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 June 30, 1997

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 23972, Milwaukee, Wisconsin 53223-0972
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 July 31, 1997: 5,825,398

Common Stock Outstanding as of July 31, 1997: 11,751,648

Exhibit Index Page 17

Index

A. O. Smith Corporation

PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
AND RETAINED EARNINGS

Three and Six months ended June 30, 1997 and 1996
(000 omitted except for per share data)
(unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
EARNINGS	1997	1996	1997	1996
Electric Motor Technologies	$110,771	$95,067	$204,698	$187,368
Water Systems Technologies	71,374	72,706	142,346	141,237
Storage & Fluid Handling Technologies	42,793	38,695	74,142	72,654
NET SALES	224,938	206,468	421,186	401,259
Cost of products sold	176,296	161,803	329,746	316,174
Gross profit	48,642	44,665	91,440	85,085
Selling, general and administrative expenses	29,845	27,558	57,238	54,732
Interest expense/(income)-net	(915)	1,924	1,329	3,801
Other expense - net	759	1,812	1,691	3,199
	18,953	13,371	31,182	23,353
Provision for income taxes	6,694	5,174	11,085	8,983
Earnings before equity in loss of joint ventures	12,259	8,197	20,097	14,370
Equity in loss of joint ventures	(581)	(904)	(1,298)	(1,310)
EARNINGS FROM CONTINUING OPERATIONS	11,678	7,293	18,799	13,060
EARNINGS FROM DISCONTINUED OPERATIONS				
Earnings (Less related income tax provisions 1997-$826 and $7,150; 1996-$5,999 and $12,379)	1,461	11,439	14,251	23,014
Gain on disposition (Less related income tax provision of $58,056) (note 3)	94,616	-	94,616	-
NET EARNINGS	107,755	18,732	127,666	36,074
RETAINED EARNINGS				
Balance at beginning of period	341,712	287,955	325,361	273,751
Cash dividends on common shares	(3,238)	(3,556)	(6,798)	(6,694)
BALANCE AT END OF PERIOD	$446,229	$303,131	$446,229	$303,131
NET EARNINGS PER COMMON SHARE				
Continuing Operations	$ .62	$ .35	$ .96	$ .62
Discontinued Operations	5.09	.55	5.55	1.10
NET EARNINGS	$ 5.71	$ .90	$ 6.51	$ 1.72
DIVIDENDS PER COMMON SHARE	$ .17	$ .17	$ .34	$ .32

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
June 30, 1997 and December 31, 1996
(000 omitted)

	(unaudited) June 30, 1997	Dec. 31, 1996
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note 2)	$220,329	$6,405
Receivables	135,080	121,571
Inventories (note 4)	90,220	80,445
Deferred income taxes	12,400	12,416
Other current assets	4,860	4,537
Net current assets-discontinued operations (note 3)	-	13,836
TOTAL CURRENT ASSETS	462,889	239,210
Investments in and advances to joint ventures	20,716	14,579
Other assets	105,366	90,945
Property, plant and equipment	431,523	407,016
Less accumulated depreciation	232,724	224,416
Net property, plant and equipment	198,799	182,600
Net long-term assets-discontinued operations (note 3)	28,849	357,654
TOTAL ASSETS	$816,619	$884,988

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

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
June 30, 1997 and December 31, 1996
(000 omitted)

(continued...)

	(unaudited) June 30, 1997	Dec. 31, 1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$61,402	$82,952
Accrued payroll and benefits	23,712	25,653
Accrued income taxes	51,273	1,351
Long-term debt due within one year	5,225	11,932
Other current liabilities	27,813	16,500
Net current liabilities-discontinued operations (note 3)	8,639	-
TOTAL CURRENT LIABILITIES	178,064	138,388
Long-term debt (note 5)	105,747	238,446
Other liabilities	41,833	35,244
Deferred income taxes	29,800	31,271
Postretirement benefit obligation	15,706	17,000
STOCKHOLDERS' EQUITY:		
Class A common stock, $5 par value: authorized 14,000,000 shares; issued 5,838,858 and 5,846,158	29,194	29,231
Common stock, $1 par value: authorized 60,000,000 shares; issued 15,860,792 and 15,853,492	15,861	15,853
Capital in excess of par value	71,642	69,410
Retained earnings (note 5)	446,229	325,361
Cumulative foreign currency translation adjustments	(9,074)	(7,401)
Treasury stock at cost	(108,383)	(7,815)
TOTAL STOCKHOLDERS' EQUITY	445,469	424,639
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$816,619	$884,988

