REGISTRATION NO. 33-82432

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-3

REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

GRAHAM CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	16-1194720
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION	(I.R.S. EMPLOYER IDENTIFICATION NO.)

GRAHAM CORPORATION
20 Florence Avenue
Batavia, NY 14020
(716) 343-2216
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF THE REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

WILLIAM A. SMITH, JR., ESQ.
GENERAL COUNSEL
GRAHAM CORPORATION
20 Florence Avenue
Batavia, NY 14020
(716) 343-2216

WITH COPIES TO:

W. EDWARD BRIGHT, ESQ.
THACHER PROFFITT & WOOD
Two World Trade Center
New York, NY 10048
(212) 912-7435
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend reinvestment plans, please check the following box. |_|

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. |_|

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. |_|

<TABLE>
<CAPTION>

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Common Stock...........................	102,303	$10,625	$1,086,969	$374.82(2)

</TABLE>

(1) Estimated solely for the purposes of calculating the registration fee in accordance with Rule 457(h) of the Securities Act of 1933, pursuant to which shares are considered to be offered at the average of the high and low sale price of Graham Corporation common stock as of the close of the day on September 3, 1996 as reported on the American Stock Exchange.

(2) A fee in the amount of $294.45 was previously paid with filing of Company's Registration Statement on August 4, 1996.

The Registrant hereby amends this Registration Statement on such dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

Prospectus

102,303 Shares

GRAHAM CORPORATION

COMMON STOCK

The Prospectus may be used in connection with the distribution of up to 102,303 shares of Common Stock, par value $.10 per share (the "Common Stock"), of Graham Corporation ("Graham" or the "Company") (such shares being referred to as the "Pension Plan Shares") proposed to be offered for sale by and for the account of the Graham Corporation Retirement Income Plan (the "Plan"), which Plan serves as a funding medium for and holds the assets of a pension plan maintained by Graham and its United States subsidiaries. Any sales of the Pension Plan Shares will be at market prices (plus customary or negotiated brokerage commissions) prevailing at the time of sale in the case of transactions on the American Stock Exchange (the "ASE") or at negotiated prices related to market prices in privately negotiated transactions consummated off the floor of the ASE.

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY EACH PROSPECTIVE INVESTOR, SEE "RISK FACTORS" BEGINNING ON PAGE 7 OF THIS PROSPECTUS.

The Common Stock of Graham is listed on the American Stock Exchange under the symbol "GHM." On September 3, 1996, the reported last sale price of the Common Stock on the American Stock Exchange Composite Transactions Tape was $10.625 per share.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER FEDERAL AGENCY OR ANY STATE SECURITIES COMMISSION, NOR HAS SUCH COMMISSION, OTHER AGENCY OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Issuer or Other Persons
Per common share	(1)	(1)	(2)
Total	(1)	(1)	(2)

(1) The shares will be sold at market prices (plus customary or negotiated brokerage commissions) prevailing at the time of sale in the case of transactions consummated on the floor of the ASE or at negotiated prices in privately negotiated transactions consummated off the floor of the ASE.

(2) The shares offered hereby are being offered by and for the account of the Graham Corporation Retirement Income Plan. Actual net proceeds will give effect to an estimated $32,875 in fees and expenses, exclusive of any brokerage commissions.

The date of this prospectus is September 5, 1996.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Graham Corporation has filed with the Securities and Exchange Commission (the "Commission"), pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), an Annual Report on Form 10-K for the fiscal year ended December 31, 1995, a Quarterly Report on Form 10-Q for the quarter ended March 31, 1996 and a Quarterly Report on Form 10-Q for the quarter ended June 30, 1996, which are hereby incorporated by reference in and made a part of this Prospectus. In addition, Graham has filed with the Commission pursuant to Section 12 of the Exchange Act, a registration statement on Form 8-B dated March 7, 1983 which is hereby incorporated by reference in and made a part of this prospectus.

All documents hereafter filed by the Company with the Commission, pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which amendment indicates that all securities offered hereby have been sold or which deregisters all securities remaining to be sold, shall be deemed to be incorporated by reference in and to be a part of this Prospectus from the date of filing such documents. Any statement contained in a document incorporated by reference herein shall be deemed modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is also deemed to be incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Prospectus, except as so modified or superseded.

This Prospectus incorporates documents by reference which are not presented herein or delivered herewith. These documents (not including exhibits to such documents, unless such exhibits are incorporated by reference in such documents) are available without charge upon written or oral request directed to William A. Smith, Jr., General Counsel, Graham Corporation, 20 Florence Avenue, Batavia, New York 14020, Telephone: 716-343-2216.

AVAILABLE INFORMATION

Graham Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith, files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information may be inspected and copies may be obtained at the principal office of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission. Copies of such materials can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Reports, proxy statements and other information concerning the Company can also be inspected at the offices of the American Stock Exchange ("ASE") at 86 Trinity Place, New York, New York 10006. Copies of such documents are also available through the Commission's Electronic Data Gathering And Retrieval System.

Graham Corporation has filed with the Commission a Registration Statement on Form S-3 (herein, together with all amendments thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Common

Stock offered hereby. This Prospectus does not contain all of the information in the Registration Statement and the exhibits and schedules thereto. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein and filed as an exhibit to the Registration Statement are not necessarily complete, and, in each instance, reference is made to the copy of such document or other document filed as an exhibit to the Registration Statement, each being qualified in all respects by such reference. For further information with respect to Graham Corporation and the Common Stock, reference is hereby made to the Registration Statement and the exhibits and schedules thereto.

