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GABELLI EQUITY TRUST INC  
Form N-Q  
November 28, 2008

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 811-04700

The Gabelli Equity Trust Inc.  
(Exact name of registrant as specified in charter)

One Corporate Center  
Rye, New York 10580-1422  
(Address of principal executive offices) (Zip code)

Bruce N. Alpert  
Gabelli Funds, LLC  
One Corporate Center  
Rye, New York 10580-1422  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: September 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.  
The Schedule(s) of Investments is attached herewith.

(THE GABELLI LOGO)

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EQUITY TRUST INC.

THE GABELLI EQUITY TRUST INC.

Third Quarter Report  
September 30, 2008

TO OUR SHAREHOLDERS,

During the third quarter of 2008, The Gabelli Equity Trust's (the "Fund") total return was down 15.37% on a net asset value ("NAV") basis while the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average declined 8.36% and 3.72%, respectively. The Fund's NAV fell 29.22% for the past twelve months, underperforming the benchmark S&P 500 Index for this period. The Fund's market price on September 30, 2008 was \$6.89, which equates to a 12.40% premium to its NAV of \$6.13 at the end of the quarter. The Fund's market price, adjusted for distributions, declined 12.98% during the third quarter and was down 19.25% for the twelve month period ended September 30, 2008.

Enclosed is the investment portfolio as of September 30, 2008.

COMPARATIVE RESULTS

AVERAGE ANNUAL RETURNS THROUGH SEPTEMBER 30, 2008 (a)

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year
	-----	-----	-----	-----	-----	-----	-----
GABELLI EQUITY TRUST							
NAV TOTAL RETURN (b) .....	(15.37)%	(29.22)%	0.14%	9.10%	7.46%	8.52%	
INVESTMENT TOTAL RETURN (c) ....	(12.98)	(19.25)	5.29	10.25	8.24	8.75	
S&P 500 Index .....	(8.36)	(21.96)	0.22	5.17	3.06	8.39	
Dow Jones Industrial Average .....	(3.72)	(19.85)	3.31	5.62	5.48	10.07	
Nasdaq Composite Index .....	(8.77)	(22.57)	(0.94)	3.20	2.13	6.96	

- (a) RETURNS REPRESENT PAST PERFORMANCE AND DO NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURNS AND THE PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE. WHEN SHARES ARE SOLD, THEY MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA PRESENTED. VISIT WWW.GABELLI.COM FOR PERFORMANCE INFORMATION AS OF THE MOST RECENT MONTH END. PERFORMANCE RETURNS FOR PERIODS OF LESS THAN ONE YEAR ARE NOT ANNUALIZED. INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES, AND EXPENSES OF THE FUND BEFORE INVESTING. THE DOW JONES INDUSTRIAL AVERAGE IS AN UNMANAGED INDEX OF 30 LARGE CAPITALIZATION STOCKS. THE S&P 500 AND THE NASDAQ COMPOSITE INDICES ARE UNMANAGED INDICATORS OF STOCK MARKET PERFORMANCE. DIVIDENDS ARE CONSIDERED REINVESTED EXCEPT FOR THE NASDAQ COMPOSITE INDEX. YOU CANNOT INVEST DIRECTLY IN AN INDEX.
- (b) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN THE NAV PER SHARE, REINVESTMENT OF DISTRIBUTIONS AT NAV ON THE EX-DIVIDEND DATE, ADJUSTMENTS FOR RIGHTS OFFERINGS, SPIN-OFFS, AND TAXES PAID ON UNDISTRIBUTED LONG-TERM CAPITAL GAINS AND ARE NET OF EXPENSES. SINCE INCEPTION RETURN IS BASED ON AN INITIAL NAV OF \$9.34.
- (c) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN CLOSING MARKET VALUES ON THE NEW YORK STOCK EXCHANGE, REINVESTMENT OF DISTRIBUTIONS, AND

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ADJUSTMENTS FOR RIGHTS OFFERINGS, SPIN-OFFS, AND TAXES PAID ON  
UNDISTRIBUTED LONG-TERM CAPITAL GAINS. SINCE INCEPTION RETURN IS BASED ON  
AN INITIAL OFFERING PRICE OF \$10.00.

(d) FROM AUGUST 31, 1986, THE DATE CLOSEST TO THE FUND'S INCEPTION FOR WHICH  
DATA IS AVAILABLE.

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

THE GABELLI EQUITY TRUST INC.  
PORTFOLIO CHANGES  
QUARTER ENDED SEPTEMBER 30, 2008 (UNAUDITED)

	SHARES	OWNERSHIP AT SEPTEMBER 30, 2008
	-----	-----
NET PURCHASES		
COMMON STOCKS		
Accor SA .....	800	2,000
Advanced Medical Optics Inc. ....	15,000	145,000
Alcoa Inc. ....	6,000	28,000
Alpharma Inc., Cl. A .....	23,000	30,000
American International Group Inc. ....	40,000	100,000
Anheuser-Busch Companies Inc. ....	40,000	80,000
Ascent Media Corp., Cl. A (a) .....	15,450	15,450
AutoNation Inc. ....	10,000	210,000
Avis Budget Group Inc. ....	1,000	15,000
Boeing Co. ....	5,000	110,000
British American Tobacco plc .....	5,000	30,000
Cable & Wireless Jamaica Ltd. ....	1,727,420	6,168,256
Cadbury plc .....	20,000	90,400
Cephalon Inc. ....	2,000	3,000
Champion Enterprises Inc. ....	30,000	100,000
Ciba Holding AG .....	20,000	20,000
Citigroup Inc. ....	10,000	360,000
Compania de Telecomunicaciones de Chile SA, ADR .....	10,000	120,000
Constellation Energy Group Inc. ....	25,000	33,000
Davide Campari-Milano SpA .....	10,000	300,000
Dean Foods Co. ....	35,000	150,000
Deutsche Telekom AG, ADR .....	22,000	190,000
Diamond Offshore Drilling Inc. ....	1,000	3,000
Discovery Communications Inc., Cl. A (a) .....	134,500	134,500
Discovery Communications Inc., Cl. C (a) .....	134,500	134,500
Dr. Pepper Snapple Group Inc. ....	33,600	133,200
Eastman Kodak Co. ....	100,000	100,000
El Paso Corp. ....	30,000	300,000
Federal National Mortgage Association .....	10,000	50,000
Fortune Brands Inc. ....	2,000	60,000
Frontier Communications Corp. ....	80,000	80,000
General Motors Corp. ....	120,000	330,000

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Great Plains Energy Inc. (b) .....	68,480	68,480
Grupo TMM SA, Cl. A, ADR .....	1,000	16,000
Heineken NV .....	20,000	45,000
Hellenic Telecommunications Organization SA .....	33,000	33,000
Hellenic Telecommunications Organization SA, ADR .....	8,500	8,500
Hertz Global Holdings Inc. ....	1,000	1,000
HSN Inc. (c) .....	35,000	35,000
IAC/InterActiveCorp. (c) .....	100,000	100,000

