SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 1996

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 1-8974

AlliedSignal Inc.
(Exact name of registrant as specified in its charter)

Delaware	22-2640650
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
101 Columbia Road P.O. Box 4000 Morristown, New Jersey	07962-2497
(Address of principal executive offices)	(Zip Code)

(201)455-2000
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at June 30, 1996
$1 par value	282,744,867 shares

AlliedSignal Inc.

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AlliedSignal Inc.
Consolidated Balance Sheet
(Unaudited)

	June 30, 1996	December 31, 1995
	(Dollars in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,714	$ 540
Accounts and notes receivable - net (Note 2)	1,947	1,751
Inventories - net (Note 3)	1,998	1,991
Other current assets	604	608
Total current assets	6,263	4,890
Investments and long-term receivables	469	479
Property, plant and equipment	8,758	9,785
Accumulated depreciation and amortization	(4,712)	(5,043)
Cost in excess of net assets of acquired companies - net	1,395	1,572
Other assets	782	782
Total assets	$12,955	$12,465
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 1,111	$ 1,385
Short-term borrowings	88	397
Commercial paper	743	58
Current maturities of long-term debt	77	189
Accrued liabilities	2,141	1,775
Total current liabilities	4,160	3,804
Long-term debt (Note 4)	1,330	1,366
Deferred income taxes	504	551
Postretirement benefit obligations other than pensions	1,800	1,864
Other liabilities	1,314	1,288
SHAREOWNERS' EQUITY		
Capital - common stock issued	358	358
- additional paid-in capital	2,517	2,489
Common stock held in treasury, at cost	(1,801)	(1,658)
Cumulative translation adjustment	--	61
Unrealized holding gain on equity securities	29	27
Retained earnings	2,744	2,315
Total shareowners' equity	3,847	3,592
Total liabilities and shareowners' equity	$12,955	$12,465

Notes to Financial Statements are an integral part of this statement.

AlliedSignal Inc.
Consolidated Statement of Income
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	1996	1995	1996	1995
	(Dollars in millions except per share amounts)			
Net sales	$3,347	$3,630	$7,125	$7,049
Cost of goods sold (Note 5)	3,235	2,902	6,247	5,649
Selling, general and administrative expenses	366	374	767	732
Gain on sale of business (Note 6)	(655)	-	(655)	-
Total costs and expenses	2,946	3,276	6,359	6,381
Income from operations	401	354	766	668
Equity in income of affiliated companies	46	36	73	85
Other income (expense) (Note 5)	33	1	33	(18)
Interest and other financial charges	(47)	(46)	(97)	(87)
Income before taxes on income	433	345	775	648
Taxes on income	161	118	278	223
Net income	$ 272	$ 227	$ 497	$ 425
Earnings per share of common stock (Note 7)	$ .96	$ .80	$ 1.76	$ 1.50
Cash dividends per share of common stock	$ .225	$ .195	$ .450	$ .390

Notes to Financial Statements are an integral part of this statement.

AlliedSignal Inc.
Consolidated Statement of Cash Flows
(Unaudited)

	Six Months Ended June 30 1996	Six Months Ended June 30 1995
	(Dollars in millions)	
Cash flows from operating activities:		
Net income	$ 497	$ 425
Adjustments to reconcile net income to net cash flows from operating activities:		
Gain on sale of business	(655)	-
Repositioning and other charges	622	-
Depreciation and amortization (includes goodwill)	323	307
Undistributed earnings of equity affiliates	(14)	(34)
Deferred taxes	128	102
(Increase) in accounts and notes receivable	(147)	(88)
(Increase) in inventories	(135)	(146)
(Increase) in other current assets	(11)	(36)
Increase(decrease) in accounts payable	35	(98)
Increase in accrued liabilities	9	24
Taxes paid on gain on sale of business	(81)	-
Other	(325)	(127)
Net cash flow provided by operating activities	246	329
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(346)	(320)
Proceeds from disposals of property, plant and equipment	56	20
Decrease in other investments	-	26
(Increase) in other investments	(2)	(2)
Cash paid for acquisitions - net	(35)	(127)
Proceeds from sales of businesses	1,187	(9)
Net cash flow provided by (used for) investing activities	860	(412)
Cash flows from financing activities:		
Net increase in commercial paper	685	422
Net (decrease) in short-term borrowings	(296)	(39)
Proceeds from issuance of common stock	79	48
Proceeds from issuance of long-term debt	5	5
Payments of long-term debt	(72)	(86)
Repurchases of common stock	(203)	(91)
Cash dividends on common stock	(130)	(109)
Net cash flow provided by financing activities	68	150
Net increase in cash and cash equivalents	1,174	67
Cash and cash equivalents at beginning of year	540	508
Cash and cash equivalents at end of period	$1,714	$ 575

Notes to Financial Statements are an integral part of this statement.

AlliedSignal Inc.
Notes to Financial Statements
(Unaudited)
(Dollars in Millions)

Note 1. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal adjustments, necessary to present fairly the financial position of AlliedSignal Inc. and its consolidated subsidiaries at June 30, 1996 and the results of operations for the three and six months ended June 30, 1996 and 1995 and the changes in cash flows for the six months ended June 30, 1996 and 1995. The results of operations for the three- and six-month periods ended June 30, 1996 should not necessarily be taken as indicative of the results of operations that may be expected for the entire year 1996.

The financial information as of June 30, 1996 should be read in conjunction with the financial statements contained in the Company's Form 10-K Annual Report for 1995.

Note 2. Accounts and notes receivable consist of the following:

	June 30, 1996	December 31, 1995
Trade	$1,290	$1,477
Other	687	308
	1,977	1,785
Less-Allowance for doubtful accounts and refunds	(30)	(34)
	$1,947	$1,751

Note 3. Inventories are valued at the lower of cost or market using the last-in, first-out (LIFO) method for certain qualifying domestic inventories and the first-in, first-out (FIFO) or the average cost method for other inventories.

