UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________________ to ________________________

Commission File number 1-4982

PARKER-HANNIFIN CORPORATION
(Exact name of registrant as specified in its charter)

OHIO	34-0451060
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)
6035 Parkland Blvd., Cleveland, Ohio	44124-4141
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (216) 896-3000

Indicate by check mark whether 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, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Number of Common Shares outstanding at December 31, 1999 112,086,749

PART I - FINANCIAL INFORMATION
PARKER-HANNIFIN CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(Dollars in thousands, except per share amounts)
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,239,207	$ 1,199,021	$ 2,481,500	$ 2,417,745
Cost of sales	971,298	943,167	1,947,919	1,890,474
Gross profit	267,909	255,854	533,581	527,271
Selling, general and administrative expenses	140,157	141,370	278,305	275,528
Interest expense	14,028	17,341	28,571	33,416
Interest and other (income) expense, net	(724)	333	(100)	406
Income before income taxes	114,448	96,810	226,805	217,921
Income taxes	39,485	33,278	78,248	76,272

Net income	$ 74,963	$ 63,532	$ 148,557	$ 141,649
Earnings per share - Basic	$ .69	$ .59	$ 1.36	$ 1.30
Earnings per share - Diluted	$ .68	$ .58	$ 1.35	$ 1.29
Cash dividends per common share	$ .17	$ .15	$ .34	$ .30

</TABLE>

See accompanying notes to consolidated financial statements.

PARKER-HANNIFIN CORPORATION
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)
(Unaudited)

<TABLE>
<CAPTION>

ASSETS	December 31, 1999	June 30, 1999
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 74,353	$ 33,277
Accounts receivable, net	692,357	738,773
Inventories:		
Finished products	488,875	442,361
Work in process	302,534	347,376
Raw materials	123,628	125,393
	915,037	915,130
Prepaid expenses	19,021	22,928
Deferred income taxes	66,722	64,576
Total current assets	1,767,490	1,774,684
Plant and equipment	2,572,878	2,506,812
Less accumulated depreciation	1,358,676	1,305,943
	1,214,202	1,200,869
Other assets	740,719	730,335
Total assets	$ 3,722,411	$ 3,705,888
LIABILITIES		
Current liabilities:		
Notes payable	$ 61,123	$ 60,609
Accounts payable, trade	253,798	313,173
Accrued liabilities	299,742	328,147
Accrued domestic and foreign taxes	39,130	52,584
Total current liabilities	653,793	754,513
Long-term debt	713,592	724,757
Pensions and other postretirement benefits	279,760	276,637
Deferred income taxes	31,247	30,800
Other liabilities	75,075	65,319
Total liabilities	1,753,467	1,852,026
SHAREHOLDERS' EQUITY		
Serial preferred stock, $.50 par value; authorized 3,000,000 shares; none issued	--	--
Common stock, $.50 par value; authorized 600,000,000 shares; issued 112,130,445 shares at December 31 and 111,945,179 shares at June 30	56,065	55,973
Additional capital	134,536	132,227
Retained earnings	1,983,832	1,872,356
Unearned compensation related to guarantee of ESOP debt	(105,035)	(112,000)
Deferred compensation related to stock options	1,304	
Accumulated other comprehensive income	(99,865)	(92,858)
	1,970,837	1,855,698
Common stock in treasury at cost; 43,696 shares at December 31 and 43,836 shares at June 30	(1,893)	(1,836)
Total shareholders' equity	1,968,944	1,853,862
Total liabilities and shareholders' equity	$ 3,722,411	$ 3,705,888

</TABLE>

See accompanying notes to consolidated financial statements.

PARKER-HANNIFIN CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended December 31, 1999	Six Months Ended December 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 148,557	$ 141,649
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	88,019	85,636
Amortization	18,943	19,146
Deferred income taxes	(3,019)	(4,454)
Foreign currency transaction loss (gain)	3,443	(3,752)
(Gain) loss on sale of plant and equipment	(6,955)	794
Changes in assets and liabilities:		
Accounts receivable, net	44,321	68,054
Inventories	657	(39,916)
Prepaid expenses	3,904	5,430
Other assets	2,541	(15,381)
Accounts payable, trade	(59,077)	(69,408)
Accrued payrolls and other compensation	(34,371)	(58,234)
Accrued domestic and foreign taxes	(12,640)	(5,990)
Other accrued liabilities	4,978	(15,494)
Pensions and other postretirement benefits	4,245	10,116
Other liabilities	9,706	4,649
Net cash provided by operating activities	213,252	122,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions (less cash acquired of $2,609 in 1998)	(5,711)	(89,865)
Capital expenditures	(114,114)	(114,650)
Proceeds from sale of plant and equipment	20,203	2,364
Other	(30,100)	1,045
Net cash used in investing activities	(129,722)	(201,106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (payments for) common share activity	3,649	(47,863)
(Payments for) proceeds from notes payable, net	(523)	75,569
Proceeds from long-term borrowings	3,692	206,621
Payments of long-term borrowings	(8,867)	(115,895)
Dividends	(37,081)	(32,700)
Net cash (used in) provided by financing activities	(39,130)	85,732
Effect of exchange rate changes on cash	(3,324)	1,981
Net increase in cash and cash equivalents	41,076	9,452
Cash and cash equivalents at beginning of year	33,277	30,488
Cash and cash equivalents at end of period	$ 74,353	$ 39,940

</TABLE>

See accompanying notes to consolidated financial statements.

PARKER-HANNIFIN CORPORATION
BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Dollars in thousands)
(Unaudited)

Parker operates in two industry segments: Industrial and Aerospace. The

Dollars in thousands, except per share amounts

Industrial Segment is the largest and includes a significant portion of International operations.

Industrial - This segment produces a broad range of motion control and fluid systems and components used in all kinds of manufacturing, packaging, processing, transportation, mobile construction, agricultural and military machinery and equipment. Sales are made directly to major original equipment manufacturers (OEMs) and through a broad distribution network to smaller OEMs and the aftermarket.

Aerospace - This segment designs and manufactures products and provides aftermarket support for commercial, military and general aviation aircraft, missile and spacecraft markets. The Aerospace Segment provides a full range of systems and components for hydraulic, pneumatic and fuel applications.

