Rule No. 424(b)(5)
Registration No. 33-52647

PRELIMINARY AND SUBJECT TO COMPLETION AND AMENDMENT
ISSUE DATE: OCTOBER 21, 1994

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED MARCH 24, 1994)

LOGO

MERRILL LYNCH & CO, INC.

2,000,000 CONSTANT MATURITY U.S. TREASURY YIELD INCREASE WARRANTS, EXPIRING JANUARY 25, 1996

Each Constant Maturity U.S. Treasury Yield Increase Warrant ("Warrant") will entitle the Holder thereof to receive from Merrill Lynch & Co., Inc. (the "Company") a payment, if any, (the "Cash Settlement Value") on January 25, 1996 (the "Expiration Date"), or on such earlier date as described herein, based upon the increase in the CMT Yield. The CMT Yield is the yield to maturity on U.S. Treasury securities with a constant maturity of two years as more fully described herein. The Cash Settlement Value will equal the greater of (i) U.S. $100 x 4 x (Spot Yield - Strike Yield) and (ii) zero. The "Strike Yield" will equal the CMT Yield on the date the Warrants are priced by the Company for initial offering to the public. The "Spot Yield" will equal the CMT Yield on the Exercise Date, as determined by the Calculation Agent. The Warrants will be automatically exercised on the earlier of the fifth New York Business Day immediately preceding January 25, 1996 or the New York Business Day immediately preceding the date of occurrence of certain events in bankruptcy, insolvency or reorganization involving the Company or the date of their earlier expiration upon delisting from, or permanent suspension from trading on, the American Stock Exchange unless the Warrants are simultaneously accepted for trading pursuant to the rules of another Self-Regulatory Organization (as defined herein). The Warrants are not exercisable at the option of the Holder. See "Description of the Warrants".

THE WARRANTS INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE RISK OF EXPIRING WORTHLESS UNLESS THE CMT YIELD INCREASES. INVESTORS THEREFORE SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS, AND ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION UNDER "RISK FACTORS RELATING TO THE WARRANTS", "DESCRIPTION OF THE WARRANTS", "DESCRIPTION OF THE WARRANTS--AUTOMATIC EXERCISE PRIOR TO THE EXPIRATION DATE" AND "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS CONCERNING THE WARRANTS".

Prior to issuance, the Warrants will have been approved for listing by the American Stock Exchange, subject to official notice of issuance.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS	PROCEEDS TO THE COMPANY(1)
Per Warrant	$	$	$
Total	$	$	$

(1) Before deducting expenses payable by the Company.

The Warrants are offered by the Underwriter, subject to prior sale, when, as and if delivered to and accepted by the Underwriter, subject to certain other conditions. The Underwriter reserves the right to reject orders in whole or in part. It is expected that delivery of the Warrants will be made on or about , 1994.

This Prospectus Supplement and the accompanying Prospectus may be used by the Underwriter in connection with offers and sales related to market-making transactions in the Securities. The Underwriter may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

MERRILL LYNCH & CO.

The date of this Prospectus Supplement is , 1994.

IN CONNECTION WITH THE OFFERING OF THE WARRANTS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE WARRANTS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE AMERICAN STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMMISSIONER OF INSURANCE OF THE STATE OF NORTH CAROLINA HAS NOT APPROVED OR DISAPPROVED THIS OFFERING NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR PROSPECTUS.

PROSPECTUS SUPPLEMENT SUMMARY

The information below is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus Supplement and in the Prospectus.

THE OFFERING

Securities Offered.......... 2,000,000 Constant Maturity U.S. Treasury Yield Increase Warrants, Expiring January 25, 1996 (the "Warrants").

Cash Settlement Value....... Each Warrant will entitle the Holder thereof to receive from the Company upon expiration a cash payment (the "Cash Settlement Value") based upon the increase in the CMT Yield. The Cash Settlement Value of a Warrant will be determined on the Exercise Date as the amount which is the greater of:

(i) $100 x 4 x (Spot Yield - Strike Yield), and

(ii) $0.

See "Description of the Warrants--Cash Settlement Value."

Spot Yield.................. The CMT Yield on the Exercise Date as determined by the Calculation Agent.

Strike Yield................ The CMT Yield on the date the Warrants are priced by the Company for initial offering to the public.

CMT Yield................... The CMT Yield is based on the yield of certain U.S. Treasury securities. U.S. Treasury securities, including those used to calculate the CMT Yield, are direct obligations of the United States government and carry the full faith and credit of the United States of America. The Warrants, however, are solely the obligation of the Company and are not backed by the full faith and credit of the United States. If the CMT Yield is determined using yields reported on Telerate Page 7052, in H.15(519) or as reported by the Federal Reserve Bank of New York as described in "Description of the Warrants--Cash Settlement Value", the CMT Yield will be a one-week average yield on 2-year United States Treasury securities at "constant maturity" (the "Weekly CMT Yield"). Yields on Treasury securities at "constant maturity" used to calculate the Weekly CMT Yield are interpolated from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based upon the market yields on actively traded Treasury securities in the over-the-counter market. The constant maturity yield values are derived from the yield curve at fixed maturities. This method permits estimation of the yield for a two year maturity, even if no outstanding security has exactly two years remaining to maturity. If the Weekly CMT Yield cannot be calculated, the CMT Yield will be determined based on the yield to maturity of certain Treasury securities on the Exercise Date based on secondary market offer prices of certain dealers as more fully described in "Description of the Warrants--Cash Settlement Value".

Automatic Exercise of Warrants.................... The Warrants will be automatically exercised on the fifth New York Business Day, as hereinafter defined, immediately preceding January 25, 1996 or, if the Warrants are subject to automatic exercise in the event they cease to be traded pursuant to the rules of a Self-Regulatory Organization or if certain events in bankruptcy, insolvency or reorganization involving the Company occur, the New York Business Day immediately preceding the Early Expiration Date. The Warrants will be automatically exercised on the Exercise Date and are not exercisable at the option of the Holder. See "Description of the Warrants--Exercise of Warrants" and "Description of the Warrants--Automatic Exercise Prior to the Expiration Date".

Form........................ The Warrants will be in book-entry form and, accordingly, no owner of a Warrant will be entitled to receive a certificate representing such Warrants. See "Description of the Warrants--Book-Entry Procedures and Settlement".

Listing..................... Prior to issuance, the Warrants will have been approved for listing by the American Stock Exchange, subject to official notice of issuance.

AMEX Symbol................. YIX.WS

Certain Risk Factors........ The Warrants involve a high degree of risk, including the risk of expiring worthless. If the Spot Yield is equal to or less than the Strike Yield, the Warrant will expire worthless. INVESTORS THEREFORE SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS.

The Warrants are not exercisable at the option of the Holder.

It is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. The trading value of a Warrant is expected to be dependent upon a number of complex interrelated factors, including the CMT Yield, the volatility of the CMT Yield and the time remaining to the expiration of the Warrants.

