FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)
/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1998.

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to _________.

Commission File Number 1-644

COLGATE-PALMOLIVE COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE	13-1815595
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

300 PARK AVENUE, NEW YORK, NEW YORK	10022
(Address of principal executive offices)	(Zip Code)

(212) 310-2000

(Registrant's telephone number, including area code)

NO CHANGES

(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 issuers classes of common stock, as of the latest practical date:

Class	Shares Outstanding	Date
Common, $1.00 par value	296,114,213	April 30, 1998

PART I. FINANCIAL INFORMATION

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
Net sales	$2,159.5	$2,147.1
Cost of sales	1,036.0	1,066.5
Gross profit	1,123.5	1,080.6
Selling, general and administrative expenses ...	781.1	774.1
Interest expense	50.3	57.6
Interest income	7.1	11.9
	824.3	819.8
Income before income taxes	299.2	260.8
Provision for income taxes	103.2	91.2
Net income	$ 196.0	$ 169.6
Earnings per common share:		
Basic:	$ .65	$ .56
Diluted:	$ .60	$ .52
Dividends declared per common share*:	$ .55	$ .51

* Includes two dividend declarations in both periods.
See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

ASSETS

	March 31, 1998	December 31, 1997
Current Assets:		
Cash and cash equivalents	$ 176.2	$ 183.1
Marketable securities	49.4	22.2
Receivables (less allowance of $38.3 and $35.8)	1,085.7	1,037.4
Inventories	748.1	728.4
Other current assets	230.2	225.4
	2,289.6	2,196.5
Property, Plant and Equipment:		
Cost	3,849.0	3,798.3
Less: Accumulated depreciation	1,396.5	1,357.3
	2,452.5	2,441.0
Goodwill and other intangible assets (net of accumulated amortization of $495.8 and $475.0)	2,561.8	2,585.3
Other assets	320.0	315.9
	$ 7,623.9	$ 7,538.7

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 1998	December 31, 1997
Current Liabilities:		
Notes and loans payable	$ 173.0	$ 158.4
Current portion of long-term debt	152.4	178.3
Accounts payable	692.3	716.9
Accrued income taxes	126.6	67.0
Other accruals	860.0	838.9
	2,004.3	1,959.5
Long-term debt	2,440.5	2,340.3
Deferred income taxes	279.7	284.5
Other liabilities	778.4	775.8
Shareholders' Equity:		
Preferred stock	382.3	385.3
Common stock	366.4	366.4
Additional paid-in capital	1,057.4	1,027.4
Retained earnings	3,168.8	3,138.0
Cumulative foreign currency translation adjustments	(689.8)	(693.7)
	4,285.1	4,223.4
Unearned compensation	(360.8)	(364.5)
Treasury stock, at cost	(1,803.3)	(1,680.3)
	2,121.0	2,178.6
	$7,623.9	$ 7,538.7

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
AND
CUMULATIVE TRANSLATION ADJUSTMENT

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31, 1998			Three Months Ended March 31, 1997		
	Retained Earnings	Cumulative Translation Adjustment	Total	Retained Earnings	Cumulative Translation Adjustment	Total
Beginning Balance	$ 3,138.0	$ (693.7)	$ 2,444.3	$ 2,731.0	$ (534.7)	$ 2,196.3
Net Income	196.0		196.0	169.6		169.6
Effect of Balance Sheet Translation ...		3.9	3.9		(16.2)	(16.2)
Total Comprehensive Income			199.9			153.4
Dividends Declared	(165.2)		(165.2)	(151.0)		(151.0)
Ending Balance	$ 3,168.8	$ (689.8)	$ 2,479.0	$ 2,749.6	$ (550.9)	$ 2,198.7