	SHARES	OWNERSHIP AT SEPTEMBER 30, 2008
	-----	-----
Impala Platinum Holdings Ltd. ....	25,000	25,000
Interactive Brokers Group Inc., Cl. A .....	5,000	25,000
Interval Leisure Group Inc. (c) .....	45,000	45,000
Legg Mason Inc. ....	37,000	95,000
Liberty Global Inc., Cl. A .....	20,000	176,770
MGM Mirage .....	15,212	152,000
Midas Inc. ....	5,000	135,000
Monsanto Co. ....	1,000	31,000
Monster Worldwide Inc. ....	5,000	55,000
Och-Ziff Capital Management Group LLC, Cl. A .....	5,000	8,000
O'Reilly Automotive Inc. ....	5,000	160,000
Orient-Express Hotels Ltd., Cl. A .....	2,000	18,000
Pernod-Ricard SA .....	5,000	56,200
Petroleo Brasileiro SA, ADR .....	1,000	55,000
Precision Castparts Corp. ....	8,500	105,000
Remy Cointreau SA .....	7,000	33,000
Republic Services Inc. ....	1,300	98,800
Rio Tinto plc .....	2,000	25,000
Scripps Networks Interactive Inc., Cl. A (d) .....	125,000	125,000
Skyline Corp. ....	10,000	30,000
Telephone & Data Systems Inc., Special .....	5,000	360,000
The DIRECTV Group Inc. ....	10,000	460,000
The E.W. Scripps Co., Cl. A (e) .....	43,333	43,333
The Great Atlantic & Pacific Tea Co. Inc. ....	55,000	170,000
The Interpublic Group of Companies Inc. ....	17,800	252,800
Ticketmaster (c) .....	20,000	20,000
Tokyo Broadcasting System Inc. ....	10,000	120,000
Tree.com Inc. (c) .....	66	66
Tyson Foods Inc., Cl. A .....	99,000	99,000
UnionBanCal Corp. ....	250,000	250,000
Wachovia Corp. ....	100,000	100,000
Walgreen Co. ....	5,000	75,000
Whole Foods Market Inc. ....	19,000	44,000
Wm. Wrigley Jr. Co. ....	210,000	390,000
CONVERTIBLE CORPORATE BOND		
The Great Atlantic & Pacific Tea Co. Inc., Cv., 5.125%, 06/15/11 .....	100,000	3,100,000
U.S. GOVERNMENT OBLIGATIONS		
U.S. Treasury Note, 4.500%, 04/30/09 .....	125,000	125,000

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.  
 PORTFOLIO CHANGES (CONTINUED)  
 QUARTER ENDED SEPTEMBER 30, 2008 (UNAUDITED)

	SHARES	OWNERSHIP AT SEPTEMBER 30, 2008
	-----	-----
NET SALES		
COMMON STOCKS		
Ameriprise Financial Inc. ....	(2,000)	6,000
Ampco-Pittsburgh Corp. ....	(1,000)	161,000
Aquila Inc. (b) ....	(800,000)	--
ARIAKE JAPAN Co. Ltd. ....	(36,000)	--
Ashland Inc. ....	(11,000)	30,000
Avon Products Inc. ....	(4,000)	80,000
BCE Inc. ....	(10,000)	60,000
Bouygues SA ....	(5,000)	20,000
CBS Corp., Cl. A ....	(8,000)	425,000
Cermaq ASA ....	(32,000)	--
ChoicePoint Inc. (f) ....	(235,000)	--
Church & Dwight Co. Inc. ....	(1,000)	14,000
Citizens Communications Co. ....	(90,000)	--
Clear Channel Communications Inc., Cl. A (g) ....	(174,000)	--
Constellation Brands Inc., Cl. A ....	(14,000)	90,000
Discovery Holding Co., Cl. A (a) ....	(269,000)	--
Energy East Corp. (h) ....	(50,000)	--
General Mills Inc. ....	(3,000)	177,000
Gray Television Inc., Cl. A ....	(1,000)	26,000
Greif Inc., Cl. A ....	(10,000)	190,000
Groupe Danone ....	(5,000)	355,000
Home Inns & Hotels Management Inc., ADR ....	(2,000)	20,000
IAC/InterActiveCorp (c) ....	(200,000)	--
Il Sole 24 Ore ....	(20,000)	1,960,000
Kellogg Co. ....	(38,000)	48,000
Kraft Foods Inc., Cl. A ....	(65,000)	135,000
Ladbrokes plc ....	(97,058)	1,150,058
MasterCard Inc., Cl. A ....	(500)	39,500
McClatchy Co., Cl. A ....	(9,000)	--
Modern Times Group MTG AB, Cl. B ....	(29,000)	--
Nortel Networks Corp. ....	(20,000)	160,000
Pactiv Corp. ....	(12,000)	100,000
PepsiCo Inc. ....	(62,000)	238,000

	SHARES	OWNERSHIP AT SEPTEMBER 30, 2008
	-----	-----
PRIMEDIA Inc. ....	(60,000)	--
Procter & Gamble Co. ....	(5,000)	295,000
Prosperity REIT ....	(2,187)	--
Rank Group plc ....	(330,000)	150,000

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Rollins Inc. ....	(10,000)	1,100,000
Rolls-Royce Group plc, Cl. B .....	(107,520,000)	--
Six Flags Inc. ....	(30,000)	45,000
Standard Chartered plc .....	(5,000)	40,000
The E.W. Scripps Co., Cl. A (e) .....	(130,000)	--
The Mosaic Co. ....	(500)	10,000
The New York Times Co., Cl. A .....	(5,000)	50,000
The Walt Disney Co. ....	(18,000)	32,000
Tronox Inc., Cl. B .....	(4,032)	--
UnitedHealth Group Inc. ....	(5,000)	125,000
Viacom Inc., Cl. A .....	(15,000)	355,000
Young Broadcasting Inc., Cl. A .....	(20,000)	80,000

- 
- (a) Merger - 0.05 share of Ascent Media Corp., Cl. A, 0.5 share of Discovery Communications Inc., Cl. A, and 0.5 share of Discovery Communications Inc., Cl. B for every 1 share of Discovery Holding Co., Cl. A held.
- (b) Merger - \$1.80 in cash and 0.856 share of Great Plains Energy Inc. for every 1 share of Aquila Inc. held.
- (c) Exchange 1 share of IAC/InterActiveCorp held for 0.2 share of HSN Inc., 0.5 share of IAC/InteractiveCorp, 0.2 share of Interval Leisure Group Inc., 0.2 share of Ticketmaster, and 0.03333 share of Tree.com Inc.
- (d) Spin-off - 1 share of Scripps Networks Interactive Inc., Cl. A for every 1 share of The E.W. Scripps Co., Cl. A.
- (e) Split - 1 new share of The E.W. Scripps Co., Cl. A (811054402) for every 3 shares of The E.W. Scripps Co., Cl. A (811054204) held.
- (f) Cash merger - \$50.00 for every 1 share held.
- (g) Cash merger - \$36.00 for every 1 share held.
- (h) Cash merger - \$28.50 for every 1 share held.