Graham Corporation was incorporated in 1983 under the laws of the State of Delaware. Graham Corporation is the successor to Graham Manufacturing Co., a corporation organized under the laws of the State of New York in 1936, which is now a wholly-owned subsidiary of Graham Corporation. Graham's executive offices are located at 20 Florence Avenue, Batavia, NY 14020, telephone number (716) 343-2216.

PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS.

ON JULY 25, 1996, THE BOARD OF DIRECTORS OF THE COMPANY AUTHORIZED A THREE-FOR-TWO STOCK SPLIT TO BE DISTRIBUTED ON AUGUST 23, 1996 TO SHAREHOLDERS OF RECORD AT THE CLOSE OF BUSINESS ON AUGUST 9, 1996. THE PAR VALUE OF THE COMMON STOCK REMAINED THE SAME. ALL SHARE AND PER SHARE AMOUNTS ARE RESTATED GIVING EFFECT TO THE STOCK SPLIT.

THE COMPANY

Graham Corporation was organized in 1983 as a Delaware holding company and is the successor to Graham Manufacturing Co., Inc. ("GMC"), now a wholly-owned subsidiary of the Company. GMC was organized in 1936 under the laws of the State of New York. The Company manages the activities of subsidiaries that are located in the United States and the United Kingdom. The Company is primarily engaged in the custom manufacture and design of vacuum and heat transfer equipment. The principal customers for these products are large industrial corporations in the chemical, petrochemical, petroleum refining and electric power generating industries. The Company's products are sold through a combination of direct sales engineers and independent sales representatives located in over 40 major cities in the United States and abroad.

Consolidated net sales for the year ended December 31, 1995 were $49,480,000, resulting in income from continuing operations of $1,316,000 or $0.83 per share, and $47,351,000 for the year ended December 31, 1994, resulting in income from continuing operations of $12,000. Although income from continuing operations in 1994 was $12,000, a loss from discontinued operations of $2,232,000, a loss from the disposition of discontinued operations of $6,189,000 and the cumulative effect of certain accounting changes of $6,000 implemented in 1994 resulted in a net loss for 1994 of $8,415,000 or $5.34 per share. Consolidated net sales for the six months ended June 30, 1996 were $25,080,000, as compared to $21,312,000 for the six months ended June 30, 1995. Net income for the six months ended June 30, 1996 was $836,000, or $0.52 per share, as compared to a net loss of $118,000 for the six months ended June 30, 1995, or $0.08 per share.

Graham's United States operations consist of one wholly-owned subsidiary, GMC, which is located in Batavia, NY. GMC is a leading manufacturer of steam jet ejector vacuum systems. In addition, GMC is a recognized manufacturer of surface condensers for steam turbines and various types of heat exchangers such as Heliflow, plate and frame and special types of nuclear shell and tube heat exchanges. Graham's United Kingdom operations consist of one subsidiary owned through the Company's U.K. holding company, Graham Vacuum & Heat Transfer Limited. The subsidiary is Graham Precision Pumps Limited ("GPPL"), and it is located in Congleton, Cheshire.

Graham's principal executive offices are located at 20 Florence Avenue, Batavia, NY 14040, telephone number 716-343-2216. See "The Company" herein.

THE BUSINESS

Graham's primary business is the design and manufacture of vacuum and heat transfer equipment that is primarily custom built. Its product line includes steam surface condensers, vacuum products, including steam jet ejector vacuum systems and vacuum pumps, specialty heat exchangers, including Heliflow and plate exchangers, shell and tube heat exchangers and other products, including steam vacuum refrigeration units, atmosphere relief valves, aircooled products, desuperheaters and the Micro Mix II series of instantaneous steam water heaters. The principal markets for these products are international industrial corporations in the chemical, petrochemical, petroleum refining and electric power generating industries. The Company's products are sold by a combination of direct sales engineers and independent sales representatives located in over 40 major cities in the United States and abroad. The Company's business is highly competitive, and a substantial number of the Company's competitors possess greater financial resources than the Company. While Graham holds a relatively small market share in most of its product areas, management believes that Graham is one of the leading manufacturers of steam jet ejectors.

The Company's principal customers include large chemical, petroleum and power companies, which are the end users of the equipment manufactured by the Company in manufacturing and refining processes. In addition, the Company supplies equipment to large engineering contractors in the building and installation of facilities for such companies and others. Graham is not dependent upon any individual customer or group of customers, as no customer or group of customers regularly accounts for more than 10% of Graham's annual revenue. See "The Business" herein.

USE OF PROCEEDS

The Company will not receive any proceeds from the sale of the Pension Plan Shares. The proceeds of any sales of the Pension Plan Shares will be for the benefit of the Plan and will be used to meet its obligations with respect to providing retirement benefits to participating employees and retirees and their beneficiaries. See "Use of Proceeds," "Selling Security-Holders" and "Plan of Distribution" herein.

SELLING SECURITY-HOLDERS

The Pension Plan Shares are owned by a trust established under the Plan. The proceeds from the sale of the Pension Plan Shares shall be retained by the Plan and used to meet the retirement benefit obligations of the Plan. Upon consummation of the offering, the Plan will no longer own any Common Shares. See "Selling Security-Holders" herein.

PLAN OF DISTRIBUTION

The Pension Plan Shares will not be sold by the Plan in any prearranged plan of distribution. The price and manner of sale will be in the sole discretion of the Trustees of the Plan or of the persons to whom the Trustees may delegate decision making authority. Any sales will be at market prices prevailing at the time of sale in the case of transactions on the floor of the American Stock Exchange or at negotiated prices related to the market price in the case of privately negotiated transactions consummated off the floor of the American Stock Exchange.

