

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Plan period ended December 31, 1998

Commission File Number 1-812

UNITED TECHNOLOGIES CORPORATION
DEFINED CONTRIBUTION RETIREMENT PLAN

UNITED TECHNOLOGIES CORPORATION
One Financial Plaza
Hartford, Connecticut 06101

FINANCIAL STATEMENTS OF THE UNITED TECHNOLOGIES CORPORATION
DEFINED CONTRIBUTION RETIREMENT PLAN

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
the United Technologies Corporation
Defined Contribution Retirement 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 Defined Contribution Retirement Plan at December 31, 1998 and 1997 and the changes in net assets available for benefits for the period ended December 31, 1998, 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.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Hartford, Connecticut
June 28, 1999

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1998

	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	\$ -	\$2,873,898	\$ -	\$ -	\$ 3,244	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	17,390	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	3,384	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	12,698	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	2,644	-	-
Daily International Equity Index Fund	-	-	-	-	3,211	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	422,428	-
Shares of respective registered investment companies	-	-	-	-	-	-	9,088
Investments, at contract value or cost:							
Beneficial interests in investment							
contracts, at contract value							
	4,941,655	-	-	-	-	-	-
Temporary investments, at cost plus							
accrued interest							
	-	-	-	-	-	2,106	-
Total Investments	4,941,655	2,873,898	17,390	16,082	9,099	424,534	9,088
Plan receivables	3,865	-	-	-	-	4,742	-
Total Assets	4,945,520	2,873,898	17,390	16,082	9,099	429,276	9,088
Liabilities:							
Accrued expenses							
	-	-	-	-	-	1,082	-
Total Liabilities	-	-	-	-	-	1,082	-
Net Assets Available for Benefits	\$4,945,520	\$2,873,898	\$ 17,390	\$ 16,082	\$ 9,099	\$ 428,194	\$ 9,088
Units of participation	73,902	106,205	1,458	1,268	3,170	23,501	290
Unit value	\$ 66.92	\$ 27.06	\$ 11.93	\$ 12.68	\$ 2.87	\$ 18.22	\$ 31.36

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1998

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportun- ities Fund	SoGen Internat- ional 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	-	-	-	-	-	-	-
Shares of respective registered investment companies	144,462	17,949	88,924	13,376	59,821	27,968	11,297
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value							
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total Investments	144,462	17,949	88,924	13,376	59,821	27,968	11,297
Plan receivables	-	-	-	-	-	-	-
Total Assets	144,462	17,949	88,924	13,376	59,821	27,968	11,297
Liabilities:							
Accrued expenses							
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 144,462	\$ 17,949	\$ 88,924	\$ 13,376	\$ 59,821	\$ 27,968	\$ 11,297
Units of participation	3,151	875	1,566	585	2,342	473	491
Unit value	\$ 45.84	\$ 20.52	\$ 56.79	\$ 22.85	\$ 25.54	\$ 59.14	\$ 23.03

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1998

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Total
Assets:			
Investments, at fair value:			
Beneficial interests in Bankers Trust Company Pyramid:			
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ 2,877,142
Russell 2000 Equity Index Fund	-	-	17,390
Daily Japanese Equity Index Fund	-	-	3,384
Daily Non Japanese Equity Index Fund	-	-	12,698
Government/Corporate Fixed Income Index Fund	-	-	2,644
Daily International Equity Index Fund	-	-	3,211
United Technologies Corporation Common Stock	-	-	422,428
Shares of respective registered investment companies	29,140	6,257	408,282
Investments, at contract value or cost:			
Beneficial interests in investment contracts, at contract value	-	-	4,941,655
Temporary investments, at cost plus accrued interest	-	-	2,106
Total Investments	29,140	6,257	8,690,940
Plan receivables	-	-	8,607
Total Assets	29,140	6,257	8,699,547
Liabilities:			
Accrued expenses	-	-	1,082
Total Liabilities	-	-	1,082
Net Assets Available for Benefits	\$ 29,140	\$ 6,257	\$ 8,698,465
Units of participation	3,473	607	
Unit value	\$ 8.39	\$ 10.30	

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Net Assets Available for Benefits With Fund Information
December 31, 1997