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
Six Months Ended June 30, 1997 and 1996
(000 omitted)

	(unaudited) 1997	1996
CASH FLOW FROM OPERATING ACTIVITIES		
CONTINUING		
Net earnings	$ 18,799	$ 13,060
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	11,708	10,971
Deferred income taxes	(1,455)	(2,997)
Equity in loss of joint ventures	1,298	1,310
Net change in current assets and liabilities	(20,209)	8,651
Net change in noncurrent assets and liabilities	2,978	4,667
Other - net	4,619	1,397
CASH PROVIDED BY OPERATING ACTIVITIES	17,738	37,059
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(23,801)	(17,701)
Capitalized purchased software costs	(730)	(879)
Investment in joint ventures	(9,022)	(5,192)
Acquisition of business (net of cash acquired)	(59,897)	(1,111)
CASH USED BY INVESTING ACTIVITIES	(93,450)	(24,883)
CASH FLOW FROM CONTINUING OPERATIONS BEFORE FINANCING ACTIVITIES	(75,712)	12,176
DISCONTINUED (note 3)		
Cash provided / (used) by operating activities	(95,549)	55,954
Cash used by investing activities	(52,456)	(70,575)
Proceeds from disposition	727,423	-
Tax payments associated with disposition	(45,213)	-
CASH FLOW FROM DISCONTINUED OPERATIONS BEFORE FINANCING ACTIVITIES	534,205	(14,621)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term debt incurred	-	12,261
Long-term debt retired	(139,406)	(3,725)
Purchase of common stock held in treasury	(101,579)	-
Proceeds from common stock options exercised	2,880	20
Tax benefit from exercise of stock options	334	16
Dividends paid	(6,798)	(6,694)
CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	(244,569)	1,878
Net increase / (decrease) in cash and cash equivalents	213,924	(567)
Cash and cash equivalents-beginning of period (note 2)	6,405	4,807
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$220,329	$ 4,240

See accompanying notes to unaudited condensed consolidated financial statements.

A. O. SMITH CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 1997
(unaudited)

1. Basis of Presentation

The 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 fair presentation of the results of operations and of financial position have been made. The results of operations for the six-month period ended June 30, 1997 are not necessarily indicative of the results expected for the full year. The consolidated balance sheet as of December 31, 1996 is derived from the audited financial statements but does not include all disclosures required by generally accepted accounting principles.

2. 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.

3. Discontinued Operations

On January 27, 1997 the corporation reached a definitive agreement with Tower Automotive, Inc. regarding the sale of A. O. Smith's automotive products business. On April 18, 1997 the corporation completed on this transaction receiving gross proceeds of approximately $727 million, which reflect additional investment and working capital changes from the initial price of $625 million and is subject to final adjustment. The transaction excluded the sale of the corporation's 40% interest in its Mexican automotive affiliate, Metalsa S.A.

The results of the automotive products business have been reported separately as discontinued operations. Prior year consolidated financial statements have been restated to present the automotive products business as discontinued.

4. Inventories

(000 omitted)	June 30, 1997	December 31, 1996
Finished products	$ 51,292	$ 51,706
Work in process	16,658	19,593
Raw materials	50,420	37,594
Supplies	1,738	1,368
	120,108	110,261
Allowance to state inventories at LIFO cost	29,888	29,816
	$ 90,220	$ 80,445

5. Long-Term Debt

The corporation's long-term credit agreements contain certain conditions and provisions which restrict the corporation's payment of dividends. The company recently renegotiated some of its debt covenants with respect to these agreements and if they had been in effect at June 30, 1997 under the most restrictive of these provisions, retained earnings of $145.5 million were unrestricted for cash dividends and treasury stock purchases.