Inventories consist of the following:

	June 30, 1996	December 31, 1995
Raw materials	$ 622	$ 650
Work in process	820	769
Finished products	765	747
Supplies and containers	84	98
	2,291	2,264
Less - Progress payments	(168)	(145)
Reduction to LIFO cost basis	(125)	(128)
	$1,998	$1,991

Note 4. In June 1996 the Company amended its Five-Year and 364-Day Credit Agreements by extending their maturities one year to June 30, 2001 and June 27, 1997, respectively. The amendments also included certain other minor changes in terms and conditions.

Note 5. In the second quarter of 1996 the Company recorded a pretax charge of $277 million relating to the costs of actions to reposition some of its major business units. The repositioning actions are intended to enhance the Company's competitiveness and productivity and include consolidating production facilities, rationalizing manufacturing capacity and optimizing operational capabilities. As a result, approximately 6,100 positions will be eliminated in some plants and 2,900 positions will be added in others, for a net reduction of 3,200 positions. The components of the repositioning charge include asset write-downs of $136 million, severance costs of $127 million and other exit costs of $14 million. All of the repositioning actions are expected to be completed by 1998. As of June 30, 1996 cash expenditures for repositioning actions were insignificant.

In the second quarter of 1996 the Company adopted the provisions of the proposed American Institute of Certified Public Accountants' Statement of Position (SOP), "Environmental Remediation Liabilities". This SOP provides additional guidance regarding the manner in which existing authoritative accounting literature is to be applied to the specific circumstances of recognizing, measuring and disclosing environmental remediation liabilities. The adoption of this SOP resulted in a pretax charge of $175 million, and is accounted for as a change in estimate. The Company also recorded other charges primarily related to changes made in employee benefit programs and in connection with customer and former employee claims.

Repositioning and other charges totaling $637 million are included as part of cost of goods sold in the Consolidated Statement of Income. Other income (expense) in the Consolidated Statement of Income includes a $15 million credit for repositioning and other charges representing the minority interest share of such charges. The total pretax impact of the repositioning and other charges is $622 million (after-tax $359 million, or $1.27 a share).

Note 6. In April 1996 the Company sold its worldwide hydraulic and anti-lock braking systems (ABS) businesses (braking business) to Robert Bosch GmbH, a privately-held German company. The braking business had 1995 sales and income from operations of approximately $2.0 billion and $154 million, respectively. The Company received consideration of $1.5 billion, subject to certain post-closing adjustments. At June 30, 1996, approximately $300 million of this amount was in escrow and is classified as part of other receivables in the Consolidated Balance Sheet. The sale of the braking business resulted in a gain of $655 million (after-tax $368 million, or $1.30 a share).

Note 7. Based on the weighted average number of shares outstanding during each period, as follows: three months ended June 30, 1996, 282,769,698 shares, and 1995, 283,946,463 shares; and six months ended June 30, 1996, 282,810,076 shares and 1995, 283,856,301 shares. No dilution results from outstanding common stock equivalents.

Report on Review by Independent Accountants

To the Board of Directors
of AlliedSignal Inc.

We have reviewed the accompanying consolidated balance sheet of AlliedSignal Inc. and its subsidiaries as of June 30, 1996, and the consolidated statements of income for the three-month and six-month periods ended June 30, 1996 and 1995, and of cash flows for the six-month periods ended June 30, 1996 and 1995. 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 financial information referred to above for it to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1995, and the related consolidated statements of income, of retained earnings, and of cash flows for the year then ended (not presented herein); and in our report dated February 1, 1996 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 1995, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Price Waterhouse LLP
4 Headquarters Plaza North
Morristown, NJ 07962

July 19, 1996

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Second Quarter 1996 Compared with Second Quarter 1995

Net sales in the second quarter of 1996 totaled $3.3 billion, a decrease of $283 million, or 8%, compared with the second quarter of last year. Sales were lower reflecting the sale of the Company's braking business in April 1996. (See Note 6 of Notes to Financial Statements for further information.) Excluding the divested braking business, net sales increased $277 million or 9%. Of this increase, $209 million was due to higher sales volume and $122 million resulted from the consolidation of recent acquisitions, offset in part by a $34 million reduction for disposed businesses other than the braking business. Prices and the impact of foreign exchange rate fluctuations were slightly unfavorable.

Aerospace sales of $1,370 million in the second quarter of 1996 increased $146 million, or 12%, compared with the second quarter of last year. Strength in Engines sales reflected substantially higher aftermarket parts and repair and overhaul activity and strong shipments of propulsion engines. Equipment Systems showed significant sales growth across most product lines, driven by strong commercial and military aftermarket volume. The acquisition of a majority interest in a European supplier of aircraft heat exchange equipment, in July 1995, also contributed to the increase. Management and technical services provided to the U.S. Government also had significant sales gains and Electronic Systems had moderate gains, primarily as a result of the acquisition of Northrup Grumman's precision products business in January 1996. Commercial Avionics Systems had lower sales, in part reflecting softening demand for certain safety-related products.

Automotive sales of $955 million in the second quarter of 1996 were $522 million, or 35%, lower, compared with the second quarter of 1995 reflecting the disposition of the Company's braking business in April 1996. Excluding the divested braking business, Automotive's sales improved by $38 million, or 4%. Safety Restraints had significantly higher sales volumes in Europe and North America. Higher sales of air bags in Europe were supplied from the Company's new plant in Italy and seat belt sales increased in North America. Turbocharger sales were higher, reflecting the popularity of turbodiesel-powered cars in Europe and turbodiesel-powered pickup trucks in North America, partially offset by lower sales in Japan and lower sales of heavy-duty trucks in North America. In North America, Friction Materials and Filters and Spark Plugs improved. The increase for Filters and Spark Plugs partially reflects the introduction of new products earlier in 1996. European Aftermarket and Friction Materials sales were unfavorably impacted by weak economic conditions and sales of North American Truck Brake Systems were also lower primarily because of the cyclical downturn in North American heavy-duty truck production.

Engineered Materials sales of $1,020 million in the second quarter of 1996 were $91 million, or 10% higher, compared with the second quarter of last year. Specialty Chemicals sales increased primarily reflecting the acquisition of Riedel-de Han in October 1995. The Polymers business had higher sales reflecting in part the late 1995 acquisitions of Bridgestone/Firestone's industrial polyester fiber plant in Hopewell, Virginia and a nylon plastics and industrial fibers plant in Rudolstadt, Germany. Sales also improved for Fluorine Products due to strong demand for CFC-free refrigerants and fluorine specialties. Sales for Electronic Materials were significantly lower due to a global slowdown in integrated circuit production.

