

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period fromto

Commission file number 1-4982

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

PARKER RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

PARKER-HANNIFIN CORPORATION
6035 PARKLAND BOULEVARD
CLEVELAND, OHIO 44124-4141

PARKER RETIREMENT SAVINGS PLAN

INDEX OF FINANCIAL STATEMENTS

	PAGE
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits at December 31, 1998 and 1997	2
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 1998 and 1997	2
Notes to Financial Statements	3
Supplemental Schedules:	
Item 27a - Schedule of Assets Held for Investment Purposes for the year ended December 31, 1998	13
Item 27d - Schedule of Reportable Transactions for the year ended December 31, 1998	19

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
of Parker-Hannifin Corporation

We have audited the accompanying statements of net assets available for benefits of the Parker Retirement Savings Plan as of December 31, 1998 and 1997, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the net assets available for benefits of the Parker Retirement Savings Plan as of December 31, 1998 and 1997, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the accompanying index are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 22, 1999

PARKER RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AT DECEMBER 31, 1998 AND 1997
(000's omitted)

	1998	1997
[S]	[C]	[C]
ASSETS		
Investments at fair value:		
Cash and cash equivalents (Notes 1 & 4)	\$ 18,592	\$ 10,351
Parker-Hannifin Corporation common shares (Notes 1 & 4)	370,760	475,169
Investment contracts (Notes 1 & 5)	131,277	140,116
Other investments (Notes 1 & 4)	409,195	312,301
Participant loans	41,174	37,306
Total investments	970,998	975,243
Accrued interest and dividends	1,152	1,187
Other	2,811	32
Total assets	974,961	976,462
LIABILITIES		
Dividends payable to participants (Note 3)	4,605	4,220
Other	4,319	2,669
Total liabilities	8,924	6,889
Net Assets Available for Benefits	\$ 966,037	\$ 969,573
	=====	=====

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997
(000's omitted)

	1998	1997
[S]	[C]	[C]
ADDITIONS		
Contributions (Notes 1 & 2):		
Participant payroll deductions	\$ 62,408	\$ 51,549
Employer contributions	24,597	22,313
Total contributions	87,005	73,862
Interest income - net	21,949	18,155
Dividend income	1,896	1,438
Net (depreciation) appreciation in the fair value of investments (Notes 1 & 4)	(72,144)	248,406
Total additions	38,706	341,861
DEDUCTIONS		
Withdrawals and terminations	40,635	40,356
Trustee fees and expenses	1,607	1,528
Total deductions	42,242	41,884
Net (decrease) increase in Assets Available for Benefits	(3,536)	299,977
Net Assets Available - Beginning of year	969,573	669,596
Net Assets Available - End of year	\$ 966,037	\$ 969,573
	=====	=====

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENT VALUATION

The investments in Parker-Hannifin Corporation (the Company) common shares, non-convertible corporate bonds, U.S. Government bonds, Key Trust Employee Benefits Value Equity Fund, Key Trust Employee Benefits Fixed Income Fund, AIM Constellation Fund, Capital Guardian International Equity Fund and the Seven Seas S&P 500 Index Fund are valued as of the last reported trade price on the last business day of the period. The Parker Retirement Savings Plan (the Plan) presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses from the sale of investments and the unrealized appreciation (depreciation) on investments held by the Plan.

Investments in the Key Trust Employee Benefits Money Market Fund are valued at market, which approximates cost. Refer to Note 5 for information relating to the Contract Income Fund.

Management believes that the Plan's investments are well diversified and do not create a significant concentration of credit risk. Participants assume all risk in connection with any decrease in the market price of any securities in all the Funds. Although the annual rates of return with respect to the contracts held in the Contract Income Fund are guaranteed by major insurance and bank companies, the Company does not make any representations as to the financial capability of such companies or their ability to make payments under the contracts.

CONTRIBUTIONS

Participants may make contributions on a before tax and/or after tax basis. Contributions from employees and the Company are recorded in the period that payroll deductions are made from Plan participants.

Company contributions are invested solely in a non-participant directed ESOP Fund, which holds primarily Company stock.

OTHER

Purchases and sales of securities are reflected on a trade-date basis.

Dividend income is recorded on the ex-dividend date. Interest and other income are recorded as earned on the accrual basis.

Costs incident to the purchase and sale of securities, such as brokerage commissions and stock transfer taxes, as well as investment advisory fees, are charged to the funds to which they relate and are netted against interest income. Certain costs and expenses incurred in administering the Plan are paid out of the Plan's assets and the Company pays the remainder.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Benefits are recorded when paid.

2. DESCRIPTION OF PLAN

GENERAL

The following description of the Plan provides only general information. Participants should refer to the Plan document or summary plan description for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan which is available to all regular and part-time non-union employees who have 90 days of service for the Company's fiscal year ending June 30, 1998 and prior. Effective July 1, 1998, employees are able to enroll in the Plan the first day of the month following the date of hire. The Plan

2. DESCRIPTION OF PLAN, Continued

is subject to Section 401(k) of the Internal Revenue Code and the provisions of the Employee Retirement Income Security Act (ERISA) of 1974, as amended. The Plan was amended and restated effective January 1, 1998 to reflect certain operational and administrative changes and to comply with tax legislative changes.

CONTRIBUTIONS AND TRANSFERS

Participants may elect to contribute, through payroll deductions, not less than 1% nor more than 15% of their total compensation for a Plan year and may change such percentage upon request. The amount which a highly compensated employee may contribute may be limited in order to comply with Internal Revenue Code Sections 401(k) and 401(m). Participants may suspend their contributions at any time and may designate one or more of several available funds in which their contributions are to be invested and their investment elections at any time. Available funds are:

