GLOBAL INCOME FUND

ANNUAL REPORT
December 31, 2006

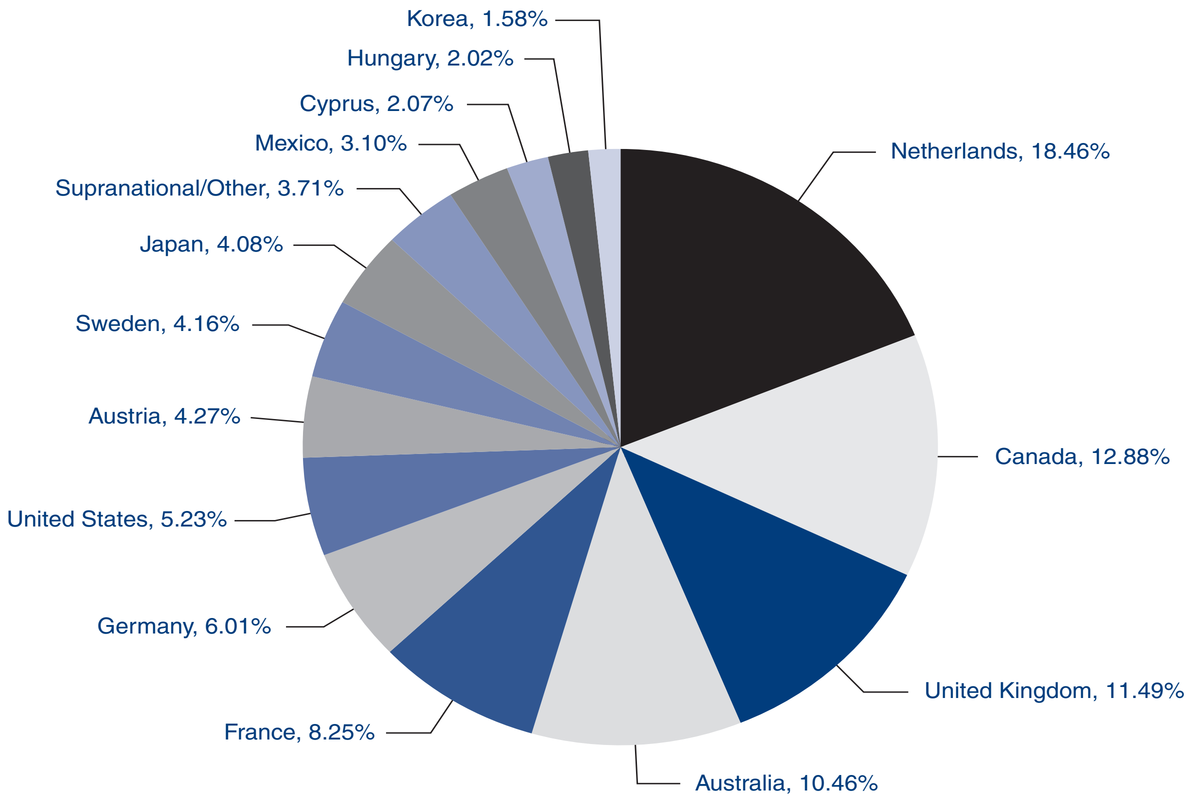
American Stock
Exchange Symbol:

GIF

11 Hanover Square
New York, NY 10005

www.globalincomefund.net

COUNTRY ALLOCATION*



PORTFOLIO ANALYSIS*

Currency Allocation

Eurodollar	51.55%
U.S. Dollar	21.28%
Australian Dollar	12.33%
British Pound	6.01%
Canadian Dollar	6.60%
	97.77%

Ratings

AAA	34.71%
AA	17.43%
A	35.68%
BBB	6.44%
<BBB	1.47%
NR	2.04%
	97.77%

* Country allocation and portfolio analysis use approximate percentages of total net assets and may not add up to 100% due to leverage or other assets, rounding, and other factors. Ratings are not a guarantee of credit quality and may change. NR means “not rated.”

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American Stock Exchange Symbol: **GIF**

11 Hanover Square, New York, NY 10005
www.globalincomefund.net

February 22, 2007

Fellow Shareholders:

It is a pleasure to submit this 2006 Annual Report for Global Income Fund and to welcome our new shareholders who find the Fund's quality approach to global income investing attractive. The primary investment objective of the Fund, a closed end management investment company listed on the American Stock Exchange, is to provide for its shareholders a high level of income. The Fund's secondary investment objective is capital appreciation. The Fund has pursued its investment objectives by investing primarily in a global portfolio of investment grade fixed income securities.

Additional Investment Strategy

The Board of Directors recently approved an additional investment strategy to achieve the Fund's objectives. The Fund may now invest in shares of closed end management investment companies ("Portfolio Funds") selected by CEF Advisers, Inc. (the "Investment Manager") that invest significantly in income producing securities. This strategy will be limited by provisions of the Investment Company Act of 1940, as amended (the "Act"), that limit the amount the Fund can invest in any one Portfolio Fund to 3% of the Portfolio Fund's total outstanding stock. As a result, the Fund may hold a smaller position in a Portfolio Fund than if it were not subject to this restriction. To comply with provisions of the Act, on any matter upon which Portfolio Fund stockholders are solicited to vote, the Investment Manager will vote Portfolio Fund shares in the same general proportion as shares held by other stockholders of the Portfolio Fund. The Fund will not invest in any closed end funds managed by the Investment Manager.

Under this new strategy, the Fund may own shares of open end management investment companies ("open end funds") as a result of a Portfolio Fund's conversion from a closed end fund or for short term liquidity. The Fund will not own open end funds as a strategic investment over the long term, and the Investment Manager will generally redeem its investment in open end funds within a time period deemed reasonable by the Investment Manager taking into account the circumstances surrounding each such fund (excepting investments in short term liquidity funds).