Cost of goods sold, as a percent of sales, increased from 79.9% in the second quarter of 1995 to 96.7% in the second quarter of 1996 as the current quarter includes repositioning and other charges totaling $637 million. (See Note 5 of Notes to Financial Statements for further information.) Excluding repositioning and other charges, cost of goods sold, as a percent of sales, was 77.6% in the second quarter of 1996.

Gain on sale of business represents the pretax gain of $655 million on the sale of the braking business in April 1996. (See Note 6 of Notes to Financial Statements for further information.)

Income from operations of $401 million in the second quarter of 1996 increased $47 million, or 13%, compared with last year's second quarter. The current quarter includes the pretax gain of $655 million on the sale of the braking business and repositioning and other charges totaling $637 million (special items). Excluding the impact of these special items, Aerospace's income from operations increased 20% and Engineered Materials improved 7%, but Automotive's income from operations decreased 21%. The Company's operating margin, adjusted for special items, for the second quarter of 1996 was 11.4% compared with 9.8% for the same period last year. See the discussion of net income below for information by segment.

Productivity (the constant dollar basis relationship of sales to costs) of the Company's businesses improved by 5.7% compared with the second quarter of 1995.

Equity in income of affiliated companies of $46 million increased by $10 million, or 28%, compared with last year mainly because of higher earnings from the Company's UOP process technology joint venture. A partial offset was due to the Company's exit from its high-density polyethylene (HDPE) joint venture in December 1995.

Other income (expense), $33 million in the second quarter of 1996, improved by $32 million compared with the same quarter last year mainly due to higher interest income reflecting the investment of cash received from the sale of the braking business, the minority interest share of the repositioning and other charges and higher foreign exchange costs in the prior year's second quarter. This was partially offset by the absence of a 1995 gain from the sale of an investment.

The effective tax rate in the second quarter of 1996 was 37.2% compared with 34.4% in 1995. The increase is principally due to a higher tax rate on the gain on the sale of the braking systems business.

Net income of $272 million, or $0.96 a share, in the second quarter of 1996 was 20% higher than last year's net income of $227 million, or $0.80 a share. Net income, adjusted for special items, was $263 million, or $0.93 a share, an increase of 16% over the prior year. A discussion of the operations of the business segments follows. Adjusted net income (see table below) for the segments excludes the impact of the special items. (Dollars in millions.)

	Second Quarter		
	Net Income as Reported	Special Items (Gains)/Losses	Adjusted Net Income
Aerospace			
1996	$ (89)	$ 179	$ 90
1995	72	-	72
Increase/(Decrease)	$ (161)	$ 179	$ 18
Automotive			
1996	$ 369	$ (319)	$ 50
1995	65	-	65
Increase/(Decrease)	$ 304	$ (319)	$ (15)
Engineered Materials			
1996	$ 47	$ 71	$ 118
1995	105	-	105
Increase/(Decrease)	$ (58)	$ 71	$ 13

Aerospace adjusted net income improved to $90 million from $72 million, an increase of $18 million, or 25%, compared with the same quarter last year. Strong sales growth and improvements in productivity resulted in substantially higher earnings for the Equipment Systems and Engines businesses. Commercial Avionics Systems had decreased earnings, primarily reflecting lower sales and unfavorable product mix.

Automotive adjusted net income declined to $50 million from $65 million in the prior year, a $15 million, or 23%, decrease. The decrease reflects the absence of net income from the disposed braking systems business. Income was substantially higher for Safety Restraints and North American Aftermarket reflecting higher sales and productivity improvements. Filters and Spark Plugs income increased significantly, reflecting higher sales along with an improved product mix. North American Truck Brake Systems reported lower income due to decreased North American heavy-duty truck build volume.

Engineered Materials adjusted net income increased to $118 million from $105 million, a $13 million, or 12%, increase. Income improved reflecting substantially higher earnings for Specialty Chemicals, reflecting higher sales and a strong contribution from the UOP joint venture. Net income was higher for Fluorine Products, which benefitted from higher sales and productivity initiatives at the Geismar, Louisiana plant. A partial offset was the absence of earnings from the HDPE joint venture.

Six Months 1996 Compared with Six Months 1995
- ---

Net sales in the first six months of 1996 totaled $7.1 billion, an increase of $76 million, or 1%, compared with the first six months of last year. Of this increase, $342 million reflects the consolidation of recent acquisitions, and $363 million was due to higher sales volume. Largely offsetting this increase was a $625 million reduction for disposed businesses, mainly the braking business.

Aerospace sales of $2,670 million in the first six months of 1996 increased $304 million, or 13%, compared with the first six months of 1995. Engines had substantially higher aftermarket parts and repair and overhaul activity and strong shipments of propulsion engines. Equipment Systems showed strong sales growth with gains across all product lines, driven by aftermarket strength. The acquisition of a majority interest in a European supplier of aircraft heat exchange equipment, in July 1995, also contributed to Equipment Systems higher sales. Sales for Electronic Systems also increased reflecting improvement in output and reducing order backlog at communications systems and guidance and controls as well as the acquisition of Northrop Grumman's precision products business in January 1996. Government Services also improved, but Commercial Avionics Systems sales were moderately lower.

Automotive sales of $2,431 million in the first six months of 1996 had a $432 million, or 15%, decrease, compared with the first six months of last year. Excluding the divested braking business, Automotive's sales increased $38 million, or 2%. Safety Restraints and Turbochargers had significantly higher sales volumes in Europe, although turbocharger sales were lower in Japan. European Aftermarket and Friction Materials sales were impacted by weak economic conditions and sales of North American Truck Brake Systems were lower primarily because of decreasing heavy-duty truck build volume. In North America, Friction Materials, Aftermarket and Filters and Spark Plugs had higher sales.