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.  
SCHEDULE OF INVESTMENTS  
SEPTEMBER 30, 2008 (UNAUDITED)

SHARES		MARKET VALUE
-----		-----
	COMMON STOCKS -- 99.4%	
	FOOD AND BEVERAGE -- 16.1%	
85,000	Ajinomoto Co. Inc. ....	\$ 798,411
80,000	Anheuser-Busch Companies Inc. ....	5,190,400
24,000	Brown-Forman Corp., Cl. A .....	1,704,000
90,400	Cadbury plc .....	908,854
115,200	Cadbury plc, ADR .....	4,716,288

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80,000	Campbell Soup Co. ....	3,088,000
40,000	China Mengniu Dairy Co. Ltd. ....	40,799
20,000	Coca-Cola Enterprises Inc. ....	335,400
57,000	Coca-Cola Hellenic Bottling Co. SA ....	1,222,925
90,000	Constellation Brands Inc., Cl. A+ ....	1,931,400
50,000	Corn Products International Inc. ....	1,614,000
300,000	Davide Campari-Milano SpA ....	2,409,443
150,000	Dean Foods Co.+ ....	3,504,000
60,000	Del Monte Foods Co. ....	468,000
80,000	Diageo plc ....	1,344,048
224,000	Diageo plc, ADR ....	15,424,640
133,200	Dr. Pepper Snapple Group Inc.+ ....	3,527,136
90,000	Flowers Foods Inc. ....	2,642,400
97,000	Fomento Economico Mexicano SAB de CV, ADR ....	3,699,580
177,000	General Mills Inc. ....	12,163,440
355,000	Groupe Danone ....	24,988,386
980,000	Grupo Bimbo SAB de CV, Cl. A ....	6,165,044
100,000	H.J. Heinz Co. ....	4,997,000
20,000	Hain Celestial Group Inc.+ ....	550,600
45,000	Heineken NV ....	1,795,680
200,000	ITO EN Ltd. ....	2,555,592
60,000	ITO EN Ltd., Preference ....	618,307
48,000	Kellogg Co. ....	2,692,800
75,000	Kerry Group plc, Cl. A ....	2,196,158
135,000	Kraft Foods Inc., Cl. A ....	4,421,250
12,100	LVMH Moet Hennessy Louis Vuitton SA ....	1,051,870
10,000	Meiji Seika Kaisha Ltd. ....	44,944
70,000	Morinaga Milk Industry Co. Ltd. ....	197,452
55,000	Nestle SA ....	2,358,121
300,000	Nissin Food Products Co. Ltd. ....	10,605,989
600,000	PepsiAmericas Inc. ....	12,432,000
238,000	PepsiCo Inc. ....	16,962,260
56,200	Pernod-Ricard SA ....	4,887,919
68,200	Ralcorp Holdings Inc.+ ....	4,597,362
33,000	Remy Cointreau SA ....	1,541,453
330,000	Sara Lee Corp. ....	4,167,900
200,000	The Coca-Cola Co. ....	10,576,000
70,000	The Hershey Co. ....	2,767,800
2,000	The J.M. Smucker Co. ....	101,380
122,384	Tootsie Roll Industries Inc. ....	3,538,121
99,000	Tyson Foods Inc., Cl. A ....	1,182,060
390,000	Wm. Wrigley Jr. Co. ....	30,966,000

SHARES

MARKET  
VALUE

42,500	Wm. Wrigley Jr. Co., Cl. B ....	\$ 3,357,500
550,000	YAKULT HONSHA Co. Ltd. ....	16,910,347
		-----
		245,960,459
		-----
	FINANCIAL SERVICES -- 9.7%	
2,800	Allianz SE ....	379,519
575,000	American Express Co. ....	20,372,250
100,000	American International Group Inc. ....	333,000
6,000	Ameriprise Financial Inc. ....	229,200
19,452	Argo Group International Holdings Ltd.+ ....	716,806
158,600	AXA Asia Pacific Holdings Ltd. ....	630,429

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90,000	Banco Santander SA, ADR .....	1,351,800
142	Berkshire Hathaway Inc., Cl. A+ .....	18,545,200
7,500	Calamos Asset Management Inc., Cl. A .....	134,400
360,000	Citigroup Inc. ....	7,383,600
155,000	Commerzbank AG, ADR .....	2,353,566
148,000	Deutsche Bank AG .....	10,772,920
50,000	Federal National Mortgage Association .....	76,500
20,000	Fortress Investment Group LLC, Cl. A .....	210,000
20,000	H&R Block Inc. ....	455,000
25,000	Interactive Brokers Group Inc., Cl. A+ .....	554,250
180,000	Janus Capital Group Inc. ....	4,370,400
61,788	JPMorgan Chase & Co. ....	2,885,500
95,000	Legg Mason Inc. ....	3,615,700
133,000	Leucadia National Corp. ....	6,043,520
5,000	Loews Corp. ....	197,450
265,000	Marsh & McLennan Companies Inc. ....	8,416,400
65,000	Moody's Corp. ....	2,210,000
8,000	Och-Ziff Capital Management Group LLC, Cl. A .....	93,520
2,500	Prudential Financial Inc. ....	180,000
45,000	Schroders plc .....	810,429
40,000	Standard Chartered plc .....	956,478
80,000	State Street Corp. ....	4,550,400
20,000	SunTrust Banks Inc. ....	899,800
150,000	T. Rowe Price Group Inc. ....	8,056,500
5,000	The Allstate Corp. ....	230,600
146,038	The Bank of New York Mellon Corp. ....	4,757,918
5,000	The Blackstone Group LP .....	76,700
44,500	The Charles Schwab Corp. ....	1,157,000
18,000	The Dun & Bradstreet Corp. ....	1,698,480
135,000	The Phoenix Companies Inc. ....	1,247,400
3,000	The Travelers Companies Inc. ....	135,600
66	Tree.com Inc.+ .....	318
250,000	UnionBanCal Corp. ....	18,322,500
100,000	Wachovia Corp. ....	350,000
100,000	Waddell & Reed Financial Inc., Cl. A .....	2,475,000
280,000	Wells Fargo & Co. ....	10,508,400
		-----
		148,744,453
		-----

See accompanying notes to schedule of investments.

