)		\$ 252,998.00
DUE TO BROKERS FOR SECURITIES PURCHASED		2,307.76
SUNDRY PAYABLES AND ACCRUALS		12,051.78
DUE TO OFFICERS (Benjamin Graham and Jerome A. Newman) for additional compensation-on basis of realized net income for the five fiscal years ended January 31, 1954 (Note B)		349,198.14
of which payable within one year	\$ 108,774.88	
balance payable in installments (1955-1958)	<u>240,423.26</u>	
PROVISION FOR ADDITIONAL CONTINGENT COMPENSATION OF OFFICERS (Benjamin Graham and Jerome A. Newman) on increase in unrealized appreciation of investments subsequent to January 31, 1948 (Note B)		352,809.28
NET ASSETS APPLICABLE TO OUTSTANDING CAPITAL STOCK		6,433,463.44
Capital Stock:		
Authorized, issued and outstanding- 5,000 shares of no par value- stated value \$500.00 per share	2,500,000.00	
Capital Surplus	2,097,580.92	
Earned Surplus	<u>401,386.80</u>	
Total Capital Stock and Surplus	4,998,967.72	
Unrealized appreciation of investments-after deducting provision for related additional contingent compensation of officers (Note A)	<u>1,434,495.72</u>	
Total, as above (equivalent to \$1,286.69 per share)	<u>\$6,433,463.44</u>	
		<u>\$7,402,828.40</u>

GRAHAM-NEWMAN CORPORATION
NEW YORK
PROFIT AND LOSS STATEMENT
FOR THE FISCAL YEAR ENDED JANUARY 31, 1954

STATEMENT OF INCOME AND EXPENSES

(excluding gain or loss on investments)

<u>Income</u>			
Dividends			\$160,366.54
Interest on investments			<u>7,040.22</u>
Total			167,406.76
<u>Expenses</u>			
Salaries of Officers:			
Benjamin Graham (Note B)	\$	25,000.00	
Jerome A. Newman (do)		25,000.00	
Other		30,856.67	
Other:			
Office salaries		11,358.66	
Executive committee fees		10,000.00	
Directors' fees		450.00	
Rent and light		5,242.13	
Telephone and telegraph		1,300.85	
Taxes (other than Federal taxes on income)		6,900.69	
Legal and auditing		10,304.08	
Custodian fees		1,801.90	
Contributions		4,650.00	
General expense		2,761.94	
Depreciation (furniture and fixtures)		<u>1,667.17</u>	
Total Expenses (exclusive of additional compensation of officers)			<u>137,294.09</u>
<u>Net Income</u> (excluding gain or loss on investments, before deducting additional compensation of officers and provision for Federal taxes on income)			30,112.67
<u>NET REALIZED GAIN ON INVESTMENTS</u>			
Amount realized		2,751,366.22	
Cost		<u>1,961,963.59</u>	<u>789,402.63</u>
<u>NET INCOME</u> , before deducting additional compensation of officers and provision for Federal taxes on income			819,515.30
Deduct-Additional compensation of officers (Note B):			
Benjamin Graham	\$	61,951.53	
Jerome A. Newman		<u>61,951.53</u>	123,903.06
Provision for Federal taxes on income (Note C)		<u>None</u>	<u>123,903.06</u>
<u>NET INCOME FOR YEAR</u>			695,612.24
<u>DEDUCT-DECREASE IN UNREALIZED APPRECIATION</u> (Note A)			
At January 31, 1954		\$1,787,305.00	
At January 31, 1953		<u>2,557,512.35</u>	(770,207.35)
Less-Reduction in related additional compensation of officers (Note B)			<u>(154,041.46)</u> (616,165.89)
<u>"OVER ALL" NET INCOME FOR YEAR</u>			<u>\$ 79,446.35</u>
Equivalent to \$15.89 per share			

