

TRI-CONTINENTAL CORP
Form N-Q
November 26, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-0266

Tri-Continental Corporation
(Exact name of Registrant as specified in charter)

100 Park Avenue
New York, New York 10017
(Address of principal executive offices) (Zip code)

Lawrence P. Vogel
100 Park Avenue
New York, New York 10017
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 850-1864

Date of fiscal year end: 12/31

Date of reporting period: 9/30/07

ITEM 1. SCHEDULE OF INVESTMENTS.

Tri-Continental Corporation

Portfolio of Investments (unaudited)

September 30, 2007

	Shares, Warrants, Shares Subject to Call, Partnership Interest or Principal Amount	Value
COMMON STOCKS AND WARRANTS 89.8%		
AEROSPACE AND DEFENSE 2.4%		
Boeing Company (The)	401,900 shs.	\$ 42,195,481
Honeywell International Inc.	382,700	22,759,169
		64,954,650
AIR FREIGHT AND LOGISTICS 1.0%		
TNT N.V. (ADR)	307,900	12,916,405
UTI Worldwide Inc.	606,700	13,941,966
		26,858,371
AIRLINES 0.5%		
Delta Air Lines, Inc.*	667,129	12,513,466
AUTO COMPONENTS 1.0%		
Goodyear Tire & Rubber Company (The)*	903,900	27,487,599
AUTOMOBILES 0.9%		
General Motors Corporation	662,000	24,295,400
BIOTECHNOLOGY 2.8%		
Amgen Inc.*	250,100	14,148,157
Cephalon, Inc.*	253,700	18,535,322
Genentech, Inc.*	173,500	13,536,470
Pharmion Corporation*	639,425	29,503,070
		75,723,019
CAPITAL MARKETS 3.9%		
Fortress Investment Group LLC (Class A)	1,471,900	31,380,908

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Goldman Sachs Group, Inc. (The)	131,050	28,403,777
Merrill Lynch & Co. Inc.	281,700	20,079,576
Morgan Stanley	419,800	26,447,400
		106,311,661
CHEMICALS 0.5%		
E. I. Du Pont de Nemours and Company	277,700	13,762,812
COMMERCIAL BANKS 1.7%		
Wachovia Corporation	917,563	46,015,784
COMMERCIAL SERVICES AND SUPPLIES 1.0%		
Avery Dennison Corporation	244,500.	13,941,390
Waste Management Inc.	367,000	13,850,580
		27,791,970
COMMUNICATIONS EQUIPMENT 5.3%		
Alcatel-Lucent (ADR)	3,071,128	31,264,083
Alcatel-Lucent (exercise price of \$14.088, expiring 12/10/2007)*	13,686,305 wts.	174,500
Cisco Systems, Inc.*	777,680 shs.	25,748,985
Comverse Technology, Inc.*	3,087,614	61,366,328
QUALCOMM Incorporated	640,300	27,059,078
		145,612,974
COMPUTERS AND PERIPHERALS 4.6%		
Apple Inc.*	177,500	27,253,350
Hewlett-Packard Company	471,600	23,480,964
Network Appliance, Inc.*	940,200	25,300,782
SanDisk Corporation*	249,700	13,758,470
Seagate Technology	1,401,058	35,839,064
		125,632,630
CONSUMER FINANCE 1.6%		
Capital One Financial Corporation	381,068	25,314,347
Discover Financial Services LLC	945,100	19,658,080
		44,972,427
CONTAINERS AND PACKAGING 2.1%		
Smurfit-Stone Container Company*	4,850,404	56,652,719

**DIVERSIFIED FINANCIAL
SERVICES 6.3%**

Bank of America Corporation	921,740	46,335,870
CIT Group Inc.	596,600	23,983,320
Citigroup Inc.	1,069,730	49,924,299
JPMorgan Chase & Co.	1,150,000	52,693,000
		172,936,489

**DIVERSIFIED
TELECOMMUNICATION
SERVICES 1.6%**

Qwest Communications International Inc.*	2,608,900	23,897,524
Time Warner Telecom, Inc. (Class A)*	894,700	19,656,559
		43,554,083

**ENERGY EQUIPMENT
AND SERVICES 1.4%**

Halliburton Company	1,037,100	39,824,640
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**FOOD AND STAPLES
RETAILING 3.1%**

CVS/Caremark Corporation	496,700	19,684,221
Rite Aid Corporation*	10,240,882	47,312,875
Wal-Mart Stores, Inc.	412,600	18,009,990
		85,007,086

**HEALTH CARE EQUIPMENT
AND SUPPLIES 2.2%**

C.R. Bard, Inc.	118,200	10,424,058
Boston Scientific Corporation*	2,638,276	36,803,950
Gen-Probe Incorporated*	213,100	14,188,198
		61,416,206

