SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(MARK ONE)

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

For the quarterly period ended June 30, 2000

OR

___ TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________________to________________________

COMMISSION FILE NUMBER 1-10113

HALSEY DRUG CO., INC.
(Exact name of registrant as specified in its charter)

New York	11-0853640
(State or other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

695 N. Perryville Rd. Rockford, IL	61107
(Address of Principal executive offices)	(Zip Code)

(815) 399 - 2060
(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 50 days.

YES X NO

As of July 31, 2000 the registrant had 14,504,405 Shares of Common Stock, $.01 par value, outstanding.

HALSEY DRUG CO., & SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HALSEY DRUG CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)	(UNAUDITED) 2000 JUNE 30	1999 DECEMBER 31
CURRENT ASSETS		
Cash and cash equivalents	$ 3,843	$ 786
Accounts Receivable - trade, net of Allowances for doubtful accounts of $153 and $425 at June 30, 2000 and December 31, 1999, respectively	3,991	2,716
Other receivables	123	--
Inventories	3,449	3,502
Prepaid insurance and other current assets	379	213
Total current assets	11,785	7,217
PROPERTY PLANT & EQUIPMENT, NET	2,951	3,013
DEFERRED PRIVATE OFFERING COSTS	1,444	1,623
OTHER ASSETS AND DEPOSITS	1,072	642
	$17,252	$ 12,495

The accompanying notes are an integral part of these statements

HALSEY DRUG CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)	(UNAUDITED) 2000 JUNE 30	1999 DECEMBER 31
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Notes payable	2,148	4,038
Accounts payable	1,259	2,283
Accrued expenses	5,710	5,777
Department of Justice Settlement	300	300
Total current liabilities	9,417	12,398
CONVERTIBLE DEBENTURES, NET	42,855	41,096
DEPARTMENT OF JUSTICE SETTLEMENT	1,200	1,375
NOTES PAYABLE, LONG TERM	9,000	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock - $.01 par value; authorized 80,000,000 shares; issued 14,905,367 shares at June 30,2000 and 14,829,511 shares at December 31, 1999	149	148
Additional paid-in capital	36,041	35,751
Accumulated deficit	(80,421)	(77,284)
	(44,231)	(41,385)
Less: Treasury stock - at cost -(439,603 shares at June 30, 2000 and December 31, 1999)	(989)	(989)
Total stockholders' equity (deficit)	(45,220)	(42,374)
	$ 17,252	$ 12,495

The accompanying notes are an integral part of these statements

HALSEY DRUG CO., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

Amounts in thousands except per share data

	June 30			
	For the six months ended		For the three months ended	
	2000	1999	2000	1999
Product sales	$ 7,217	$ 5,791	$ 4,066	$ 2,567
Product development revenues	5,000	--	5,000	--
Net product revenues	12,217	5,791	9,066	2,567
Cost of manufacturing	8,792	7,424	5,077	3,776
Research & development	670	355	277	179
Selling, general and administrative expenses	3,200	3,524	1,572	1,703
Income (Loss) from operations	(445)	(5,512)	2,140	(3,091)
Amortization of deferred debt discount and Private offering costs	(1,222)	(463)	(616)	(256)
Interest expense, net	(1,894)	(1,365)	(993)	(714)
Other income (expense)	128	54	118	51
Income (Loss) before income taxes	(3,433)	(7,286)	649	(4,010)
Income tax benefit	296	--	296	--
Net Income (Loss)	($ 3,137)	($ 7,286)	$ 945	($ 4,010)
Net Income (Loss) per share (basic and diluted)	(0.22)	(0.51)	.07	(0.28)
Average number of outstanding shares	14,445,463	14,276,064	14,463,050	14,294,070