DESCRIPTION OF CAPITAL STOCK

The Company's authorized capital stock consists of 6,000,000 shares of common stock, par value $.10 per share, and 500,000 shares of preferred stock, par value $1.00 per share. As of August 1, 1996, the Company had outstanding 1,586,155 shares of common stock and no shares of preferred stock. As of August 1, 1996, an aggregate of 367,390 shares of common stock were reserved for issuance under the Company's stock option plan.
See "Description of Capital Stock" herein.

THE OFFERING

Securities Offered	Common Stock, $.10 par value per share (the "Pension Plan Shares"). See "Description of Capital Stock."
Common Stock Issued and Outstanding as of September 3, 1996	1,586,155 Shares
Pension Plan Shares to be offered	102,303 Shares of Common Stock
Common Stock to be Issued and Outstanding After the Offering of the Pension Plan Shares	1,586,155 Shares
American Stock Exchange Symbol	"GHM"

RISK FACTORS

See "Risk Factors" for a description of certain risk factors that should be considered by prospective investors, including: "Concentration of Customers in Cyclical Industries," "Fluctuation of Financial Results," "Technological Obsolescence," "Competitive Marketplace" and "Increased Number of Registered Shares."

RISK FACTORS

BEFORE INVESTING IN THE PENSION PLAN SHARES OFFERED HEREBY, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE INFORMATION SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH OR INCORPORATED BY REFERENCED IN THIS PROSPECTUS.

CONCENTRATION OF CUSTOMERS IN CYCLICAL INDUSTRIES. Historically, almost all of the Company's revenues have been derived from sales to corporations in the chemical, petrochemical, petroleum refining and electrical power generating industries. Corporations in these industries have historically experienced cyclical periods of construction and expansion of their plants and facilities. Currently, in the United States, these industries are experiencing a protracted cycle of little expansion of existing facilities. For example, no new major petroleum refining facilities have been constructed in the United States in 20 years. Demand for the Company's products has increasingly come from the construction of new facilities outside the United States and from the upgrading of existing facilities within the United States. While the Company believes that demand for its products should increase when the current cycle of little expansion is reversed, there can be no assurance that the Company will be successful in its efforts to obtain a greater portion of revenues from outside the United States or that the cyclical downturn in the Company's customer's industries will not continue.

FLUCTUATION OF FINANCIAL RESULTS. The Company's revenues and operating results could fluctuate significantly from period to period. Revenues and all related costs on short-term contracts are accounted for on the completed contract method and are included in income upon substantial completion or shipment to the customer. Profit margin may vary materially from product to product. As a result of these and other factors, the Company could experience significant fluctuations in revenues and operating results in future periods.

TECHNOLOGICAL OBSOLESCENCE. Technology in the heat transfer area is well established, and new technologies affect earnings only marginally. The Company believes that its future success will depend in part upon its ability to enhance existing products and to develop and manufacture new products that meet new demands from its customers. There can be no assurance that the Company will be successful in these efforts.

COMPETITIVE MARKETPLACE. The markets in which the Company operates are composed of other global and regional competitors, some of which may have greater financial, engineering, manufacturing or other resources than the

Company. There can be no assurance that the Company will have sufficient resources to continue as a leading manufacturer of many of its products or that it will be successful in capturing additional market share. See "The Business."

INCREASED NUMBER OF REGISTERED SHARES. Public trading in the Company's Common Stock may be characterized by a small trading volume. At August 1, 1996, the Pension Plan Shares being offered hereby comprised approximately 6.45% of the Company's outstanding shares of Common Stock. The addition of a substantial number of additional shares eligible for public trading may have the effect of creating an excess of the supply of shares for sale over the demand for shares to be purchased, which may lead to a decline of the prevailing prices at which shares of the Common Stock may trade. Additionally, the market price of the Common Stock could be subject to significant fluctuation if the Pension Plan Shares are sold in large quantities into the market.

USE OF PROCEEDS

Graham issued the Pension Plan Shares to the Plan in 1985 and received in exchange sales proceeds of $528,188 or $7.50 per share. At that time, the Pension Plan Shares represented slightly less than 10% of the Plan's assets. Subsequently, the market value of the Pension Plan Shares has increased significantly, and a substantial portion of the Plan's assets (other than the Pension Plan Shares) was transferred to an insurance company for payment of the purchase price for an annuity contract to provide benefits for eligible employees. The Pension Plan Shares currently constitute approximately 18.8% of the assets of the Plan. The Pension Plan Shares may be sold at such time and in such a manner as the fiduciaries of the Plan determine to be in the best interests of the Plan. Upon consummation of the offering, the Plan will no longer own any Common Stock.

Graham will not receive any proceeds from the sale of the Pension Plan Shares. The proceeds of any sales of the Pension Plan Shares will be for the benefit of the Plan and used to meet its obligations with respect to providing retirement benefits to participating employees and retirees and their beneficiaries. See "Selling Security-Holders" and "Plan of Distribution." The sale of the Pension Plan Shares will enable the Plan to diversify its investment portfolio and relieve its exposure to the price volatility which characterizes the Company's Common Stock. Because the Company is ultimately responsible for funding the Plan at satisfactory levels, this diversification strategy is expected to have beneficial effects on the Company.

CAPITALIZATION

The following table sets forth the capitalization of the Company as of June 30, 1996.

This table should be read in conjunction with the financial statements of the Company and notes thereto which are incorporated by reference in this Prospectus.

