FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C.
20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period
from____________________________to__________________________

Commission file number 1-812

UNITED TECHNOLOGIES CORPORATION

DELAWARE   06-0570975

One Financial Plaza, Hartford, Connecticut 06101

(860) 728-7000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

At March 31, 1998 there were 229,511,741 shares of Common Stock outstanding.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONTENTS OF QUARTERLY REPORT ON FORM 10-Q

Quarter Ended March 31, 1998

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions of Dollars (except per share amounts)	Quarter Ended March 31, 1998	1997
Revenues:		
Product sales	$ 4,725	$ 4,645
Service sales	1,299	1,241
Financing revenues and other income, net	87	48
	6,111	5,934
Costs and expenses:		
Cost of products sold	3,787	3,760
Cost of services sold	825	776
Research and development	308	271
Selling, general and administrative	731	702
Interest	49	48
	5,700	5,557
Income before income taxes and minority interests	411	377
Income taxes	131	124
Minority interests	20	29
Net Income	$ 260	$ 224
Earnings per share of common stock:		
Basic	$ 1.10	$ .91
Diluted	$ 1.04	$ .87
Dividends per share of common stock	$ .31	$ .31
Average number of shares outstanding (in thousands):		
Basic	229,416	237,396
Diluted	248,811	256,236

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

In Millions of Dollars	March 31, 1998 (Unaudited)	December 31, 1997
Assets		
Cash and cash equivalents	$ 703	$ 755
Accounts receivable, net	4,090	3,789
Inventories and contracts in progress, net	3,307	3,173
Future income tax benefits	1,180	1,111
Other current assets	319	420
Total Current Assets	9,599	9,248
Fixed assets	10,535	10,655
Less - accumulated depreciation	(6,406)	(6,393)
	4,129	4,262
Other assets	3,612	3,209
Total Assets	$ 17,340	$ 16,719
Liabilities and Shareowners' Equity		
Short-term borrowings	$ 224	$ 217
Accounts payable	1,984	1,978
Accrued liabilities	5,400	4,993
Long-term debt currently due	84	123
Total Current Liabilities	7,692	7,311
Long-term debt	1,255	1,275
Future pension and postretirement benefit obligations	1,270	1,267
Other long-term liabilities	2,435	2,343
Series A ESOP Convertible Preferred Stock	857	865
ESOP deferred compensation	(405)	(415)
	452	450
Shareowners' Equity:		
Common Stock	2,569	2,488
Treasury Stock	(2,560)	(2,472)
Retained earnings	4,725	4,558
Accumulated other non-shareowner changes in equity	(498)	(501)
	4,236	4,073
Total Liabilities and Shareowners' Equity	$ 17,340	$ 16,719

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

In Millions of Dollars	Quarter Ended March 31, 1998	1997
Operating activities:		
Net income	$ 260	$ 224
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	214	211
Deferred income tax benefit	(87)	(49)
Change in:		
Accounts receivable	(258)	209
Inventories and contracts in progress	(88)	(193)
Accounts payable and accrued liabilities	368	59
Other current assets	78	42
Other, net	71	6
Net cash flows provided by operating activities	558	509
Investing activities:		
Capital expenditures	(155)	(161)
Acquisitions of business units	(235)	(46)
Dispositions of business units	-	26
(Increase) decrease in customer financing assets, net	(84)	28
Other, net	35	43
Net cash flows used in investing activities	(439)	(110)
Financing activities:		
Repayments of long-term debt	(64)	(34)
Increase (decrease) in short-term borrowings, net	8	(6)
Dividends paid on Common Stock	(71)	(74)
Common Stock repurchase	(89)	(145)
Other, net	50	19
Net cash flows used in financing activities	(166)	(240)
Effect of foreign exchange rate changes on Cash and cash equivalents	(5)	(21)
Net (decrease) increase in cash and cash equivalents	(52)	138
Cash and cash equivalents, beginning of year	755	1,127
Cash and cash equivalents, end of period	$ 703	$ 1,265

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Condensed Consolidated Financial Statements at March 31, 1998 and for the quarters ended March 31, 1998 and 1997 are unaudited, but in the opinion of the Corporation include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

In the first quarter of 1998, the Corporation adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." The Statement requires disclosure of total non-shareowner changes in equity in interim periods and additional disclosures of the components of non-shareowner changes in equity on an annual basis. Total non-shareowner changes in equity includes all changes in equity during a period except those resulting from investments by and distributions to shareowners. The specific components include: net income, deferred gains and losses resulting from foreign currency translation and minimum pension liability adjustments. For the quarters ended March 31, 1998 and March 31, 1997, total non-shareowner changes in equity were $263 and $125, respectively.