Market Report

After increasing the Federal funds target rate by a quarter of one percent at each of its four meetings in the first half of 2006, the Federal Open Market Committee ("FOMC") left the target rate unchanged at 5.25% in the second half of the year. Since the FOMC had signaled that future rate increases would depend on current data regarding inflation and economic growth, the FOMC appeared to view the economy as moderating in each of these respects, although it indicated a continuing concern with inflation. The FOMC's restraint was well received, causing equities to rise, and other interest rates to decline towards the end of the year. As U.S. interest rates fell, the U.S. dollar weakened versus the euro, yen, and British pound. The second half also saw bonds rallying as oil prices dropped and overall corporate earnings remained strong.

More recently, the U.S. Department of Labor reported that U.S. non-farm payrolls expanded by a seasonally adjusted 167,000 jobs, with solid gains in the service sector and moderate declines in the manufacturing and construction sectors. The report indicated that the United States showed a net increase of 1.8 million jobs in 2006, compared with 1.9 million in 2005 and 2.1 million in 2004. At the same time, the unemployment rate remains near a five year low.

Notwithstanding these positive signs for the U.S. economy, we remained concerned by the U.S. current-account deficit – the combined balances for trade in goods and services, income, and net unilateral current transfers – which increased to $225.6 billion in the third quarter of 2006 from $217.1 billion in the second quarter. With this trend, our foreign debt will be reaching increasingly high levels. While a weaker U.S. dollar might contribute to closing the deficit by making U.S. exports cheaper and more competitive for sales abroad, the buying power of Americans for products from abroad would be lessened.

Global Allocation

The Fund's strategy in 2006 was to invest its assets in primarily investment grade fixed income securities denominated in major world currencies and issued by organizations across many countries. On December 31, 2006, the Fund held securities of sovereign nations, corporations, and other organizations based in the United States, Netherlands, United Kingdom, Australia, France, Canada, Germany, Austria, Sweden, Japan, Cyprus, Hungary, and Korea. Of these securities approximately 52% were in Eurodollars, 21% in U.S. dollars, 12% in Australian dollars, 6% in British pounds, and 7% in Canadian dollars. All but approximately 1.5% of the Fund's portfolio investments are considered investment grade by actual or deemed rating, or in cash or cash equivalents. For 2006, the Fund had a market total return on the American Stock Exchange of 13.43% on a net asset value total return of 8.43%, gratifying results for our global investment grade allocation process. We believe this approach provides a sound, quality, fixed income strategy for investors over the long term. Our current view of markets suggests that the Fund will benefit over the course of 2007 from a high quality portfolio selection strategy, investing globally in investments in multiple currencies and in closed end income funds.

Distribution Policy

The Fund has a managed quarterly distribution policy, which is intended to provide shareholders with a relatively stable cash flow and reduce or eliminate the Fund's market price discount to its net asset value per share. Under the 2006 policy, distributions of approximately 6% of the Fund's net asset value per share on an annual basis were intended to be paid primarily from ordinary income and any net capital gains, with the balance representing return of capital. For the year ended December 31, 2006 actual distributions were about 6.4% of average net assets of which approximately 48% was derived from net investment income and the balance from return of capital.

This managed quarterly distribution policy is subject to review by the Board of Directors and the amount of the distribution may vary depending on the Fund's net asset value per share at the time of declaration. Although the dollar amount of the distributions cannot be predicted, we continue to believe shares of the Fund are a sound long term value for investors seeking a high level of income, with capital appreciation as a secondary objective.

Shares at a Discount

The Fund's current net asset value per share is $4.38. With a recent closing price on the American Stock Exchange of $4.15, you can purchase additional shares at a discount from their underlying value. Investment return and value will vary, so shares of the Fund may subsequently be worth more or less than their original cost. We believe that shares of the Fund are attractive, and look forward to serving your investment needs over the years ahead.

Sincerely,

Thomas B. Winmill
President

Schedule of Portfolio Investments – December 31, 2006

Principal Amount (a)		Market Value
	DEBT SECURITIES (94.01%)	
	Australia (10.46%)	
A$1,500,000	Commonwealth Bank of Australia, 6.75% Senior Government Guaranteed Notes, due 12/01/07	$1,185,978
$1,000,000	National Australia Bank, 8.60% Subordinated Notes, due 5/19/10	1,103,505
$300,000	Principal Financial Group, 144A, 8.20% Senior Notes, due 8/15/09 (b)	321,311
A$500,000	Telstra Corp. Ltd., 6.25% Senior Notes, due 4/15/15	375,426
A$500,000	Telstra Corp. Ltd., 7.25% Senior Notes, due 11/15/12	399,418
		3,385,638
	Austria (4.27%)	
€1,000,000	Republic of Austria, 5.25% Euro Medium Term Notes, due 1/04/11	1,382,540
	Canada (12.88%)	
C$1,000,000	Canada Housing Trust, 144A, 4.75% Guaranteed Notes, due 3/15/07 (b)	860,342
A$1,300,000	Government of Quebec, 6.00% Senior Unsubordinated Notes, due 2/18/09	1,012,372
C$1,000,000	HSBC Financial Corp. Ltd., 4.00% Medium Term Notes, due 5/03/10	850,761
C$500,000	Molson Coors Capital Finance, 5.00% Guaranteed Notes, due 9/22/15	424,646
A$1,350,000	Province of Ontario, 5.50% Euro Medium Term Notes, due 7/13/12	1,018,628
		4,166,749
	Cyprus (2.07%)	
€500,000	Republic of Cyprus, 4.375% Euro Medium Term Notes, due 7/15/14	669,531
	France (8.25%)	
€1,000,000	Elf Aquitaine, 4.50% Senior Unsubordinated Notes, due 3/23/09	1,329,695
€1,000,000	Societe Nationale des Chemins de Fer Francais, 4.625% Euro Medium Term Notes, due 10/25/09	1,339,469
		2,669,164
	Germany (6.01%)	
£500,000	Dresdner Bank Aktiengesellschaft, 7.75% Subordinated Bonds, due 12/07/07	994,983
£500,000	RWE Finance B.V., 4.625% Notes, due 8/17/10	948,655
		1,943,638
	Hungary (2.02%)	
€500,000	Republic of Hungary, 4.00% Bonds, due 9/27/10	654,738
	Japan (4.08%)	
€1,000,000	Toyota Motor Credit Corp., 4.125% Euro Medium Term Notes, due 1/15/08	1,320,149
	Korea (1.58%)	
$500,000	Korea Development Bank, 5.75% Notes, due 9/10/13	512,646
	Mexico (3.10%)	
$1,000,000	United Mexican States, 5.625% Notes, due 1/15/17	1,003,500
	Netherlands (18.46%)	
€1,000,000	Aegon N.V., 4.625% Euro Medium Term Notes, due 4/16/08	1,327,915
€500,000	Heineken N.V., 4.375% Bonds, due 2/04/10	661,104
€1,000,000	ING Bank N.V., 5.50% Euro Medium Term Notes, due 1/04/12	1,387,816
€1,000,000	Nederlandse Waterschapsbank, 4.00% Notes, due 2/11/09	1,317,518
€1,000,000	Rabobank Nederland, 3.125% Senior Notes, due 7/19/10	1,281,096
		5,975,449