Engineered Materials sales of $2,022 million in the first six months of 1996 were $202 million, or 11%, higher, compared with the first six months of 1995. Specialty Chemicals sales increased mainly reflecting the acquisition of Riedel-de Haen in October 1995. The Polymers business had higher sales of industrial fibers and engineering plastics products primarily due to acquisitions in the fourth quarter of 1995. Sales also improved for Environmental Catalysts and Carbon Materials.

Cost of goods sold, as a percent of sales, increased from 80.1% in the first six months of 1995 to 87.6% in the first six months of 1996 as the current period includes repositioning and other charges totaling $637 million. (See Note 5 of Notes to Financial Statements for further information.) Excluding repositioning and other charges, cost of goods sold, as a percent of sales, was 78.7% for the first six months of 1996.

Gain on sale of business represents the pretax gain of $655 million on the sale of the braking business in April 1996. (See Note 6 of Notes to Financial Statements for further information.)

Income from operations of $766 million in the first six months of 1996 increased $98 million, or 15%, compared with last year's first six months. The current period includes a net pretax gain of $18 million from the impact of special items. Excluding the impact of these special items, Aerospace's income from operations increased 20% and Engineered Materials improved 17%, but Automotive's income from operations decreased 13%. The Company's operating margin, adjusted for special items, for the first six months of 1996 was 10.5% compared with 9.5% for the same period last year. See the discussion of net income below for information by segment.

Productivity of the Company's businesses improved by 4.7% compared with last year's first six months.

Equity in income of affiliated companies of $73 million decreased by $12 million, or 14%, compared with last year mainly because the Company exited from its HDPE joint venture in December 1995. A partial offset was higher earnings from the UOP joint venture.

Other income (expense), $33 million in the first six months of 1996, improved by $51 million compared with the same period last year mainly due to higher foreign exchange costs in the prior year's first six months, increased interest income reflecting the investment of cash received from the sale of the braking business and the minority interest share of the repositioning and other charges. This was partially offset by the absence of a 1995 gain from the sale of an investment.

Interest and other financial charges of $97 million in the first six months of 1996 increased by $10 million, or 11%, compared with the same period last year due to higher levels of short-term debt.

The effective tax rate in the first six months of 1996 was 35.9% compared with 34.5% in 1995. The increase is principally due to a higher tax rate on the gain on the sale of the braking systems business.

Net income of $497 million, or $1.76 a share, in the first six months of 1996 was 17% higher than last year's net income of $425 million, or $1.50 a share. Net income, adjusted for special items, was $488 million, or $1.73 a share, an increase of 15% over the prior year. A discussion of the operations of the business segments follows. Adjusted net income (see table below) for the segments excludes the impact of the special items. (Dollars in millions.)

	Six Months Ended June 30		
	Net Income as Reported	Special Items (Gains)/Losses	Adjusted Net Income
Aerospace			
1996	$ (18)	$ 179	$ 161
1995	128	-	128
Increase/(Decrease)	$ (146)	$ 179	$ 33
Automotive			
1996	$ 441	$ (319)	$ 122
1995	127	-	127
Increase/(Decrease)	$ 314	$ (319)	$ (5)
Engineered Materials			
1996	$ 156	$ 71	$ 227
1995	199	-	199
Increase/(Decrease)	$ (43)	$ 71	$ 28

Aerospace adjusted net income improved to $161 million from $128 million, an increase of $33 million, or 26%, compared with the same period last year. Strong sales growth and improvements in productivity resulted in significantly higher earnings for the Equipment Systems and Engines businesses. Electronic Systems and Government Services also improved, but Commercial Avionics Systems had reduced earnings primarily reflecting lower sales.

Automotive adjusted net income decreased to $122 million from $127 million a year ago, a $5 million, or 4%, decrease. The decrease reflects the absence of net income from the disposed braking systems business. Partial offsets were higher income for Safety Restraints, North American Aftermarket, Filters and Spark Plugs and Turbochargers.

Engineered Materials adjusted net income increased to $227 million from $199 million, a $28 million, or 14% increase. Income increased reflecting substantially higher earnings from Specialty Chemicals. Net income was also higher for the Polymers business, mainly reflecting improvements for industrial fibers, and for Electronic Materials with income gains for microelectronic materials and laminate systems. Fluorine Products was also favorable. A partial offset was the absence of earnings from the HDPE joint venture.

Financial Condition

June 30, 1996 Compared with December 31, 1995

On June 30, 1996 the Company had $1,714 million in cash and cash equivalents, compared with $540 million at year-end 1995. The substantial increase reflects the $1.2 billion cash consideration received as of June 30, 1996 from the sale of the braking business which is currently invested in short-term securities. The remaining consideration from the sale of the braking business of approximately $300 million was released from escrow at the end of

July 1996. It is expected that the proceeds will ultimately be used to grow the Company's higher-margin businesses and to pursue acquisitions that will expand or complement the Company's business portfolio. The current ratio at June 30, 1996 was 1.5X compared with 1.3X at year-end 1995.

The Company's long-term debt on June 30, 1996 was $1,330 million, a reduction of $36 million compared with year-end 1995. Total debt of $2,238 million on June 30, 1996 was $228 million higher than at year-end, reflecting an increase in outstanding commercial paper. The Company's total debt as a percent of capital increased slightly from 33.7% at year-end 1995 to 34.7% at June 30, 1996.

During the first six months of 1996, the Company made capital expenditures of $346 million, compared with $320 million in the corresponding period in 1995. Spending for the six month period was as follows: aerospace-$50 million, automotive-$116 million, engineered materials-$148 million and corporate-$32 million.

During the first six months of 1996, the Company repurchased 3.8 million shares of common stock for $207 million. Common stock is repurchased to meet the expected requirements for shares issued under employee benefit plans and a shareowner dividend reinvestment plan. At June 30, 1996 the Company was authorized to repurchase 4.3 million shares of common stock.

During the second quarter of 1996, the Company recorded a repositioning provision of $277 million which includes $136 million in non-cash charges related to asset write-downs and $141 million of charges to be settled in cash, primarily related to severance costs. Additional repositioning costs approximating $260 million principally relating to employee and asset relocation, system and plant integration and capital improvements will be recognized in future periods. All of the repositioning actions are expected to be completed by 1998 and will not materially impact the Company's liquidity. Upon completion, the repositioning actions are expected to generate additional annual income from operations of approximately $200 million.