The accompanying notes are an integral part of these statements

HALSEY DRUG CO., AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

Amounts in thousands	SIX MONTHS ENDED JUNE 30 2000	1999
Cash flows from operating activities		
Net loss	($3,137)	($7,286)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	348	657
Deferred debt discount and private offering costs	1,222	
Gain on sale of equipment	(123)	--
Issuance of common stock for payment of interest and Payable	155	427
Issuance of convertible subordinated debentures	841	9,247
(Increase) decrease in operating assets and liabilities		
Accounts receivable	(1,281)	(219)
Other receivable	(117)	(28)
Inventories	52	1,603
Prepaid insurance and other current assets	(166)	(26)
Other assets	(555)	--
Accounts payable	(1,024)	(654)
Accrued expenses	71	(585)
Total adjustments	(577)	10,422
Net cash (used in) provided by operating activities	(3,714)	3,136
Cash flows from investing activities		
Capital expenditures	(287)	(119)
Proceeds from the sale of equipment	123	--
(Decrease) in other assets	--	(204)
Net cash used in investing activities	(164)	(323)
Cash flows from financing activities		
Increase (decrease) in notes payable	7,110	(54)
Payments to Department of Justice	(175)	(150)
Net cash provided by (used in) financing activities	6,935	(204)
Net increase in cash and cash equivalents	3,057	2,609
Cash and cash equivalents at beginning of period	786	1,850
Cash and cash equivalents at end of period	$3,843	$4,459

Supplemental disclosure of noncash activities

For the 6 months ended June 30, 2000:

The Company issued 55,022 shares of common stock as payment for $139,613 in accrued interest.

The Company issued 12,000 shares of common stock as payment for $15,000 in trade payables.

The Company issued $840,846 debentures as payment for like amount of accrued debenture interest.

The accompanying notes are an integral part of these statements

HALSEY DRUG CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

Six months ended June 30, 2000

Amounts in thousands except per share data

(UNAUDITED)

	Common Stock, $.01 par value Shares	Common Stock, $.01 par value Amount	Additional Paid-in Capital	Accumulated Deficit
Balance January 1, 2000	14,829,511	$148	$35,751	($ 77,284)
Net Loss for the six months ended June 30, 2000				(3,137)
Issuance of shares as payment of interest	55,022	1	138	
Issuance of common stock - Conversion of debentures	8,834	--	12	
Deferred debt discount on warrants and private issuance costs			125	
Issuance of shares as payment of trade payables	12,000	--	15	
Balance at June 30, 2000	14,905,367	$149	$36,041	($ 80,421)

	Treasury stock, at cost Shares	Treasury stock, at cost Amount	Total
Balance January 1, 2000	439,603	($ 989)	($ 42,374)
Net Loss for the six months ended June 30, 2000			(3,137)
Issuance of shares as payment of interest			139
Issuance of common stock - Conversion of debentures			12
Deferred debt discount on warrants and private issuance costs			125
Issuance of shares as payment of trade payables			15
Balance at June 30, 2000	439,603	($ 989)	($ 45,220)

The accompanying notes are an integral part of this statement

HALSEY DRUG CO., INC. AND SUBSIDIARIESNOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Halsey Drug Co., Inc. and subsidiaries (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary to present fairly the financial position, results of operations and changes in cash flows for the six months ended June 30, 2000 have been made. The results of operations for the six months period ended June 30, 2000 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2000. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto for the year ended December 31, 1999 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

As of June 30, 2000, the Company had working capital of approximately $2,368,000 and an accumulated deficit of approximately $80,421,000. The Company incurred a loss of approximately $3,137,000 during the six months ended June 30, 2000.