THE GABELLI EQUITY TRUST INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)  
SEPTEMBER 30, 2008 (UNAUDITED)

SHARES		MARKET VALUE
-----		-----
	COMMON STOCKS (CONTINUED)	
	ENERGY AND UTILITIES -- 7.7%	
5,000	AGL Resources Inc. ....	\$ 156,900
68,000	Allegheny Energy Inc. ....	2,500,360

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70,000	Apache Corp. ....	7,299,600
100,000	BP plc .....	824,918
247,000	BP plc, ADR .....	12,391,990
105,000	CH Energy Group Inc. ....	4,574,850
65,000	CMS Energy Corp. ....	810,550
315,000	ConocoPhillips .....	23,073,750
33,000	Constellation Energy Group Inc. ....	801,900
3,000	Diamond Offshore Drilling Inc. ....	309,180
60,000	DPL Inc. ....	1,488,000
14,000	DTE Energy Co. ....	561,680
220,000	Duke Energy Corp. ....	3,834,600
300,000	El Paso Corp. ....	3,828,000
280,000	El Paso Electric Co.+ .....	5,880,000
80,000	Exxon Mobil Corp. ....	6,212,800
25,000	FPL Group Inc. ....	1,257,500
45,000	Galp Energia SGPS SA, Cl. B .....	737,404
68,480	Great Plains Energy Inc. ....	1,521,626
210,000	Halliburton Co. ....	6,801,900
32,000	Imperial Oil Ltd. ....	1,370,505
20,000	Marathon Oil Corp. ....	797,400
10,000	Mirant Corp.+ .....	182,900
140,000	Mirant Corp., Escrow+ (a) .....	0
2,000	Niko Resources Ltd., New York .....	107,512
1,000	Niko Resources Ltd., Toronto .....	53,756
10,000	NiSource Inc. ....	147,600
240,000	Northeast Utilities .....	6,156,000
19,000	Oceaneering International Inc.+ .....	1,013,080
1,300	PetroChina Co. Ltd., ADR .....	133,549
55,000	Petroleo Brasileiro SA, ADR .....	2,417,250
100,000	Progress Energy Inc., CVO+ (a) .....	33,000
200,000	Rowan Companies Inc. ....	6,110,000
65,000	Saipem SpA .....	1,913,406
5,000	SJW Corp. ....	149,850
20,000	Southwest Gas Corp. ....	605,200
120,000	Spectra Energy Corp. ....	2,856,000
60,000	The AES Corp.+ .....	701,400
24,128	Total SA .....	1,446,328
3,000	Transocean Inc.+ .....	329,520
270,000	Westar Energy Inc. ....	6,220,800
		-----
		117,612,564
		-----

DIVERSIFIED INDUSTRIAL -- 6.4%

9,000	Acuity Brands Inc. ....	375,840
161,000	Ampco-Pittsburgh Corp. ....	4,169,900
155,000	Baldor Electric Co. ....	4,465,550
24,000	Bayer AG .....	1,750,172
20,000	Bouygues SA .....	893,951

SHARES		MARKET VALUE
-----		-----
245,000	Cooper Industries Ltd., Cl. A .....	\$ 9,787,750
260,000	Crane Co. ....	7,724,600
77,500	CRH plc .....	1,636,563
300,000	Enodis plc .....	1,677,393
150,000	General Electric Co. ....	3,825,000
190,000	Greif Inc., Cl. A .....	12,467,800

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18,000	Greif Inc., Cl. B .....	939,240
450,000	Honeywell International Inc. ....	18,697,500
253,000	ITT Corp. ....	14,069,330
40,000	Mitsui & Co. Ltd. ....	480,654
100,000	Park-Ohio Holdings Corp.+ .....	1,789,000
1,000	Pentair Inc. ....	34,570
19,000	Sulzer AG .....	1,994,307
69,000	Swire Pacific Ltd., Cl. A .....	598,930
30,000	Technip SA .....	1,662,748
70,000	Trinity Industries Inc. ....	1,801,100
200,000	Tyco International Ltd. ....	7,004,000
		-----
		97,845,898
		-----
	CABLE AND SATELLITE -- 6.1%	
1,550,000	Cablevision Systems Corp., Cl. A .....	38,998,000
52,000	Comcast Corp., Cl. A .....	1,020,760
120,000	Comcast Corp., Cl. A, Special .....	2,366,400
133,700	DISH Network Corp., Cl. A+ .....	2,807,700
26,740	EchoStar Corp., Cl. A+ .....	644,434
176,770	Liberty Global Inc., Cl. A+ .....	5,356,131
139,001	Liberty Global Inc., Cl. C+ .....	3,904,538
500,690	Rogers Communications Inc., Cl. B, New York .....	16,642,936
19,310	Rogers Communications Inc., Cl. B, Toronto .....	626,339
125,000	Scripps Networks Interactive Inc., Cl. A .....	4,538,750
160,000	Shaw Communications Inc., Cl. B, New York .....	3,252,800
40,000	Shaw Communications Inc., Cl. B, Toronto .....	809,584
460,000	The DIRECTV Group Inc.+ .....	12,038,200
		-----
		93,006,572
		-----
	CONSUMER PRODUCTS -- 5.2%	
80,000	Avon Products Inc. ....	3,325,600
30,000	British American Tobacco plc .....	978,701
42,000	Christian Dior SA .....	3,137,894
14,000	Church & Dwight Co. Inc. ....	869,260
30,000	Clorox Co. ....	1,880,700
69,000	Compagnie Financiere Richemont SA, Cl. A .....	3,001,334
100,000	Eastman Kodak Co. ....	1,538,000
112,000	Energizer Holdings Inc.+ .....	9,021,600
60,000	Fortune Brands Inc. ....	3,441,600

See accompanying notes to schedule of investments.

THE GABELLI EQUITY TRUST INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)  
SEPTEMBER 30, 2008 (UNAUDITED)

SHARES/  
UNITS

MARKET  
VALUE

-----  
COMMON STOCKS (CONTINUED)  
CONSUMER PRODUCTS (CONTINUED)