Schedule of Portfolio Investments – December 31, 2006

Principal Amount (a)		Market Value
	Sweden (4.16%)	
€1,000,000	Kingdom of Sweden, 5.00% Eurobonds, due 1/28/09	$ 1,345,833
	United Kingdom (11.49%)	
$1,000,000	National Westminster Bank, 7.375% Subordinated Notes, due 10/01/09	1,053,724
€1,000,000	Tesco PLC, 4.75% Euro Medium Term Notes, due 4/13/10	1,338,205
€1,000,000	Vodafone Group Plc, 4.625% Euro Medium Term Notes, due 1/31/08	1,325,501
		3,717,430
	United States (1.47%)	
$500,000	CIT RV Trust 1998-A B 6.29% Subordinated Bonds, due 1/15/17	475,466
	Supranational/Other (3.71%)	
$1,200,000	The International Bank for Reconstruction & Development, 5.05% Notes, due 5/29/08	1,200,120
	Total Debt Securities (cost: $30,019,567)	30,422,591
Shares	**PREFERRED STOCKS (2.68%)**	
	United States (2.68%)	
4,000	BAC Capital Trust II, 7.00%	101,200
25,000	Corporate-Backed Trust Certificates, 8.20% (Motorola)	647,500
5,000	SATURNS-Bellsouth SM, 5.875%	119,000
	Total Preferred Stocks (cost: $850,000)	867,700
Principal Amount (a)	**REGISTERED INVESTMENT COMPANY (1.08%)**	
$349,054	SSgA Money Market Fund 4.94% (c) (cost: $349,054)	349,054
	Total Investments (cost: $31,218,621) (97.77%)	31,639,345
	Receivables and other assets in excess of liabilities (2.23%)	722,828
	Net Assets (100.00%)	**$32,362,173**

(a) The principal amount is stated in U.S. dollars unless otherwise indicated.

(b) These securities are exempt from registration purusant to Rule 144A under the Securities Act of 1933, as amended or otherwise restricted. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2006, these securities are considered liquid and the market value amounted to $1,181,653 or 3.7% of total net assets. Restricted securities held by the Fund are as follows:

Security	Acquisition Date	Acquisition Cost	Principal Amount	Value	Percent of Net Assets
Canada Housing Trust, 144A, 4.75% Guaranteed Notes, due 3/15/07	5/9/06	$911,871	C$1,000,000	$ 860,342	2.7%
Principal Financial Group, 144A, 8.20% Senior Notes, due 8/15/09	9/16/03	$358,530	$300,000	321,311	1.0%
				$1,181,653	3.7%

(c) Rate represents the 7-day annualized yield at December 31, 2006.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2006

ASSETS	
Investments at market value (cost: $31,218,621)	$31,639,345
Interest receivable	803,986
Other assets	11,317
Total assets	32,454,648
LIABILITIES	
Accrued expenses	67,863
Investment management	19,286
Administrative services	5,326
Total liabilities	92,475
NET ASSETS	$32,362,173
NET ASSET VALUE PER SHARE	
(applicable to 7,393,572 shares outstanding: 20,000,000 shares of $.01 par value authorized)	$4.38
At December 31, 2006, net assets consisted of:	
Paid-in capital	$36,627,184
Accumulated net realized loss on investments and foreign currencies	(4,711,714)
Net unrealized appreciation on investments and foreign currencies	446,703
	$32,362,173

STATEMENT OF OPERATIONS

Year Ended December 31, 2006

INVESTMENT INCOME	
Interest (net of $7,632 of foreign tax expense)	$1,384,855
Dividends	95,777
Total investment income	1,480,632
EXPENSES	
Investment management	225,289
Legal	121,747
Administrative services	66,135
Printing and postage	49,393
Bookkeeping and pricing	43,540
Auditing	22,875
Exchange listing	19,725
Custodian	17,575
Insurance	12,841
Directors	10,440
Transfer agent	9,581
Loan interest and fees	5,902
Other	3,919
Total expenses	608,962
Expense reductions	(2,081)
Net expenses	606,881
Net investment income	873,751
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES	
Net realized gain (loss) on:	
Sale of investments	(252,390)
Foreign currencies transactions	127,434
Net unrealized appreciation on:	
Investments	1,621,291
Translation of assets and liabilities in foreign currencies	50,389
Net realized and unrealized gain on investments and foreign currencies	1,546,724
Net change in net assets resulting from operations	$2,420,475