	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	\$ -	\$2,300,279	\$ -	\$ -	\$ 3,135	\$ -	\$ -
Russell 2000 Equity Index Fund	-	-	19,401	-	-	-	-
Daily Japanese Equity Index Fund	-	-	-	3,871	-	-	-
Daily Non Japanese Equity Index Fund	-	-	-	11,614	-	-	-
Government/Corporate Fixed Income Index Fund	-	-	-	-	2,566	-	-
Daily International Equity Index Fund	-	-	-	-	3,009	-	-
United Technologies Corporation Common Stock	-	-	-	-	-	278,575	-
Shares of respective registered investment companies	-	-	-	-	-	-	7,389
Investments, at contract value or cost:							
Beneficial interests in investment							
contracts, at contract value	4,831,402	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	4,183	-
Total Investments	4,831,402	2,300,279	19,401	15,485	8,710	282,758	7,389
Plan receivables	8,175	1,731	23	2	50	1,087	5
Total Assets	4,839,577	2,302,010	19,424	15,487	8,760	283,845	7,394
Liabilities:							
Accrued expenses							
Total Liabilities	-	-	-	-	-	1,800	-
Net Assets Available for Benefits	\$4,839,577	\$2,302,010	\$ 19,424	\$ 15,487	\$ 8,760	\$ 282,045	\$ 7,394
Units of participation	78,437	109,515	1,605	1,471	3,681	23,348	254
Unit value	\$ 61.70	\$ 21.02	\$ 12.10	\$ 10.53	\$ 2.38	\$ 12.08	\$ 29.09

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1997

	Fidelity Growth & Income Portfolio	Putnam Fund for Growth and Income	Fidelity Contrafund	Fidelity Low- Priced Stock Fund	PBHG Growth Fund	Putnam New Opportun- ities Fund	SoGen Internat- ional 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	-	-	-	-	-	-	-
Shares of respective registered investment companies	127,199	16,760	51,632	18,826	126,959	65,644	10,830
Investments, at contract value or cost:							
Beneficial interests in investment contracts, at contract value	-	-	-	-	-	-	-
Temporary investments, at cost plus accrued interest	-	-	-	-	-	-	-
Total Investments	127,199	16,760	51,632	18,826	126,959	65,644	10,830
Plan receivables	261	65	65	-	117	68	12
Total Assets	127,460	16,825	51,697	18,826	127,076	65,712	10,842
Liabilities:							
Accrued expenses	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Net Assets Available for Benefits	\$ 127,460	\$ 16,825	\$ 51,697	\$ 18,826	\$ 127,076	\$ 65,712	\$ 10,842
Units of participation	3,345	860	1,109	749	5,005	1,338	426
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 DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Net Assets Available for Benefits With Fund Information (Continued)
December 31, 1997

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Total
Assets:			
Investments, at fair value:			
Beneficial interests in Bankers Trust Company Pyramid:			
Large Capitalization Equity Index Fund	\$ -	\$ -	\$ 2,303,414
Russell 2000 Equity Index Fund	-	-	19,401
Daily Japanese Equity Index Fund	-	-	3,871
Daily Non Japanese Equity Index Fund	-	-	11,614
Government/Corporate Fixed Income Index Fund	-	-	2,566
Daily International Equity Index Fund	-	-	3,009
United Technologies Corporation Common Stock	-	-	278,575
Shares of respective registered investment companies	32,842	12,530	470,611
Investments, at contract value or cost:			
Beneficial interests in investment contracts, at contract value			
	-	-	4,831,402
Temporary investments, at cost plus accrued interest			
	-	-	4,183
Total Investments	32,842	12,530	7,928,646
Plan receivables	12	-	11,673
Total Assets	32,854	12,530	7,940,319
Liabilities:			
Accrued liabilities			
	-	-	1,800
Total Liabilities	-	-	1,800
Net Assets Available for Benefits	\$ 32,854	\$ 12,530	\$ 7,938,519
Units of participation	3,302	968	
Unit value	\$ 9.95	\$ 12.94	

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information
Period Ended December 31, 1998