	JUNE 30, 1996
Long-term debt (including current portion)	
Revolving credit facility..........................	$ 1,081,000
Term loan due 2000.................................	388,000
Employee Stock Ownership Plan Loan Payable....................................	775,000
Capital leases.....................................	209,000
Total long-term debt.......................................	2,453,000

Shareholders' equity:	
Common stock, $.10 par value, 6,000,000 shares authorized, 1,586,155 shares issued and outstanding	159,000
Capital in excess of par value	3,204,000
Cumulative foreign currency translation	(1,890,000)
adjustment	8,690,000
Retained earnings	10,163,000
Less: Employee Stock Ownership Plan Loan Payable	(775,000)
Treasury Stock (663 shares)	(6,000)
Total shareholders' equity	9,382,000
Total capitalization	$11,835,000

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Common Stock of the Company is listed on the American Stock Exchange under the symbol "GHM."

The following table sets forth the reported high and low last sale prices per share for the Common Stock reported on the American Stock Exchange Composite Transactions Tape, as adjusted to give effect to the three-for-two stock split on August 23, 1996. The Company has not paid a dividend since the fourth quarter of 1992.

		PRICE RANGE	
		HIGH	LOW
1994			
	First Quarter	9.917	7.333
	Second Quarter	9.917	8.000
	Third Quarter	9.000	7.500
	Fourth Quarter	8.000	6.417
1995			
	First Quarter	7.583	6.167
	Second Quarter	7.917	6.000
	Third Quarter	9.250	6.750
	Fourth Quarter	10.667	7.667
1996			
	First Quarter	12.167	9.417
	Second Quarter	12.250	9.167

On September 3, 1996, the reported last sale price of the Common Stock on the American Stock Exchange Composite Transaction Tape was $10.625 per share.

Dividends on the Common Stock of the Company are payable at the discretion of the Company's Board of Directors out of funds legally available therefor. The Company last paid a dividend for the fourth quarter of 1992. Effective the first quarter of 1993 and since then, the Company's Board of Directors suspended dividend payments as a cash conservation measure, until such time as the Company generates sufficient earnings to support resumed payment of dividends. Future payments for dividends (and the amounts thereof) will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deems relevant.

Several loan agreements between the Company and its creditors contain provisions pertaining to the maintenance of minimum working capital requirements, tangible net worth, capital expenditures and financial ratios as well as restrictions on the payment of cash dividends to stockholders. The most restrictive dividend provision limits the payment of dividends to stockholders in any one year to the greater of $400,000 or 25% of consolidated net income for such year. In addition, the United States subsidiary, GMC, may pay dividends to the parent Company as long as the subsidiary remains in compliance with all financial covenants after payment of the dividend.

SELLING SECURITY-HOLDERS

The Pension Plan Shares are owned by a trust established under the Graham Corporation Retirement Income Plan (the "Plan"). The Pension Plan Shares represent 6.45% of the Common Stock Outstanding. The proceeds from the sale of the Pension Plan Shares shall be retained by the Plan and used to meet the retirement benefit obligations of the Plan. The Plan provides benefits to the Company's employees based upon years of service and average earnings for the five highest consecutive years of compensation for the ten year period preceding retirement. The Company's funding policy for the Plan is to contribute the amount required by the Employee Retirement Income Security Act of 1974, as amended. The trustee of the Plan with respect to the Plan's investment in the Common Stock is Frederick D. Berkeley, III (the "Share Trustee"), and the trustee with respect to the Plan's other investments is Manufacturer's and Trader's Trust Company. The Share Trustee has voting power with regard to the Pension Plan Shares and shares investment power with respect to the Pension Plan Shares with the Employee Benefits Committee of the Board of Directors. Any decisions with regard to the sale and distribution of the Pension Plan Shares are in the sole discretion of the Share Trustee or persons to whom the Share Trustee may delegate decision making authority. The Share Trustee may place any or all of the Pension Plan Shares with one or more independent agents, with instructions to sell shares if, as and when and on such terms and conditions as such agents may determine in their discretion. See "Use of Proceeds" and "Plan of Distribution." Upon consummation of the offering, the Plan will no longer own any Common Shares.

Frederick D. Berkeley, III is the Chairman, President and Chief Executive Officer of Graham and previously served in the same capacity with Graham's predecessor, Graham Manufacturing Co., Inc., until 1983. Mr. Berkeley is the beneficial owner of 374,352[1] shares of Common Stock, which represents 23.6% of the Common Stock outstanding. Mr. Berkeley was appointed a Share Trustee under an agreement dated September 3, 1985 for the Graham Retirement Income Plan. Mr. Berkeley's address is c/o Graham Corporation, 20 Florence Avenue, Batavia, NY 14020. Mr. Berkeley began working for Graham in 1950 and succeeded his father, Frederick D. Berkeley, Jr., a founder of the Company, as President and Chairman of the Board in 1962.

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1 Includes 23,250 shares which Mr. Berkeley may acquire within 60 days upon exercise of stock options; and 1,266 shares held by Chemical Bank as trustee for the Employee Stock Ownership Plan Trust (the "ESOP Trust") and allocated to Mr. Berkeley's account as to which Mr. Berkeley has sole voting power but no investment power except in limited circumstances. Also includes the 102,303 Pension Plan Shares owned for the Plan. Excluded from Mr. Berkeley's shareholdings are shares of common stock held by the ESOP Trust and not allocated to any individual's account, as to which Mr. Berkeley shares voting power and limited investment power with other ESOP participants.

