

GRAHAM-NEWMAN CORPORATION

122 EAST 42ND STREET

NEW YORK 17, N. Y.

February 28th, 1955

To the Stockholders of Graham-Newman Corporation:

Submitted herewith are financial statements of the Corporation covering the fiscal year ended January 31st, 1955.

The appended balance sheet indicates a net asset value of \$1,018.24 after deduction of the dividend of \$290.23 declared February 15th, 1955 payable March 10th, 1955. This dividend, although declared after the end of the fiscal year, is payable solely from profits realized during the year covered by this report. The comparable net asset value on January 31st, 1954 after deducting the dividend paid March 5th, 1954 from earnings during the 1954 fiscal year was \$1,170.19.

The indicated net asset value on February 11th, 1955 giving effect to the dividend payable March 10th, 1955, was approximately \$1,038.

FISCAL YEAR RESULTS AND DIVIDENDS

The overall gain for the fiscal year, including the net decrease in unrealized appreciation, was \$175.78 per share or 15.0% on the adjusted 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 \$272.99 per share. The total dividends paid and declared applicable to the realized "Capital Gains" for the fiscal year aggregate \$327.73. Such dividends consist of the quarterly dividends of \$12.50 each paid in June, September and December 1954, and a dividend of \$290.23 declared February 15th, 1955 payable March 10th, 1955 to stockholders of record February 28th, 1955.

Total dividends of \$327.73 per share applicable to the fiscal year exceed the net realized profit for the fiscal year by \$54.74 per share. This difference is accounted for as follows:

a. Excess of compensation accrued for year over compensation paid and allowable for tax purposes - \$27.40 per share.

b. Deficit in ordinary income after deducting compensation paid - \$27.34 per share. This amount may not be offset against Capital Gains Dividends otherwise payable.

The entire amount of the above dividends represents long term capital gains.

CALENDAR YEAR DIVIDENDS

During the calendar year 1954 the total dividends paid amounted to \$154.00, consisting of a dividend of \$116.50 paid in March out of net realized profits of the fiscal year ended January 31st, 1954 and dividends of \$37.50 paid as stated above. All such dividends represent long-term capital gains.

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

The proxy statement for the annual meeting of stockholders which will be held on April 11th, 1955 will be mailed to the stockholders on or about March 30th, 1955.

By Order of the Board of Directors,

Benjamin Graham,
Chairman of the Board

Jerome A. Newman,
President

BOARD OF DIRECTORS

David L. Dodd
Benjamin Graham
William K. Jacobs, Jr.

Robert J. Marony
Howard A. Newman
Jerome A. Newman

OFFICERS

Benjamin Graham, Chairman of the Board
Howard A. Newman, Vice-President,
Treasurer and Secretary

Jerome A. Newman, President
Walter J. Schloss,
Assistant Secretary

STERN, PORTER, KINGSTON & COLEMAN

CERTIFIED PUBLIC ACCOUNTANTS

11 West 42nd Street, New York 36, N.Y.

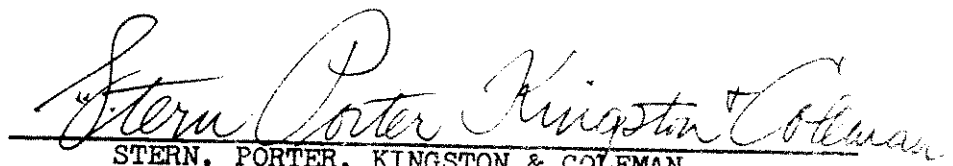
OXFORD 5-3660

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, 1955 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.

The company has adopted the policy of charging against surplus and setting up as a liability at the close of the fiscal year the final dividend for the year, which although declared and payable subsequent to the close thereof may, under the provisions of the internal revenue code applicable to regulated investment companies, be included for tax purposes in the amount of dividends paid during the prior year.

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, 1955 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied, except for the change noted in the preceding paragraph, in which change we concur, on a basis consistent with that of the preceding year.


STERN, PORTER, KINGSTON & COLEMAN
Certified Public Accountants

New York, N. Y.
February 15, 1955.

