

FORM 4

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U.S. SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

/ / Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(1) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		6. Relationship of Reporting Person to Issuer
Skelly	William	G.	Halsey Drug Co., Inc.		Symbol: HDG
(Last)	(First)	(Middle)			X Director 10% Owner
c/o Halsey Drug Co. 695 N. Perryville Bldg. 2			3. IRS or Social Security Number of Reporting Person (Voluntary)	4. Statement for Month/Year	Officer (give title below) X Other (Specify below)
				2/99	Chairman
Rockford	Illinois	61107			
(City)	(State)	(Zip)	5. If Amendment, Date of Original (Month/Year)		7. Individual or Group Filing (Check Applicable Line)
					X Form filed by One Reporting Person
					Form filed by more than one Reporting Person

TABLE 1 -- NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	4/29/98	P4	10,000 A	\$2.85	10,000	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\*If this Form is filed by more than one person, see Instruction 4(b)(v).

(Over)  
 SFC 1474 (3/91)

FORM 4 (CONTINUED)

TABLE II -- DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED  
(E.G., PUTS, CALLS, WARRANTS, OPTIONS, CONVERTIBLE SECURITIES)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)
			Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares	
Non-qualified stock options	\$1.225	2/18/99	A	15,000	(1) 2/19/09	Common Stock 15,000	

1. Title of Derivative Security (Instr. 3)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
	130,000	D	

Explanation: (1) Options vest over twelve (12) months: 3,750 on 5/18/99; 3,750 on 2/18/00.  
3,750 on 11/18/99 and final 3,750 options on 2/18/00

Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).	William G. Skelly	March 8, 1999
	Signature of Reporting Person	Date

Note. File three copies of this Form, one of which must be manually signed.  
If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.