

**GRAHAM-NEWMAN CORPORATION**

122 EAST 42ND STREET  
NEW YORK 17, N. Y.

March 2nd, 1953

To the Stockholders of Graham-Newman Corporation:

Submitted herewith are financial statements of the Corporation covering the fiscal year ended January 31st, 1953.

The appended balance sheet indicates a net asset value of \$1,361.11 per share on January 31st, 1953, compared with \$1,257.85 per share on January 31st, 1952. The indicated net asset value on February 16th, 1953 was approximately \$1,359.00 per share.

FISCAL YEAR RESULTS AND DIVIDENDS

Net realized profits for the fiscal year (without reflecting the increase in unrealized appreciation) amounted to \$123.90 per share. The total dividends paid and declared applicable to the net realized profits for the fiscal year aggregate \$127.81. Such dividends consist of the quarterly dividends of \$12.50 each paid in June and September 1952, the dividend of \$50 paid in December 1952 and a dividend of \$52.81, declared February 17th, 1953 payable March 12th, 1953 to stockholders of record March 9th, 1953.

Total dividends of \$127.81 applicable to the fiscal year exceed the net realized profit for the fiscal year by \$3.91 per share and is represented by (a) a net amount of \$4.19 per share reflecting a reserve for officers' compensation which is not tax deductible until paid out and (b) less a net amount of \$.28 per share covering an adjustment between dividend income accrued from portfolio securities and that actually received during the fiscal year.

Of the total dividends of \$127.81 applicable to the fiscal year, \$112.31 per share represents long term capital gains, \$15.50 is ordinary income.

The overall gain for the fiscal year, including the net increase in unrealized appreciation, was \$195.71 per share, or 15.6% on the asset value of the shares at the beginning of the fiscal year.

CALENDAR YEAR DIVIDENDS

During the calendar year 1952 the total dividends paid amounted to \$92.44, consisting of a dividend of \$17.44 paid in March out of net realized profits of the fiscal year ended January 31st, 1952 and the \$75 of dividends paid as stated above.

Of the dividends of \$92.44 paid during the calendar year of 1952, \$83.57 per share represents long term capital gains, \$.04 per share represents short term capital loss and \$8.91 per share is ordinary income.

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 13th, 1953 will be mailed to the stockholders on or about April 1st, 1953.

By order of the Board of Directors,

Benj. Graham,  
President

Jerome A. Newman,  
Vice President & Treasurer

OFFICERS

Benjamin Graham,  
President

Jerome A. Newman  
Vice President & Treasurer

Edward E. Laufer,  
Secretary

Howard A. Newman,  
Vice President

Walter J. Schloss,  
Assistant Secretary

DIRECTORS

Benjamin Graham

Jerome A. Newman

Wm. K. Jacobs, Jr.

Robert J. Marony

David L. Dodd

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, 1953 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, 1953 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  
Certified Public Accountants

New York, N. Y.  
February 24, 1953.

GRAHAM-NEWMAN

NEW

B A L A N C E

JANUARY 31,

A S S E T S

CASH \$ 276,395.26

DUE FROM BROKERS FOR SECURITIES SOLD 7,360.38

DEPOSITS WITH BROKERS 382,073.06

INVESTMENTS IN SECURITIES-AT MARKET VALUE (Note A) 7,307,498.00  
(Cost \$4,661,456.70)

OTHER ASSETS

Dividends receivable	\$ 6,776.26	
Interest accrued on bonds	398.45	
Deposits and sundry receivables	9,366.30	
Furniture and fixtures	<u>10,051.45</u>	26,592.46

\$7,999,919.16

CORPORATION

YORK

S H E E T

1953

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

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SECURITIES SHORT - at cover value (net proceeds of sales \$275,978.05)		\$ 364,507.00
SUNDRY PAYABLES AND ACCRUALS		13,704.97
DUE TO OFFICERS (Benjamin Graham and Jerome A. Newman) for additional compensation-on basis of realized net income for the four fiscal years ended January 31, 1953 (Note B)		309,289.36
of which currently payable	\$ 83,994.28	
balance payable in installments (1954-1957)	<u>225,295.08</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)		506,850.74
NET ASSETS APPLICABLE TO OUTSTANDING CAPITAL STOCK		6,805,567.09
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>157,324.56</u>	
Total Capital Stock and Surplus	4,754,905.48	
Unrealized appreciation of investments-after deducting provision for related additional contingent compensation of officers (Note A)	<u>2,050,661.61</u>	
Total, as above (equivalent to \$1,361.11 per share)	<u>\$6,805,567.09</u>	
		<u>\$7,999,919.16</u>