JANUARY 31,

A S S E T S

Dividends receivable	\$3,027.50	
Interest accrued on bonds	2,894.42	
Deposits and sundry receivables	5,159.93	
Furniture and fixtures	<u>6,985.09</u>	18,066.94

\$7,774,529.58

CORPORATION

YORK

S H E E T

1955

L I A B I L I T I E S A N D C A P I T A L

FINAL DIVIDEND FOR FISCAL YEAR ENDED JANUARY 31, 1955 (declared February 15, 1955 and payable March 10, 1955)		\$1,451,150.00
SECURITIES SHORT-AT COVER VALUE (Note A) (net proceeds of sales \$426,174.64)		450,138.00
SUNDRY PAYABLES AND ACCRUALS		19,111.51
DUE TO OFFICERS for additional compensation-on basis of realized net income for the five fiscal years ended January 31, 1955 of which payable within one year balance payable in installments(1956-1959)	\$ 154,232.80 <u>377,425.30</u>	531,658.10
PROVISION FOR ADDITIONAL CONTINGENT COMPENSATION OF OFFICERS on increase in unrealized appreciation of investments subsequent to January 31, 1948 (Note B)		231,291.28
NET ASSETS APPLICABLE TO OUTSTANDING CAPITAL STOCK		5,091,180.69
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	1,642,756.97	
Earned Surplus	-	
Total Capital Stock and Surplus	4,142,756.97	
Unrealized appreciation of investments-after deducting provision for related additional contingent compensation of officers (Note A)	<u>948,423.72</u>	
Total, as above (equivalent to \$1,018.24 per share)	<u>\$5,091,180.69</u>	
		<u>\$7,774,529.58</u>

GRAHAM-NEWMAN CORPORATION
NEW YORK
PROFIT AND LOSS STATEMENT
FOR THE FISCAL YEAR ENDED JANUARY 31, 1955

STATEMENT OF INCOME AND EXPENSES

(excluding gain or loss on investments)

Income

Dividends	\$134,300.19	
Less-Dividends paid on short securities	<u>3,210.00</u>	\$ 131,090.19
Interest on investments		19,257.89
Other income		<u>150.00</u>
Total		150,498.08

Expenses

Salaries of officers:

Benjamin Graham (Note B)	25,000.00
Jerome A. Newman (do)	25,000.00
Howard A. Newman (do)	18,000.00
Other	<u>11,766.67</u>

Other:

Office salaries	12,344.17
Executive committee fees	10,000.00
Directors' fees	200.00
Rent and light	5,528.15
Taxes (other than Federal taxes on income)	<u>14,045.47</u>
Legal and auditing	7,368.76
Custodian fees	2,480.68
General expense	9,706.05
Depreciation (furniture and fixtures)	<u>1,702.61</u>

Total expenses (exclusive of additional compensation of officers) 143,142.56

Net Income (excluding gain or loss on investments-
before deducting additional compensation of
officers and provision for Federal taxes on income) 7,355.52

NET REALIZED GAIN ON INVESTMENTS-Amount realized 3,824,577.87
Cost 2,175,759.32 1,648,818.55

NET INCOME-before deducting additional compensation
of officers and provision for Federal taxes on income 1,656,174.07

DEDUCT:-

Additional compensation of officers (Note B):

Benjamin Graham	\$145,617.41	
Jerome A. Newman	<u>145,617.41</u>	291,234.82

Provision for Federal taxes on income (Note C) None 291,234.82

NET INCOME FOR YEAR 1,364,939.25

DEDUCT-DECREASE IN UNREALIZED APPRECIATION (Note A)

At January 31, 1955	1,179,715.00	
At January 31, 1954	<u>1,787,305.00</u>	(607,590.00)

Less-Reduction in related additional
contingent compensation of officers (121,518.00) (486,072.00)
(Note B)

"OVER ALL" NET INCOME FOR YEAR \$ 878,867.25
(Equivalent to \$175.77 per share)