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2,000	Givaudan SA .....	\$ 1,655,399
60,000	Hanesbrands Inc.+ .....	1,305,000
32,000	Harley-Davidson Inc. ....	1,193,600
200	Japan Tobacco Inc. ....	740,915
2,000	Jarden Corp.+ .....	46,900
15,000	Matsushita Electric Industrial Co. Ltd., ADR .....	259,950
15,000	Mattel Inc. ....	270,600
21,000	National Presto Industries Inc. ....	1,564,500
2,000	Nintendo Co. Ltd. ....	816,135
10,000	Oil-Dri Corp. of America .....	169,200
100,000	Pactiv Corp.+ .....	2,483,000
295,000	Procter & Gamble Co. ....	20,558,550
60,000	Reckitt Benckiser Group plc .....	2,891,836
30,000	Svenska Cellulosa AB, Cl. B .....	313,051
1,000,000	Swedish Match AB .....	17,331,523
37,500	The Swatch Group AG .....	1,232,543
		-----
		80,027,391
		-----
	TELECOMMUNICATIONS -- 5.2%	
60,000	BCE Inc. ....	2,082,600
1,000	Bell Aliant Regional Communications Income Fund .....	23,481
16,000	Bell Aliant Regional Communications Income Fund (a) (b) .....	399,840
30,000	Brasil Telecom Participacoes SA, ADR .....	1,465,800
1,700,000	BT Group plc .....	4,868,973
1,727,420	Cable & Wireless Jamaica Ltd. ....	19,077
4,440,836	Cable & Wireless Jamaica Ltd. (c) .....	49,043
908,300	Cincinnati Bell Inc.+ .....	2,806,647
120,000	Compania de Telecomunicaciones de Chile SA, ADR .....	817,200
190,000	Deutsche Telekom AG, ADR .....	2,893,700
3,394	FairPoint Communications Inc. ....	29,426
5,000	France Telecom SA, ADR .....	140,050
80,000	Frontier Communications Corp. ....	920,000
33,000	Hellenic Telecommunications Organization SA .....	586,291
8,500	Hellenic Telecommunications Organization SA, ADR .....	76,500
100,000	Koninklijke KPN NV .....	1,434,826
15,000	Orascom Telecom Holding SAE, GDR .....	552,632
540,000	Qwest Communications International Inc. ....	1,744,200
700,000	Sprint Nextel Corp. ....	4,270,000
186,554	Tele Norte Leste Participacoes SA, ADR .....	3,257,233
60,000	Tele2 AB, Cl. B .....	673,763
48,000	Telecom Argentina SA, ADR+ .....	588,000
1,440,000	Telecom Italia SpA .....	2,132,643

SHARES		MARKET VALUE
-----		-----
225,000	Telefonica SA, ADR .....	\$ 16,085,250
60,000	Telefonos de Mexico SAB de CV, Cl. L, ADR .....	1,545,000
265,000	Telephone & Data Systems Inc. ....	9,473,750
360,000	Telephone & Data Systems Inc., Special .....	12,924,000
60,000	Telmex Internacional SAB de CV, ADR .....	780,000
15,000	TELUS Corp. ....	547,851
180,000	Verizon Communications Inc. ....	5,776,200
5,169	Windstream Corp. ....	56,549
		-----
		79,020,525

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HEALTH CARE -- 4.8%		
8,000	Abbott Laboratories .....	460,640
145,000	Advanced Medical Optics Inc.+ .....	2,578,100
14,046	Allergan Inc. ....	723,369
30,000	Alpharma Inc., Cl. A+ .....	1,106,700
52,000	Amgen Inc.+ .....	3,082,040
19,146	AstraZeneca plc .....	844,782
17,000	Baxter International Inc. ....	1,115,710
2,000	Becton Dickinson & Co. ....	160,520
35,000	Biogen Idec Inc.+ .....	1,760,150
155,000	Boston Scientific Corp.+ .....	1,901,850
135,000	Bristol-Myers Squibb Co. ....	2,814,750
3,000	Cephalon Inc.+ .....	232,470
12,000	Cochlear Ltd. ....	562,343
20,000	Covidien Ltd. ....	1,075,200
45,036	GlaxoSmithKline plc .....	969,610
4,000	GlaxoSmithKline plc, ADR .....	173,840
5,000	Greatbatch Inc.+ .....	122,700
30,000	Henry Schein Inc.+ .....	1,615,200
18,000	Hospira Inc.+ .....	687,600
80,000	Invitrogen Corp.+ .....	3,024,000
120,000	Johnson & Johnson .....	8,313,600
95,000	Merck & Co. Inc. ....	2,998,200
10,000	Nobel Biocare Holding AG .....	329,657
39,000	Novartis AG .....	2,031,178
102,000	Novartis AG, ADR .....	5,389,680
470,000	Pfizer Inc. ....	8,666,800
16,400	Roche Holding AG .....	2,545,632
10,000	Sanofi-Aventis .....	655,329
110,000	Schering-Plough Corp. ....	2,031,700
80,000	Smith & Nephew plc .....	840,563
50,000	SSL International plc .....	398,459
5,250	Straumann Holding AG .....	1,438,356
12,500	Synthes Inc. ....	1,712,329
19,000	Takeda Pharmaceutical Co. Ltd. ....	937,897
125,000	UnitedHealth Group Inc. ....	3,173,750
82,000	William Demant Holding A/S+ .....	3,635,849
100,000	Wyeth .....	3,694,000
3,000	Zimmer Holdings Inc.+ .....	193,680
		-----
		73,998,233
		-----

See accompanying notes to schedule of investments.

THE GABELLI EQUITY TRUST INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)  
SEPTEMBER 30, 2008 (UNAUDITED)

SHARES

MARKET  
VALUE

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COMMON STOCKS (CONTINUED)		
ENTERTAINMENT -- 4.7%		
100,000	Aruze Corp. ....	\$ 2,129,660
32,000	Canal+ Groupe .....	279,307
2,002	Chestnut Hill Ventures+ (a) .....	56,356
134,500	Discovery Communications Inc., Cl. A+ .....	1,916,625
134,500	Discovery Communications Inc., Cl. C+ .....	1,904,520
3,000	DreamWorks Animation SKG Inc., Cl. A+ .....	94,350
695,000	Grupo Televisa SA, ADR .....	15,199,650
430,000	Liberty Media Corp. - Entertainment, Cl. A+ .....	10,737,100
125	Live Nation Inc.+ .....	2,034
65,341	Macrovision Solutions Corp.+ .....	1,004,945
50,000	Pinnacle Entertainment Inc.+ .....	378,000
150,000	Rank Group plc+ .....	188,673
12,000	Regal Entertainment Group, Cl. A .....	189,360
45,000	Six Flags Inc.+ .....	31,050
32,000	The Walt Disney Co. ....	982,080
920,000	Time Warner Inc. ....	12,061,200
120,000	Tokyo Broadcasting System Inc. ....	2,025,293
20,200	Triple Crown Media Inc.+ .....	343
355,000	Viacom Inc., Cl. A+ .....	8,825,300
453,900	Vivendi .....	14,070,753
		-----
		72,076,599
		-----

EQUIPMENT AND SUPPLIES -- 4.4%		
257,000	AMETEK Inc. ....	10,477,890
4,000	Amphenol Corp., Cl. A .....	160,560
94,000	CIRCOR International Inc. ....	4,082,420
194,000	Donaldson Co. Inc. ....	8,130,540
50,000	Fedders Corp.+ (a) .....	0
150,000	Flowserve Corp. ....	13,315,500
23,000	Franklin Electric Co. Inc. ....	1,024,650
90,000	Gerber Scientific Inc.+ .....	822,600
75,000	GrafTech International Ltd.+ .....	1,133,250
320,000	IDEX Corp. ....	9,926,400
40,000	Ingersoll-Rand Co. Ltd., Cl. A .....	1,246,800
102,000	Lufkin Industries Inc. ....	8,093,700
11,000	Mueller Industries Inc. ....	253,110
2,000	Sealed Air Corp. ....	43,980
75,000	Tenaris SA, ADR .....	2,796,750
4,000	The Manitowoc Co. Inc. ....	62,200
95,000	The Weir Group plc .....	1,029,414
190,000	Watts Water Technologies Inc., Cl. A .....	5,196,500
		-----
		67,796,264
		-----

