

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Plan period ended December 31, 1997

Commission File Number 1-812

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE SAVINGS PLAN
(Full title of the plan)

UNITED TECHNOLOGIES CORPORATION
One Financial Plaza
Hartford, Connecticut 06101
(Name of issuer of the securities held pursuant to
the plan and the address of its principal executive office)

FINANCIAL STATEMENTS OF THE UNITED TECHNOLOGIES CORPORATION
EMPLOYEE SAVINGS PLAN

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of the
United Technologies Corporation
Employee Savings Plan

In our opinion, the accompanying statements of net assets available for benefits with fund information and the related statement of changes in net assets available for benefits with fund information present fairly, in all material respects, the net assets available for benefits of the United Technologies Corporation Employee Savings Plan at December 31, 1997 and December 31, 1996, and the changes in net assets available for benefits for the period ended December 31, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The fund information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. The fund information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PRICE WATERHOUSE LLP
Hartford, Connecticut
June 26, 1998

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1997
(Thousands of Dollars, except unit value)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust							
Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ 809,958	\$ -	\$ -	\$ 29,900	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	20,980	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	1,227	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	3,681	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	24,463	-	-
Daily International Equity Index Fund	-	-	-	-	28,688	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	388,403	-
United Technologies Corporation ESOP Preferred Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	-	-	-	-	-	-	11,352
Investments, at contract value or cost:							
Beneficial interests in investment							
contracts, at contract value	2,815,491	-	-	-	-	-	-
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	5,833	-
Total Investments	2,815,491	809,958	20,980	4,908	83,051	394,236	11,352
Plan receivables	1,996	676	25	8	88	1,078	17
Accrued ESOP contribution receivable	-	-	-	-	-	-	-
Total Assets	2,817,487	810,634	21,005	4,916	83,139	395,314	11,369
Liabilities:							
Accrued liabilities	-	-	-	-	-	2,509	-
Loans payable, net	-	-	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	-	-	-	-
ESOP debt	-	-	-	-	-	-	-
Notes payable to United Technologies Corporation	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	2,509	-
Net Assets Available for Benefits	\$2,817,487	\$ 810,634	\$ 21,005	\$ 4,916	\$ 83,139	\$ 392,805	\$ 11,369
Units of participation	456,642,903	38,564,887	1,735,924	466,827	34,932,354	32,516,958	390,823
Unit value	\$ 6.17	\$ 21.02	\$ 12.10	\$ 10.53	\$ 2.38	\$ 12.08	\$ 29.09

The accompanying notes are an integral part of these financial statements.

PAGE

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1997
(Thousands of Dollars, except unit value)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen International Fund, Inc.
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust Company Pyramid:							
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	-	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	-	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	-	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	-	-	-
Daily International Equity Index Fund	-	-	-	-	-	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	-	-
United Technologies Corporation ESOP Preferred Stock	-	-	-	-	-	-	-
Shares of respective registered investment companies	88,982	29,327	35,471	38,276	55,770	42,073	9,434
Investments, at contract value or cost:							
Beneficial interests in investments contracts, at contract value							
Participant loans, at cost	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total investments	88,982	29,327	35,471	38,276	55,770	42,073	9,434
Plan receivables	127	42	60	53	107	72	18
Accrued ESOP contribution receivable	-	-	-	-	-	-	-
Total Assets	89,109	29,369	35,531	38,329	55,877	42,145	9,452
Liabilities:							
Accrued liabilities							
Loans payable, net	-	-	-	-	-	-	-
Accrued interest on ESOP debt and notes payable							
ESOP debt	-	-	-	-	-	-	-
Notes payable to United Technologies Corporation							
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 89,109	\$ 29,369	\$ 35,531	\$ 38,329	\$ 55,877	\$ 42,145	\$ 9,452
Units of participation	2,338,837	1,501,494	761,983	1,525,236	2,200,755	858,340	371,399
Unit value	\$ 38.10	\$ 19.56	\$ 46.63	\$ 25.13	\$ 25.39	\$ 49.10	\$ 25.45

The accompanying notes are an integral part of these financial statements.