Results by Business Segment:
<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net sales				
Industrial:				
North America	$ 658,542	$ 603,874	$1,326,211	$1,225,469
International	303,918	316,902	602,381	632,132
Aerospace	276,747	278,245	552,908	560,144
Total	$1,239,207	$1,199,021	$2,481,500	$2,417,745
Segment operating income				
Industrial:				
North America	$ 87,200	$ 67,170	$ 180,883	$ 149,325
International	21,787	21,315	32,999	48,137
Aerospace	36,939	41,937	71,987	85,776
Total segment operating income	145,926	130,422	285,869	283,238
Corporate general and administrative expenses	14,087	15,337	28,200	27,632
Income before interest expense and other	131,839	115,085	257,669	255,606
Interest expense	14,028	17,341	28,571	33,416
Other	3,363	934	2,293	4,269
Income before income taxes	$ 114,448	$ 96,810	$ 226,805	$ 217,921

</TABLE>

1. Management Representation

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals except as discussed in Note 2) necessary to present fairly the financial position as of December 31, 1999, the results of operations for the three and six months ended December 31, 1999 and 1998 and cash flows for the six months then ended.

2. Charges related to business realignment

During the first quarter of fiscal 2000 the Company recorded a $8,555 charge ($5,560 after-tax or $.05 per share) related to the costs of appropriately structuring its businesses to operate in their current economic environment. The charge primarily relates to severance costs attributable to approximately 260 employees principally associated with the Industrial International operations. As of December 31, 1999, the Company had made severance payments of $2,035 to approximately 130 employees. The remaining severance payments are expected to be made by the end of fiscal 2000.

A change in the future utilization of long-lived assets at certain locations triggered an impairment review of these long-lived assets during the first quarter of fiscal 2000. The Company evaluated the recoverability of the long-lived assets and determined that the estimated future undiscounted cash flows were below the carrying value of these assets. Accordingly, the Company recorded a non-cash impairment loss of $4,875 ($3,169 after-tax or $.03 per share). Of the pre-tax amount, $3,499 relates to the Aerospace segment and $1,376 relates to the Industrial segment.

The severance costs and impairment loss are presented in the Income statement for the six months ended December 31, 1999 in the following captions: $2,552 in Cost of sales; $2,476 in Selling, general and administrative expenses; and $8,402 in Interest and other (income) expense, net.

Also recorded in the first quarter of fiscal 2000, was a gain of $6,423 ($4,175 after-tax or $.04 per share) realized primarily on the sale of real property. The gain is reflected in the Income statement for the six months ended December 31, 1999 in the Interest and other (income) expense, net caption.

3. Earnings per share

The following table presents a reconciliation of the numerator and denominator of basic and diluted earnings per share for the three and six months ended December 31, 1999 and 1998.

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
NUMERATOR:	1999	1998	1999	1998.
<S>	<C>	<C>	<C>	<C>
Net income applicable to common shares	$ 74,963	$ 63,532	$ 148,557	$ 141,649
DENOMINATOR:				
Basic - weighted average common shares	109,188,711	108,541,603	109,129,000	108,953,828
Increase in weighted average from dilutive effect of exercise of stock options	1,017,243	880,609	1,021,338	821,286
Diluted - weighted average common shares, assuming exercise of stock options	110,205,954	109,422,212	110,150,338	109,775,114
Basic earnings per share	$ .69	$ .59	$ 1.36	$ 1.30
Diluted earnings per share	$ .68	$ .58	$ 1.35	$ 1.29

</TABLE>

4. Stock repurchase program

The Board of Directors has approved a program to repurchase the Company's common stock on the open market, at prevailing prices. The repurchase is primarily funded from operating cash flows and the shares are initially held as treasury stock. The Company did not purchase any shares of its common stock during the three-month and six-month periods ended December 31, 1999.

5. Comprehensive income

The Company's only item of other comprehensive income is foreign currency translation adjustments recorded in shareholders' equity. Comprehensive income for the three and six months ended December 31, 1999 and 1998 is as follows:

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net income	$ 74,963	$ 63,532	$ 148,557	$ 141,649
Foreign currency translation adjustments	(20,753)	(508)	(7,007)	24,691
Comprehensive income	$ 54,210	$ 63,024	$ 141,550	$ 166,340

</TABLE>

6. Subsequent events

On January 17, 2000, the Company and Commercial Intertech Corp. announced that their Boards of Directors had unanimously approved a definitive agreement pursuant to which Commercial Intertech will merge into the Company, with the Company as the surviving corporation, in a cash and stock transaction with an equity value of approximately $366 million. In addition, the Company will assume approximately $107 million of Commercial Intertech debt.

Under the terms of the merger agreement, the Company will acquire all outstanding common stock of Commercial Intertech for $20.00 per share in exchange for Company common stock, subject to a collar. Commercial Intertech shareholders will receive the Company's common stock based on an exchange ratio that will be determined based on the average closing price of Company common stock for the 20 trading-day period ending five trading days immediately preceding the closing date of the merger. Commercial Intertech shareholders may elect to receive $20.00 per share in cash, subject to the limitation that no more than 49 percent of the total merger consideration is paid in cash.

The merger is anticipated to close during the Company's quarter ending June 30, 2000. The Company plans to account for the transaction using the purchase method of accounting.

On February 3, 2000, the Company announced their agreement to acquire the assets of Dana Corporation's Gresen Hydraulic business for approximately $112 million cash. Gresen manufactures a wide range of hydraulic pumps, motors, cylinders, control valves, filters and electronic controls for on- and off-highway vehicles and had prior-year annual sales of approximately $128 million.

PARKER-HANNIFIN CORPORATION

FORM 10-Q
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 1999
AND COMPARABLE PERIODS ENDED DECEMBER 31, 1998

CONSOLIDATED STATEMENT OF INCOME

Net sales increased 3.4 percent for the second quarter of fiscal 2000 and 2.6 percent for the six-month period ended December 31, 1999. Without acquisitions, the increases would have been 3.2 percent and 2.0 percent, respectively. Excluding acquisitions, these increases primarily result from higher volume in the North American Industrial operations.

Income from operations was $127.8 million for the current second quarter and $255.3 million for the current six months, an increase of 11.6 percent and 1.4 percent, respectively. As a percent of sales, Income from operations increased to 10.3 percent from 9.5 percent for the quarter and declined to 10.3 percent from 10.4 percent for the six months. Cost of sales as a percent of sales declined to 78.4 percent from 78.7 percent for the quarter and increased to 78.5 percent from 78.2 percent for the six months. The increased margins in the second quarter are primarily the result of higher volume experienced in the North American Industrial operations, partially offset by lower volume and mix of original-equipment programs in the Aerospace operations. The declining margins for the six months reflect the weakness experienced in the International Industrial and Aerospace operations as well as the effect of business realignment charges recorded in fiscal 2000 (as discussed in more detail below). Selling, general and administrative expenses, as a percent of sales, decreased to 11.3 percent of sales from 11.8 percent for the quarter and to 11.2 percent from 11.4 percent for the six months.