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

RESULTS OF OPERATIONS
FIRST SIX MONTHS OF 1997 COMPARED TO 1996

Sales of $224.9 million in the second quarter of 1997 surpassed last year's second quarter by $18.4 million or about nine percent. Sales from continuing operations for the first half of 1997 were $421.2 million or five percent better than the $401.3 million of sales in the same period of 1996. Excluding the sales of UPPCO, the manufacturer of subfractional motors acquired on March 31, 1997, the year over year sales comparison for both the second quarter and first six months were flat.

Second quarter earnings from continuing operations were $11.7 million in 1997 or 60 percent higher than the $7.3 million earned in the second quarter last year. On a per share basis, second quarter earnings increased from $.35 in 1996 to $.62 in 1997. The corporation's 1997 first half earnings from continuing operations increased to $18.8 million from $13.1 million, or to $.96 per share from $.62 per share.

On April 18, 1997, the corporation sold its automotive products business to Tower Automotive, Inc. The company received gross proceeds of approximately $727 million which reflect additional investment and working capital changes from the initial price of $625 million. The after-tax gain on the sale was $94.6 million while after-tax earnings on the operation of the business from January 1, 1997 through the sale date were $14.3 million. Net earnings for the first half of the year including those associated with the sale and operations of the automotive products business were $127.7 million or $6.51 per share.

The corporation's Mexican automotive affiliate, Metalsa S. A. was not included in the aforementioned sale to Tower Automotive. Negotiations regarding the sale of the corporation's interest in this entity are ongoing. The corporation's investment in Metalsa is reflected as a net long-term asset of discontinued operations in the accompanying financial statements.

Certain reserves associated with the disposition of the automotive business are shown as net current liabilities of discontinued operations while approximately $45 million of unpaid taxes associated with the gain on the sale are reflected as income taxes payable.

The gross profit margin through the first half of the year was 21.7 percent, improved from a 21.2 percent margin for the same period last year. The increase in the first half was due mostly to the absence of the industry-wide pricing concessions that were prevalent throughout the water heater industry in 1996 which adversely affected the Water Systems Technologies segment. The second quarter gross profit margin was 21.6 percent in both 1997 and 1996. The favorable impact of better pricing for water heaters in 1997 was offset by lower margins in the other two segments.

Second quarter sales for Electric Motor Technologies were $110.8 million or $15.7 million higher than the same period last year. Excluding approximately $18 million of second quarter sales associated with the UPPCO acquisition, sales for this segment declined from the prior year second quarter. The volume decline was due to the abnormally cool summer weather that has occurred throughout the country and resulted in depressed sales of air conditioners and swimming pool pumps. Sales through the first half of 1997 for this segment were $204.7 million including the UPPCO sales, compared with $187.4 million for the same period in 1996.

Operating earnings for the Electric Motors Technologies segment for the second quarter and the first half of 1997 improved approximately 7 percent over their respective periods in 1996. Most of the increase in earnings was due to the additional volume associated with the UPPCO acquisition.

Second quarter sales for Water Systems Technologies decreased 1.8 percent from the second quarter of 1996. There were two major causes for the sales decline. First, weakness in the residential water heater market offset volume increases in the commercial market. Secondly, the second quarter of 1996 benefited from a surge in demand in anticipation of the conclusion of an industry-wide volume discount program. Sales were essentially flat for the first six months of 1997 compared with 1996.

Water Systems Technologies profits for both the second quarter and first half were up more than 21 percent over the same periods in 1996. Although sales did not change significantly from 1996 levels, better pricing due to the absence of industry-wide discounting which was prevalent in the first half of 1996 resulted in improved profits.

