

TRI-CONTINENTAL CORP  
Form N-Q  
May 25, 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: 3/31/07

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## ITEM 1. SCHEDULE OF INVESTMENTS.

**Tri-Continental Corporation**  
**Schedule of Investments** (unaudited)  
**March 31, 2007**

	Shares, Warrants, Number of Contracts**, Partnership Interest or Principal Amount	Value
<b>COMMON STOCKS AND WARRANTS 86.9%</b>		
<b>AEROSPACE AND DEFENSE 2.7%</b>		
Boeing Company (The)	426,800 shs.	\$ 37,946,788
General Dynamics Corporation	105,300	8,044,920
Honeywell International Inc.	589,000	27,129,340
		73,121,048
<b>AIR FREIGHT AND LOGISTICS 0.5%</b>		
FedEx Corp.	93,800	10,076,934
TNT N.V. (ADR)	75,700	3,485,985
		13,562,919
<b>AIRLINES 0.3%</b>		
JetBlue Airways Corporation*	562,500	6,474,375
<b>BIOTECHNOLOGY 3.0%</b>		
Amgen Inc.*	446,200	24,933,656
Genentech, Inc.*	224,000	18,394,880
Medimmune, Inc.*	427,600	15,560,364
Pharmion Corporation*	825,825	21,710,939
		80,599,839
<b>CAPITAL MARKETS 1.3%</b>		
Goldman Sachs Group, Inc. (The)	73,600	15,207,968
Merrill Lynch & Co. Inc.	238,400	19,470,128
		34,678,096
<b>CHEMICALS 0.8%</b>		
E.I. Du Pont de Nemours and Company	459,200	22,698,256
<b>COMMERCIAL BANKS 2.3%</b>		
Wachovia Corporation	1,107,963	60,993,363
<b>COMMERCIAL SERVICES AND SUPPLIES 1.0%</b>		
Waste Management Inc.	774,200	26,640,222

**COMMUNICATIONS****EQUIPMENT 5.5%**

Alcatel-Lucent (ADR)	2,593,453	30,654,614
Alcatel-Lucent (exercise price of \$2.75, expiring 12/10/2007)*	13,686,305 wts.	1,368,631
Cisco Systems, Inc.*	496,180 shs.	12,667,475
Comverse Technology, Inc.*	2,310,200	49,496,035
Motorola, Inc.	1,496,300	26,439,621
QUALCOMM Inc.	666,300	28,424,358
		149,050,734

**COMPUTERS AND****PERIPHERALS 4.2%**

Apple Inc.*	158,300	14,707,653
Hewlett-Packard Company	575,900	23,116,626
International Business Machines Corporation	211,620	19,947,301
Palm, Inc.*	1,284,100	23,280,733
SanDisk Corporation*	177,200	7,761,360
Seagate Technology	1,087,800	25,345,741
		114,159,414

**CONSUMER FINANCE 2.5%**

American Express Company	238,000	13,423,200
Capital One Financial Corporation	723,368	54,585,349
		68,008,549

**CONTAINERS AND****PACKAGING 1.3%**

Packaging Corporation of America	357,900	8,732,760
Smurfit-Stone Container Company*	2,400,000	27,024,000
		35,756,760

**DIVERSIFIED CONSUMER****SERVICES 1.3%**

Apollo Group, Inc. (Class A)*	768,000	33,715,200
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**DIVERSIFIED FINANCIAL****SERVICES 5.4%**

Bank of America Corporation	1,095,240	55,879,145
Citigroup Inc.	629,830	32,335,472
JPMorgan Chase & Co.	1,150,000	55,637,000
		143,851,617

**DIVERSIFIED****TELECOMMUNICATION****SERVICES 1.2%**

Citizens Communications Company	834,200	12,471,290
Windstream Corporation	1,338,700	19,665,503