STATEMENTS OF CHANGES IN NET ASSETS

For the Years Ended December 31, 2006 and 2005

	2006	2005
OPERATIONS		
Net investment income	$ 873,751	$ 835,053
Net realized gain (loss) on investments and foreign currencies	(124,956)	623,354
Unrealized appreciation (depreciation) on investments and foreign currencies	1,671,680	(4,117,933)
Net change in net assets resulting from operations	2,420,475	(2,659,526)
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from ordinary income ($0.13 and $0.20 per share, respectively)	(995,603)	(1,458,409)
Tax return of capital ($0.15 and $0.08 per share, respectively)	(1,072,996)	(608,022)
CAPITAL SHARE TRANSACTIONS		
Reinvestment of distributions to shareholders (8,784 and 7,249 shares, respectively)	35,168	30,567
Total change in net assets	387,044	(4,695,390)
NET ASSETS		
Beginning of year	31,975,129	36,670,519
End of year (including accumulated undistributed net investment loss of $5,582 in 2005)	$32,362,173	$31,975,129

Notes to Financial Statements - December 31, 2006

1. Organization, Investment Objectives, and Summary of Significant Accounting Policies

Organization and Investment Objectives - Global Income Fund, Inc., a Maryland corporation registered under the Investment Company Act of 1940, as amended (the "Act"), is a non-diversified, closed end management investment company, whose shares are listed on the American Stock Exchange. The Fund's primary and fundamental objective is to provide a high level of income. The Fund's secondary, non-fundamental, investment objective is capital appreciation. The Fund pursues its investment objectives by investing primarily in a global portfolio of investment grade fixed income securities and closed end funds that invest significantly in income producing securities. The Fund is subject to the risk of price fluctuations of the securities held in its portfolio which is generally a function of the underlying credit ratings of an issuer, currency denomination, duration, and yield of its securities, and general economic and interest rate conditions.

The following is a summary of the Fund's significant accounting policies.

Security Valuation - Securities traded primarily on the NASDAQ Stock Market ("NASDAQ") are normally valued by the Fund at the NASDAQ Official Closing Price ("NOCP") provided by NASDAQ each business day. The NOCP is the most recently reported price as of 4:00:02 p.m., Eastern time, unless that price is outside the range of the "inside" bid and asked prices (i.e., the bid and asked prices that dealers quote to each other when trading for their own accounts); in that case, NASDAQ will adjust the price to equal the inside bid or asked price, whichever is closer. Because of delays in reporting trades, the NOCP may not be based on the price of the last trade to occur before the market closes. Such securities that are not traded on a particular day, securities traded in the over-the-counter market that are not on NASDAQ, and foreign securities are valued at the mean between the current bid and asked prices. Certain of the securities in which the Fund invests are priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities. Bonds may be valued according to prices quoted by a dealer in bonds that offers pricing services. If market quotations are not available or deemed reliable, then such securities are valued as determined in good faith under the direction of and pursuant to procedures established by the Fund's Board of Directors. Debt obligations with remaining maturities of 60 days or less are valued at cost adjusted for amortization of premiums and accretion of discounts.

Foreign Currency Translation - Securities denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Realized gain or loss on a sale of investments denominated in foreign currencies is reported separately from gain or loss attributable to a change in foreign exchange rates for those investments.

Foreign Currency Contracts - Forward contracts are marked to market and the change in market value is recorded by the Fund as an unrealized gain or loss. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The Fund could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably.

Repurchase Agreements - The Fund participates in repurchase agreements with the Fund's custodian. The custodian takes possession of the underlying collateral securities which are valued daily to ensure that the fair market value, including accrued interest, is at least equal at all times to the repurchase price. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings.

Income Taxes - No provision has been made for U.S. income taxes because the Fund's current intention is to continue to qualify as a regulated investment company under the Internal Revenue Code and to distribute to its shareholders substantially all of its taxable income and net realized gains. Foreign securities held by the Fund may be subject to foreign taxation. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests.

Security Transactions - Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). Net realized gains and losses are determined on the identified cost basis, which is also used for federal income tax purposes.

Investment Income - Interest income is recorded on the accrual basis. Discounts and premiums on securities purchased are amortized over their remaining maturity. Dividend income is recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Expenses - Estimated expenses are accrued daily. Certain expenses are applicable to multiple funds. Expenses directly attributable to the Fund are charged to the Fund. Expenses borne by the complex of related investment companies, which includes open end and closed end investment companies for which the Investment Manager or its affiliates serves as investment manager, that are not directly attributed to the Fund are allocated among the Fund and the other investment companies in the complex on the basis of relative net assets, except where a more appropriate allocation of expenses to each investment company in the complex otherwise can be made fairly.

Expense Reduction Arrangement - Through arrangements with the Fund's custodian and cash management bank, credits realized as a result of uninvested cash balances were used to reduce custody and transfer agency expenses, respectively. For financial reporting purposes, the Fund included these credits as expense reductions in the Statement of Operations.

Distributions - Distributions to shareholders are recorded on the ex-dividend date and are determined according to income tax regulations (tax basis). Distributable earnings determined on a tax basis may differ from earnings recorded in accordance with accounting principles generally accepted in the United States of America. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Use of Estimates - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Indemnifications - The Fund indemnifies its officers and directors for certain liabilities that might arise from their performance of their duties for the Fund. Additionally, in the normal course of business the Fund enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Fund under circumstances that have not occurred.

2. Fees and Transactions with Related Parties

The Fund retains CEF Advisers, Inc. as its Investment Manager pursuant to an Investment Management Agreement ("IMA"). Under the terms of the IMA, the Investment Manager receives a management fee, payable monthly, based on the average weekly net assets of the Fund at an annual rate of 7/10 of 1% of the first $50 million, 5/8 of 1% over $50 million to $150 million, 1/2 of 1% over $150 million. Certain officers and directors of the Fund are officers and directors of the Investment Manager. Pursuant to the IMA, the Fund reimburses the Investment Manager for providing at cost certain administrative services comprised of compliance and accounting services. For the year ended December 31, 2006, the Fund incurred total administrative costs of $66,135, comprised of $32,640 and $33,495 for compliance and accounting services, respectively.