Second quarter sales for the Storage & Fluid Handling segment were $42.8 million or nearly 11 percent higher than the second quarter of 1996. The increase in sales was attributable to a strong market for dry storage applications and fiberglass piping sales to the chemical industry. The market for liquid storage tanks continued to trail the prior year due to weaker demand by municipal water treatment customers. Year-to-date sales for this segment reflected a two percent increase over the first half of 1996.

1997 second quarter earnings for Storage & Fluid Handling Technologies were higher than the second quarter of 1996 as a result of the increased volume and a more favorable sales mix for fiberglass piping. Earnings for this segment through the first half of the year were slightly higher than the first six months of 1996 as the impact of lower volume for liquid storage tanks was more than offset by increased volumes for dry storage tanks and the previously mentioned favorable sales mix for fiberglass piping.

Selling, general and administrative (SG&A) expenses for the second quarter were $2.3 million higher than the same period in 1996 and remained constant as a percent of sales for the 1996 and 1997 second quarters. A portion of the increase in SG&A was due to the inclusion of UPPCO's SG&A's expense.

During the second quarter, the corporation recognized net interest income of $.9 million compared to net interest expense of $1.9 million in the second quarter of 1996 as approximately $3.0 million of interest income from investing the cash proceeds of the automotive business sale was recognized in the second quarter of 1997.

The effective tax rate for the first half of 1997 was 35.5 percent compared with a rate of 38.5 percent for the first half of 1996. The 1997 rate benefited from the impact of the utilization of state tax loss carryforwards associated with a liquidated subsidiary as well as research and development tax credits.

During the first half of 1997, the corporation was a party to futures contracts for the purposes of hedging a portion of certain raw material purchases. The corporation was also a party to forward foreign exchange contracts to hedge foreign currency transactions consistent with its committed exposures. Had these contracts not been in place, the net earnings of the corporation would not have been materially affected in the first half of 1997.

Liquidity and Capital Resources

The corporation's working capital from continuing operations was $293.5 million at June 30, 1997 compared with $87.0 million at December 31, 1996. The majority of the increase is attributed to the cash proceeds that the corporation received from the sale of its automotive products business. The corporation plans to use the cash to continue to repurchase stock and make acquisitions in its three core businesses. Cash flow from operations was $87.9 million less than the same period last year primarily due to the $60 million acquisition of UPPCO in the first quarter of 1997 as well as higher investments in capital expenditures and joint ventures.

As mentioned in prior SEC filings, a portion of the after-tax cash proceeds from the sale of the automotive products business was used to pay down debt and repurchase stock. The corporation's total debt decreased $139.4 million from $250.4 million at the end of December 1996 to $111.0 million at the end of June 1997. As of June 30, 1997, three million shares of stock had been repurchased for $101.6 million. On June 10, 1997, the corporation's Board of Directors authorized the repurchase of up to $80 million of additional common stock. This authorization is in addition to the 3 million shares the Board approved for repurchase on January 28, 1997.

Capital expenditures of continuing operations during the first six months of 1997 were $23.8 million, $6.1 million higher than during the same period last year. The increase in capital expenditures is primarily attributable to the purchase of new equipment for the hermetic HVAC motor operations of the Electric Motor Technologies business. The corporation expects that cash flow from continuing operations will cover 1997 capital expenditures.

At its June 10, 1997 meeting, A. O. Smith's Board of Directors declared a regular quarterly dividend at $.17 per share on its common stock (Classes A and Common). The dividend is payable on August 15, 1997 to shareholders of record July 31, 1997.

Forward Looking Statements

Certain statements in this report are forward-looking statements. Although the corporation 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 corporation'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 corporation. Among such numerous factors the corporation includes the continued strong growth of the worldwide heating, ventilating and air conditioning market, the stability of the pricing environment for residential water heaters and the successful implementation of the corporation's joint venture strategies in China.

PART II - OTHER INFORMATION
ITEM 1 - LEGAL PROCEEDINGS

The corporation is involved in various unresolved legal actions, administrative proceedings and claims in the ordinary course of its business involving product liability, property damage, insurance coverage, patents and environmental matters including the disposal of hazardous waste. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss or recovery, the corporation believes these unresolved legal actions will not have a material effect on its financial position or results of operations.

