

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

() Check box if no longer subject to Section 16.
 Form 4 or Form 5 obligations may continue. See Instructions 1(b).
 () Form 3 Holdings Reported

(X) Form 4 Transactions Reported
 1. Name and Address of Reporting Person

MURPHY, MICHAEL E
 1242 N LAKE SHORE DRIVE APT 25
 CHICAGO, IL 60610
 USA

2. Issuer Name and Ticker or Trading Symbol
 BASSETT FURNITURE INDUSTRIES, INC.
 BSET

3. IRS or Social Security Number of Reporting Person (Voluntary)
 ###-##-####

4. Statement for Month/Year
 JANUARY 12, 1998

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 (X) Director () 10% Owner () Officer (give title below) () Other
 (specify below)

7. Individual or Joint/Group Reporting (Check Applicable Line)

() Form filed by One Reporting Person
 () Form filed by More than One Reporting Person

Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security	2. Transaction Date	3. Transaction Code	4. Securities Acquired (A) or Disposed of (D) Amount	A/D	Price	5. Amount of Securities Beneficially Owned at End of Year	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
						1000	D	

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D) Amount	A/D	6. Date Exercisable and Expiration Date Month/Day/Year	7. Title and Amount of Underlying Securities Title and Number of Shares	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Year	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
*OPTION (RIGHT TO BUY)	27.75	11-07-97	A	2500	A	5-07-98 - 11-06-07	COMMON	2500	2500	D	

Explanation of Responses:
 *GRANTED UNDER THE 1993 STOCK PLAN FOR NON-EMPLOYEE DIRECTORS.
 SIGNATURE OF REPORTING PERSON
 MICHAEL E MURPHY
 DATE
 1-12-98