In the event that the Warrants are delisted from, or permanently suspended from trading on, the American Stock Exchange and the Warrants are not simultaneously accepted for trading pursuant to the rules of another self-regulatory organization whose rules are filed with the Securities and Exchange Commission (a "Self-Regulatory Organization") under the Securities Act of 1934, as amended, the Warrants will be automatically exercised on the New York Business Day immediately preceding the date such delisting or trading suspension becomes effective. At the time of such automatic exercise, the Warrants may be out-of-the-money such that the Cash Settlement Value will equal zero.

The initial public offering price of the Warrants is expected to be in excess of the price a commercial purchaser might pay in the market for a comparable option involving significantly larger amounts.

The CMT Yield is based upon the value of United States Treasury securities. The value of any debt, including U.S. government debt, may be affected by complex political and economic factors, including the rate of inflation, growth of gross national product and balance of payments for the United States.

Prospective investors in the Warrants should be aware that the proper characterization of the Warrants for United States Federal income tax purposes is uncertain and that the ultimate United States Federal income tax treatment of the Warrants could differ significantly depending upon how the Warrants are characterized for United States Federal income tax purposes. Accordingly, prospective investors in the Warrants are urged to consult their own tax advisors as to the proper characterization of the Warrants for United States Federal income tax purposes.

Investors are advised to carefully consider the foregoing risk factors, and the risks and other matters discussed under "Risk Factors Relating to the Warrants", "Description of the Warrants" and "Certain United States Federal Income Tax Considerations Concerning the Warrants", prior to purchasing the Warrants.

Investors in Warrants....... The AMEX requires that Warrants be sold only to investors with options approved accounts and requires that its members and member organizations and registered employees thereof make certain suitability determinations before recommending transactions in Warrants. It is suggested that investors considering purchasing the Warrants be experienced with respect to options on securities and option transactions and reach an investment decision only after carefully considering the suitability of the Warrants in light of their particular circumstances. The Warrants are not suitable for persons solely dependent upon a fixed income, for retirement plan accounts or for accounts under the Uniform Gift to Minors Act. INVESTORS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS.

CERTAIN IMPORTANT INFORMATION CONCERNING THE WARRANTS

A Holder will receive a cash payment on the Expiration Date only if the Warrants have a Cash Settlement Value in excess of zero on the Exercise Date. The Spot Yield determined on the Exercise Date will establish whether the Warrants have a positive Cash Settlement Value on the Expiration Date. The Warrants may be "out-of-the-money" (i.e., their Cash Settlement Value will be zero) when initially sold and the Warrants will be "in-the-money" (i.e., their Cash Settlement Value will exceed zero) on the Exercise Date only if the Spot Yield is greater than the Strike Yield. If the Spot Yield is equal to or less than the Strike Yield on the Exercise Date, the Warrant will expire worthless and the Holder will have sustained a total loss of the purchase price of such Warrant. Investors therefore should be prepared to sustain a total loss of the purchase price of their Warrants.

On October 18, 1994 the CMT Yield quoted by the Board of Governors of the Federal Reserve System for the week ended October 14, 1994 was 6.63%.

RISK FACTORS RELATING TO THE WARRANTS

THE WARRANTS INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE RISK OF EXPIRING WORTHLESS. INVESTORS THEREFORE SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS. IT IS SUGGESTED THAT INVESTORS CONSIDERING PURCHASING THE WARRANTS BE EXPERIENCED WITH RESPECT TO OPTIONS ON SECURITIES AND OPTION TRANSACTIONS AND REACH AN INVESTMENT DECISION ONLY AFTER CAREFULLY CONSIDERING ALL THE RISK FACTORS SET FORTH IN THIS SECTION OF THIS

PROSPECTUS SUPPLEMENT, THE SUITABILITY OF THE WARRANTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES AND ALL THE OTHER INFORMATION SET FORTH IN THIS PROSPECTUS SUPPLEMENT AND IN THE ACCOMPANYING PROSPECTUS.

Exercise of the Warrants. The Warrants will be automatically exercised on the Exercise Date and are not exercisable at the option of the Holder.

Automatic Exercise of the Warrants upon Delisting. In the event that the Warrants are delisted from, or permanently suspended from trading on, the American Stock Exchange and the Warrants are not simultaneously accepted for trading pursuant to the rules of another self-regulatory organization (a "Self-Regulatory Organization") that are filed with the Securities and Exchange Commission under the Securities Act of 1934, as amended, the Warrants will expire on the date such delisting or trading suspension becomes effective and will be automatically exercised on the New York Business Day immediately preceding the date of such early expiration. At the time of such automatic exercise, the Warrants may be out-of-the-money such that the Cash Settlement Value will equal zero.

Offering Price of the Warrants. The initial public offering price of the Warrants is expected to be in excess of the price a commercial purchaser of or dealer in options on the CMT Yield might pay for a comparable option involving significantly larger amounts.

Certain Factors Affecting the Value of the Warrants. Each Warrant may have a Cash Settlement Value of zero at issuance. The Cash Settlement Value of the Warrants at any time prior to expiration is typically expected to be less than the Warrants' trading value at that time. The difference between the trading value and the Cash Settlement Value will reflect a number of factors, including a "time value" for the Warrants. The "time value" of the Warrants will depend upon the length of the period remaining to expiration, among other factors. The expiration date of the Warrants will be accelerated should the Warrants be delisted or should their trading on the American Stock Exchange be suspended permanently unless the Warrants simultaneously are accepted for trading pursuant to the rules of another Self-Regulatory Organization. Any such acceleration would result in the total loss of any otherwise remaining "time value" and could occur when the Warrants are out-of-the-money, thus resulting in total loss of the purchase price of the Warrants. See "Description of the Warrants--Automatic Exercise Prior to the Expiration Date". Before selling Warrants, owners of Warrants should carefully consider the trading value of the Warrants, the value of the CMT Yield and probable range of Cash Settlement Values and any related transaction costs.

There can be no assurance as to how the Warrants will trade in the secondary market or whether such market will be liquid. The trading value of a Warrant is expected to be dependent upon a number of complex interrelated factors, including those listed below. The expected theoretical effect on the trading value of a Warrant of each of the factors listed below, assuming in each case that all other factors are held constant, is as follows:

(1) The CMT Yield. If the CMT Yield increases relative to the Strike Yield, the trading value of a Warrant is expected to increase. If the CMT Yield decreases relative to the Strike Yield, the trading value of a Warrant is expected to decrease.

(2) The volatility of the CMT Yield. If the volatility of the CMT Yield increases, the trading value of a Warrant is expected to increase. If such volatility decreases, the trading value of a Warrant is expected to decrease.

(3) The general level of interest rates in the United States. If the general level of interest rates in the United States increases, the trading value of a Warrant is expected to increase. If the general level of interest rates in the United States decreases, the trading value of a Warrant is expected to decrease.

(4) The time remaining to the expiration date of the Warrants. As the time remaining to the expiration date of the Warrants decreases, the trading value of a Warrant is expected to decrease.