Note 2 - Inventories

(Amounts in thousands)

Inventories consists of the following:

	June 30, 2000	December 31, 1999
Finished Goods	$ 384	$ 725
Work in Process	891	720
Raw Materials	2,174	2,057
	$ 3,449	$ 3,502

Note 3 - Convertible Subordinated Debentures

Convertible Subordinated Debentures consist of the following:

	June 30, 2000	December 31, 1999
Debentures - 5.0%	$ 45,443	$ 44,601
Debentures - 10.0%	2,500	2,500
	47,943	47,101
Less unamortized debt discount	(5,088)	(6,005)
	$ 42,855	$ 41,096

Note 4 - Notes Payable

Notes payable consist of the following:

	June 30, 2000	December 31, 1999
Unsecured promissory demand notes	$ 2,148	$ 2,529
Bridge loans	--	1,509
	$ 2,148	$ 4,038

As of June 30, 2000, Watson Pharmaceuticals, Inc. had advanced $9,000,000 to the Company under a term loan. The loan is secured by a first lien on all of the Company's assets, senior to the lien securing all other Company indebtedness, carries a floating rate of interest equal to prime plus two percent and matures on March 31, 2003.

NOTE 5 - Contingencies

The Company currently is a defendant in several lawsuits involving product liability claims. The Company's insurance carriers have assumed the defense for all product liability and other actions involving the Company. The final outcome of these lawsuits cannot be determined at this time, and accordingly, no adjustment has been made to the consolidated financial statements.

HALSEY DRUG CO.,INC. AND SUBSIDIARIES

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

Six months ended June 30	Percentage of Net Sales 2000	Percentage of Net Sales 1999	Percentage Change Year-to-Year Increase (decrease) 2000 as compared to 1999
Product Sales	59.1	100.0	24.6
Product Development Revenues	40.9	--	N/A
Net Product Revenues	100.0	100.0	111.0
Cost of Manufacturing	72.0	128.2	18.4
Research & development	5.5	6.1	88.7
Selling, general and administrative expenses	26.2	60.9	(9.2)
Income (Loss) from operations	(3.7)	(95.2)	(91.9)
Amortization of deferred debt discount and private offering costs	9.0	8.0	137.1
Interest expense, net	16.5	23.6	47.8
Other (income)	(1.0)	(.9)	137.0
Income (Loss) before income taxes	(28.2)	(125.8)	(52.9)
Income tax benefit	(2.4)	--	--
Net Income (Loss)	(25.8)	(125.8)	(56.9)

Three months ended June 30	Percentage of Net Sales 2000	Percentage of Net Sales 1999	Percentage Change Year to-Year Increase (decrease) 2000 as compared to 1999
Product Sales	44.8	100.0	58.4
Product Development Revenues	55.2	--	N/A
Net Product Revenues	100.0	100.0	253.2
Cost of Manufacturing	56.0	147.1	34.5
Research & development	3.1	7.0	54.7
Selling, general and administrative expenses	17.3	66.3	(7.7)
Income (Loss) from operations	23.6	(120.4)	(169.2)
Amortization of deferred debt discount and private offering costs	5.4	10.0	92.0
Interest expense, net	12.3	27.8	56.4
Other (income)	(1.3)	(2.2)	107.0
Income (Loss) before income taxes	7.2	(156.0)	(116.2)
Income tax benefit	(3.3)	--	--
Net Income (Loss)	10.5	(156.0)	(123.6)

- --
Six months ended June 30, 2000 vs six months ended June 30, 1999
- --

Net Product Revenues

The Company's net product revenues for the six months ended June 30, 2000 of $12,217,000 represents an increase of $6,426,000 (111.0%) as compared to net product revenues for the six months ended June 30, 1999 of $5,791,000. This increase is primarily a result of the recognition of $5,000,000 of product development revenues associated with the sale of certain product rights to Watson Pharmaceuticals, Inc. On an ongoing basis, the Company expects to generate revenues from the development and manufacture of both finished dosage and active pharmaceutical ingredients ("API's"), and then partnering with others for the marketing and distribution of these products.