THE COMPANY

Graham Corporation was organized in 1983 as a Delaware holding company and is the successor to Graham Manufacturing Co., Inc., now a wholly owned subsidiary of the Company. Graham Manufacturing Co., Inc. was organized in 1936 under the laws of the State of New York. The Company manages the activities of its three subsidiaries that are located in the United States and the United Kingdom. Consolidated net sales for the year ended December 31, 1995 were $49,480,000, resulting in income from continuing operations of $1,316,000 or $0.83 per share, and $47,351,000 for the year ended December 31, 1994, resulting in income from continuing operations of $12,000. Although income from continuing operations in 1994 was $12,000, a loss from discontinued operations of $2,232,000, a loss from the disposition of discontinued operations of $6,189,000 and the cumulative effect of certain accounting changes of $6,000 implemented in 1994 resulted in a net loss for 1994 of $8,415,000 or $5.34 per share. Consolidated net sales for the six months ended June 30, 1996 were $25,080,000, as compared to $21,312,000 for the six months ended June 30, 1995. Net income for the six months ended June 30, 1996 was $836,000, or $0.52 per share, as compared to a net loss of $118,000 for the six months ended June 30, 1995, or $0.08 per share.

Graham employs 11 people, which includes the Research and Development Group that serves each of the Company's three subsidiaries.

The Company is primarily engaged in the custom manufacture and design of vacuum and heat transfer equipment. The Company's principal customers are large industrial corporations in the chemical, petrochemical, petroleum refining and electric power generating industries which are the end users of the Company's products. The Company's products are sold through a combination of direct sales engineers and independent sale representatives in over 40 major cities in the United States and abroad.

Graham has no plans for new products or for the entry into new industry segments that would require the investment of a material amount of Graham's assets or that is otherwise material.

Graham endeavors to develop products of high quality at competitive costs. Both of its subsidiary companies are actively pursuing total quality goals and eventually both companies will be certified under the ISO 9000 standards. Graham Precision Pumps Limited is close to achieving its certification. In the U.S., GMC has focused on its Total Quality Management (TQM) goals and made a conscious decision to pursue ISO 9000 after further progress in TQM.

UNITED STATES OPERATIONS

During 1995, Graham's U.S. operations consisted solely of Graham Manufacturing Co., Inc.

GRAHAM MANUFACTURING CO., INC. Graham Manufacturing Co., Inc. ("GMC") in Batavia, New York is a well recognized supplier of steam jet ejector vacuum systems, surface condensers for steam turbines, liquid ring vacuum pumps and compressors, and various types of heat exchangers such as Heliflow, plate and frame and special types of nuclear shell and tube heat

exchangers. GMC possesses expertise in combining these various products into package systems for sale to its customers in a variety of industrial markets, including oil refining, chemical, petrochemical, power, pulp and paper and shipbuilding.

GMC has historically provided the largest portion of Graham's sales and profits. Sales were $45,382,000 for the year ended December 31, 1995 and $41,923,000 for the year ended December 31, 1994. For the six months ended June 30, 1996, sales were $22,833,000, as compared to sales of $19,239,000 for the six months ended June 30, 1995. In addition, exports from GMC continue to contribute a growing portion of sales. GMC exports totaled $19,195,000 for the year ended December 31, 1995 as compared to $16,388,000 for the year ended December 31, 1994. GMC exports totaled $11,736,000 for the six months ended June 30, 1996, as compared to $6,605,000 for the six months ended June 30, 1995. As a result, GMC is developing a strong sales presence overseas, particularly in the Far East, for the development of new business. GMC is also exploring additional export business into Canada and Mexico, which may further develop as a result of international trade agreements such a NAFTA and GATT.

At June 30, 1996, GMC had 313 employees, of which 11 were temporary or part-time employees.

UNITED KINGDOM OPERATIONS

Graham Corporation wholly owns one manufacturing subsidiary in the United Kingdom, through its U.K. holding company, Graham Vacuum & Heat Transfer Limited (formerly Graham Process Equipment Limited ("GVHT")). GVHT has 2 employees. The U.K. subsidiary is Graham Precision Pumps Limited ("GPPL"), which is located in Congleton, Cheshire. U.K. sales for the year ended December 31, 1995 were $5,494,000 (converted at an exchange rate of $1.58 per pound sterling), as compared to $6,611,000 for the year ended December 31, 1994 (converted at an exchange rate of $1.54 per pound sterling). For the six months ended June 30, 1996, U.K. sales were $2,693,000 (converted at an exchange rate of $1.53 per pound sterling).

GPPL designs, manufactures and markets gas and liquid handling pumps and pumping systems for vacuum and positive pressure in a wide range of industrial and commercial applications worldwide, including oil exploration and refining, aerospace, aviation fuel handling and environmental services in hotels, hospitals and shopping centers.

In 1995, GVHT completed the disposition of a second wholly owned subsidiary, Graham Manufacturing Limited ("GML"), resulting in a net loss from discontinued operations and from the disposition of discontinued operations in 1994 of $8,421,000. The purchasers of GML, the Wellman Holdings Group, hold a 5-year exclusive license to produce and market certain of the Company's products in the United Kingdom, but Graham has the right to compete for orders when the ultimate customer is located outside of the U.K.

THE BUSINESS

Graham's primary business is the design and manufacture of vacuum and heat transfer equipment that is primarily custom built. Its product line includes steam surface condensers, vacuum products, including steam jet ejector vacuum systems and vacuum pumps, specialty heat exchangers, including Heliflow and plate exchangers, shell and tube heat exchangers and other products, including steam vacuum refrigeration units, atmospheric relief valves, air-cooled products, desuperheaters and the Micro Mix II series of instantaneous steam water heaters. The principal markets for these products are international industrial corporations in the chemical, petrochemical, petroleum refining, and electric power generating industries. The Company's products are sold by a combination of direct company sales engineers and independent sales representatives located in over 40 major cities in the United States and abroad. The Company's business is highly competitive, and a substantial number of the Company's competitors possess greater financial resources than the Company. While Graham holds a relatively small market share in most of its product areas, management believes that Graham is one of the leading manufacturers of steam jet ejectors.