- (a) Company Stock Fund - Invested primarily in common shares of the Company purchased on the open market. A participant's contribution is limited to 50% invested in this fund.
- (b) Fixed Income Fund - Invested primarily in securities which have a fixed rate of return such as government and high-quality corporate bills, notes, bonds, and other similar investments of issuers other than the Company.
- (c) Equity Fund - Invested primarily in common stock of high-quality medium and large capitalization companies other than the Company.
- (d) Contract Income Fund - Invested primarily in high-quality fixed income investments such as contracts issued by insurance companies and banks which provide a return guaranteed by the issuer, and debt securities such as notes and bonds issued by Federal agencies or mortgage backed securities, with each of these investments typically providing a stable rate of return for a specific period of time. Refer to Note 5 for a further description of this fund.
- (e) Balanced Fund - Invested primarily in securities which have a fixed rate of return such as government and high-quality corporate bills, notes, bonds, and/or invested in bonds, convertible securities, money market investments, and common stocks of high-quality medium and large capitalization companies other than the Company.
- (f) Small Capitalization Fund - Invested primarily in equity securities of small and medium-sized companies that have demonstrated or have the potential for above-average capital growth.
- (g) International Fund - Invested primarily in common stocks, preferred stocks, warrants and rights to subscribe to common stocks on non-U.S. issuers.
- (h) S&P 500 Index Fund - Invested in stocks which comprise the S&P 500 Index, most of which are listed on the New York Stock Exchange.

As a result of an acquisition in 1998, \$2,742,681 was transferred into the Plan from the account balances of the CTC Savings Plan and is recorded within contributions.

PARKER-HANNIFIN CORPORATION CONTRIBUTIONS

The Company contributes an amount equal to 100% of the first 3% of the monthly before-tax contributions and an amount equal to 25% of the 4th percent and 5th percent of the contribution. The Company may also match after-tax contributions, but matches only the 4th percent and 5th percent of after-tax contributions at 25%. Company contributions match the before-tax contributions prior to the after-tax contributions. Company contributions are invested solely in the ESOP Fund. A participant age 55 or older, with 10 or more years of participation in the Plan, may transfer a portion of the shares of stock in the ESOP Fund to any of the investment funds within the Plan.

2. DESCRIPTION OF PLAN, Continued

PARTICIPANT LOANS

The Plan has a loan provision which allows active participants to borrow a minimum of \$500 and up to a maximum of a) 50% of their account balance or b) \$50,000 less the largest outstanding loan balance they had in the last 12 months, whichever is less. The loan must be repaid, with interest equal to the prime rate at the time the loan is entered into plus 1%, over a period from 1 year to 4 1/2 years for a general purpose loan and up to ten years for a residential loan. Participant loans are valued at cost, which approximates fair value.

PARTICIPANT ACCOUNTS

The Plan utilizes the unit value method for allocating Plan earnings for all funds. The Company Stock and ESOP Funds were converted to the unit value method from share accounting as of April 1, 1997. Unit values are determined on a daily basis and are presented excluding contributions receivable and benefits payable. The total number of units and unit values as of December 31, 1998 and 1997 by fund are as follows:

Investment Options	1998		1997	
	Total Number of Units	Net Asset Unit Value	Total Number of Units	Net Asset Unit Value
ESOP Fund	22,351,997.04	\$12.00	21,639,556.79	\$16.21
Company Stock Fund	9,480,070.34	\$12.03	7,778,762.78	\$16.23
Fixed Income Fund	3,216,479.57	\$12.39	2,629,499.16	\$11.34
Equity Fund	9,568,080.92	\$19.55	9,945,404.96	\$15.34
Contract Income Fund	12,162,384.65	\$11.91	13,091,421.82	\$11.20
Balanced Fund	4,494,641.74	\$16.48	4,126,273.55	\$13.78
Small Capitalization Fund	902,729.26	\$30.30	844,330.36	\$26.38
International Fund	656,795.59	\$21.92	676,171.69	\$19.74
S&P 500 Index Fund	2,931,818.33	\$22.06	1,926,160.05	\$19.66

3. VESTING, WITHDRAWALS AND DISTRIBUTIONS

Participant interests in the Plan attributable to their own contributions and Company contributions are fully vested at all times. Participants may withdraw in cash a portion of their before and/or after tax contributions, subject to certain limitations and restrictions.

After a participant terminates employment for any reason, all amounts are distributable to the participant or, to the participant's designated beneficiary, if deceased. The distribution may be deferred until the age of 70 1/2 if the participant's interest exceeds \$5,000 (\$3,500 in 1997). Distribution is in cash either in a single payment, quarterly installments or, by purchase of an annuity, except that amounts held in the Company Stock Fund and ESOP Fund may be distributed in the form of common shares or cash, as the participant elects.

Dividends received by the ESOP Fund with respect to allocated Company shares are paid to participants at the end of each Plan year.

4. INVESTMENTS

The Plan investments at December 31, were as follows:

(000's omitted except on number of shares or units)

1998	Number of Shares or Units	Fair Value	Cost
<hr/>			
Cash and cash equivalents			
Employee Benefits Money Market Fund	18,592,213	\$ 18,592	\$ 18,592
<hr/>			
Common Shares			
Parker Hannifin Corporation - Allocated	11,320,907	370,760	208,832
<hr/>			
Investment Contracts - estimated	131,276,578	131,277	131,277
<hr/>			
Other Investments			
AIM Constellation Fund	902,729	27,551	24,233
Capital Guardian International Equity Fund	656,796	14,765	13,156
Seven Seas S&P 500 Index Fund	2,931,821	64,735	55,635
Employee Benefits Fixed Income Fund	289,488	28,376	23,771
Employee Benefits Value Equity Fund	441,383	233,571	110,907
U.S. Government Securities	25,957,832	27,270	27,270
Corporate Debt Instruments	12,544,304	12,927	12,768
		<hr/>	<hr/>
		409,195	267,740
<hr/>			
Participant Loans - estimated	41,174,124	41,174	41,174
<hr/>			
Total Assets Held for Investment		\$ 970,998	\$ 667,615
		=====	=====
1997			
<hr/>			
Cash and cash equivalents			
Employee Benefits Money Market Fund	10,351,068	\$ 10,351	\$ 10,351
<hr/>			
Common Shares			
Parker Hannifin Corporation - Allocated	10,357,909	475,169	162,976
<hr/>			
Investment Contracts - estimated	140,116,435	140,116	140,116
<hr/>			
Other Investments			
AIM Constellation Fund	844,330	22,273	22,281
Capital Guardian International Equity Fund	676,172	13,348	12,673
Seven Seas S&P 500 Index Fund	1,926,160	37,868	32,942
Employee Benefits Fixed Income Fund	257,380	23,235	20,083
Employee Benefits Value Equity Fund	451,757	186,358	92,875
U.S. Government Securities	13,376,799	13,778	13,640
Corporate Debt Instruments	14,901,498	15,441	15,257
		<hr/>	<hr/>
		312,301	209,751
<hr/>			
Participant Loans - estimated	37,306,280	37,306	37,306
<hr/>			
Total Assets Held for Investment		\$ 975,243	\$ 560,500
		=====	=====