GRAHAM-NEWMAN CORPORATION
NEW YORK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JANUARY 31, 1954

		<u>Per Share</u>
<u>NET ASSETS AT JANUARY 31, 1953</u>	\$6,805,567.09	\$1,361.11
<u>ADD-NET INCOME FOR THE FISCAL YEAR ENDED JAN.31,1954</u>		
Net Income, excluding gain or loss on investments (before deducting additional compensation of officers)	\$ 30,112.67	
Net realized gain on sales of investments	<u>789,402.63</u>	
Total	819,515.30	
Deduct-Additional compensation of officers (Note B)	<u>123,903.06</u>	
Net Income for year	695,612.24	139.12
<u>DEDUCT</u> -Decrease in unrealized appreciation of investments	(770,207.35)	
Less-Reduction in related additional contingent compensation of officers(Note B)	<u>(154,041.46)</u>	<u>(123.23)</u>
<u>TOTAL</u>	6,885,013.44	1,377.00
<u>DEDUCT-DIVIDENDS PAID</u>	<u>Per Share</u>	
March 12, 1953	\$52.81	264,050.00
June 12, 1953	12.50	62,500.00
Sept. 10, 1953	12.50	62,500.00
Dec. 18, 1953	<u>12.50</u>	<u>62,500.00</u>
	<u>\$90.31</u>	<u>451,550.00</u>
		<u>90.31</u>
<u>BALANCE-NET ASSETS AT JANUARY 31, 1954</u>	<u>\$6,433,463.44</u>	<u>\$1,286.69</u>

ANALYSIS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JANUARY 31, 1954

	<u>Total</u>	<u>Capital Stock</u>	<u>Capital Surplus</u>	<u>Earned Surplus</u>	<u>Unrealized Appreciation (Net) (*)</u>
Net Assets at Jan.31,1953	\$6,805,567.09	\$2,500,000	\$2,097,580.92	\$157,324.56	\$2,050,661.61
Add-Net Income for the year	695,612.24			695,612.24	
Deduct-Decrease in unrealized appreciation (net)(*)	<u>(616,165.89)</u>				<u>(616,165.89)</u>
Total	6,885,013.44			852,936.80	1,434,495.72
Deduct-Dividends paid	<u>451,550.00</u>			<u>451,550.00</u>	
Balance-Net Assets at Jan.31,1954	<u>\$6,433,463.44</u>	<u>\$2,500,000</u>	<u>\$2,097,580.92</u>	<u>\$401,386.80</u>	<u>\$1,434,495.72</u>

(*) Unrealized appreciation as shown herein represents the net amount after deducting related contingent additional compensation of officers.

GRAHAM-NEWMAN CORPORATION

NEW YORK

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1954

NOTE A - VALUATION OF INVESTMENTS-UNREALIZED APPRECIATION OF INVESTMENTS

Investments have been evaluated at their quoted market values as at January 31, 1954 except as noted below. These valuations are not, however, intended as representations of the amounts which may be actually realizable upon sale of the securities.

The unrealized appreciation of investments at January 31, 1954 is represented as follows:

	<u>Cost</u>	<u>Value at Jan.31,1954</u>	<u>Unrealized Appreciation</u>
Investments in securities	\$3,495,507.20	\$5,326,213.	\$1,830,705.80
Securities short (a)	<u>(209,597.20)</u>	<u>(252,998)</u>	<u>(43,400.80)</u>
Net securities position	<u>\$3,285,910.00</u>	<u>\$5,073,215</u>	
Unrealized Appreciation at January 31, 1954			<u>\$1,787,305.00</u>

(a) Securities short are stated at amount realized on sale, cover value, and indicated loss.

The unrealized appreciation of investments at the beginning of the year, the decrease therein for the current year, the related additional contingent compensation of officers (see Note B) and the balance applicable to the outstanding capital stock were as follows:

	<u>Total</u>	<u>Additional Contingent Compensation</u>	<u>Balance Applicable to Stock</u>
At January 31, 1953	\$2,557,512.35	\$506,850.74	\$2,050,661.61
Decrease for year	<u>(770,207.35)</u>	<u>(154,041.46)</u>	<u>(616,165.89)</u>
At January 31, 1954	<u>\$1,787,305.00</u>	<u>\$352,809.28</u>	<u>\$1,434,495.72</u>

The investment in Atlantic Gulf and West Indies Steamship Lines (AGWI) common stock (the entire cost of which has already been realized through liquidating distributions) has been valued at its quoted market value on the New York Stock Exchange as at January 31, 1954, and upon this basis shows an unrealized appreciation at that date of \$1,399,047.00. There have recently been only occasional transactions in AGWI common stock on the New York Stock Exchange. The investment in Perkin Elmer Corporation 5% Income Debentures due March 1, 1967, for which no market quotations were available, has been evaluated by the management and in the statements herein at cost (\$50,000), and the investment in Market Street Railway Company Prior Preferred stock (the entire cost of which has likewise already been realized through liquidating distributions) has been evaluated by the management at \$10,000. The management is of the opinion that these investments have been fairly valued.