Contingent Liabilities

While there has been no significant change in the Corporation's material contingencies during 1998, the matters previously described in Note 14 of the Notes to Consolidated Financial Statements in the Corporation's Annual Report, incorporated by reference in the Corporation's Annual Report on Form 10-K for calendar year 1997, are summarized below.

Environmental

The Corporation's operations are subject to environmental regulation by federal, state, and local authorities in the United States and regulatory authorities with jurisdiction over its foreign operations.

Environmental investigatory, remediation, operating and maintenance costs are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. Where no amount within a range of estimates is more likely, the minimum is accrued. Otherwise, the most likely cost to be incurred is accrued based on an evaluation of currently available facts with respect to each individual site including existing technology, current laws and regulations and prior remediation experience. For sites with multiple responsible parties, the Corporation considers its likely proportionate share of the anticipated remediation costs and the ability of the other parties to fulfill their obligations in establishing a provision for those costs. Liabilities with fixed or reliably determinable future cash payments are discounted.

The Corporation has had insurance in force over its history with a number of insurance companies and has commenced litigation seeking indemnity and defense under these insurance policies in relation to its environmental liabilities. The litigation is expected to last several years. Environmental liabilities are not reduced by potential insurance reimbursements.

As discussed above, the Corporation has accrued for the costs of environmental remediation activities and periodically reassesses these amounts.

Management believes that losses materially in excess of amounts accrued are not reasonably possible.

U.S. Government

The Corporation is now and believes that, in light of the current government contracting environment, it will be the subject of one or more government investigations. If the Corporation or one of its business units were charged with wrongdoing as a result of any of these investigations, the Corporation or one of its business units could be suspended from bidding on or receiving awards of new government contracts pending the completion of legal proceedings. If convicted or found liable, the Corporation could be fined and debarred from new government contracting for a period generally not to exceed three years. Any contracts found to be tainted by fraud could be voided by the Government.

The Corporation's contracts with the U.S. Government are also subject to audits. Like many defense contractors, the Corporation has received audit reports which recommend that certain contract prices should be reduced to comply with various government regulations. Some of these audit reports involve substantial amounts. The Corporation has made voluntary refunds in those cases it believes appropriate.

Other

The Corporation extends performance and operating cost guarantees, which are beyond its normal warranty and service policies, for extended periods on some of its products, particularly commercial aircraft engines. Liability under such guarantees is contingent upon future product performance and durability. The Corporation has accrued its estimated liability that may result under these guarantees.

The Corporation also has other commitments and contingent liabilities related to legal proceedings and matters arising out of the normal course of business.

The Corporation has accrued its liability for environmental investigatory, remediation, operating and maintenance costs, performance guarantees and other litigation and claims based on management's estimate of the probable outcome of these matters. While it is possible that the outcome of these matters may differ from the recorded liability, management believes that resolution of these matters will not have a material adverse effect upon either results of operations, cash flows, or financial position of the Corporation.

UNITED TECHNOLOGIES CORPORATION
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Earnings Per Share

In Millions of Dollars (except per share amounts)	Quarter Ended March 31, 1998	1997
Net Income	$ 260	$ 224
ESOP Stock dividends	(8)	(8)
Basic earnings	252	216
ESOP Stock adjustment	6	6
Diluted earnings	$ 258	$ 222
Average shares (thousands):		
Basic	229,416	237,396
Stock awards	5,822	5,806
ESOP Stock	13,573	13,034
Diluted	248,811	256,236
Basic earnings per share	$ 1.10	$ .91
Diluted earnings per share	$ 1.04	$ .87

/TABLE

UNITED TECHNOLOGIES CORPORATION
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With respect to the unaudited condensed consolidated financial information of United Technologies Corporation for the quarters ended March 31, 1998 and 1997, Price Waterhouse LLP ("Price Waterhouse") reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated April 22, 1998 appearing below, states that they did not audit and they do not express an opinion on that unaudited condensed consolidated financial information. Price Waterhouse has not carried out any significant or additional audit tests beyond those which would have been necessary if their report had not been included. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Price Waterhouse is not subject to the liability provisions of section 11 of the Securities Act of 1933 ("the Act") for their report on the unaudited condensed consolidated financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by Price Waterhouse within the meaning of sections 7 and 11 of the Act.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareowners of
United Technologies Corporation

We have reviewed the accompanying condensed consolidated statement of operations of United Technologies Corporation and consolidated subsidiaries for the quarters ended March 31, 1998 and 1997, the condensed consolidated statement of cash flows for the quarters ended March 31, 1998 and 1997, and the condensed consolidated balance sheet as of March 31, 1998. This financial information is the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial information for it to be in conformity with generally accepted accounting principles.