GRAHAM-NEWMAN CORPORATION
NEW YORK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JANUARY 31, 1955

		<u>Per Share</u>																			
<u>NET ASSETS AT JANUARY 31, 1954</u>	\$6,433,463.44	\$1,286.69																			
Less-Final dividend for the fiscal year ended January 31, 1954 declared February 17, 1954	<u>582,500.00</u>	<u>116.50</u>																			
	\$5,850,963.44	1,170.19																			
<u>NET INCOME FOR YEAR</u>																					
Net Income, excluding gain or loss on investments (before deducting addi- tional compensation of officers)	7,355.52																				
Net realized gain on sales of investments	<u>1,648,818.55</u>																				
Total	1,656,174.07																				
Deduct-Additional compensation of officers (Note B)	<u>291,234.82</u>																				
Net Income for year	1,364,939.25	272.99																			
<u>DEDUCT</u> - Decrease in unrealized appreciation of investments	(607,590.00)																				
Less-Reduction in related additional contingent compensation of officers (Note B)	(121,518.00)																				
	<u>(486,072.00)</u>	<u>(97.21)</u>																			
<u>TOTAL</u>	6,729,830.69	1,345.97																			
<u>DEDUCT-DIVIDENDS DECLARED*</u>																					
<table><tr><th><u>Date Declared</u></th><th><u>Date Paid (or payable)</u></th><th><u>Per Share</u></th></tr><tr><td>May 17, 1954</td><td>June 4, 1954</td><td>\$ 12.50</td></tr><tr><td>Sept. 8, 1954</td><td>Sept. 24, 1954</td><td>12.50</td></tr><tr><td>Dec. 15, 1954</td><td>Dec. 22, 1954</td><td>12.50</td></tr><tr><td>Feb. 15, 1955</td><td>March 10, 1955</td><td>290.23</td></tr></table>	<u>Date Declared</u>	<u>Date Paid (or payable)</u>	<u>Per Share</u>	May 17, 1954	June 4, 1954	\$ 12.50	Sept. 8, 1954	Sept. 24, 1954	12.50	Dec. 15, 1954	Dec. 22, 1954	12.50	Feb. 15, 1955	March 10, 1955	290.23	<table><tr><td>62,500.00</td></tr><tr><td>62,500.00</td></tr><tr><td>62,500.00</td></tr><tr><td><u>1,451,150.00</u></td></tr></table>	62,500.00	62,500.00	62,500.00	<u>1,451,150.00</u>	
<u>Date Declared</u>	<u>Date Paid (or payable)</u>	<u>Per Share</u>																			
May 17, 1954	June 4, 1954	\$ 12.50																			
Sept. 8, 1954	Sept. 24, 1954	12.50																			
Dec. 15, 1954	Dec. 22, 1954	12.50																			
Feb. 15, 1955	March 10, 1955	290.23																			
62,500.00																					
62,500.00																					
62,500.00																					
<u>1,451,150.00</u>																					
	<u>1,638,650.00</u>	<u>327.73</u>																			
<u>BALANCE-NET ASSETS AT JANUARY 31, 1955</u>	<u>\$5,091,180.69</u>	<u>\$1,018.24</u>																			

*Dividends declared includes the final dividend for the year, declared February 15, 1955 and payable March 10, 1955 (\$1,451,150) and Net Assets at January 31, 1955 represents the net assets at that date after deducting this dividend.

GRAHAM-NEWMAN CORPORATION
NEW YORK
ANALYSIS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JANUARY 31, 1955

	<u>TOTAL</u>	<u>CAPITAL STOCK</u>	<u>CAPITAL SURPLUS</u>	<u>EARNED SURPLUS</u>	<u>UNREALIZED APPRECIATION (Net)*</u>
<u>NET ASSETS AT JAN.31,1954</u>					
before deducting					
final dividend					
for year	\$6,433,463.44	2,500,000	2,097,580.92	\$ 401,386.80	1,434,495.72
Deduct-Final dividend					
for fiscal year ended					
Jan.31,1954; declared					
Feb.17,1954 and paid					
March 5,1954	<u>582,500.00</u>		<u>181,113.20*</u>	<u>401,386.80</u>	
	5,850,963.44		1,916,467.72	-0-	
<u>ADD-Net Income</u>					
for year	1,364,939.25			1,364,939.25	
<u>LESS-Decrease in</u>					
unrealized apprecia-					
tion (net)*	<u>(486,072.00)</u>				<u>(486,072.00)</u>
	6,729,830.69		1,916,467.72	1,364,939.25	948,423.72
<u>DEDUCT-Dividends</u>					
declared	1,638,650.00		273,710.75*	1,364,939.25	
(exclusive of final					
dividend for the					
fiscal year ended					
Jan.31,1954, and					
including the final					
dividend for the					
current year-declared					
Feb.15,1955 and payable					
March 10, 1955)					
<u>BALANCE-NET ASSETS</u>					
<u>AT JAN.31,1955</u>					
(after deducting final					
dividend for year)	<u>\$5,091,180.69</u>	<u>2,500,000</u>	<u>1,642,756.97</u>	<u>\$ -0-</u>	<u>\$ 948,423.72</u>

*Excess of dividends declared over balance of
Earned Surplus.