As noted above, these hypothetical scenarios are based on the assumption that all other factors are held constant. In reality, it is unlikely that only one factor would change in isolation, since changes in one factor usually cause, or result from, changes in others. Some of the factors referred to above are, in turn, influenced by the political and economic factors discussed below.

Warrants Not Standardized Options Issued by the Options Clearing Corporation. Each Warrant constitutes an option having a value based upon one or more United States Treasury securities, as calculated in the CMT Yield. However, the Warrants are not standardized options of the type issued by the Options Clearing Corporation (the "OCC"), a clearing agency regulated by the Securities and Exchange Commission. For example, unlike purchasers of OCC standardized options who have the credit benefits of guarantees and margin and collateral deposits by OCC clearing members to protect the OCC from a clearing member's failure, purchasers of Warrants must look solely to the Company for performance of its obligations to pay the Cash Settlement Value on the exercise of Warrants. Further, the market for the Warrants is not expected to be generally as liquid as the market for some OCC standardized options.

The Warrants are unsecured contractual obligations of the Company and will rank on a parity with the Company's other unsecured contractual obligations and with the Company's unsecured and unsubordinated debt. However, since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including Holders of the Warrants), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, to the Company are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

General Risk Considerations. Options and warrants provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with the Warrants are similar to those generally applicable to other options or warrants of private corporate issuers.

The purchaser of a Warrant may lose his entire investment. This risk reflects the nature of a Warrant as an asset which tends to decline in value over time and which may, depending on the CMT Yield as compared to the Strike Yield, become worthless when it expires. Assuming all other factors are held constant, the more a Warrant is out-of-the-money and the shorter its remaining term to expiration, the greater the risk that a

purchaser of the Warrant will lose all of his investment. This means that the purchaser of a Warrant who does not sell it in the secondary market will necessarily lose his entire investment in the Warrant if it expires when the Spot Yield is less than or equal to the Strike Yield.

If the CMT Yield does not increase relative to the Strike Yield to an extent sufficient to cover an investor's cost of the Warrant (i.e., the purchase price plus transaction costs, if any) before the Warrant expires, the investor will lose all or a part of his investment in the Warrant upon expiration.

The CMT Yield is derived from United States Treasury securities. The value of any debt security, including Treasury securities, may be affected by complex political and economic factors, including the rate of inflation, growth of gross national product and balance of payments for the United States.

Prospective investors in the Warrants should be aware that the proper characterization of the Warrants for United Stated Federal income tax purposes is uncertain and that the ultimate United States Federal income tax treatment of the Warrants could differ significantly depending upon how the Warrants are characterized for United States Federal income tax purposes. Accordingly, prospective investors in the Warrants are urged to consult their own tax advisors as to the proper characterization of the Warrants for United States Federal income tax purposes.

The AMEX requires that Warrants be sold only to investors with options approved accounts and requires that its members and member organizations and registered employees thereof make certain suitability determinations before recommending transactions in Warrants. It is suggested that investors considering purchasing the Warrants be experienced with respect to options on securities and option transactions and understand the risks of transactions such as the Warrants and reach an investment decision only after carefully considering the suitability of the Warrants in light of their particular circumstances. The Warrants are not suitable for persons solely dependant upon a fixed income, for retirement plan accounts or for accounts under the Uniform Gift to Minors Act. INVESTORS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS.

RECENT DEVELOPMENTS

The following summary of certain consolidated financial information concerning the Company was derived from, and is qualified in its entirety by reference to, the financial information and data contained in the Company's Current Report on Form 8-K dated October 18, 1994, Quarterly Report on Form 10-Q for the quarter ended July 1, 1994, and Annual Report on Form 10-K for the year ended December 31, 1993. See "Incorporation of Certain Documents by Reference" in the accompanying Prospectus. The Current Report on Form 8-K, dated October 18, 1994, which includes preliminary unaudited financial information for the quarter ended September 30, 1994, will be superseded by the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994. The condensed consolidated financial statements contained in the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 1994 and the results of operations contained in the Company's Current Report on Form 8-K dated October 18, 1994 are unaudited; however, in the opinion of management of the Company, all adjustments (consisting only of normal recurring accruals and, in 1993, a non-recurring charge related to the Company's decision not to occupy certain office space) necessary for a fair statement of the results of operations have been included.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period. Thus, interim results may not necessarily be representative of the full year results of operations.

<TABLE>
<CAPTION>

Income Statement Information	NINE MONTHS ENDED SEPTEMBER 24, 1993	NINE MONTHS ENDED SEPTEMBER 30, 1994
	(IN THOUSANDS, EXCEPT RATIOS)	
<S>	<C>	<C>
Revenues	$ 12,062,041	$ 13,749,334
Net revenues(/1/)	$ 7,800,233	$ 7,531,792
Earnings before income taxes and cumulative effect of change in accounting principle	$ 1,827,528	$ 1,474,392
Cumulative effect of change in accounting principle(/2/)	$ (35,420)	$ --
Net earnings	$ 1,011,700	$ 855,147
Ratio of earnings to fixed charges(/3/)	1.4	--

<CAPTION>

Balance Sheet Information	DECEMBER 31, 1993	JULY 1, 1994
	(IN THOUSANDS)	
<S>	<C>	<C>
Total assets(/4/)(/5/)	$ 152,910,362	$ 174,006,536
Long-term borrowings(/4/)(/6/)	$ 13,468,900	$ 15,289,293
Stockholders' equity(/4/)	$ 5,485,913	$ 5,628,394

</TABLE>

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Notes--

(1) Net revenues are revenues net of interest expense.

(2) Net earnings for 1993 have been reduced by $35,420,000 for the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits".

(3) The ratio of earnings to fixed charges for the nine months ended September 30, 1994 is not available as of the date of this Prospectus Supplement. For the six months ended July 1, 1994, the ratio of earnings to fixed charges was 1.3. For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, that portion of rentals estimated to be representative of the interest factor, and amortization of debt expense.

(4) Certain information as of September 30, 1994 is not available as of the date of this Prospectus Supplement.

(5) On January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts," which increased assets and liabilities at July 1, 1994 by approximately $13,500,000,000.

(6) To finance its diverse activities, the Company and certain subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings significantly varies with the level of general business activity, on July 1, 1994, $623,101,000 of bank loans and $13,932,942,000 of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At July 1, 1994, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to $1,525,237,000 and $60,081,702,000, respectively. From July 2, 1994 to October 17, 1994, long-term borrowings, net of repayments and repurchases, increased in the amount of approximately $597,012,000.

RESULTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 1994

Financial markets, strong throughout 1993 and the first six weeks of 1994, weakened as a result of rising interest rates, unsettled currency markets, volatile stock and bond markets, and investor caution. The broad market decline, initially triggered by an increase in short-term interest rates in February 1994 by the Federal Reserve, continued during the remainder of the period ended September 30, 1994. As a result, volumes in institutional and retail investor business activities decreased industrywide. These conditions affected the Company's 1994 third quarter results. Net earnings were $231.6 million in the 1994 third quarter, down 8% from the 1994 second quarter and 36% from the 1993 third quarter. Net revenues in the 1994 third quarter were $2,302 million, down 4% from the 1994 second quarter and 13% from the 1993 third quarter, while non-interest expenses were $1,913 million, down 3% from the 1994 second quarter and 4% from the 1993 third quarter.

