

TRI-CONTINENTAL CORP  
Form N-Q  
November 29, 2006

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: 9/30/06

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## ITEM 1. SCHEDULE OF INVESTMENTS.

*Tri-Continental Corporation***Portfolio of Investments** (unaudited)

September 30, 2006

	Shares or Warrants	Value
<b>COMMON STOCKS</b>		
<b>AND WARRANTS 83.2%</b>		
<b>AEROSPACE AND</b>		
<b>DEFENSE 2.7%</b>		
Boeing Company (The)	326,900 shs.	\$ 25,776,065
General Dynamics Corporation	191,800	13,746,306
Honeywell International Inc.	712,500	29,141,250
Raytheon Company (Warrants)* (exercise price of \$37.50, expiring 6/16/2011)	23,639 wts.	337,329
		69,000,950
<b>AIR FREIGHT AND</b>		
<b>LOGISTICS 0.6%</b>		
FedEx Corp.	143,200 shs.	15,562,976
<b>BEVERAGES 0.8%</b>		
Coca-Cola Company (The)	220,200	9,838,536
Coca-Cola Enterprises Inc.	562,400	11,714,792
		21,553,328
<b>BIOTECHNOLOGY 2.9%</b>		
Amgen Inc.*	400,500	28,647,765
Genentech, Inc.*	224,000	18,524,800
Pharmion Corporation*	1,222,425	26,343,259
		73,515,824
<b>CAPITAL MARKETS 3.4%</b>		
Bank of New York Company, Inc. (The)	633,500	22,337,210
Goldman Sachs Group, Inc. (The)	66,600	11,266,722
Legg Mason, Inc.	216,100	21,795,846
Merrill Lynch & Co. Inc.	211,100	16,512,242
Morgan Stanley	207,000	15,092,370
		87,004,390
<b>CHEMICALS 0.8%</b>		
E.I. Du Pont de Nemours and Company	459,200	19,672,128

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**COMMERCIAL BANKS 1.7%**

Sun Trust Banks, Inc.	286,900	22,171,632
Wachovia Corporation	354,000	19,753,200
		41,924,832

**COMMERCIAL SERVICES  
AND SUPPLIES 0.8%**

Waste Management Inc.	544,700	19,979,596
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**COMMUNICATIONS**

**EQUIPMENT 5.1%**

Cisco Systems, Inc.*	512,380	11,784,740
Converse Technology, Inc.*	1,071,200	22,966,528
Corning Incorporated*	944,149	23,046,677
Lucent Technologies, Inc.*	4,229,400	9,896,796
Lucent Technologies, Inc. (exercise price of \$2.75, expiring 12/10/2007)*	11,626,025 wts.	2,208,945
Motorola, Inc.	499,600 shs.	12,490,000
Nokia Corp. (ADR)	617,300	12,154,637
QUALCOMM Inc.	983,300	35,742,955
		130,291,278

**COMPUTERS AND**

**PERIPHERALS 2.7%**

EMC Corporation*	2,487,600	29,801,448
International Business Machines Corporation	307,320	25,181,801
Seagate Technology*	537,800	12,417,802
		67,401,051

**CONSUMER FINANCE 0.9%**

Capital One Financial Corporation	296,300	23,306,958
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**CONTAINERS AND**

**PACKAGING 1.2%**

Smurfit-Stone Container Company*	2,691,500	30,144,800
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**DIVERSIFIED FINANCIAL**

**SERVICES 5.0%**

Bank of America Corporation	532,040	28,501,383
CIT Group Inc.	205,000	9,969,150
Citigroup Inc.	1,244,230	61,800,904
JPMorgan Chase & Co.	575,600	27,030,176
		127,301,613

**DIVERSIFIED**

**TELECOMMUNICATION**

**SERVICES 1.4%**

Citizens Communications Company	1,071,000	15,036,840
Verizon Communications Inc.	167,500	6,219,275
Windstream Corporation	1,146,300	15,119,697

See footnotes on page 8.

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*Tri-Continental Corporation***Portfolio of Investments** (unaudited)