We previously audited in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1997, and the related consolidated statements of operations, of changes in shareowners' equity and of cash flows for the year then ended (not presented herein), and in our report dated January 22, 1998 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1997, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

Price Waterhouse LLP
Hartford, Connecticut
April 22, 1998

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL POSITION

BUSINESS ENVIRONMENT

The Corporation's operations are classified into five principal business segments. Otis, Carrier and UT Automotive subsidiaries serve customers in the commercial property, residential housing and automotive industries. Pratt & Whitney and the Flight Systems segment, which includes Sikorsky and Hamilton Standard, serve commercial and government customers in the aerospace industry. As world-wide businesses, these operations are affected by global and regional economic factors. However, the diversity of the Corporation's businesses and global market presence has helped limit the impact of any one industry or the economy of any single country on the consolidated results.

Economic growth rates in the Asia Pacific region slowed during the latter part of 1997. Tightening of credit in Asia has restricted available financing for new construction and slowed the completion of projects currently underway, resulting in less activity compared to recent years. While recognizing that the Asian economic downturn may continue beyond 1998, management believes the long-term economic growth prospects of the region remain intact. Therefore, the Corporation's Asian investment strategy continues to focus on the long-term infrastructure requirements of the region.

U.S. residential housing starts and commercial construction activity increased in the first quarter of 1998 compared to the same period in 1997. U.S. commercial property vacancy rates continue to improve.

North American car and light truck production was essentially flat, while European car sales were higher in the first quarter of 1998 compared to the same period in 1997.

Worldwide airline profits, traffic growth and load factors have been a reliable indicator for new aircraft and after-market orders. U.S. and European airlines are experiencing strong levels of profitability driven primarily by higher traffic growth, improved yields and major cost reduction programs. Airlines in the Asia Pacific region have suffered erosion in operating results reflecting weaker local economies. This erosion in earnings has resulted in a decrease in new orders for aerospace products and cancelations or deferrals of existing orders throughout the industry.

The defense portion of the Corporation's aerospace businesses continues to respond to a changing global political environment. The U.S. defense industry continues to downsize and consolidate in response to continued pressure on U.S. defense spending.

UNITED TECHNOLOGIES CORPORATION
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RESULTS OF OPERATIONS

Consolidated revenues and margin percentages were as follows:

In Millions of Dollars	Quarter Ended March 31, 1998	1997
Sales	$ 6,024	$ 5,886
Financing revenues and other income, net	87	48
Revenues	$ 6,111	$ 5,934
Gross margin %	23.4%	22.9%

Consolidated revenues for the first quarter of 1998 were 3% higher than the comparable period of 1997. Excluding the unfavorable impact of foreign currency translation, revenues would have increased 6%, primarily driven by growth at Pratt & Whitney and Carrier.

Financing revenues and other income, net, increased $39 million in the first quarter of 1998 compared to the same period of 1997 primarily due to the settlement of a contract dispute with the U.S. Government.

Gross margin as a percentage of sales increased five-tenths of a percentage point in the first quarter of 1998 compared to the same period of 1997 due to improvements at Pratt & Whitney, UT Automotive and Flight Systems.

Research and development expenses increased $37 million (14%) in the first quarter of 1998 compared to 1997. The increase was due to higher expenses in all segments, but principally at Pratt & Whitney. As a percentage of sales, research and development was 5.1% in the first quarter of 1998 compared to 4.6% in the same period of 1997. Research and development expenses in 1998 are expected to increase from 1997, but are expected to be approximately 5% of sales.

Selling, general and administrative expenses increased $29 million (4%) in the first quarter of 1998 compared to 1997 due to increases in most segments. As a percent of sales, these expenses increased to 12.1% in the first quarter of 1998 from 11.9% in the same period of 1997, due to increases at Otis, UT Automotive and Flight Systems.

The effective income tax rate for the first quarter of 1998 was 31.9%, compared to 33% for the first quarter of 1997. The Corporation has continued to reduce its effective income tax rate by implementing tax reduction strategies.