For the first nine months of 1994, net earnings were $855.1 million, down $156.6 million (15%) from $1,011.7 million reported in last year's record nine-month period. Net earnings for the 1993 nine-month period included a $35.4 million cumulative effect charge (net of $25.1 million of applicable income tax benefits) related to the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits". Earnings before the cumulative effect of the change in accounting principle decreased 18% from $1,047.1 million reported in the comparable 1993 period. Earnings per common share for the first nine months of 1994 were $3.98 primary and $3.97 fully diluted versus $4.45 primary and $4.42 fully diluted ($4.61 primary and $4.58 fully diluted, before the 1993 cumulative effect charge) in the prior year's period. As previously reported, 1993 nine-month results included a non-recurring pretax lease charge totaling $103.0 million ($59.7 million after income taxes) related to the Company's decision not to occupy certain office space at its World Financial Center Headquarters ("Headquarters") facility. An agreement to sublet this space was entered into in the 1993 fourth quarter.

Total revenues increased 14% from the 1993 nine-month period to $13,749 million. Net revenues (revenues after interest expense) decreased 3% to $7,532 million for the first nine months of 1994.

Commissions revenues increased 7% from the 1993 nine-month period to $2,232 million on the strength of higher mutual fund, commodity, and listed securities transactions commissions. Mutual fund commissions benefited from increased distribution fees and redemption fees earned on mutual funds sold in prior periods. Sales of third-party mutual funds were up from a year ago; however, transactions in such funds declined during the 1994 second and third quarters relative to the 1994 first quarter. Sales of mutual funds managed by the Company have increased from the 1993 nine-month period. Commissions on listed securities benefited from higher trading volume. Other commissions revenues advanced principally as a result of higher revenues from commodity transactions partially offset by lower commissions from money market instruments.

Interest and dividend revenues for the first nine months of 1994 rose 38% to $6,956 million. Interest expense, which includes dividend expense, increased 46% to $6,218 million. Net interest profit decreased 7% to $738 million due primarily to an increase in short-term interest rates and a general flattening of the yield curve, which is the difference between short-term and long-term interest rates. As a result, interest spreads declined, while financing and hedging costs increased from the comparable 1993 period.

Principal transactions revenues decreased 16% from the 1993 nine-month period to $1,881 million as a result of rising interest rates and lower volumes. For the first nine months of 1994, fixed-income and foreign exchange trading revenues, in the aggregate, decreased 16% to $1,432 million. Lower revenues from corporate bonds and preferred stock, non-U.S. governments and agencies securities, foreign exchange trading, and money market instruments, were partially offset by higher revenues from swaps and derivatives, municipal securities, mortgage-backed securities, and U.S. Government and agency securities. Equity and commodity trading revenues, in the aggregate, declined 16% to $449 million as lower trading revenues and a loss in convertible securities were partially offset by higher revenues from trading in commodities and foreign equities.

Investment banking revenues totaled $1,012 million, down 23% in the 1994 nine-month period. Underwriting activity was slow as domestic volume industrywide declined 29% from the comparable 1993 period. Lower underwriting revenues were reported in most categories, including equities, corporate bonds and preferred stock, convertible securities, and municipal bonds. Strategic services revenues, which include merger and acquisition fees and advisory fees, benefited from increased merger and acquisition advisory assignments in various industries.

Asset management and portfolio service fees increased 15% to $1,308 million principally as a result of growth in stock and bond fund assets under management. Other revenues rose 63% from the 1993 nine-month period to $360 million due to net realized investment gains in the 1994 period, compared with net investment losses in the comparable 1993 period.

Non-interest expenses increased 1% over the corresponding 1993 period to $6,057 million (3% excluding the non-recurring pretax lease charge of $103.0 million). Compensation and benefits expense, which represented approximately 63% of non-interest expenses, was virtually unchanged from the 1993 nine-month period. Higher salary and benefit expenses related to an increase in the number of full-time employees were offset by lower levels of variable compensation. Compensation and benefits expense, as a percentage of net revenues, was 50.8% in the first nine months of 1994, compared with 49.2% in the corresponding 1993 period.

Occupancy costs decreased 28% from the corresponding 1993 period (7% excluding the non-recurring pretax lease charge of $103.0 million), benefiting from continued relocation of support staff to lower cost facilities and reduced space requirements at the Headquarters facility. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 11% primarily due to the increased use of market data and news services, and higher depreciation expense from the acquisition of technology-related equipment.

Advertising and market development expenses rose 8% from the 1993 nine-month period as a result of increased travel costs related to international business activity and higher recognition program costs. These expenses were partially offset by reductions in advertising costs. Professional fees were up 37% from the year-ago period due primarily to increased system consulting fees related to technology improvements. Brokerage, clearing, and exchange fees were up 22% from last year's nine-month period reflecting increased clearinghouse fees related to risk management activities in volatile markets and higher commodity trading volume. Other expenses advanced 6% due, in part, to increased provisions related to various business activities.

Income tax expense totaled $619 million for the first nine months of 1994, down 21% from the year earlier period due primarily to lower profitability. The effective tax rate for the 1994 nine-month period was 42.0% versus 42.7% in the comparable 1993 period.

CERTAIN BALANCE SHEET INFORMATION AS OF JULY 1, 1994

Balance sheet information as of September 30, 1994 is not available as of the date of this Prospectus Supplement. On January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39 ("Interpretation No. 39"), "Offsetting of Amounts Related to Certain Contracts". Interpretation No. 39 affects the financial statement presentation of balances related to swap, forward, and other similar exchange or conditional type contracts, and certain unconditional type contracts. Prior to the adoption of Interpretation No. 39, the Company followed industry practice in reporting balances related to certain types of contracts on a net basis. Unrealized gains and losses for swap, forward, and other similar contracts were reported net on the balance sheet by contract type, while certain receivables and payables related to resale and repurchase agreements were reported net by counterparty. The effect of Interpretation No. 39 increased assets and liabilities at July 1, 1994 by approximately $13.5 billion.

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its businesses.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its market-making, investment banking, and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers and the liquidity of the market for such securities, in addition to the usual risks associated with investing in, extending credit, underwriting, and trading in investment grade instruments.

At July 1, 1994, the fair value of long and short non-investment grade trading inventories amounted to $3,507 million and $474 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories), represented 4.2% of aggregate consolidated trading inventories.