3. Distributions to Shareholders and Distributable Earnings

The tax character of distributions paid to shareholders for the year ended December 31, 2006 and 2005 was as follows:

	2006	2005
Distributions paid from:		
Ordinary income	$ 995,603	$1,458,409
Return of capital	1,072,996	608,022
	$2,068,599	$2,066,431

As of December 31, 2006, the components of distributable earnings on a tax basis were as follows:

Unrealized appreciation on investments and foreign currencies	$ 446,703
Capital loss carryovers	(4,711,714)
Post-October foreign currency losses	–
	$(4,265,011)

Accounting principles generally accepted in the United States of America require certain components of net assets to be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2006, permanent differences between book and tax accounting have been reclassified as follows:

Increase in Accumulated Undistributed Net Investment Loss	Decrease in Accumulated Net Realized Loss on Investments and Foreign Currencies	Decrease in Paid-in Capital
$1,200,430	$1,214,094	$(2,414,524)

As of December 31, 2006, the Fund had net capital loss carryovers of $4,711,714, of which $1,708,533, $1,381,580, $1,369,211 and $252,390 expires in 2007, 2008, 2010, and 2014, respectively, that may be used to offset future realized capital gains for federal income tax purposes.

4. Securities Transactions

Purchases and sales of securities, other than short term notes, aggregated $5,265,509 and $6,624,054, respectively, for the year ended December 31, 2006. At December 31, 2006, for federal income tax purposes the aggregate cost of securities was $31,218,621 and net unrealized appreciation was $420,724, comprised of gross unrealized appreciation of $764,749 and gross unrealized depreciation of $344,025.

5. Bank Line of Credit

The Fund, Foxby Corp., Midas Fund, Inc., and Midas Special Fund, Inc. (the “Borrowers”) have entered into a committed secured line of credit facility with State Street Bank & Trust Company (“Bank”), the Fund’s custodian. Foxby Corp. is a closed end investment company managed by the Investment Manager, and Midas Fund, Inc. and Midas Special Fund, Inc. are open end investment companies managed by an affiliate of the Investment Manager. The aggregate amount of the line of credit is $25,000,000, which was renewed and increased from $9,000,000 effective June 15, 2006. The borrowing of each Borrower is collateralized by the underlying investments of such Borrower. The Bank will make revolving loans to a Borrower not to exceed in the aggregate outstanding at any time with respect to any one Borrower, the least of $25,000,000, the maximum amount permitted pursuant to each Borrower’s investment policies, or as permitted under the Act. The commitment fee on this facility is 0.10% per annum on the unused portion of the commitment, based on a 360-day year. All loans under this facility will be available at the Borrower’s option of (i) overnight Federal funds or (ii) LIBOR (30, 60, 90 days), each as in effect from time to time, plus 0.75% per annum, calculated on the basis of actual days elapsed for a 360-day year. For the year ended December 31, 2006, the weighted average interest rate was

5.95% based on the balances outstanding during the period, and the average daily amount outstanding during the period was $54,211. At December 31, 2006, there were investment securities pledged as collateral with a market value of approximately $1,900,000 and no outstanding loan balance.

6. Foreign Securities Risk

Investing in securities of foreign issuers involves special risks which include changes in foreign exchange rates and the possibility of future adverse political and economic developments which could adversely affect the value of such securities. Moreover, securities of many foreign issuers and in foreign markets may be less liquid and their prices more volatile than those of U.S. issuers and markets.

7. Capital Stock

At December 31, 2006, there were 7,393,572 shares of $.01 par value common stock outstanding (20,000,000 shares authorized). The shares issued and resulting increase in paid-in capital in connection with reinvestment of distributions during the years ended December 31, 2006 and 2005 were as follows:

	Shares issued	Increase in paid-in capital
2006	8,784	$35,168
2005	7,249	$30,567

In October 2005, the Fund filed with the Securities and Exchange Commission ("SEC") a registration statement relating to a non-transferable offering of rights exercisable for shares of the Fund (the "Offer"). The Board of Directors of the Fund authorized the filing of the registration statement, but has not, as of the date hereof, yet unconditionally approved the Offer or its final terms. Legal costs incurred in connection with the Offer of $64,077 were expensed in 2006.

8. Recently Issued Accounting Standards

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109, Accounting for Income Taxes." FIN 48 establishes a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. FIN 48 is to be implemented no later than June 29, 2007, and is to be applied to all open tax years as of the date of effectiveness. The FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), in September 2006, which is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value, and expands the required financial statement disclosures about fair value measurements. Management is currently evaluating the impact of adopting FIN 48 and FAS 157.

FINANCIAL HIGHLIGHTS

	Years Ended December 31,				
	2006	2005	2004	2003	2002
Per Share Operating Performance					
Net asset value at beginning of period	$4.33	$4.97	$5.16	$5.04	$5.44
Income from investment operations:					
Net investment income	.13	.11	.11	.18	.28
Net realized and unrealized gain (loss) on investments	.20	(.47)	.25	.30	(.18)
Total income from investment operations	.33	(.36)	.36	.48	.10
Dilution from rights offering	–	–	(.21)	–	–
Less distributions:					
Dividends from net investment income	(.13)	(.20)	(.25)	(.22)	(.28)
Tax return of capital	(.15)	(.08)	(.09)	(.14)	(.22)
Total distributions	(.28)	(.28)	(.34)	(.36)	(.50)
Net asset value at end of year	$4.38	$4.33	$4.97	$5.16	$5.04
Per share market value at end of year	$4.18	$3.95	$4.82	$5.01	$4.60
Total Investment Return (a)					
Based on net asset value	8.43%	(6.95)%	3.57%	10.22%	0.04%
Based on market price	13.43%	(12.47)%	3.45%	17.25%	3.60%
Ratios/Supplemental Data					
Net assets at end of year (000's omitted)	$32,362	$31,975	$36,671	$28,712	$27,589
Ratio of total expenses to average net assets	1.89%	1.59%	1.66%	1.61%	1.44%
Ratio of net expenses to average net assets	1.89%	1.59%	1.67%	1.61%	1.44%
Ratio of net expenses excluding loan interest and fees to average net assets	1.87%	1.58%	1.66%	1.61%	1.44%
Ratio of net investment income to average net assets	2.71%	2.44%	2.49%	3.54%	5.35%
Portfolio turnover rate	17%	32%	97%	146%	162%