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1997
(Thousands of Dollars, except unit value)

	Templeton Foreign Fund I	Templeton Developing Markets Trust I	Loan Fund	ESOP Fund	Total
Investments, at fair value:					
Beneficial interests in Bankers Trust Company Pyramid:					
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ -	\$ -	\$ 839,858
Russell 2000 Equity Index Fund	-	-	-	-	20,980
Daily Japanese Equity Index Fund	-	-	-	-	1,227
Daily Non Japanese Equity Index Fund	-	-	-	-	3,681
Government/Corporate Fixed Income Index Fund	-	-	-	-	24,463
Daily International Equity Index Fund	-	-	-	-	28,688
United Technologies Corporation Common Stock	-	-	-	340	388,743
United Technologies Corporation ESOP Preferred Stock	-	-	-	1,897,956	1,897,956
Shares of respective registered investment companies	17,216	8,766	-	-	336,667
Investments, at contract value or cost:					
Beneficial interests in investment contracts, at contract value					
Participant loans, at cost	-	-	62,048	-	2,815,491
Temporary investments, at cost plus accrued interest	-	-	-	1,402	7,235
Total Investments	17,216	8,766	62,048	1,899,698	6,427,037
Plan receivables	31	18	-	962	5,378
Accrued ESOP contribution receivable	-	-	-	87,188	87,188
Total Assets	17,247	8,784	62,048	1,987,848	6,519,603
Liabilities:					
Accrued liabilities	-	-	-	171	2,680
Loans payable, net	-	-	-	-	-
Accrued interest on ESOP debt and notes payable	-	-	-	2,271	2,271
ESOP debt	-	-	-	408,900	408,900
Notes payable to United Technologies Corporation	-	-	-	89,633	89,633
Total Liabilities	-	-	-	500,975	503,484
Net Assets Available for Benefits	\$ 17,247	\$ 8,784	\$ 62,048	\$ 1,486,873	\$6,016,119
Units of participation	1,733,322	678,876	62,048,000	263,507,383	
Unit value	\$ 9.95	\$ 12.94	\$ 1.00	\$ 5.64	

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UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1996
(Thousands of Dollars, except unit value)

	Income Fund	Equity Fund	UTC Common Stock Fund	Global Fund	Loan Fund	ESOP Fund	Total
Assets:							
Investments, at fair value:							
Beneficial interests in Bankers Trust							
Company Pyramid:							
Government/Corporate Fixed Income							
Index Fund	\$ -	\$ -	\$ -	\$ 34,139	\$ -	\$ -	\$ 34,139
Large Capitalization Equity Index Fund	-	654,420	-	39,834	-	-	694,254
Daily International Equity Index Fund	-	-	-	44,878	-	-	44,878
United Technologies Corporation Common							
Stock	-	-	328,760	-	-	-	328,760
United Technologies Corporation ESOP							
Preferred Stock	-	-	-	-	-	1,758,882	1,758,882
Investments, at contract value or cost:							
Beneficial interests in investment							
contracts, at contract value	2,920,121	-	-	-	-	-	2,920,121
Participant loans, at cost	-	-	-	-	53,658	-	53,658
Temporary investments, at cost plus							
accrued interest	121	-	34	-	-	1,512	1,667
Total Investments	2,920,242	654,420	328,794	118,851	53,658	1,760,394	5,836,359
Plan receivables	1,191	285	742	63	361	-	2,642
Accrued ESOP contribution receivable	-	-	-	-	-	80,132	80,132
Total Assets	2,921,433	654,705	329,536	118,914	54,019	1,840,526	5,919,133
Liabilities:							
Accrued liabilities	20	269	-	404	-	780	1,473
Loans payable, net	348	(155)	504	(31)	(199)	-	467
Accrued interest on ESOP debt and note							
payable	-	-	-	-	-	2,452	2,452
ESOP debt	-	-	-	-	-	445,300	445,300
Note payable to United Technologies							
Corporation	-	-	-	-	-	79,233	79,233
Total Liabilities	368	114	504	373	(199)	527,765	528,925
Net Assets Available for Benefits	\$ 2,921,065	\$ 654,591	\$ 329,032	\$ 118,541	\$ 54,218	\$ 1,312,761	\$5,390,208
Units of participation	511,545,534	41,549,958	30,372,710	57,356,443	54,218,000	258,588,435	
Unit value	\$ 5.71	\$ 15.75	\$ 10.83	\$ 2.07	\$ 1.00	\$ 5.08	