Interest expense decreased $3.3 million for the quarter ended December 31, 1999 and $4.8 million for the six-month period ended December 31, 1999 due to lower average debt outstanding in both the current year quarter and six months.

Interest and other (income) expense, net for six months includes $6.4 million in gains primarily from the sale of real property and $8.4 million of asset impairment losses and other plant closure costs.

Net income increased 18.0 percent for the quarter, and 4.9 percent for the six months, as compared to the prior year. As a percent of sales, Net income increased to 6.0 percent from 5.3 percent for the quarter and to 6.0 percent from 5.9 percent for the six months.

Backlog was $1.65 billion at December 31, 1999 compared to $1.61 billion in the prior year and $1.63 billion at June 30, 1999. The increase in the level of backlog reflects an improvement in orders in the North American Industrial operations.

RESULTS BY BUSINESS SEGMENT

INDUSTRIAL - The Industrial Segment operations had the following changes in Net sales in the current year when compared to the equivalent prior-year period:

<TABLE>
<CAPTION>

	Period ending December 31,	
	Three Months	Six Months
<S>	<C>	<C>
Industrial North America	9.1 %	8.2 %
Industrial International	(4.1) %	(4.7) %
Total Industrial	4.5 %	3.8 %

</TABLE>

Without the effect of currency-rate changes, International sales would have increased 6.2 percent for the quarter and 3.3 percent for the six months.

Without the effect of acquisitions completed within the past 12 months, the changes in Net sales would have been:

<TABLE>
<CAPTION>

	Period ending December 31,	
	Three Months	Six Months
<S>	<C>	<C>
Industrial North America	9.1 %	7.3 %
Industrial International	(4.7) %	(5.5) %
Total Industrial	4.3 %	2.9 %

</TABLE>

The increase in Industrial North American sales is attributed to higher volume, particularly in the semiconductor manufacturing and telecommunications markets. International Industrial sales were affected by the struggling industrial economy in Europe and Latin America while Asia Pacific sales were higher.

Operating income for the Industrial segment increased 23.2 percent for the quarter and 8.3 percent for the six months. Industrial North American operating income increased 29.8 percent for the quarter and 21.1 percent for the six months. Industrial North American operating income, as a percent of sales, increased to 13.2 percent from 11.1 percent for the quarter and to 13.6 percent from 12.2 percent for the six months as margins benefited from the higher sales volume.

Industrial International operating income increased 2.2 percent for the quarter and decreased 31.4 percent for the six months. Included in the International Industrial operating income for the current year six-month period was $9.0 million in business realignment charges. These charges were made as a result of actions the Company took to appropriately structure the European operations to operate in their current environment. Without the business realignment charges, International Industrial operating income decreased 12.8 percent for the current year first six months compared to the prior year six months. Excluding the business realignment charges, Industrial International operating income, as a percent of sales, increased to 7.2 percent from 6.7 percent for the quarter and decreased to 7.0 percent from 7.6 percent for the six months. The increase in margins for the current quarter is a result of the higher sales volume (excluding currency) while the six month margins reflect the weakness in the European operations.

Total Industrial Segment backlog increased 4.4 percent compared to December 31, 1998 and 11.0 percent since June 30, 1999 driven primarily from an increase in order rates in the North American Industrial operations.

Order demand for much of fiscal 2000 has been improving across virtually all of the Industrial operations. While this upward trend is expected to continue generally, a slight downward trend in order rates in the heavy-duty truck market is expected for the balance of fiscal 2000. The weakness in the European operations experienced in the first half of fiscal 2000 has moderated and are expected to continue to improve over the balance of fiscal 2000.

AEROSPACE - Aerospace Net sales declined slightly for the quarter and 1.3 percent for the six months due to lower volume in the large aircraft business. Operating income for the Aerospace Segment declined 11.9 percent for the quarter and 16.1 percent for the six-month period. Included in the Aerospace operating income for current year six-month period was $4.4 million in business realignment charges. These charges were a result of the actions the Company took to resize the business in response to a decline in OEM orders. Excluding the business realignment charges, operating income, as a percent of sales, decreased to 13.3 percent from 15.1 percent for the quarter and to 13.8 percent from 15.3 percent for the six-month period reflecting the lower volume, a mix of original-equipment programs, as well as lower capacity utilization.

Backlog for the Aerospace Segment remained essentially the same from December 31, 1998 and decreased 3.6 percent since June 30, 1999. The decline in backlog compared to June 30, 1999 reflects the expected slowdown in OEM order rates. The Company anticipates further inventory reductions for the balance of the fiscal year in anticipation of softer commercial aviation sales.

Corporate general and administrative expenses decreased to $14.1 million from $15.3 million for the quarter and increased to $28.2 million from $27.6 million for the six months. The lower expense in the quarter is a result of reduced expenses associated with non-qualified benefit plans.

Other (in the Results by Business Segment) increased $2.4 million for the quarter as a result of currency transaction losses and decreased $2.0 million for the six months primarily as a result of gains from the sale of real property as discussed in the Consolidated Statement of Income section, partially offset by currency transaction losses.

BALANCE SHEET

Working capital increased to $1,113.7 million at December 31, 1999 from $1,020.2 million at June 30, 1999 with the ratio of current assets to current liabilities increasing to 2.7 to 1. The increase was primarily due to an increase in Cash and decreases in Accounts payable and Accrued liabilities, partially offset by a decrease in Accounts receivable.

Accounts receivable were lower by $46.4 million on December 31, 1999 compared to June 30, 1999 primarily due to the holiday induced lower level of sales in December. Days sales outstanding have increased to 49 days at December 31, 1999 from 47 days at June 30, 1999. Inventories remained flat since June 30, 1999 while months supply declined slightly.

Accounts payable, trade decreased $59.4 million since June 30, 1999 with the reduction occurring consistently throughout the operations. A portion of the decrease was the result of lower production during the holidays.

Accrued liabilities decreased $28.4 million since June 30, 1999 primarily as a result of lower incentive compensation and payroll accruals occurring throughout most of the operations.

The debt to debt-equity ratio decreased to 28.2 percent at December 31, 1999 from 29.8 percent at June 30, 1999 primarily due to a decrease in Long-term debt.