(a) Total return on market value basis is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total return on net asset value basis will be higher than total return on market value basis in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total return on net asset value basis will be lower than total return on market value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. Total return calculated for a period of less than one year is not annualized. The calculation does not reflect brokerage commissions, if any.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Global Income Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of Global Income Fund, Inc. including the schedule of portfolio investments as of December 31, 2006 and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the years indicated thereon. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2006 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Global Income Fund, Inc. as of December 31, 2006, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the years indicated thereon, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
February 23, 2007

PRIVACY POLICY

The Fund recognizes the importance of protecting the personal and financial information of its shareholders. We consider each shareholder's personal information to be private and confidential. This describes the practices followed by us to protect our shareholders' privacy. We may obtain information about you from the following sources: (1) information we receive from you on forms and other information you provide to us whether in writing, by telephone, electronically or by any other means; and (2) information regarding your transactions with us, our corporate affiliates, or others. We do not sell shareholder personal information to third parties. We will collect and use shareholder personal information only to service shareholder accounts. This information may be used by us in connection with providing services or financial products requested by shareholders. We will not disclose shareholder personal information to any non-affiliated third party except as permitted by law. We take steps to safeguard shareholder information. We restrict access to non-public personal information about you to those employees and service providers who need to know such information to provide products or services to you. Together with our service providers, we maintain physical, electronic, and procedural safeguards to guard your non-public personal information. Even if you are no longer a shareholder, our Privacy Policy will continue to apply to you. We reserve the right to modify, remove, or add portions of this Privacy Policy at any time.

PROXY VOTING

The Fund's Proxy Voting Guidelines (the "Guidelines") as well as its voting record for the most recent 12 months ended June 30, are available without charge by calling the Fund collect at 1-212-344-6310 and on the SEC's website at www.sec.gov. The Guidelines are also posted on the Fund's website at www.globalincomefund.net.

QUARTERLY HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at http://www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the Forms N-Q available to shareholders on its website at www.globalincomefund.net.

MANAGED DISTRIBUTIONS

The Board's current policy is to provide investors with a stable quarterly distribution out of current income, supplemented by realized capital gains, and to the extent necessary, paid-in capital. The Fund is subject to U.S. corporate, tax, and securities laws. Under U.S. tax accounting rules, the amount of distributable net income is determined on an annual basis and is dependent during the fiscal year on the aggregate gains and losses realized by the Fund and, to a lesser extent, the actual exchange rate between the U.S. dollar and the currencies in which Fund assets are denominated. Therefore, the exact amount of distributable income can only be determined as of the end of the Fund's fiscal year. Under the Investment Company Act of 1940, as amended, however, the Fund is required to indicate the source of each distribution to shareholders. The Fund estimates that distributions for the fiscal period commencing January 1, 2007, including the distributions paid quarterly, will be comprised approximately one-half of net investment income and the balance from paid-in capital. This estimated distribution composition may vary from quarter to quarter because it may be materially impacted by future realized gains and losses on securities and fluctuations in the value of currencies in which Fund assets are denominated. In January after each fiscal year, a Form 1099-DIV will be sent to shareholders stating the amount and composition of distributions and providing information about their appropriate tax treatment.

DIVIDEND REINVESTMENT PLAN
Terms and Conditions of
the 2006 Restated Dividend Reinvestment Plan

1. Each shareholder (the "Shareholder") holding shares of common stock (the "Shares") of Global Income Fund, Inc. (the "Fund") will automatically be a participant in the Dividend Reinvestment Plan (the "Plan"), unless the Shareholder specifically elects to receive all dividends and capital gains in cash paid by check mailed directly to the Shareholder by American Stock Transfer & Trust Company, 59 Maiden Lane, New York, New York 10038, 1-800-278-4353, as agent under the Plan (the "Agent"). The Agent will open an account for each Shareholder under the Plan in the same name in which such Shareholder's shares of Common Stock are registered.

2. Whenever the Fund declares a capital gain distribution or an income dividend payable in Shares or cash, participating Shareholders will take the distribution or dividend entirely in Shares and the Agent will automatically receive the Shares, including fractions, for the Shareholder's account in accordance with the following:

> Whenever the Market Price (as defined in Section 3 below) per Share is equal to or exceeds the net asset value per Share at the time Shares are valued for the purpose of determining the number of Shares equivalent to the cash dividend or capital gain distribution (the "Valuation Date"), participants will be issued additional Shares equal to the amount of such dividend divided by the greater of the Fund's net asset value per Share or 95% of the Fund's Market Price per Share. Whenever the Market Price per Share is less than such net asset value on the Valuation Date, participants will be issued additional Shares equal to the amount of such dividend divided by the Market Price. The Valuation Date is the day before the dividend or distribution payment date or, if that day is not an American Stock Exchange trading day, the next trading day. If the Fund should declare a dividend or capital gain distribution payable only in cash, the Agent will, as purchasing agent for the participating Shareholders, buy Shares in the open market, on the American Stock Exchange (the "Exchange") or elsewhere, for such Shareholders' accounts after the payment date, except that the Agent will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining Shares if, following the commencement of the purchases, the market value of the Shares exceeds the net asset value. These remaining Shares will be issued by the Fund at a price equal to the Market Price.
>
> In a case where the Agent has terminated open market purchases and caused the issuance of remaining Shares by the Fund, the number of Shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for Shares purchased in the open market and the price at which the Fund issues remaining Shares. To the extent that the Agent is unable to terminate purchases in the open market before the Agent has completed its purchases, or remaining Shares cannot be issued by the Fund because the Fund declared a dividend or distribution

payable only in cash, and the market price exceeds the net asset value of the Shares, the average Share purchase price paid by the Agent may exceed the net asset value of the Shares, resulting in the acquisition of fewer Shares than if the dividend or capital gain distribution had been paid in Shares issued by the Fund.