		32,136,793
<b>ENERGY EQUIPMENT AND SERVICES 2.1%</b>		
Halliburton Company	672,600	21,348,324
Tidewater Inc.	349,500	20,473,710
Weatherford International Ltd.*	319,700	14,418,470
		56,240,504
<b>FOOD AND STAPLES RETAILING 3.8%</b>		
Costco Wholesale Corporation	379,000	20,405,360
CVS/Caremark Corporation	1,146,700	39,148,338
Rite Aid Corporation*	7,318,500	42,227,745
		101,781,443
<b>FOOD PRODUCTS 1.1%</b>		
Archer Daniels Midland Company	386,500	14,184,550
Hershey Company (The)	268,300	14,665,278
		28,849,828
<b>HEALTH CARE EQUIPMENT AND SUPPLIES 1.4%</b>		
Boston Scientific Corporation*	1,272,700	18,505,058
Medtronic, Inc.	402,900	19,766,274
		38,271,332
<b>HEALTH CARE PROVIDERS AND SERVICES 2.2%</b>		
Aetna Inc.	480,500	21,041,095
WellPoint Inc.*	479,200	38,863,120
		59,904,215
<b>HOTELS, RESTAURANTS AND LEISURE 1.0%</b>		
Las Vegas Sands Corp.*	155,000	13,424,550
Starbucks Corporation*	434,500	13,625,920
		27,050,470
<b>INDUSTRIAL CONGLOMERATES 4.7%</b>		
3M Company	578,500	44,214,755
General Electric Company	2,295,700	81,175,952
		125,390,707
<b>INSURANCE 2.8%</b>		
American International Group, Inc.	642,300	43,175,406
Hartford Financial Services Group, Inc.	338,100	32,315,598

		75,491,004
<b>INTERNET SOFTWARE AND SERVICES 1.1%</b>		
Google Inc. (Class A)*	44,300	20,296,488
Yahoo! Inc.*	258,100	8,075,949
		28,372,437
<b>IT SERVICES 0.8%</b>		
Amdocs Limited*	559,000	20,392,320
<b>MACHINERY 0.7%</b>		
Caterpillar Inc.	298,800	20,028,564
<b>MEDIA 1.1%</b>		
Time Warner Inc.	1,539,100	30,351,052
<b>METALS AND MINING 2.4%</b>		
Alcoa Inc.	588,200	19,939,980
Barrick Gold Corporation	614,400	17,541,120
Freeport-McMoRan Copper & Gold Inc. (Class B)	407,800	26,992,282
		64,473,382
<b>OIL, GAS AND CONSUMABLE FUELS 6.8%</b>		
Chevron Corporation	191,800	14,185,528
ConocoPhillips	704,300	48,138,905
El Paso Corporation	1,945,600	28,152,832
Exxon Mobil Corporation	908,400	68,538,780
Murphy Oil Corporation	443,425	23,678,895
		182,694,940
<b>PERSONAL PRODUCTS 0.8%</b>		
Herbalife Ltd.*	534,900	20,962,731
<b>PHARMACEUTICALS 4.9%</b>		
Bristol-Myers Squibb Company	981,600	27,249,216
Pfizer Inc.	2,036,638	51,445,476
Schering-Plough Corporation	445,200	11,357,052
Wyeth	815,300	40,789,459
		130,841,203
<b>ROAD AND RAIL 1.0%</b>		
Avis Budget Group, Inc.*	979,320	26,755,022
<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 1.3%</b>		
Broadcom Corporation (Class A)*	327,700	10,509,339
KLA-Tencor Corporations	277,200	14,780,304

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Texas Instruments Incorporated	344,500	10,369,450 35,659,093
<b>SOFTWARE 3.9%</b>		
Adobe Systems Incorporated*	342,100	14,265,570
BEA Systems Inc.*	1,299,400	15,060,046
Business Objects S.A. (ADR)*	373,200	13,506,108
Electronic Arts Inc.*	399,500	20,118,820
Microsoft Corp.	1,481,656	41,293,753 104,244,297
<b>SPECIALTY RETAIL 3.8%</b>		
Best Buy Co., Inc.	693,300	33,777,576
Foot Locker, Inc.	1,660,100	39,095,355
Urban Outfitters, Inc.*	1,103,800	29,261,738 102,134,669
<b>THRIFTS AND MORTGAGE</b>		
<b>FINANCE 1.3%</b>		
Countrywide Financial Corporation	274,900	9,247,636
Washington Mutual, Inc.	616,100	24,878,118 34,125,754
<b>TOBACCO 3.7%</b>		
Altria Group, Inc.	1,172,980	98,435,630
<b>WIRELESS TELECOMMUNICATION</b>		
<b>SERVICES 0.9%</b>		
Sprint Nextel Corporation	1,276,600	24,204,336
<b>TOTAL COMMON STOCKS AND WARRANTS</b>		2,332,102,118
<b>OPTIONS PURCHASED* 2.9%</b>		
<b>BEVERAGES 0.1%</b>		
Coca-Cola Enterprises, Inc., Call expiring January 2008 at \$15	4,636	2,642,520
<b>CAPITAL MARKETS 0.1%</b>		
Bear Stearns Companies Inc. (The), Call expiring January 2008 at \$150	920	1,619,200
<b>COMMUNICATIONS</b>		
<b>EQUIPMENT 0.4%</b>		
Comverse Technology, Inc., Call expiring January 2008 at \$20	20,083	7,531,125
QUALCOMM Inc., Call expiring January 2009 at \$40	3,277	3,322,878