The accompanying notes are an integral part of these financial statements.
/TABLE

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information
Period Ended December 31, 1997
(Thousands of Dollars)

	Income Fund	Equity Fund	Small Company Stock Index Fund	International Equity Index Fund	Global Fund	UTC Common Stock Fund	INVESCO Total Return Fund
Additions to net assets attributed to:							
Investment Income:							
Net appreciation (depreciation) in fair value of investments	\$ -	\$203,723	\$ 1,656	\$ 160	\$ 13,057	\$ 37,975	\$ 965
Interest	216,006	4	1	1	(25)	201	-
Dividends	-	-	-	-	-	-	394
Total Investment Income	216,006	203,727	1,657	161	13,032	38,176	1,359
Contributions:							
Participants'	70,501	38,622	958	494	7,097	16,748	616
Employer's	115	29	1	-	8	7	-
Total Contributions	70,616	38,651	959	494	7,105	16,755	616
Repayments on loans	16,716	6,209	103	35	1,067	2,687	62
Deductions from net assets attributed to:							
Distributions to participants	171,452	31,958	262	50	3,286	14,280	464
Loans to participants	18,890	7,812	56	39	1,007	4,454	54
Administrative expenses	76	12	-	-	3	4	-
Interest expense	-	-	-	-	-	-	-
Total Deductions	190,418	39,782	318	89	4,296	18,738	518
Net increase / (decrease) prior to transfers	112,920	208,805	2,401	601	16,908	38,880	1,519
Inter-fund transfers	(215,503)	(51,818)	18,604	4,315	(52,125)	25,322	9,850
Assets transferred out of Plan	(995)	(944)	-	-	(185)	(429)	-
Net increase / (decrease)	(103,578)	156,043	21,005	4,916	(35,402)	63,773	11,369
Net Assets Available for Benefits December 31, 1996	2,921,065	654,591	-	-	118,541	329,032	-
Net Assets Available for Benefits December 31, 1997	\$2,817,487	\$810,634	\$21,005	\$ 4,916	\$ 83,139	\$392,805	\$ 11,369

The accompanying notes are an integral part of these financial statements.

/TABLE

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information
Period Ended December 31, 1997
(Thousands of Dollars)

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportunities Fund	SoGen Internation- al Fund, Inc.
Additions to net assets attributed to:							
Investment Income:							
Net appreciation (depreciation) in fair value of investments	\$ 9,037	\$ (423)	\$ 1,374	\$ 2,628	\$ 2,036	\$ 4,624	\$ (508)
Interest	-	-	-	-	-	-	-
Dividends	3,560	3,659	2,876	2,200	(8)	887	926
Total Investment Income	12,597	3,236	4,250	4,828	2,028	5,511	418
Contributions:							
Participants'	5,938	2,141	2,936	2,308	6,862	3,836	947
Employer's	3	1	2	1	4	5	-
Total Contributions	5,941	2,142	2,938	2,309	6,866	3,841	947
Repayments on loans	630	257	300	230	712	434	65
Deductions from net assets attributed to:							
Distributions to participants	2,351	664	981	828	1,437	687	242
Loans to participants	535	213	242	194	549	453	38
Administrative expenses	-	-	-	13	2	-	-
Interest expense	-	-	-	-	-	-	-
Total Deductions	2,886	877	1,223	1,035	1,988	1,140	280
Net increase / (decrease) prior to transfers	16,282	4,758	6,265	6,332	7,618	8,646	1,150
Inter-fund transfers	72,827	24,611	29,266	31,997	48,259	33,499	8,302
Assets transferred out of Plan	-	-	-	-	-	-	-
Net increase / (decrease)	89,109	29,369	35,531	38,329	55,877	42,145	9,452
Net Assets Available for Benefits December 31, 1996	-	-	-	-	-	-	-
Net Assets Available for Benefits December 31, 1997	\$ 89,109	\$ 29,369	\$ 35,531	\$ 38,329	\$ 55,877	\$ 42,145	\$ 9,452