The Agent will apply all cash received as a dividend or capital gain distribution to purchase shares of common stock on the open market as soon as practicable after the payment date of the dividend or capital gain distribution, but in no event later than 45 days after that date, except when necessary to comply with applicable provisions of the federal securities laws.

3. For all purposes of the Plan: (a) the Market Price of the Shares on a particular date shall be the average of the volume weighted average sale prices or, if no sale occurred then the mean between the closing bid and asked quotations, for the Shares on the Exchange on each of the five trading days the Shares traded ex-dividend on the Exchange immediately prior to such date, and (b) net asset value per share on a particular date shall be as determined by or on behalf of the Fund.

4. The open-market purchases provided for herein may be made on any securities exchange on which the Shares are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Agent shall determine. Funds held by the Agent uninvested will not bear interest, and it is understood that, in any event, the Agent shall have no liability in connection with any inability to purchase Shares within 45 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. The Agent shall have no responsibility as to the value of the Shares acquired for the Shareholder's account.

5. The Agent will hold Shares acquired pursuant to the Plan in noncertificated form in the Agent's name or that of its nominee. At no additional cost, a Shareholder participating in the Plan may send to the Agent for deposit into its Plan account those certificate shares of the Fund in its possession. These Shares will be combined with those unissued full and fractional Shares acquired under the Plan and held by the Agent. Shortly thereafter, such Shareholder will receive a statement showing its combined holdings. The Agent will forward to the Shareholder any proxy solicitation material and will vote any Shares so held for the Shareholder only in accordance with the proxy returned by him or her to the Fund. Upon the Shareholder's written request, the Agent will deliver to him or her, without charge, a certificate or certificates for the full Shares.

6. The Agent will confirm to the Shareholder each acquisition for his or her account as soon as practicable but not later than 60 days after the date thereof. Although the Shareholder may from time to time have an individual fractional interest (computed to three decimal places) in a Share, no certificates for fractional Shares will be issued. However, dividends and distributions on fractional Shares will be credited to Shareholders' accounts. In the event of a termination of a Shareholder's account under the Plan, the Agent will adjust for any such undivided fractional interest in cash at the opening market value of the Shares at the time of termination.

7. Any stock dividends or split Shares distributed by the Fund on Shares held by the Agent for the Shareholder will be credited to the Shareholder's account. In the event that the Fund makes available to the Shareholder the right to purchase additional Shares or other securities, the Shares held for a Shareholder under the Plan will be added to other Shares held by the Shareholder in calculating the number of rights to be issued by such Shareholder. Transaction processing may either be curtailed or suspended until the completion of any stock dividend, stock split, or corporate action.

8. The Agent's service fee for handling capital gain distributions or income dividends will be paid by the Fund. The Shareholder will be charged a pro rata share of brokerage commissions on all open market purchases.

9. The Shareholder may terminate his or her account under the Plan by notifying the Agent. A termination will be effective immediately if notice is received by the Agent two days prior to any dividend or distribution payment date. If the request is received less than two days prior to the payment date, then that dividend will be invested, and all subsequent dividends will be paid in cash. Upon any termination the Agent will cause a certificate or certificates for the full Shares held for the Shareholder under the Plan and cash adjustment for any fraction to be delivered to him or her.

10. These terms and conditions may be amended or supplemented by the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to the Shareholder appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by the Shareholder unless, prior to the effective date thereof, the Agent receives written notice of the termination of such Shareholder's account under the Plan. Any such amendment may include an appointment by the Fund of a successor agent in its place and stead under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Agent. Upon any such appointment of an Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Agent all dividends and distributions payable on Shares held in the Shareholder's name or under the Plan for retention or application by such successor Agent as provided in these terms and conditions.

11. In the case of Shareholders, such as banks, brokers or nominees, which hold Shares for others who are the beneficial owners, the Agent will administer the Plan on the basis of the number of Shares certified from time to time by the Shareholders as representing the total amount registered in the Shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

12. The Agent shall at all times act in good faith and agree to use its best efforts within reasonable limits to insure the accuracy of all services performed under this agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless the errors are caused by its negligence, bad faith or willful misconduct or that of its employees.

13. Neither the Fund or the Agent will be liable for any act performed in good faith or for any good faith omission to act, including without limitation, any claim of liability arising out of (i) failure to terminate a Shareholder’s account, sell shares or purchase shares, (ii) the prices which shares are purchased or sold for the Shareholder’s account, and (iii) the time such purchases or sales are made, including price fluctuation in market value after such purchases or sales.

HISTORICAL DISTRIBUTION SUMMARY

Period	Investment Income	Return of Capital	Total
2006	$0.130	$0.150	$0.280
2005	$0.200	$0.080	$0.280
2004	$0.245	$0.090	$0.335
2003	$0.220	$0.140	$0.360
2002	$0.280	$0.220	$0.500
2001	$0.360	$0.200	$0.560
2000	$0.420	$0.160	$0.580
6 Months Ended 12/31/99	$0.230	$0.070	$0.300
12 Months Ended 6/30/99	$0.550	$0.130	$0.680
12 Months Ended 6/30/98	$0.520	$0.320	$0.840

WWW.GLOBALINCOMEFUND.NET

Visit us on the web at www.globalincomefund.net. The site provides information about the Fund, including market performance, net asset value (“NAV”), dividends, press releases, and shareholder reports. For further information, please email us at info@globalincomefund.net. The Fund is a member of the Closed-End Fund Association (“CEFA”). Its website address is www.cefa.com. CEFA is solely responsible for the content of its website.

