SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to _______________

Commission File Number 1-475

A.O. SMITH CORPORATION

Delaware	39-0619790
(State of Incorporation)	(IRS Employer ID Number)

P. O. Box 245008, Milwaukee, Wisconsin 53224-9508
Telephone: (414) 359-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Class A Common Stock Outstanding as of April 30, 1999: 8,705,835 shares

Common Stock Outstanding as of April 30, 1999: 14,484,442 shares

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A. O. Smith Corporation

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PART I--FINANCIAL INFORMATION
ITEM 1--FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
AND RETAINED EARNINGS
Three Months ended March 31, 1999 and 1998
(000 omitted except for per share data)
(unaudited)

	Three Months Ended March 31	
EARNINGS	1999	1998
Electric Motor Technologies	$ 147,875	$ 111,839
Water Systems Technologies	81,988	74,554
Other	27,473	36,562
NET SALES	257,336	222,955
Cost of products sold	207,003	177,186
Gross profit	50,333	45,769
Selling, general and administrative expenses	28,510	27,900
Interest expense	2,331	1,624
Interest income	(340)	(1,712)
Other expense - net	1,955	722
	17,877	17,235
Provision for income taxes	6,475	6,038
Earnings before equity in loss of joint ventures	11,402	11,197
Equity in loss of joint ventures (note 2)	-	(1,019)
NET EARNINGS	11,402	10,178
RETAINED EARNINGS		
Balance at beginning of period	499,954	466,514
Cash dividends on common shares	(2,795)	(2,751)
BALANCE AT END OF PERIOD	$ 508,561	$ 473,941
EARNINGS PER COMMON SHARE (note 7)		
Basic	$ 0.49	$ 0.42
Diluted	$ 0.48	$ 0.41
DIVIDENDS PER COMMON SHARE	$ 0.12	$ 0.12

See accompanying notes to unaudited condensed consolidated financial statements.

PART I--FINANCIAL INFORMATION
ITEM 1--FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
March 31, 1999 and December 31, 1998
(000 omitted)

	(unaudited) March 31, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note 3)	$ 17,552	$ 37,666
Receivables	171,441	133,764
Inventories (note 4)	100,830	99,984
Deferred income taxes	10,882	11,376
Other current assets	5,058	4,599
TOTAL CURRENT ASSETS	305,763	287,389
Property, plant and equipment	518,680	507,033
Less accumulated depreciation	265,574	258,263
Net property, plant and equipment	253,106	248,770
Goodwill	146,602	146,901
Other assets	89,709	84,372
TOTAL ASSETS	$ 795,180	$ 767,432
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 77,244	$ 57,429
Accrued payroll and benefits	24,357	31,385
Product warranty	7,491	7,892
Accrued income taxes	9,758	6,786
Long-term debt due within one year	4,629	4,629
Other current liabilities	27,090	24,036
TOTAL CURRENT LIABILITIES	150,569	132,157
Long-term debt (note 5)	131,535	131,203
Other liabilities	62,013	60,636
Deferred income taxes	44,501	42,343
STOCKHOLDERS' EQUITY:		
Class A common stock, $5 par value: authorized 14,000,000 shares; issued 8,737,575	43,688	43,688
Common stock, $1 par value: authorized 60,000,000 shares; issued 23,811,787	23,812	23,812
Capital in excess of par value	51,334	51,121
Retained earnings (note 5)	508,561	499,954
Accumulated other comprehensive income (note 6)	(2,230)	(1,488)
Treasury stock at cost	(218,603)	(215,994)
TOTAL STOCKHOLDERS' EQUITY	406,562	401,093
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 795,180	$ 767,432

See accompanying notes to unaudited condensed consolidated financial statements

PART I--FINANCIAL INFORMATION
ITEM 1--FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Three Months Ended March 31, 1999 and 1998
(000 omitted
(unaudited