The accompanying notes are an integral part of these financial statements.
/TABLE

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information
Period Ended December 31, 1997
(Thousands of Dollars)

	Templeton Foreign Fund I	Templeton Developing Markets Trust I	Loan Fund	ESOP Fund	Total
Additions to net assets attributed to:					
Investment Income:					
Net appreciation (depreciation) in fair value of investments	\$ (1,664)	\$ (2,998)	\$ -	\$ 177,220	\$ 448,862
Interest	-	-	4,765	449	221,402
Dividends	1,844	599	-	63,002	79,939
Total Investment Income	180	(2,399)	4,765	240,671	750,203
Contributions:					
Participants'	1,503	924	-	-	162,431
Employer's	1	-	-	17,910	18,087
Total Contributions	1,504	924	-	17,910	180,518
Repayments on loans	131	99	(29,737)	-	-
Deductions from net assets attributed to:					
Distributions to participants	270	316	1,535	27,093	258,156
Loans to participants	109	82	(34,727)	-	-
Administrative expenses	-	1	-	-	111
Interest expense	-	-	-	41,974	41,974
Total Deductions	379	399	(33,192)	69,067	300,241
Net increase / (decrease) prior to transfers	1,436	(1,775)	8,220	189,514	630,480
Inter-fund transfers	15,811	10,559	-	(13,776)	-
Assets transferred out of Plan	-	-	(390)	(1,626)	(4,569)
Net increase / (decrease)	17,247	8,784	7,830	174,112	625,911
Net Assets Available for Benefits December 31, 1996	-	-	54,218	1,312,761	5,390,208
Net Assets Available for Benefits December 31, 1997	\$ 17,247	\$ 8,784	\$ 62,048	\$ 1,486,873	\$ 6,016,119

The accompanying notes are an integral part of these financial statements.
/TABLE

UNITED TECHNOLOGIES CORPORATION EMPLOYEE SAVINGS PLAN

Notes to Financial Statements

NOTE 1 - DESCRIPTION OF THE PLAN

General. The United Technologies Corporation (UTC) Employee Savings Plan (the Plan) is a defined contribution savings plan administered by UTC. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Generally, non-represented employees in participating business units of UTC are eligible to participate in the Plan after completing one year of service. The following is a brief description of the Plan. For more complete information, participants should refer to the plan document which is available from UTC.

Contributions and Vesting. Participants may elect to contribute, through payroll deductions, between 2 and 16 percent of their total compensation. Participant contributions, plus actual earnings thereon, are fully vested at all times under the Plan.

UTC has established a leveraged Employee Stock Ownership Plan (ESOP) to fund the employer matching contributions to the Plan. The ESOP is primarily invested in UTC Series A ESOP Convertible Preferred Stock. UTC will match 60 percent of a participant's contributions, up to specified limits, in ESOP Preferred Stock (See Note 4). However, participants who have reached at least age 55 and have completed at least 10 years of continuous service may direct up to 50 percent, in multiples of 25 percent, of their ESOP account balances and future employer contributions to be invested in the other investment funds offered through the Plan. Generally, employer contributions, plus actual earnings thereon, become fully vested after two years of Plan participation.

Participant Accounts. Each participant's account is credited with the participant's contributions and allocations of (a) UTC's contributions based on a percentage of the participant's contribution and (b) Plan earnings based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Forfeited balances of terminated participants' nonvested amounts are used to reduce future UTC contributions. For the period ended December 31, 1997, approximately \$232,000 of forfeitures were used to fund UTC's contributions.

Trustee and Recordkeeper. All of the Plan's assets are held by Bankers Trust Company, the Plan Trustee. As of January 1, 1997, Fidelity Institutional Retirement Services Company assumed the participant account recordkeeping responsibilities.