SHARES

MARKET  
VALUE

AUTOMOTIVE: PARTS AND ACCESSORIES -- 2.8%		
2,000	BERU AG .....	\$ 211,169
86,000	BorgWarner Inc. ....	2,818,220

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181,000	CLARCOR Inc. ....	6,868,950
82,500	Earl Scheib Inc.+ .....	181,912
340,000	Genuine Parts Co. ....	13,671,400
200,000	Johnson Controls Inc. ....	6,066,000
135,000	Midas Inc.+ .....	1,857,600
330,000	Moline Manufacturing Co. ....	4,778,400
160,000	O'Reilly Automotive Inc.+ .....	4,283,200
160,000	Proliance International Inc.+ .....	120,000
175,000	Standard Motor Products Inc. ....	1,088,500
35,000	Superior Industries International Inc. ....	670,600
		-----
		42,615,951
		-----
	PUBLISHING -- 2.7%	
4,000	Idearc Inc. ....	5,000
1,960,000	Il Sole 24 Ore .....	8,305,436
348,266	Independent News & Media plc .....	568,734
320,000	Media General Inc., Cl. A .....	3,977,600
122,000	Meredith Corp. ....	3,420,880
1,525,000	News Corp., Cl. A .....	18,284,750
20,000	News Corp., Cl. B .....	243,000
66,585	Seat Pagine Gialle SpA+ .....	6,440
43,333	The E.W. Scripps Co., Cl. A .....	306,364
182,000	The McGraw-Hill Companies Inc. ....	5,753,020
50,000	The New York Times Co., Cl. A .....	714,500
		-----
		41,585,724
		-----
	SPECIALTY CHEMICALS -- 2.1%	
30,000	Ashland Inc. ....	877,200
20,000	Ciba Holding AG .....	845,045
5,400	Ciba Holding AG, ADR .....	114,381
30,000	E.I. du Pont de Nemours and Co. ....	1,209,000
350,000	Ferro Corp. ....	7,035,000
4,000	FMC Corp. ....	205,560
45,000	H.B. Fuller Co. ....	939,150
175,000	Hercules Inc. ....	3,463,250
70,000	International Flavors & Fragrances Inc. ....	2,762,200
230,000	Omnova Solutions Inc.+ .....	457,700
40,000	Rohm & Haas Co. ....	2,800,000
275,000	Sensient Technologies Corp. ....	7,735,750
165,000	Tokai Carbon Co. Ltd. ....	1,165,107
100,000	Zep Inc. ....	1,764,000
		-----
		31,373,343
		-----
	BUSINESS SERVICES -- 2.0%	
7,050	ACCO Brands Corp.+ .....	53,157
15,450	Ascent Media Corp., Cl. A+ .....	377,134
15,000	Avis Budget Group Inc.+ .....	86,100

See accompanying notes to schedule of investments.

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SHARES/ UNITS		MARKET VALUE
COMMON STOCKS (CONTINUED)		
BUSINESS SERVICES (CONTINUED)		
310,000	BPW Acquisition Corp.+ .....	\$ 2,824,100
30,500	Canon Inc. ....	1,095,482
110,000	Clear Channel Outdoor Holdings Inc., Cl. A+ .....	1,504,800
186,554	Contax Participacoes SA, ADR .....	195,359
110,000	Diebold Inc. ....	3,642,100
200,000	G4S plc .....	720,026
1,000	Hertz Global Holdings Inc.+ .....	7,570
57,000	Jardine Matheson Holdings Ltd. ....	1,482,000
94,000	Landauer Inc. ....	6,838,500
39,500	MasterCard Inc., Cl. A .....	7,004,535
55,000	Monster Worldwide Inc.+ .....	820,050
72,500	Nashua Corp.+ .....	582,175
25,000	Secom Co. Ltd. ....	1,022,519
252,800	The Interpublic Group of Companies Inc.+ .....	1,959,200
8,000	Visa Inc., Cl. A .....	491,120
		30,705,927
AVIATION: PARTS AND SERVICES -- 1.7%		
350,000	Curtiss-Wright Corp. ....	15,907,500
200,000	GenCorp Inc.+ .....	1,348,000
105,000	Precision Castparts Corp. ....	8,271,900
160,000	The Fairchild Corp., Cl. A+ .....	416,000
		25,943,400
CONSUMER SERVICES -- 1.7%		
100,000	IAC/InterActiveCorp.+ .....	1,730,000
210,000	Liberty Media Corp. - Interactive, Cl. A+ .....	2,711,100
1,100,000	Rollins Inc. ....	20,878,000
		25,319,100
RETAIL -- 1.6%		
210,000	AutoNation Inc.+ .....	2,360,400
4,000	AutoZone Inc.+ .....	493,360
40,000	Coldwater Creek Inc.+ .....	231,600
40,000	Costco Wholesale Corp. ....	2,597,200
75,000	CVS Caremark Corp. ....	2,524,500
10,108	Denny's Corp.+ .....	26,079
21,500	Hennes & Mauritz AB, Cl. B .....	863,254
35,000	HSN Inc.+ .....	385,350
140,000	Macy's Inc. ....	2,517,200
50,000	Sally Beauty Holdings Inc.+ .....	430,000
50,000	SUPERVALU Inc. ....	1,085,000
110,000	Tesco plc .....	758,000
170,000	The Great Atlantic & Pacific Tea Co. Inc.+ .....	1,839,400

MARKET

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SHARES -----		VALUE -----
20,000	Ticketmaster+ .....	\$ 214,600
50,000	Wal-Mart Stores Inc. ....	2,994,500
75,000	Walgreen Co. ....	2,322,000
44,000	Whole Foods Market Inc. ....	881,320
73,000	Woolworths Ltd. ....	1,569,122
		-----
		24,092,885
		-----
	MACHINERY -- 1.5%	
20,000	Caterpillar Inc. ....	1,192,000
17,000	CNH Global NV ....	374,680
425,000	Deere & Co. ....	21,037,500
8,000	SMC Corp. ....	816,135
		-----
		23,420,315
		-----
	HOTELS AND GAMING -- 1.5%	
2,000	Accor SA .....	105,233
190,000	Gaylord Entertainment Co.+ .....	5,580,300
20,000	Home Inns & Hotels Management Inc., ADR+ .....	279,000
46,160	InterContinental Hotels Group plc .....	564,608
45,000	Interval Leisure Group Inc.+ .....	468,000
1,150,058	Ladbrokes plc .....	3,813,217
6,000	Las Vegas Sands Corp.+ .....	216,660
3,811,000	Mandarin Oriental International Ltd. ....	5,830,830
152,000	MGM Mirage+ .....	4,332,000
18,000	Orient-Express Hotels Ltd., Cl. A .....	434,340
34,000	Starwood Hotels & Resorts Worldwide Inc. ....	956,760
		-----
		22,580,948
		-----
	AEROSPACE -- 1.4%	
110,000	Boeing Co. ....	6,308,500
30,000	Finmeccanica SpA .....	643,645
25,899	Kaman Corp. ....	737,604
9,000	Lockheed Martin Corp. ....	987,030
102,600	Northrop Grumman Corp. ....	6,211,404
1,200,000	Rolls-Royce Group plc+ .....	7,178,922
		-----
		22,067,105
		-----
	ENVIRONMENTAL SERVICES -- 1.2%	
98,800	Republic Services Inc. ....	2,962,024
500,000	Waste Management Inc. ....	15,745,000
		-----
		18,707,024
		-----
	COMMUNICATIONS EQUIPMENT -- 1.2%	
480,000	Corning Inc. ....	7,507,200
90,000	Motorola Inc. ....	642,600
160,000	Nortel Networks Corp.+ .....	358,400
235,000	Thomas & Betts Corp.+ .....	9,181,450
		-----
		17,689,650
		-----