The Company's principal customers include large chemical, petroleum and power companies, which are the end users of the equipment manufactured by the Company in manufacturing and refining processes. In addition, the Company supplies equipment to large engineering contractors in the building and installation of facilities for such companies and others. Graham is not dependent upon any individual customer or group of customers, as no customer or group of customers regularly accounts for more than 10% of Graham's annual revenue.

While Graham's business does not have any seasonal variance, Graham's business is affected by the cyclical patterns of the industries it services. Currently, many of the industries Graham services are in long-term cyclical downturn in the United States. Consequently, Graham has looked abroad, where less stringent environmental regulations have attracted large capital investments by Graham's traditional customers. In particular, the Company has been focusing its efforts in Asia and Latin America. Management believes, although there can be no assurance, that the trend to freer global trade and international agreements such as NAFTA and GATT should positively impact corporate investment plans. Graham expects to continue to position itself in these markets to take full advantage of the opportunities presented in this area.

In recent years, Graham has increased its market in the power generating industry as a result of the many cogenerating and refuse burning power plants that have been built. These plants are smaller than large central power stations, and the surface condensers, which condense the steam from the turbines, are of a size that Graham is well suited to design and manufacture. The trend toward cogeneration has spread to other countries, and Graham is now getting business from this market abroad. By combining its deaeration technology with its surface condenser technology, the Company has been successful in selling complete deaerating and condensing systems for cogeneration power plants where very high amounts of makeup water must be treated to eliminate almost all traces of oxygen before it is introduced into the power plant cycle. These deaerating/condensing systems are marketed under the Graham trademark D02(R).

To the chemical industry, Graham sells surface condensers, steam jet ejector systems, including vacuum pumps, specialty heat exchangers, including Heliflow and plate exchangers, steam vacuum refrigeration units, atmospheric relief valves, desuperheaters and MicroMix II instantaneous steam water heaters.

In the petroleum industry, it should be noted that there has not been a new refinery built in the United States in the last 20 years. However, the oil companies have been spending large amounts of money to increase the efficiency of their refineries, revamp their processes to provide cleaner burning fuels and reduce emissions into the environment. Unfortunately for the U.S. economy, domestic oil companies have tended to move some of their operations overseas where they are not as burdened by environmental regulations, litigation and government, all of which raise the cost of energy to the consumer and make oil and gas produced in the U.S. less competitive. Despite the many negative conditions that the oil refining industry has faced, management believes, although there can be no assurance, that the long term worldwide outlook for the petroleum industry is a bright one. The oil refining market is an important one for Graham, and Graham continues to work with the engineering contractors and the oil companies on new projects requiring heat transfer and vacuum equipment of the type that Graham builds.

The technology is used in the manufacture of heat transfer equipment is well established. As a result, the development of new technology does not have a significant impact. Instead the Company believes that success depends upon the ability to enhance existing products and to develop and manufacture new products that meet customers need within the existing technology.

DESCRIPTION OF CAPITAL STOCK

The Company's authorized capital stock consists of 6,000,000 shares of Common Stock and 500,000 shares of Preferred Stock. As of June 30, 1996, the Company had outstanding 1,586,155 shares of Common Stock and no shares of Preferred Stock. As of June 30, 1996, an aggregate of 367,390 shares of common stock were reserved for issuance under the Company's stock option plans.

COMMON STOCK

The holders of Common Stock are entitled to receive such dividends as may be declared from time to time by the Board of Directors out of funds legally available therefor. See "Price Range of Common Stock and Dividends" for a discussion of certain restrictions on the Company's ability to pay dividends on the Common Stock. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders and do not have cumulative voting rights. Holders of Common Stock are entitled to receive, upon any liquidation of the Company, all remaining assets available for distribution to stockholders after satisfaction of the Company's liabilities that may then be outstanding. The outstanding shares of Common Stock are fully paid and nonassessable. The holders of Common Stock have no preemptive, conversion or redemption rights. The registrar and transfer agent for the Common Stock is ChaseMellon Securities Transfer Services, 85 Challenger Road, Overpeck Center, Ridgefield, New Jersey.

PREFERRED STOCK

The Board of Directors is authorized, without any further action by stockholders, to provide for the issuance of up to 500,000 shares of Preferred Stock from time to time in one or more series, to establish the number of shares to be included in such series, to fix the designations, preferences, limitations and relative participating optional or other special rights and qualifications or restrictions of the shares of each series, and to determine the voting powers if any, of such shares. The issuance of Preferred Stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could adversely affect, among other things, the rights of existing stockholders or could have the effect of delaying, deferring or preventing a change in control of the Company without further action by the stockholders. In addition, the issuance of Preferred Stock could decrease the amount of earnings and assets available for distributions to holders of Common Stock. The Company has no present intention to issue any Preferred Stock.

STOCKHOLDER RIGHTS PLAN

The Company has adopted a Stockholder Rights Plan whereby one share Purchase Right is attached to each outstanding share of Common Stock. Each Purchase Right entitles the holder to purchase from the Company an additional share of Common Stock for $70.00 per share, subject to adjustment. The Purchase Rights become exercisable upon (i) the acquisition by a person or group of persons of 20% or more of the Common Stock; or (ii) if a person or group of persons commences a tender offer for 30% or more of the Company's outstanding Common Stock. The Company has the right to redeem the Purchase Rights for $.01 per Purchase Right at any time prior to the close of business on the date the Purchase Rights become exercisable.