Investment Options. On January 1, 1997, investment options increased to sixteen from the previous four. Participants may elect to allocate their contributions in any whole percentage among the following funds. Participants are permitted to transfer their accounts between investment funds daily in any whole percentage or whole dollar amount. The investment funds are as follows:

- . The Income Fund invests in contracts issued by five insurance companies. See Note 3.
- . The Equity Fund invests in a portfolio of common stocks replicating the Standard & Poor's Composite Index of 500 stocks (S&P 500).
- . The Small Company Stock Index Fund invests in a portfolio of common stocks replicating the Russell 2000 Index.
- . The International Equity Index Fund invests in the equities of a mix of stock markets outside the U.S.

- . The Global Fund invests in both U.S. and foreign investments to replicate the performance, in approximately equal portions, of three indices: the S&P 500, the EAFE Index (an international stock index of large companies in Europe, Australia and the Far East), and the Lehman Brothers Government/Corporate Index.
- . The UTC Common Stock Fund consists principally of 5,334,294 and 4,962,417 shares of UTC Common Stock at December 31 1997 and 1996, respectively.
- . The INVESCO Total Return Fund invests in shares of a registered investment company that principally invests in both equity and fixed or variable income securities to achieve a moderate total return from capital appreciation and current income.
- . The Fidelity Growth & Income Portfolio invests in shares of a registered investment company that principally invests in U.S. and foreign equity securities that pay current dividends and show potential earnings growth.
- . The Putnam Fund for Growth and Income invests in shares of a registered investment company that principally invests in equity securities of companies that pay regular dividends to shareowners.
- . The Fidelity Contrafund invests in shares of a registered investment company that principally invests in equity securities of U.S. and foreign companies believed to be undervalued or out of favor.
- . The Fidelity Low-Priced Stock Fund invests in shares of a registered investment company that principally invests in equity securities of companies believed to be undervalued, overlooked or out of favor, which are generally priced at \$35 or less.
- . The PBHG Growth Fund invests in shares of a registered investment company that principally invests in equity securities of companies believed to have an outlook for strong earnings growth.
- . The Putnam New Opportunities Fund invests in shares of a registered investment company that principally invests in equity securities of companies in certain emerging industry groups.
- . The SoGen International Fund, Inc. invests in shares of a registered investment company that invests in U.S. and foreign equity, fixed income and gold-related securities and cash.
- . The Templeton Foreign Fund I invests in shares of a registered investment company that principally invests in equity securities of companies in developed and developing countries outside the U.S.
- . The Templeton Developing Markets Trust I invests in shares of a registered investment company that principally invests in equity securities of companies in developing countries.

Participant Loans. Participants with at least two years of plan participation are allowed to borrow up to 50 percent of their vested account balances (excluding the ESOP). Loan amounts can range from \$1,000 to \$50,000 and must be repaid within 5 years. The loans are secured by the balance in the participant's account and bear interest at Bankers Trust's prime rate plus one percent. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits. Generally, benefits are paid in a lump sum to a terminating participant. A participant terminating due to retirement may elect to receive benefits in installments over two to twenty years. At the

participant's election, the portion of a lump sum distribution attributable to the UTC Stock Fund and ESOP may be paid in shares of UTC Common Stock instead of cash. Distributions in common stock for the period ended December 31, 1997 were approximately \$5,825,000.

Other. Participants who transfer to a new UTC location with a different savings plan have the option of transferring their account balances in accordance with the provisions of the new savings plan.

NOTE 2 - SUMMARY OF ACCOUNTING PRINCIPLES

Basis of Accounting. The financial statements of the Plan are prepared under the accrual method of accounting. Benefits are recorded when paid.

Master Trust. The Plan's assets are kept in a Master Trust maintained by the Trustee. Under the Master Trust agreement, the assets of certain employee savings plans of UTC and its subsidiaries are combined. Participating Plans purchase units of participation in the investment funds based on their contribution to such funds and the unit value of the applicable investment fund at the end of the trading day in which a transaction occurs. The unit value of each fund is determined at the close of each day by dividing the sum of uninvested cash, accrued income and the current value of investments by the total number of outstanding units in such funds. Income from the funds' investments increases the Plans' unit values. Distributions to participants reduce the number of participation units held by the Plans.

At December 31, 1997, the Plan's interest in the Master Trust comprised 902,776,301 units of the 1,012,560,383 total units of participation, or 89.16%. At December 31, 1996, the Plan's interest in the Master Trust comprised 953,631,080 units of the total 1,062,864,802 units of participation, or 89.72%.

