

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, 1996

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
17325 EUCLID AVENUE
CLEVELAND, OHIO 44112

PARKER RETIREMENT SAVINGS PLAN

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and
Board of Directors
Parker-Hannifin Corporation

We have audited the accompanying statements of Net Assets Available for Plan Benefits of the Parker Retirement Savings Plan as of December 31, 1996 and 1995, and the related Statements of Changes in Net Assets Available for Plan Benefits for each of the two years in the period ended December 31, 1996. 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 plan benefits of the Parker Retirement Savings Plan as of December 31, 1996 and 1995, and the changes in net assets available for plan benefits for each of the two years in the period ended December 31, 1996 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. 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.

Coopers & Lybrand L.L.P.

Cleveland, Ohio
June 27, 1997

PARKER RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AT DECEMBER 31, 1996 AND 1995
(000's omitted)

	1996	1995
[S]	[C]	[C]
ASSETS		
Investments at fair value:		
Cash and cash equivalents (Notes 1 & 4)	\$ 11,803	\$ 20,666
Parker-Hannifin Corporation common shares (Notes 1 & 4)	251,393	217,109
Investment contracts (Notes 1 & 5)	148,731	155,288
Other investments (Notes 1 & 4)	229,910	153,819
	641,837	546,882
Total investments		
Receivables:		
Employer's contribution	-	500
Participants' contributions	21	348
Participant loans	29,588	16,582
Accrued interest and dividends	1,031	906
Other	1,884	3
	674,361	565,221
Total assets		
LIABILITIES		
Dividends payable to participants (Note 6)	3,338	2,885
Notes payable (Note 3)	-	6,895
Other	1,427	447
	4,765	10,227
Total liabilities		
Net Assets Available for Plan Benefits	\$ 669,596	\$ 554,994

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995
(000's omitted)

	1996	1995
[S]	[C]	[C]
ADDITIONS		
Contributions (Notes 1 & 2):		
Participant payroll deductions	\$ 54,439	\$ 39,121
Participant lump-sum	-	62
Employer's contributions	19,703	18,201
	74,142	57,384
Total contributions		
Transfers from other plans (Note 2)	1,946	-
Interest income	13,849	13,498
Dividend income - net	1,271	1,588
Net appreciation in the fair value of investments (Notes 1 & 4)	59,657	57,593
	150,865	130,063
Total additions		
DEDUCTIONS		
Withdrawals and terminations	34,478	30,551
Interest expense (Note 3)	290	1,396
Trustee fees and expenses	1,495	682
	36,263	32,629
Total deductions		
Net increase in Assets Available for Plan Benefits	114,602	97,434
Assets Available - Beginning of year	554,994	457,560
Assets Available - End of year	\$ 669,596	\$ 554,994

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 Plan 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

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 the ESOP Fund, which holds Company stock and some cash.

PLAN CHANGES

Effective January 1, 1996, certain changes were made to the Plan. Several of these changes are as follows:

- * Plan is now valued daily
- * Participants may change contribution percentages and future investment elections upon request
- * Funds may be reallocated upon request
- * An interactive voice response system has been implemented
- * Investment elections may be allocated in whole percentage increments (limited to 50% in the Stock Fund)
- * Three new funds have been added (Small Capitalization, International, and S&P 500 Index Funds)
- * The maximum before-tax contribution has been increased from 10% to 15%
- * Eligibility begins 3 months after date of hire
- * Diversification of ESOP shares is allowed anytime during the year (subject to age and service requirements)
- * After-tax withdrawal is available upon request
- * Participant is allowed two loans at a time
- * Lump sum contributions have been eliminated
- * The after-tax match on the first 3% of after-tax contributions has been eliminated and the Company now matches only the 4% and 5% at 25%
- * Plan name has been changed to the Parker Retirement Savings Plan

For a more complete explanation of the Plan, participants should refer to the summary plan description.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

OTHER

The prior year Statement of Net Assets Available for Plan Benefits has been restated to reclassify certain items to conform to the current year's presentation.

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 netted against interest income. All other costs and expenses incurred in administering the Plan, including fees of the Trustee, are paid out of the Plan's assets, unless the Company elects to pay such costs.

