

Prospectus Supplement No. 1
(To Prospectus Dated August 10, 1998)

\$1,012,198,000
XEROX CORPORATION
CONVERTIBLE SUBORDINATED DEBENTURES DUE 2018

The information contained under the heading "Selling Security Holders" in the Prospectus dated August 10, 1998 relating to \$1,012,198,000 aggregate principal amount at maturity of Convertible Subordinated Debentures due 2018 of Xerox Corporation (the "Company"), and such indeterminate number of shares of Common Stock, par value \$1.00 per share, of the Company as may be issuable upon the conversion of the Debentures, that may be offered and sold from time to time by the several holders thereof (the "Selling Holders") is hereby supplemented by adding thereto the following additional Selling Holders:

NAME OF SELLING HOLDER -----	PRINCIPAL AMOUNT AT MATURITY OF DEBENTURES BENEFICIALLY OWNED AND THAT MAY BE OFFERED HEREBY ----- (In U.S. Dollars)
Associated Electric & Gas Insurance Services Limited	3,000,000
Deutsche Bank A.G.	6,625,000

The date of this Prospectus Supplement is August 12, 1998.