GRAHAM-NEWMAN CORPORATION  
NEW YORK  
PROFIT AND LOSS STATEMENT  
FOR THE FISCAL YEAR ENDED JANUARY 31, 1953

STATEMENT OF INCOME AND EXPENSES

(excluding gain or loss on investments)

Income

Dividends .	\$280,518.69
Interest on investments	6,979.31
Other Income	<u>5,833.20</u>
Total	293,331.20

Expenses

Salaries of Officers:

Benjamin Graham (Note B)	\$ 25,000.00
Jerome A. Newman (do)	25,000.00
Other	22,445.33

Other:

Office salaries	13,138.91
Executive committee fees	10,000.00
Directors' fees	450.00
Rent and light	4,400.08
Telephone and telegraph	3,136.31
Taxes (other than Federal taxes on income)	8,210.42
Legal and auditing	6,000.00
Custodian fees	2,761.08
General expense	6,848.14
Depreciation (furniture and fixtures)	<u>1,239.87</u>

Total

128,630.14  
6,034.72

Interest paid

Total Expenses (exclusive of additional  
compensation of officers)

134,664.86

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

158,666.34

NET REALIZED GAIN ON INVESTMENTS

Amount realized	2,291,263.14	
Cost	<u>1,725,523.78</u>	<u>565,739.36</u>

NET INCOME before deducting additional compensation  
of officers and provision for Federal taxes  
on income

724,405.70

Deduct-Provision for additional compensation  
of officers (Note B):

Benjamin Graham	\$52,440.57	
Jerome A. Newman	<u>52,440.57</u>	104,881.14

Provision for Federal taxes on income  
(Note C)

None

104,881.14

NET INCOME FOR YEAR

619,524.56

ADD-INCREASE IN UNREALIZED APPRECIATION (Note A)

At January 31, 1953	\$2,557,512.35	
At January 31, 1952	<u>2,108,748.29</u>	448,764.06

Deduct-Provision for related additional contingent  
compensation of officers

89,752.80    359,011.26

NET "OVER ALL" INCOME FOR YEAR

\$978,535.82

including increase in unrealized appreciation

equivalent (on 5,000 shares) to . . . . . \$195.71 per share

GRAHAM-NEWMAN CORPORATION  
NEW YORK  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 1953

			<u>Per Share</u>
<u>NET ASSETS AT JANUARY 31, 1952</u>		\$6,289,231.27	\$1,257.85
<u>ADD</u>			
Net Income for the fiscal year ended January 31, 1953:			
Net Income, excluding gain or loss on investments (before deducting additional compensation of officers)	\$158,666.34		
Net realized gain on sales of investments	565,739.36		
Total	724,405.70		
Deduct-Additional compensation of officers (Note B)	104,881.14		
Net Income for the year		619,524.56	123.90
Increase in unrealized appreciation of investments	448,764.06		
Deduct-Provision for related additional contingent compensation of officers	89,752.80	359,011.26	71.80
<u>TOTAL</u>		7,267,767.09	1,453.55
<u>DEDUCT - DIVIDENDS PAID</u>			
	<u>Per Share</u>		
March 28, 1952	\$17.44	87,200.00(a)	
June 27, 1952	12.50	62,500.00	
Sept. 26, 1952	12.50	62,500.00	
Dec. 29, 1952	50.00	250,000.00	
	<u>\$92.44</u>	<u>462,200.00</u>	<u>92.44</u>
<u>BALANCE - NET ASSETS AT JANUARY 31, 1953</u>		<u>\$6,805,567.09</u>	<u>\$1,361.11</u>

ANALYSIS OF CHANGES IN NET ASSETS-FOR THE FISCAL YEAR ENDED JANUARY 31, 1953

	<u>Total</u>	<u>Capital Stock</u>	<u>Capital Surplus</u>	<u>Earned Surplus</u>	<u>Unrealized Appreciation (net) (b)</u>
Net Assets at Jan. 31, 1952	\$6,289,231.27	\$2,500,000	\$2,097,580.92	\$ -	\$1,691,650.35
Add:					
Net Income for the year	619,524.56			619,524.56	
Increase in unrealized appreciation (net) (b)	359,011.26				359,011.26
Total	7,267,767.09	2,500,000	2,097,580.92	619,524.56	2,050,661.61
Deduct:					
Dividends paid	462,200.00			462,200.00	
Balance-Net Assets at Jan. 31, 1953	<u>\$6,805,567.09</u>	<u>\$2,500,000</u>	<u>\$2,097,580.92</u>	<u>\$157,324.56</u>	<u>\$2,050,661.61</u>

(a) The dividend paid March 28, 1952 was paid out of the net income for the prior fiscal year.