5. CONTRACT INCOME FUND

Reported in the aggregate for the Contract Income Fund (including cash and cash equivalents) at December 31:

	1998	1997
Contract Value of Assets	\$ 144,470,984	\$ 146,626,466
Fair Value of Assets	\$ 147,596,065	\$ 146,981,405
Average Yield of Assets	6.18%	6.39%
Return on assets for the 12 months ended December 31	6.34%	6.55%
Duration	2.32 years	2.49 years

The above information is provided in compliance with the AICPA Statement of Position 94-4 (SOP 94-4). SOP 94-4 requires that fair value be based upon the standard discounted cash flow methodology as referred to in the Statement of Financial Accounting Standards No. 107. To arrive at the above aggregate fair value, comparable duration Wall Street Journal Guaranteed Investment Contract (GIC) Index rates were used as the discount factor within the discounted cash flow formula. A standard present value calculation has been employed to arrive at a current value for each cash flow within a contract. The sum of the present values for each contract's cash flows is the estimated total fair value for that contract. All of the contract fair values are then added together to arrive at the above aggregate fair value for the portfolio.

The Contract Income Fund contains a managed synthetic GIC. This is a portfolio of securities owned by the Fund with a benefit-responsive, book-value "wrap" contract associated with the portfolio. The wrap contract assures that book-value, benefit-responsive payments can be made for participant withdrawals. The managed synthetic GIC (which exceeded 5% of the Plan's net assets) included in the above amounts at December 31, 1998 and 1997 had a contract value of \$51,178,844 and \$48,093,253, while the fair value was \$53,296,465 and \$49,116,395, respectively.

At December 31, 1998 and 1997 the Contract Income Fund contained a non-benefit responsive contract. SOP 94-4 recommends that this contract be carried at a fair value. However, the Fund's non-benefit responsive contract was not material to the Contract Income Fund. Therefore, this contract has been reported at contract value in the financial statements.

Certain employer initiated events (e.g., layoffs, bankruptcy, plant closings, plan termination, mergers, early retirement incentives) are not eligible for book value disbursements even from fully benefit responsive contracts. These events may cause liquidation of all or a portion of a contract at a market value adjustment.

6. TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated July 24, 1995, that the Plan and related trust are designed

in accordance with applicable sections of the Internal Revenue Code (IRC). Since receiving the determination letter the Plan has been amended to provide for various administrative changes including adding additional investment funds and furnishing daily valuations. The Plan administrator and the Plan's tax counsel believe that the Plan continues to be designed and operated in compliance with the applicable provisions of the IRC.

Contributions matched by the Company and all earnings are not taxable until distributed to the participants.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company, by action of its Board of Directors, without further approval by the shareholders, has the right to amend, modify, suspend, or terminate the Plan in its entirety, or as to any subsidiary or operating location. No amendment, modification, suspension, or termination shall provide that assets held in trust by the Trustee may be used for or diverted to purposes other than for the exclusive benefit of participants or their beneficiaries. If the Plan is terminated, the Company contributions credited to each affected participant shall continue to be fully vested.

8. RECONCILIATION WITH FORM 5500

The Department of Labor requires that amounts owed to withdrawing but unpaid former participants be classified as a plan liability on Form 5500, while these amounts are not reported as a liability in the Statements of Net Assets Available for Benefits. As a result, the following reconciliations were prepared:

	1998	1997
Net assets per Form 5500	\$ 966,037,834	\$ 969,417,579
Distributions payable that are allocated but unpaid to former participants	-	156,485
Plan Equity per financial statements	<u>\$ 966,037,834</u> =====	<u>\$ 969,574,064</u> =====
Distributions to former participants per Form 5500	\$ 40,477,790	\$ 40,425,753
Distributions payable that are allocated but unpaid to former participants	-	(156,485)
Prior year distributions payable that were paid to former participants in the current year	156,485	87,212
Distributions to former participants per financial statements	<u>\$ 40,634,275</u> =====	<u>\$ 40,356,480</u> =====

9. YEAR 2000 CONSIDERATIONS

The Company is taking actions to assure that its computer systems are capable of processing periods for the year 2000 and beyond. The Company is also determining whether third party service providers have reasonable plans in place to become year 2000 compliant. This project has been substantially completed and the Company does not expect this project to have a significant effect on Plan operations.

10. PARTY-IN-INTEREST

Certain plan investments are units of common/collective trusts managed by Key Bank. Key Bank is the trustee as defined by the Plan and therefore, these transactions qualify as party-in-interest.

11. SUBSEQUENT EVENT

In March 1999, the Trust issued and sold \$112 million aggregate principal amount of its 6.34% Amortizing Notes due 2008, the proceeds of which were used to purchase 3,055,413 shares of the Company's stock held in treasury. The Notes were guaranteed by the Company and call for payment of principal and interest semiannually from July 15, 1999 through July 15, 2008. Repayments of the loan will be made from Company matching contributions and dividends received on unallocated shares of Company stock held in the ESOP Fund. The shares will be held in suspense in the ESOP fund, to be released and allocated to participant's accounts periodically in full or partial satisfaction of the Company's matching contribution obligations.

12. ASSET ALLOCATION

As described in Note 2, the participants may elect to invest their contributions in eight investment funds and Company contributions are invested in the ESOP Fund. The allocation of assets and liabilities, and the additions and deductions among the investment funds as well as the ESOP and Loan Funds follows on pages 9 through 12.

12). ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
 ALLOCATION OF NET ASSETS AVAILABLE FOR BENEFITS - INVESTMENT PROGRAMS
 DECEMBER 31, 1998
 (000's omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund
ASSETS						
Investments, at fair value:						
Cash and cash equivalents	\$ 3,820	\$ 748	\$ 850	\$ 44	\$ 13,130	\$ -
Parker-Hannifin Corporation common shares	259,664	111,096	-	-	-	-
Investment contracts	-	-	-	-	131,277	-
Other investments	-	-	40,197	187,668	-	74,279
Participant loans	-	-	-	-	-	-
Total investments	263,484	111,844	41,047	187,712	144,407	74,279
Accrued interest and dividends	19	2	397	-	732	2
Other	465	414	1,647	-	285	-
Total assets	263,968	112,260	43,091	187,712	145,424	74,281
LIABILITIES						
Dividends payable to participants	4,605	-	-	-	-	-
Other	51	48	3,492	-	728	-
Total liabilities	4,656	48	3,492	-	728	-
Net Assets Available for Benefits	\$ 259,312 =====	\$ 112,212 =====	\$ 39,599 =====	\$ 187,712 =====	\$ 144,696 =====	\$ 74,281 =====

(Table continued)

	Small Capitali- zation Fund	Inter- national Fund	S&P 500 Index Fund	Loan Fund	Total
ASSETS					
Investments, at fair value:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 18,592
Parker-Hannifin Corporation common shares	-	-	-	-	370,760
Investment contracts	-	-	-	-	131,277
Other investments	27,551	14,765	64,735	-	409,195
Participant loans	-	-	-	41,174	41,174
Total investments	27,551	14,765	64,735	41,174	970,998
Accrued interest and dividends	-	-	-	-	1,152
Other	-	-	-	-	2,811
Total assets	27,551	14,765	64,735	41,174	974,961
LIABILITIES					
Dividends payable to participants	-	-	-	-	4,605
Other	-	-	-	-	4,319
Total liabilities	-	-	-	-	8,924
Net Assets Available for Benefits	\$ 27,551 =====	\$ 14,765 =====	\$ 64,735 =====	\$ 41,174 =====	\$ 966,037 =====

12). ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
 ALLOCATION OF NET ASSETS AVAILABLE FOR BENEFITS - INVESTMENT PROGRAMS
 DECEMBER 31, 1997
 (000's omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund
ASSETS						
Investments, at fair value:						
Cash and cash equivalents	\$ 3,416	\$ 214	\$ 202	\$ 42	\$ 6,477	\$ -
Parker-Hannifin Corporation common shares	347,955	127,214	-	-	-	-
Investment contracts	-	-	-	-	140,116	-
Other investments	-	-	29,219	152,594	-	56,999
Participant loans	-	-	-	-	-	-
Total investments	351,371	127,428	29,421	152,636	146,593	56,999
Accrued interest and dividends	20	7	385	-	775	-
Other	-	-	32	-	-	-
Total assets	351,391	127,435	29,838	152,636	147,368	56,999
LIABILITIES						
Dividends payable to participants	4,220	-	-	-	-	-
Other	600	1,266	14	-	789	-
Total liabilities	4,820	1,266	14	-	789	-
Net Assets Available for Benefits	\$ 346,571	\$ 126,169	\$ 29,824	\$ 152,636	\$ 146,579	\$ 56,999

(Table continued)

	Small Capitali- zation Fund	Inter- national Fund	S&P 500 Index Fund	Loan Fund	Total
ASSETS					
Investments, at fair value:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 10,351
Parker-Hannifin Corporation common shares	-	-	-	-	475,169
Investment contracts	-	-	-	-	140,116
Other investments	22,273	13,348	37,868	-	312,301
Participant loans	-	-	-	37,306	37,306
Total investments	22,273	13,348	37,868	37,306	975,243
Accrued interest and dividends	-	-	-	-	1,187
Other	-	-	-	-	32
Total assets	22,273	13,348	37,868	37,306	976,462
LIABILITIES					
Dividends payable to participants	-	-	-	-	4,220
Other	-	-	-	-	2,669
Total liabilities	-	-	-	-	6,889
Net Assets Available for Benefits	\$ 22,273	\$ 13,348	\$ 37,868	\$ 37,306	\$ 969,573

12) ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
ALLOCATION OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - INVESTMENT PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 1998
(000's omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund
ADDITIONS						
Contributions:						
Participant payroll deductions	\$ -	\$ 10,849	\$ 3,808	\$ 16,450	\$ 10,173	\$ 7,198
Employer contributions	24,597	-	-	-	-	-
Total contributions	24,597	10,849	3,808	16,450	10,173	7,198
Net transfers	(2,378)	15,996	4,690	(15,602)	(10,731)	1,475
Interest income - net	186	210	2,155	8	8,640	5
Dividend income	-	1,896	-	-	-	-
Net (depreciation) appreciation in the fair value of investments	(99,729)	(38,542)	630	41,776	-	12,263
Total additions	(77,324)	(9,591)	11,283	42,632	8,082	20,941
DEDUCTIONS						
Withdrawals and terminations	9,935	4,366	1,406	6,772	9,638	3,351
Trustee fees and expenses	-	-	102	784	327	308
Total deductions	9,935	4,366	1,508	7,556	9,965	3,659
Net increase (decrease) in Assets Available for Benefits	(87,259)	(13,957)	9,775	35,076	(1,883)	17,282
Net Assets Available - Beginning of year	346,571	126,169	29,824	152,636	146,579	56,999
Net Assets Available - End of year	<u>\$ 259,312</u>	<u>\$ 112,212</u>	<u>\$ 39,599</u>	<u>\$ 187,712</u>	<u>\$ 144,696</u>	<u>\$ 74,281</u>

(Table continued)

