TEXTRON INC

FORM 11-K
(Annual Report of Employee Stock Plans)

Filed 06/28/96 for the Period Ending 12/31/95

Address	40 WESTMINSTER ST PROVIDENCE, RI 02903
Telephone	4014212800
CIK	0000217346
Symbol	TXT
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	01/02

TEXTRON INC

FORM 11-K
(Annual Report of Employee Stock Plans)

Filed 6/28/1996 For Period Ending 12/31/1995

Address	40 WESTMINSTER ST
	PROVIDENCE, Rhode Island 02903
Telephone	401-421-2800
CIK	0000217346
Industry	Conglomerates
Sector	Conglomerates
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark one)

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

For the fiscal year ended December 31, 1995

OR

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

For the transition period from _____ to _____

Commission file number 001-05480

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

ELCO TEXTRON INC.

PROFIT SHARING AND SAVINGS PLAN
1111 SAMUELSON ROAD
P.O. BOX 7009
ROCKFORD, ILLINOIS 61125

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

TEXTRON INC.
40 WESTMINSTER STREET
PROVIDENCE, RHODE ISLAND 02903

REQUIRED INFORMATION

The following Financial Statements for the Elco Textron Inc. Profit Sharing and Savings Plan (formerly known as Elco Industries, Inc. Profit Sharing and Savings Plan) are furnished herein:

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Report of Independent Auditors

Pension Committee
Elco Industries, Inc. Profit Sharing and Savings Plan

We have audited the accompanying statements of net assets available for benefits of Elco Industries, Inc. Profit Sharing and Savings Plan (the Plan) as of December 31, 1995 and 1994, and the related statements of changes in net assets available for benefits for the year ended December 31, 1995. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financials 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 Plan at December 31, 1995 and 1994, and the changes in net assets available for benefits for the year ended December 31, 1995, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment as of December 31, 1995, and reportable transactions for the year then ended are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the basic financial statements. The Fund Information in the statement of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in our 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.

Ernst & Young LLP

Milwaukee, Wisconsin
May 31, 1996

Elco Industries, Inc. Profit Sharing and Savings Plan

Statements of Net Assets Available for Plan Benefits

	DECEMBER 31, 1995				DECEMBER 31, 1994		
	Money Market Fund	Balanced Fund	Mortgage & Bond Fund	Total Funds	Balanced Fund	Mortgage & Bond Fund	Total Funds
ASSETS							
Investments, at fair value:							
Mortgage notes	$ -	$ -	$ 6,124,887	$ 6,124,887	$ -	$ 6,863,754	$ 6,863,754
Common stocks	-	19,616,737	-	19,616,737	13,807,379	-	13,807,379
Preferred stocks	-	1,411,713	-	1,411,713	324,856	-	324,856
U.S. Government and Agency obligations	-	7,868,687	6,740,495	14,609,182	7,432,086	7,029,533	14,461,619
Corporate and municipal obligations	-	1,645,356	3,235,413	4,880,769	1,656,169	2,920,293	4,576,462
Foreign bonds	-	97,138	-	97,138	126,000	-	126,000
Short-term investments	1,245,289	4,855,118	1,046,161	7,146,568	2,538,873	192,676	2,731,549
Loans to participants	-	-	5,498	5,498	-	5,222	5,222
Cash, interest-bearing	8,550	143,324	209,960	361,834	631,709	127,293	759,002

	1,253,839	35,638,073	17,362,414	54,254,326	26,517,072	17,138,771	43,655,843
Employer contribution receivable	-	512,624	-	512,624	1,056,982	-	1,056,982
Interest and dividend receivable	5,381	216,068	139,628	361,077	83,088	137,817	220,905
Accounts receivable	-	-	-	-	20,146	24,544	44,690
Due to (from) other fund	22,449	(92,830)	70,381	-	(75,272)	75,272	-
	$1,281,669	$36,273,935	$17,572,423	$55,128,027	$27,602,016	$17,376,404	$44,978,420

See accompanying notes.