Due to the strength of the dollar, foreign currency translation adjustments resulted in a decrease in net assets of $7.0 million during the first half of fiscal 2000. The translation adjustments primarily affected Accounts receivable, Inventories and Notes payable.

STATEMENT OF CASH FLOWS

Net cash provided by operating activities was $213.3 million for the six months ended December 31, 1999, as compared to $122.8 million for the same six months of 1998. The increase in net cash provided was primarily the result of activity within the working capital items - Inventories, Accounts receivable, Accrued payrolls and Other accrued liabilities - which provided cash of $15.6 million in fiscal 2000 compared to using cash of $45.6 million in fiscal 1999. In addition, activity in Other assets provided cash of $2.5 million in the current year compared to using cash of $15.4 million in the prior year.

Net cash used in investing activities declined to $129.7 million for fiscal 2000 compared to $201.1 million for fiscal 1999 primarily due to a reduction in the amount spent on acquisitions and an increase in the proceeds received from the sale of plant and equipment. Included in Other is an increase in cash used for equity investments in fiscal 2000.

Financing activities used cash of $39.1 million for the six months ended December 31, 1999 compared to providing cash of $85.7 million for the same period in 1998. The change resulted primarily from net debt borrowings using cash of $5.7 million in fiscal 2000 compared to providing cash of $166.3 million in the prior year, partially offset by common stock activity providing cash of $3.6 million in the current year versus using cash of $47.9 million, primarily for the repurchase of shares, in the prior year.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company enters into forward exchange contracts and cross-currency swap agreements to reduce its exposure to fluctuations in related foreign currencies. These contracts are with major financial institutions and the risk of loss is considered remote. The Company does not hold or issue derivative financial instruments for trading purposes. In addition, the Company's foreign locations, in the ordinary course of business, enter into financial guarantees through financial institutions which enable customers to be reimbursed in the event of nonperformance by the Company. The total value of open contracts and any risk to the Company as a result of these arrangements is not material to the Company's financial position, liquidity or results of operations.

YEAR 2000 CONSIDERATONS

The Company took action to assure that its computerized products and systems and all external interfaces were Year 2000 compliant. These actions were part of a formal information technology initiative which the Company began several years ago. The Company has not experienced any business interruptions as a result of the Year 2000.

In addition, the Company contacted its key suppliers, customers, distributors and financial service providers regarding their Year 2000 status. Follow-up inquiries and audits indicated that substantially all key third parties would be year 2000 compliant on a timely basis. The Company is unaware of any key suppliers, customers, distributors or financial service providers who have experienced problems regarding their Year 2000 compliance.

While there have been no known adverse consequences of any unsuccessful modifications significantly affecting the financial position, liquidity, or results of operations of the Company, there can be no assurance that any unknown unsuccessful modifications would not have an adverse impact on the Company.

FORWARD-LOOKING STATEMENTS

This Report on Form 10-Q and other written reports and oral statements made from time to time by the Company may contain "forward-looking statements", all of which are subject to risks and uncertainties. All statements which address operating performance, events or developments that we expect or anticipate will occur in the future, including statements relating to growth, operating margin performance or earnings per share or statements expressing general opinions about future operating results, are forward-looking statements.

These forward-looking statements rely on a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside the Company's control, that could cause actual results to differ materially from such statements. Such factors include:

- continuity of business relationships with and purchases by major customers, including among others, orders and delivery schedules for aircraft components,

- ability of suppliers to provide materials as needed,

- uncertainties surrounding timing, successful completion or integration of acquisitions,

- competitive pressure on sales and pricing,

- increases in material and other production costs which cannot be recovered in product pricing,

- uncertainties surrounding the year 2000 issues,

- difficulties in introducing new products and entering new markets, and

- uncertainties surrounding the global economy and global market conditions, including among others, the potential devaluation of currencies.

Any forward-looking statements are based on known events and circumstances at the time. The Company undertakes no obligation to update or publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this Report.

PART II - OTHER INFORMATION

ITEM 2. CHANGE IN SECURITIES AND USE OF PROCEEDS.

During the quarter ended December 31, 1999, in reliance upon Section 4(2) of the Securities Act of 1933, as amended, the Registrant issued the following shares of Common Stock, $.50 par value:

(a) 6,012 shares valued at $44.90625 per share pursuant to the Registrant's Non-Employee Directors Stock Plan in lieu of fees; and

(b) 1,054 shares upon exercise of stock options granted under the Registrant's Non-Employee Directors Stock Option Plan in exchange for an average option exercise price of $30.952. The option price was paid by previously owned shares as permitted under the Non-Employee Directors Stock Option Plan.

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

(a) The following documents are furnished as exhibits and are numbered pursuant to Item 601 of Regulation S-K:

Exhibit 10(a) - Exchange Agreement entered into as of October 29, 1999 between the Registrant and Michael J. Hiemstra including an Executive Estate Protection Plan comprised of the Executive Estate Protection Agreement among the Registrant, Michael J. Hiemstra, and the Irrevocable Trust Creating Vested Trusts for Children of Michael J. Hiemstra dated August 16, 1999 (the "Trust") and the Collateral Assignment between the Trust and the Registrant.

Exhibit 27 - Financial Data Schedule

(b) The Registrant filed a report on Form 8-K on January 19, 2000 to file the press release issued by the Registrant announcing that the Registrant entered into an Agreement and Plan of Merger with Commercial Intertech Corp. whereby Commercial Intertech Corp. will be merged with and into the Registrant, with the Registrant as the surviving corporation and to file the Agreement and Plan of Merger.

SIGNATURE

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.

PARKER-HANNIFIN CORPORATION
(Registrant)

/s/ Michael J. Hiemstra
Michael J. Hiemstra
Vice President - Finance and Administration
and Chief Financial Officer

Date: February 4, 2000

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
10(a)	Exchange Agreement entered into as of October 29, 1999 between the Registrant and Michael J. Hiemstra including an Executive Estate Protection Plan comprised of the Executive Estate Protection Agreement among the Registrant, Michael J. Hiemstra, and the Irrevocable Trust Creating Vested Trusts for Children of Michael J. Hiemstra dated August 16, 1999 (the "Trust") and the Collateral Assignment between the Trust and the Registrant.
27	Financial Data Schedule

EXHIBIT 10(a)

EXCHANGE AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into as of October 29, 1999 between Parker-Hannifin Corporation (the "Employer") and Michael J. Hiemstra (the "Participant").

RECITALS

A. The Employer has offered the Participant certain benefits under an Executive Estate Protection Plan in exchange for a portion of the Participant's future compensation.