September 30, 2006

	Shares	Value
<b>ELECTRONIC EQUIPMENT AND INSTRUMENTS 0.5%</b>		
Symbol Technologies, Inc.	826,200	\$ 12,277,332
<b>ENERGY EQUIPMENT AND SERVICES 1.0%</b>		
Halliburton Company	375,400	10,680,130
Tidewater Inc.	349,500	15,444,405
		26,124,535
<b>FOOD AND STAPLES RETAILING 2.0%</b>		
Rite Aid Corporation*	2,761,300	12,536,302
SUPERVALU INC.	440,200	13,051,930
Wal-Mart Stores, Inc.	515,220	25,410,650
		50,998,882
<b>HEALTH CARE EQUIPMENT AND SUPPLIES 1.9%</b>		
Bausch & Lomb Inc.	123,400	6,186,042
Boston Scientific Corporation*	1,492,600	22,075,554
Medtronic, Inc.	402,900	18,710,676
		46,972,272
<b>HEALTH CARE PROVIDERS AND SERVICES 3.1%</b>		
Aetna Inc.	639,200	25,280,360
UnitedHealth Group Incorporated	380,800	18,735,360
WellPoint Inc.*	455,300	35,080,865
		79,096,585
<b>HOTELS, RESTAURANTS AND LEISURE 0.9%</b>		
Harrah's Entertainment, Inc.	333,400	22,147,762
<b>INDUSTRIAL CONGLOMERATES 4.4%</b>		
3M Company	405,800	30,199,636
General Electric Company	2,304,150	81,336,495
		111,536,131
<b>INSURANCE 3.4%</b>		
Allstate Corporation (The)	124,200	7,791,066
American International Group, Inc.	642,300	42,558,798
MetLife, Inc.	173,300	9,822,644
UnumProvident Corporation	489,300	9,487,527
XL Capital Ltd. Class A	243,800	16,749,059
		86,409,094

**INTERNET SOFTWARE  
AND SERVICES 2.0%**

Google Inc. Class A*	61,900	24,877,610
McAfee Inc.*	560,400	13,707,384
Yahoo! Inc.*	491,000	12,412,480
		50,997,474

**MACHINERY 0.7%**

Illinois Tool Works Inc.	399,160	17,922,284
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**MEDIA 2.3%**

Clear Channel Communications, Inc.	411,800	11,880,430
News Corp. Class A	777,400	15,275,910
Time Warner Inc.	1,700,900	31,007,407
		58,163,747

**METALS AND MINING 0.9%**

Alcoa Inc.	447,600	12,550,704
Freeport-McMoRan Copper & Gold Inc. Class B	177,500	9,453,650
		22,004,354

**MULTI-UTILITIES 1.0%**

Dominion Resources, Inc.	188,900	14,448,961
DTE Energy Company	236,600	9,821,266
		24,270,227

**MULTILINE RETAIL 1.4%**

Dollar General Corporation	1,770,300	24,129,189
Target Corp.	210,000	11,602,500
		35,731,689

**OIL, GAS AND****CONSUMABLE FUELS 6.6%**

Chevron Corporation	599,000	38,851,140
ConocoPhillips	512,200	30,491,266
Exxon Mobil Corporation	912,100	61,201,910
Murphy Oil Corporation	373,525	17,761,114
Sunoco, Inc.	304,200	18,918,198
		167,223,628

**PHARMACEUTICALS 4.9%**

Forest Laboratories, Inc.*	351,600	17,794,476
Johnson & Johnson	150,607	9,780,419
Lilly Eli & Company	129,300	7,370,100
Pfizer Inc.	1,489,738	42,248,970
Valeant Pharmaceuticals International	791,500	15,655,870
Wyeth	611,800	31,103,912
		123,953,747

See footnotes on page 8.



*Tri-Continental Corporation***Portfolio of Investments** (unaudited)

September 30, 2006

	Shares or Shares Subject to Call/Put	Value
<b>REAL ESTATE MANAGEMENT AND DEVELOPMENT 0.3%</b>		
Realogy Corporation*	283,050	\$ 6,419,574
<b>ROAD AND RAIL 0.1%</b>		
Avis Budget Group, Inc.*	113,220	2,070,794
<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 1.9%</b>		
Broadcom Corporation Class [A]*	426,000	12,924,840
Marvell Technology Group Ltd.*	692,300	13,409,850
Maxim Integrated Products, Inc.	371,800	10,436,426
Texas Instruments Incorporated	344,500	11,454,625
		48,225,741
<b>SOFTWARE 4.0%</b>		
Activision, Inc.*	573,000	8,652,300
Business Objects S.A.*	434,700	14,818,923
Cogent Inc.*	2,256,000	30,974,880
Microsoft Corp.	1,697,956	46,405,137
		100,851,240
<b>SPECIALTY RETAIL 4.5%</b>		
Abercrombie & Fitch Co. Class A	179,300	12,457,764
Best Buy Co., Inc.	600,000	32,136,000
Foot Locker, Inc.	801,600	20,240,400
The Home Depot, Inc.	837,400	30,372,498
Urban Outfitters, Inc.*	1,103,800	19,526,222
		114,732,884
<b>THRIFTS AND MORTGAGE FINANCE 1.1%</b>		
Fannie Mae	244,100	13,647,631
Freddie Mac	223,700	14,838,021
		28,485,652
<b>TOBACCO 2.7%</b>		
Altria Group, Inc.	904,580	69,245,599
<b>WIRELESS TELECOMMUNICATION SERVICES 1.6%</b>		
American Tower Corporation Class A*	348,400	12,716,600
Sprint Nextel Corporation	1,566,700	26,868,905
		39,585,505