After the Purchase Rights become exercisable, if the Company is acquired in a business combination, or if at least half of the Company's assets or earning power are sold, each Purchase Right would entitle its holder to purchase stock of the acquiror (or Graham, if it were the surviving company) at a discount of 50%. The number of shares that each Purchase Right would entitle its holder to acquire at a discount would be the number of shares having a market value equal to twice the exercise price of the Purchase Right.

The issuance of the Purchase Rights, while providing flexibility in connection with a possible acquisition, could adversely affect, among other things, the rights of existing stockholders, or could have the effect of deferring, delaying or preventing a change in control of the Company, without further action by the stockholders. The Company has no current plans to redeem the Purchase Rights. See "Incorporation of Certain Information by Reference."

ANTI-TAKEOVER PROVISIONS

The Company's Certificate of Incorporation (the "Certificate of Incorporation") and Bylaws contain certain provisions that may discourage potential takeover attempts that are not negotiated with the Company's Board of Directors. As a result, these provisions may have the effect of precluding takeover attempts that shareholders deem to be in their best interests, or in which shareholders might otherwise have received a substantial premium for their shares over

the then-current market price, as well as making it more difficult for shareholders to acquire majority representation on the Board of Directors.

These provisions provide, among other things: (1) that the Company's Board of Directors be divided into three classes with staggered terms; (2) that approval of the holders of 75% of the shares of stock entitled to vote, as well as the approval of the majority of the holders of shares of stock entitled to vote, if a corporation, person or other entity owns more than 50% of the shares of stock entitled to vote, be obtained for consummation of certain business combinations not approved in advance by the Company's Board of Directors (such as the merger or dissolution of Company); (3) for the issuance of additional shares of common stock or shares of preferred stock by the Company's Board of Directors without the approval of the shareholders (including the issuance of such shares in connection with a Stockholder Rights Plan); (4) that cumulative voting shall not be permitted in connection with the election of directors; and (5) that special meetings of shareholders may be called only by the Chairman of the Board, the President or by two directors or more. In addition, employee retention agreements entered into between the Company and certain executive officers provide for certain payments to such individuals in the event of a change of control of the Company, which may render any such change of control more costly to a potential acquiror.

PLAN OF DISTRIBUTION

The Pension Plan Shares will not be sold by the Plan in any prearranged plan of distribution. The price and manner of sale will be in the sole discretion of the Share Trustee or persons to whom the Share Trustee may delegate decision making authority. The Share Trustee may place any or all of the Pension Plan Shares with one or more independent agents, with instructions to sell shares if, as and when and on such terms and conditions as, such agents may determine at their discretion. The proceeds from any such sales will be for the sole benefit of the Plan and used to meet the obligation of the plan with respect to providing retirement benefits to participating employees and retirees and their beneficiaries. Any sales will be at market prices prevailing at the time of sale in the case of transactions consummated on the floor of the ASE or at negotiated prices related to the market price in the case of privately negotiated transactions consummated off the floor of the ASE. Any decisions with respect to the sale and distribution of the Pension Plan Shares are in the sole discretion of the Share Trustee. The Plan, and any brokers or dealers effecting sales on its behalf, may be deemed to be "underwriters" within the meaning of the Securities Act. No payment of any underwriting commission or discounts in connection with any sales of the Pension Plan Shares is expected other than customary brokerage commissions.

LEGAL MATTERS

The legality of the securities being offered by this Prospectus is being opined upon for the Company by Thacher Proffitt & Wood, New York, New York.

INDEPENDENT AUDITORS

The consolidated financial statements of Graham Corporation and its subsidiaries at December 31, 1995 and 1994 and for each of the three years in the period ended December 31, 1995 incorporated by reference from the Company's 1995 Annual Report on Form 10-K in this Prospectus have been audited by Deloitte & Touche LLP, independent auditors, as set forth in its report thereon and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance on the reports of the independent accountants given on the authority of such firms as experts in accounting and auditing.

No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, those to which it relates in any state to any person to whom it is not lawful to make such offer in such state. The delivery of this Prospectus at any time does not imply that the information herein is correct as of any time subsequent to its date.

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102,303 SHARES

[GRAPHIC OMITTED]

GRAHAM CORPORATION

COMMON STOCK

P R O S P E C T U S
SEPTEMBER 5, 1996

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PART II

Information Not Required In Prospectus

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than Underwriting Discounts and Commission, payable by the Plan in connection with the sale of the Common Stock offered hereby. All amounts are estimates except the registration fee.

NAME	AMOUNT
SEC Registration Fee	$ 375
Legal Fees and Expenses	20,000
Accounting Fees and Expenses	9,000
Miscellaneous Expenses	3,500
Total	$ 32,875

Item 15. Indemnification of Officers and Directors.

Section 145 of the Delaware General Corporation Law ("DGCL") empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Similar indemnity is authorized for such person against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of any such threatened, pending or completed action or suit if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and provided further that (unless a court of competent jurisdiction otherwise provides) such person shall not have been adjudged liable to the corporation. Any such indemnification may be made only as authorized in each specific case upon a determination by the shareholders or disinterested directors or by independent legal counsel in a written opinion that indemnification is proper because the indemnitee has met the applicable standard of conduct.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against liability asserted against him, and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

Article 14 of the Certificate of Incorporation of Graham Corporation provides that a director shall not be liable for monetary damages for breach of fiduciary duty to the fullest extent permitted by the Delaware Corporation Law, as amended. In addition, directors and officers of the corporation are indemnified against any liabilities incurred, including expenses incurred in defending a proceeding in advance of its final disposition, in his capacity as a director or officer to the fullest extent permitted by the Delaware Corporation Law. The rights granted pursuant to the Certificate of Incorporation are not exclusive of any rights granted by statute, agreement, vote of stockholder or disinterested directors.