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.

Participants should refer to the summary plan description or the plan agreement for more complete information.

2. CONTRIBUTIONS AND TRANSFERS

A participant may elect to contribute, through payroll deductions, not less than 1% nor more than 15% of his 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). A participant may suspend his contributions at any time. Upon enrollment or re-enrollment, each participant stipulates his contributions to be invested in accordance with the following investment options:

- (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 assets.
- (e) Balanced Fund - Invested primarily 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 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.

2. CONTRIBUTIONS AND TRANSFERS, continued

PARTICIPANT LUMP-SUM CONTRIBUTIONS

Through December 31, 1995 a participant could elect to make an annual voluntary lump-sum contribution, providing he was actively contributing to the Plan. The amount of any lump-sum contribution, when added to a participant's payroll deduction contributions during the plan year, could not exceed an amount equal to 15% of his total compensation for the year. The highly compensated employees may have been prohibited from making such contributions. A participant's voluntary lump-sum contribution could be invested in the same manner as payroll deduction contributions except that up to 100% of such contribution could be invested in the Company Stock Fund. The right to make a voluntary lump sum contribution was eliminated beginning with the 1996 Plan year.

TRANSFER OF PROFIT-SHARING ACCOUNT BALANCES

A participant who has an account attributable to the old Profit-Sharing Plan (replaced by the Retirement Plan) may make an irrevocable election to have his entire account balance transferred to the Plan. The account balance may be transferred upon request.

TRANSFERS FROM OTHER PLANS

As a result of an acquisition in 1996, \$1,945,530 was transferred into the Plan from the account balances of the Symmetrics Savings Plan.

TRANSFERS AMONG SAVINGS PLAN FUNDS

A participant may elect to reallocate at any time his account balances attributable to his contributions invested in any Fund (other than the ESOP Fund) to one or more of the other Funds.

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. Such transfer may be made anytime during the year.

PARKER-HANNIFIN CORPORATION CONTRIBUTIONS

The Company makes matching contributions based on the first 5% of a participant's deferred compensation (before-tax) 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 4% and 5% of the contribution. Effective in 1996, the Company eliminated the match on the first 3% of after-tax contribution and will match only the 4% and 5% at 25%. Company contributions will match the before-tax contributions prior to the after-tax contributions. Company contributions are invested solely in the ESOP Fund.

PARTICIPANT LOANS

The Plan has a loan provision which allows an active participant to borrow a minimum of \$500 and up to a maximum of a) 50% of his account balance or b) \$50,000 minus the largest outstanding loan balance he 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.

PLAN PARTICIPANTS

The number of active participants in each fund at December 31, 1996 and 1995 are as follows:

	1996	1995
ESOP Fund	17,170	16,844
Company Stock Fund	11,541	6,051
Fixed Income Fund	6,358	3,597
Equity Fund	11,189	8,139
Contract Income Fund	11,756	7,702
Balanced Fund	6,083	3,908
Small Capitalization Fund	2,839	--
International Fund	2,239	--
S&P 500 Index Fund	2,655	--

The total number of participants in the Plan is less than the sum of the number of participants shown above because many were participating in more than one fund.

PARTICIPANT ACCOUNTS

Effective March 1, 1996, the Plan converted to the unit value method for allocating Plan earnings for all funds with the exception of the Company Stock and ESOP Funds. The 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, 1996 by fund are as follows:

Investment Options	Total Number of Units	Net Asset Unit Value
Fixed Income Fund	2,629,706.83	\$10.45
Equity Fund	10,160,947.99	\$11.90
Contract Income Fund	14,801,663.07	\$10.52
Balanced Fund	3,768,542.95	\$11.37
Small Capitalization Fund	611,819.96	\$25.26
International Fund	497,833.72	\$18.06
S&P 500 Index Fund	1,000,933.38	\$15.57

3. ESOP FUND NOTES PAYABLE

During May and June of 1989, the ESOP Fund borrowed \$70 million to purchase 3.75 million shares of the Company's common stock on the open market. The loan was guaranteed by the Company. Commencing July 1, 1989 and continuing over the period of the loan, the shares purchased by the ESOP Fund were allocated to participants making contributions to the Plan (see Note 2). The ESOP Fund used Company contributions and cash dividends received on unallocated shares to repay the loan plus interest (8.41% per annum for 1996 and 1995). Graduated principal payments and related interest were due semiannually, commencing December 31, 1989 and ending on June 30, 1996.