Elco Industries, Inc.
Profit Sharing and Savings Plan

Statement of Changes in Net Assets Available for Plan Benefits

Year ended December 31, 1995

	Money Market Fund	Balanced Fund	Mortgage & Bond Fund	Total Funds
Additions:				
Contributions:				
Employer	$ 21,654	$ 1,092,881	$ 67,889	$ 1,182,424
Employee	33,226	884,381	464,986	1,382,593
Interest and dividends	65,177	1,091,529	1,150,798	2,307,504
Net appreciation in fair value of investments	-	6,903,221	851,973	7,755,194
	120,057	9,972,012	2,535,646	12,627,715
Deductions:				
Benefits payments to participants or their beneficiaries	97,807	672,324	1,504,066	2,274,197
Administrative expenses	-	154,698	49,213	203,911
	97,807	827,022	1,553,279	2,478,108
Transfers, net	1,259,419	(473,071)	(786,348)	-
Net additions	1,281,669	8,671,919	196,019	10,149,607
Net assets available for Plan benefits, beginning of year	-	27,602,016	17,376,404	44,978,420
Net assets available for Plan benefits, end of year	$1,281,669	$36,273,935	$17,572,423	$55,128,027

See accompanying notes.

Elco Industries, Inc. Profit Sharing and Savings Plan

Notes to Financial Statements

December 31, 1995

1. DESCRIPTION OF THE PLAN

The Elco Industries, Inc. Profit Sharing and Savings Plan (the Plan) is a defined contribution plan formed to provide profit sharing benefits to employees of Elco Textron Inc. (the Company). Elco Industries, Inc. was purchased in October 1995 and changed its name to Elco Textron Inc. All full-time employees of the Company's Corporate Division, Precision Automotive Division, Precision Commercial Division, Heat Treat and Finishes Division, Tool Manufacturing Division, Construction Products Division and Elco Consumer Products Corp. are eligible to participate in the Plan, commencing with the first annual anniversary of their employment. Plan participants vest in the Company's contributions at the rate of 10 percent per year for each of the first two years of participation in the Plan and at the rate of 20 percent per year for the next four years.

Participants become fully vested after six years. Forfeitures are allocated to remaining Plan participants.

The Plan is administered by an administrative committee consisting of not fewer than three members selected by the Board of Directors of the Company.

The Company annually contributes to the Plan the lesser of 10 percent of its current year adjusted net income plus an additional amount, which may be authorized at the discretion of its Board of Directors, or 15 percent of the aggregate compensation paid to all Plan participants. Active participants may elect to make taxable contributions not to exceed 10 percent of their earnings, and/or tax reduction contributions as a percent of earnings as determined annually by the administrative committee. Employee and employer contributions are funded currently with the custodian.

The Plan requires that at least two investment portfolios be maintained. The Company's contributions generally are invested in common stocks and other equity securities. The participants' contributions may be invested in money market funds, fixed income securities (Mortgage & Bond Fund) or in a stock portfolio (Balanced Fund) as directed by each participant. However, the administrative committee may direct that any portion of the funds be invested in fixed income property to conserve principal.

The allocation of Plan income or loss to active participants is made in the same ratio that a participant's account bears to the sum of the balances of all participants' accounts, taking into consideration the dates on which additional contributions and withdrawals are made.

The allocation of Company contributions and forfeitures is based on participant earnings, plus years of service, as defined by the Plan document.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's account balance. On termination of service, a participant may elect to receive either a lump-sum amount equal to the vested portion of his account, or periodic payments over a period of time as defined by the Plan.

In accordance with the terms of the trust agreement as amended January 1, 1976, the custodian has custody of all trust assets.

The Plan has received a determination letter dated April 6, 1995, from the Internal Revenue Service that the Plan meets the requirements of Section 401(b) of the Internal Revenue Code (IRC) and, therefore, is not subject to federal or state income taxes. Once qualified, a plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator is not aware of any course of action or series of events that might adversely affect the Plan's qualified status.

Participants should refer to the Summary Plan Description for a more complete description of the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Common stocks, preferred stocks, U.S. Government and Agency obligations, foreign bonds, and corporate and municipal obligations are carried at fair value based on quoted market values. The values of investments in mortgage notes and loans to participants represent the uncollected principal balances, which approximate fair value. Short-term investments are reported at cost, which approximates fair value.

The preparation of financial statements in accordance 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.

Certain administrative services are provided to the Plan by the Company without charge.

3. TERMINATION PRIORITIES

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, participants will become 100% vested in their accounts.