GRAHAM-NEWMAN CORPORATION
NEW YORK
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 1955

NOTE A - VALUATION OF INVESTMENTS-UNREALIZED APPRECIATION OF INVESTMENTS

Investments have been evaluated at their quoted market values as at January 31, 1955. These valuations are not, however, intended as representations of the amounts which may be actually realizable upon sale of the securities.

The unrealized appreciation at January 31, 1955 is represented as follows:

	Ledger Value (Cost-or Proceeds)	Value at Jan.31,1955	Unrealized Appreciation
Investments in securities	\$3,854,374.64	\$5,058,053	\$1,203,678.36
Securities short (a)	(426,174.64)	(450,138)	(23,963.36)
Net securities position	<u>\$3,428,200.00</u>	<u>\$4,607,915</u>	
Unrealized appreciation at January 31, 1955			<u>\$1,179,715.00</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 year, and the balance at the close thereof, together with the related additional contingent compensation of officers (see Note B) and the balance applicable to the outstanding capital stock in respect of each of these items, were as follows:

	Total	Deduct- Additional Contingent Compensation	Balance applicable to Capital Stock
At January 31, 1954	\$1,787,305.00	\$352,809.28	\$1,434,495.72
Decrease for year	(607,590.00)	(121,518.00)	(486,072.00)
At January 31, 1955	<u>\$1,179,715.00</u>	<u>\$231,291.28</u>	<u>\$ 948,423.72</u>

NOTE B - COMPENSATION OF OFFICERS

The Chairman of the Board and the President receive salaries of \$25,000 per annum each, and the Treasurer a salary of \$18,000 per annum. In addition thereto, additional compensation is payable to them as a group of 20% 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 the 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 outstanding capital stock. The total amount of such additional compensation subsequent to January 31, 1948 is however limited to 25% of the excess of the dividends paid during this period over an amount equivalent to \$40.00 per share per annum on the presently outstanding capital stock (or the equivalent on the old stock outstanding prior to recapitalization in 1950). 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) is considered as having been paid during such prior year. The additional compensation is payable in five equal annual installments within sixty days of the close of the respective fiscal years, but payment of deferred installments may be accelerated at the discretion of the directors. In the event

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1955

(CONTINUED)

NOTE B - COMPENSATION OF OFFICERS (continued)

of the death of any officer who is entitled to additional compensation, or upon the termination of his tenure of office, the additional compensation due him is to be determined upon the basis of the value of investments (including unrealized appreciation or depreciation) as at the date of such event.

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	\$2,534,626.76
Proceeds of sales of securities	4,041,155.31

GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1955

S U M M A R Y

	MARKET VALUE AT JAN.31,1955
<u>HOLDING COMPANIES</u>	
Preferred Stocks	\$ 12,975
Common Stocks	44,615
<u>OTHER SECURITIES</u>	
<u>Bonds</u>	
Railroads	593,162
Utilities	22,000
Industrial	67,096
<u>Preferred Stocks</u>	
Utilities	21,575
Industrial	607,490
<u>Common Stocks</u>	
Railroads	469,700
Utilities	113,808
Banks	43,750
Industrial	3,061,882
<u>TOTAL</u>	<u>\$5,058,053</u>

GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1955

No. of shares or Face amount	MARKET VALUE JAN. 31, 1955
<u>HOLDING COMPANIES</u>	
<u>Preferred Stocks</u>	
100 Alleghany Corp. \$4.00 Convertible Prior Preferred	\$ <u>12,975</u>
<u>Common Stocks</u>	
3,405 Engineers Public Service Company (stubs)	340
7,700 First Railroad & Banking Company of Georgia	<u>44,275</u>
	\$ <u>44,615</u>
<u>OTHER SECURITIES-BONDS</u>	
<u>Railroads</u>	
25 M. Chicago, Terre Haute & Southeastern Railroad Co. Income Mortgage 2-3/4% 1/1/1994	19,625
195 M. International Great Northern Railroad Company Adjustment Mortgage Series A 6% 1952	179,016*
313 M. Missouri Pacific Railroad 5 1/2% Series A 5/1/49	344,006*
31 M. Missouri Pacific Railroad 5 1/4% Secured Serial 12/1/1956	46,515*
20 M. New York, New Haven & Hartford Railroad Co. Certificates of Beneficial Interest	<u>4,000</u>
	\$ <u>593,162</u>
<u>Utilities</u>	
25 M. Brazilian Traction Light & Power Co. Ltd. Series E Convertible Collateral Trust 4 1/2% 9/1/71	\$ <u>22,000</u>
<u>Industrial</u>	
25 M. Perkin Elmer Corporation 5% Subordinated Convertible Income 3/1/1967	61,531#
7 M. Walworth Co. 3-1/4%-1976	<u>5,565</u>
	\$ <u>67,096</u>

*Evaluated on basis of realizable value of sales contracts
of when issued securities receivable in proposed
reorganization.

#Evaluated on basis of market value of stock receivable
upon conversion.

INVESTMENTS IN SECURITIES

JANUARY 31, 1955

Number of Shares		MARKET VALUE JAN. 31, 1955
<u>OTHER SECURITIES-PREFERRED STOCKS</u>		
<u>Utilities</u>		
2,200	Central States Electric Corporation 7% Cumulative Preferred (stubs)	\$ 20,075
10,000	Market Street Railway Company 6% Cumulative Prior Preferred (x)	<u>1,500</u>
		<u>\$ 21,575</u>
<u>Industrial</u>		
1,000	A C F Industries Inc. 5% Cumulative Preferred	54,500
1,000	American Airlines 3½% Cumulative Convertible Preferred	113,000
197	American Bosch Arma Corp. 5½% Cumu- lative Convertible Second Preferred	13,790
400	Avco Manufacturing Corporation \$2.25 Cumulative Convertible Preferred	18,750
1,000	Brown Co. \$5.00 Cumulative Convertible First Preferred	110,500
200	Burlington Mills 4½% Second Preferred	15,900
400	Crucible Steel Company of America 5% Cumulative Convertible Preferred	42,200
500	Fedders Quigan Corporation Series A 5% Cumulative Convertible Preferred	27,125
200	Gar Wood Industries, Inc. 4½% Cumulative Convertible First Preferred	7,000
800	Granite City Steel Co. 5½% Cumulative Convertible Preferred	103,800
300	Hamilton Watch Co. 4% Cumulative Convertible Preferred	28,500
200	McCord Corporation \$2.50 Convertible Preferred	8,875
600	National Container Corp. \$1.25 Cumulative Convertible Preferred	15,750
100	Olin Mathieson Chemical Corporation 4¼% Convertible Preferred-1951	12,000
800	Thermoid Company \$2.50 Cumulative Convertible Preferred	35,800
		<u>\$607,490</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.