	Small Capitali- zation Fund	Inter- national Fund	S&P 500 Index Fund	Loan Fund	Total
ADDITIONS					
Contributions:					
Participant payroll deductions	\$ 4,224	\$ 2,272	\$ 7,434	\$ -	\$ 62,408
Employer contributions	-	-	-	-	24,597
Total contributions	4,224	2,272	7,434	-	87,005
Net transfers	(2,096)	(2,200)	8,746	2,100	-
Interest income -net	683	1	6,663	3,398	21,949
Dividend income	-	-	-	-	1,896
Net (depreciation) appreciation in the fair value of investments	3,674	1,791	5,993	-	(72,144)
Total additions	6,485	1,864	28,836	5,498	38,706
DEDUCTIONS					
Withdrawals and terminations	1,185	434	1,918	1,630	40,635
Trustee fees and expenses	22	13	51	-	1,607
Total deductions	1,207	447	1,969	1,630	42,242
Net increase (decrease) in Assets Available for Benefits	5,278	1,417	26,867	3,868	(3,536)
Net Assets Available - Beginning of year	22,273	13,348	37,868	37,306	969,573
Net Assets Available - End of year	<u>\$ 27,551</u>	<u>\$ 14,765</u>	<u>\$ 64,735</u>	<u>\$ 41,174</u>	<u>\$ 966,037</u>

12). ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
ALLOCATION OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - INVESTMENT PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 1997
(000's omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund
ADDITIONS						
Contributions:						
Participant payroll deductions	\$ -	\$ 8,413	\$ 3,699	\$ 14,512	\$ 9,632	\$ 6,050
Employer contributions	22,313	-	-	-	-	-
Total contributions	<u>22,313</u>	<u>8,413</u>	<u>3,699</u>	<u>14,512</u>	<u>9,632</u>	<u>6,050</u>
Net transfers	(2,092)	6,311	(1,277)	(11,617)	(14,834)	1,266
Interest income - net	205	137	1,824	62	9,877	-
Dividend income	-	1,438	-	-	-	-
Net appreciation in the fair value of investments	147,306	49,467	485	35,310	-	9,590
Total additions	<u>167,732</u>	<u>65,766</u>	<u>4,731</u>	<u>38,267</u>	<u>4,675</u>	<u>16,906</u>
DEDUCTIONS						
Withdrawals and terminations	9,695	3,975	2,263	5,890	13,613	2,500
Trustee fees and expenses	-	-	109	678	375	305
Total deductions	<u>9,695</u>	<u>3,975</u>	<u>2,372</u>	<u>6,568</u>	<u>13,988</u>	<u>2,805</u>
Net increase (decrease) in Assets Available for Benefits	158,037	61,791	2,359	31,699	(9,313)	14,101
Net Assets Available - Beginning of year	188,534	64,378	27,465	120,937	155,892	42,898
Net Assets Available - End of year	<u>\$ 346,571</u>	<u>\$ 126,169</u>	<u>\$ 29,824</u>	<u>\$ 152,636</u>	<u>\$ 146,579</u>	<u>\$ 56,999</u>

(Table continued)

	Small Capitali- zation Fund	Inter- national Fund	S&P 500 Index Fund	Loan Fund	Total
ADDITIONS					
Contributions:					
Participant payroll deductions	\$ 3,376	\$ 2,037	\$ 3,830	\$ -	\$ 51,549
Employer contributions	-	-	-	-	22,313
Total contributions	<u>3,376</u>	<u>2,037</u>	<u>3,830</u>	<u>-</u>	<u>73,862</u>
Net transfers	2,158	1,939	12,300	5,846	-
Interest income - net	1,653	1	1,648	2,748	18,155
Dividend income	-	-	-	-	1,438
Net appreciation in the fair value of investments	389	811	5,048	-	248,406
Total additions	<u>7,576</u>	<u>4,788</u>	<u>22,826</u>	<u>8,594</u>	<u>341,861</u>
DEDUCTIONS					
Withdrawals and terminations	608	440	496	876	40,356
Trustee fees and expenses	22	12	27	-	1,528
Total deductions	<u>630</u>	<u>452</u>	<u>523</u>	<u>876</u>	<u>41,884</u>
Net increase (decrease) in Assets Available for Benefits	6,946	4,336	22,303	7,718	299,977
Net Assets Available - Beginning of year	15,327	9,012	15,565	29,588	669,596
Net Assets Available - End of year	<u>\$ 22,273</u>	<u>\$ 13,348</u>	<u>\$ 37,868</u>	<u>\$ 37,306</u>	<u>\$ 969,573</u>

PARKER RETIREMENT SAVINGS PLAN
ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
FOR THE YEAR ENDED DECEMBER 31, 1998
EIN 34-0451060
PLAN 075

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
*	Employee Benefits Money Market Fund	Cash and cash equivalents	\$ 18,592,213	\$ 18,592,213
*	Parker Hannifin Corporation AIM	11,320,907 Common Shares	208,832,169	370,759,704
	Capital Guardian	902,729 units of AIM Constellation Fund	24,233,198	27,551,297
	Seven Seas	656,796 units of Capital Guardian Intl Equity Fund	13,156,072	14,764,765
		2,931,821 units of Seven Seas S&P 500 Index Fund	55,635,364	64,734,607
*	Key Bank	289,488 units of Employee Benefits Fixed Income Fund	23,771,325	28,376,422
*	Key Bank	441,383 units of Employee Benefits Value Equity Fund	110,906,815	233,570,637
	Participant Loans	Participant loans - 8.75% - 9.25%	41,174,124	41,174,124
U.S. Government Securities:				
	Freddie Mac Gold	7.5% due 12-01-2017	114,604	114,569
	Freddie Mac Gold	7.0% due 04-01-2026	49,168	49,153
	Freddie Mac Gold	7.0% due 09-01-2025	101,422	101,391
	Freddie Mac Gold	7.0% due 04-01-2026	9,284	9,281
	Freddie Mac Gold	7.0% due 04-01-2026	36,730	36,719
	Freddie Mac Gold	6.0% due 12-01-2013	178,111	178,723
	Freddie Mac Gold	6.0% due 12-01-2013	99,062	99,340
	Federal Home Ln Mtg Corp Gold	7.5% due 04-01-2027	98,274	98,124
	Freddie Mac Gold	7.5% due 02-01-2027	65,167	65,127
	Freddie Mac Gold	7.5% due 11-01-2027	407,838	408,395
	Freddie Mac Gold	6.5% due 11-01-2028	377,642	377,552
	Freddie Mac Gold	8.5% due 06-01-2012	40,694	40,368
	Freddie Mac	8.5% due 07-01-2021	109,329	108,627
	Freddie Mac Gold	7.0% due 03-01-2028	32,014	32,191
	Freddie Mac Gold	7.0% due 06-01-2028	229,510	229,369
	Freddie Mac Gold	7.0% due 07-01-2028	69,580	69,537
	Freddie Mac Gold	7.0% due 09-01-2028	17,762	17,751
	Freddie Mac Gold	7.0% due 11-01-2028	500,750	499,828
	Freddie Mac Gold	6.5% due 01-01-2029	988,025	982,671
	Freddie Mac Gold	7.0% due 07-01-2028	25,651	25,635
	Freddie Mac Gold	7.0% due 07-01-2028	15,154	15,144
	Freddie Mac Gold	7.0% due 07-01-2028	24,331	24,323
	Freddie Mac Gold	7.0% due 08-01-2028	31,506	31,486
	Freddie Mac Gold	7.0% due 09-01-2028	9,989	9,983
	Freddie Mac Gold	7.0% due 09-01-2028	32,561	32,541
	Freddie Mac Gold	7.0% due 09-01-2028	32,533	32,513
	Freddie Mac Gold	7.0% due 09-01-2028	29,249	29,231
	Freddie Mac Gold	7.0% due 09-01-2028	11,190	11,183
	Freddie Mac Gold	7.0% due 09-01-2028	5,046	5,043
	Freddie Mac Gold	7.0% due 10-01-2028	79,957	79,810