At July 1, 1994, the carrying value of the extensions of credit provided to corporations entering into leveraged transactions aggregated $249 million (excluding unutilized revolving lines of credit and other lending commitments of $54 million), consisting primarily of senior term and subordinated financings to 36 medium-sized corporations. At July 1, 1994, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balances less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Subsequent to July 1, 1994, the Company committed to loan up to $126 million to a non-investment grade counterparty. The Company has participated $111 million of this commitment to third parties, and has funded approximately $8 million of its remaining $15 million commitment. Direct equity investments made in conjunction with the

Company's investment and merchant banking activities aggregated $288 million at July 1, 1994, representing investments in 80 enterprises. Equity investments in privately-held corporations for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At July 1, 1994, the Company held interests in partnerships, totaling $96 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. Prior to July 1, 1994, the Company had a co-investment arrangement to enter into direct equity investments. At July 1, 1994, the additional co-investment commitments were $12 million. At July 1, 1994, the Company also committed to invest an additional $29 million in partnerships that invest in leveraged transactions. Subsequent to July 1, 1994, the Company committed to invest up to $50 million over a five-year period in another partnership that invests in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. At July 1, 1994, non-investment grade insurance investments were $431 million, representing 6.8% of total insurance investments. At July 1, 1994, non-investment grade securities of insurance subsidiaries were classified as trading or available-for-sale and were carried at fair value.

At July 1, 1994, the largest non-investment grade concentration consisted of various issues of a Latin American sovereign totaling $375 million, of which $95 million represented on-balance-sheet hedges for off-balance-sheet instruments. No single industry sector accounted for more than 19% of total non-investment grade positions. At July 1, 1994, the Company held an aggregate carrying value of $257 million in debt and equity securities of issuers in various stages of bankruptcy proceedings. Approximately 63% of this amount resulted from the Company's market-making activities.

DESCRIPTION OF THE WARRANTS

GENERAL

An aggregate of 2,000,000 Warrants will be issued. The Warrants will be issued under a Warrant Agreement (the "Warrant Agreement"), to be dated as of , 1994, between the Company and Citibank, N.A., as Warrant Agent (the "Warrant Agent"). The following statements with respect to the Warrants are summaries of the detailed provisions of the Warrant Agreement, the form of which is filed as an exhibit to the Registration Statement. Wherever particular provisions of the Warrant Agreement or terms defined therein are referred to, such provisions or definitions are incorporated by reference herein as a part of the statements made, and the statements are qualified in their entirety by such reference.

A Warrant will not require, or entitle, a Holder to sell or purchase a U.S. Treasury security to or from the Company. The Company will make only a cash settlement, if any, with respect to the Warrants.

The Warrants will expire on January 25, 1996 (the "Expiration Date") or on such earlier date as described under "Exercise of Warrants" and "Automatic Exercise Prior to the Expiration Date". The Warrants will be automatically exercised on the Exercise Date, as set forth under "Exercise of Warrants", and are not exercisable at the option of the Holder. The term "New York Business Day", as used herein, means any day other than a Saturday or a Sunday or a day on which commercial banks in The City of New York are required or authorized by law or executive order to be closed.

The Warrants will be unsecured contractual obligations of the Company and will rank on a parity with the Company's other unsecured contractual obligations and with the Company's unsecured and unsubordinated debt. However, since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including Holders of the Warrants), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, to the Company are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

EXERCISE OF WARRANTS

The Warrants are not exercisable at the option of the Holder. The Warrants will be automatically exercised on the fifth New York Business Day immediately preceding the Expiration Date or, if an Early Expiration Date occurs, the New York Business Day immediately preceding the Early Expiration Date (the "Exercise Date").

The Warrant Agent will obtain the Spot Yield on the Exercise Date from Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Calculation Agent"), an affiliate of the Company, and determine the Cash Settlement Value of the Warrants. The Warrant Agent will pay the Cash Settlement Value of a Warrant to the Securities Depository by check on the Expiration Date and, if January 25, 1996 is not a New York Business Day, on the next succeeding New York Business Day. If an Early Expiration Date occurs, as described below under "Automatic Exercise Prior to the Expiration Date", the Warrant Agent will pay the Cash Settlement Value of a Warrant to the Securities Depository by check on the fifth New York Business Day following the Early Expiration Date. See "Description of the Warrants--Book-Entry Procedures and Settlement".

CASH SETTLEMENT VALUE

The Cash Settlement Value of a Warrant will be determined on the Exercise Date as the amount which is the greater of:

(i) $100 x 4 x (Spot Yield - Strike Yield), and

(ii) $0.

The "Strike Yield" will equal the CMT Yield on the date the Warrants are priced by the Company for initial offering to the public. The "Spot Yield" will be determined on the Exercise Date by the Calculation Agent as follows:

(i) The Spot Yield will equal the rate which appears on Telerate Page 7052, "WEEKLY AVG YIELDS ON TREASURY CONSTANT MATURITIES ", under the column entitled "2 YR", which appears as of 2:30 P.M., New York time, on the Exercise Date. "Telerate Page 7052" means the display designated as page 7052 on the Dow Jones Telerate Service (or such page as may replace page 7052 on that service). The rate which appears on Telerate Page 7052 under the column entitled "2 YR" is the rate described in paragraph (ii) below published in the most recent H.15(519) (as defined below).

(ii) If the Spot Yield as described in clause (i) is not available by 2:30 P.M., New York City time, on the Exercise Date, the Spot Yield will equal the one-week average yield on 2-year United States Treasury securities at "constant maturity", as published in the most recent H.15(519) available on the Exercise Date, in the column "Week Ending" for the most recent date opposite the heading "Treasury constant maturities, 2-Year." "H.15(519)" means the weekly statistical release designated as such, published by the Board of Governors of the Federal Reserve System.

(iii) If the most recent H.15(519) available on the Exercise Date as described in clause (ii) above was published more than fourteen calendar days prior to the Exercise Date, the Spot Yield will equal the one-week average yield on 2-year United States Treasury securities at "constant maturity" as otherwise announced by the Federal Reserve Bank of New York on the Exercise Date for the preceding week.

(iv) If the Spot Yield as described in clause (iii) is not announced by 3:00 p.m., New York City time, on the Exercise Date, the Spot Yield will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent and as a decimal rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with five one-millionths of a percentage point rounded up, on the basis of a year of 365 days, applied on a daily basis) based on the arithmetic mean of the secondary market offer prices as of approximately 3:30 p.m., New York City time, on the Exercise Date of three leading primary United States government securities dealers in The City of New York selected by the Calculation Agent (from five such dealers and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for Treasury Notes with an original maturity of approximately two years, a remaining term to maturity of not less than one year and in an amount of $100,000,000. If three or four (and not five) of such dealers are quoting as described in this clause (iv), then the Spot Yield will be based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations will be eliminated.