Cost of Manufacturing

For the six months ended June 30, 2000, cost of manufacturing increased $1,368,000 to $8,792,000 as compared to the six months ended June 30, 1999 of $7,424,000. This is primarily attributable to the addition of manufacturing overhead costs from the March, 1999 acquisition of the Congers manufacturing facility as well as the additional costs associated with increased sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percentage of sales for the six months ended June 30, 2000 and 1999 were 26.2% and 60.9%, respectively. Overall these expenses in the first six months of 2000 decreased $324,000 over the same period in 1999. The decrease is primarily attributable to the decreased costs of litigation and professional services ($218,000) and wages and benefits ($106,000).

Research and Development Expenses

Research and development expenses as a percentage of sales for the six months ended June 30, 2000 and 1999 were 5.5% and 6.1%, respectively. The Company's research and development program is concentrating its efforts in three areas.

First, the Company is continuing development efforts relating to certain API's. The Company currently manufactures two API's and has seven others under development.

Second, the Company is proceeding with the development of products, apart from those obtained from Barr Laboratories, for submission to the FDA. The Company expects to file an additional three ANDAs with the FDA within the next twelve months.

Third, the Company is performing the necessary regulatory steps to effect the transfer of the products obtained from Barr Laboratories in April, 1999 to the Company. The Company expects to have completed the process for one of these products by the end of 2000 with an additional six products expected to be submitted to the FDA for approval in 2001.

Net Income (Loss)

For the six months ended June 30, 2000, the Company had net loss of $3,137,000 as compared to a net loss of $7,286,000 for the six months ended June 30, 1999. Included in the results for the six months ended June 30, 2000 was interest expense of $1,894,000 and amortization of deferred debt discount and private offering costs of $1,222,000 as compared to $1,365,000 and $463,000, respectively, for the year earlier period. Also, included in results for the six months ended June 30, 2000 was a tax benefit of $296,000 from the settlement of a income tax refund claim originally submitted in 1996. Additionally, the Company recorded a gain on the sale of equipment of $128,000 in 2000 compared to a gain of $54,000 in 1999.

- --
Three months ended June 30, 2000 vs Three months ended June 30, 1999
- --

Net Product Revenues

The Company's net product revenues for the three months ended June 30, 2000 of $9,066,000 represents a increase of $6,499,000 (253.2%) as compared to net product revenues for the three months ended June 30, 1999 of $2,567,000. This increase is primarily a result of the recognition of $5,000,000 of product development revenues associated with the sale of certain product rights to Watson Pharmaceuticals, Inc. On an ongoing basis, the Company expects to generate revenues from the development and manufacture of both finished dosage and active pharmaceutical ingredients ("API's"), and then partnering with others for the marketing and distribution of these products.

Cost of Manufacturing

For the three months ended June 30, 2000, cost of manufacturing increased by approximately $1,301,000 as compared to the three months ended June 30, 1999. The increase for 2000 is attributable to additional costs associated with increased sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percentage of sales for the three months ended June 30, 2000 and 1999 were 17.3% and 66.3%, respectively. The decrease of $131,000 is due primarily to decreased costs of litigation and professional services ($174,000) and wages and benefits ($97,000) offset against higher general administration costs of $140,000.

Research and Development Expenses

Research and development expenses as a percentage of sales for the three months ended June 30, 2000 and 1999 was 3.1% and 7.0%, respectively. The Company's research and development program is concentrating its efforts in three areas.

First, the Company is continuing development efforts relating to certain API's. The Company currently manufactures two API's and has seven others under development.

Second, the Company is proceeding with the development of products, apart from those obtained from Barr Laboratories, for submission to the FDA. The Company expects to file an additional three ANDA with the FDA within the next twelve months.

Third, the Company is performing the necessary regulatory steps to effect the transfer of the products obtained from Barr Laboratories in April, 1999 to the Company. The Company expects to have completed the process for one of these products by the end of 2000 with an additional six products expected to be submitted to the FDA for approval in 2001.