B. The Participant desires to surrender a portion of his future compensation in order to participate in the Executive Estate Protection Plan.

AGREEMENT

NOW THEREFORE, it is mutually agreed that:

1. REDUCTION IN FUTURE COMPENSATION.

   a. SURRENDER. In consideration of the Employer's agreement to be bound by the terms of the Executive Estate Protection Plan Document (defined below), the Participant agrees to the irrevocable surrender of future base pay (the "Surrendered Compensation") in the amount of $4,166.67 per month (the "Monthly Surrenders") beginning with the month of November, 1999 and ending with the month of October, 2006 (the "Surrender Term"). The Participant acknowledges that he shall have no further rights or claims of any sort whatsoever to the Surrendered Compensation.

   b. SHORTFALL. In the event the employment of the Participant is terminated prior to October 31, 2006 for any reason other than Termination for Cause or the death of the Participant (but only if the Participant is the Decedent), the Corporation shall be entitled to reduce any cash compensation or other non-qualified benefits payable to the Participant, or his representatives, heirs or beneficiaries (including without limitation benefits payable under the Employer's Supplemental Executive Retirement Program, Savings Restoration Plan or Executive Deferral Plan) by an amount equal to the sum of the Monthly Surrenders remaining in the Surrender Term (the "Mandatory Benefit Reduction"); provided, however, to the extent any Mandatory Benefit Reduction is imposed by the Employer on any payment earlier than the corresponding Monthly Surrender would have been made by the Participant, the amount of the Mandatory Benefit Reduction shall be reduced to the present value of such Monthly Surrender calculated by using a 4.52% discount rate.

2. EXECUTIVE ESTATE PROTECTION. The Employer has provided the Participant with an Executive Estate Protection Plan, comprised of that certain Executive Estate Protection Plan Agreement by and between the Employer, the Participant and the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999, attached hereto as Exhibit A, and the "as sold" illustration of an Executive Estate Protection Plan Insurance Policy as issued by John Hancock Life Insurance Company, dated October 20, 1999 (together, the

"Executive Estate Protection Plan Document"). By his signature below, the Participant acknowledges that he has received a copy of the Executive Estate Protection Plan Document. The parties to this Agreement agree to and shall be bound by, and have the benefit of, each and every provision of the Executive Estate Protection Plan Document as set forth in the Executive Estate Protection Plan Agreement. This Agreement and the Executive Estate Protection Plan Document, collectively, shall be considered one complete contract between the parties.

3. EFFECT ON EXECUTIVE DEFERRAL PLAN. The Participant hereby agrees that the amount of any Surrendered Compensation hereunder shall reduce the maximum amount which the Participant is entitled to elect to defer under the Employer's Executive Deferral Plan.

4. EFFECT ON BONUS AND OTHER BENEFITS. The Employer hereby agrees that the amount of any Surrendered Compensation hereunder shall be included in

Participant's base pay for the purpose of determining the amount of bonus payable to the Participant under the Employer's RONA plan and for the purpose of determining the Participant's benefits under the Employer's Executive Life Insurance Plan and Supplemental Executive Retirement Program. The Participant hereby agrees that the amount of any Surrendered Compensation hereunder shall not be included in base pay for the purpose of determining allowable deferrals under the Employer's Retirement Savings Plan, Savings Restoration Plan and Executive Deferral Plan nor for the purpose of determining benefits payable under the Employer's Retirement Plan.

5. CHANGE IN CONTROL. Employer intends to seek the approval of its Board of Directors to fund all payments required by the Employer under the Executive Estate Protection Plan in an irrevocable grantor trust in the event of a Change in Control of the Employer (as such term is defined in the Change in Control Severance Agreement between the Employer and the Participant dated August 16, 1996).

6. RATING. Employer acknowledges that Participant has entered into an Underwriting Agreement with the Insurer which requires a rating analysis to be performed on the Participant and his wife on the second anniversary of the Policy, if requested by the Participant. In the event such rating analysis by the Insurer results in the willingness of the Insurer to increase the Owner's Death Benefit under the Policy, the Employer agrees, at the election of the Participant, to meet in good faith with Participant to re-negotiate the terms of the Executive Estate Protection Plan, provided said renegotiation shall not result in an increase of the after-tax present value cost to the Employer of the Executive Estate Protection Plan.

7. ACKNOWLEDGMENT. The Participant hereby acknowledges that he has read and understands this Agreement and the Executive Estate Protection Plan Document.

8. SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of, and be binding upon, the Employer and its successors and assigns, and the Participant and his assignees, devisees and heirs.

9. GOVERNING LAW. This Agreement shall be governed by and construed under the laws of the State of Ohio, as in effect at the time of the execution of this Agreement.

10. DEFINED TERMS. Initially capitalized terms used but not defined herein shall have the meaning ascribed to them in the Executive Estate Protection Plan Document.

IN WITNESS WHEREOF, the Participant has signed and the Employer has accepted this Agreement as of the date first written above.

/s/ Michael J. Hiemstra
Michael J. Hiemstra

PARKER-HANNIFIN CORPORATION

By: /s/ Duane E. Collins
Duane E. Collins
President and Chief Executive Officer

EXECUTIVE ESTATE PROTECTION AGREEMENT

This Executive Estate Protection Agreement ("Agreement") is made as of October 29, 1999, among Parker-Hannifin Corporation, an Ohio corporation, (the "Corporation"), Michael J. Hiemstra (the "Participant") and the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999 (the "Owner").

RECITALS

A. The Participant desires to insure his life and his wife's life for the benefit and protection of the Participant's family or other beneficiary under the Policy (as defined below);

B. The Corporation desires to help the Participant provide life insurance for the benefit and protection of his family or beneficiary by providing funds from time to time to pay the premiums due on the Policy in accordance with this Agreement; and

C. The Owner desires to assign certain rights and interests in the Policy to the Corporation, to the extent provided herein, as security for repayment of certain funds provided by the Corporation for the acquisition and/or maintenance of the Policy.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and the mutual agreements and covenants set forth below, the parties to this Agreement agree as follows:

1. DEFINITIONS. For purposes of this Agreement, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

(a) "Aggregate Premiums Paid" shall mean, at any time, an amount equal to the cumulative premiums paid by the Corporation on the Policy.

(b) "Cash Surrender Value" shall mean an amount that equals, at any specified time, the cash surrender value as determined under the terms of the Policy.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Collateral Assignment" shall mean an assignment made by the Owner in favor of the Corporation in a form attached to this Agreement as Exhibit 1.

