

OMB APPROVAL

OMB Number: 3235-0287

Expires: February 1, 2001

Estimated average burden hours per response...1.0

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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(f) of the Investment Company Act of 1940

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

(Print or Type Responses)

1. Name and Address of Reporting Person*

Clemens Peter A.
(Last) (First) (Middle)

C/o Halsey Drug Co., Inc. 695 N. Perryville Rd. Bldg. 2

(Street)

Rockford, Illinois 61107
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Halsey Drug Co., Inc. Symbol: HDG

3. IRS or Social Security Number of Reporting Person, if an entity (Voluntary)

4. Statement for Month/Year

7/00

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

[X] Director [] 10% Owner
[X] Officer (give title below) [] Other (specify below)

Vice President and Chief Financial Officer

7. Individual or Joint/Group Filing (Check Applicable Line)

[X] Form filed by One Reporting Person
[] Form filed by More than One Reporting Person

Table I -- Non-Derivative Securities Acquired, Disposed of,
or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8) Code V	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. Owner- ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Amount	Price (A) or (D)			

=====

(Over)
1 of 2

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. Conver- sion or Exer- cise Price of Deriv- ative Secur- ity	3. Trans- action Date (Month/ Day/ Year)	4. Trans- action Code (Instr. 8) ----- Code V	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) ----- (A) (D)	6. Date Exercisable and Expiration Date (Month/Day/Year) ----- Date Expira- tion Exer- cisa- ble Date	7. Title and Amount of Underlying Securities (Instr. 3 and 4) ----- Amount or Number of Shares Title	8. Price of Deriv- ative Secur- ity (Instr. 5)	9. Number of Deriv- ative Secur- ities Bene- ficially Owned at End Month (Instr. 4)	10. Owner- ship Form of Deriv- ative Secur- ity: Direct (D) or In- direct (I) (Instr. 4)	11. Nature of In- direct Bene- ficial Owner- ship (Instr. 4)
5% Convertible Senior Secured Debentures	\$1.404	3/10/98	A	(1)	3/10/98 3/15/03	Common Stock 71,225		71,225	D	
Warrants	\$1.404	3/10/98	A	(1)	3/10/98 3/15/05	Common Stock 10,791		10,791	D	
Warrants	\$2.279	3/10/98	A	(1)	3/10/98 3/15/05	Common Stock 10,526		10,526	D	
5% Convertible Senior Secured Debentures	\$1.404	6/12/98	A	(2)	6/12/98 3/15/03	Common Stock 17,121		17,121	D	
Warrants	\$1.404	6/12/98	A	(2)	6/12/98 3/15/05	Common Stock 2,594		2,594	D	
Warrants	\$2.279	6/12/98	A	(2)	6/12/98 3/15/05	Common Stock 2,530		2,530	D	
Non-qualified Stock Options	\$2.375	2/19/98	A		(3) 2/19/08	Common Stock 300,000		300,000	D	
5% Convertible Senior Secured Debentures	\$1.1312	4/1/99	A	(5)	4/1/99 3/15/03	Common Stock 1,370		1,370	D	
Non-qualified Stock Options	\$1.125	4/12/99	A	(4)	4/12/00 4/12/09	Common Stock 100,000		100,000	D	
5% Convertible Senior Secured Debentures	\$2.4250	7/1/99	A	(5)	7/1/99 3/15/03	Common Stock 647		647	D	
Non-qualified Stock Options	\$1.875	2/17/00	A	(4)	2/17/01 2/17/10	Common Stock 125,000		125,000	D	
5% Convertible Senior Secured Debentures	\$1.722	4/1/00	A	(5)	4/1/00 3/15/03	Common Stock 923		923	D	
Non-qualified Stock Options	\$1.1125	6/29/00	A	(4)	6/29/01 6/29/10	Common Stock 100,000		100,000	D	
5% Convertible Senior Secured Debentures	\$1.1125	7/1/00	A	(5)	7/01/00 3/15/03	Common Stock 1,446		1,446	D	

EXPLANATION OF RESPONSES:

- (1) Purchased in connection with a private offering on March 10, 1998 consisting of a Convertible Debenture convertible at any time and Stock Purchase Warrants (10,791 shares of which are presently exercisable at \$1.404 per share and 10,526 shares of which are presently exercisable at \$2.279 per share).
- (2) Acquired pursuant to an option exercise in June 1998, consisting of: (i) a Convertible Debenture, convertible at any time, (ii) warrants to purchase shares of common stock (2,594 shares of which are presently exercisable at \$1.404 per share and 2,530 shares of which are presently exercisable at \$2.279 per share).
- (3) Options vest quarterly, with 25,000 options vesting every quarter effective May 1, 1998.
- (4) Options vest 25% annually.
- (5) Certain quarterly interest payments are paid in the form of convertible debentures.

Peter A. Clemens
Signature of Reporting Person

Date

Intentional misstatements or omissions of facts constitute Federal
Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed.
If space provided is insufficient, see Instruction 6 for procedure.