4. INVESTMENTS

The Plan investments at December 31, were as follows:

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

	Number of Shares or Units	Fair Value	Cost
<u>1996</u>			
Cash and cash equivalents			
Employee Benefits Money Market Fund	11,803,416	\$ 11,803	\$ 11,803
Common Shares			
Parker Hannifin Corporation - Allocated	6,487,567	251,393	128,034
Other Investments			
AIM Constellation Fund	611,820	15,455	15,216
Capital Guardian International Equity Fund	497,833	8,991	8,382
Seven Seas S&P 500 Index Fund	1,000,933	15,585	14,754
Employee Benefits Fixed Income Fund	169,171	13,956	12,275
Employee Benefits Value Equity Fund	470,963	150,176	82,635
U.S. Government Securities	17,692,244	18,154	18,040
Corporate Debt Instruments	7,600,000	7,593	7,590
Investment Contracts	148,730,778	148,731	148,731
		<u>378,641</u>	<u>307,623</u>
Total Assets Held for Investment		<u>\$ 641,837</u>	<u>\$ 447,460</u>
		=====	=====
<u>1995</u>			
Cash and cash equivalents			
Employee Benefits Money Market Fund	20,665,545	\$ 20,666	\$ 20,666
Common Shares			
Parker Hannifin Corporation - Allocated	6,012,502	205,928	110,913
Parker Hannifin Corporation - Unallocated	326,455	11,181	7,511
		<u>217,109</u>	<u>118,424</u>
Other Investments			
Employee Benefits Fixed Income Fund	149,992	11,972	10,507
Employee Benefits Value Equity Fund	455,323	117,029	70,298
U.S. Government Securities	17,441,076	18,600	17,947
Corporate Debt Instruments	6,100,000	6,218	6,111
Investment Contracts	155,287,642	155,288	155,288
		<u>309,107</u>	<u>260,151</u>
Total Assets Held for Investment		<u>\$ 546,882</u>	<u>\$ 399,241</u>
		=====	=====

The net realized gain on disposition of investments included in the Plan equity is as follows:

	1996	1995
Selling price	\$ 72,242	\$ 132,344
Cost*	59,321	128,148
Realized gain	<u>\$ 12,921</u>	<u>\$ 4,196</u>
	=====	=====

The net unrealized appreciation of investments included in the Plan equity is as follows:

Balance at December 31, 1994	\$ 94,244
Change for the fiscal period	53,397
Balance at December 31, 1995	<u>147,641</u>
Change for the fiscal period	46,736
Balance at December 31, 1996	<u>\$ 194,377</u>
	=====

* Cost of securities sold is determined on an average historical cost basis.

5. CONTRACT INCOME FUND

Reported in the aggregate for the Contract Income Fund at December 31:

	1996	1995
Contract Value of Assets	\$ 155,753,873	\$ 169,961,276
Fair Value of Assets	\$ 155,405,312	\$ 172,323,519
Average Yield of Assets	6.58%	6.35%
Return on assets for the 12 months ended December 31	6.37%	6.44%
Duration	2.13 years	2.38 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 included in the above amounts at December 31, 1996 and 1995 had a contract value of \$45,207,576 and \$44,176,639, while the fair value was \$44,960,145 and \$44,678,558, respectively. The crediting rate on the managed synthetic GIC resets at least quarterly and will have an interest rate of no less than 0%.

At December 31, 1995 the Contract Income Fund contained non-benefit responsive contracts. SOP 94-4 recommends that these contracts be carried at a fair value. However, the Fund's non-benefit responsive contracts were not a large enough representation of the portfolio (1.6% at December 31, 1995) to result in a material impact on the Contract Income Fund. Therefore, these contracts have been reported at contract value in the financial statements.