**HEALTH CARE PROVIDERS
AND SERVICES 0.7%**

Quest Diagnostics Inc.	338,900	19,578,253
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**HOTELS, RESTAURANTS
AND LEISURE 2.2%**

Las Vegas Sands Corp.*	161,000	21,480,620
Starbucks Corporation*	1,458,400	38,210,080
		59,690,700

**INDEPENDENT POWER
PRODUCERS AND
ENERGY TRADERS 0.8%**

AES Corporation (The)*	669,600	13,418,784
Mirant Corporation*	189,900	7,725,132
		21,143,916

INDUSTRIAL**CONGLOMERATES 3.4%**

3M Company	256,600	24,012,628
General Electric Company	1,659,600	68,707,440
		92,720,068

INSURANCE 1.9%

American International Group, Inc.	302,800	20,484,420
Hartford Financial Services Group, Inc.	338,100	31,291,155
		51,775,575

INTERNET SOFTWARE**AND SERVICES 4.2%**

Google Inc. (Class A)*	46,310	26,270,274
SAVVIS, Inc.*	923,800	35,824,964
Yahoo!, Inc.*	2,029,712	54,477,470
		116,572,708

IT SERVICES 0.3%

Cognizant Technology Solutions Corporation*	90,800	7,243,116
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LIFE SCIENCES TOOLS**AND SERVICES 0.2%**

Applera Corporation	198,300	6,869,112
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MACHINERY 0.9%

Joy Global Inc.	472,200	24,016,092
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MEDIA 2.7%

Gemstar-TV Guide International, Inc.*	8,563,000	59,598,480
Time Warner Inc.	736,700	13,525,812
		73,124,292

METALS AND MINING 2.1%

Alcoa Inc.	588,200	23,010,384
Barrick Gold Corporation	356,900	14,375,932
Freeport-McMoRan Copper & Gold, Inc.	199,600	20,936,044
		58,322,360

MULTILINE RETAIL 1.6%

Kohl's Corporation*	761,500	43,656,795
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OIL, GAS AND**CONSUMABLE FUELS 7.0%**

Cameco Corporation	489,100	22,615,984
Chevron Corporation	191,800	17,948,644
ConocoPhillips	481,700	42,278,809
El Paso Corporation	1,574,000	26,710,780

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Exxon Mobil Corporation	663,700	61,432,072
Marathon Oil Corporation	123,600	7,047,672
XTO Energy Inc.	247,700	15,317,768
		193,351,729
PHARMACEUTICALS 4.0%		
Adams Respiratory Therapeutics, Inc.*	376,500	14,510,310
Bristol-Myers Squibb Company	907,800	26,162,796
Johnson & Johnson	215,400	14,151,780
Pfizer Inc.	560,238	13,686,614
Wyeth	917,200	40,861,260
		109,372,760
REAL ESTATE INVESTMENT TRUSTS 0.4%		
SL Green Realty Corp.	104,900	12,249,173
ROAD AND RAIL 0.2%		
YRC Worldwide Inc.*	249,306	6,811,040
SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 3.5%		
Advanced Micro Devices, Inc.*	1,300,264	17,163,485
Broadcom Corporation (Class A)*	189,300	6,898,092
Intel Corporation	467,400	12,086,964
Marvell Technology Group Ltd.*	856,266	14,017,074
Maxim Integrated Products, Inc.	700,200	20,550,870
QIMONDA AG (ADR)*	1,200,500	13,565,650
Texas Instruments Incorporated	344,500	12,605,255
		96,887,390
SOFTWARE 3.7%		
Adobe Systems Incorporated*	268,000	11,700,880
BEA Systems, Inc.*	3,327,354	46,150,400
Microsoft Corporation	1,481,656	43,649,586
		101,500,866
SPECIALTY RETAIL 2.9%		
OfficeMax Incorporated	1,327,300	45,486,571
Urban Outfitters, Inc.*	1,618,380	35,280,684
		80,767,255
TOBACCO 2.2%		
Altria Group, Inc.	889,480	61,845,544
WIRELESS TELECOMMUNICATION SERVICES 1.0%		
NII Holdings, Inc.*	349,800	28,736,070

TOTAL COMMON STOCKS AND WARRANTS		2,467,558,800
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OPTIONS PURCHASED* 2.4%**BIOTECHNOLOGY 0.1%**

Amgen Inc., Call expiring January 2009 at \$60	394,300	2,641,810
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CAPITAL MARKETS 0.1%

Bear Stearns Companies Inc. (The), Call expiring January 2008 at \$150	159,100	381,840
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Lehman Brothers Holdings Inc., Call expiring January 2008 at \$60	232,300	1,440,260
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Lehman Brothers Holdings Inc., Call expiring January 2009 at \$80	387,300	1,665,390
		3,487,490

