

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13G  
Information Statement Pursuant to Rules 13d-1 and 13d-2  
Amendment No. 2

QUANEX CORPORATION

-----  
(Name of Issuer)

Common Stock, par value \$0.50 per share

-----  
(Title of Class of Securities)

747620102

-----  
(CUSIP Number)

Check the following box if a fee is being paid with this statement \_\_\_\_\_.  
(A fee is not required only if the filing person: (1) has a previous  
statement on file reporting beneficial ownership of more than five percent  
of the class of securities described in item 1: and (2) has filed no  
amendment subsequent thereto reporting beneficial ownership of five percent  
or less of such class.) (See Rule 13d-7.)

(Continued on following pages)

Page 1 of 5 Pages

-----  
CUSIP NO.  
747620102  
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-----  
1. Name of Reporting Person  
S.S. or I.R.S. Identification No. of Above Person  
  
Goldman, Sachs & Co.  
-----

2. Check the Appropriate Box if a Member of a Group  
  
(a) \_\_\_\_\_  
(b) \_\_\_\_\_  
-----

3. SEC Use Only  
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4. Citizenship or place of Organization  
  
New York  
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Number of Shares Beneficially Owned By Each Reporting Person With	5	Sole Voting Power	0
	6	Shared Voting Power	374,800
	7	Sole Dispositive Power	0
	8	Shared Dispositive Power	445,600

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9. Aggregate Amount Beneficially Owned by Each Reporting Person  
  
445,600  
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10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares  
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11. Percent of Class Representing by Amount in Row (9)  
  
3.3%  
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12. Type of Reporting Person  
  
BD-PN-IA  
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CUSIP NO.  
747620102  
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-----  
1. Name of Reporting Person  
S.S. or I.R.S. Identification No. of Above Person

The Goldman Sachs Group, L.P.  
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2. Check the Appropriate Box if a Member of a Group

(a) \_\_\_\_\_  
(b) \_\_\_\_\_  
-----

3. SEC Use Only  
-----

4. Citizenship or place of Organization

Delaware  
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Number of 5 Sole Voting Power  
Shares

Beneficially 0  
Owned By

Each 6 Shared Voting Power

Reporting 374,800  
Person With

7 Sole Dispositive Power

0  
-----

8 Shared Dispositive Power

445,600  
-----

9. Aggregate Amount Beneficially Owned by Each Reporting Person

445,600  
-----

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares  
-----

11. Percent of Class Representing by Amount in Row (9)

3.3%  
-----

12. Type of Reporting Person

HC-PN  
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Item 4. Ownership.

- (a). Amount beneficially owned:  
See the responses(s) to Item 9 on the attached cover pages(s).
- (b). Percent of class:  
See the response(s) to Item 11 on the attached cover pages(s).
- (c). Number of shares as to which such person has:
  - (i) Sole power to vote or to direct the vote:  
See the response(s) to Item 5 on the attached cover page(s).
  - (ii) Shared power to vote or direct the vote:  
See the response(s) to Item 6 on the attached cover page(s).
  - (iii) Sole power to dispose or to direct the disposition of:  
See the response(s) to Item 7 on the attached cover page(s).
  - (iv) Shared power to dispose or to direct the disposition of:  
See the response(s) to Item 8 on the attached cover page(s).

Item 5. Ownership of Five Percent or Less of a Class  
March 5, 1996

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 4, 1996

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THE GOLDMAN SACHS GROUP, L.P.

By:/s/ David B. Ford

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Name: David B. Ford  
Title: General Partner

GOLDMAN, SACHS & CO.

By:/s/ David B. Ford

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Name: David B. Ford  
Title: General Partner