It is important to note that, in the absence of an actively traded market, discounted cash flows are only an estimate of the contract's economic value. These values are not a useful value for participant statement purposes nor are they representative of the value which may be received from these contracts in either a participant disbursement or an early termination of the contract.

6. VESTING, WITHDRAWALS AND DISTRIBUTIONS

A participant's interest in the Plan attributable to his own contributions and Company contributions is fully vested at all times. A participant may withdraw in cash a portion of his contributions, subject to certain limitations and restrictions.

After a participant terminates employment for any reason, all amounts are distributable to him or, if he is deceased, to his designated beneficiary. If his interest exceeds \$3,500, he may defer his distribution up to his attainment of age 70 1/2. Distribution is either in a single payment, quarterly installments or, by purchase of an annuity. Amounts held in the Company Stock Fund and ESOP Fund are distributed in the form of Common Shares or cash, as the participant elects. All other amounts are distributed in the form of cash or annuity.

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

7. TAX STATUS

The United States Treasury Department advised on July 24, 1995, that the Plan, as restated as of January 1, 1992, constitutes a qualified trust under Section 401(a) of the Internal Revenue Code and is therefore exempt from federal income taxes under provisions of Section 501(a).

Contributions matched by the Company and all earnings are not taxable until distributed to the participants. Participants are allowed to make deferred compensation contributions to the Plan in amounts up to 15% of their total compensation but not to exceed \$9,500 and \$9,240 in 1996 and 1995, respectively (may be adjusted annually for cost-of-living increases). Such contributions are made in accordance with a salary reduction arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended, and are treated for federal income tax purposes as Company contributions. Contributions by highly compensated employees are limited in accordance with section 401(k).

8. PLAN TERMINATION

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.

9. 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 Plan Benefits. As a result, the following reconciliations were prepared:

	1996	1995
	<u> </u>	<u> </u>
Net assets per Form 5500	\$ 669,509,061	\$ 552,376,550
Distributions payable that are allocated but unpaid to former participants	87,212	2,616,830
Plan Equity per financial statements	<u>\$ 669,596,273</u> =====	<u>\$ 554,993,380</u> =====
Distributions to former participants per Form 5500	\$ 31,947,842	\$ 31,456,839
Distributions payable that are allocated but unpaid to former participants	(87,212)	(2,616,830)
Prior year distributions payable that were paid to former participants in the current year	2,616,830	1,711,238
Distributions to former participants per financial statements	<u>\$ 34,477,460</u> =====	<u>\$ 30,551,247</u> =====

10. ASSET ALLOCATION

As described in Note 2, the participants may elect to invest their contributions in eight investment funds (five in 1995) 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 10 through 13.

10. ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
 ALLOCATION OF NET ASSETS AVAILABLE FOR PLAN BENEFITS INVESTMENT PROGRAMS
 DECEMBER 31, 1996
 (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	\$ 2,902	\$ 653	\$ 1,271	\$ -	\$ 6,977	\$ -
Parker-Hannifin Corporation common shares	187,635	63,758				
Investment contracts					148,731	
Other investments			25,747	121,331		42,802
Total investments	190,537	64,411	27,018	121,331	155,708	42,802
Receivables:						
Participants' contributions				21		
Participant loans						
Accrued interest and dividends	17	2	436		548	
Other	1,318		28		263	136
Total assets	191,872	64,413	27,482	121,352	156,519	42,938
LIABILITIES						
Dividends payable to participants	3,338					
Other		35	17	415	627	40
Total liabilities	3,338	35	17	415	627	40
Net Assets Available for Plan Benefits	\$ 188,534	\$ 64,378	\$ 27,465	\$ 120,937	\$ 155,892	\$ 42,898

(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	\$ -	\$ -	\$ -	\$ -	\$ 11,803
Parker-Hannifin Corporation common shares					251,393
Investment contracts					148,731
Other investments	15,454	8,991	15,585		229,910
Total investments	15,454	8,991	15,585	-	641,837
Receivables:					
Participants' contributions					21
Participant loans				29,588	29,588
Accrued interest and dividends			28		1,031
Other	61	35	43		1,884
Total assets	15,515	9,026	15,656	29,588	674,361
LIABILITIES					
Dividends payable to participants					3,338
Other	188	14	91		1,427
Total liabilities	188	14	91	-	4,765
Net Assets Available for Plan Benefits	\$ 15,327	\$ 9,012	\$ 15,565	\$ 29,588	\$ 669,596

10. ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
 ALLOCATION OF NET ASSETS AVAILABLE FOR PLAN BENEFITS INVESTMENT PROGRAMS
 DECEMBER 31, 1995
 (000'S omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund	Loan Fund	Total
ASSETS								
Investments, at fair value:								
Cash and cash equivalents	\$ 4,988	\$ 519	\$ 549	\$ -	\$ 14,610	\$ -	\$ -	\$ 20,666
Parker-Hannifin Corporation common shares	160,718	56,391						217,109
Investment contracts					155,288			155,288
Other investments			24,818	95,862		33,139		153,819
Total investments	165,706	56,910	25,367	95,862	169,898	33,139	-	546,882
Receivables:								
Employer's contribution	500							500
Participants' contributions		121	38	133		56		348
Participant loans							16,582	16,582
Accrued interest and dividends	57	3	535		311			906
Other		3						3
Total assets	166,263	57,037	25,940	95,995	170,209	33,195	16,582	565,221
LIABILITIES								
Dividends payable to participants	2,885							2,885
Notes payable	6,895							6,895
Other		200			247			447
Total liabilities	9,780	200	-	-	247	-	-	10,227
Net Assets Available for Plan Benefits	\$ 156,483 =====	\$ 56,837 =====	\$ 25,940 =====	\$ 95,995 =====	\$ 169,962 =====	\$ 33,195 =====	\$ 16,582 =====	\$ 554,994 =====

10. ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
 ALLOCATION OF NET ASSETS AVAILABLE FOR PLAN BENEFITS INVESTMENT PROGRAMS
 DECEMBER 31, 1996
 (000's omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund
ADDITIONS						
Contributions:						
Participant payroll deductions	\$ -	\$ 7,388	\$ 4,293	\$ 14,792	\$ 10,534	\$ 7,323
Employer	19,703					
Total contributions	19,703	7,388	4,293	14,792	10,534	7,323
Transfers from other plans		205	65	554	274	442
Interfund transfers	(1,378)	(5,915)	(2,330)	(8,798)	(17,673)	(2,097)
Interest income	259	62	1,684	2	9,840	32
Dividend income - net	67	1,204				
Net appreciation (depreciation) in the fair value of investments	20,647	7,514	(652)	23,318		5,844
Total additions	39,298	10,458	3,060	29,868	2,975	11,544
DEDUCTIONS						
Withdrawals and terminations	6,957	2,911	1,424	4,289	16,604	1,610
Interest expense	290					
Trustee fees and expenses		6	111	637	441	231
Total deductions	7,247	2,917	1,535	4,926	17,045	1,841
Net increase (decrease) in Assets Available for Plan Benefits	32,051	7,541	1,525	24,942	(14,070)	9,703
Assets Available - Beginning of year	156,483	56,837	25,940	95,995	169,962	33,195
Assets Available - End of year	\$ 188,534	\$ 64,378	\$ 27,465	\$ 120,937	\$ 155,892	\$ 42,898

(Table continued)

	Small Capitali- zation Fund	Inter- national Fund	S & P 500 Index Fund	Loan Fund	Total
ADDITIONS					
Contributions:					
Participant payroll deductions	\$ 3,988	\$ 2,448	\$ 3,673	\$ -	\$ 54,439
Employer					19,703
Total contributions	3,988	2,448	3,673	-	74,142
Transfers from other plans	127	93	186		1,946
Interfund transfers	10,432	5,871	10,256	11,632	-
Interest income		1	160	1,809	13,849
Dividend income - net					1,271
Net appreciation (depreciation) in the fair value of investments	881	665	1,440		59,657
Total additions	15,428	9,078	15,715	13,441	150,865
DEDUCTIONS					
Withdrawals and terminations	88	60	100	435	34,478
Interest expense					290
Trustee fees and expenses	13	6	50		1,495
Total deductions	101	66	150	435	36,263
Net increase (decrease) in Assets Available for Plan Benefits	15,327	9,012	15,565	13,006	114,602
Assets Available - Beginning of year	-	-	-	16,582	554,994
Assets Available - End of year	\$ 15,327	\$ 9,012	\$ 15,565	\$ 29,588	\$ 669,596