There have been no material changes in the environmental matters previously reported in Part 1, Item 3 in the corporation's annual report on Form 10-K Report for the year ended December 1996, and Part 2, Item 1 in the quarterly report on Form 10-Q for the quarter ended March 31, 1997 which are incorporated herein by reference.

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

On April 21, 1997, the corporation mailed a proxy statement to its stockholders relating to the annual meeting of stockholders on May 21, 1997. The annual meeting included the election of directors and the consideration and action upon proposals to approve the Amended and Restated A. O. Smith Corporation Executive Compensation Plan and to approve the ratification of Ernst & Young LLP as the independent auditors of the corporation for 1997 and to act upon two stockholder proposals to separate the position of Chairman and President and concerning executive compensation review.

On May 1, 1997 Mr. Russell G. Cleary, a director of the Company since 1984 and a nominee for election passed away. On May 19, 1997 the Board of Directors reduced the size of the Board from nine directors to eight thereby eliminating the position for which Mr. Cleary was nominated.

Directors are elected by a plurality of the votes cast, by proxy or in person, with the holders voting as separate classes. A plurality of votes means that the nominees who receive the greatest number of votes cast are elected as directors. Consequently, any shares which are not voted, whether by abstention, broker non-votes or otherwise, will have no effect on the election of directors.

For all matters considered at the meeting except the election of directors, both class A common and regular common stock vote together, with the Class A Common Stock entitled to one vote per share and the Common Stock entitled to 1/10th vote per share. An abstention will have the same effect as a "no" vote. Where brokers withhold voting authority, a broker non-vote will have no effect on the outcome.

1. Election of Directors

	Votes For	Votes Withheld	Broker Non-Votes
Class A Common Stock Directors			
Tom H. Barrett	5,641,159	4,096	0
Glen R. Bomberger	5,641,155	4,100	0
Robert J. O'Toole	5,638,239	7,016	0
Donald J. Schuenke	5,641,090	4,165	0
Arthur O. Smith	5,641,169	4,086	0
Bruce M. Smith	5,641,169	4,086	0
Common Stock Directors			
Leander W. Jennings	11,236,032	107,541	0
Dr. Agnar Pytte	11,236,173	107,400	0

2. Approve the Amended and Restated A. O. Smith Corporation Executive Incentive Compensation Plan

	Votes For	Votes Against	Abstentions	Broker Non-Votes
COMBINED CLASS VOTE: Class A Common Stock and Common Stock (1/10th vote)	6,742,212	23,852	13,548	0

3. Ratification of Ernst & Young LLP as Independent Auditors

	Votes For	Votes Against	Abstentions	Broker Non-Votes
COMBINED CLASS VOTE: Class A Common Stock and Common Stock (1/10th vote)	6,771,541	2,915	5,156	0

4. Stockholder Proposal to Separate the Position of Chairman and President

	Votes For	Votes Against	Abstentions	Broker Non-Votes
COMBINED CLASS VOTE: Class A Common Stock and Common Stock (1/10th vote)	159,837	6,440,059	31,735	0

5. Stockholder Proposal Concerning Executive Compensation Review

	Votes For	Votes Against	Abstentions	Broker Non-Votes
COMBINED CLASS VOTE: Class A Common Stock and Common Stock (1/10th vote)	106,937	6,488,020	36,673	0

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

(27) Financial Data Schedule

(b) Reports on Form 8-K

A current report on Form 8-K was voluntarily filed by the corporation on May 5, 1997. The Form 8-K stated that on April 18, 1997, the corporation consummated the sale of its automotive products business to Tower Automotive, Inc.

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

August 13, 1997	/s/ John J. Kita John J. Kita Vice President, Treasurer and Controller
August 13, 1997	/s/ G. R. Bomberger G. R. Bomberger Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number	Description
(27)	Financial Data Schedule

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF A.O. SMITH CORPORATION AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
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