Continued on next page

PARKER RETIREMENT SAVINGS PLAN
ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, continued
FOR THE YEAR ENDED DECEMBER 31, 1998
EIN 34-0451060
PLAN 075

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
		Freddie Mac Gold	7.5% due 09-01-2028	97,554
		Freddie Mac Gold	6.0% due 04-01-2013	99,143
		Freddie Mac Gold	6.0% due 06-01-2013	98,702
		Federal Home Loan Banks	5.125% due 09-15-2003	655,677
		Freddie Mac	6.25% due 05-15-2027	297,931
		Freddie Mac Gold	7.5% due 09-01-2017	114,443
		Fannie Mae	6.55% due 09-12-2005	624,882
		Fannie Mae	4.625% due 10-15-2001	269,247
		Fannie Mae	4.75% due 11-14-2003	595,818
		Fannie Mae	10.0% due 06-17-2027	738,299
		Fannie Mae	6.5% due 12-18-2025	235,551
		Fannie Mae	6.0% due 06-18-2025	382,315
		Fannie Mae	6.25% due 12-18-2022	294,666
		Fannie Mae	6.5% due 04-01-2011	48,913
		Fannie Mae	7.5% due 11-01-2026	5,665
		Fannie Mae	7.5% due 12-01-2026	14,116
		Fannie Mae	7.5% due 06-01-2027	55,312
		Fannie Mae	7.0% due 06-01-2012	2,181
		Fannie Mae	7.0% due 10-01-2012	2,273
		Fannie Mae	7.0% due 02-01-2013	4,321
		Fannie Mae	7.5% due 06-01-2028	14,134
		Fannie Mae	7.5% due 08-01-2028	33,611
		Fannie Mae	8.0% due 07-01-2028	63,567
		Fannie Mae	7.5% due 10-01-2028	43,893
		Fannie Mae	6.5% due 12-01-2028	92,484
		Fannie Mae	6.5% due 01-01-2012	276,905
		Fannie Mae	7.5% due 09-01-2027	18,725
		Fannie Mae	7.0% due 10-01-2012	389,209
		Fannie Mae	7.0% due 01-01-2028	77,021
		Fannie Mae	7.0% due 01-01-2013	698
		Fannie Mae	8.0% due 06-01-2028	154,441
		Fannie Mae	6.5% due 02-01-2011	32,125
		Fannie Mae	6.5% due 02-01-2011	49,626
		Fannie Mae	7.5% due 12-01-2025	91,142
		Fannie Mae	7.5% due 08-01-2026	11,915
		Fannie Mae	7.5% due 09-01-2026	12,295
		Fannie Mae	7.5% due 08-01-2027	4,094
		Fannie Mae	6.5% due 01-01-2028	140,214
		Fannie Mae	8.5% due 05-01-2012	49,564
		Fannie Mae	6.5% due 01-01-2028	36,886
		Fannie Mae	7.5% due 10-01-2025	7,358
		Fannie Mae	6.5% due 02-01-2028	23,482
		Fannie Mae	6.0% due 02-01-2013	147,054

Continued on next page

PARKER RETIREMENT SAVINGS PLAN
ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, continued
FOR THE YEAR ENDED DECEMBER 31, 1998
EIN 34-0451060
PLAN 075

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
Fannie Mae		6.5% due 08-01-2028	39,369	39,814
Fannie Mae		6.0% due 04-01-2028	40,877	41,302
Fannie Mae		6.5% due 05-01-2028	190,791	192,584
Fannie Mae		8.5% due 11-01-2017	239,614	238,372
Fannie Mae		6.5% due 07-01-2013	72,118	72,739
Fannie Mae		7.5% due 08-01-2028	24,092	24,077
Fannie Mae		6.5% due 05-01-2013	2,203	2,222
Fannie Mae		7.5% due 08-01-2028	1,676	1,677
Fannie Mae		6.5% due 07-01-2028	53,496	54,101
Fannie Mae		7.5% due 07-01-2028	8,561	8,556
Fannie Mae		7.5% due 07-01-2028	24,346	24,331
Fannie Mae		8.0% due 07-01-2028	87,576	87,338
Fannie Mae		8.0% due 07-01-2028	93,332	93,079
Fannie Mae		6.5% due 08-01-2028	98,187	99,296
Fannie Mae		6.5% due 08-01-2028	51,721	52,207
Fannie Mae		6.5% due 08-01-2028	129,454	130,958
Fannie Mae		6.5% due 08-01-2028	43,777	44,188
Fannie Mae		8.0% due 08-01-2028	112,012	111,708
Fannie Mae		6.5% due 08-01-2028	142,570	143,910
Fannie Mae		7.5% due 07-01-2028	29,662	29,644
Fannie Mae		6.0% due 07-01-2013	51	51
Fannie Mae		7.5% due 09-01-2028	24,155	24,166
Fannie Mae		6.5% due 08-01-2028	146,089	147,786
Fannie Mae		6.5% due 08-01-2028	263,768	266,247
Fannie Mae		6.0% due 11-01-2013	40	40
Fannie Mae		6.0% due 11-01-2013	1,351	1,351
Fannie Mae		6.0% due 11-01-2013	101	101
Fannie Mae		6.0% due 10-01-2013	17	17
Fannie Mae		7.5% due 09-01-2028	2,819	2,820
Fannie Mae		6.5% due 09-01-2028	183,639	185,307
Fannie Mae		7.5% due 09-01-2023	3,069	3,071
Fannie Mae		6.0% due 11-01-2013	389	389
Fannie Mae		6.5% due 11-01-2013	62,893	62,811
Fannie Mae		6.5% due 11-01-2013	321,576	321,155
Fannie Mae		6.0% due 12-01-2028	58,069	58,225
Fannie Mae		6.0% due 12-01-2028	149,601	150,004
Fannie Mae		6.0% due 11-01-2013	507	507
Fannie Mae		6.5% due 11-01-2013	268	267
Fannie Mae		6.5% due 12-01-2028	267,665	269,758
Fannie Mae		6.0% due 12-01-2028	72,832	73,028
Fannie Mae		6.0% due 12-01-2028	72,832	73,028
GNMA		7.0% due 01-15-2024	60,278	62,769
GNMA		7.5% due 06-15-2027	49,172	49,261