(v) If fewer than three dealers selected by the Calculation Agent are quoting as described in clause (iv), the Spot Yield will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent and as a decimal rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with five one-millionths of a percentage point rounded up, on the basis of a year of 365 days, and applied on a daily basis) based on the arithmetic mean of the secondary market offer prices as of approximately 3:30 p.m., New York City time, on the Exercise Date of three leading primary United States government securities dealers in The City of New York selected by the Calculation Agent (from five such dealers and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of approximately ten years, a remaining term to maturity closest to two years and in an amount of $100,000,000. If three or four (and not five) of such dealers are quoting as described in this clause, then the Spot Yield will be based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotes will be eliminated. If two Treasury Notes with an original maturity of approximately ten years have remaining terms to maturity equally close to two years, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

The Cash Settlement Value will be rounded, if necessary, to the nearest cent (with one-half cent being rounded upwards).

Set forth below is an illustration of the Cash Settlement Values of Warrants on the Exercise Date based on the Strike Yield equal to 6.70% and various hypothetical Spot Yields. The actual Cash Settlement Value of a Warrant will depend entirely on the actual Strike Yield and actual Spot Yield on the Exercise Date. The illustrative Cash Settlement Values in the table do not reflect any "time value" for a Warrant, which may be reflected in trading value, and are not necessarily indicative of potential profit or loss, which are also affected by purchase price and transaction costs.

HYPOTHETICAL CMT SPOT YIELD	CASH SETTLEMENT VALUE OF A WARRANT
5.70%	$0.00
6.20%	$0.00
6.70%	$0.00
7.20%	$2.00
7.70%	$4.00
8.20%	$6.00
8.70%	$8.00

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Upon issuance, all Warrants will be represented by one registered global currency Warrant (the "Global Warrant"). The Global Warrant will be deposited with, or on behalf of, The Depository Trust Company, as Securities Depository, and registered in the name of the Securities Depository or a nominee thereof. Unless and until it is exchanged in whole or in part for Warrants in definitive form in the limited circumstances described below, the Global Warrant may not be transferred except as a whole by the Securities Depository to a nominee of such Securities Depository or by a nominee of such Securities Depository to such Securities Depository or another nominee of such Securities Depository or by such Securities Depository or any such nominee to a successor of such Securities Depository or a nominee of such successor.

The Securities Depository has advised the Company as follows: The Securities Depository is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provision of Section 17A of the Securities Exchange Act of 1934, as amended. The Securities Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Securities Depository's participants include securities brokers and dealers (including the Underwriter), banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own the Securities Depository. Access to the Securities Depository book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own securities held by the Securities Depository only through participants.

Ownership of beneficial interests in the Warrants will be limited to persons that have accounts with the Securities Depository ("Agent Members") or persons that may hold interests through Agent Members. The Securities Depository has advised the Company that upon the issuance of the Global Warrant representing the Warrants, the Securities Depository will credit, on its book-entry registration and transfer system, the Agent Members' accounts with the respective principal amounts of the Warrants represented by the Global Warrant. Ownership of beneficial interests in the Global Warrant will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by the Securities Depository (with

respect to interests of Agent Members) and on the records of Agent Members (with respect to interests of persons held through Agent Members). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in the Global Warrant.

So long as the Securities Depository, or its nominee, is the registered owner of the Global Warrant, the Securities Depository or its nominee, as the case may be, will be considered the sole owner or Holder of the Warrants represented by the Global Warrant for all purposes under the Warrant Agreement. Except as provided below, owners of beneficial interests in the Global Warrant will not be entitled to have the Warrants represented by the Global Warrant registered in their names, will not receive or be entitled to receive physical delivery of the Warrants in definitive form and will not be considered the owners or Holders thereof under the Warrant Agreement. Accordingly, each person owning a beneficial interest in the Global Warrant must rely on the procedures of the Securities Depository and, if such person is not an Agent Member, on the procedures of the Agent Member through which such person owns its interest, to exercise any rights of a Holder under the Warrant Agreement. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or that an owner of a beneficial interest in such a Global Warrant desires to give or take any action which a Holder is entitled to give or take under the Warrant Agreement, the Securities Depository would authorize the Agent Members holding the relevant beneficial interests to give or take such action, and such Agent Members would authorize beneficial owners owning through such Agent Members to give or take such action or would otherwise act upon the instructions of beneficial owners through them.

The Cash Settlement Value in exercise of Warrants registered in the name of the Securities Depository or its nominee will be paid by the Warrant Agent to the Securities Depository. None of the Company, the Warrant Agent or any other agent of the Company or agent of the Warrant Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that the Securities Depository upon receipt of payment of the Cash Settlement Value in respect of the Global Warrant, will credit the accounts of the Agent Members with payment in amounts proportionate to their respective beneficial interests in the Global Warrant, as shown on the records of the Securities Depository. The Company also expects that payments by Agent Members to owners of beneficial interests in the Global Warrant will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Agent Members. It is suggested that purchasers of Warrants with accounts at more than one brokerage firm effect transactions in the Warrants, only through the brokerage firm or firms which hold that purchaser's Warrants.

If the Securities Depository is at any time unwilling or unable to continue as depository and a successor Securities Depository is not appointed by the Company within 90 days or if the Company is subject to certain events in bankruptcy, insolvency or reorganization, the Company will issue Warrants in definitive form in exchange for the Global Warrant. In addition, the Company may at any time determine not to have the Warrants represented by the Global Warrant and, in such event, will issue Warrants in definitive form in exchange for the Global Warrant. In any such instance, an owner of a beneficial interest in the Global Warrant will be entitled to have a number of Warrants equivalent to such beneficial interest registered in its name and will be entitled to physical delivery of such Warrants in definitive form.

LISTING OF THE WARRANTS

Prior to issuance, the Warrants will have been approved for listing by the American Stock Exchange, subject to official notice of issuance. The American Stock Exchange will expect to cease trading the Warrants on such Exchange as of the close of business on the Expiration Date.

AUTOMATIC EXERCISE PRIOR TO THE EXPIRATION DATE

In the event that the Warrants are delisted from, or permanently suspended from trading on, the American Stock Exchange and the Warrants are not simultaneously accepted for trading pursuant to the rules of another self-regulatory organization whose rules are filed with the Securities and Exchange Commission (a "Self-Regulatory Organization") under the Securities Act of 1934, as amended, the Warrants will expire on the date such delisting or trading suspension becomes effective (an "Early Expiration Date") and the Warrants will be automatically exercised on the New York Business Day immediately preceding such Early Expiration Date, and the Cash Settlement Value, if any (determined as provided under "Exercise of Warrants"), of such automatically exercised Warrants will be paid on the fifth New York Business Day following such Early Expiration Date. Settlement shall otherwise occur as described under "Book-Entry Procedures and Settlement". The Company will notify Holders as soon as practicable of such delisting or trading suspension. The Company has agreed in the Warrant Agreement that it will not seek delisting of the Warrants or suspension of their trading on the American Stock Exchange.

The Warrants may also expire on the date of occurrence of certain events in bankruptcy, insolvency or reorganization involving the Company (any such date also being an "Early Expiration Date") and the Warrants will be automatically exercised as of the New York Business Day immediately preceding such Early Expiration Date. The Cash Settlement Value, if any (determined as provided under "Exercise of Warrants"), of such automatically exercised Warrants will be due and payable on the fifth New York Business Day following such Early Expiration Date. Settlement will otherwise occur as described under "Book-Entry Procedures and Settlement".