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)
(Unaudited)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
Operating Activities:		
Net cash provided by operating activities	$ 202.9	$ 155.0
Investing Activities:		
Capital expenditures	(77.5)	(89.0)
Payments for acquisitions, net of cash acquired	(.1)	(10.3)
Sale of non-core product lines	-	20.7
(Investment in)/proceeds from sale of marketable securities and other investments, net	(23.4)	12.2
Other, net	(.9)	(5.7)
Net cash used for investing activities	(101.9)	(72.1)
Financing Activities:		
Principal payments on debt	(59.2)	(104.1)
Proceeds from issuance of debt, net	126.3	39.4
Dividends paid	(83.8)	(69.7)
Purchase of common stock	(83.7)	(44.7)
Other, net	(7.2)	18.0
Net cash used for financing activities	(107.6)	(161.1)
Effect of exchange rate changes on cash and cash equivalents	(.3)	(2.7)
Net decrease in cash and cash equivalents	(6.9)	(80.9)
Cash and cash equivalents at beginning of period	183.1	248.2
Cash and cash equivalents at end of period	$176.2	$167.3

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares in Millions Except Per Share Amounts)

(Unaudited)

1. The condensed consolidated financial statements reflect all normal recurring adjustments which, in management's opinion, are necessary for a fair presentation of the results for interim periods. Results of operations for the three months ended March 31, 1998 and 1997 may not be representative of results to be expected for a full year.

2. Provision for certain expenses, including income taxes, media advertising, consumer promotion and new product introductory costs, are based on full year assumptions. Such expenses are charged to operations in the year incurred and are included in the accompanying condensed consolidated financial statements in proportion with the passage of time or with estimated annual tax rates or annual sales.

3. Inventories by major classes were as follows:

	March 31, 1998	December 31, 1997
Raw materials and supplies	$ 259.8	$ 261.0
Work-in-process	33.3	33.5
Finished goods	455.0	433.9
	$ 748.1	$ 728.4

4. On March 6, 1997, the Company's Board of Directors approved a two-for-one common stock split effected in the form of a 100% stock dividend. As a result of the split, shareholders received one additional share of common stock for each share they held as of April 25, 1997. Par value remained $1 per share. Accordingly, all share and per share amounts contained in the Condensed Consolidated Financial Statements and Exhibits have been restated to give effect to the stock split.

5. Earnings Per Share:

	For the Three Months Ended 1998			For the Three Months Ended 1997		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	$196.0			$169.6		
Preferred dividends	(5.3)			(5.4)		
Basic EPS	190.7	295.6	$.65	164.2	294.6	$.56
Stock options		7.3			6.1	
ESOP conversion	4.7	22.8		4.7	23.3	
Diluted EPS	$195.4	325.7	$.60	$168.9	324.0	$.52

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares in Millions Except Per Share Amounts)

(Unaudited)

6. In 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 130, "Reporting Comprehensive Income." The Company adopted this statement as of January 1, 1998 and, accordingly, disclosures were expanded to include the Condensed Consolidated Statement of Retained Earnings and Cumulative Translation Adjustment. There was no impact on the Company's financial position, results of operations or cash flows.

7. Reference is made to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year 1997 for a complete set of financial notes including the Company's significant accounting policies.

COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

Results of Operations

Worldwide sales reached $2,159.5 in the first quarter of 1998, a 1% increase over the 1997 first quarter, reflecting overall unit volume increases of 6%, substantially offset by the decline in foreign currencies. Sales would have grown 9%, excluding the negative effect of foreign exchange declines.

First quarter sales in the Oral, Personal and Household Care segment were $1,928.5, up less than 1% from 1997 on volume growth of 7%.

Colgate-North America sales reached $486.1 in the first quarter of 1998. Sales excluding divested businesses, grew 6% on volume gains of 5%. Contributing to the growth were new product introductions, such as Softsoap antibacterial hand gel, Lady Speed Stick gel, and the continued strength from the 1997 introductions of Colgate Total and Palmolive for pots & pans.

Colgate-Europe sales were virtually unchanged from a year ago at $492.4 for the first quarter of 1998. Volume increased 8% with strong gains in France, Italy, United Kingdom and Greece, primarily as a result of new product launches. The volume increase, which occurred across all of Europe, was offset by the impact of translating weaker European currencies.

Colgate-Latin America sales increased 8% to $578.0 on volume gains of 9%. All key markets in the region contributed to volume growth. In addition, smaller areas in the region such as Dominican Republic, Ecuador and Central America gained double-digit growth.

Colgate-Asia/Africa first quarter sales from continuing businesses decreased 10% to $372.0. This decline was due to economic difficulties in the ASEAN countries, partially mitigated by price increases. Contributing to this region's 3% volume growth were strong gains in China, Hong Kong and Australia offset by Malaysia and the Philippines volume decreases, due to weakening economic conditions.