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See accompanying notes to schedule of investments.

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## THE GABELLI EQUITY TRUST INC. SCHEDULE OF INVESTMENTS (CONTINUED) SEPTEMBER 30, 2008 (UNAUDITED)

SHARES		MARKET VALUE
COMMON STOCKS (CONTINUED)		
METALS AND MINING -- 1.1%		
28,000	Alcoa Inc. ....	\$ 632,240
30,030	Anglo American plc .....	990,358
89,148	Barrick Gold Corp. ....	3,275,298
20,000	BHP Billiton Ltd. ....	489,956
52,500	Harmony Gold Mining Co. Ltd.+ .....	524,430
35,000	Harmony Gold Mining Co. Ltd., ADR+ .....	338,800
25,000	Impala Platinum Holdings Ltd. ....	500,966
75,000	Ivanhoe Mines Ltd.+ .....	454,500
52,000	New Hope Corp. Ltd. ....	176,700
155,000	Newmont Mining Corp. ....	6,007,800
25,000	Rio Tinto plc .....	1,542,722
69,666	Xstrata plc .....	2,125,353
		17,059,123
WIRELESS COMMUNICATIONS -- 1.1%		
95,000	America Movil SAB de CV, Cl. L, ADR .....	4,404,200
65,000	China Mobile Ltd. ....	643,734
14,000	Clearwire Corp., Cl. A+ .....	166,320
2,000	NTT DoCoMo Inc. ....	3,157,350
3,340	Tele Norte Celular Participacoes SA, ADR .....	57,869
5,087	Telemig Celular Participacoes SA, ADR .....	188,270
32,165	Tim Participacoes SA, ADR .....	670,962
115,400	United States Cellular Corp.+ .....	5,414,568
170,010	Vivo Participacoes SA, ADR .....	703,841
50,000	Vodafone Group plc, ADR .....	1,105,000
		16,512,114
ELECTRONICS -- 1.0%		
6,000	Advanced Micro Devices Inc.+ .....	31,500
14,000	Bel Fuse Inc., Cl. A .....	385,000
14,000	Fanuc Ltd. ....	1,018,852
5,000	Hitachi Ltd., ADR .....	346,950
180,000	Intel Corp. ....	3,371,400
5,920	Keyence Corp. ....	1,157,783
80,000	LSI Corp.+ .....	428,800
20,000	Molex Inc., Cl. A .....	416,200
7,500	NEC Corp., ADR .....	33,938
38,000	Royal Philips Electronics NV .....	1,035,500



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		7,909,194
		-----
	COMPUTER SOFTWARE AND SERVICES -- 0.4%	
8,000	Alibaba.com Ltd.+ .....	7,233
10,000	Check Point Software Technologies Ltd.+ .....	227,400
50,000	NCR Corp.+ .....	1,102,500
24,000	Rockwell Automation Inc. ....	896,160
24,100	Square Enix Co. Ltd. ....	693,395

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)  
SEPTEMBER 30, 2008 (UNAUDITED)

SHARES		MARKET VALUE
-----		-----
	COMMON STOCKS (CONTINUED)	
	COMPUTER SOFTWARE AND SERVICES (CONTINUED)	
25,256	Telecom Italia Media SpA+ .....	\$ 3,559
190,000	Yahoo! Inc.+ .....	3,287,000
2,000	Yahoo! Japan Corp. ....	633,727
		-----
		6,850,974
		-----
	CLOSED-END FUNDS -- 0.3%	
31,500	Royce Value Trust Inc. ....	419,580
104,000	The Central Europe and Russia Fund Inc. ....	3,191,760
70,000	The New Germany Fund Inc. ....	749,000
		-----
		4,360,340
		-----
	MANUFACTURED HOUSING AND RECREATIONAL VEHICLES -- 0.2%	
100,000	Champion Enterprises Inc.+ .....	555,000
50,000	Fleetwood Enterprises Inc.+ .....	51,000
31,000	Huttig Building Products Inc.+ .....	64,790
7,000	Martin Marietta Materials Inc. ....	783,860
10,000	Nobility Homes Inc. ....	162,000
30,000	Skyline Corp. ....	792,900
		-----
		2,409,550
		-----
	REAL ESTATE INVESTMENT TRUSTS -- 0.1%	
2,000	Camden Property Trust .....	91,720
24,984	Rayonier Inc. ....	1,182,992
		-----
		1,274,712
		-----
	TOTAL COMMON STOCKS .....	1,520,416,231
		-----
	CONVERTIBLE PREFERRED STOCKS -- 0.1%	



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CONTRACTS -----		DATE -----	APPRECIATION -----
	FUTURES CONTRACTS -- SHORT POSITION		
40	S & P 500 Index Futures .....	12/18/08	\$ 448,000 =====

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)  
SEPTEMBER 30, 2008 (UNAUDITED)

- 
- (a) Security fair valued under procedures established by the Board of Directors. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At September 30, 2008, the market value of fair valued securities amounted to \$489,196 or 0.03% of total investments.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2008, the market value of the Rule 144A security amounted to \$399,840 or 0.03% of total investments.
- (c) At September 30, 2008, the Fund held an investment in a restricted security amounting to \$49,043 or 0.00% of total investments, which was valued under methods approved by the Board of Directors as follows:

ACQUISITION SHARES -----	ISSUER -----	ACQUISITION DATE -----	ACQUISITION COST -----	09/30/08 CARRYING VALUE PER UNIT -----
4,440,836	Cable & Wireless Jamaica Ltd. ....	03/29/01	\$101,639	\$0.0110

- (d) At September 30, 2008, \$2,900,000 of the principal amount was pledged as collateral for futures contracts.

+ Non-income producing security.

++ Represents annualized yield at date of purchase.