	Three Months Ended March 31	
	1999	1998
OPERATING ACTIVITIES		
CONTINUING		
Net earnings	$ 11,402	$ 10,178
Adjustments to reconcile net earnings to net cash provided/ (used) by operating activities		
Depreciation and amortization	9,003	6,919
Equity in loss of joint ventures (note 2)	-	1,019
Net change in current assets and liabilities	(17,383)	(14,711)
Net change in noncurrent assets and liabilities	(5,254)	(6,223)
Other - net	(139)	266
CASH USED BY OPERATING ACTIVITIES	(2,371)	(2,552)
INVESTING ACTIVITIES		
Capital expenditures	(10,395)	(6,942)
Capitalized purchased software costs	(408)	(308)
Investment in joint ventures (note 2)	-	(2,652)
Acquisition of business (note 2)	(531)	-
CASH USED BY INVESTING ACTIVITIES	(11,334)	(9,902)
CASH USED BY CONTINUING OPERATIONS BEFORE FINANCING ACTIVITIES	(13,705)	(12,454)
DISCONTINUED		
Cash used by discontinued operations before financing activities	(1,301)	(814)
FINANCING ACTIVITIES		
Long-term debt incurred	332	641
Purchase of common stock held in treasury	(2,691)	(20,231)
Proceeds from common stock options exercised	42	-
Tax benefit from exercise of stock options	4	-
Dividends paid	(2,795)	(2,751)
CASH USED BY FINANCING ACTIVITIES	(5,108)	(22,341)
Net decrease in cash and cash equivalents	(20,114)	(35,609)
Cash and cash equivalents-beginning of period (note 3)	37,666	145,896
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 17,552	$110,287

See accompanying notes to unaudited condensed consolidated financial statements.

PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

A. O. SMITH CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1999
(unaudited)

1. Basis of Presentation

The consolidated financial statements presented herein are based on interim figures and are subject to audit. In the opinion of management, all adjustments consisting of normal accruals considered necessary for a fair presentation of the results of operations and of financial position have been made. The results of operations for the three-month period ended March 31, 1999 are not necessarily indicative of the results expected for the full year. The consolidated balance sheet as of December 31, 1998 is derived from the audited financial statements but does not include all disclosures required by generally accepted accounting principles. Certain prior year amounts have been reclassified to conform to the 1999 presentation.

2. Acquisitions

Prior to December 1998, the company had majority interests in two joint ventures in the People's Republic of China. These ventures were accounted for on the equity method as the local partners held certain participating rights. In December 1998, the company purchased its partner's interest in the water systems venture, and the company consolidated this entity at December 31, 1998.

In January 1999, the company purchased its partner's interest in the Chinese fiberglass piping venture. The excess of the consideration paid, including the distribution to the partner of certain inventories and equipment over the fair values of the assets acquired amounted to $750,000 and has been recorded as goodwill. The company consolidated this entity effective January 1, 1999.

3. Statement of Cash Flows

For purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include short-term investments held primarily for cash management purposes. These investments normally mature within three months from the date of acquisition.

4. Inventories (000 omitted)

	Mar. 31, 1999	Dec. 31, 1998
Finished products	$ 59,688	$ 58,534
Work in process	18,806	18,354
Raw materials	49,344	50,542
Supplies	1,768	1,350
	129,606	128,780
Allowance to state inventories at LIFO cost	28,776	28,796
	$ 100,830	$ 99,984

5. Long-Term Debt
The company's long-term credit agreements contain certain conditions and provisions which restrict the company's payment of dividends. Under the most restrictive of these provisions, retained earnings of $65.5 million were unrestricted as of March 31, 1999 for cash dividends and treasury stock purchases.

6. Comprehensive Earnings (Loss)
Statement of Financial Accounting Standards (SFAS) No. 130 - "Reporting Comprehensive Income" requires the company to disclose comprehensive earnings/(loss), consisting of net earnings and all other non-owner changes in equity during the period. The company's comprehensive earnings for the first quarter 1999 and 1998 were $10,660,000 and $9,866,000, respectively. Comprehensive earnings, for both periods presented, were comprised of net earnings and foreign currency translation adjustments. No provisions or benefits for U.S. income taxes have been made on these foreign currency translation adjustments.