NOTE B - COMPENSATION OF OFFICERS

The President and Treasurer each receive a salary of \$25,000 per annum, and additional compensation of 10% of the excess of the realized net income in each year as determined at the close thereof (less the net unrealized depreciation, if any, in the value of investments at the year end which had accrued subsequent to January 31, 1948) over an amount equivalent to \$40.00 per share per annum (\$10.00 per share per quarter) on the presently outstanding capital stock. The total amount of addi-

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1954

(CONTINUED)

NOTE B - COMPENSATION OF OFFICERS (continued)

tional compensation payable to each of these officers from and after February 1, 1948 is, however, limited to 12½% of the excess of total dividends paid during this period over an amount equivalent to \$40.00 per share per annum on the presently outstanding stock (or the equivalent on the old stock outstanding prior to recapitalization in 1950). The board of directors, with the approval of the company's counsel, has determined that for the purpose of computing this limitation, the first dividend paid in any fiscal year which, under the provisions of the Internal Revenue Code, may be included for tax purposes in the amount of dividends paid during the prior year shall be so included in the amount of dividends paid during such prior year. The additional compensation for the fiscal years ended January 31, 1950 to January 31, 1954 is payable in five equal annual installments within sixty days of the close of the respective years. In the event of the death of either of these officers, or the termination of his tenure of office, such officer or his estate will be entitled to receive further additional compensation in an amount equal to 10% of the increase in unrealized appreciation, if any, which had accrued subsequent to January 31, 1948, less the amount, if any, of the \$40.00 per share per annum exclusion noted above to the extent that such exclusion had not previously been applied in the computation of additional compensation in any prior year.

NOTE C - TAX STATUS

The Corporation has elected to be taxed as a "regulated investment company" under the Internal Revenue Code, and as such will be liable to Federal taxes on income on such amount only as is represented by its undistributed net long term capital gains (less its net short term capital loss if any) and its undistributed net income from other sources. The Corporation has in the past, and intends in the future, to distribute as dividends each year, or within the time limit provided by the terms of the internal revenue code, an amount which will absorb the total net income in each of the above categories which is reportable for Federal income tax purposes, and in this event will not be liable for Federal taxes on income. No provision has therefore been made for such taxes either in respect of the realized net income for the current period or in respect of unrealized appreciation at the close thereof.

NOTE D - SUPPLEMENTARY INFORMATION

The aggregate dollar amounts of purchases and sales of investment securities, other than United States Government obligations, made during the year were as follows:

Cost of Securities purchased	\$808,974.09
Proceeds of sales of securities	\$2,684,985.37

GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1954

S U M M A R Y

	<u>MARKET VALUE AT</u> <u>JANUARY 31, 1954</u>
<u>INVESTMENT COMPANIES</u>	
Common Stocks	\$ 112,350
 <u>HOLDING COMPANIES</u>	
Common Stocks	305,211
 <u>OTHER SECURITIES</u>	
<u>Bonds</u>	
Railroads	240,212
Utilities	21,427
Industrial	50,000
<u>Preferred Stocks</u>	
Utilities	31,600
Industrial	405,537
<u>Common Stocks</u>	
Railroads	566,520
Utilities	109,250
Banks	40,000
Industrial	<u>3,444,106</u>
 <u>TOTAL</u>	 <u>\$5,326,213</u>