NOTES TO FINANCIAL STATEMENTS, continued

10. ASSET ALLOCATION, continued

PARKER RETIREMENT SAVINGS PLAN
 ALLOCATION OF NET ASSETS AVAILABLE FOR PLAN BENEFITS INVESTMENT PROGRAMS
 DECEMBER 31, 1995
 (000's omitted)

	ESOP Fund	Company Stock Fund	Fixed Income Fund	Equity Fund	Contract Income Fund	Balanced Fund	Loan Fund	Total
ADDITIONS								
Contributions:								
Participant payroll deductions	\$ -	\$ 5,904	\$ 3,799	\$ 12,442	\$ 11,626	\$ 5,350	\$ -	\$ 39,121
Participant lump sum		18	5	24	8	7		62
Employer	18,201							18,201
Total contributions	18,201	5,922	3,804	12,466	11,634	5,357	-	57,384
Interfund transfers	(694)	(271)	(287)	2,175	(2,163)	(44)	1,284	-
Interest income	346	30	1,477	22	10,437	4	1,182	13,498
Dividend income - net	469	1,119						1,588
Net appreciation in the fair value of investments	19,135	6,525	1,639	23,524		6,770		57,593
Total additions	37,457	13,325	6,633	38,187	19,908	12,087	2,466	130,063
DEDUCTIONS								
Withdrawals and terminations	6,519	3,071	1,240	3,445	14,865	867	544	30,551
Interest Expense	1,396							1,396
Trustee fees and expenses		40	54	266	217	105		682
Total deductions	7,915	3,111	1,294	3,711	15,082	972	544	32,629
Net increase in Assets Available for Plan Benefits	29,542	10,214	5,339	34,476	4,826	11,115	1,922	97,434
Assets Available - Beginning of year	126,941	46,623	20,601	61,519	165,136	22,080	14,660	457,560
Assets Available - End of year	\$ 156,483	\$ 56,837	\$ 25,940	\$ 95,995	\$ 169,962	\$ 33,195	\$ 16,582	\$ 554,994

PARKER RETIREMENT SAVINGS PLAN
ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
FOR THE YEAR ENDED DECEMBER 31, 1996

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	\$ 11,803,414	\$ 11,803,414
Parker Hannifin Corporation	6,487,567 Common Shares	128,033,604	251,393,220
AIM	611,820 units of AIM Constellation Fund	15,216,562	15,454,572
Capital Guardian	497,833 units of Capital Guardian Intl Equity Fund	8,381,698	8,990,876
Seven Seas	1,000,933 units of Seven Seas S&P 500 Index Fund	14,754,299	15,584,532
Key Bank	169,171 units of Employee Benefits Fixed Income Fund	12,274,859	13,956,417
Key Bank	470,963 units of Employee Benefits Value Equity Fund	82,634,818	150,175,845
U.S. Government Securities:			
GNMA	6.5% due 07-15-2009	1,304,746	1,309,900
GNMA	9% due 09-15-2016	325,695	324,275
GNMA	9% due 12-15-20	421,513	416,987
GNMA	8.5% due 06-15-2021	944,534	921,014
GNMA	9% due 06-15-2022	372,178	371,411
United States Treasury Notes	5.375% due 05-31-1998	3,458,437	3,473,750
United States Treasury Notes	6.375% due 07-15-1999	2,008,437	2,018,740
United States Treasury Notes	6.625% due 06-30-2001	996,250	1,015,940
United States Treasury Notes	6.375% due 08-15-2002	3,279,611	3,220,992
United States Treasury Notes	7.5% due 02-15-2005	4,928,964	5,081,027
Total U.S. Govt. Securities		18,040,365	18,154,036
Corporate Debt Instruments:			
Citicorp	Senior NT 5.625% due 02-15-2001	979,100	965,650
Commercial Credit	Notes 6.75% due 05-15-2000	504,760	504,360
Ford Motor Credit Corporation	Notes 6.25% due 02-26-1998	1,000,640	1,002,490
Gannett Incorporated	Notes 5.85% due 05-01-2000	466,500	490,915
General Electric Company	Deb 7.875% due 09-15-1998	509,050	514,515
IBM	Note 6.375% due 11-01-1997	493,339	501,805
J C Penny	Note 10% due 10-15-1997	265,802	257,587
Lockheed Martin	Bond 7.25% due 05-15-2006	499,530	508,685
Phillip Morris Company Inc	NT 6.375% due 01-15-1998	868,904	852,184
Salomon Inc	Notes 6.7% due 12-01-1998	1,003,350	1,003,780
Service Corp International	SR Note 6.375% due 10-01-2000	998,540	991,010
Total Corporate Debt Instruments		7,589,515	7,592,981