7. Earnings per Share of Common Stock
The numerator for the calculation of basic and diluted earnings per share is net earnings. The following table sets forth the computation of basic and diluted weighted average shares used in the earnings per share calculations:

	Three Months Ended March 31	
	1999	1998
Denominator for basic earnings per share - weighted-average shares	23,224,580	24,092,946
Effect of dilutive stock options	517,766	620,564
Denominator for diluted earnings per share	23,742,346	24,713,510

8. Operations by Segment
(000 omitted)

	Three Months Ended March 31	
	1999	1998
Net Sales		
Electric Motor Technologies	$ 147,875	$ 111,839
Water Systems Technologies	81,988	74,554
Other	27,473	36,562
Net Sales	$ 257,336	$ 222,955
Earnings before Interest and Taxes		
Electric Motor Technologies	$ 18,146	$ 12,917
Water Systems Technologies	8,360	6,719
Other	(1)	2,161
Total Segments	26,505	21,797
General Corporate and Research and Development Expenses	(6,637)	(6,334)
Interest (Expense)Income - Net	(1,991)	88
Earnings before Income Taxes	17,877	15,551
Provision for Income Taxes	(6,475)	(5,373)
Net Earnings	$ 11,402	$ 10,178

Intersegment sales, which are immaterial, have been excluded from segment revenues. Total assets by segment at March 31, 1999 have not changed materially from December 31, 1998.

PART I - FINANCIAL INFORMATION

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

FIRST THREE MONTHS OF 1999 COMPARED TO 1998

Sales were $257.3 million in the first quarter of 1999, an increase of $34.3 million or 15% over sales of $223.0 million in the first quarter of 1998. Most of the increase in sales was attributable to the acquisition of General Electric's hermetic motor business in Scottsville, Kentucky in July of 1998. Stronger sales of other motor products and water heaters were partially offset by sharply lower sales of storage tanks and fiberglass piping.

First quarter net earnings of $11.4 million increased $1.2 million or 12% over 1998's first quarter net earnings of $10.2 million primarily as a result of the increased sales. The higher net earnings, and lower shares outstanding that resulted from common stock repurchases during the last twelve months, generated diluted earnings per share of $.48, an increase of 17% compared with $.41 in the first quarter of 1998.

The company's gross profit margin for the first quarter was 19.6% compared with a margin of 20.5% in the first quarter of 1998. The lower gross profit margin was primarily due to the lower sales volume in the company's Other business segment, which includes the company's storage tanks and fiberglass piping businesses.

First quarter sales in the Electric Motor Technologies segment were $147.9 million or $36.1 million higher than the same period last year. The increase was primarily attributable to the Scottsville motor acquisition; the Tier One supply agreement with York International negotiated in July of 1998; and the continuation of a healthy air conditioning motor market during the first quarter of 1999.

First quarter operating profits for Electric Motor Technologies increased significantly from $12.9 million in 1998 to $18.1 million in 1999 as a result of the higher volume and improved operating efficiencies.

First quarter sales of the Water Systems Technologies segment were $82.0 million or 10% higher than 1998 first quarter sales of $74.6 million. A stronger market for standard commercial product, an increase in residential unit volume, and consolidation of the company's Chinese water products operation accounted for the higher sales. In December 1998, the company purchased its partner's interest in the Chinese water systems joint venture and began consolidating financial results at year-end 1998.

First quarter profits of Water Systems Technologies of $8.4 million were $1.7 million, or 25% higher than the $6.7 million generated in the first quarter of 1998 primarily as a result of the increased volume.

First quarter sales in the Other segment declined 25% from the same period last year. Demand for fiberglass pipe declined more steeply than storage tank products as both petroleum production and chemical markets continued at levels significantly lower than in last year's first quarter. The soft demand in these markets is attributable to weak commodity prices and an associated reduction in capital spending by customers in those markets. First quarter sales of bolted storage tanks also declined because of weak commodity prices and a reduction in associated capital spending. In January 1999 the company purchased its partner's interest in its Chinese fiberglass pipe joint venture. Financial results are consolidated in the Other segment.

As a result of the significantly lower volume, earnings of the Other segment were essentially break-even compared with the $2.2 million profit generated in the first quarter of 1998.

Selling, general and administrative (SG&A) expenses for the first quarter of 1999 increased $.6 million from the same period of 1998. As the result of a significantly higher level of sales combined with a relatively small increase in administrative expense, SG&A decreased to 11.1% of sales in the first quarter of 1999, from 12.5% in the first quarter of 1998.