(e) "Collateral Interest" shall mean the Corporation's interest in the Policy, which shall equal, at any time, the lesser of Aggregate Premiums Paid or Cash Surrender Value, and which shall be repaid to the Corporation in accordance with Section 6 below.

(f) "Corporation's Death Benefit" shall mean the portion of the Policy's death benefit equal to Aggregate Premiums Paid plus an amount equal to the cumulative premiums paid by the Owner on the policy pursuant to Section 3(b) hereof.

(g) "Decedent" shall mean the second to die of the Participant and his wife.

(h) "Designated Beneficiary" shall mean the beneficiary designated under the Policy.

(i) "Economic Income" shall mean an amount equal to the value of the "economic benefit" derived by the Participant from the Policy's life insurance protection, as determined for Federal income tax purposes under the Code. Economic Income shall include any increase in economic benefit attributable to the death of the first to die under the Policy.

(j) "Insurer(s)" shall mean John Hancock Life Insurance Company.

(k) "Investment Elections" shall mean any elections which the Owner has under the Policy to invest the Cash Surrender Value.

(l) "Owner" shall mean the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999.

(m) "Owner's Death Benefit" shall mean the portion of the Policy's death benefit, if any, that exceeds the Corporation's Death Benefit. The ultimate amount of death benefit payable under the Policy is dependent upon the financial performance of the Policy.

(n) "Participant" shall mean Michael J. Hiemstra.

(o) "Policy" shall mean the following joint life policy on the life of the Participant and his wife that is issued by the

Insurer:

<TABLE>
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INSURER	POLICY NUMBER	TYPE OF POLICY
John Hancock Life Insurance Company	20039806	Estate Protection Life Insurance

</TABLE>

(p) "Split Dollar Maturity Date" shall mean the date on which the first of any of the following events occurs:

(i) the fifteenth (15th) anniversary of the issuance of the Policy;
(ii) the death of the Decedent; or
(iii) Termination for Cause.

(q) "Termination for Cause" shall mean termination of the Participant's employment by the Corporation as a result of activity by the Participant detrimental to the interest of the Corporation, including without limitation:

(i) the rendering of services for an organization, or engaging in a business, that is in competition with the Corporation;

(ii) the disclosure to anyone outside of the Corporation, or the use for any purpose other than the Corporation's business, of confidential information or material related to the Corporation;

(iii) fraud, embezzlement, theft-in-office or other illegal activity; or

(iv) violation of the Corporation's Code of Ethics.

2. ACQUISITION OF POLICY; OWNERSHIP OF INSURANCE. The parties to this Agreement shall cooperate in applying for and obtaining the Policy. The Policy shall be issued to the Owner as the sole and exclusive owner of the Policy, subject to the rights and interests granted to the Corporation as provided in this Agreement and the Collateral Assignment. Concurrent with the signing of this Agreement, the Owner will collaterally assign the Policy to the Corporation, in the form of the Collateral Assignment, as security for the payment of the Collateral Interest, which assignment shall not be altered or changed without the mutual consent of the Corporation and the Owner.

3. PREMIUM PAYMENTS ON POLICY.

(a) PAYMENTS AND REIMBURSEMENTS. Prior to the occurrence of the Split Dollar Maturity Date, the Corporation shall pay to the Insurer, on or before each applicable premium due date, all applicable premiums for the Policy, less the amount payable by the Owner as described in subsection (b) below. The Corporation shall promptly notify Owner in writing of the amount and date of such premium payments. In the event that the Corporation fails to make any such payment, the Owner or the Participant may make (but is not required to make) any such payment, and the Corporation shall immediately reimburse the Owner or the Participant, as the case may be, for any amount so paid.

(b) PREMIUM PAYMENT BY OWNER. Prior to the occurrence of the Split Dollar Maturity Date, Owner shall pay to the Insurer, on or before each applicable premium due date, a premium payment equal to the Economic Income for such calendar year, as mutually determined by the Corporation and the Participant.

(c) PREMIUM REIMBURSEMENT. At least sixty (60) days prior to each applicable premium due date, the Corporation shall make a payment to the Participant equal to the premium payable by the Owner pursuant to subsection (b) above.

(d) TAX REIMBURSEMENT. On or before March 15 following each calendar year until the Split Dollar Maturity Date, the Corporation shall reimburse the Participant for the

Participant's state, local and federal income tax liability attributable to (i) the Participant's Economic Income for such calendar year, if any; (ii) the payment by the Corporation to the Participant pursuant to subsection (c) above; and (iii) payments made pursuant to this subsection (d). The tax rates used by the Corporation in calculating the reimbursement under this Section 3(d) shall be the appropriate federal, state and local income tax rates in effect for the Participant at the time of payment, as determined by the Corporation.

4. Corporation's Rights. The Corporation's rights and interests in and to the Policy shall be specifically limited to (i) the right to be paid its Collateral Interest and the Corporation's Death Benefit, if any, in accordance with Section 6 below, and (ii) the rights specified in the Collateral Assignment.

5. Owner's Rights. Subject to the terms of this Agreement and the Collateral Assignment, the Owner of the Policy shall be entitled to exercise all rights in the Policy; provided, however, that while the Collateral Assignment is in effect, the following rights may be exercised only with the consent of the Corporation, which consent may be withheld at the sole discretion of the Corporation:

(a) To borrow against or pledge the Policy;
(b) To surrender or cancel the Policy;
(c) To take a distribution or withdrawal from the Policy; or
(d) To make Investment Elections.

In particular, subject to the terms and conditions of the Policy, and the provisions of Section 6 below, the Owner may assign its rights under this Agreement and the Collateral Agreement, including but not limited to an assignment to an insurance trust of which the Participant is a settlor. In the event of an assignment of its rights, the Owner shall promptly notify the Corporation of the name and address of the new Owner or assignee, including the name and address of any trustee.

6. COLLATERAL INTEREST. On the Split Dollar Maturity Date, the Collateral Interest (or, if applicable under Section 6(a) below, the Corporation's Death Benefit) shall be paid or repaid to the Corporation in the following manner:

(a) Notwithstanding any provision of this Agreement or the Policy that may be construed to the contrary, if the Split Dollar Maturity Date occurs due to the death of the Decedent, (i) the Corporation shall be entitled to that portion of the Policy's death proceeds that equals the Corporation's Death Benefit, if any, and (ii) the Owner or the Designated Beneficiary, as the case may be, shall be entitled to the Owner's Death Benefit; provided, however, if the Split Dollar Maturity Date occurs due to the suicide of the Decedent, and the proceeds from the Policy are limited by either a suicide or contestability provision under the Policy, the Corporation shall be entitled to that portion of the higher of the Policy's Cash Surrender Value or death proceeds that does not exceed the Aggregate Premiums Paid. In either event, promptly following the Decedent's death, the Corporation and the Owner or the Designated Beneficiary shall take all steps necessary to collect the death proceeds of the Policy by submitting the proper claims forms to the Insurer. The Corporation shall notify the Insurer of the amount of the Owner's Death Benefit (except when the Policy's proceeds are limited because of the Decedent's death by suicide) and the Corporation's Death Benefit. Such amounts shall be paid, respectively, by the Insurer to the Owner or to the Designated Beneficiary, as the case may be, and the Corporation.