<b>TOTAL COMMON STOCKS AND WARRANTS</b>		2,108,482,268
<b>OPTIONS PURCHASED 2.8% BEVERAGES 0.1%</b>		
The Coca-Cola Company, Call expiring January 2008 at \$15	4,636	3,106,120
<b>BIOTECHNOLOGY 0.0%</b>		
Pharmion Corporation, Call expiring December 2006 at \$17.5	2,668	1,200,600
<b>COMMUNICATIONS EQUIPMENT 0.3%</b>		
Comverse Technology Inc., Call expiring January 2008 at \$20	11,622	5,927,220
Corning Incorporated, Call expiring January 2007 at \$22.5	7,706	2,620,040 8,547,260
<b>COMPUTERS AND PERIPHERALS 0.2%</b>		
Dell Inc., Call expiring January 2008 at \$25	13,002	3,705,570
Seagate Technology, Call expiring January 2007 at \$17.50	3,783	2,307,630 6,013,200
<b>CONSUMER FINANCE 0.2%</b>		
Capital One Financial Corporation, Call expiring January 2008 at \$80	3,836	4,449,760
<b>FOOD PRODUCTS 0.0%</b>		
Kraft Foods Inc., Put expiring March 2007 at \$30	2,694	107,760
<b>HEALTH CARE EQUIPMENT AND SUPPLIES 0.4%</b>		
Bausch & Lomb Inc., Call expiring January 2008 at \$50	3,365	2,877,075
Boston Scientific Corporation, Call expiring January 2009 at \$20	10,746	2,417,850
St. Jude Medical Inc. Call, expiring January 2008 at \$35	5,647	3,585,845 8,880,770
<b>INDUSTRIAL CONGLOMERATES 0.0%</b>		
3M Company, Call expiring January 2009 at \$80	446	374,640

See footnotes on page 8.

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*Tri-Continental Corporation***Portfolio of Investments** (unaudited)

September 30, 2006

	Shares Subject to Call/Put, Partnership Interest or Principal Amount	Value
<b>INTERNET SOFTWARE AND SERVICES 0.2%</b>		
eBay Inc., Call expiring January 2008 at \$30	4,969 shs. \$	2,484,500
Yahoo!, Inc., Call expiring January 2009 at \$30	4,910	2,307,700 4,792,200
<b>MULTILINE RETAIL 0.1%</b>		
Dollar General Corp. Call expiring January 2008 at \$15	18,249	2,828,595
<b>OIL, GAS AND CONSUMABLE FUELS 0.0%</b>		
Murphy Oil Corporation, Call expiring January 2008 at \$50	1,895	1,174,900
<b>PHARMACEUTICALS 0.1%</b>		
Bristol-Myers Squibb Company, Call expiring January 2008 at \$20	2,638	1,424,520
<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 0.1%</b>		
Marvell Technology Group, Ltd., Call expiring January 2009 at \$20	5,331	3,518,460
<b>SOFTWARE 0.5%</b>		
Activision, Inc., Call expiring January 2008 at \$15	15,812	5,455,140
Cogent, Inc., Call expiring December 2006 at \$15	13,974	1,607,010
Cogent, Inc., Call expiring March 2007 at \$12.5	12,611	3,783,300 10,845,450
<b>TOBACCO 0.5%</b>		
Altria Group Inc., Call expiring January 2008 at \$85	12,180	4,993,800
Altria Group Inc., Call expiring January 2008 at \$80	8,116	4,707,280
Altria Group Inc., Call expiring January 2008 at \$75	3,148	2,612,840 12,313,920

**WIRELESS****TELECOMMUNICATION****SERVICES 0.1%**Sprint Nextel Corporation, Call  
expiring January 2009 at \$20

10,357

2,433,895

**TOTAL OPTIONS PURCHASED**

72,012,050

**TRI-CONTINENTAL****FINANCIAL****DIVISION 0.1%**WCAS Capital Partners II,  
L.P.

\$4,301,124

1,801,926

Whitney Subordinated  
Debt Fund, L.P.

1,214,850

19,478

**TOTAL TRI-CONTINENTAL****FINANCIAL DIVISION**

1,821,404

**SHORT-TERM****HOLDINGS 12.4%****CORPORATE NOTES 3.9%**

Goldman Sachs Group (The):

13%, 12/20/06(1)

12,130,000

11,917,604

8.25%, 7/27/07(2)

11,675,060

11,780,077

13.75%, 8/2/07(3)

17,999,490

19,161,148

9.8%, 9/27/07(4)

12,009,268

12,175,883

Merrill Lynch &amp; Co., Inc.