Revenues and operating profits of the Corporation's principal business segments for the quarters ended March 31, 1998 and 1997 are as follows (in millions of dollars):

	Revenues		Operating Profits		Operating Profit Margin	
	1998	1997	1998	1997	1998	1997
Quarter Ended March 31,						
Otis	$ 1,322	$ 1,368	$ 98	$ 131	7.4%	9.6%
Carrier	1,498	1,387	18	70	1.2%	5.0%
UT Automotive	729	741	49	31	6.7%	4.2%
Pratt & Whitney	1,916	1,719	293	182	15.3%	10.6%
Flight Systems	676	735	65	71	9.6%	9.7%

Otis revenues decreased 3% in the first quarter of 1998 compared to the first quarter of 1997. Excluding the unfavorable impact of foreign currency translation, revenues would have increased 2% due to increases in Europe and North America largely offset by declines in the Asia Pacific region.

Otis operating profits decreased $33 million (25%) in the first quarter of 1998 compared to the first quarter of 1997, largely due to charges related to salaried workforce reductions and the consolidation of manufacturing and engineering facilities. Excluding these charges, 1998 operating profits increased, reflecting improvement in Europe and North America partially offset by declines in the Asia Pacific region and the unfavorable impact of foreign currency translation.

Carrier revenues increased 8% in the first quarter of 1998 compared to the first quarter of 1997. Excluding the unfavorable impact of foreign currency translation, revenues would have increased 13%. The increase in revenues was due to the impact of 1997 acquisitions and increases in North America, Europe and transport refrigeration operations, partially offset by declines in the Asia Pacific region.

Carrier operating profits decreased $52 million (74%) in the first quarter of 1998 compared to the first quarter of 1997 due to charges related to workforce reductions, plant closures and implementation of a new manufacturing strategy in the rotary chiller business. Excluding these charges, 1998 operating profits increased, reflecting improvements in transport refrigeration operations, Europe and the impact of 1997 acquisitions which were partially offset by declines in the Asia Pacific region and the unfavorable impact of foreign currency translation.

UT Automotive revenues for the first quarter of 1998 decreased 2% compared to the first quarter of 1997 due to the unfavorable impact of foreign currency translation, which was mostly offset by an increase in Europe. Revenues in the interiors and North American electrical businesses were essentially flat.

UT Automotive operating profits increased $18 million (58%) in the first quarter of 1998 compared to the first quarter of 1997 reflecting improvements in all businesses.

Pratt & Whitney revenues increased 11% the first quarter of 1998 compared to the first quarter of 1997. The 1998 increase reflects the settlement of a contract dispute with the U.S. Government and higher volumes in the government business and the commercial engine overhaul and repair business. Excluding the favorable impact of the contract dispute settlement with the U.S. Government, revenues increased 7%.

Pratt & Whitney operating profits increased $111 million (61%) in the first quarter of 1998 compared to the first quarter of 1997, reflecting the settlement of a contract dispute with the U.S. Government and strong results in the government business partially offset by higher research and development spending. Excluding the favorable impact of the contract dispute settlement with the U.S. Government, operating profits increased 22%.

Flight Systems revenues decreased 8% in the first quarter of 1998 compared to the first quarter of 1997. Revenue increases at Hamilton Standard in the first quarter of 1998 were more than offset by lower revenues at Sikorsky due to the timing of helicopter deliveries.

Flight Systems operating profits decreased $6 million (8%) in the first quarter of 1998 compared to the first quarter of 1997 as improvements at Hamilton Standard were more than offset by lower volumes at Sikorsky, due to the timing of helicopter deliveries, and higher research and development spending at both businesses.

UNITED TECHNOLOGIES CORPORATION
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FINANCIAL POSITION AND LIQUIDITY

Management assesses the Corporation's liquidity in terms of its overall ability to generate cash to fund its operating and investing activities. Significant factors affecting the management of liquidity are cash flows generated from operating activities, capital expenditures, customer financing requirements, adequate bank lines of credit, and financial flexibility to attract long-term capital on satisfactory terms.

Set forth below is selected key cash flow data:

In Millions of Dollars	Quarter Ended March 31, 1998	1997
Operating Activities		
Net cash flows provided by operating activities	$ 558	$ 509
Investing Activities		
Capital expenditures	(155)	(161)
Acquisitions of business units	(235)	(46)
Dispositions of business units	-	26
(Increase) decrease in customer financing assets, net	(84)	28
Financing Activities		
Common Stock repurchase	(89)	(145)
Decrease in total debt	(52)	(40)
Decrease in net debt	-	(178)

Cash flows provided by operating activities were $558 million during the first quarter of 1998 compared to $509 million for the first quarter of 1997. The improvement resulted primarily from improved operating performance.