Continued on next page

PARKER RETIREMENT SAVINGS PLAN
ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, continued
FOR THE YEAR ENDED DECEMBER 31, 1998
EIN 34-0451060
PLAN 075

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
GNMA		7.5% due 11-15-2026	21,464	21,503
GNMA		7.5% due 10-15-2027	6,204	6,215
GNMA		7.0% due 09-15-2028	53,225	53,597
GNMA		7.0% due 08-15-2028	53,654	54,050
GNMA		7.0% due 08-15-2028	62,144	62,603
GNMA		7.0% due 08-15-2028	62,611	63,073
GNMA		7.0% due 08-15-2028	59,401	59,839
GNMA		9.0% due 06-15-2022	301,064	301,501
GNMA		7.0% due 12-15-2023	880,099	885,365
GNMA		7.0% due 11-15-2026	157,487	158,017
GNMA		9.0% due 10-15-2009	511,749	506,264
GNMA		7.5% due 12-15-2023	281,397	281,695
GNMA		7.5% due 12-15-2027	121,711	121,895
GNMA		6.5% due 10-20-2020	405,389	409,050
Tennessee Valley Authority		5.375% due 11-13-2008	268,866	270,718
United States Treasury Bonds		5.50% due 08-15-2028	3,271,471	3,254,252
United States Treasury Bonds		5.25% due 11-15-2028	363,243	356,265
United States Treasury Notes		6.25% due 10-31-2001	221,878	218,728
United States Treasury Notes		6.25% due 05-31-1999	470,320	469,919
United States Treasury Notes		4.5% due 09-30-2000	1,037,257	1,027,076
United States Treasury Notes		4.0% due 10-31-2000	1,178,723	1,177,172
United States Treasury Notes		4.25% due 11-15-2003	865,658	863,791
United States Treasury Notes		4.75% due 11-15-2008	612,547	616,780
United States Treasury Notes		4.625% due 11-30-2000	1,091,239	1,087,674
Fannie Mae		7.0% - 15 year MBS	764,772	763,895
Federal Home Loan Mortgage Corp.		7.5% - 30 year MBS	274,593	274,092
Fannie Mae		6.0% - 15 year MBS	417,040	416,910
Total U.S. Govt. Securities			27,271,406	27,270,216
Corporate Debt Instruments:				
Abbey National		Note FL RT% due 06-29-2049	69,698	78,044
American Express		ABS 6.40% due 04-15-2005	213,675	216,233
British Columbia		Note 5.375% due 10-29-2008	263,790	264,486
Burlington Resources, Inc.		Deb 6.875% due 02-15-2026	49,189	49,946
CIT RV Trust		ABS 5.92% due 03-15-2007	279,967	282,100
CITICORP		Note 5.625% due 02-15-2001	979,100	1,004,290
Comed Transitional Funding		ABS 5.44% due 03-25-2007	234,841	234,706
Copelco Capital FDG Corp		ABS 6.47% due 04-20-2005	349,921	355,250
Dr Invts		Note 7.10% due 05-15-2002	274,843	286,027
Dayton Hudson Corp		Bond 6.65% due 08-01-2028	113,339	116,607
Dayton Hudson Corp		Bond 5.875% due 11-01-2008	117,123	115,810
EOP Operating LP		Note 6.75% due 02-15-2008	301,735	294,990
First Un Corp		Senior NT 6.875% due 09-15-2005	170,688	170,458

Continued on next page

PARKER RETIREMENT SAVINGS PLAN
ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, continued
FOR THE YEAR ENDED DECEMBER 31, 1998
EIN 34-0451060
PLAN 075