INVESTMENTS IN SECURITIES

JANUARY 31, 1955

No. of shares	MARKET VALUE JAN. 31, 1955
<u>OTHER SECURITIES-COMMON STOCKS</u>	
<u>Railroads</u>	
Cleveland & Pittsburgh Railroad Co.:	
400 \$3.50 Regular Guaranteed	\$ 29,700
400 \$2.00 Special Guaranteed Betterment	17,600
10,500 Illinois Terminal Railroad Co.	152,250
200 Mahoning Coal Railroad Co.	112,000
200 Northern Central Railway Co.	17,550
240 Vermont & Massachusetts Railroad Co.	25,800
1,600 Western Pacific Railroad Company	114,800
<u>\$469,700</u>	
<u>Utilities</u>	
2- ⁶⁴ / ₁₅₄ Brooklyn & Richmond Ferry Co.	208
500 Gold & Stock Telegraph Company	81,500
300 International Ocean Telegraph Company	32,100
<u>\$113,808</u>	
<u>Banks</u>	
10,000 Continental Bank & Trust Company (N.Y.)	<u>\$ 43,750</u>
<u>Industrials</u>	
2,500 A.C.F. Brill Motors Corp.	29,062
1,500 Allied Kid Company	30,000
6,800 American Hawaiian Steamship Company	438,600
23,763 Atlantic Gulf & West Indies Steamship Lines (x)	493,082
500 B.S.F. Co.	9,750
500 Barker Bros.	8,188
400 Brockway Motor Co.	11,700
350 Brunswick Balke Collender Co.	7,481
2,000 Butler Bros.	50,000
2,500 Carman & Co. Inc.	16,250
2,500 Chamberlin Co. of America	15,312
1,150 Cleveland Worsted Mills Company	107,525
1,500 C. G. Conn Ltd.	10,125
210 Consolidated Cigar Corporation	5,880
5,000 Consolidated Liquidating Corporation	3,125
1,200 Coro, Inc.	16,350
1,500 Crowley Milner & Co.	11,625
2,000 Crompton & Knowles Loom Works	33,000
1,300 Davenport Hosiery Mills, Inc.	20,800
900 Demlein Corp.	19,125
2,800 Diamond T. Motor Car Co.	39,200
1,000 Dictograph Products Co., Inc.	6,125
4,000 Easy Washing Machine Corporation	58,500
400 General Cigar Co.	10,400
700 General Realty & Utilities Corp.	12,162
<u>\$1,463,367.</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.

INVESTMENTS IN SECURITIES

JANUARY 31, 1955

No. of shares	OTHER SECURITIES-COMMON STOCKS (Continued)	MARKET VALUE JAN. 31, 1955
<u>Industrials (continued)</u>		
Forward		\$1,463,367
1,300	Greif Bros. Cooperage Class A	32,988
1,400	Gruen Watch Company	20,650
500	Hart, Schaffner & Marx	16,062
900	Hercules Motors Corporation	17,325
1,000	International Packers Ltd.	15,875
100	Jenkins Brothers (Non-voting)	3,450
1,800	Kalamazoo Stove & Furnace Co.	4,050
300	I. B. Kleinert Rubber Company	6,262
200	Mandel Bros., Inc.	1,375
25	Marshall-Wells Company	6,975
900	Miami Copper Co.	35,550
220	Millers Falls Co.	5,995
2,200	Monterey Oil Company	76,175
1,900	Mohawk Rubber Co.	27,787
2,000	Moore Handley Hardware Co.	13,750
600	Motor Products Corp.	13,050
4,368	Nathan Straus-Duparquet, Inc.	25,662
1,300	National Department Stores Corporation	24,050
2,300	New York Merchandise Co., Inc.	24,150
40,000	Philadelphia & Reading Coal & Iron Co.	550,000
2,500	Pressed Metals Co. of America, Inc.	33,750
5,075	Publicker Industries, Inc.	58,362
7,600	Reo Holding Corp.	213,750
1,500	Rockwood & Co.	137,250
800	Reliable Stores Corporation	23,500
2,500	Reliance Manufacturing Co.	34,375
500	Sargent & Co.	7,125
800	Schenley Industries, Inc.	19,800
220	Shuron Optical Company, Inc.	8,855
100	Singer Manufacturing Co.	4,100
1,000	Spiegel, Inc.	11,625
945	Timely Clothes, Inc.	16,065
1,450	Todd Shipyards Corporation	89,900
1,350	Tyer Rubber Company	17,212
500	Willys Overland Motors, Inc. (stubs)	1,665
		<u>\$3,061,882</u>

GRAHAM-NEWMAN CORPORATION

NEW YORK

SECURITIES SHORT

JANUARY 31, 1955

<u>No. of shares</u>		<u>COVER VALUE JAN. 31, 1955</u>
<u>COMMON STOCKS-INDUSTRIALS</u>		
1,600	Alleghany Corp.	\$ 12,800
4,800	American Airlines	112,800
709	American Bosch Arma Corp.	13,117
7,000	Brown Co.	109,375
1,298-16/100	Crucible Steel Company of America	45,110
2,028	Fedders Quigan Corporation	24,336
800	Gar Wood Industries, Inc.	5,400
4,200	Granite City Steel Co.	100,800
1,000	National Container Corp.	15,250
200	Olin Mathieson Chemical Corp.	11,150
		<u>\$450,138</u>