4. MORTGAGE NOTES

The Plan invests in mortgage notes receivable from certain employees of the Company in northern Illinois who may or may not be Plan participants. The Plan's policy restricts these investments to first mortgages on personal residences, including subsequent home improvements, and requires approval by the administrative committee. The mortgage amount may not exceed 80 percent of the appraised value of the property plus 50 percent of the participant's vested benefit in their profit sharing account. The maximum amount loaned is limited to the appraised value, but may not exceed $50,000. Interest rates currently range from 7.5% to 8.5%. The notes are granted with maturities of up to ten years and payment schedules based on periods of up to twenty-five years. At the maturity date, unpaid loan balances are reviewed by the administrative committee and, upon approval, are refinanced at prevailing interest rates.

5. NET APPRECIATION (DEPRECIATION) OF INVESTMENTS

During 1995, Plan investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in fair value as follows:

Common stocks	$6,187,450
Preferred stocks	67,634
U.S. Government and Agency obligations	1,061,506
Corporate obligations	494,341
Foreign bonds	(55,737)
	$7,755,194

6. INVESTMENTS EXCEEDING FIVE PERCENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

The fair value of individual investments that exceed five percent of net assets is as follows:

	1995	1994
U.S. Treasury notes, 5.125%, due 12/31/98	$3,486,875	$3,904,959
Parkstone U.S. Government Obligations Money Market Fund	4,210,996	
Parkstone Prime Obligations Money Market Fund	2,935,572	

7. RELATED-PARTY TRANSACTIONS

As of December 31, 1994, common stock included 110,019 shares of Elco Industries, Inc., common stock with a fair value of $1,870,323. During 1995, the Plan sold the 110,019 common shares of Elco Industries, Inc. at $3,960,684 for a gain of $3,663,262.

The Plan had the following related-party transactions with funds administered by an affiliate of the Plan's custodian, for the year ended December 31, 1995:

	Purchases	Sales
Parkstone Money Market Funds	$32,090,278	$27,675,259

Elco Industries, Inc.
Profit Sharing and Savings Plan

Assets Held for Investment

December 31, 1995

IDENTITY /DESCRIPTION	PAR VALUE OR SHARES	COST	CURRENT VALUE
Mortgage notes, interest rates of 7.5% - 8.5%, maturing at various dates through 2005	-	$6,124,887	$6,124,887
Common stocks:			
AT&T Corporation	2,350	135,744	152,162
Allstate Corporation	2,885	91,712	118,646
American Express Company Exchangeable Note	5,400	262,210	299,700
American Home Products Corporation	2,650	217,802	257,050
Atlantic Richfield Company	2,150	245,678	238,112
Bandag Incorporated Class A Common	2,600	134,462	137,800
Banta Corporation	3,200	104,400	140,800
Belden Incorporated	10,200	265,058	262,650
Brinker International Corporation	29,000	440,957	438,625
Bristol Myers Squibb Company	3,100	258,612	266,212
Browning Ferris Industries	17,500	508,143	514,062
Browning Ferris Industries Incorporated Common Auto Exchange	3,850	136,560	120,794
Burlington Resources, Inc.	10,500	398,030	412,125
CCH Incorporated Class B Nonvoting	5,300	111,699	292,162
Casey's General Stores	15,900	123,005	347,812
Coca Cola Company	3,700	210,108	274,725