Sales in the Pet Nutrition segment increased 2% to $230.0 on volume gains of 4%. Hill's-International benefited from new products and increased advertising in Japan, as well as expanded selling activities in key European markets.

Worldwide gross profit margin for the first quarter of 1998 increased to 52.0% from 50.3%, benefiting from continued streamlining of manufacturing, global sourcing and other cost reduction programs.

Selling, general and administrative expenses in the first quarter of 1998 increased slightly as a percentage of sales to 36.2% from 36.1%. The higher levels of expense included increased advertising partially offset by lower administrative expenses.

COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

Earnings before interest and taxes (EBIT) increased 11.7% to $342.4, and reached a level of 15.9% of sales.

Interest expense, net of interest income decreased to $43.2 in the 1998 first quarter as compared with $45.7 in 1997 primarily as a result of strong operating cash flow which helped to lower debt levels.

The effective tax rate for the quarter was 34.5% in 1998 and 35.0% in the first quarter 1997 and 32.8% for the full year 1997. The rate in 1998 reflects continued benefits from the Company's tax planning strategies.

First quarter 1998 net income increased 16% to $196.0 or $.65 per share compared with $169.6 or $.56 per share in the prior year.

Liquidity and Capital Resources

Net cash provided by operations increased 31% to $202.9 in the 1998 first quarter compared with $155.0 in the 1997 first quarter. The improvement was generated by the increase in operating profit and working capital management. At March 31, 1998, $676.1 of commercial paper was classified as long-term debt in accordance with the Company's intent and ability to refinance these obligations on a long-term basis.

Reference should be made to the Company's 1997 Annual Report on Form 10-K for additional information regarding available sources of liquidity and capital.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters refer to Note 17 to the consolidated financial statements on page 35 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1997.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 10-M(b)	Amendment dated as of April 1, 1998, to the Five Year Credit Agreement dated as of May 30, 1997.
Exhibit 11	Computation of Earnings per Common Share.
Exhibit 12	Ratio of Earnings to Fixed Charges.
Exhibit 27	Financial Data Schedule.

(b) Reports on Form 8-K.

None.

The exhibits indicated above which are not included with the Form 10-Q are available upon request and payment of a reasonable fee approximating the registrant's cost of providing and mailing the exhibits. Inquiries should be directed to:

Colgate-Palmolive Company
Office of the Secretary (10-Q Exhibits)
300 Park Avenue
New York, NY 10022-7499

SIGNATURE

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.

COLGATE-PALMOLIVE COMPANY
(Registrant)

Principal Financial Officer:

May 13, 1998 /s/ Stephen C. Patrick

Stephen C. Patrick
Chief Financial Officer

Principal Accounting Officer:

May 13, 1998 /s/ Dennis J. Hickey

Dennis J. Hickey
Vice President and
Corporate Controller

AMENDMENT

AMENDMENT, dated as of April 1, 1998, to the Five Year Credit Agreement dated as of May 30, 1997 (the "Credit Agreement"), among Colgate-Palmolive Company, the Banks named therein, Citibank, N.A., as Administrative Agent, and Morgan Guaranty Trust Company of New York, as Documentation Agent.

W I T N E S S E T H :

WHEREAS, the Borrower and the Banks desire to amend the Credit Agreement as set forth below;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. DEFINITIONS; REFERENCES. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement. Each reference therein to "this Agreement", "hereof", "hereunder", "herein" and "hereby" and each similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby.

Section 2. AMENDMENT OF SECTION 6.01 OF THE AGREEMENT. Section 6.01(f) of the Credit Agreement is amended by deleting the phrase "$50,000,000" contained therein and inserting in lieu thereof the phrase "$100,000,000".

Section 3. GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 4. COUNTERPARTS; EFFECTIVENESS. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Administrative Agent shall have received duly executed counterparts hereof signed by the Borrower and the Required Lenders (or, in the case of any party as to which an executed counterpart shall not have been received, the Administrative Agent shall have received telegraphic, telex or other written confirmation from such party of execution of a counterpart hereof by such party). Except as specifically amended hereby, the Credit Agreement shall remain in full force and effect.