	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	\$ -	\$ 658,642	\$ (308)	\$ 2,780	\$ 1,673	\$ 145,871	\$ 630
Interest	399,481	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	452
Total Investment Income	399,481	658,642	(308)	2,780	1,673	145,871	1,082
Contributions:							
Participants'	-	-	-	-	-	-	-
Employer's	7,634	368	52	52	-	59	-
Total Contributions	7,634	368	52	52	-	59	-
Deductions from net assets attributed to:							
Distributions to participants	380,069	86,446	146	487	1,334	17,260	-
Total Deductions	380,069	86,446	146	487	1,334	17,260	-
Net increase / (decrease) prior to transfers	27,046	572,564	(402)	2,345	339	128,670	1,082
Inter-fund transfers	78,897	(676)	(1,632)	(1,750)	-	17,479	612
Net increase / (decrease)	105,943	571,888	(2,034)	595	339	146,149	1,694
Net Assets Available for Benefits December 31, 1997	4,839,577	2,302,010	19,424	15,487	8,760	282,045	7,394
Net Assets Available for Benefits December 31, 1998	\$4,945,520	\$2,873,898	\$ 17,390	\$ 16,082	\$ 9,099	\$ 428,194	\$ 9,088

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information (Continued)
Period Ended December 31, 1998

	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.
Additions to net assets attributed to:							
Investment Income:							
Net appreciation / (depreciation) in fair value of investments	\$ 26,122	\$ 901	\$ 11,428	\$ (742)	\$ 658	\$ 8,886	\$ (1,140)
Interest	-	-	-	-	-	-	-
Dividends	7,050	1,652	6,528	1,144	-	910	1,095
Total Investment Income	33,172	2,553	17,956	402	658	9,796	(45)
Contributions:							
Participants'	-	-	-	-	-	-	-
Employer's	328	189	-	-	-	190	-
Total Contributions	328	189	-	-	-	190	-
Deductions from net assets attributed to:							
Distributions to participants	13,288	1,405	1,016	6,556	4,398	7,119	-
Total Deductions	13,288	1,405	1,016	6,556	4,398	7,119	-
Net increase / (decrease) prior to transfers	20,212	1,337	16,940	(6,154)	(3,740)	2,867	(45)
Inter-fund transfers	(3,210)	(213)	20,287	704	(63,515)	(40,611)	500
Net increase / (decrease)	17,002	1,124	37,227	(5,450)	(67,255)	(37,744)	455
Net Assets Available for Benefits December 31, 1997	127,460	16,825	51,697	18,826	127,076	65,712	10,842
Net Assets Available for Benefits December 31, 1998	\$ 144,462	\$ 17,949	\$ 88,924	\$ 13,376	\$ 59,821	\$ 27,968	\$ 11,297

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

UNITED TECHNOLOGIES CORPORATION DEFINED CONTRIBUTION RETIREMENT PLAN
Statement of Changes in Net Assets Available for Benefits With Fund Information (Continued)
Period Ended December 31, 1998

	Templeton Foreign Fund A	Templeton Developing Markets Trust A	Total
Additions to net assets attributed to:			
Investment Income:			
Net appreciation / (depreciation) in fair value of investments	\$ (4,656)	\$ (1,772)	\$ 848,973
Interest	-	-	399,481
Dividends	3,156	157	22,144
Total Investment Income	(1,500)	(1,615)	1,270,598
Contributions:			
Participants'	-	-	-
Employer's	-	-	8,872
Total Contributions	-	-	8,872
Deductions from net assets attributed to:			
Distributions to participants	-	-	519,524
Total Deductions	-	-	519,524
Net increase / (decrease) prior to transfers	(1,500)	(1,615)	759,946
Inter-fund transfers	(2,214)	(4,658)	-
Net increase / (decrease)	(3,714)	(6,273)	759,946
Net Assets Available for Benefits December 31, 1997	32,854	12,530	7,938,519
Net Assets Available for Benefits December 31, 1998	\$ 29,140	\$ 6,257	\$ 8,698,465

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

UNITED TECHNOLOGIES CORPORATION
DEFINED CONTRIBUTION RETIREMENT PLAN

Notes to Financial Statements

NOTE 1 - DESCRIPTION OF THE PLAN

General. The United Technologies Corporation (UTC) Defined Contribution Retirement Plan (the Plan) is a defined contribution savings and money purchase plan administered by UTC. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Eligible employees of UTC and certain of its subsidiaries may participate after completing one year of service. As described in Note 6, all active Plan participants became participants of the UTC Savings Plan for Hourly Management-Represented Employees in 1998. 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. The employer made contributions for each participant for up to 3.5 percent of the participant's compensation through July of the Plan year. No participant contributions were made during 1998. See Note 6. Participant contributions, plus actual earnings thereon, are fully vested at all times under 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, 1998, no forfeitures were used to fund employer contributions.