ADR American Depositary Receipt

CVO Contingent Value Obligation

% OF

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GEOGRAPHIC DIVERSIFICATION	MARKET VALUE	MARKET VALUE
North America .....	75.7%	\$1,156,468,431
Europe .....	15.8	241,656,640
Latin America .....	4.2	64,398,847
Japan .....	3.3	50,262,783
Asia/Pacific .....	0.9	13,740,967
South Africa .....	0.1	1,916,827
Total Investments .....	100.0%	\$1,528,444,495

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.  
NOTES TO SCHEDULE OF INVESTMENTS (UNAUDITED)

1. SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC, the Adviser.

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of 60 days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board.

On January 1, 2008, the Fund adopted Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" ("SFAS 157") that clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value

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measurements. The three levels of the fair value hierarchy under SFAS 157 are described below:

- Level 1 - quoted prices in active markets for identical securities;
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 - significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used to value the Fund's net assets as of September 30, 2008 is as follows:

VALUATION INPUTS	INVESTMENTS IN SECURITIES (MARKET VALUE)	OTHER FINANCIAL INSTRUMENTS (UNREALIZED APPRECIATION (DEPRECIATION)) *
Level 1 - Quoted Prices	\$1,522,196,857	\$ 488,000
Level 2 - Other Significant Observable Inputs	6,158,282	(180,747)
Level 3 - Significant Unobservable Inputs	89,356	--
Total	\$1,528,444,495	\$ 307,253

\* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards, and swaps, which are valued at the unrealized appreciation/depreciation on the investment.

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THE GABELLI EQUITY TRUST INC.  
NOTES TO SCHEDULE OF INVESTMENTS (CONTINUED) (UNAUDITED)

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	INVESTMENTS IN SECURITIES (MARKET VALUE)
BALANCE AS OF 12/31/07	\$89,356
Accrued discounts/(premiums)	--
Realized gain/(loss)	--
Change in unrealized appreciation/(depreciation)	0
Net purchases/(sales)	--
Transfers in and/or out of Level 3	0

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BALANCE AS OF 09/30/08

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\$89,356  
=====

In March 2008, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standard No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161") that is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. Management is currently evaluating the implications of SFAS 161 on the Fund's financial statement disclosures.

2. SWAP AGREEMENTS. The Fund may enter into equity, contract for difference, and interest rate swap or cap transactions. The use of swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. A swap agreement may involve, to varying degrees, elements of market and counterparty risk and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. In an interest rate swap, the Fund would agree to pay to the other party to the interest rate swap (which is known as the "counterparty") periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Series C Preferred Stock and Series E Preferred Stock. In an interest rate cap, the Fund would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from that counterparty payments of the difference based on the notional amount of such cap. In a swap, a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred stock dividends when due in accordance with the Articles Supplementary even if the counterparty defaulted. If there is a default by the counterparty to a swap contract, the Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to a swap contract or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize this risk. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at that point in time, such a default could negatively affect the Fund's ability to make dividend payments. In addition, at the time a swap or cap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

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The use of derivative instruments involves, to varying degrees, elements of market and counterparty risk in excess of the amount recognized below.

At September 30, 2008, there were no open interest rate swap agreements.

The Fund has entered into a contract for difference swap agreement with Bear, Stearns International Limited. Details of the swap at September 30, 2008 as follows:

NOTIONAL AMOUNT	EQUITY SECURITY RECEIVED	INTEREST RATE/ EQUITY SECURITY PAID	TERMINATION DATE	NE D
\$1,371,396 (200,000 Shares)	Market Value Appreciation on: Rolls-Royce Group plc	Overnight LIBOR plus 40 bps plus Market Value Depreciation on: Rolls-Royce Group plc	09/15/09	

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DIRECTORS AND OFFICERS  
THE GABELLI EQUITY TRUST INC.  
ONE CORPORATE CENTER, RYE, NY 10580-1422

### DIRECTORS

Mario J. Gabelli, CFA  
CHAIRMAN & CHIEF EXECUTIVE OFFICER,  
GAMCO INVESTORS, INC.

Dr. Thomas E. Bratter  
PRESIDENT & FOUNDER, JOHN DEWEY ACADEMY

Anthony J. Colavita  
ATTORNEY-AT-LAW,  
ANTHONY J. COLAVITA, P.C.

James P. Conn  
FORMER MANAGING DIRECTOR &  
CHIEF INVESTMENT OFFICER,  
FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

Frank J. Fahrenkopf, Jr.  
PRESIDENT & CHIEF EXECUTIVE OFFICER,  
AMERICAN GAMING ASSOCIATION

Arthur V. Ferrara  
FORMER CHAIRMAN & CHIEF EXECUTIVE OFFICER,  
GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Anthony R. Pustorino  
CERTIFIED PUBLIC ACCOUNTANT,  
PROFESSOR EMERITUS, PACE UNIVERSITY

Salvatore J. Zizza  
CHAIRMAN, ZIZZA & CO., LTD.

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OFFICERS

Bruce N. Alpert  
PRESIDENT

Carter W. Austin  
VICE PRESIDENT

Peter D. Goldstein  
CHIEF COMPLIANCE OFFICER

Agnes Mullady  
TREASURER AND SECRETARY

Marc C. Rinaldi  
VICE PRESIDENT & OMBUDSMAN

INVESTMENT ADVISER  
Gabelli Funds, LLC  
One Corporate Center  
Rye, New York 10580-1422

CUSTODIAN  
The Bank of New York Mellon

COUNSEL  
Willkie Farr & Gallagher LLP

TRANSFER AGENT AND REGISTRAR  
Computershare Trust Company, N.A.

STOCK EXCHANGE LISTING

	Common	5.875% Preferred	6.20% Preferred
NYSE-Symbol:	GAB	GAB PrD	GAB PrF
Shares Outstanding:	174,919,152	2,949,400	5,999,500

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "General Equity Funds."

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com).

For general information about the Gabelli Funds, call 800-GABELLI (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: [WWW.GABELLI.COM](http://WWW.GABELLI.COM), or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase shares of its common stock in the open market when the Fund's shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase shares of its preferred stock in the open market when the preferred shares are trading at a discount to the liquidation value.

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THE GABELLI EQUITY TRUST INC.  
ONE CORPORATE CENTER  
RYE, NY 10580-1422  
(914) 921-5070  
WWW.GABELLI.COM

THIRD QUARTER REPORT  
SEPTEMBER 30, 2008

GAB Q3/2008

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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.

(Registrant) The Gabelli Equity Trust Inc.  
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By (Signature and Title)\* /s/ Bruce N. Alpert  
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Bruce N. Alpert, Principal Executive Officer

Date November 24, 2008  
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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 and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Bruce N. Alpert

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Bruce N. Alpert, Principal Executive Officer

Date November 24, 2008

By (Signature and Title)\* /s/ Agnes Mullady

-----  
Agnes Mullady,  
Principal Financial Officer and Treasurer

Date November 24, 2008

-----  
\* Print the name and title of each signing officer under his or her signature.