

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under The Securities Act of 1933

Graco Inc.
(Exact name of registrant as specified in its charter)

Minnesota 41-0285640
(State or other jurisdiction of (I.R.S. Employer Identification No.
incorporation or organization))

4050 Olson Memorial Highway
Golden Valley, Minnesota 55422-5332
(Address of principal executive offices) (Zip Code)

Graco Employee Stock Purchase Plan
(Full title of the plan)

CT Corporation System Inc.
405 Second Avenue South
Minneapolis, Minnesota 55401
(Name and address of agent for service)

(612) 333-4315
(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE
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Title of securities to be registered	Amount to be Registered	Proposed maximum offering price per share(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee
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Common Stock (\$1.00 par value)	750,000 shares	\$24.625	\$18,468,750	\$5,596.59
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(1) The registration fee has been calculated in accordance with Rule 457(c), based upon the average of the high and low prices of the Common Stock as reported on the New York Stock Exchange on December 9, 1996.

INCORPORATION BY REFERENCE

Pursuant to General Instruction E to Form S-8, this Registration Statement incorporates by reference the registrant's Registration Statements on Form S-8 (File Nos. 33-2661, including post effective amendments thereto, and 33-44821). Registration Statement (File No. 33-44821) increased the total number of shares registered for issuance under the Graco Employee Stock Purchase Plan

AMENDMENT TO INCREASE SHARES

On May 7, 1996, the stockholders of registrant approved an amendment to the Graco Employee Stock Purchase Plan to increase the aggregate number of shares of Graco common stock authorized for sale under the plan from 3,150,000 to 3,900,000.

Item 5. Interests of Named Experts and Counsel.

The validity of the Shares being registered hereby has been passed upon for the Company by Robert M. Mattison, Vice President, General Counsel and Secretary of Graco Inc., Minneapolis, Minnesota. Mr. Mattison is an officer of the Company.

Item 8. Exhibits.

- 5.1 Opinion of Robert M. Mattison, Vice President, General Counsel and Secretary of Graco Inc., regarding legality
- 23.1 Consent of Deloitte & Touche LLP, independent auditors
- 23.2 Consent of Robert M. Mattison, Vice President, General Counsel and Secretary of Graco Inc. (included in Exhibit 5.1 above)
- 24.1 Power of Attorney

Item 9. Undertakings.

A. Post-Effective Amendments.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (i) and (ii) above will not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

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(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. Subsequent Documents Incorporated by Reference.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Claims for Indemnification.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise,

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December 12, 1996

Graco Inc.
4050 Olson Memorial Highway
Golden Valley, Minnesota 55422-5332

To Whom it May Concern:

I am a member of the bar of the State of Minnesota and Vice President, General Counsel and Secretary of Graco Inc. (the "Company"). Reference is made to the Registration Statement on Form S-8 that the Company intends to file with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, for the purpose of registering 750,000 shares of Common Stock, \$1.00 par value, of the Company, pursuant to the Graco Employee Stock Purchase Plan (the "Plan"). I have examined such documents and have reviewed such questions of law as I have considered necessary and appropriate for the purposes of this opinion. I am of the opinion that the shares of Common Stock to be registered pursuant to the Plan, when sold to eligible employees in accordance with the terms thereof, will be legally issued, fully paid and nonassessable, provided (i) the value received by the Company is at least equal to the par value of the shares of Common Stock and (ii) the Registration Statement, as then amended, shall have become and remains effective under the Securities Act of 1933, as amended. I consent to the use of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/Robert M. Mattison
Robert M. Mattison
Vice President, General Counsel
and Secretary

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Graco Inc. on Form S-8 relating to its Employee Stock Purchase Plan of our report dated January 23, 1996, appearing in the Annual Report on Form 10-K of Graco Inc. for the year ended December 29, 1996.

/s/Deloitte & Touche LLP

Minneapolis, Minnesota
December 11, 1996

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints George Aristides his or her true and lawful attorney-in-fact and agent with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to execute a Registration Statement on Form S-8 to be filed under the Securities Act of 1933 for the registration of 750,000 additional shares of Common Stock of Graco Inc. under the Graco Inc. Employee Stock Purchase Plan and any and all post-effective amendments thereto, and to file such registration statement, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: May 8, 1996

/s/ George Aristides
George Aristides

/s/ Ronald O. Baukol
Ronald O. Baukol

/s/ David A. Koch
David A. Koch

/s/ Joe R. Lee
Joe R. Lee

/s/ Richard D. McFarland
Richard D. McFarland

/s/ Lee R. Mitau
Lee R. Mitau

/s/ Martha A.M. Morfitt
Martha A.M. Morfitt

/s/ Dale R. Olseth
Dale R. Olseth

/s/ Charles M. Osborne
Charles M. Osborne

/s/ William G. Van Dyke
William G. Van Dyke