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

Investment Options. 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. In December of 1997, UTC approved a reverse unit split of the units of participation and the unit value of the Income Fund effective as of January 1, 1998. As a result, the units of participation and the unit value was decreased and increased, respectively, by a factor of ten. All units of participation and unit value amounts presented herein have been restated to reflect the reverse unit split.
- . 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 3,884 and 3,826 shares of UTC Common Stock at December 31, 1998 and 1997, respectively. On April 30, 1999, the Board of Directors of UTC declared a 2 for 1 stock split in the form of a stock dividend payable May 17, 1999 to shareowners of record at the close of business on May 7, 1999. The share amounts reflected herein do not reflect the stock split.
- . The INVESCO Total Return Fund, a registered investment company, 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, a registered investment company, 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, a registered investment company, principally invests in equity securities of companies that pay regular dividends to shareowners.
- . The Fidelity Contrafund, a registered investment company, 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, a registered investment company, 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, a registered investment company, principally invests in equity securities of companies believed to have an outlook for strong earnings growth.

. The Putnam New Opportunities Fund, a registered investment company, principally invests in equity securities of companies in certain emerging industry groups.

. The SoGen International Fund, Inc., a registered investment company, invests in U.S. and foreign equity, fixed income and gold-related securities and cash.

. The Templeton Foreign Fund A (formerly the Templeton Foreign Fund I), a registered investment company, principally invests in equity securities of companies in developed and developing countries outside the U.S.

. The Templeton Developing Markets Trust A (formerly the Templeton Developing Markets Trust I), a registered investment company, principally invests in equity securities of companies in developing countries.

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 Common Stock Fund may be paid in shares of UTC Common Stock instead of cash. There were no distributions in UTC Common Stock for the period ended December 31, 1998.

NOTE 2 - SUMMARY OF ACCOUNTING PRINCIPLES

Basis of Accounting. The financial statements of the Plan are prepared under the accrual method of accounting, except for benefits which 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, 1998, the Plan's interest in the Master Trust comprised 223,357 units of the 522,172,913 total units of participation, or 0.04%. At December 31, 1997, the Plan's interest in the Master Trust comprised 235,413 units of the total 534,787,672 units of participation, or 0.04%.

Investment Valuation. The Income Fund's investment contracts are stated at contract value which represents contributions plus earnings, less Plan withdrawals. 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 recordkeeping fees, were paid directly by the employer in 1998. The employer also paid certain investment management fees for the Bankers Trust managed funds. There were no other administrative and investment expenses paid out of Plan assets during 1998.

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 1998 and 1997 were 8.5% and 8.1%, respectively. The following is a summary of the investment contracts held in the Income Fund and the portion allocable to the Plan:

	December 31, 1998	December 31, 1997
CIGNA	\$ 1,590,214,600	\$ 1,456,403,738
Aetna	471,765,293	437,582,101
Travelers	398,145,628	367,508,974
Prudential	252,192,024	231,133,416
Metropolitan Life	1,019,271,695	780,096,192
	\$ 3,731,589,240	\$ 3,272,724,421
Amount of the contracts allocable to the Plan	\$ 4,941,655	4,831,402

NOTE 4 - FUNDING POLICY

The Corporation funds its obligation to the Plan on a monthly basis. At

December 31, 1998, the minimum funding requirements under ERISA have been met.

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, UTC has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 6 - FROZEN PLAN

During 1998, all active Plan participants became participants of the UTC Savings Plan for Hourly Management-Represented Employees. Previously accumulated participant balances will remain in the Plan. No additional contributions will be made to the Plan. Participants will continue to be able to direct or withdraw their remaining investment balances in accordance with Plan provisions.

NOTE 7 - TAX STATUS

The Internal Revenue Service has determined and informed UTC by letter dated April 22, 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 letters. However, the Plan administrator and tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

SIGNATURES

The Plan (or other 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
DEFINED CONTRIBUTION RETIREMENT PLAN

Dated: June 28, 1999

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. 33-58937) of United Technologies Corporation of our report dated June 28, 1999 appearing in the United Technologies Corporation Defined Contribution Retirement Plan's Annual Report on Form 11-K for the year ended December 31, 1998.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Hartford, Connecticut
June 28, 1999