MODIFICATION

The Warrant Agreement and the terms of the Warrants may be amended by the Company and the Warrant Agent, without the consent of the Holders of any Warrants, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Company may deem necessary or desirable and which will not materially and adversely affect the interests of the Holders of the Warrants.

The Company and the Warrant Agent also may modify or amend the Warrant Agreement and the terms of the Warrants, with the consent of the Holders of not less than a majority in number of the then outstanding Warrants affected, provided that no such modification or amendment that changes the Spot Yield so as to adversely affect the Holder, shortens the period of time remaining to the Expiration Date or otherwise materially and adversely affects the exercise rights of the Holders of the Warrants or reduces the percentage of the number of outstanding Warrants, the consent of whose Holders is required for modification or amendment of a Warrant Agreement or the terms of Warrants may be made without the consent of the Holders of Warrants affected thereby.

MERGER AND CONSOLIDATION

The Company may consolidate or merge with or into any other corporation, and the Company may sell, lease or convey all or substantially all of its assets to any corporation, provided that the corporation (if other than the Company) formed by or resulting from any such consolidation or merger or which shall have received such assets shall be a corporation organized and existing under the laws of the United States of America or a state thereof and shall assume payment of the Cash Settlement Value with respect to all unexercised Warrants, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Warrant Agreement and of the Global Warrant to be performed by the Company.

CMT YIELD

GENERAL

U.S. Treasury securities, including those used to calculate the CMT Yield, are direct obligations of the United States government and carry the full faith and credit of the United States of America. The Warrants, however, are solely the obligation of the Company and are not backed by the full faith and credit of the United States. If the CMT Yield is determined using yields reported on Telerate Page 7052, in H.15(519) or as reported by the Federal Reserve Bank of New York as described in "Description of the Warrants--Cash Settlement Value", the CMT Yield will be a one-week average yield on 2-year United States Treasury securities at "constant maturity" (the "Weekly CMT Yield"). Yields on Treasury securities at "constant maturity" used to calculate the Weekly CMT Yield are interpolated from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based upon the market yields on actively traded Treasury securities in the over-the-counter market. The constant maturity yield values are derived from the yield curve at fixed maturities. This method permits estimation of the yield for a two year maturity, even if no outstanding security has exactly two years remaining to maturity. If the Weekly CMT Yield cannot be calculated, the CMT Yield will be determined based on the yield to maturity of certain Treasury securities on the Exercise Date based on secondary market offer prices of certain dealers as more fully described in "Description of the Warrants--Cash Settlement Value". The value of the CMT Yield during the term of the Warrants will likely not be calculated based on one specific Treasury security.

HISTORICAL INFORMATION ON THE CMT YIELD

The following table sets forth the monthly averages of the daily yield on 2-year United States Treasury securities at "constant maturity" from 1989 to the present. The CMT Yield used to calculate the Cash Settlement Value will be the one-week average yield on 2-year United States Treasury securities at "constant maturity" available during the calendar week preceding the Exercise Date, or if such yield is not available as described under "Description of the Warrants--Cash Settlement Value", the yield to maturity on specified United States Treasury securities on the Exercise Date. The historical experience of the CMT Yield should not be taken as an indication of future performance and no assurance can be given that the value of the CMT Yield will not decline and thereby cause the Cash Settlement Value with respect to the Warrants to equal zero.

<TABLE>
<CAPTION>

<S>	CMT YIELD <C>
January	9.18%
1989:	
February	9.37%
March	9.68%
April	9.45%
May	9.02%
June	8.41%
July	7.82%
August	8.14%
September	8.28%
October	7.98%
November	7.80%
December	7.78%
January	8.09%
1990:	
February	8.37%
March	8.63%
April	8.72%
May	8.64%
June	8.35%
July	8.16%
August	8.06%

</TABLE>

<TABLE>
<CAPTION>

<S>	CMT YIELD <C>
September	8.08%
October	7.88%
November	7.60%
December	7.31%
January	7.13%
1991:	
February	6.87%
March	7.10%
April	6.95%
May	6.78%
June	6.96%
July	6.92%
August	6.43%
September	6.18%
October	5.91%
November	5.56%
December	5.03%
January	4.96%
1992:	
February	5.21%
March	5.69%
April	5.34%
May	5.23%
June	5.05%
July	4.36%
August	4.19%
September	3.89%
October	4.08%
November	4.58%
December	4.67%
January	4.39%
1993:	
February	4.10%
March	3.95%
April	3.84%
May	3.98%
June	4.16%
July	4.07%
August	4.00%
September	3.85%
October	3.87%
November	4.16%
December	4.21%
January	4.14%
1994:	

February	4.47%
March	5.00%
April	5.55%
May	5.97%
June	5.93%
July	6.13%
August	6.18%
September	6.39%
October (week ending October 14, 1994)	6.63%

</TABLE>

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Source: Federal Reserve Board Statistical Release H.15(519) under "Selected Interest Rates".

The following graph sets forth the historical performance of the monthly averages of the daily yield on 2-year United States Treasury securities at "constant maturity" from January 1989 through October 1994. PAST MOVEMENTS OF THE CMT YIELD ARE NOT NECESSARILY INDICATIVE OF THE FUTURE CMT YIELD. The actual CMT Yield could materially differ from those set forth below. The CMT Yield for the week ending October 14, 1994 was 6.63%.

CMT Yield -- Historical Performance
Monthly Averages from January 1989 through October 1994

[GRAPHIC NO. 1]

Source: Federal Reserve statistical release

The information presented in this Prospectus Supplement relating to the CMT Yield is furnished as a matter of information only. The fluctuations in the CMT Yield that have occurred in the past are not necessarily indicative of fluctuations in that rate which may occur over the term of the Warrants.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS CONCERNING THE WARRANTS

Set forth in full below is the opinion of Brown & Wood, counsel to the Company, as to certain United States Federal income tax consequences of the purchase, ownership and disposition of a Warrant. Such opinion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect) or possible differing interpretations. The following discussion of certain United States Federal income tax consequences to Holders of the Warrants applies only to a person who holds a Warrant as a capital asset and does not purport to address the United States Federal income tax consequences to special classes of investors including persons who are securities or options dealers, or persons who may hold the Warrants as part of an integrated transaction (e.g., as part of a hedge or straddle for tax purposes). Prospective purchasers of Warrants are urged to consult their own tax advisors as to the application of the United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Warrants arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Warrant that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source or (iv) any other person whose income or gain in respect of a Warrant is effectively connected with the conduct of a United States trade or business. As used herein, the term "non-U.S. Holder" means a Holder of a Warrant that is not a U.S. Holder.