Cash flows used in investing activities were a use of funds of $439 million during the first quarter of 1998 compared to a use of $110 million in the first quarter of 1997. Capital expenditures in first quarter of 1998 were $155 million, a $6 million decrease from the corresponding period of 1997. The Corporation expects 1998 full year capital spending to be moderately higher than 1997. The Corporation invested $235 million in the acquisition of businesses, including Hamilton Standard's acquisition of a French aerospace components manufacturer and Carrier's investment in an air conditioning manufacturer in the Philippines. Customer financing activity was a net use of cash of $84 million in the first quarter of 1998 compared to a net source of cash of $28 million in the first quarter of 1997 as a result of first quarter 1998 funding for an Asian airline customer. While the Corporation expects that customer financing activity will be a net use of cash in 1998, actual funding is subject to usage under existing customer financing commitments during the remainder of the year. The Corporation's total commitments to finance or arrange financing of commercial aircraft and related equipment at March 31, 1998 were approximately $1.1 billion.

The Corporation repurchased $89 million of common stock, representing one million shares, in the first quarter of 1998 under previously announced stock repurchase programs. Share repurchase continues to be a significant use of the Corporation's strong cash flows and serves to offset the dilutive effect resulting from the issuance of stock under stock-based employee benefit programs.

Other selected financial data is as follows:

In Millions of Dollars	March 31, 1998	December 31, 1997	March 31, 1997
Cash and cash equivalents	$ 703	$ 755	$ 1,265
Total debt	1,563	1,615	1,745
Net debt (total debt less cash)	860	860	480
Shareowners' equity	4,236	4,073	4,239
Debt-to-total capitalization	27%	28%	29%
Net debt-to-total capitalization	17%	17%	10%

The Corporation manages its worldwide cash requirements considering available funds among the many subsidiaries through which it conducts its business and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of the Corporation's subsidiaries could have adverse tax consequences; however, those balances are generally available without legal restrictions to fund ordinary business operations. The Corporation has and will continue to transfer cash from those subsidiaries to the parent and to other international subsidiaries when it is cost effective to do so.

Management believes that its existing cash position and other available sources of liquidity are sufficient to meet current and anticipated requirements for the foreseeable future.

YEAR 2000

The Corporation continues to assess its exposure related to the impact of the Year 2000 date issue which is attributable to the fact that many computer programs use only two digits to identify a year in a date field. The Corporation's products and key financial and operational systems are being reviewed and, where required, detailed plans have been, or are being, developed and implemented on a schedule intended to permit the Corporation's computer systems and products to continue to function properly. The Year 2000 date conversion effort is expected to increase costs in 1998, 1999 and 2000. Based on the information obtained to date, management does not expect these conversion costs will have a material adverse impact on the Corporation's financial position, results of operations or cash flows. The schedule for completion and the estimated conversion costs are based on management's estimates, which include assumptions of future events, including items such as availability of qualified resources. The Corporation could be adversely impacted by the Year 2000 date issue if the conversion schedule and cost estimates for its internal systems are not met or if suppliers, customers and other businesses do not address this issue successfully. Management continues to assess these risks in order to reduce the impact on the Corporation.

SAFE HARBOR STATEMENT

This report on Form 10-Q contains statements which, to the extent they are not historical fact, constitute "forward looking statements" under the securities laws. All forward looking statements involve risks, uncertainties and other factors that may cause the actual results, performance and achievements of the Corporation to differ materially from those contemplated or projected, forecasted, estimated, budgeted, expressed or implied by or in such forward looking statements. The forward looking statements in this document are intended to be subject to the safe harbor protection provided under the securities laws.

For additional information identifying economic, political, climatic, currency, regulatory, technological, competitive and some other important factors which may affect the Corporation's operations, products and markets and could cause actual results to vary materially from those anticipated in the forward looking statements, see the Corporation's Securities and Exchange Commission filings, including, but not limited to, the discussion included in the Business section of the Corporation's 1997 Annual Report on Form 10-K under the headings "Description of Business by Industry Segment" and "Other Matters Relating to the Corporation's Business as a Whole".