Continued on next page

PARKER RETIREMENT SAVINGS PLAN
 ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, continued
 FOR THE YEAR ENDED DECEMBER 31, 1996

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
Investment Contracts:			
Business Mens Assurance Co	6.9% due 10-01-2001	\$ 3,039,746	\$ 3,039,746
Caisse Des Depots ET Consignations	5.44% due 12-26-2000	3,138,139	3,138,139
Capital Holding Corp	5.91% due 07-15-2000	2,990,419	2,990,419
C.N.A. Insurance Co	8.7% due 03-17-1997	4,873,580	4,873,580
Commonwealth Life Insurance	5.47% due 10-25-2004	9,996,041	9,996,041
Commonwealth Life Insurance	6.648% due 08-08-1999	9,977,664	9,977,664
Confederation Life	9.29% due 02-23-1995	2,094,657	2,094,657
Hartford Insurance Co	8.40% due 01-15-1997	3,097,104	3,097,104
Hartford Life Insurance	7.83% due 10-15-1997	3,642,243	3,642,243
Metropolitan Life	6.75% due 11-14-2000	2,385,501	2,385,501
New York Life Insurance Co	7.15% due 09-15-1998	2,552,400	2,552,400
New York Life Insurance Co	5.8% due 11-15-1999	11,770,122	11,770,122
Principal Mutual Life Insurance Co	5.45% due 06-15-1999	4,690,972	4,690,972
Security Life Of Denver	5.85% due 01-06-1997	3,000,000	3,000,000
Union Bank Switzerland	6.64% due 08-15-1999	10,435,614	10,435,614
Union Bank Switzerland	5.9271% due 03-25-2000	10,301,718	10,301,718
Bankers Trust	Basic Contract # 94-773 7.74% due 04-07-1999	1,999,408	1,999,408
Bankers Trust	Synthetic GIC No maturity	45,207,576	45,207,576
Bankers Trust	6.75% due 03-25-1999	1,462,286	1,462,286
Bankers Trust	Contract # 92-286 7.204998% due 11-15-1998	1,119,443	1,119,443
Bankers Trust	Contract # 92-377 RT % due 9-25-1997	2,742,592	2,742,592
Bankers Trust	RT% due 10-15-1997	2,704,520	2,704,520
Transamerica	Occidental Life # 76524 8.12% due 11-07-1998	2,514,869	2,514,869
Transamerica	Synthetic GIC # 76554 RT% due 6-15-2000	2,994,153	2,994,153
Total Investment Contracts		<u>148,730,767</u>	<u>148,730,767</u>
Total Assets Held for Investment		<u>\$ 447,459,901</u> =====	<u>\$ 641,836,660</u> =====

PARKER RETIREMENT SAVINGS PLAN
 ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 1996

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, 1996.

Description	# of Transactions	Purchase Price	Proceeds	Cost of Asset	Gain or loss
Key Trust Employee Benefits Money Market	417	\$ 55,481,840			
Key Trust Employee Benefits Money Market	300		\$ 53,117,086	\$ 53,117,086	\$ -

NOTE: There is no separate determination of expenses related to the above transactions.
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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: Michael J. Hiemstra
Michael J. Hiemstra
Vice President-Finance & Administration
& Chief Financial Officer
Parker-Hannifin Corporation

June 27, 1997