Investment Valuation. The Income Fund's investment contracts are stated at contract value which represents contributions plus earnings, less Plan withdrawals. The ESOP Preferred Stock's fair value is the higher of the guaranteed value (\$65) or twice the market value of UTC's Common Stock (See Note 4). All other funds are stated at fair value, as determined by the Trustee, typically by reference to published market data.

Plan Expenses. Plan administrative expenses, including Trustee and recordkeeper fees were paid directly by the employer in 1997. The employer also paid certain investment management fees for the Bankers Trust managed funds. All other administrative and investment expenses were paid out of Plan assets.

Use of Estimates. The preparation of financial statements requires UTC to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

NOTE 3 - INVESTMENT CONTRACTS

Under these contracts, each insurance company guarantees repayment in full of the principal amount invested plus interest credited at a fixed rate for a specified period. Interest is credited to each contract based on an annual interest rate set each year by the individual insurance companies. This rate, which differs among contracts, takes into account any difference between prior year credited interest and the actual amount of investment earnings allocable to the contract in accordance with the established allocation procedures of the insurance company. The interest rates earned for 1997 and 1996 were 8.1% and 7.5%, respectively. The following is a summary of the investment contracts held in the Income Fund and the portion allocable to the Plan:

CIGNA	\$ 1,456,404	\$ 1,512,307
Aetna	437,582	457,815
Travelers	367,509	388,845
Prudential	231,133	236,966
Metropolitan Life	780,096	782,764
	\$ 3,272,724	\$ 3,378,697
Amount of the contracts allocable to the Plan	\$ 2,815,491	\$ 2,920,121

NOTE 4 - EMPLOYEE STOCK OWNERSHIP PLAN

Since 1989, the ESOP has purchased approximately 14.5 million shares of \$1.00 par value Series A ESOP Convertible Preferred Stock ("ESOP Shares"), with a \$4.80 per share annual dividend from UTC. Each ESOP Share is convertible into two shares of UTC's Common Stock. The ESOP financed the ESOP Share purchases with interest bearing promissory notes. See Notes 5 and 6.

Participants are allocated ESOP Shares as they earn UTC's matching contributions. For the period ended December 31, 1997, participants were credited with matching contributions of \$56.7 million representing approximately 367,400 shares. Additionally, in lieu of receiving cash, participants are allocated ESOP Shares for dividends paid on their shares. During 1997, participants earned dividends of approximately \$31.9 million representing approximately 171,300 shares. ESOP Shares allocated are calculated at the higher of twice the daily ending price of UTC Common Stock or the \$65 guaranteed value.

ESOP Shares are released for allocation to participants as principal and interest payments are made on the debt. The ESOP uses the ESOP Shares' cash dividends and additional contributions from UTC to repay the principal and interest. The Employer Contributions presented in the Statement of Changes in Net Assets Available for Benefits include approximately \$8.4 million of additional cash contributions from UTC plus \$9.5 million of Employer Contributions receivable from UTC at December 31, 1997. The \$9.5 million is due to share allocations exceeding share releases during 1997. The number of ESOP Shares allocated to participants' accounts is equal in value to the fixed matching contributions specified by the Plan. To the extent that ESOP Shares released through debt service payments are not sufficient to meet the matching contribution requirement, UTC will contribute additional ESOP Shares, UTC Common Stock or cash. To the extent that ESOP Shares released through debt service will exceed the matching contribution requirement, management intends to restructure the debt so that the value of the released ESOP Shares does not exceed the matching contribution requirement.

Shares allocated to a participant generally may not be distributed until the participant's termination, disability, retirement or death. Upon distribution, a participant may elect to receive either cash or two shares of UTC Common Stock for each ESOP Share valued at the higher of twice the market value of UTC's Common Stock or \$65. A participant cannot elect to receive the distribution in ESOP Shares.