10,854,003

**COMPUTERS AND  
PERIPHERALS 0.2%**

Dell Inc., Call expiring January 2008 at \$25	4,277	804,076
Palm, Inc., Call expiring January 2008 at \$17.5	20,008	5,002,000
Seagate Technology, Call expiring January 2008 at \$17.5	1,326	888,420
		6,694,496

**CONSUMER FINANCE 0.1%**

Capital One Financial Corporation, Call expiring January 2008 at \$80	5,465	3,442,950
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**ENERGY EQUIPMENT AND  
SERVICES 0.1%**

Oil Service HOLDERS Trust, Call expiring January 2008 at \$140	1,689	3,374,622
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**FOOD PRODUCTS 0.1%**

Kraft Foods Inc., Put expiring June 2007 at \$35	5,239	1,886,040
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**HEALTH CARE EQUIPMENT  
AND SUPPLIES 0.1%**

Boston Scientific Corporation, Call expiring January 2009 at \$20	13,228	2,050,340
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**HEALTH CARE PROVIDERS  
AND SERVICES 0.1%**

Aetna Inc., Call expiring January 2008 at \$42.5	3,409	1,909,040
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**INTERNET SOFTWARE  
AND SERVICES 0.2%**

Yahoo!, Inc., Call expiring January 2009 at \$30	7,244	4,911,432
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**MACHINERY 0.1%**

Caterpillar Inc., Call expiring January 2009 at \$80	4,506	2,478,300
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**METALS AND MINING 0.1%**

Alcoa Inc., Call expiring January 2008 at \$35	4,940	1,457,300
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**OIL, GAS AND  
CONSUMABLE FUELS 0.1%**

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Murphy Oil Corporation, Call expiring January 2008 at \$50	2,667	2,026,920
<b>PAPER AND FOREST PRODUCTS 0.1%</b>		
International Paper Company, Call expiring January 2009 at \$40	5,598	1,791,360
<b>PHARMACEUTICALS 0.2%</b>		
Bristol-Myers Squibb Company, Call expiring September 2007 at \$27.5	25,719	5,015,205
<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 0.1%</b>		
Intel Corporation, Call expiring January 2009 at \$20	4,586	1,256,564
Marvell Technology Group, Ltd., Call expiring January 2009 at \$20	4,961	1,537,910
Maxim Integrated Products, Inc., Call expiring January 2008 at \$35	3,718	594,880 3,389,354
<b>SOFTWARE 0.0%</b>		
Business Objects SA (ADR), Call expiring April 2007 at \$40	2,862	57,240
<b>SPECIALTY RETAIL 0.0%</b>		
Foot Locker Inc., Call expiring January 2008 at \$25	7,601	1,330,175
<b>THRIFTS AND MORTGAGE FINANCE 0.0%</b>		
Countrywide Financial Corporation, Call expiring January 2009 at \$37.5	179	102,030
Countrywide Financial Corporation, Call expiring January 2008 at \$37.5	3,259	1,156,945 1,258,975
<b>TOBACCO 0.6%</b>		
Altria Group Inc., Call expiring January 2008 at \$80	6,410	7,243,300
Altria Group Inc., Call expiring January 2008 at \$85	11,324	8,719,480 15,962,780
<b>WIRELESS TELECOMMUNICATION SERVICES 0.1%</b>		