GRAHAM-NEWMAN CORPORATION
NEW YORK
INVESTMENTS IN SECURITIES
JANUARY 31, 1954

No. of shares or <u>Face amount</u>	<u>MARKET VALUE</u> <u>JAN. 31, 1954</u>
<u>INVESTMENT COMPANIES</u>	
<u>Common Stocks</u>	
700 Amoskeag Company	\$ 94,850
1,000 Mission Development Co.	<u>17,500</u>
	<u>\$112,350</u>
<u>HOLDING COMPANIES</u>	
<u>Common Stocks</u>	
3,405 Engineers Public Service Company (stubs)	511
1,100 Georgia Railroad & Banking Company	234,300
2,200 Royal Dutch Petroleum Co. (Certi- ficates for New York shares)	<u>70,400</u>
	<u>305,211</u>
<u>OTHER SECURITIES - BONDS</u>	
<u>Railroads</u>	
25 M. Chicago, Indianapolis & Louisville Railway Co. First Income 4% 1/1/1983	16,562
70 M. Chicago, Terre Haute & Southeastern Railroad Co. Income Mortgage 2-3/4% 1/1/1994	49,350
50 M. International Great Northern Rail- road Company Adjustment Mortgage Series A 6% 1952	39,375
Missouri Pacific Railroad:	
50 M. 5 1/2% Series A 5/1/49	44,250
75 M. 4% General Mortgage 3/1/1975	74,625
200 M. 4 1/2% 65 year Series A When Issued	(300)*
150 M. 4 1/2% 75 year Series B When Issued	(400)*
100 M. New York, New Haven & Hartford Rail- road Co. Certificates of Beneficial Interest	<u>16,750</u>
	<u>\$240,212</u>
<u>Utilities</u>	
25 M. Brazilian Traction Light & Power Co., Ltd. Series E Convertible Collat- eral Trust 4 1/2% 9/1/71	20,750
155 M. Chicago Rapid Transit Company First & Refunding Mortgage Series A 6% 7/1/1953 (stubs) } do 6 1/2% 7/1/1944 (stubs) }	636
6 M. Union Elevated Railroad Company First Mortgage 5% 10/1/1945 (stubs)	<u>41</u>
	<u>21,427</u>

*Indicated loss

INVESTMENTS IN SECURITIES

JANUARY 31, 1954

No. of shares or <u>Face amount</u>	<u>MARKET VALUE</u> <u>JAN. 31, 1954</u>
<u>OTHER SECURITIES-BONDS (Continued)</u>	
<u>Industrial</u>	
50 M. Perkin Elmer Corporation 5% subordinated Convertible Income 3/1/1967	\$ <u>50,000**</u>
<u>OTHER SECURITIES-PREFERRED STOCKS</u>	
<u>Utilities</u>	
1,200 Central States Electric Corporation 7% Cumulative Preferred (stubs)	21,600
10,000 Market Street Railway Company 6% Cumulative Prior Preferred (x)	<u>10,000**</u>
	<u>31,600</u>
<u>Industrial</u>	
500 American Woolen Co., Inc. \$4.00 Cumulative Convertible Preferred	42,250
800 Avco Manufacturing Corporation \$2.25 Cumulative Convertible Preferred	31,200
300 Cluett, Peabody & Co. 4% Cumulative Convertible Second Preferred	27,975
200 Consolidated Cigar Co. \$5.00 Cumulative Preferred	16,200
900 Crucible Steel Company of America 5% Cumulative Convertible Preferred	70,200
600 Fedders Quigan Corporation Series A 5% Cumulative Convertible Preferred	36,300
400 Gar Wood Industries, Inc. 4½% Cumulative Convertible Preferred	10,850
400 Mengel Co. 5% Cumulative Convertible First Preferred	19,200
1,500 Murray Corporation of America 4% Cumulative Preferred	66,562
800 Thermold Company \$2.50 Cumulative Convertible Preferred	32,800
1,000 Tung Sol Electric, Inc. 5% Cumulative Convertible Preferred	<u>52,000</u>
	<u>405,537</u>
<u>OTHER SECURITIES-COMMON STOCKS</u>	
<u>Railroads</u>	
Cleveland & Pittsburgh Railroad Co.:	
400 \$3.50 Regular Guaranteed	29,000
400 \$2.00 Special Guaranteed Betterment	17,200
200 Mahoning Coal Railroad Co.	104,400
4,000 Montgomery & Erie Railway Company (3½% guaranteed by Erie Railroad Company) (x)	32,000
200 Northern Central Railroad Co.	17,300
2,000 Northern Pacific Railway Company	119,500
240 Vermont & Massachusetts Railroad Co.	25,440
4,163 Western Pacific Railroad Company	<u>221,680</u>
	<u>566,520</u>

