

As filed with the Securities and Exchange Commission on July 11, 1997

SECURITIES AND EXCHANGE COMMISSION
Washington, C.D. 20549

FORM 11-K

/X/ ANNUAL REPORT PURSUANT TO SECTION 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the 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 from _____ to _____

Commission File No: 1-7615

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

KIRBY 401(K) PLAN

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

Kirby Corporation
1775 St. James Place, Suite 200
Houston, Texas 77056-3453

=====

KIRBY 401(k) PLAN

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

	Page

Independent Auditors' Report	1
Financial Statements:	
Statement of Net Assets Available for Benefits (Modified Cash Basis)	
December 31, 1996 and 1995	2
Statements of Changes in Net Assets Available for Benefits	
(Modified Cash Basis), for the years ended December 31, 1996 and 1995	3
Notes to Financial Statements	4-9
Supplemental Schedules:	
Item 27a - Schedule of Assets Held for Investment Purposes (Modified Cash Basis)	10
Item 27d - Schedule of Reportable Transactions	11
Exhibits:	
Signatures	12
Consent of Independent Auditors	13

Schedules, other than those listed above, are omitted because of the conditions under which they are required.

Independent Auditors' Report

Plan Administrator
Kirby 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits as of December 31, 1996 and 1995, and the related statements of changes in net assets available for benefits for the years ended December 31, 1996 and 1995. These financial statements (modified cash basis) and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and supplemental schedules 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.

As described in note 2, these financial statements (modified cash basis) and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1996 and 1995, and the changes in net assets available for benefits for the years ended December 31, 1996 and 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 supplemental schedules of assets held for investment purposes and reportable transactions 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, as amended. 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.

KPMG PEAT MARWICK LLP

Houston, Texas
July 11, 1997

KIRBY 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)

December 31, 1996 and 1995

	1996 ----	1995 ----
Investments at fair value:		
Cash	\$ 105,260	393
Common trust fund	5,281,873	4,887,298
Mutual funds	13,852,858	10,615,929
Kirby Corporation common stock	464,955	124,524
Participant loans	1,832,432	1,204,119
	-----	-----
Net assets available for benefits	\$21,537,378 =====	16,832,263 =====

See accompanying notes to financial statements.

KIRBY 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)

For the years ended December 31, 1996 and 1995

	1996 ----	1995 ----
Net assets available for benefits, beginning of year	\$16,832,263 -----	12,006,888 -----
Additions to net assets attributed to:		
Contributions from employers	1,149,231	1,182,889
Contributions from participants	3,158,631	3,231,273
Rollover contributions	259,161	173,410
Interest and dividend income	1,419,891	667,207
Net unrealized gain in fair value of investments	625,386	292,792
Net realized gain from disposition of investments	164,243 -----	556,660 -----
Total additions	6,776,543 -----	6,104,231 -----
Deductions from net assets attributed to:		
Benefits paid to participants	2,026,378	1,181,860
Administration fees	45,050 -----	96,996 -----
Total deductions	2,071,428 -----	1,278,856 -----
Net increase	4,705,115 -----	4,825,375 -----
Net assets available for benefits, end of year	\$21,537,378 =====	16,832,263 =====

See accompanying notes to financial statements.

KIRBY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

(1) DESCRIPTION OF THE PLAN

(a) GENERAL

The Kirby 401(k) Plan (the Plan) is a defined contribution 401(k) plan for the benefit of employees of Kirby Marine Transportation Corporation (the Company), Kirby Corporation (the Parent), and certain subsidiaries. Each employee is eligible to join the Plan as of the first pay period beginning in any quarter following completion of one year of service. Employees covered by collective bargaining agreements, the terms of which do not provide for participation in the Plan, are not eligible. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Further information relating to the Plan's provisions is available in the Summary Plan Description provided to all eligible employees.

(b) CONTRIBUTIONS

The Plan provides for basic employee pretax contributions to the Plan of 3% of covered compensation as defined, and for additional employee pretax contributions to the Plan of up to 14% of covered compensation subject to the provisions of the Internal Revenue Code. The Company contributes matching employer contributions equal to 100% of basic employee pretax contributions. The Company does not match the additional employee pretax contributions.

(c) BENEFITS PAYMENTS

Benefit payments are typically made in a lump-sum distribution to the participant upon termination of employment (or to the beneficiary in the event of death). However, a participant may request a loan for up to 50% of the participant's vested interest up to a maximum of \$50,000. Loans are typically repaid over a five-year period and have interest rates ranging from 7% to 10%. Loans outstanding upon termination of a participant are written off as benefits paid to participants. These amounts are taxed to the participant in the year of the participant's termination.

(d) VESTING

A participant has an immediate and fully vested nonforfeitable interest in the portion of the account relating to both participant and employer contributions and may, upon resignation from or discharge by the employer, withdraw their entire account balance.