The company recognized net interest expense of $2 million in the first quarter of 1999, compared with net interest income of $.1 million in the same period last year. The decline in net interest income was primarily the result of the aforementioned Scottsville acquisition.

Other expense increased from $.7 million in the first quarter of 1998 to $2.0 million in the same period of 1999. The increase was primarily due to the amortization of goodwill associated with the Scottsville acquisition.

The first quarter effective tax rate was 36.2% in 1999 compared with a 35.0% rate in 1998. The 1998 rate benefited from higher research and development tax credits relative to 1999.

As previously mentioned, the company purchased its partners' interests in the Chinese water products and fiberglass pipe joint ventures effective in December 1998 and January 1999, respectively. In 1998, losses associated with these entities were recorded on an equity basis. In 1999, operating results of these entities are consolidated.

During 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (the Statement) which is required to be adopted for years beginning after June 15, 1999. The Statement will require the company to recognize all derivatives in the balance sheet at fair value. The company will adopt the Statement no later than January 1, 2000, and estimates that the effect will not be material to its results of operations, financial position, or cash flows.

Liquidity & Capital Resources

The company's working capital was $155.2 million at March 31, 1999, essentially unchanged from December 31, 1998. Lower cash levels and sales related increases to accounts payable offset the $37.7 million sales related increase to accounts receivable. Cash used by operations was $13.7 million during the quarter, very similar to the $12.5 million used during the first quarter of last year.

Capital expenditures during the first quarter totaled $10.4 million compared with $6.9 million during the same period in 1998. The majority of the increase in capital spending was related to capacity expansion in the motor business. The company expects higher capital spending in 1999 compared to 1998, but expects such capital expenditures to be covered by operating cash flow.

The company repurchased 126,400 shares of its common stock during the first quarter under the company's stock repurchase program. Since the program's inception in January 1997, approximately 8.6 million shares have been repurchased.

At its April 15, 1999 meeting, A. O. Smith's Board of Directors declared a regular quarterly dividend of $.12 per share on its common stock (Class A Common and Common). The dividend is payable on May 17, 1999 to shareholders of record April 30, 1999.

Year 2000

A.O. Smith continues the efforts begun several years ago to address its potential Year 2000 (Y2K) issues. It has organized its activities to prepare for Y2K under a company-wide plan that involves four steps: assessment, modification, testing and implementation..

The company's business segments operate independently of each other. Each business segment has a core of full-time individuals who have been assigned specific Y2K responsibilities in addition to their regular assignments. The Y2K readiness project is a company wide effort and is monitored centrally.

The assessment phase is complete and the modification phase is nearing completion. Key customers, vendors and service providers have been queried about their Y2K readiness, and their responses have been analyzed. Follow-up efforts have commenced to obtain feedback from critical suppliers.

The testing and implementation phases for renovated Information Technology (IT) systems are underway. Implementation of all new and renovated systems that are Y2K compliant should be completed by mid-1999. Testing will be completed during the second half of 1999.

Costs specifically associated with renovating software for Y2K readiness are funded through operating cash flows and expensed as incurred. Y2K-related costs have not had a material effect on the company's financial position or results of operations. The company expects to incur total costs of approximately $2.0 million on the Y2K problem of which the remaining costs are estimated to be $375 thousand. Costs of replacing some of the company's systems with Year 2000 compliant systems have been capitalized as these new systems were acquired for business reasons and not to remediate Y2K problems, if any, in the former systems.

The company believes that all critical IT and non-IT systems and processes will be Y2K compliant and allow the company to continue operations in the Year 2000 and beyond with no material impact on its financial position or results of operations. Unanticipated problems including, but not limited to, critical suppliers and business partners not meeting their commitments to be Y2K ready, and the loss of critical skilled personnel, could result in an undetermined financial risk.

As part of its ongoing Year 2000 Project, business continuity plans may be expanded during 1999 for potential contingencies regarding currently unforeseen Y2K problems.