13.6%, 3/27/07(5)

12,012,477

12,350,809

Morgan Stanley:

10.6%, 3/27/07(6)

12,014,087

12,604,085

10.25%, 8/25/07(6)

19,194,138

19,674,588

99,664,194

**TIME DEPOSITS 7.7%**

Bank of Montreal,

5.3125%, 10/2/06

94,583,000

94,583,000

Royal Bank of Scotland,

5.34%, 10/2/06

100,000,000

100,000,000

194,583,000

**US TREASURY NOTES 0.8%**

US Treasury Notes

2.875%, 11/30/06

20,895,000#

20,831,354

**TOTAL SHORT-TERM****HOLDINGS**

315,078,548

See footnotes on page 8.

# Tri-Continental Corporation

## Portfolio of Investments (unaudited)

September 30, 2006

	Value
<b>TOTAL</b>	
<b>INVESTMENTS 98.5%</b>	\$ 2,497,394,270
<b>OTHER ASSETS LESS</b>	
<b>LIABILITIES 1.5%</b>	38,662,342
<b>NET INVESTMENT</b>	
<b>ASSETS 100.0%</b>	\$ 2,536,056,612

## Schedule of Options Written (unaudited)

September 30, 2006

	Shares Subject to Call/Put	Value
<b>PUT OPTIONS WRITTEN</b>		
Hewlett-Packard Company, expiring November 2006 at \$35	540,500 shs.	\$ (513,475)
Foot Locker Inc., expiring November 2006 at \$25	93,400	(126,090)
<b>TOTAL OPTIONS WRITTEN</b> (Premium received \$1,059,254)		\$ (639,565)

The cost of investments for federal income tax purposes was \$2,565,556,820.

The tax basis gross unrealized appreciation and depreciation of portfolio securities were \$41,304,043 and \$109,466,593, respectively.

\* Non-income producing security.

□ At September 30, 2006, the Tri-Continental Financial Division comprised two investments that were purchased through private offerings and cannot be sold without prior registration under the Securities Act of 1933 or pursuant to an exemption therefrom. These investments are valued at fair value as determined in accordance with procedures approved by the Board of Directors of the Corporation. The acquisition dates of investments in the limited partnerships, along with their cost and values at September 30, 2006, were as follows:

Investments	Acquisition Date(s)	Cost	Value
WCAS Capital Partners II, L.P.	12/11/90 to 3/24/98	\$ 4,301,124	\$ 1,801,926
Whitney Subordinated Debt Fund, L.P.	7/12/89 to 11/10/98	1,214,850	19,478
		\$ 5,515,974	\$ 1,821,404

□□ The security may be offered and sold only to a □qualified institutional buyer□ under Rule 144A of the Securities Act of 1933.

- (1) These notes are exchangeable at maturity for the value of the common stock of five companies in the home building industry. The maturity value of each stock is limited to 115% of the stock's price at the date of purchase of the notes.
- (2) These notes are exchangeable at maturity for the value of the common stock of Yahoo! (Internet Software and Services). The maturity value of the stock is limited to 120% of the stock's price at the date of purchase of the notes.
- (3) These notes are exchangeable at maturity for the value of the common stock of Marvell Technology Group (Semiconductors and Semiconductor Equipment). The maturity value of the stock is limited to 120% of the stock's price at the date of purchase of the notes.
- (4) These notes are exchangeable at maturity for the value of the common stock of Seagate Technology (Computers and Peripherals). The maturity value of the stock is limited to 120% of the stock's price at the date of purchase of the notes.
- (5) These notes are exchangeable at maturity for the value of the common stock of Peabody Energy (Oil, Gas and Consumable Fuels). The maturity value of the stock is limited to 120% of the stock's price at the date of purchase of the notes.
- (6) These notes are exchangeable at maturity for the value of the common stock of eBay (Internet Software and Services). The maturity value of the stock is limited to 120% of the stock's price at the date of purchase of the notes.

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# All or part of the security is held as collateral for options written. As of September 30, 2006, the value of securities held as collateral was \$20,831,354.

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. Fixed income securities not listed on an exchange or security market are valued by independent pricing services based on bid prices which consider such factors as coupons, maturities, credit ratings, liquidity, specific terms and features, and the US Treasury yield curve or are valued by J. & W. Seligman & Co. Incorporated (the "Manager") based on quotations provided by primary market makers in such securities. Equity securities not listed on an exchange or security market, or equity 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 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 mutual funds to determine net asset value or the price that may be realized upon the actual sale of the security. Short-term holdings maturing in more than 60 days are valued at current market quotations. Short-term holdings maturing in 60 days or less are valued at amortized cost.

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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: November 27, 2006

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 27, 2006

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

Date: November 27, 2006

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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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