(e) PLAN AMENDMENTS

Occasionally amendments have been made to provide more clarity to certain definitions in the Plan Document. The Plan was amended in 1995 to change the fund options available to participants. With the exception of the Loan Fund, all investment funds were sold off, and the proceeds were used to purchase shares in the new investment fund options.

(Continued)

KIRBY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

(f) PLAN ADMINISTRATION

The general administration of the Plan is vested in the Vice President of Human Resources of the Company (the Plan Administrator). The Plan Administrator has broad powers regarding the operation and administration of the Plan and receives no compensation for service to the Plan. All administrative expenses, unless paid by the Company at its discretion, are paid by the Plan.

(g) PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of termination, the amounts credited to the accounts of participants shall be distributed to the participants after payment of expenses of distribution and liquidation.

(h) USE OF ESTIMATES

The preparation of financial statements requires Plan management to make estimates and assumptions that affect the reported amounts of net assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net assets during the reporting period. Actual results could differ from those estimates. However, in the opinion of Plan management, such differences would be immaterial.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the modified cash basis which utilizes the cash basis of accounting while adjusting debt and equity securities to their corresponding market value for financial reporting purposes.

(b) INVESTMENT VALUATION

Investments in the common trust fund, mutual funds and Kirby Corporation common stock are stated at fair value as determined by Texas Commerce Bank N.A., the trustee of the Plan, based on quoted market prices. Purchases and sales of investments are recorded on a trade date basis. Net realized gains and losses on disposition of investments are reported on the revalued cost method. Revalued cost is the fair value of the assets at the beginning of the plan year or historical cost if the investment was acquired since the beginning of the year. Any unrealized appreciation or depreciation is recognized currently in the Statement of changes in net assets available for benefits. Participant loans are stated at cost which approximates their fair value.

(Continued)

KIRBY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

(3) INVESTMENTS

Each participant has the right to direct his contributions and the Company's matching contributions between the investment funds selected by the Plan. The investment funds options are described below:

Texas Commerce Bank Avesta Money Market Fund - Seeks to provide stability of principal by investing in short-term U.S. Government and Federal Agency securities with an average maturity of less than 90 days.

Fidelity Advisor Growth & Income Fund - Seeks income and growth by investing in U.S. Treasury issues, corporate bonds, foreign investments, convertible securities, and stocks. The fund allocates assets, or adjusts the mix daily based on market conditions.

Fidelity Advisor Growth Opportunities Fund- Seeks long-term growth by investing through a core investment in growth, value and cyclical stocks.

Templeton Foreign Fund - Seeks long-term capital growth through a flexible policy of investing in stocks and debt obligations of companies and governments outside the U.S.

Franklin Balance Sheet Investment Fund- Seeks high total return, of which capital appreciation and income are components. The fund is a non-diversified fund and may invest an unlimited amount of its total assets in the securities of any companies which, in the opinion of the fund's investment manager, represent an opportunity for significant capital appreciation and/or high income. The securities of such companies will include common and preferred stocks, secured and unsecured bonds, and commercial paper or notes.

Franklin Custodian Funds - U.S. Government Securities Series Fund - Seeks income by investing in U.S. Government securities which include, but are not limited to, U.S. Treasury bonds, notes and bills, Treasury Certificates or Indebtedness and securities issued by instrumentalities of the U.S. government.

Kirby Corporation Common Stock Fund- Invests in Kirby Corporation common stock.

Janus Balanced Fund - Seeks long-term growth of capital balanced by current income. The fund will normally invest 40 - 60% of its assets in securities selected primarily for their growth potential and 40 - 60% of its assets in securities selected primarily for their income potential. The fund invests in common and preferred stock, U.S. Treasury issues, corporate bonds, and foreign investments.

(Continued)

KIRBY 401(k) PLAN
 NOTES TO FINANCIAL STATEMENTS
 (MODIFIED CASH BASIS)

The fair value of individual investments that represent 5% or more of the Plan's net assets available for plan benefits at December 31, 1996 and 1995 are as follows:

	December 31,	
	1996	1995
	----	----
Texas Commerce Bank Avesta Money Market Fund	\$ 5,281,873	4,887,691
Fidelity Advisor Growth & Income Fund	1,795,043	2,088,297
Fidelity Advisor Growth Opportunities Fund	4,139,220	3,039,274
Templeton Foreign Fund	1,782,810	1,258,684
Franklin Balance Sheet Investment Fund	3,527,963	2,432,501
Franklin Custodian Funds - U.S. Government Securities Series Fund	2,010,264	1,797,173

(Continued)