Review by Independent Accountants

The "Independent Accountants' Report" included herein is not a "report" or "part of a Registration Statement" prepared or certified by an independent accountant within the meanings of Section 7 and 11 of the Securities Act of 1933, and the accountants' Section 11 liability does not extend to such report.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits. The following exhibits are filed with this Form 10-Q:

10.1 Amendment No. 1, dated as of June 28, 1996, to the Five-Year Credit Agreement, dated as of June 30, 1995, among AlliedSignal Inc., a Delaware corporation, the banks, financial institutions and other institutional lenders listed on the signature pages thereof (the "Lenders"), Citibank, N.A., as agent, and ABN Amro Bank N.V. and Morgan Guaranty Trust Company of New York, as co-agents, for the Lenders

10.2 Amendment No. 1, dated as of June 28, 1996, to the 364-Day Credit Agreement, dated as of June 30, 1995, among AlliedSignal Inc., a Delaware corporation, the banks, financial institutions and other institutional lenders listed on the signature pages thereof (the "Lenders"), Citibank, N.A., as agent, and ABN Amro Bank N.V. and Morgan Guaranty Trust Company of New York, as co-agents, for the Lenders

15 Independent Accountants' Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements

27 Financial Data Schedule

(b) Reports on Form 8-K. A report on Form 8-K dated April 26, 1996 was filed by the Company to report that the Company completed the previously announced sale of its hydraulic braking and anti-lock braking businesses to Robert Bosch GmbH.

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.

AlliedSignal Inc.

August 14, 1996

By: /s/ G. Peter D'Aloia

G. Peter D'Aloia
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
2	Omitted (Inapplicable)
4	Omitted (Inapplicable)
10.1	Amendment No. 1, dated as of June 28, 1996, to the Five-Year Credit Agreement, dated as of June 30, 1995, among AlliedSignal Inc., a Delaware corporation, the banks, financial institutions and other institutional lenders listed on the signature pages thereof (the "Lenders"), Citibank, N.A., as agent, and ABN Amro Bank N.V. and Morgan Guaranty Trust Company of New York, as co-agents, for the Lenders
10.2	Amendment No. 1, dated as of June 28, 1996, to the 364-Day Credit Agreement, dated as of June 30, 1995, among AlliedSignal Inc., a Delaware corporation, the banks, financial institutions and other institutional lenders listed on the signature pages thereof (the "Lenders"), Citibank, N.A., as agent, and ABN Amro Bank N.V. and Morgan Guaranty Trust Company of New York, as co-agents, for the Lenders
11	Omitted (Inapplicable)
15	Independent Accountants Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements
18	Omitted (Inapplicable)
19	Omitted (Inapplicable)
22	Omitted (Inapplicable)
23	Omitted (Inapplicable)
24	Omitted (Inapplicable)

27	Financial Data Schedule
99	Omitted (Inapplicable)

AMENDMENT NO. 1 TO THE
FIVE-YEAR CREDIT AGREEMENT

Dated as of June 28, 1996

AMENDMENT NO. 1 TO THE FIVE-YEAR CREDIT AGREEMENT among ALLIEDSIGNAL INC., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders which are parties to the Five-Year Credit Agreement referred to below (collectively, the "Lenders"), CITIBANK, N.A., as agent (the "Agent"), and ABN AMRO BANK N.V. and MORGAN GUARANTY TRUST COMPANY OF NEW YORK as co-agents (the "Co-Agents") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a Five-Year Credit Agreement dated as of June 30, 1995 ("Five-Year Credit Agreement"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Five-Year Credit Agreement.

(2) The Company and the Lenders have agreed to amend the Five-Year Credit Agreement as hereinafter set forth.

SECTION 1. Amendments to Five-Year Credit Agreement. The Five-Year Credit Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended as follows:

(a) The definition of "Applicable Margin" in Section 1.01 is amended in full to read as follows:

"Applicable Margin" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin
Level 1 AA- /Aa3 or above	.090 o/o
Level 2 Lower than AA-/Aa3 but at least A-/A3	.155 o/o
Level 3 Lower than A-/A3 but at least BBB+/Baa1	.200 o/o
Level 4 Below BBB+/Baa1 or unrated	.350 o/o

(b) The definition of "Applicable Percentage" in Section 1.01 is amended in full to read as follows:

"Applicable Percentage" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 1 AA- /Aa3 or above	.060 o/o
Level 2 Lower than AA-/Aa3 but at least A-/A3	.070 o/o
Level 3	

Lower than A-/A3 but
at least BBB+/Baa1 .100 o/o

Level 4

Below BBB+/Baa1
or unrated .150 o/o

(c) The definition of "Commitment" in Section 1.01 is amended by deleting clause (i) thereof in its entirety and substituting for such clause the following:

"(i) the Dollar amount set forth opposite its name on the signature pages of Amendment No. 1 to the Five-Year Credit Agreement, dated as of June 28, 1996,".

(d) The definition of "Termination Date" in Section 1.01 is amended by deleting the year "2000" in the first line therein and substituting for such year the year "2001".

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the date first above written when, and only when, on or before June 28, 1996 the Agent shall have received counterparts of this Amendment executed by the Company and all of the Lenders or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 8.01 of the Five-Year Credit Agreement. Section 1 hereof shall become effective when, and only when, the Agent shall have additionally received all of the following documents, each such document (unless otherwise specified) dated the date of receipt thereof by the Agent (unless otherwise specified), in form and substance satisfactory to the Agent (unless otherwise specified):

(a) The Revolving Credit Notes of the Company to the order of the Lenders, respectively.

(b) Certified copies of (i) the resolutions of the Board of Directors of the Company authorizing this Amendment, the Notes and the matters contemplated hereby and thereby and (ii) all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Amendment, the Notes and the matters contemplated hereby and thereby.

(c) A certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Amendment, the Notes and the other documents to be delivered hereunder.