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

COLGATE-PALMOLIVE COMPANY

By

Name:
Title:

CITIBANK, N.A., as Administrative Agent

By

Name:
Title:

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK, as
Documentation Agent

By

Name:
Title:

CITIBANK, N.A.

By

Name:
Title:

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK

By

Name:
Title:

BANCA COMMERCIALE ITALIANA NEW
YORK BRANCH

By

Name:
Title:

BANCO SANTANDER

By

Name:
Title:

By

Name:
Title:

BANK OF AMERICA NT & SA

By

Name:
Title:

THE BANK OF NEW YORK

By

Name:
Title:

BANKERS TRUST COMPANY

By

Name:
Title:

BANQUE NATIONALE DE PARIS

By

Name:
Title:

By

Name:
Title:

BANQUE PARIBAS

By

Name:
Title:

THE CHASE MANHATTAN BANK

By

Name:
Title:

CREDIT SUISSE FIRST BOSTON

By

Name:
Title:

By

Name:
Title:

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

By

Name:
Title:

By

Name:
Title:

THE FIRST NATIONAL BANK OF CHICAGO

By

Name:
Title:

NATIONAL WESTMINSTER BANK PLC

By

Name:
Title:

NATIONAL WESTMINSTER BANK PLC,
NASSAU BRANCH

By

Name:
Title:

NATIONSBANK, N.A.

By

Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By

Name:
Title:

ROYAL BANK OF CANADA

By

Name:
Title:

ISTITUTO BANCARIO SAN PAOLO DI TORINO SPA

By

Name:
Title:

SOCIETE GENERALE NEW YORK BRANCH

By

Name:
Title:

STANDARD CHARTER BANK

By

Name:
Title:

THE SUMITOMO BANK LIMITED

By

Name:
Title:

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF EARNINGS PER COMMON SHARE

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31,	
	1998	1997
BASIC		
Earnings:		
Net income	$196.0	$169.6
Deduct: Dividends on preferred shares	5.3	5.4
Net income applicable to common shares	$190.7	$164.2
Shares (in millions):		
Weighted average shares outstanding	295.6	294.6
Earnings per common share, basic	$ .65	$ .56

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF EARNINGS PER COMMON SHARE

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
DILUTED		
Earnings:		
Net income	$196.0	$169.6
Deduct: Dividends on preferred shares	.1	.1
Deduct: Replacement funding	.5	.6
Net income applicable to common shares	$195.4	$168.9
Shares (in millions):		
Weighted average number of common shares outstanding	295.6	294.6
Add: Assumed exercise of options reduced by the number of shares purchased with the proceeds	7.3	6.1
Add: Assumed conversion of Series B convertible Preference Stock	22.8	23.3
Adjusted weighted average shares outstanding	325.7	324.0
Earnings per common share, diluted	$ .60	$ .52

Exhibit 12

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in Millions)
(Unaudited)

	Three Months Ended March 31, 1998
Income before income taxes	$299.2
ADD:	
Interest on indebtedness and amortization of debt expense and discount or premium	50.3
Portion of rents representative of interest factor	7.8
Interest on ESOP debt, net of dividends	0.8
LESS:	
Income of less than fifty-percent owned subsidiaries	(1.4)
Income as adjusted	$356.7
FIXED CHARGES:	
Interest on indebtedness and amortization of debt expense and discount or premium	$ 50.3
Portion of rents representative of interest factor	7.8
Interest on ESOP debt, net of dividends	0.8
Capitalized interest	1.9
Total fixed charges	$ 60.8
Ratio of earnings to fixed charges	5.9

In June 1989, the Company's leveraged employee stock ownership plan (ESOP) issued $410.0 of long-term notes due through 2009 bearing an average interest rate of 8.6%. These notes are guaranteed by the Company. Interest incurred on the ESOP's notes during the first quarter of 1998 was $8.1. This interest is funded through preferred and common stock dividends. The fixed charges presented above include interest on ESOP indebtedness to the extent it is not funded through preferred and common stock dividends.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
QUARTERLY REPORT ON FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
DEC-31-1998
MAR-31-1998
176
49
1,124
38
748
230
3,849
1,397
7,624
2,004
2,441
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382
366
1,373
7,624
2,160
2,160
1,036
781
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299
103
196
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196
.65
.60