KIRBY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

(3) INVESTMENTS

As of December 31, 1996, employees can direct the investment of their contributions and the employer's contributions on their behalf into any or all of eight different investment funds: Fidelity Advisor Growth & Income Fund, Fidelity Advisor Growth Opportunities Fund, Kirby Corporation - Common Stock Fund, Templeton Foreign Fund, Franklin Balance Sheet Investment Fund, Franklin U.S. Government Securities Fund, Texas Commerce Bank Avesta Money Market Fund and Janus Balanced Fund, all of which are managed by the trustee. Changes in net assets available for benefits related to the individual funds for the year ended December 31, 1996 are as follows:

	Cash ----	Fidelity Advisor Growth & Income Fund -----	Fidelity Advisor Growth Opportunities Fund ----	Kirby Corporation Common Stock Fund -----
Beginning net plan assets at December 31, 1995	\$ 393	2,088,297	3,039,274	124,524
Contributions from employers	--	154,414	242,149	10,034
Contributions from employees	--	443,397	692,374	24,865
Rollover contributions	--	44,484	51,085	2,712
Interest and dividend income	--	94,140	234,421	--
Net appreciation (depreciation) in the fair value of investments	--	78,141	316,947	35,753
Net realized gain/(loss) from the disposition of investments	--	28,538	57,190	5,922
Total additions	--	843,114	1,594,166	79,286
Less distributions:				
Distributions to participants	(20)	186,314	342,438	2,115
Administration fees	(44)	7,754	12,751	945
Total distributions	(64)	194,068	355,189	3,060
Net increase (decrease) before interfund transfers	64	649,046	1,238,977	76,226
Interfund transfers	104,803	(942,300)	(139,031)	264,205
Net increase after interfund transfers	104,867	(293,254)	1,099,946	340,431
Ending net plan assets at December 31, 1996	\$ 105,260	1,795,043	4,139,220	464,955

	Templeton Foreign Fund ----	Franklin Balance Sheet Investment Fund ----	Franklin U.S. Government Securities Fund -----	Texas Commerce Bank Avesta Money Market Fund -----
Beginning net plan assets at December 31, 1995	1,258,684	2,432,501	1,797,173	4,887,298
Contributions from employers	100,789	199,316	109,625	328,776
Contributions from employees	280,373	569,970	306,580	828,607
Rollover contributions	27,752	18,485	43,787	70,856
Interest and dividend income	99,228	429,665	138,108	249,202
Net appreciation (depreciation) in the fair value of investments	142,719	133,745	(33,271)	--
Net realized gain/(loss) from the disposition of investments	38,278	48,514	(14,233)	--
Total additions	689,139	1,399,695	550,596	1,477,441
Less distributions:				
Distributions to participants	172,683	271,436	153,857	769,358
Administration fees	5,601	10,760	4,332	2,950
Total distributions	178,284	282,196	158,189	772,308
Net increase (decrease) before interfund transfers	510,855	1,117,499	392,407	705,133
Interfund transfers	13,271	(22,037)	(179,316)	(310,558)
Net increase after interfund transfers	524,126	1,095,462	213,091	394,575
Ending net plan assets at December 31, 1996	1,782,810	3,527,963	2,010,264	5,281,873

	Janus Balanced Fund ----	Loan Fund -----	Total -----
Beginning net plan assets at December 31, 1995	--	1,204,119	16,832,263
Contributions from employers	4,128	--	1,149,231
Contributions from employees	12,465	--	3,158,631
Rollover contributions	--	--	259,161
Interest and dividend income	53,643	121,483	1,419,891
Net appreciation (depreciation) in the fair value of investments	(48,648)	--	625,386
Net realized gain/(loss) from the disposition of investments	34	--	164,243
Total additions	21,622	121,483	6,776,543
Less distributions:			
Distributions to participants	--	128,197	2,026,378
Administration fees	--	--	45,050
Total distributions	--	128,197	2,071,428
Net increase (decrease) before interfund transfers	21,622	(6,714)	4,705,115
Interfund transfers	575,936	635,027	--
Net increase after interfund transfers	597,558	628,313	4,705,115
Ending net plan assets at December 31, 1996	597,558	1,832,432	21,537,378
	=====	=====	=====

KIRBY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

- (4) RELATED PARTY TRANSACTIONS
Certain Plan investments are shares of mutual funds managed by Texas Commerce Bank. Texas Commerce Bank is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest.
- (5) FEDERAL INCOME TAXES
The Plan obtained its latest determination letter on December 30, 1996 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code.

A participant is not taxed on employer contributions when made; instead, taxation is deferred until the amount credited to the participant's account is distributed or made available to him or, in the event of the participant's death, to a beneficiary or an estate. Amounts distributed or made available to employees or their beneficiaries, in excess of their contributions, are taxable according to the provisions of the Internal Revenue Code.