(d) A favorable opinion of Victor P. Patrick, Associate General Counsel for the Company, in substantially the form of Exhibit G to the Five-Year Credit Agreement, and as to such other matters as any Lender through the Agent may reasonably request.

(e) A certificate signed by a duly authorized officer of the Company stating that:

(i) The representations and warranties contained in Section 5 hereof and in Section 4.01 of the Five-Year Credit Agreement are correct on and as of the date of such certificate as though made on and as of such date; and

(ii) No event has occurred and is continuing that constitutes a Default.

SECTION 5. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Company of this Amendment and the Notes of the Company delivered hereunder, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not and will not cause or constitute a violation of any provision of law or regulation or any provision of the Certificate of Incorporation or By-Laws of the Company or result in the breach of, or constitute a default or require any consent under, or result in the creation of any lien, charge or encumbrance upon any of the properties, revenues, or assets of the Company pursuant to, any indenture or other agreement or instrument to which the Company is a party or by which the Company or its property may be bound or affected.

(c) No authorization, consent, approval (including any exchange control approval), license or other action by, and no notice to or filing or registration with, any governmental authority, administrative agency or regulatory body or any other third party is required for the due execution, delivery or performance by the Company of this Amendment or the Notes of the Company.

(d) This Amendment has been, and each of the Notes when delivered hereunder will have been, duly executed and delivered by the Company. This Amendment is, and each of the Notes of the Company when delivered hereunder will be, the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

(e) The Consolidated balance sheet of the Company and its Consolidated Subsidiaries as at December 31, 1995, and the related Consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for the fiscal year then ended (together with the notes to the financial statements of the Company and its Consolidated Subsidiaries and the Consolidated statements of cash flows of the Company and its Consolidated Subsidiaries), accompanied by an opinion of one or more nationally recognized firms of independent public accountants, copies of which have been furnished to each Lender, are materially complete and correct, and fairly present the Consolidated financial condition of the Company and its Consolidated Subsidiaries as at such date and the Consolidated results of the operations of the Company and its Consolidated Subsidiaries for the period ended on such date, all in accordance with GAAP consistently applied, except as otherwise noted therein; and the Company and its Consolidated Subsidiaries do not have on such date any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in such balance sheet or the notes thereto as at such date. Since December 31, 1995, there has been no Material Adverse Change.

(f) There is no action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, pending or to the knowledge of the Company threatened affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) is reasonably likely to have a Material Adverse Effect (other than the Disclosed Litigation), or (ii) purports to affect the legality, validity or enforceability of this Amendment, the Notes or the Five-Year Credit Agreement, as amended hereby, and there has been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) to the Five-Year Credit Agreement.

SECTION 6. Reference to and Effect on the Five-Year Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment, each reference in the Five-Year Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Five-Year Credit Agreement, and each reference in the Notes to "the Five-Year Credit Agreement", "thereunder", "thereof" or words of like import referring to the Five-Year Credit Agreement, shall mean and be a reference to the Five-Year Credit Agreement, as amended by this Amendment.

(b) The Five-Year Credit Agreement, as specifically amended by this Amendment, and the Notes are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Five-Year Credit Agreement, nor constitute a waiver of any provision of the Five-Year Credit Agreement.

SECTION 7. Costs and Expenses. The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Five-Year Credit Agreement. In addition, the Company shall pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, and agrees to save the Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.

SECTION 8. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 9. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ALLIEDSIGNAL INC.

By /s/ Nancy A. Garvey

Title:

COMMITMENT AS LENDER

$23,000,000 CITIBANK, N.A., as Agent and as Lender

By /s/ Robert D. Wetrus

Title: Vice President, Attorney-in-Fact

By /s/ Alan J. Berenbaum

Title: Attorney-in-Fact

$23,000,000 ABN AMRO BANK N.V., as Co-Agent and as Lender

By /s/ Larry W. Larzoni

Title: Group Vice President

$23,000,000 MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Co-Agent and as Lender

By /s/ Penelope J. B. Cox

Title: Vice President

$18,000,000 BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

By: /s/ David Noda
Name: David Noda
Title: Vice President

$18,000,000 BANK OF MONTREAL

By: /s/ Thruston W. Pettus
Name: Thruston W. Pettus
Title: Director

$18,000,000 BANQUE NATIONALE DE PARIS, NEW YORK

By: /s/ Richard L. Sted
Name: Richard L. Sted
Title: Senior Vice President

By: /s/ Robert S. Taylor, Jr.
Name: Robert S. Taylor, Jr.
Title: Senior Vice President

$18,000,000 CIBC INC.

By: /s/ Christopher P. Kleczkowski
Name: Christopher P. Kleczkowski
Title: Agent for CIBC Inc.

$18,000,000 DEUTSCHE BANK AG
NEW YORK AND/OR
CAYMAN ISLANDS BRANCHES

By: /s/ Colin T. Taylor
Name: Colin T. Taylor
Title: Director

By: /s/ Lain Stewart
Name: Lain Stewart
Title: Assistant Vice President

$18,000,000 MELLON BANK, N.A.

By: /s/ Caroline R. Walsh
Name: Caroline R. Walsh
Title: Assistant Vice President

$18,000,000 MIDLAND BANK PLC, NEW YORK BRANCH

By: /s/ Rochelle Forster
Name: Rochelle Forster
Title: Authorized Signatory

$18,000,000 NATIONAL WESTMINSTER BANK PLC
Joint Commitment (NEW YORK BRANCH)

By: /s/ Anne Marie Torre
Name: Anne Marie Torre
Title: Vice President

NATIONAL WESTMINSTER BANK PLC
(NASSAU BRANCH)

By: /s/ Anne Marie Torre
Name: Anne Marie Torre
Title: Vice President

$18,000,000 NATIONSBANK, N.A.

By: /s/ Scott A. Jackson
Name: Scott A. Jackson
Title: Vice President

$18,000,000 ROYAL BANK OF CANADA

By: /s/ T. L. Gleason
Name: T. L. Gleason
Title: Vice President

$18,000,000 THE BANK OF NEW YORK

By: /s/ Russell S. Gorman
Name: Russell S. Gorman
Title: Vice President

$18,000,000 BANK OF TOKYO - MITSUBISHI
TRUST COMPANY

By: /s/ Michael C. Irwin
Name: Michael C. Irwin
Title: Vice President

$18,000,000 THE CHASE MANHATTAN BANK, N.A.