(b) 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, 1953

NOTE A - VALUATION OF INVESTMENTS-UNREALIZED APPRECIATION OF INVESTMENTS

Investments have been evaluated at their quoted market values as at January 31, 1953 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, 1953 is represented as follows:

	<u>Cost</u>	<u>Value at Jan. 31, 1953</u>	<u>Unrealized Appreciation</u>
Investments in securities	\$4,661,456.70	\$7,307,498	\$2,646,041.30
Securities short (a)	<u>275,978.05</u>	<u>364,507</u>	<u>( -88,528.95)</u>
Net securities position	<u>\$4,385,478.65</u>	<u>\$6,942,991</u>	
Unrealized Appreciation at January 31, 1953			<u>\$2,557,512.35</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 increase 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, 1952	\$2,108,748.29	\$417,097.94	\$1,691,650.35
Increase for year	<u>448,764.06</u>	<u>89,752.80</u>	<u>359,011.26</u>
At January 31, 1953	<u>\$2,557,512.35</u>	<u>\$506,850.74</u>	<u>\$2,050,661.61</u>

The investment in Atlantic Gulf and West Indies Steamship Lines (AGWI) common stock has been valued at its quoted market value on the New York Stock Exchange as at January 31, 1953, and upon this basis shows an unrealized appreciation at that date of \$1,544,595.50, of which \$297,038.00 represents appreciation during the current year. Effective control of AGWI

Corporation, have been valued at their quoted market value on the New York Stock Exchange. The investments in Monterey Oil Co. common stock and in Perkin, Elmer Corporation 5% Income Debentures (March 1, 1967), for which no market quotations were available, have been evaluated by the management and in the statements herein at \$452,500.00 which amount represents unrealized appreciation of \$400,200, of which \$241,000 represents appreciation during the current year. 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, 1953

(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, a dividend paid subsequent to the close of a fiscal year out of income for the fiscal year, as permitted under the Internal Revenue Code, is to be included in the total dividends for the fiscal year. The additional compensation for the fiscal year ended January 31, 1949 has been paid in full, and for all subsequent years 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	\$ 981,404.89
Proceeds of sales of securities	2,278,594.31

GRAHAM-NEWMAN CORPORATION

NEW YORK

INVESTMENTS IN SECURITIES

JANUARY 31, 1953

S U M M A R Y

MARKET VALUE  
AT JANUARY 31, 1953

INVESTMENT COMPANIES

Common Stocks

\$ 156,375

HOLDING COMPANIES

Preferred Stocks

8,622

Common Stocks

388,842

OTHER SECURITIES

Bonds

Railroads

204,950

Utilities

32,273

Industrials

50,000

Preferred Stocks

Utilities

68,450

Industrial

458,724

Common Stocks

Railroads

535,000

Utilities

187,557

Banks

61,250

Insurance Companies

20,875

Industrial

5,134,580

TOTAL

\$7,307,498

## GRAHAM-NEWMAN CORPORATION

NEW YORK

## INVESTMENTS IN SECURITIES

JANUARY 31, 1953

<u>No. of Shares</u>		<u>MARKET VALUE JAN. 31, 1953</u>
<u>INVESTMENT COMPANIES</u>		
<u>Common Stocks</u>		
800	Amoskeag Company	\$ 132,000
1,300	Mission Development Company	24,375
		<u>\$ 156,375</u>
<u>HOLDING COMPANIES</u>		
<u>Preferred Stocks</u>		
25	Standard Power & Light Corp. \$7.00 Cumulative Preferred	5,247
1,000	Western Pacific Railroad 6% Cumulative Convertible Preferred	3,375
		<u>\$ 8,622</u>
<u>Common Stocks</u>		
3,405	Engineers Public Service Company (stubs)	579
1,100	Georgia Railroad & Banking Company	183,700
10,000	Middle West Corporation	6,500
1,500	Royal Dutch Petroleum Company	40,875
2,500	Western Pacific Railroad Company	157,188
		<u>\$ 388,842</u>
<u>OTHER SECURITIES - BONDS</u>		
<u>Face Amount</u>		
<u>Railroads</u>		
25 M.	Chicago, Indianapolis & Louisville Railway Co. First Income 4% 1/1/1983	18,000
50 M.	International Great Northern Railroad Company Adjustment Mortgage Series A 6% 1952	37,750
	Missouri Pacific Railroad	
50 M.	5½% Series A 5/1/49	46,875
75 M.	4% General Mortgage 3/1/75	84,750
	4½% 65 year Series A When issued	1,690*
	4½% 75 year Series B When issued	260*
100 M.	New York, New Haven & Hartford Railroad certificates of beneficial interest	15,625
		<u>\$ 204,950</u>
<u>Utilities</u>		
25 M.	Brazilian Traction Light & Power Co., Ltd. Series E Convertible Collateral Trust 4½% 9/1/71	24,062
100 M.	Chicago City Railway Company First Mortgage 5% 2/1/1927 (stubs)	625
	Chicago Rapid Transit Company: First & Refunding Mortgage Series A:	
155 M..	6% 7/1/1953 (stubs)	7,130
	6½% 7/1/1944 (stubs)	
6 M.	Union Elevated Railroad Company First Mortgage 5% 10/1/1945 (stubs)	456
		<u>\$ 32,273</u>

