

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

AVERY DENNISON CORPORATION

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

053611109

(CUSIP Number)

Robert G. van Schoonenburg
Secretary
Avery Dennison Corporation
150 North Orange Grove Boulevard
Pasadena, California 91103

(Name, address and telephone number of person authorized to receive notices
and communications)

October 24, 1996

(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report
the acquisition which is the subject of this Schedule 13D, and is filing this
schedule because of Rule 13d-1(b) (3) or (4), check the following box: / /

Check the following box if a fee is being paid with this statement: / /

1. Name of Reporting Person

Wachovia Bank of North Carolina, N.A., as Trustee
for the Avery Dennison Corporation Employee Stock Benefit Trust

S.S. or I.R.S. Identification Number of Above Person: 56-6394187

2. Check the Appropriate Box if a Member of a Group (a) / /

Not Applicable (b) / /

3. SEC Use Only

4. Source of Funds SC, 00

5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) / /

6. Citizenship or Place of Organization: Delaware

Number of Shares Beneficially Owned by Each Reporting Person With

7. Sole Voting Power: 0

8. Shared Voting Power: 9,000,000

9. Sole Dispositive Power: 0

10. Shared Dispositive Power: 9,000,000

11. Aggregate Amount Beneficially Owned by Each Reporting Person: 9,000,000

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares / /

13. Percent of Class Represented by Amount in Row: 14.7% as of 10/24/96

14. Type of Reporting Person: BK, EP

The filing of this statement on Schedule 13D by the Avery Dennison Corporation Employee Stock Benefit Trust (the "Trust") does not constitute, and should not be construed as, an admission that either the Trust or Wachovia Bank of North Carolina, N.A., as trustee of the Trust (the "Trustee"), beneficially owns any securities covered by this Statement or is required to file this Statement. In this connection, the Trust and the Trustee disclaim beneficial ownership of the securities covered by this Statement.

ITEM 1. SECURITY AND ISSUER

The class of equity securities to which this Statement relates is the Common Stock, \$1.00 par value (the "Common Stock"), of Avery Dennison Corporation, a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at 150 North Orange Grove Boulevard, Pasadena, California 91103.

ITEM 2. IDENTITY AND BACKGROUND

This Statement is being filed by the Trust. The business address of the Trust is c/o Wachovia Bank of North Carolina, N.A., 101 North Main Street, Winston-Salem, North Carolina 27150. The address of the Trustee is 101 North Main Street, Winston-Salem, North Carolina 27150. The Trust is a trust organized under the laws of the State of Delaware. The Trustee is a national banking association organized under the laws of the United States.

During the past five years, neither the Trust nor the Trustee has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

On October 24, 1996 the Issuer and the Trustee, as trustee for the Trust, entered into a trust agreement creating the Trust (the "Trust Agreement"), and the Issuer sold 9,000,000 shares of Common Stock to the Trust pursuant to the terms of a common stock purchase agreement (the "Common Stock

Purchase Agreement") between the Issuer and the Trustee, as trustee for the Trust, in exchange for a promissory note in the amount of \$564,750,000 (the "Note"). The Note bears interest at the rate of 8% per annum and is payable in quarterly installments through January 1, 2011. Principal and interest on the Note are expected to be repaid through contributions to the Trust by the Issuer and dividends received on the shares of Common Stock issued to the Trust.

ITEM 4. PURPOSE OF TRANSACTION

The Issuer has advised the Trustee that the Trust was created to satisfy future obligations under existing benefit plans, including stock plans, 401(k) plans, and other employee benefit plans as designated by the company and to foster employee ownership in the Issuer. The Trust was created with an intent to motivate employees and thus to enhance the Issuer's long-term performance, thereby benefiting all stockholders of the Issuer. The Issuer has further advised the Trustee that the Issuer is aware that the creation of the trust and the purchase of shares of Common Stock by the Trust may have certain antitakeover effects. The Trust originally owned approximately 14.7% of the Company's outstanding shares of Common Stock. Under the Delaware General Corporation Law, a merger requires the affirmative vote of a majority of the outstanding shares. The transfer of shares of Common Stock to the Trust may thus make it more difficult for an acquirer to obtain an affirmative merger vote without employee support. Similarly, pursuant to Section 203 of the Delaware General Corporation Law, an interested stockholder (defined as one owning more than 15% of the Issuer's stock) must obtain a two-thirds vote of the other stockholders before engaging in a business combination with the Issuer for three years on or after the date he becomes an interested stockholder unless he (1) obtains the approval of the Issuer's Board of Directors before that date, or (2) obtains the approval of the Board and the holders of two-thirds of the outstanding shares not held by him after that date, or (3) acquires at least 85% of the Issuer's voting stock in the same transaction that resulted in his becoming an interested stockholder. Stock held by employee stock plans is excluded from the 85% calculation unless the employees have the right to tender their shares confidentially. Since the Trust grants employees this right, the 14.7% stake held by employees through the Trust would be included in the 85% calculation. Thus, a potential acquirer who has not received Board approval would find it difficult to engage in a business combination prior to the expiration of this three-year period unless he is able to induce at least some employees to support his proposal.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

The Trust holds 9,000,000 shares of Common Stock or 14.7% of the Company's outstanding shares of Common Stock, as to which it may be deemed to have shared voting and dispositive power. The shares will be allocated during the course of the year or in following years as provided in the Trust Agreement. The Issuer has advised the Trustee that the Issuer's contributions to the plans, as defined in the Trust Agreement ("Plans"), will be decreased by the value of the shares allocated to the Plans from the Trust.

The Trust Agreement provides that active vested participants in the option plans ("Participants") will have full authority to vote all shares of Common. The Trust Agreement provides that the Trustee will vote unallocated shares of Common Stock held in the Trust's suspense account, and allocated shares as to which Participants in the Plans do not instruct the Trustee, in the same proportions as the shares of Common Stock, for which instructions are received. With respect to the decision as to whether or not to accept any tender or exchange offer for shares of Common Stock the Trust Agreement provides that the Trustee will similarly act at the direction of Participants in the Plans and will tender or exchange unallocated shares of Common Stock in the same proportion as the percentage of allocated shares of Common Stock for which instructions to tender or exchange have been received. The Trustee will not tender or exchange any other shares of Common Stock. The Trust Agreement further provides that all voting instructions and all tender or exchange instructions received by the Trustee will be held in confidence and not disclosed to any person, including the Issuer.

The filing of this Statement on Schedule 13D by the Trust does not constitute, and should not be construed as, an admission that either the Trust or the Trustee beneficially owns any securities covered by this Statement or is required to file this Statement. In this connection, the Trust and the Trustee disclaim beneficial ownership of the securities covered by this Statement.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

The Issuer and the Trustee, as trustee for the Trust, have entered into the Trust Agreement and the Common Stock Purchase Agreement, and the Trustee, as trustee for the Trust, has issued the Note to the Issuer.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The Trust Agreement, the Common Stock Purchase Agreement and the Note have previously been filed as Exhibits under Form 8K filed by Issuer on October 25, 1996. That filing is incorporated by reference herein.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: 11/1/96

WACHOVIA BANK OF NORTH CAROLINA, N.A., TRUSTEE

/s/John N. Smith, III

NAME: John N. Smith, III

TITLE: Vice President