ITEM 3. - QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

As is more fully described in the company's annual report on Form 10-K for the year ended December 31, 1998, the company is exposed to various types of market risks, primarily currency and certain commodities. The company monitors its risks in such areas on a continuous basis and, generally enters into futures contracts to minimize such exposures for periods of less than one year. The company does not engage in speculation in its derivatives strategies. There have been no material changes in the company's futures contracts since December 31, 1998.

Forward Looking Statements
Certain statements in this report are forward-looking statements. Although the company believes that its expectations are based upon reasonable assumptions within the bounds of its knowledge of its business, there can be no assurance that its financial goals will be realized. Although a significant portion of the company's sales are derived from the replacement of previously installed product and such sales are therefore less volatile, numerous factors may affect actual results and may cause results to differ materially from those expressed in forward-looking statements made by or on behalf of the company. Among such numerous factors the company includes the continued growth of the worldwide heating, ventilating and air conditioning market; the weather and its impact on the heating and air conditioning market; the pricing environment for residential water heaters; capital spending trends in the oil, petrochemical and chemical markets; and the successful development of the company's business in China.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Dip Tube Litigation

Generally, residential water heaters with a top inlet connection for the cold water supply have a plastic tube which brings the cold water near the bottom of the heater. This tube, which is called the "dip tube", is intended to prevent incoming cold water from mixing with existing hot water. Some of the dip tubes that were supplied by Perfection Corporation to A. O. Smith's Water Products Company and most other water heater manufacturers between August, 1993 and October, 1996 were defective. The defective dip tubes in some instances break off within the water heater or slowly disintegrate and may release small white plastic particles into the plumbing. In either case, the supply of hot water is reduced. Perfection Corporation has advised the Company that the dip tubes are made of non-toxic materials and pose no health risk. The United States Consumer Products Safety Commission has also advised consumers that it poses no health risk.

Since learning of the dip tube problem, the Company has been replacing defective dip tubes and flushing affected water heaters, hot water lines and appliances connected to hot water lines at no cost to consumers. Company-provided toll-free telephone lines and service procedures have been utilized by consumers and plumbers to correct the problem. Nevertheless, ten lawsuits have been filed in 1999 in the state courts of Kansas, Missouri, Illinois, Michigan, California and Tennessee by individual water heater owners against Perfection Corporation and various water heater manufacturers including Rheem Manufacturing Company, American Water Heater Company, Bradford White Corporation, State Industries, Inc., Lochinvar Corporation and A. O. Smith, seeking (i) compensation for alleged damages related to defective dip tubes, (ii) certification as a state class action, and (iii) other forms of relief. Also, the Michigan Attorney General's office in 1999 began an investigation of this matter and served a notice of intended action on the same parties noted above. The Company and other water heater manufacturers that are involved in this investigation are cooperating with the Michigan Attorney General.

Based on information currently available to the Company, as well as the Company's prior experience with litigation, the Company's program to remedy dip tube problems at no cost to the consumer, and the availability of insurance to Perfection Corporation and its customers (the water heater manufacturers), the Company's management believes that the dip tube litigation will not have a material effect on its financial position or results of operation.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

(27) Financial Data Schedule
(27-1) Restated Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the company in the first quarter of 1999.

SIGNATURES

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

A. O. SMITH CORPORATION

May 14, 1999	/s/John J. Kita John J. Kita Vice President, Treasurer and Controller
May 14, 1999	/s/G. R. Bomberger G. R. Bomberger Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number	Description
(27)	Financial Data Schedule
(27-1)	Restated Financial Data Schedule

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF A.O. SMITH CORPORATION AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1999
MAR-31-1999
3,726
13,826
171,441
0
100,830
305,763
518,680
(265,574)
795,180
150,569
131,535
67,500
0
0
339,062
795,180
257,336
257,336
207,003
207,003
30,125
0
2,331
17,877
6,475
11,402
0
0
0
11,402
0.49
0.48

5

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF A.O. SMITH CORPORATION AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1998
MAR-31-1998
3,907
106,380
144,163
0
79,132
349,030
454,745
(246,478)
703,447
130,081
101,605
45,053
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0
341,773
703,447
222,955
222,955
177,186
177,186
26,910
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1,624
17,235
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0.41