**Evaluated by management

INVESTMENTS IN SECURITIES

JANUARY 31, 1954

<u>No. of Shares</u>		<u>MARKET VALUE JAN.31, 1954</u>
<u>OTHER SECURITIES-COMMON STOCKS (Continued)</u>		
<u>Utilities</u>		
500	Gold & Stock Telegraph Company	\$ 77,750
300	International Ocean Telegraph Company	<u>31,500</u>
		<u>109,250</u>
<u>Banks</u>		
10,000	Continental Bank & Trust Company (N. Y.)	<u>40,000</u>
<u>Industrials</u>		
1,000	A.C.F.Brill Motors Corp.	6,500
7,500	Adam Hat Stores, Inc.	21,562
1,500	Allied Kid Company	27,562
5,800	American Hawaiian Steamship Company	362,500
1,500	American La France Foamite Corporation	22,125
1,300	American Woolen Co.	21,288
23,763	Atlantic Gulf & West Indies Steamship Lines (x)	1,399,047
400	Brockway Motors	10,100
1,300	Burnswicke Balke Collander Co.	19,012
600	Carribean Sugar Co.	138
2,500	Carman & Co., Inc.	6,875
1,000	Chamberlin Co. of America	5,625
1,150	Cleveland Worsted Mills Company	91,425
1,500	C. G. Conn Ltd.	9,188
1,000	Consolidated Cigar Corporation	20,875
5,000	Consolidated Liquidating Corporation	5,625
3,200	Coro, Inc.	29,600
1,200	Crowley Milner & Co.	7,350
3,000	De Vilbiss Company	55,500
1,600	Diamond T Motor Car Co.	18,800
1,000	Dictograph Products Co., Inc.	6,000
4,000	Easy Washing Machine Corporation Class B	51,500
45,950	Flagg Utica Corporation	166,569
1,600	General Cigar Co.	31,600
1,300	Greif Bros. Cooperage Class A	23,888
1,600	Gruen Watch Company	26,400
500	Hart Schaffner & Marx	12,875
800	Hercules Motors Corporation	11,800
700	Holland Furnace Co.	8,138
600	Howe Scale Company	3,000
600	Jenkins Brothers (Non-voting)	14,550
500	Jones & Lamson Machine Co.	20,625
1,500	Kalamazoo Stove & Furnace Co.	4,875
400	Kayser (Julius) & Co.	5,800
300	I. B. Kleinert Rubber Company	4,725
700	Mandel Bros., Inc.	3,500
200	Manhattan Shirt Company	5,275

Forward

\$2,541,817

INVESTMENTS IN SECURITIES

JANUARY 31, 1954

<u>No. of Shares</u>		<u>MARKET VALUE JAN. 31, 1954</u>
<u>OTHER SECURITIES-COMMON STOCKS (Continued)</u>		
<u>Industrials (Continued)</u>		
	Forward	\$2,541,817
25	Marshall-Wells Company	6,362
420	Miller Falls Co.	9,240
6,000	Monterey Oil Company	203,250
500	Montgomery Ward & Co.	30,000
4,160	Nathan Straus-Duparquet, Inc.	19,240
1,100	National Department Stores Corporation	13,888
2,300	Nesco, Inc.	36,800
2,300	New York Merchandise Co., Inc.	18,400
2,600	Pacific Mills	63,700
26,600	Philadelphia & Reading Coal & Iron Co.	269,325
500	Reliable Stores Corporation	14,000
1,100	Reliance Manufacturing Co.	11,138
1,100	Rice-Stix, Inc.	25,987
200	Sargent & Co.	2,775
220	Shuron Optical Company, Inc.	6,930
945	Timely Clothes, Inc.	12,167
1,450	Todd Shipyards Corporation	79,025
450	Tyer Rubber Company	14,400
700	Underwood Corporation	19,600
1,100	Youngstown Sheet & Tube Co.	46,062
		<u>\$3,444.106</u>

(x) represents investment in a non-controlled affiliate as defined in Investment Company Act of 1940, under which an issuer is an affiliate of one who owns 5% or more of its outstanding voting securities.

GRAHAM-NEWMAN CORPORATION

NEW YORK

SECURITIES SHORT

JANUARY 31, 1954

<u>No. of Shares</u>		<u>COVER VALUE</u>
<u>PREFERRED STOCKS</u>		<u>JAN. 31, 1954</u>
<u>Railroads</u>		
	Missouri Pacific	
	Railroad Company:	
2,500	5% Cumulative Convertible	\$114,687
	Preferred	
2,694-98/100	\$5.00 Preferred Series A-	
	When Issued	(467)*
 <u>COMMON STOCKS</u>		
<u>Industrials</u>		
1,999-36/100	Crucible Steel Company	48,984
	of America	34,544
2,362	Fedders Quigan Corporation	7,650
1,800	Gar Wood Industries, Inc.	47,600
2,800	Tung Sol Electric, Inc.	
		<hr/>
		<u>\$252,998</u>

*Indicated gain