Net Income (Loss)

For the three months ended June 30, 2000, the Company had a net income of $945,000 as compared to a net loss of $4,010,000 for the three months ended June 30, 1999. Included in the results for the three months ended June 30, 2000 was interest expense of $993,000 and amortization of deferred debt discount and private offering costs of $616,000 as compared to $714,000 and $256,000, respectively, for the year earlier period. Also, included in results for the three months ended June 30, 2000 was a tax benefit of $296,000 from the settlement of a income tax refund claim originally submitted in 1996. Additionally, the Company recorded a gain on the sale of equipment of $118,000 in 2000 compared to a gain of $51,000 in 1999.

Liquidity and Capital Resources

At June 30, 2000, the Company had cash and cash equivalents of $3,843,000 as compared to $786,000 at December 31, 1999. The Company had working capital at June 30, 2000 of $2,368,000 as compared to a working capital deficiency of $5,181,000 at December 31, 1999.

On March 29, 2000, the Company completed various strategic alliance transactions with Watson Pharmaceuticals, Inc. ("Watson"). The transactions with Watson provided for Watson's purchase of a certain pending ANDA from the Company, for Watson's rights to negotiate for Halsey to manufacture and supply certain identified future products to be developed by Halsey, for Watson's marketing and sale of the Company's core products and for Watson's extension of a $17,500,000 term loan to the Company.

The product acquisition portion of the transactions with Watson provided for Halsey's sale of a pending ANDA and related rights (the "Product") to Watson for aggregate consideration of $13,500,000 (the "Product Acquisition Agreement"). As part of the execution of the Product Acquisition Agreement, the Company and Watson executed ten year supply agreements covering the active pharmaceutical ingredient ("API") and finished dosage form of the Product pursuant to which Halsey, at Watson's discretion, will manufacture and supply Watson's requirements for the Product API and, where the Product API is sourced from the Company, finish dosage forms of the Product. The purchase price for the Product is payable in three approximately equal installments as certain milestones are achieved. The first of those milestones is the receipt of FDA approval to manufacture the Product. On April 28, 2000 the Company received this approval and Watson paid the first milestone payment of $5,000,000 to the Company.

The Company and Watson also executed a right of first negotiation agreement providing Watson with a first right to negotiate the terms under which the Company would manufacture and supply certain specified APIs and finished dosage products to be developed by the Company. The right of first negotiation agreement provides that upon Watson's exercise of its right to negotiate for the supply of a particular product, the parties will negotiate the specific terms of the manufacturing and supply arrangement, including price, minimum purchase requirements, if any, territory and term. In the event Watson does not exercise its right of first negotiation upon receipt of written notice from the Company as to its receipt of applicable governmental approval relating to a covered product, or in the event the parties are unable to reach agreement on the material terms of a supply arrangement relating to such product within sixty (60) days of Watson's exercise of its right to negotiate for such product, the Company may negotiate with third parties for the supply, marketing and sale of the applicable product. The right of first negotiation agreement has a term of ten years, subject to extension in the absence of written notice from either party for two additional periods of five years each. The right of first negotiation agreement applies only to API and finished dosage products identified in the agreement and does not otherwise prohibit the Company from developing APIs or finished dosage products for itself or third parties.

The Company and Watson also completed a manufacturing and supply agreement providing for Watson's marketing and sale of the Company's existing core products portfolio (the "Core Products Supply Agreement"). The Core Products Supply Agreement obligates Watson to purchase a minimum amount of approximately $18,363,000 (the "Minimum Purchase Agreement") in core products from the Company, in equal quarterly installments over a period of 18 months (the "Minimum Purchase Period"). At the expiration of the Minimum Purchase Period if Watson does not continue to satisfy the Minimum Purchase Amount, the Company may market and sell the core products on its own or through a third party. Pending the Company's development and receipt of regulatory approval for its APIs and finished dosage products currently under development, including, without limitation, the Product sold to Watson, and the marketing and sale of same, of which there can be no assurance, substantially all the Company's revenues will be derived from the Core Products Supply Agreement with Watson and the purchase price installments relating to the Product purchased by Watson as described above.