COMMUNICATIONS**EQUIPMENT 0.5%**

Comverse Technology, Inc., Call expiring January 2008 at \$20	2,008,300	3,062,658
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JDS Uniphase Corporation, Call expiring January 2009 at \$15	1,718,300	5,498,560
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Motorola, Inc., Call expiring January 2009 at \$20	1,096,200	2,192,400
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QUALCOMM Incorporated, Call expiring January 2009 at \$40	264,800	2,216,376
		12,969,994

COMPUTERS AND**PERIPHERALS 0.2%**

Seagate Technology, Call expiring January 2009 at \$25	927,600	4,730,760
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CONTAINERS AND**PACKAGING 0.0%**

Smurfit-Stone Container Company, Call expiring January 2008 at \$10	555,500	1,222,100
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DIVERSIFIED FINANCIAL**SERVICES 0.2%**

CIT Group Inc., Call expiring January 2008 at \$35	487,200	3,702,720
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CIT Group Inc., Call expiring		
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January 2008 at \$40	303,600	1,275,120 4,977,840
HEALTH CARE EQUIPMENT AND SUPPLIES 0.1%		
Boston Scientific Corporation, Call expiring January 2009 at \$20	1,904,100	1,570,882
HOTELS, RESTAURANTS AND LEISURE 0.0%		
Starbucks Corporation, Call expiring January 2009 at \$30	583,400	1,429,330
INTERNET SOFTWARE AND SERVICES 0.2%		
Yahoo!, Inc., Call expiring January 2009 at \$25	360,000	2,142,000
Yahoo!, Inc., Call expiring January 2009 at \$30	901,600	3,110,520 5,252,520
METALS AND MINING 0.1%		
Alcoa Inc., Call expiring January 2008 at \$35	440,600	2,555,480
MULTILINE RETAIL 0.2%		
Kohl's Corporation, Call expiring January 2008 at \$55	450,500	2,883,200
Macy's, Inc., Call expiring January 2008 at \$30	477,100	2,242,370 5,125,570
SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 0.4%		
Advanced Micro Devices, Inc., Call expiring January 2008 at \$15	1,431,200	1,102,024
Intel Corporation, Call expiring January 2009 at \$20	837,300	6,363,480
Marvell Technology Group Ltd., Call expiring January 2009 at \$20	1,090,400	2,246,224
Micron Technology, Inc., Call expiring January 2009 at \$15	2,142,400	2,142,400 11,854,128
SOFTWARE 0.1%		
BEA Systems, Inc., Call expiring January 2008 at \$10	817,300	3,269,200

SPECIALTY RETAIL 0.0%

OfficeMax Incorporated, Call expiring January 2008 at \$45	580,300	232,120
OfficeMax Incorporated, Call expiring February 2008 at \$32.5	242,400	1,115,040
		1,347,160

THRIFTS AND MORTGAGE**FINANCE 0.0%**

Countrywide Financial Corporation, Call expiring January 2009 at \$37.5	17,900	17,005
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TOBACCO 0.2%

Altria Group, Inc., Call expiring January 2008 at \$85	499,300	4,843,210
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TOTAL OPTIONS PURCHASED

67,294,479

LIMITED PARTNERSHIP 0.1%

WCAS Capital Partners II, L.P.	\$4,292,803	1,785,291
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SHORT-TERM HOLDINGS 7.2%**EQUITY-LINKED NOTES 7.0%**

Deutsche Bank:		
36.2%, 11/2/07 (a)	20,966,819	18,751,674
33.25%, 2/1/08 (b)	18,800,000	17,672,940
Goldman Sachs Group (The):		
40%, 2/19/08 (c)	18,650,000	17,646,070
40%, 3/19/08 (d)	18,412,000	19,516,168
Lehman Brothers Inc.:		
41.66%, 2/9/08 (e)	18,800,000	17,099,916
39.35%, 3/5/08 (f)	18,632,000	19,807,679
37.51%, 3/19/08 (g)	18,412,000	18,472,944
Merrill Lynch & Co., Inc.:		
30%, 10/3/07 (h)	13,655,000	7,100,327
30%, 10/23/07 (i)	8,905,000	8,819,058
Morgan Stanley:		
30%, 10/19/07 (j)	12,100,000	10,019,308
44.61%, 2/15/08 (k)	18,600,000	16,088,089
44%, 3/20/08 (l)	19,070,000	19,743,362
		190,737,535

TIME DEPOSIT 0.2%

BNP Paribas, Grand Cayman, 5.15%, 10/1/2007	6,539,000	6,539,000
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TOTAL SHORT-TERM HOLDINGS

197,276,535

TOTAL	
INVESTMENTS 99.5%	2,733,915,105
OTHER ASSETS LESS	
LIABILITIES 0.5%	12,909,789
NET INVESTMENT	
ASSETS 100.0%	\$ 2,746,824,894

The cost of investments for federal income tax purposes was \$2,681,619,035

The tax basis gross unrealized appreciation and depreciation of portfolio securities were \$209,867,849 and \$157,571,779, respectively.