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Sprint Nextel Corporation, Call expiring January 2009 at \$20	15,226	4,491,670
<b>TOTAL OPTIONS PURCHASED</b>		78,643,922
<b>LIMITED PARTNERSHIP 0.1%</b>		
WCAS Capital Partners II, L.P. \$4,292,803	\$4,292,803	1,833,804
<b>SHORT-TERM HOLDINGS 10.3%</b>		
<b>EQUITY-LINKED NOTES 8%</b>		
Deutsche Bank:		
19.85%, 8/6/2007(1)(a)	13,388,663	13,730,341
34.9%, 8/23/2007(1)(b)	19,272,000	18,253,860
30.1%, 9/5/2007(1)(c)	9,649,000	9,102,577
Goldman Sachs Group (The):		
8.25%, 7/27/07(1)(d)	11,675,060	13,243,352
13.75%, 8/2/07(1)(e)	13,020,774	12,530,201
33%, 8/6/07(1)(f)	18,880,900	18,671,322
34.8%, 8/9/07(1)(g)	17,451,100	17,023,548
30.8%, 9/4/07(1)(h)	19,272,300	18,100,544
9.8%, 9/27/07(1)(i)	12,009,268	12,268,927
Merrill Lynch & Co., Inc.		
30%, 10/3/07(1)(j)	13,655,000	12,948,217
Morgan Stanley:		
8.08%, 5/1/07(1)(d)	12,897,489	15,034,573
31.9%, 8/23/07(2)(m)	19,272,000	17,755,679
10.25%, 8/25/07(1)(k)	19,194,138	21,367,403
30%, 8/31/07(1)(l)	19,272,000	17,851,268
35.3%, 9/6/07(2)(n)	9,649,000	8,863,391
30.35%, 9/6/07(2)(o)	9,649,000	8,881,326
		235,626,529
<b>REPURCHASE AGREEMENT 1.2%</b>		
State Street Bank 4.65%, dated 3/30/2007 maturing 4/2/2007 in the amount of \$32,009,399 collateralized by \$33,330,000 US Treasury Notes 4.5%, due 8/15/2015, with a fair market value of \$32,638,969	31,997,000	31,997,000
<b>US TREASURY NOTES 0.3%</b>		
US Treasury Notes 3.625%, 4/30/07	7,035,000***	7,026,967
<b>TOTAL SHORT-TERM HOLDINGS</b>		274,650,496

<b>TOTAL</b>	
<b>INVESTMENTS 100.2%</b>	2,687,230,340
<b>OTHER ASSETS LESS</b>	
<b>LIABILITIES (0.2)%</b>	(4,073,859)
<b>NET INVESTMENT</b>	
<b>ASSETS 100.0%</b>	\$ 2,683,156,481

**Schedule of Option Written**

March 31, 2007

(unaudited)

<b>PUT OPTION WRITTEN</b>	Number of Contracts**	Value
Las Vegas Sands Corp., expiring April 2007 at \$90	709	\$ (354,500)

The cost of investments for federal income tax purposes was \$2,648,130,590. The tax basis gross unrealized appreciation and depreciation of portfolio securities were \$146,878,269 and \$107,778,519, respectively.

\* Non-income producing security.

\*\* Each contract represents 100 shares.

\*\*\* All or part of the security is held as collateral for options written. As of March 31, 2007, the value of securities held as collateral was \$7,026,967.

□ At March 31, 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 March 31, 2007, was as follows:

Investment	Acquisition Date(s)	Cost	Value
WCAS Capital Partners II, L.P.	12/11/90 to 3/24/98	\$4,301,124	\$1,833,804

□□ 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:

- (1) The principal amount of the notes plus or minus the lesser of A) the lowest return of the company□s or companies□ respective stock price determined at maturity from the date of purchase of the notes, or B) the percent limit indicated below in parenthesis:
  - (a) SanDisk Corporation (+10%)
  - (b) Amdocs Limited, Boston Scientific Corporation and Palm, Inc. (+10%)
  - (c) Alcatel-Lucent, BEA Systems, Inc. and Best Buy Co., Inc. (+5%)
  - (d) Yahoo! Inc. (+20%)
  - (e) Marvell Technology Group Ltd. (+20%)
  - (f) Motorola, Inc., SanDisk Corporation and Yahoo! (+10%)
  - (g) KLA-Tencor Corporation, Peabody Energy Corporation and Urban Outfitters, Inc. (+10%)
  - (h) BEA Systems, Inc., Sprint Nextel Corporation and Weatherford International Ltd. (+10%)
  - (i) Seagate Technology (+20%)
  - (j) Archer-Daniels-Midland Company, Countrywide Financial Corporation and Foot Locker, Inc. (+10%)
  - (k) eBay (+20%)
  - (l) Coldwater Creek Inc., Comverse Technology, Inc. and Halliburton Company (+10%)

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- (2) A) If the stock price of any of the companies falls 20% or more at any time during the period from the date of purchase of the notes to maturity, the lesser of i) the principal amount of the notes, or ii) the principal amount of the notes plus or minus the lowest return of the companies' respective stock prices determined at maturity from the date of purchase of the notes; or otherwise B) the principal amount of the notes:
- (m) Advanced Micro Devices, Inc., Alcoa Inc. and Bristol-Myers Squibb Company
  - (n) Broadcom Corporation, Herbalife Ltd. and Rite Aid Corporation
  - (o) Corning Incorporated, Las Vegas Sands Corp. and Smurfit-Stone Container Corporation

ADR □ American Depositary Receipt.

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.

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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: May 25, 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: May 25, 2007

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

Date: May 25, 2007

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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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