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	First Union National Bank	Note 5.80% due 12-01-2008	159,760	159,659
	First USA Credit Card Master Tr	ABS 6.42% due 03-17-2005	325,788	329,600
	First USA Credit Card Master Tr	ABS 5.28% due 09-18-2006	159,836	158,600
	Frontier Corp	Bond 6.0% due 10-15-2013	249,660	252,713
	GTE Corp	Deb 6.94% due 04-15-2028	364,174	380,118
	General Motors Accept Corp	Note 5.35% due 12-07-2001	160,000	159,643
	Liberty Mutual Ins Co	Note 8.20% due 05-04-2007	103,754	108,868
	Loews Corp	Note 6.75% due 12-15-2006	116,067	116,758
	Lumbermens Mutual Casualty Co	Note 8.30% due 12-01-2037	48,730	46,925
	MBNA Master Credit Card Trust	ABS 5.80% due 12-15-2005	249,448	252,500
	Monsanto Co	Deb 6.60% due 12-01-2028	139,496	139,741
	Motorola Inc	Deb 7.50% due 05-15-2025	127,257	130,823
	Motorola Inc	Note 5.80% due 10-15-2008	254,658	260,850
	Motorola Inc	Deb 6.50% due 11-15-2028	114,522	116,176
	Nabisco Inc	Notes 6.0% due 02-15-2011	199,950	197,624
	Nationsbank Corp	Notes 6.375% due 02-15-2008	77,479	77,870
	Nationsbank Cr Card Master Trust	ABS 6.45% due 04-15-2003	182,120	183,092
	Owens Corning	Note 7.50% due 05-01-2005	114,370	112,885
	J C Penney Inc	Deb 7.625% due 03-01-2097	169,435	170,637
	Philip Morris Cos Inc	Note 7.0% due 07-15-2005	200,936	202,044
	Premier Auto Tr	ABS 6.35% due 04-06-2002	349,560	355,138
	Premier Auto Tr	ABS 5.07% due 07-08-2002	359,999	358,312
	Proctor & Gamble Co	Note 5.25% due 09-15-2003	499,580	500,470
	Railcar Tr ABS	ABS 7.75% due 06-01-2004	298,557	305,570
	Residential Accredit Loans Inc	Remic 6.75% due 07-25-2028	368,902	359,940
	Residential Accredit Loans Inc	Remic 6.50% due 11-25-2013	370,727	364,967
	J Seagram & Sons	Bond 7.50% due 12-15-2018	114,800	115,680
	TCI Communications Inc	Deb 7.875% due 02-15-2026	736,173	763,641
	Tele Communications Inc	Note 8.25% due 01-15-2003	105,844	109,740
	360 Communications Co	Note 7.50% due 03-01-2006	148,011	153,958
	Time Warner Inc	Note 7.75% due 06-15-2005	516,840	519,839
	Time Warner Inc	Bond 6.625% due 05-15-2029	214,337	218,754
	Toyota Auto Rec GR TR	ABS 6.45% due 04-15-2002	70,860	71,303
	USX Marathon Group	Note 7.20% due 02-15-2004	803,880	824,224
	USA Waste Services Inc	Senior NT 7.0% due 07-15-2028	187,670	196,238
	Unocal Corporation	Deb 7.0% due 05-01-2028	138,013	133,438
	Williams Cos Inc	Bond 6.20% due 08-01-2002	189,700	189,975
	Worldcom Inc	Senior NT 6.95% due 08-15-2028	116,317	123,469
	Natexis Banque	Note FL RT% due 12-29-2049	99,685	91,500
	Associates Corp	Note 6.875% due 06-20-2002	143,261	144,463
	Total Corporate Debt Instruments		12,768,065	12,926,692

Continued on next page

PARKER RETIREMENT SAVINGS PLAN
 ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, continued
 FOR THE YEAR ENDED DECEMBER 31, 1998
 EIN 34-0451060
 PLAN 075

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
<u>Investment Contracts:</u>				
Bankers TR Basic Contract		7.74% due 04-07-1999	2,027,850	2,027,850
Metropolitan Life		6.75% due 11-14-2000	2,718,414	2,718,414
UBS AG		6.64% due 08-15-1999	3,931,724	3,931,724
UBS AG		5.9271% due 03-25-2000	6,031,785	6,031,785
Capital Holding Corp		5.91% due 07-15-2000	1,835,037	1,835,037
New York Life Insurance Company		5.80% due 11-15-1999	6,601,644	6,601,644
Commonwealth Ins Co		5.511% due 10-25-2004	3,135,164	3,135,164
Principal Mutual Life Ins Co		5.45% due 06-15-1999	5,216,222	5,216,222
Caisse Des Depots Et Consignatio		5.44% due 12-26-2000	3,555,347	3,555,347
Business Mens Assurance Co Amer		6.90% due 10-01-2001	3,051,438	3,051,438
Ohio National Life		7.12% due 06-15-2002	3,433,986	3,433,986
Caisse Des Depots Et Consignatio		6.51% due 01-15-2002	4,053,575	4,053,575
Protective Life Insurance Co		6.89% due 09-15-2002	4,079,643	4,079,643
Safeco Life Insurance Co		7.04% due 12-15-2002	3,647,840	3,647,840
Safeco Life Insurance Co		6.49% due 11-15-2002	2,540,451	2,540,451
Jackson National Life Ins Co		5.54% due 03-31-2003	3,011,561	3,011,561
Jackson National Life Ins Co		5.96% due 08-15-2001	6,124,026	6,124,026
Transamerica		5.13% due 12-06-2001	5,077,152	5,077,152
GE Life and Annuity Assurance Co		5.63% due 08-15-2002	3,014,440	3,014,440
Ohio National Life Insurance Co		5.33% due 01-29-1999	4,008,545	4,008,545
Bankers Trust		Synthetic GIC FL RT% - No maturity	51,178,844	51,178,844
Transamerica		Synthetic GIC FL RT% due 06-15-2000	3,001,891	3,001,891
<u>Total Investment Contracts</u>			<u>131,276,579</u>	<u>131,276,579</u>
<u>Total Assets Held for Investment</u>			<u>\$ 667,617,330</u>	<u>\$ 970,997,256</u>
			=====	=====

* Denotes Party-in-Interest

THE PARKER RETIREMENT SAVINGS PLAN
 ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 1998
 EIN 34-0451060
 PLAN 075

The following schedule represents Plan transactions or series of transactions in excess of 5% of current value of Plan assets for the year ended December 31, 1998.

Description	# of Transactions	Purchase Price	Proceeds	Cost of Asset	Gain
Key Trust Employee Benefits Money Market	540	\$ 208,037,488			
Key Trust Employee Benefits Money Market	481		\$ 199,796,343	\$ 199,796,343	
Parker Hannifin Corp Common	59	59,498,547			
Parker Hannifin Corp Common	25		22,596,408	11,001,480	\$11,594,928
Employee Benefit Value Equity Fund	255	40,579,229			
Employee Benefit Value Equity Fund	248		45,230,754	22,548,693	22,682,061

NOTE: There is no separate determination of expenses related to the above transactions.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PARKER RETIREMENT SAVINGS PLAN

BY: /s/Michael J. Hiemstra
Michael J. Hiemstra
Vice President-Finance & Administration
& Chief Financial Officer
Parker-Hannifin Corporation

June 23, 1999