The final component of the Company's strategic alliance with Watson provided for Watson's extension of a $17,500,000 term loan to the Company. The loan will be funded in installments upon the Company's request for advances and the provision to Watson of a supporting use of proceeds relating to each such advance. As of June 30, 2000, Watson had advanced $9,000,000 to the Company under the Watson term loan. The loan is secured by a first lien on all of the Company's assets, senior to the lien securing all other Company indebtedness, carries a floating rate of interest equal to prime plus two percent and matures on March 31, 2003. At June 30, 2000, a portion of the net proceeds of the Watson term loan were used to satisfy in full the approximately $3,300,000 in bridge financing provided by Galen Partners, to satisfy payment obligations under the Settlement Agreement with the landlord of its Brooklyn, New York facility and for working capital. The remaining net proceeds from the term loan will, in large part, be used to upgrade and equip the API manufacturing facility of Houba, Inc., the Company's wholly-owned subsidiary, to upgrade and equip the Company's Congers, New York leased facility and for working capital to fund continued operations.

The remaining net proceeds from the Watson term loan combined with the payments to be received by the Company from Watson under each of the Product Acquisition Agreement and the Core Products Supply Agreement will provide the Company with sufficient working capital to fund operations for at least the next twelve months.

PART II OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

During the quarter ended June 30, 2000, the Company issued an aggregate of 26,142 shares of Common Stock and 5% Convertible Senior Secured Debenture in the principal amount of $481,004 in satisfaction of accrued interest on the Company's outstanding 5% convertible senior secured debentures issued in March and June 1998, and May and July 1999 (the "Convertible Debentures").

Each of the holders of the Convertible Debentures for which interest payments were made in Common Stock and 5% Convertible Senior Secured Debentures are accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"). The Common Stock and 5% Convertible Senior Secured Debentures issued in satisfaction of the interest payments under the Convertible Debentures were issued without registration under the Act in reliance upon Section 4(2) of the Act and Regulation D promulgated thereunder.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's 2000 Annual Meeting of Shareholders was held on Thursday, June 29, 2000 for the following purposes:

1. To elect nine directors to the Company's Board of Directors to hold office until the 2001 Annual Meeting of Shareholders ("Proposal 1"); and

2. To ratify the appointment of Grant Thornton LLP as independent auditors of the Company for the fiscal year ending December 31, 2000 ("Proposal 2").

The voting as to each Proposal was as follows:

Proposal 1

Name	For	Withheld
William Skelly	33,348,174	146,478
Michael Reicher	33,363,874	130,778
Alan Smith, Ph.D.	33,365,674	128,978
William Sumner	33,367,674	126,978
Bruce Wesson	33,362,374	132,278
Srini Conjeevaram	33,362,374	132,278
Zubeen Shroff	33,362,374	132,278
Peter A. Clemens	33,367,474	132,178
Joel Liffmann	33,362,374	132,278

Proposal 2

For	Against	Abstain
33,471,946	17,445	5,261

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) The exhibits required to be filed as part of this report on form 10-Q are listed in the attached Index.

(b) Reports on Form 8-K. None.

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.

Date: August 9, 2000

HALSEY DRUG CO., INC.

By: /s/ Michael K. Reicher

Michael K. Reicher
Chairman, President
and Chief Executive Officer

By: /s/ Peter A. Clemens

Peter A. Clemens
VP & Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
27	Financial Data Schedule, which is submitted electronically to the Securities and Exchange Commission for information only and not filed.

THIS SCHDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL CONDITION AT JUNE 30, 2000 (UNAUDITED) AND THE CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2000 (UNAUDITED) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-2000
JUN-30-2000
3,843
0
4,267
153
3,449
11,785
14,296
11,345
17,252
9,417
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149
(45,220)
17,252
12,217
12,217
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8,792
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(3,137)
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0
(3,137)
(0.22)
(0.22)