STOCK DATA

Price (12/31/06)	$4.18
Net Asset Value (12/31/06)	$4.38
Discount	4.6%

American Stock Exchange Symbol: GIF
Newspaper exchange listings appear under an abbreviation, such as: Glinc

2007 DISTRIBUTION PAYMENT DATES

Declaration	Record	Payment
March 2	March 15	March 30
June 1	June 15	June 29
September 6	September 18	September 28
December 3	December 18	December 31

FUND INFORMATION

Investment Manager
CEF Advisers, Inc.
11 Hanover Square
New York, NY 10005
1-212-344-6310

Internet
www.globalincomefund.net
email: info@globalincomefund.net

Stock Transfer Agent and Registrar
American Stock Transfer & Trust Co.
59 Maiden Lane
New York, NY 10038
www.amstock.com
1-800-278-4353

Custodian
State Street Bank & Trust Co.
801 Pennsylvania Avenue
Kansas City, MO 64105

RESULTS OF THE ANNUAL MEETING

The Fund's Annual Meeting was held on September 20, 2006 and adjourned to October 11, 2006, October 31, 2006, and December 4, 2006 at the offices of the Fund at 11 Hanover Square, 12th Floor, New York, New York for the following purposes:

1. To elect to the Board of Directors the nominee, Thomas B. Winmill, as a Class IV Director, and until his successor is duly elected and qualifies.

Votes For	Votes Withheld
6,568,780	302,983

2. To approve amendments to the Fund's Charter.

Votes For	Against	Abstain
2,739,270	251,394	118,063

Directors whose term of office continued after the meeting are Bassett S. Winmill (Class V), Peter K. Werner (Class I), James E. Hunt (Class II), and Bruce B. Huber (Class III).

DIRECTORS AND OFFICERS

The following table sets forth certain information concerning the other Directors currently serving on the Board of the Fund. Unless otherwise noted, the address of record for the directors and officers is 11 Hanover Square, New York, New York 10005. Each Director who is deemed to be an "interested person" because he is an "affiliated person" as defined in the Investment Company Act of 1940, as amended (the "Act"), is indicated by an asterisk.

Name, Position(s) Held with Fund, Term of Office, Principal Occupation for Past Five Years, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director	Other Public Company Directorships Held by Director**
Class I term expires 2008:			
PETER K. WERNER – Since 1996, he has been teaching, coaching and directing a number of programs at The Governor's Academy of Byfield, MA. Currently, he serves as chair of the History Department. Previously, he held the position of vice president in the the Fixed Income Departments of Lehman Brothers and First Boston. His responsibilities included trading sovereign debt instruments, currency arbitrage, syndication, medium term note trading, and money market trading. He was born on August 16, 1959.	1997	5	0
Class II term expires 2009:			
JAMES E. HUNT – He is a Limited Partner of Hunt Howe Partners LLC executive recruiting consultants. He was born on December 14, 1930.	2004	5	0
Class III term expires 2010:			
BRUCE B. HUBER, CLU, ChFC, MSFS – Retired. He is a former Financial Representative with New England Financial, specializing in financial, estate and insurance matters. He is a member of the Board, emeritus, of the Millbrook School, and Chairman of the Endowment Board of the Community YMCA of Red Bank, NJ. He was born on February 7, 1930.	2004	5	0
Class IV term expires 2011:			
THOMAS B. WINMILL* – He is President, Chief Executive Officer, and General Counsel of the Fund, the Investment Manager, the other investment companies (collectively, the "Investment Company Complex") advised by the Investment Manager, and Winmill & Co. Incorporated and its affiliates ("WCI"). He is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. He is the son of Bassett S. Winmill. He was born on June 25, 1959.	1997	5	Bexil Corporation

Name, Position(s) Held with Fund, Term of Office, Principal Occupation for Past Five Years, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director	Other Public Company Directorships Held by Director**
Class V term expires 2007:			
BASSETT S. WINMILL* – Since 1997, he is Chairman of the Board of the Fund, the Investment Manager, and WCI. He is a member of the New York Society of Security Analysts, the Association for Investment Management and Research, and the International Society of Financial Analysts. He is the father of Thomas B. Winmill. He was born on February 10, 1930.	1997	1	Bexil Corporation, Tuxis Corporation

* He is an "interested person" of the Fund as defined in the Act due to his affiliation with the Investment Manager.

** Refers to directorships held by a director in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Act.

Messrs. Huber, Hunt, and Werner also serve on the Audit and Nominating Committees of the Board. Mr. Thomas B. Winmill also serves on the Executive Committee of the Board.

The executive officers, other than those who serve as Directors, and their relevant biographical information are set forth below.

Name and Age	Position(s) Held with Fund, Term of Office (1), Principal Occupation for the Past Five Years
Thomas O'Malley Born on July 22, 1958	Chief Accounting Officer, Chief Financial Officer, and Vice President since 2005. He is also Chief Accounting Officer, Chief Financial Officer, and Vice President of the Investment Company Complex, the Investment Manager, and WCI. Previously, he served as Assistant Controller of Reich & Tang Asset Management, LLC, Reich & Tang Services, Inc., and Reich & Tang Distributors, Inc. He is a certified public accountant.
John F. Ramirez Born on April 29, 1977	Secretary and Chief Compliance Officer since 2005. He is also Secretary and Chief Compliance Officer of the Investment Company Complex, the Investment Manager, and WCI. He previously served as Compliance Administrator and Assistant Secretary of the Investment Company Complex, the Investment Manager, and WCI. He is a member of the Society of Corporate Secretaries and Governance Professionals and the Chief Compliance Officer Committee and the Compliance Advisory Committee of the Investment Company Institute.

(1) Officers hold their positions with the Fund until a successor has been duly elected and qualifies. Officers are generally elected annually at the December meeting of the Board of Directors. The officers were last elected on December 13, 2006.

GLOBAL INCOME FUND

11 Hanover Square
New York, NY 10005

Printed on recycled paper

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