

✓ / CHECK THIS BOX IF NO LONGER SUBJECT TO SECTION 16. FORM 4 OR FORM 5 OBLIGATIONS MAY CONTINUE. SEE INSTRUCTION 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

OMB NUMBER: 3235-0287
EXPIRES: APRIL 30, 1997
ESTIMATED AVERAGE BURDEN
HOURS PER RESPONSE 0.5

1. Name and Address of Reporting Person	2. Issuer Name and Ticker or Trading Symbol	6. Relationship of Reporting Person to Issuer (Check all applicable)
Smith, Robert O.	Digital Power Corporation (DPWR)	X Director 10% Owner
(Last) (First) (Middle)		X Officer (give title below) Other (specify below)
41920 Christy Street	3. IRS or Social Security Number of Reporting Person (Voluntary)	4. Statement for Month/Year January 1997
(Street)		5. If Amendment, Date of Original (Month/Year)
Fremont, CA 94538-3158		C.E.O. & President
(City) (State) (Zip)		

TABLE I - NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
		Code V	Amount (A) or (D) Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. (Over) SEC 1474 (8-92)

FORM 4 (CONTINUED)

TABLE II - DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED (E.G., PUTS, CALLS, WARRANTS, OPTIONS, CONVERTIBLE SECURITIES)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)
			Code V	(A) (D)	Date Exercisable Expiration Date
Options to Purchase	(1)	1/2/97	A V	100,000	1/2/97 1/2/07

7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Title	Amount or Number of Shares			

Common Stock	100,000	grant	318,400	D
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Explanation of Responses:

(1) Pursuant to Mr. Smith's employment contract, the exercise price for these options shall be equal to the lower of (a) the closing price of the common stock as of January 2, 1997 (\$5.4375), or (b) the average closing price of the common stock for the first six months of the year.

ROBERT O. SMITH 2/10/97

 **Signature of Reporting Person Date

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations. SEE 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, SEE Instruction 6 for procedure.