Pursuant to an employment agreement with Frederick D. Berkeley, III, the Company has agreed to indemnify Mr. Berkeley to the fullest extent permitted under Delaware law and to maintain directors' and officers' liability insurance, both during and after any termination of Mr. Berkeley's employment with the Company.

Item 16.	Exhibits
4.1	Certificate of Incorporation of Graham Corporation (Incorporated herein by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 1989.)
4.2	Bylaws of Graham Corporation (Incorporated herein by reference from the Company Annual Report on Form 10-K for the year ended December 31, 1995.)
4.3	Shareholder Rights Plan of Graham Corporation (Incorporated herein by reference from the Company's Current Report on Form 8-K dated February 26, 1991, as amended by Amendment No. 1 on Form 8 dated June 8, 1991.)
5.1	Opinion of Thacher Proffitt & Wood re: legality
23.1	Consent of Thacher Proffitt & Wood (see Exhibit 5.1)
23.2	Consent of Deloitte & Touche LLP, Independent Auditors

Item 17. Undertakings

FILINGS INCORPORATING SUBSEQUENT EXCHANGE ACT DOCUMENTS BY REFERENCE

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be

deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

REQUEST FOR ACCELERATION OF EFFECTIVE DATE OR FILING OF REGISTRATION STATEMENT

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Post-Effective Amendment No. 1 to Registration Statement No. 33- 82432 to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Batavia, State of New York, on September 5, 1996.

GRAHAM CORPORATION
Registrant

By: /s/ Frederick D. Berkeley, III
Frederick D. Berkeley, III
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to Registration Statement No. 33-82432 has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Frederick D. Berkeley, III Frederick D. Berkeley, III	Chairman of the Board and Chief Executive Officer/Director	September 5, 1996
/s/ Alvaro Cadena Alvaro Cadena	Vice President/Director	September 5, 1996
/s/ J. Ronald Hansen J. Ronald Hansen	Vice President-- Finance and Administration and Chief Financial Officer	September 5, 1996
/s/ Cornelius S. Van Rees Cornelius S. Van Rees	Secretary/Director	September 5, 1996
/s/ Jerald D. Bidlack Jerald D. Bidlack	Director	September 5, 1996
/s/ Philip S. Hill Philip S. Hill	Director	September 5, 1996
/s/ H. Russel Lemcke H. Russel Lemcke	Director	August 8, 1996
/s/ Robert L. Tarnow Robert L. Tarnow	Director	September 5, 1996

(212) 912-7435 September 5, 1996

Graham Corporation
20 Florence Avenue
Batavia, New York 14020

Ladies and Gentlemen:

We have acted as counsel for Graham Corporation, a Delaware corporation ("Graham"), in connection with the filing on the date set forth above by Graham with the Securities and Exchange Commission under the Securities Act of 1933, as amended, of Amendment No. 1 to the Registration Statement on Form S-3, SEC File No. 33-82432 (the "Registration Statement"), with respect to an aggregate of 102,303 shares of common stock, par value $.10 per share (the "Common Stock"), of Graham owned by a trust established under the Graham Corporation Retirement Income Plan (the "Plan"). The proceeds from the sale of the Common Stock shall be retained by the Plan.

We have examined originals or copies, certified or otherwise identified, of such documents, corporate records and other instruments, and have examined such matters of law, as we have deemed necessary or advisable for purposes of rendering the opinion set forth below. As to matters of fact, we have examined and relied upon the representations of Graham contained in the Registration Statement and, where we have deemed appropriate, representations or certificates of officers of Graham or public officials. We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all documents submitted to us as copies. In making our examination of any documents, we have assumed that all parties other than Graham had the corporate power and authority to enter into and perform all obligations thereunder, and, as to such parties, we have also assumed the due authorization by all requisite action, the due execution and delivery of such documents, and the validity and binding effect and enforceability thereof.

Based on the foregoing, we are of the opinion that the 102,303 shares of Common Stock, par value $.10 per share, to be sold by the Plan, have been duly authorized and are validly issued and outstanding, fully paid and non-assessable.

In rendering the opinion set forth above, we have not passed upon and do not purport to pass upon the application of "doing business" or securities or "blue-sky" laws of any jurisdiction (except federal securities laws).

This opinion is given solely for the benefit of Graham and its stockholders, and may not be relied upon by any other person or entity, nor quoted in whole or in part, or otherwise referred to in any document without our express written consent. We consent to the filing of this opinion as an Exhibit to the Registration Statement and to the reference to our firm under the heading "Legal Matters" in the prospectus which is part of such Registration Statement.

Very truly yours,

THACHER PROFFITT & WOOD

By: /s/ W. Edward Bright

EXHIBIT 23.2

INDEPENDENT AUDITOR'S CONSENT

We consent to the incorporation by reference in this Post-Effective Amendment No. 1 to the Registration Statement of Graham Corporation and subsidiaries on Form S-3 of our reports dated February 22, 1996, appearing in the Annual Report on Form 10-K of Graham Corporation and subsidiaries for the year ended December 31, 1995 and to the reference to us under the heading "Independent Auditors", which is part of such Registration Statement.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Rochester, New York
September 5, 1996