\*Indicated gain

# INVESTMENTS IN SECURITIES

JANUARY 31, 1953

## OTHER SECURITIES - BONDS (Continued)

MARKET VALUE  
JAN. 31, 1953

Face  
Amount

### Industrials

50 M. Perkin-Elmer Corporation Subordinated  
Convertible Income 5% 3/1/67

\$ 50,000 \*\*

## OTHER SECURITIES-PREFERRED STOCKS

No. of  
Shares

### Utilities

1,200 Central States Electric Corporation  
7% Cumulative Preferred (stubs)

22,200

10,000 Market Street Railway Company 6%  
Cumulative Prior Preferred (x)

46,250

\$ 68,450

### Industrial

300 American Woolen Co., Inc. \$4.00 Cumulative  
Convertible Preferred

21,300

100 American Zinc, Lead & Smelting Company \$5.00  
Cumulative Prior Preferred

9,525

Autocar Company:

609 5% Cumulative Convertible Preferred Series A)

291 5% Convertible Preferred Series B

100 5% Cumulative Convertible Preferred Series C)

16,875

1,000 Avco Manufacturing Corporation \$2.25 Cumulative  
Convertible Preferred

49,625

300 Cluett Peabody & Co. 4% Cumulative Convertible  
Second Preferred

23,775

1,000 Crucible Steel Company of America 5% Cumulative  
Convertible Preferred

86,250

600 Fedders Quigan Corporation Series A 5%  
Cumulative Convertible Preferred

36,000

400 Gar Wood Industries, Inc. 4½% Cumulative  
Convertible Preferred

13,850

500 General Cable Corporation 4% Cumulative  
Convertible Second Preferred

16,562

200 Mengel Company 5% Cumulative Convertible  
First Preferred

9,400

1,500 Murray Corporation of America 4% Cumulative  
Preferred

72,562

800 Thermoid Company \$2.50 Cumulative Convertible  
Preferred

34,000

1,000 Tung-Sol Electric, Inc. Cumulative Convertible  
Preferred 5%

69,000

\$ 458,724

INVESTMENTS IN SECURITIES

JANUARY 31, 1953

<u>No. of Shares</u>		<u>MARKET VALUE JAN. 31, 1953</u>
<u>OTHER SECURITIES-COMMON STOCKS</u>		
<u>Railroads</u>		
	Cleveland & Pittsburgh Railroad Co.	
400	\$3.50 Regular Guaranteed	\$ 29,400
400	\$2.00 Special Guaranteed Betterment	17,500
1,000	Delaware Railroad Company	44,750
200	Mahoning Coal Railroad Co.	108,200
4,000	Montgomery & Erie Railway Company (3½% guaranteed by Erie Railroad Company)(x)	32,000
200	Northern Central Railway Company	17,050
2,500	Northern Pacific Railway Company	197,500
1,000	Southwestern Railroad Company	70,000
300	West Jersey & Seashore Railroad Company	18,600
		<u>\$ 535,000</u>
<u>Utilities</u>		
7,000	Boston Elevated Railway Company	97,125
1,200	Eastern Utilities Associates-Convertible	13,800
260	Gold & Stock Telegraph Company	34,320
300	International Ocean Telegraph Company	30,000
500	Puget Sound Power & Light Company	12,312
400	United Public Utilities Corporation	-
		<u>\$ 187,557</u>
<u>Banks</u>		
10,000	Continental Bank & Trust Company (N.Y.)	<u>\$ 61,250</u>
<u>Insurance Companies</u>		
500	Standard Accident Insurance Company	<u>\$ 20,875</u>
<u>Industrials</u>		
7,500	Adam Hat Stores, Inc.	24,375
1,500	Allied Kid Company	30,000
3,550	American Arch Company (Delaware) }	
	American Arch Company, Inc. (New York) }	1,775
3,500	American Crystal Sugar Company	76,562