By: /s/ James B. Treger
Name: James B. Treger
Title: Vice President

$18,000,000 THE FIRST NATIONAL BANK OF CHICAGO

By: /s/ Judith L. Mayberry
Name: Judith L. Mayberry
Title: As Acting Agent

$18,000,000 THE INDUSTRIAL BANK OF JAPAN
TRUST COMPANY

By: /s/ John V. Veltri
Name: John V. Veltri
Title: Senior Vice President

$18,000,000 THE TORONTO-DOMINION BANK

By: /s/ Kimberly Burleson

Name: Kimberly Burleson
Title: Mgr. Cr Admin

$18,000,000 UNION BANK OF SWITZERLAND,
NEW YORK BRANCH

By: /s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By: /s/ Peter B. Yearley

Name: Peter B. Yearley
Title: Managing Director

AMENDMENT NO. 1 TO THE
364-DAY CREDIT AGREEMENT

Dated as of June 28, 1996

AMENDMENT NO. 1 TO THE 364-DAY CREDIT AGREEMENT among ALLIEDSIGNAL INC., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders which are parties to the 364-Day Credit Agreement referred to below (collectively, the "Lenders"), CITIBANK, N.A., as agent (the "Agent"), and ABN AMRO BANK N.V. and MORGAN GUARANTY TRUST COMPANY OF NEW YORK as co-agents (the "Co-Agents") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a 364-Day Credit Agreement dated as of June 30, 1995 (the "364-Day Credit Agreement"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the 364-Day Credit Agreement.

(2) The Company and the Lenders have agreed to amend the 364-Day Credit Agreement as hereinafter set forth.

SECTION 1. Amendments to 364-Day Credit Agreement. The 364-Day Credit Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended as follows:

(a) The definition of "Commitment" in Section 1.01 is amended by deleting clause (i) thereof in its entirety and substituting for such clause the following:

"(i) the Dollar amount set forth opposite its name on the signature pages of Amendment No. 1 to the 364-Day Credit Agreement, dated as of June 28, 1996,".

(b) The definition of "Termination Date" in Section 1.01 is amended by deleting the date "June 28, 1996" in the first line therein and substituting for such date the date "June 27, 1997".

(c) Section 2.04 is hereby amended by deleting the percentage .065 o/o in line six of subsection (a) thereof, and substituting for such percentage the percentage .050 o/o.

(d) Section 2.07 is hereby amended by deleting the percentage .185 o/o in line five of subsection (a)(ii) thereof, and substituting for such percentage the percentage .175 o/o.

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the date first above written when, and only when, on or before June 28, 1996 the Agent shall have received counterparts of this Amendment executed by the Company and all of the Lenders or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 8.01 of the 364-Day Credit Agreement. Section 1 hereof shall become effective when, and only when, the Agent shall have additionally received all of the following documents, each such document (unless otherwise specified) dated the date of receipt thereof by the Agent (unless otherwise specified), in form and substance satisfactory to the Agent (unless otherwise specified):

(a) The Revolving Credit Notes of the Company to the order of the Lenders, respectively.

(b) Certified copies of (i) the resolutions of the Board of Directors of the Company authorizing this Amendment, the Notes and the matters contemplated hereby and thereby and (ii) all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Amendment, the Notes and the matters contemplated hereby and thereby.

(c) A certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Amendment, the Notes and the other documents to be delivered hereunder.

(d) A favorable opinion of Victor P. Patrick, Associate General Counsel for the Company, in substantially the form of Exhibit G to the 364-Day Credit Agreement, and as to such other matters as any Lender through the Agent may reasonably request.

(e) A certificate signed by a duly authorized officer of the Company stating that:

(i) The representations and warranties contained in Section 5 hereof and in Section 4.01 of the 364-Day Credit Agreement are correct on and as of the date of such certificate as though made on and as of such date; and

(ii) No event has occurred and is continuing that constitutes a Default.

SECTION 5. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Company of this Amendment and the Notes of the Company delivered hereunder are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not and will not cause or constitute a violation of any provision of law or regulation or any provision of the Certificate of Incorporation or By-Laws of the Company or result in the breach of, or constitute a default or require any consent under, or result in the creation of any lien, charge or encumbrance upon any of the properties, revenues, or assets of the Company pursuant to, any indenture or other agreement or instrument to which the Company is a party or by which the Company or its property may be bound or affected.

(c) No authorization, consent, approval (including any exchange control approval), license or other action by, and no notice to or filing or registration with, any governmental authority, administrative agency or regulatory body or any other third party is required for the due execution, delivery or performance by the Company of this Amendment or the Notes of the Company.

(d) This Amendment has been, and each of the Notes when delivered hereunder will have been, duly executed and delivered by the Company. This Amendment is, and each of the Notes of the Company when delivered hereunder will be, the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

(e) The Consolidated balance sheet of the Company and its Consolidated Subsidiaries as at December 31, 1995, and the related Consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for the fiscal year then ended (together with the notes to the financial statements of the Company and its Consolidated Subsidiaries and the Consolidated statements of cash flows of the Company and its Consolidated Subsidiaries), accompanied by an opinion of one or more nationally recognized firms of independent public accountants, copies of which have been furnished to each Lender, are materially complete and correct, and fairly present the Consolidated financial condition of the Company and its Consolidated Subsidiaries as at such date and the Consolidated results of the operations of the Company and its Consolidated Subsidiaries for the period ended on such date, all in accordance with GAAP consistently applied, except as otherwise noted therein; and the Company and its Consolidated Subsidiaries do not have on such date any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in such balance sheet or the notes thereto as at such date. Since December 31, 1995, there has been no Material Adverse Change.

(f) There is no action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, pending or to the knowledge of the Company threatened affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) is reasonably likely to have a Material Adverse Effect (other than the Disclosed Litigation), or (ii) purports to affect the legality, validity or enforceability of this Amendment, the Notes or the 364-Day Credit Agreement, as amended hereby, and there has been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) to the 364-Day Credit Agreement.