Conagra Incorporated	3,200	109,986	132,000
Corning Incorporated	6,900	184,074	220,800
Deluxe Corporation	9,700	268,998	281,300
Dentsply International Incorporated	5,200	171,600	208,000
Duke Power Company	7,300	303,279	345,837
Duracell International Incorporated	5,550	260,762	287,212
Eli Lilly and Company	7,500	303,154	421,875
Emerson Electric Company	4,100	293,640	335,175
Enron Corporation Common Exchangeable EOG	5,800	134,814	139,200
FPL Group Incorporated	7,700	301,477	357,087
Family Dollar Store, Inc.	31,000	468,867	426,250
Federal National Mortgage Association	3,500	256,073	433,562
First Financial Corporation Wisconsin	9,400	46,083	216,200
First Tennessee National Corporation	2,100	118,075	127,050
Fisher Scientific International Incorporated	8,100	261,486	270,338
Frontier Corporation	8,600	194,819	258,000
G & K Services, Inc. Class A	15,000	133,925	382,500
Glatfelter P H Company	5,500	84,142	94,188
HJ Heinz Company	10,175	312,639	337,047
Haemonetics Corporation	14,500	299,534	257,375
Harding Lawson Associates Group Incorporated	4,300	73,100	25,800
John Alden Financial Corporation	6,400	137,623	133,600
Johnson & Johnson	4,300	275,487	367,650
Liqui Box Corporation	2,400	47,600	71,100
MBNA Corporation	8,700	245,597	320,813
Marshall & Ilsley Corporation	6,900	69,000	179,400
May Department Stores Company	3,150	124,808	132,694
Mentor Graphics Corporation	18,000	200,865	328,500
Minerals Technologies Incorporated	3,700	131,269	135,050
Mobil Corporation	4,150	397,595	463,763
New England Electric System	3,400	122,897	134,725
Newell Company	4,400	79,242	113,850
Occidental Petroleum Corporation	7,850	184,528	167,794
Old Republic International Corp.	7,200	168,301	255,600
PNC Bank Corporation	4,200	126,861	135,450
Pall Corporation	11,600	182,410	311,750
Policy Management Systems Corporation	8,700	293,128	414,338
Proctor & Gamble Company	5,000	343,175	415,000
Progressive Corporation Ohio	5,000	179,630	244,375
Providian Corporation	6,400	135,235	260,800
Questar Corporation	3,950	128,995	132,325
Raychem Corporation	8,000	330,688	455,000
Regal Beloit Corporation	14,500	134,449	315,375
Roto Rooter, Inc.	3,500	52,500	114,625
Royal Dutch Petroleum Company	2,950	359,161	416,319
Ryans Steak House	34,000	284,185	238,000
Sears Roebuck and Company	7,450	254,118	290,550
Service Corporation International	6,268	170,300	275,796
Snap On Incorporated	4,250	182,906	192,313
Stratus Computer, Inc.	9,900	335,280	342,788
Sungard Data Systems	15,000	158,826	427,500
Sybron International Corporation	6,600	80,190	155,925
Texas Utilities Company	3,250	117,973	133,250
US Healthcare Corporation	2,750	109,849	127,875
UST Incorporated	11,950	358,387	398,831
United Technologies Corporation	3,400	238,060	322,575
Watts Industries Class A	18,000	394,365	418,500
Wausau Paper Mills Company	4,180	88,825	113,905
Xerox Corporation	2,400	283,620	328,800
		15,732,635	19,616,737
Preferred stocks:			
Alco Standard	4,250	338,946	363,375
Allstate Corporation	3,250	135,779	133,250
Bowater Incorporated	4,150	131,285	126,575
First Bank System	2,450	176,346	210,088
First USA, Inc.	7,600	288,952	300,200
Houghton Mifflin Company	1,250	90,100	85,000
Sunamerica Incorporated	2,950	187,653	193,225
		1,349,061	1,411,713
U.S. Government obligations:			
U.S. Treasury note, 6.375%, due 7/15/99	1,200,000	1,206,447	1,240,500
U.S. Treasury note, 5.625%, due 8/31/97	2,000,000	2,056,750	2,013,120
U.S. Treasury note, 5.125%, due 12/31/98	3,500,000	3,463,299	3,486,875
U.S. Treasury note, 5.875%, due 2/15/04	1,300,000	1,242,578	1,326,000
U.S. Treasury note, 7.875%, due 11/15/04	650,000	649,188	752,577
		8,618,262	8,819,072
U.S. Government Agency obligations:			