The ESOP Fund's investment in ESOP Shares at period end is as follows:

(Thousands of Dollars, except share amounts)	December 31, 1997		December 31, 1996	
	Allocated	Total	Allocated	Total
Number of Shares	6,826,380	13,033,172	6,530,685	13,274,579
Guaranteed Value	\$ 443,715	\$ 847,156	\$ 424,495	\$ 862,848
Market	\$ 994,092	\$ 1,897,956	\$ 865,316	\$ 1,758,882

As discussed above, market value is represented by the higher of the guaranteed value of \$65 per share or the daily closing price of two shares of UTC's Common Stock. As such, the market value of the ESOP Shares was \$145.625 and \$132.50 per share at December 31, 1997 and 1996, respectively. Further, the Net Assets Available for Benefits in the ESOP Fund at December 31, 1997 and 1996 include unrealized appreciation of approximately \$1.05 billion and \$896.0 million, of which \$500.4 million and \$455.2 million is on unallocated shares.

The ESOP Shares are redeemable, in whole or in part, at the option of UTC at a redemption price of \$65.96 per share plus accrued and unpaid dividends. The redemption price decreases annually until it reaches \$65. However, upon notice to the Trustee of UTC's intention to redeem, the Trustee can convert each preferred share into two shares of UTC Common Stock if more beneficial to participants.

NOTE 5 - ESOP DEBT

In 1990, the Master Trust, with UTC as guarantor, executed a Note and Guaranty Agreement and issued \$660,000,000 of Series A, B, C and D notes (described below) representing the ESOP's permanent financing. The amounts outstanding under the Agreement, with interest rates and maturity dates, are as follows at December 31, 1997:

Note Series	Principal (000's)	Rate of Interest	Due
A	\$ 72,300	7.24%	1998 - 1999
B	286,600	7.68%	2000 - 2008
C	17,300	7.68%	2008
D	32,700	7.68%	2009
	\$ 408,900		

Required payments on these Notes, in aggregate, for the next five plan years are \$36.3 million in 1998, \$36.0 million in 1999, \$35.5 million in 2000, \$35.0 million in 2001, and \$34.5 million in 2002.

NOTE 6 - NOTE PAYABLE

In conjunction with the ESOP financing discussed in Note 5, UTC issued a promissory note in 1990, bearing interest at 10.5%, and due over the period 1998 to 2009. At December 31, 1997, \$74,633,000 was outstanding. Required principal payments on the Note for the next five plan years are \$4.6 million in 1998, \$4.8 million in 1999, \$4.9 million in 2000, \$ 5.0 million in 2001, and \$5.2 million in 2002.

On December 10, 1997, the Trustee executed an additional \$15,000,000 promissory note to UTC. This note bears an interest rate of 6.35%, has a December 10, 2007 maturity date, and replaced a portion of the 1990 ESOP Debt notes described in Note 5 above.

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, UTC has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and to certain Plan provisions that limit this right when certain ESOP loans remain outstanding. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following are reconciliations of net assets available for benefits and benefits paid from the financial statements to the Form 5500:

(Thousands of Dollars)	December 31,	
	1997	1996
Net assets available for benefits per the financial statements	\$6,016,119	\$5,390,208
Amounts allocated to participant withdrawals	(907)	(38,084)
Net assets available for benefits per Form 5500	\$6,015,212	\$5,352,124

	Year Ended December 31, 1997
Benefits paid to participants per the financial statements	\$ 258,156
Add: Amounts allocated to participant withdrawals at December 31, 1997	907
Less: Amounts allocated to participant withdrawals at December 31, 1996	(38,084)
Benefits paid to participants per Form 5500	\$ 220,979

Amounts allocated to participant withdrawals are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not yet paid as of that date.

NOTE 9 - TAX STATUS

The Internal Revenue Service has determined and informed UTC by letter dated September 23, 1996 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

SIGNATURES

The Plan (or persons who administer the employee benefit plan), pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE SAVINGS PLAN

Dated: June 26, 1998

By: /s/ Daniel P. O'Connell
Daniel P. O'Connell
Corporate Director, Employee Benefits and Human
Resources Systems
United Technologies Corporation

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-26627) of United Technologies Corporation of our report dated June 26, 1998 appearing in the United Technologies Corporation Employee Savings Plan's Annual Report on Form 11-K for the year ended December 31, 1997.

PRICE WATERHOUSE LLP
Hartford, Connecticut
June 26, 1998