SECTION 6. Reference to and Effect on the 364-Day Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment, each reference in the 364-Day Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the 364-Day Credit Agreement, and each reference in the Notes to "the 364-Day Credit Agreement", "thereunder", "thereof" or words of like import referring to the 364-Day Credit Agreement, shall mean and be a reference to the 364-Day Credit Agreement, as amended by this Amendment.

(b) The 364-Day Credit Agreement, as specifically amended by this Amendment, and the Notes are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the 364-Day Credit Agreement, nor constitute a waiver of any provision of the 364-Day Credit Agreement.

SECTION 7. Costs and Expenses. The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the 364-Day Credit Agreement. In addition, the Company shall pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, and agrees to save the Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.

SECTION 8. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 9. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ALLIEDSIGNAL INC.

By /s/ Nancy A. Garvey

Title:

COMMITMENT AS LENDER

$23,000,000	CITIBANK, N.A., as Agent and as Lender By /s/ Robert D. Wetrus Title: Vice President, Attorney-in-Fact By /s/ Alan J. Berenbaum Title: Attorney-in-Fact
$23,000,000	ABN AMRO BANK N.V., as Co-Agent and as Lender By /s/ Larry W. Larzoni Title: Group VP
$23,000,000	MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Co-Agent and as Lender By /s/ Penelope J. B. Cox Title: Vice President
$18,000,000	BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION By: /s/ David Noda Name: David Noda Title: Vice President
$18,000,000	BANK OF MONTREAL By: /s/ Thruston W. Pettus Name: Thruston W. Pettus Title: Director
$18,000,000	BANQUE NATIONALE DE PARIS, NEW YORK By: /s/ Richard L. Sted Name: Richard L. Sted Title: Senior Vice President By: /s/ Robert S. Taylor, Jr. Name: Robert S. Taylor, Jr. Title: Senior Vice President
$18,000,000	CIBC INC. By: /s/ Christopher P. Kleczkowski Name: Christopher P. Kleczkowski Title: Agent for CIBC Inc.

$18,000,000	DEUTSCHE BANK AG NEW YORK AND/OR CAYMAN ISLANDS BRANCHES By: /s/ Colin T. Taylor --------------------------- Name: Colin T. Taylor Title: Director By: /s/ Lain Stewart --------------------------- Name: Lain Stewart Title: Assistant Vice President
$18,000,000	MELLON BANK, N.A. By: /s/ Caroline R. Walsh --------------------------- Name: Caroline R. Walsh Title: Assistant Vice President
$18,000,000	MIDLAND BANK PLC, NEW YORK BRANCH By: /s/ Rochelle Forster --------------------------- Name: Rochelle Forster Title: Authorized Signatory
$18,000,000 Joint Commitment	NATIONAL WESTMINSTER BANK PLC (NEW YORK BRANCH) By: /s/ Anne Marie Torre --------------------------- Name: Anne Marie Torre Title: Vice President NATIONAL WESTMINSTER BANK PLC (NASSAU BRANCH) By: /s/ Anne Marie Torre --------------------------- Name: Anne Marie Torre Title: Vice President
$18,000,000	NATIONSBANK, N.A. By: /s/ Scott A. Jackson --------------------------- Name: Scott A. Jackson Title: Vice President
$18,000,000	ROYAL BANK OF CANADA By: /s/ T. L. Gleason --------------------------- Name: T. L. Gleason Title: Vice President
$18,000,000	THE BANK OF NEW YORK By: /s/ Russell S. Gorman --------------------------- Name: Russell S. Gorman

Title: Vice President

$18,000,000	BANK OF TOKYO - MITSUBISHI TRUST COMPANY By: /s/ Michael C. Irwin --------------------------- Name: Michael C. Irwin Title: Vice President
$18,000,000	THE CHASE MANHATTAN BANK, N.A. By: /s/ James B. Treger --------------------------- Name: James B. Treger Title: Vice President
$18,000,000	THE FIRST NATIONAL BANK OF CHICAGO By: /s/ Judith L. Mayberry --------------------------- Name: Judith L. Mayberry Title: As Acting Agent
$18,000,000	THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY By: /s/ John V. Veltri --------------------------- Name: John V. Veltri Title: Senior Vice President
$18,000,000	THE TORONTO-DOMINION BANK By: /s/ Kimberly Burleson --------------------------- Name: Kimberly Burleson Title: Mgr. Cr Admin
$18,000,000	UNION BANK OF SWITZERLAND, NEW YORK BRANCH By: /s/ Stephen A. Cayer --------------------------- Name: Stephen A. Cayer Title: Assistant Treasurer By: /s/ Peter B. Yearley --------------------------- Name: Peter B. Yearly Title: Managing Director

Exhibit 15

August 14, 1996

Securities and Exchange Commission
450 Fifth Street
Washington, D.C. 20549

Dear Ladies and Gentlemen:

We are aware that the June 30, 1996 Quarterly Report on Form 10-Q of AlliedSignal Inc. which includes our report dated July 19, 1996 (issued pursuant to the provisions of Statement on Auditing Standard No. 71) will be incorporated by reference in the Prospectuses constituting part of AlliedSignal Inc.'s Registration Statements, on Forms S-8 (Nos. 33-09896, 33-51455, 33-55410, 33-58345, 33-58347, 33-60261, 33-62963 and 33-64295), on Form S-3 (Nos. 33-13211, 33-14071 and 33-55425) and on Form S-8 (filed as an amendment to Form S-14, No. 2-99416-01). We are also aware of our responsibilities under the Securities Act of 1933.

Very truly yours,

/s/ Price Waterhouse LLP

Price Waterhouse LLP

This schedule contains summary financial information extracted from the consolidated balance sheet at June 30, 1996 and the consolidated statement of income for the six months ended June 30, 1996 and is qualified in its entirety by reference to such financial statements.

1,000,000

6-MOS
DEC-31-1996
JAN-1-1996
JUN-30-1996
1,714
0
1,290
30
1,998
6,263
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497
1.76
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