(b) If the Split Dollar Maturity Date is other than the date of the Decedent's death, the Corporation's Collateral Interest in the Policy shall be paid to the Corporation in one of the following ways, as elected by the Owner in writing within thirty (30) days after the date the Corporation first notifies the Participant and Owner in writing of the occurrence of the Split Dollar Maturity Date:

(i) By the Owner authorizing the Insurer to make a loan against the Policy in an amount equal to the Corporation's Collateral Interest and to pay the proceeds to the Corporation, in which case the Owner shall be considered the borrower for all purposes under the loan;

(ii) By the Owner authorizing the Insurer to withdraw from the Cash Surrender Value of the Policy an amount equal to the Corporation's Collateral Interest and to pay the proceeds to the Corporation; or

(iii) By the Owner paying to the Corporation, from the Owner's separate funds, an amount equal to the Corporation's Collateral Interest.

(c) If the Owner fails to timely exercise any of the options under Section 6(b) above, the Corporation shall be entitled to instruct the Insurer to pay to the Corporation from the Cash Surrender Value of the Policy an amount equal to the Corporation's Collateral Interest.

(d) The Corporation agrees to keep records of its premium payments and to furnish the Owner and the Insurer with a statement of its Collateral Interest whenever either party requires such statement.

(e) Upon and after the Corporation's Collateral Interest in the Policy has been repaid pursuant to Section 6(b) above, the Corporation shall execute and file with the Insurer an appropriate release of the Corporation's interest in the Policy and shall have no further interest in the Policy. Further, the Participant and/or Owner hereby acknowledge, understand and agree that, upon the release of the Corporation's Collateral Interest, the Corporation shall continue not to have any responsibility for the future performance of the Policy and shall have no obligation to make any additional premium payments.

(f) Upon payment to the Corporation of its Collateral Interest or the Corporation's Death Benefit in accordance with this Section 6, this Agreement shall terminate and no party shall have any further rights or obligations under the Agreement with respect to any other party provided that the Corporation has complied with all provisions of this Agreement.

7. INSURER

(a) The Insurer is not a party to this Agreement, shall in no way be bound by or charged with notice of its terms, and is expressly authorized to act only in accordance with the terms of the Policy. The Insurer shall be fully discharged from any and all liability under the Policy upon payment or other performance of its obligations in accordance with the terms of the Policy.

(b) The signature(s) required for the Insurer to recognize the exercise of a right under the Policy shall be specified in the Collateral Assignment.

8. CLAIMS PROCEDURE.

The following claims procedure shall be followed in handling any benefit claim under this Agreement:

(a) The Owner, Participant, or the Designated Beneficiary, as the case may be, (the "Claimant"), shall file a claim for benefits by notifying the Corporation in writing. If the claim is wholly or partially denied, the Corporation shall provide a written notice within ninety (90) days (unless special circumstances require an extension of time for processing the claim, in which case an extension not to exceed ninety (90) days shall be allowed) specifying the reasons for the denial, the provisions of this Agreement on which the denial is based, and additional material or information, if any, that is necessary for the Claimant to receive benefits. Such written notice shall also indicate the steps to be taken by the Claimant if a review of the denial is desired.

(b) If a claim is denied, and a review is desired, the Claimant shall notify the Corporation in writing within sixty (60) days after receipt of written notice of a denial of a claim. In requesting a review, the Claimant may submit any written issues and comments the Claimant feels are appropriate. The Corporation shall then review the claim and provide a written decision within sixty (60) days of receipt of a request for a review (unless special circumstances require an extension of time for processing the claim, in which case an extension not to exceed ninety (60) days shall be allowed). This decision shall state the specific reasons for the decision and shall include references to specific provisions of this Agreement, if any, upon which the decision is based.

(c) If no event shall the Corporation's liability under this Agreement exceed the amount of proceeds from the Policy.

9. AMENDMENT OF AGREEMENT. This Agreement shall not be modified or amended except by a writing signed by all the parties hereto.

10. BINDING AGREEMENT. This Agreement shall be binding upon the heirs, administrators, executors, successors and assigns of each party to this Agreement.

11. STATE LAW. This Agreement shall be subject to and construed under the internal laws of the State of Ohio, without regard to its conflicts of laws principles.

12. VALIDITY. In case any provision of this Agreement shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had never been inserted in this Agreement.

13. NOT A CONTRACT OF EMPLOYMENT. The terms and conditions of this Agreement shall not be deemed to constitute a contract of employment between the Corporation and the Participant. Nothing in this Agreement shall be deemed to give the Participant the right to be retained in the service of the Corporation or to interfere with the right of the Corporation to discipline or discharge the Participant at any time.

14. NOTICE. Any notice or filing required or permitted to be given under this Agreement to the Owner, Participant or the Corporation shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

To the Owner:	The Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999 c/o David J. Hiemstra, Trustee 21006 Bayside St. Clair Shores, MI 48081
To the Participant:	Michael J. Hiemstra 55 Winding River Trail Chagrin Falls, OH 44022
To the Corporation:	Parker Hannifin Corporation 6035 Parkland Boulevard Cleveland, OH 44124 Attn: General Counsel

or to such other address as may be furnished to the Owner, Participant or the Corporation in writing in accordance with this notice provision. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Any notice or filing required or permitted to be given to the Owner and/or the Participant or the Designated Beneficiary under this Agreement shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Owner and/or the Participant, as the case may be.

15. CREDITWORTHINESS OF INSURER; TAX CONSEQUENCES. The Participant and Owner assume all risk of the creditworthiness of the Insurer and acknowledge that the Corporation makes no representation or guarantee of the creditworthiness of any Insurer. The Participant and Owner acknowledge responsibility for all federal, state and local income, estate or gift tax consequences imposed on the Participant and Owner as a result of this Agreement and further acknowledge that the Corporation has not made any representations or guarantees of present or future tax consequences.

16. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto with regard to the subject matter of this Agreement and supersedes all previous negotiations, agreements and commitments in respect thereto. No oral explanation or oral information by the parties to this Agreement shall alter the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the date first written above.

PARKER-HANNIFIN CORORATION

By: /s/ Duane E. Collins
Duane E. Collins
President and Chief Executive Officer

/s/ Michael J. Hiemstra
Michael J. Hiemstra

THE IRREVOCABLE TRUST CREATING
VESTED TRUSTS FOR CHILDREN OF
M. J. HIEMSTRA DATED AUGUST 16, 1999

By: /s/ David J. Hiemstra
David J. Hiemstra, Trustee

EXHIBIT 1

COLLATERAL ASSIGNMENT

This Collateral Assignment (this "Assignment") is made and entered into as of October 29, 1999, by and between the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999 (the "Owner"), as the owner of a life insurance policy, No. 20039806 (the "Policy"), issued by John Hancock Life Insurance Company (the "Insurer"), on the lives of Michael J. Hiemstra (the "Participant") and Kathleen M. Hiemstra, Participant's wife (the "Wife"), and Parker-Hannifin Corporation, an Ohio corporation (the "Corporation").

RECITALS

A. The Corporation desires to help the Owner provide life insurance for the benefit and protection of the Participant's family or beneficiary by providing funds from time to time to pay the premiums due on the Policy as more specifically provided in the Executive Estate Protection Agreement entered into between the Participant, the Owner and the Corporation as of the date hereof (the "Agreement"); and

B. In consideration of the Corporation agreeing to provide such funds in accordance with the terms and conditions of the Agreement, the Owner agrees to grant to the Corporation, as a security interest in the

Policy, a collateral security interest for the payment of the Corporation's Collateral Interest (as defined in the Agreement).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and the mutual agreements and covenants set forth below, the parties to this Assignment agree as follows:

1. ASSIGNMENT. The Owner hereby assigns, transfers and sets over to the Corporation, and its successors and assigns, those certain rights and interests described in the Agreement that are to be assigned to the Corporation in accordance with the Agreement. Furthermore, this Assignment is made, and the Policy is to be held as collateral security for, any and all liabilities of the Owner to the Corporation, either now existing, or that may hereafter arise, pursuant to the terms of the Agreement.

2. SIGNATURES.

(a) To facilitate the operation of this Assignment, the parties agree that the Insurer is hereby notified that the following rights under the Policy may be exercised while the Assignment is in effect without the signature or consent of any other party:

(i) The Owner may sign a request to change the beneficiary under the Policy without the signature or consent of the Corporation.

(ii) The Corporation may sign an instruction to the Insurer to pay an amount equal to the Corporation's Collateral Interest from the Policy's Cash Surrender Value to the Corporation without the Participant's or the Owner's signature or consent; provided that the Corporation simultaneously delivers to the Insurer a notarized statement that the Corporation is exercising its rights in accordance with Section 6(c) of the Agreement.

(b) The exercise of any other right under the Policy not specifically set forth above shall be exercised with the signature of both the Corporation and the Owner.

3. POLICY PROCEEDS. Any amount payable from the Policy during the Participant's or the Wife's lives or at the Decedent's (as defined in the Agreement) death shall first be paid to the Corporation to the extent of its Collateral Interest or the Corporation's Death Benefit (as defined in the Agreement), respectively. Any balance will be paid to the Owner during the Participant's or the Wife's lifetime or to the Designated Beneficiary (as defined in the Agreement) upon or after the Decedent's death. A settlement option may be elected by the recipient of the proceeds. For purposes of this Section, the amount of the Collateral Interest or Corporation's Death Benefit shall be determined for purposes of the Insurer by a written statement delivered to the Insurer and signed by the Corporation.

4. ENDORSEMENT. The Corporation shall hold the Policy while this Assignment is operative and, upon request, forward the Policy to the Insurer, without unreasonable delay, for endorsement of any designation or change of beneficiary, any election of optional mode of settlement, or the exercise of any other right reserved by the Owner in this Assignment.

5. INSURER. The Insurer is hereby authorized to recognize the Corporation's claims to rights hereunder without investigating the reason for any action taken by the Corporation, the validity or amount of any of the liabilities of the Owner to the Corporation under the Agreement, the existence of any default therein, the giving of any notice required herein, or the application to be made by the Corporation of any amounts to be paid to the Corporation. The Insurer shall not be responsible for the sufficiency or validity of this Assignment and is not a party to the Agreement (or any other similar executive life insurance agreement) between the Corporation and the Owner or the Participant.

6. RELEASE OF ASSIGNMENT. Upon the full payment of the Corporation's Collateral Interest in accordance with the terms and conditions of this

Assignment and the Agreement, the Corporation shall release to the Owner, if the Owner retains the Policy in accordance with the Agreement, the Policy and all specific rights included in this Assignment.

7. AMENDMENT OF ASSIGNMENT. This Assignment shall not be modified, amended or terminated, except by a writing signed by all the parties hereto.

8. NO RESTRICTION ON ASSIGNMENT. This Assignment does not limit the rights of the Owner to assign the rights it has retained under the Policy which rights may be assigned in accordance with Section 5 of the Agreement.

9. BINDING AGREEMENT. This Assignment shall be binding upon the heirs, administrators, executors and permitted successors and assigns of each party to this Assignment.

10. STATE LAW. This Assignment shall be subject to and be construed under the internal laws of the State of Ohio, without regard to its conflicts of law principles.

11. VALIDITY. In case any provision of this Assignment shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Assignment, but this Assignment shall be construed and enforced as if such illegal or invalid provision had never been inserted in this Assignment.

IN WITNESS WHEREOF, the Owner and the Corporation have signed this Assignment as of the date first written above.

THE IRREVOCABLE TRUST CREATING VESTED TRUSTS FOR CHILDREN OF M. J. HIEMSTRA DATED AUGUST 16, 1999

By: /s/ David J. Hiemstra
David J. Hiemstra, Trustee

PARKER-HANNIFIN CORPORATION

By: /s/ Duane E. Collins
Duane E. Collins
President and
Chief Executive Officer

FILED WITH THE INSURER:

/s/ Charles Defilippo
Insurer

Date: 12/23/99

The John Hancock Mutual Life Insurance Company without assuming any responsibility for the validity or the sufficiency of this instrument, has on this date, filed a duplicate thereof at it's Home Office.

Date 12/23/99

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

By /s/ Bruce Skrine - Attorney at Law
Secretary

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
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