* Non-income producing security.

□ At September 30, 2007, Tri-Continental Corporation owned one limited partnership investment that was purchased through a private offering and cannot be sold without prior registration under the Securities Act of 1933 or pursuant to an exemption therefrom. The investment is valued at fair value as determined in accordance with procedures approved by the Board of Directors of the Corporation. The acquisition date of the investment in the limited partnership, along with the cost and value at September 30, 2007, was as follows:

Investment	Acquisition Date(s)	Cost	Value
WCAS Capital Partners II, L.P.	12/11/90 to 3/24/98	\$4,292,803	\$1,785,291

□□ The security may be offered and sold only to a □qualified institutional buyer□ under Rule 144A of the Securities Act of 1933. These notes are exchangeable at maturity, based on the terms of the respective notes, for shares of common stock of a company or cash at a maturity value which is generally determined as follows: The principal amount of the notes plus or minus the lesser of A) the lowest return of the companies□ respective stock prices determined at maturity from the date of purchase of the notes, or B) the percent limit indicated below in parentheses:

- (a) Herbalife Ltd., JetBlue Airways Corporation and Qwest Communications International Inc. (+10%)
- (b) Gemstar-TV Guide International, Inc., OfficeMax, Inc. and Qwest Communications International Inc. (+20%)
- (c) Delta Air Lines, Inc., Discover Financial Services and SAVVIS, Inc. (no limit)
- (d) Gemstar-TV Guide International, Inc., UTI Worldwide Inc. and Yahoo! Inc. (no limit)
- (e) Network Appliance, Inc., Rite Aid Corporation and Yahoo! Inc. (+20%)
- (f) Boston Scientific Corporation, Comverse Technology, Inc. and Marvell Technology Group Ltd. (no limit)
- (g) Comverse Technology, Inc., Kohl□s Corporation and Marvell Technology Group Ltd. (no limit)
- (h) Archer Daniels Midland Company, Countrywide Financial Corporation and Foot Locker, Inc. (+10%)
- (i) Adams Respiratory Therapeutics, Inc., Seagate Technology LLC and Smurfit-Stone Container Corporation (+5%)
- (j) Adams Respiratory Therapeutics, Inc., Alcatel-Lucent ADR and UTI Worldwide Inc. (+9%)
- (k) QIMONDA AG ADR, Rite Aid Corporation and Washington Mutual, Inc. (+20%)
- (l) Boston Scientific Corporation, Fortress Investment Group LLC and Rite Aid Corporation (no limit)

ADR □ American Depositary Receipts.

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Security Valuation — Securities traded on an exchange are valued at the last sales price on the primary exchange or market on which they are traded. Securities not listed on an exchange or security market, or securities for which there is no last sales price, are valued at the mean of the most recent bid and asked prices or are valued by J. & W. Seligman & Co. Incorporated (the “Manager”) based on quotations provided by primary market makers in such securities. Securities for which market quotations are not readily available (or are otherwise no longer valid or reliable) are valued at fair value determined in accordance with procedures approved by the Board of Directors. This can occur in the event of, among other things, natural disasters, acts of terrorism, market disruptions, intra-day trading halts, and extreme market volatility. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the prices used by other investment companies to determine net asset value or the price that may be realized upon the actual sale of the security. Short-term holdings that mature in more than 60 days are valued at current market quotations. Short-term holdings maturing in 60 days or less are valued at current market quotations or amortized cost if the Manager believes it approximates fair value.

ITEM 2. CONTROLS AND PROCEDURES.

- a. The registrant's principal executive officer and principal financial officer have concluded, based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this report, that these disclosure controls and procedures provide reasonable assurance that material information required to be disclosed by the registrant in the report it files or submits on Form N-Q is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and that such material information is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate, in order to allow timely decisions regarding required disclosure.
- b. The registrant's principal executive officer and principal financial officer are aware of no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

- (a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRI-CONTINENTAL CORPORATION

By: /S/ BRIAN T. ZINO
Brian T. Zino
President and Chief Executive Officer

Date: November 26, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

By: /S/ BRIAN T. ZINO
Brian T. Zino
President and Chief Executive Officer

Date: November 26, 2007

By: /S/ LAWRENCE P. VOGEL
Lawrence P. Vogel
Vice President, Treasurer and Chief Financial Officer

Date: November 26, 2007

TRI-CONTINENTAL CORPORATION

EXHIBIT INDEX

- (a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
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