GENERAL

The United States Federal income tax treatment of the Warrants will depend upon how the Warrants are characterized for United States Federal income tax purposes and the United States Federal income tax consequences of the purchase, ownership and disposition of the Warrants could differ significantly depending upon whether the Warrants are characterized as "options" or as some financial instrument other than an option. Prospective investors in the Warrants should be aware that there are no statutes, regulations, published rulings or judicial decisions involving the characterization, for United States Federal income tax purposes, of securities with terms substantially the same as the Warrants. Accordingly, it is unclear how the Warrants will be characterized for United States Federal income tax purposes.

U.S. HOLDERS

If the Warrants are characterized as "options" for United States Federal income tax purposes, then each Warrant should be treated as a "nonequity" option for purposes of Section 1256 of the Internal Revenue Code of 1986, as amended (the "Code"), which must be "marked-to-market". Accordingly, under such circumstances, a U.S. Holder of a Warrant would be required to treat such Warrant as if sold for its fair market value on the last business day of the U.S. Holder's taxable year and would be required to recognize taxable gain or loss for that taxable year in an amount equal to the difference between the fair market value of the Warrant on the last business day of such taxable year and the U.S. Holder's adjusted tax basis in the Warrant. A U.S. Holder's adjusted tax basis in a Warrant would equal such U.S. Holder's initial investment in the Warrant, increased or decreased by any net gain or loss recognized by the U.S. Holder in respect of the Warrant in prior taxable years. In addition, upon the sale, exchange, exercise or expiration of a Warrant, a U.S. Holder would be required to recognize taxable gain or loss in an amount equal to the difference between the amount realized upon such sale, exchange, exercise or expiration and the U.S. Holder's adjusted tax basis in the Warrant. Any gain or loss recognized by a U.S. Holder of a Warrant in accordance with the preceding rules would generally be treated as 60 percent long-term capital gain or loss and 40 percent short-term capital gain or loss.

If the Warrants are not characterized as "options" for United States Federal income tax purposes, then the United States Federal income tax treatment of the purchase, ownership and disposition of the Warrants could differ from the treatment discussed above with the result that the timing and character of income, gain or loss recognized by a U.S. Holder with respect to a Warrant could differ from the timing and character of income, gain or loss recognized with respect to a Warrant had the Warrants been treated as "options" for United States Federal income tax purposes. For instance, the Warrants could possibly be characterized as notional principal contracts for United States Federal income tax purposes. If the Warrants were characterized as notional principal contracts for United States Federal income tax purposes, then it is possible that a U.S. Holder of a Warrant would be required to recognize taxable gain or loss with respect to a Warrant only upon the sale, exchange, exercise or expiration of the Warrant. The amount of gain or loss required to be recognized by a U.S. Holder with respect to a Warrant under such circumstances would be equal to the difference between the amount realized upon such sale, exchange, exercise or expiration and the amount of the U.S. Holder's initial investment in the Warrant. Such gain or loss would generally be treated as long-term capital gain or loss if the Warrant was held by the U.S. Holder for more than one year (although it is possible that such gain or loss upon exercise or expiration could be treated as ordinary income or loss). However, it is

also possible that if the Warrants were characterized as notional principal contracts for United States Federal income tax purposes, a U.S. Holder would be required to deduct such U.S. Holder's initial investment in a Warrant over the entire term of the Warrant. Such deduction could possibly be part capital loss and part ordinary interest deduction (although it is also possible that such deduction could be part ordinary loss and part ordinary interest deduction). In addition, under this approach, assuming that the Warrant had been held for more than one year, a U.S. Holder should be required to recognize a long-term capital gain with respect to a Warrant upon the sale, exchange or exercise of the Warrant in an amount equal to the amount realized upon such sale, exchange or exercise (although it is possible that any gain upon exercise could be treated as ordinary income). Alternatively, it is also possible that the Warrants could be characterized, for United States Federal income tax purposes, as either contingent payment debt instruments or some other type of commercial or financial contract. In light of the uncertainty concerning the proper United States Federal income tax characterization of the Warrants, prospective investors are urged to consult their own tax advisors as to the proper characterization and treatment of the Warrants for United States Federal income tax purposes.

The Company, where required, currently intends to report any gross proceeds received upon the sale, exchange or exercise of a Warrant on an IRS Form 1099B.

NON-U.S. HOLDERS

Gains realized on the sale, exchange or exercise of a Warrant by a non-U.S. Holder will not be subject to United States Federal income or withholding tax in respect of such amounts, assuming the income is not effectively connected with a United States trade or business of the non-U.S. Holder. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its own tax advisor in this regard.

Under current law, the fair market value of a Warrant may be includible in the estate of an individual non-U.S. Holder for United States Federal estate tax purposes, unless an applicable estate tax treaty provides otherwise. Individual non-U.S. Holders should consult their own tax advisors concerning the United States Federal estate tax consequences, if any, of investing in the Warrants.

BACKUP WITHHOLDING

A Holder of a Warrant may be subject to backup withholding at the rate of 31 percent with respect to the gross proceeds upon a sale or exercise of a Warrant if such Holder fails to supply an accurate taxpayer identification number and does not establish, when required, that it is an exempt recipient or a non-U.S. Holder. Any amount withheld under the backup withholding rules would be allowed as a refund or a credit against the Holder's United States Federal income tax provided the required information is furnished to the IRS.

USE OF PROCEEDS

A substantial portion of the proceeds from the sale of the Warrants may be used to hedge market risks with respect to the payment at expiration of the Warrants. The Company does not intend to confine its hedging activities to any particular domestic or foreign exchanges.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to the terms and conditions of the Underwriting Agreement and a Terms Agreement, to purchase from the Company all of the Warrants offered hereby. The Underwriting Agreement and Terms Agreement provide that the Underwriter will purchase all the Warrants if any are purchased.

The Underwriter has advised the Company that it proposes initially to offer all or part of the Warrants directly to the public at the offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession not in excess of $. After the initial public offering, the public offering price and concession may be changed.

An affiliate of the Underwriter will receive a fee from the Company for assisting the Company in arranging hedging of the Company's risks with respect to the Warrants.

VALIDITY OF SECURITIES

The validity of the Securities will be passed upon for the Company and for the Underwriter by Brown & Wood, New York, New York.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL UNDER ANY CIRCUMSTANCE CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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LOGO

MERRILL LYNCH & CO., INC.

2,000,000
CONSTANT MATURITY U.S. TREASURY YIELD
INCREASE WARRANTS,
EXPIRING JANUARY 25, 1996

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

, 1994

GRAPHICS APPENDIX LIST

PAGE WHERE GRAPHIC APPEARS	DESCRIPTION OF GRAPHIC OR CROSS REFERENCE
S-20	GRAPHIC NO. 1 Graph entitled "CMT Yield -- Historical Performance" "Monthly Averages from January 1989 through October 1994". The graph sets forth the monthly averages of the daily yield on 2-year United States Treasury securities at "constant maturity", with the vertical axis specifying the monthly averages of the daily yield on 2-year United States Treasury securities at "constant maturity" in a range from 10 to 3, in increments of 1, and the horizontal axis specifying the times period in increments of approximately four months, beginning with January 1989 and ending with October 1994.