FHLB, 7.050% DTD 12/21/95, due 12/21/05	700,000	700,000	700,000
FHLB, 6.880% DTD 8/01/95, due 8/01/00	825,000	825,000	822,690
FHLB, 6.877% DTD 9/13/95, due 9/13/00	500,000	500,781	507,350
FHLB, 7.300% DTD 12/27/95, due 12/27/10	800,000	800,000	800,000
FHLB, 7.325% DTD 12/28/95, due 12/28/10	600,000	600,000	600,000
FHLMC Debenture, 7.000% DTD 12/01/95, due 12/02/02	750,000	750,000	750,000
FHLMC Debenture, 7.050% DTD 1/29/93, due 1/29/03	500,000	502,031	503,300
FHLMC Debenture, 6.780% DTD 2/12/93, due 2/12/03	500,000	499,297	500,650
SLMA, 6.970% DTD 8/23/95, due 8/23/0 0	600,000	601,500	606,120
		5,778,609	5,790,110
Corporate and municipal obligations:			
American Express Master Trust CMO, 6.050%, due 7/15/97	200,000	199,418	201,609
Analog Devices Incorporated, 3.500%, due 12/01/00	125,000	125,962	133,594
Anheuser Busch, Inc., 8.750%, due 12/01/99	300,000	320,478	332,154
Bear Steams Companies, 9.375%, due 6/01/01	150,000	153,314	172,407
Browning Ferris Industries, 6.750%, due 7/18/05	120,000	120,275	119,700
Coca Cola Enterprises, Inc., 7.875%, due 2/01/02	300,000	298,050	329,484
Dupont E I De Nemours & Co., 8.500%, due 2/15/03	400,000	421,559	451,312
First Financial Management Corporation, 5.000%, due 12/15/99	80,000	106,675	124,300
Ford Motor Company, 9.000%, due 9/15/01	300,000	305,625	342,468
General Instrument Corporation, 5.000%, due 6/15/00	80,000	105,573	88,000
Great Western Financial Corporation, 6.375%, due 7/01/00	200,000	198,666	203,186
Healthsouth Rehabilitation Corporation, 5.000%, due 4/01/01	175,000	223,550	280,000
Integrated Device Technology, 5.500%, due 6/01/02	135,000	134,463	110,025
Lowes Companies Incorporated, 3.000%, due 7/22/03	115,000	130,298	150,650
Northern Telecom, 6.875%, due 10/01/02	300,000	300,000	311,718
Olsten Corporation, 4.875%, due 5/15/03	110,000	123,300	126,500
Pacific Gas and Electric Co., 5.375%, due 8/01/98	500,000	498,175	494,920
Sterling Software Incorporated, 5.750%, due 2/01/03	150,000	189,000	323,813
Texas Instruments, Inc., 9.0%, due 3/15/01	350,000	371,350	396,154
VLSI Technology Incorporated, 8.250%, due 10/01/05	65,000	65,070	59,962
Wendy's International, 7.0%, due 4/01/06	75,000	108,000	128,813
		4,498,801	4,880,769
Foreign bonds -			
Scholastic Corporation Euro Bond, 5.000%, due 8/15/05	95,000	106,575	97,138
Short-term investments:			
Parkstone Prime Obligations Money Market Fund	2,935,572	2,935,572	2,935,572
Parkstone U.S. Government Obligations Money Market Fund	4,210,996	4,210,996	4,210,996
		7,146,568	7,146,568
Loans to participants, 8.5%	-	-	5,498
Cash	-	361,834	361,834
		$49,717,232	$54,254,326

Elco Industries, Inc.
Profit Sharing and Savings Plan

Reportable Transactions

Year ended December 31, 1995

DESCRIPTION	NUMBER OF TRANSACTIONS PURCHASES	NUMBER OF TRANSACTIONS SALES	COST OF PURCHASES DURING THE YEAR	PROCEEDS FROM SALES OR REDEMPTIONS DURING THE YEAR	REALIZED GAIN (LOSS)
Category (iii) - Series of transactions in excess of 5 percent of plan assets					
Parkstone Prime Obligations Money Market Fund	179	68	$25,104,302	$23,686,101	$ -
Parkstone U.S. Government Obligations Money Market Fund	100	27	6,985,976	3,989,158	-

FHLMC Debenture, 7.910%, due 12/5/97	1	1	1,409,188	1,400,000	(9,188)
FNMA Discounted Note DTD 7/25/94 due 7/17/95	1	1	1,607,940	1,645,000	37,060
FNMA Discounted Note, due 9/11/95	1	1	1,565,882	1,600,000	34,118
Elco Industries Incorporated common stock	-	2	-	3,960,684	3,663,262

There were no Category (ii) or (iv) reportable transactions. Category (i) reportable transactions are included in Category (iii) reportable transactions above.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ELCO TEXTRON INC. PROFIT SHARING AND SAVINGS PLAN

ELCO TEXTRON INC., Plan Administrator

DATE June 28, 1996 *By /s/ Kenneth L. Heal*
Name: Kenneth L. Heal
Title: Secretary/Treasurer