Part II - Other Information

Item 1 - Legal Proceedings

As previously reported, the Department of Defense issued a contracting officer's "final decision" in December 1996 with respect to Pratt & Whitney's government contracts accounting practices for aircraft engine parts produced by foreign companies under certain commercial engine collaboration programs. The final decision states that the Corporation failed to comply with various accounting requirements incorporated in its contracts with the government. The final decision covered the years 1984-95, inclusive, and claimed contract damages of $260.3 million, of which $102.7 million is interest. This matter was initially investigated by the U.S. Department of Justice, which closed its investigation in 1996. The Corporation believes its accounting practices comply with contract requirements and has not changed its accounting practices in response to the government's claim. On December 24, 1996, the Corporation filed a notice of appeal with the Armed Services Board of Contract Appeals ("ASBCA"). In March 1998, the matter was tried before an ASBCA judge. The parties are currently scheduled to complete post-trial briefing in October, 1998. An ASBCA decision is not expected for some months thereafter. The Corporation filed a counterclaim against the government in the amount of $42 million. The government has reserved its rights to file additional claims for 1996 (and later years if the accounting practices are unchanged) plus additional interest.

The Corporation does not believe that resolution of the litigation discussed above will have a material adverse effect upon the Corporation's competitive position, results of operations, cash flows, or financial position.

Except as noted above, there have been no material changes in legal proceedings during the first quarter of 1998. For a description of previously reported legal proceedings, refer to Part 1, Item 3 - Legal Proceedings of the Corporation's Annual Report on Form 10-K for calendar year 1997.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits:

- (12) Statement re computation of ratio of earnings to fixed charges.
- (15) Letter re unaudited interim financial information.
- (27) Financial data schedule (submitted electronically herewith).

(b) No Reports on Form 8-K were filed during the quarter ended March 31, 1998.

UNITED TECHNOLOGIES CORPORATION
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION

Dated: April 28, 1998 By: /s/ Jay L. Haberland

Jay L. Haberland
Vice President, Controller and
Acting Chief Financial Officer

Dated: April 28, 1998 By: /s/ William H. Trachsel
William H. Trachsel
Vice President and Secretary

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit 12 - Statement re computation of ratio of earnings to fixed charges

Exhibit 15 - Letter re unaudited interim financial information

Exhibit 27 - Financial data schedule (submitted electronically herewith)

Exhibit 12

UNITED TECHNOLOGIES CORPORATION
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STATEMENT RE COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions of Dollars	Quarter Ended March 31, 1998		1997	
Fixed Charges:				
Interest on indebtedness	$	49	$	48
Interest capitalized		3		3
One-third of rents*		21		22
Total Fixed Charges	$	73	$	73
Earnings:				
Income before income taxes and minority interests	$	411	$	377
Fixed charges per above		73		73
Less: interest capitalized		(3)		(3)
		70		70
Amortization of interest capitalized		8		10
Total Earnings	$	489	$	457
Ratio of Earnings to Fixed Charges		6.70		6.26

* Reasonable approximation of the interest factor.
/TABLE

Exhibit 15

April 28, 1998

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Ladies and Gentlemen:

We are aware that United Technologies Corporation has included our report dated April 22, 1998 (issued pursuant to the provisions of Statement on Auditing Standards No. 71) in the Prospectus constituting part of its Registration Statements on Form S-3 (Nos. 333-26331, 33-46916, 33-40163, 33-34320, 33-31514, 33-29687, and 33-6452) and in the Registration Statements on Form S-8 (Nos. 333-21853, 333-18743, 333-21851, 33-57769, 33-45440, 33-11255, 33-26580, 33-26627, 33-28974, 33-51385, 33-58937 and 2-87322). We are also aware of our responsibilities under the Securities Act of 1933.

Yours very truly,

Price Waterhouse LLP

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This schedule contains summary financial information extracted from the Condensed Consolidated Balance Sheet at March 31, 1998 (Unaudited) and the Condensed Consolidated Statement of Operations for the quarter ended March 31, 1998 (Unaudited) and is qualified in its entirety by reference to such financial statements.

1,000,000

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
703
0
4,453
363
3,307
9,599
10,535
6,406
17,340
7,692
1,255
452
0
2,569
1,667
17,340
4,725
6,111
3,787
4,612
308
0
49
411
131
260
0
0
0
260
1.10
1.04

The [EPS-PRIMARY] amount represents BASIC earnings per share and the [EPS-DILUTED] amount represents DILUTED earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share.