6,500	American Hawaiian Steamship Company	365,625
1,500	American La France Foamite Corporation	20,062
600	American Laundry Machinery Company	14,850
23,763	Atlantic Gulf & West Indies Steamship Lines(x)	2,673,338
800	Brockway Motor Company	16,000
1,000	Brunswicke Balke Collander Co.	18,875
4,000	Buda Company	57,500
600	Caribbean Sugar Co.	300
2,500	Carman & Co., Inc.	10,000
1,150	Cleveland Worsted Mills Company	108,675
1,000	C. G. Conn Ltd.	7,125
5,000	Consolidated Liquidating Corporation	5,000
500	Consolidated Cigar Corporation	15,688
3,200	Coro, Inc.	32,400
600	Crowley Milner & Company	3,975
		<u>\$3,482,125</u>
	Forward	

# INVESTMENTS IN SECURITIES

JANUARY 31, 1953

No. of Shares		MARKET VALUE JAN. 31, 1953
<u>OTHER SECURITIES-COMMON STOCKS</u> (Continued)		
<u>Industrials</u> (continued)		
Forward		\$3,482,125
4,500 De Vilbiss Company		84,938
600 Diamond T Motor Car Co.		7,950
1,000 Dictograph Products Co., Inc.		5,625
2,500 Easy Washing Machine Corporation-Class B		40,312
45,950 Flagg Utica Corp. (x)		218,262
1,500 General Cigar Co.		28,500
240 Gisholt Machine Company		3,810
500 Grief Brothers Cooperage Corp. Series "A"		8,187
500 Hart Schaffner & Marx		11,562
400 Hercules Motors Corporation		7,400
300 Howe Scale Company		1,762
600 Jenkins Brothers (Non-Voting)		13,425
900 Jones & Lamson Machine Co.		34,088
1,500 Kalamazoo Stove & Furnace Company		12,000
300 I. B. Kleinert Rubber Company		4,875
2,400 Lamson Corporation		20,400
1,000 Lit Brothers		16,500
1,500 Mandel Bros., Inc.		9,562
1,400 Manhattan Shirt Company		32,200
25 Marshall-Wells Company		7,350
400 Miami Copper Co.		10,650
2,300 Monterey Oil Company		402,500*
1,400 Namm's-Loeser's, Inc.		5,600
4,000 Nathan Straus-Duparquet, Inc.		25,000
2,300 National Department Stores Corporation		33,062
2,300 New York Merchandise Co., Inc.		19,550
600 New York Shipbuilding Corporation-Participating		11,475
1,000 New York Shipbuilding Corporation-Founders		19,250
600 Pacific Mills		16,050
21,100 Philadelphia & Reading Coal & Iron Co.		377,162
1,400 Real Silk Hosiery Mills, Inc.		19,075
900 Reliable Stores Corporation		26,887
1,000 Rice-Stix, Inc.		26,750
200 Sargent & Company		3,800
220 Shuron Optical Company, Inc.		7,040
945 Timely Clothes, Inc.		12,521
450 Tyer Rubber Company		14,625
1,500 Wealdon Corporation		29,812
500 Youngstown Sheet & Tube Company		22,938
		<u>\$5,134,580</u>

\* \*Valued by management

(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, 1953

No. of Shares	COVER VALUE JAN. 31, 1953
<u>PREFERRED STOCKS</u>	
<u>Railroads</u>	
2,500	Missouri Pacific Railroad Company 5% Cumulative Convertible Preferred \$5.00 Preferred Series A-When issued \$126,562 2,694*
<u>COMMON STOCKS</u>	
<u>Industrials</u>	
400	American Zinc Lead & Smelting Company 7,600
3,800	Avco Manufacturing Corporation 31,350
2,506-78/100	Crucible Steel Company of America 80,530
2,184	Fedders Quigan Corporation 34,671
1,800	Gar Wood Industries, Inc. 12,150
2,800	Tung-Sol Electric, Inc. 68,950
	<u>\$364,507</u>

\*Indicated Loss