KIRBY 401(k)PLAN

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
(MODIFIED CASH BASIS)

December 31, 1996

Identity of issue, borrower, lessor or similar party -----	Description of asset -----	Cost ----	Current value -----
Common Trust Fund:			
Texas Commerce Bank N.A.	Avesta Money Market Fund	\$ 5,281,873 =====	5,281,873 =====
Mutual Funds:			
Fidelity	Fidelity Advisor Balanced Fund	\$ 1,686,447	1,795,043
Fidelity	Fidelity Advisor Growth Opportunities Fund	3,651,964	4,139,220
Templeton	Templeton Foreign Fund	1,650,444	1,782,810
Franklin	Franklin Balance Sheet Investment Fund	3,318,362	3,527,963
Franklin	Franklin Custodian Funds - U.S. Government Securities Series	2,023,074	2,010,264
Janus	Janus Balanced Fund	646,166 -----	597,558 -----
Total mutual funds		\$12,976,457 =====	13,852,858 =====
Common stock:			
Kirby Corporation	Common stock	\$ 430,624 =====	464,955 =====
Participant loans - with interest rates ranging from 7% to 10% and having maturities of one to five years		\$ 1,832,432 =====	1,832,432 =====

Texas Commerce Bank N.A. represents a party in interest to the Plan.

See accompanying independent auditors' report.

Schedule 2

KIRBY 401(k) PLAN

ITEM 27 (d) - SUPPLEMENTAL SCHEDULE OF REPORTABLE TRANSACTIONS

For the year ended December 31, 1996

Identity of issuer -----	Description of assets -----	Number of transactions -----	Purchase price -----	Selling price -----
Texas Commerce Bank N.A.	Fidelity Advisor Balanced Fund	115	998,301	
Texas Commerce Bank N.A.	Fidelity Advisor Balanced Fund	129		1,398,235
Texas Commerce Bank N.A.	Fidelity Advisor Growth Opportunity Fund	145	1,761,516	1,035,707
Texas Commerce Bank N.A.	Fidelity Advisor Growth Opportunity Fund	140		
Texas Commerce Bank N.A.	Franklin Balance Sheet Investment Fund	133	1,762,628	
	Franklin Balance Sheet Investment Fund	126		849,427
Texas Commerce Bank N.A.	Franklin US Gov't Securities Fund	113	853,696	
Texas Commerce Bank N.A.	Templeton Foreign Fund	125	910,962	
Texas Commerce Bank N.A.	Loan Fund	81	1,337,821	
Texas Commerce Bank N.A.	Avesta Money Market Funds	194	2,593,613	
Texas Commerce Bank N.A.	Avesta Money Market Funds	181		2,199,040

Identity of issuer -----	Description of assets -----	Cost of asset -----	Value of asset on transaction date -----	Net gain (loss) -----
Texas Commerce Bank N.A.	Fidelity Advisor Balanced Fund	998,301		
Texas Commerce Bank N.A.	Fidelity Advisor Balanced Fund	1,338,012	1,338,012	60,223
Texas Commerce Bank N.A.	Fidelity Advisor Growth Opportunity Fund	1,761,516		
Texas Commerce Bank N.A.	Fidelity Advisor Growth Opportunity Fund	939,764	939,764	95,943
Texas Commerce Bank N.A.	Franklin Balance Sheet Investment Fund	1,762,728		
	Franklin Balance Sheet Investment Fund	787,048	787,048	62,380
Texas Commerce Bank N.A.	Franklin US Gov't Securities Fund	853,696		
Texas Commerce Bank N.A.	Templeton Foreign Fund	910,962		
Texas Commerce Bank N.A.	Loan Fund	1,337,821		
Texas Commerce Bank N.A.	Avesta Money Market Funds	2,593,613		
Texas Commerce Bank N.A.	Avesta Money Market Funds	2,199,040	2,199,040	--

Note: The above transactions represent "reportable transactions" as defined in Section 2520.103-6 of ERISA.
Texas Commerce Bank N.A. represents a party in interest to the Plan.

See accompanying independent auditors' report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

KIRBY CORPORATION
(Registrant)

/s/ G.STEPHEN HOLCOMB

G. Stephen Holcomb
Vice President and Controller

July 11, 1997

Index to Exhibits

Consent of Independent Auditors

[PEAT MARWICK LLP LETTERHEAD]

Consent of Independent Auditors'

Kirby Corporation
Retirement Plans Administrative Committee:

We consent to the incorporation by reference in the registration statement NO. 33-57625 on Form S-8 of Kirby Corporation of our report dated July 11, 1997 related to the statements of net assets available for benefits of the Kirby 401(k) Plan as of December 31, 1996 and 1995, and the related statements of changes in net assets available for plan benefits for the years then ended and the related supplemental schedules, which report appears in the December 31, 1996 annual report on Form 11-K of Kirby 401(k) Plan.

KPMG PEAT MARWICK LLP

Houston, Texas
July 11, 1997