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 September 30, 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 October 29, 1999: 8,691,426 shares

Common Stock Outstanding as of October 29, 1999: 14,702,845 shares

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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 Nine Months ended September 30, 1999 and 1998
(000 omitted except for per share data)
(unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Electric Motor Technologies	$211,609	$135,309	$516,148	$360,913
Water Systems Technologies	75,797	71,685	236,536	220,534
Other	30,901	36,260	85,729	111,442
NET SALES	318,307	243,254	838,413	692,889
Cost of products sold	258,445	196,232	674,292	552,245
Gross profit	59,862	47,022	164,121	140,644
Selling, general and administrative expenses	35,578	26,324	92,544	80,605
Interest expense	4,380	1,974	8,879	5,191
Interest income	(512)	(258)	(1,066)	(3,279)
Other expense - net	2,073	927	5,612	2,341
	18,343	18,055	58,152	55,786
Provision for income taxes	5,977	6,356	20,469	19,587
Earnings before equity in loss of joint ventures	12,366	11,699	37,683	36,199
Equity in loss of joint ventures	-	(725)	-	(2,418)
NET EARNINGS	12,366	10,974	37,683	33,781
RETAINED EARNINGS				
Balance at beginning of period	519,693	483,896	499,954	466,514
Cash dividends on common shares	(2,786)	(2,832)	(8,364)	(8,257)
BALANCE AT END OF PERIOD	$529,273	$492,038	$529,273	$492,038
EARNINGS PER COMMON SHARE (note 7)				
Basic	$0.53	$0.47	$1.63	$1.43
Diluted	$0.52	$0.46	$1.59	$1.39
DIVIDENDS PER COMMON SHARE	$0.12	$0.12	$0.36	$0.35

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
September 30, 1999 and December 31, 1998
(000 omitted)

	(unaudited) September 30, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note 2)	$ 10,079	$ 37,666
Receivables	226,120	133,764
Inventories (note 4)	162,225	99,984
Deferred income taxes	10,310	11,376
Other current assets	8,084	4,599
TOTAL CURRENT ASSETS	416,818	287,389
Property, plant and equipment	617,258	507,033
Less accumulated depreciation	285,725	258,263
Net property, plant and equipment	331,533	248,770
Goodwill and other intangible assets	253,384	149,282
Other assets	95,146	81,991
TOTAL ASSETS	$1,096,881	$ 767,432
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 102,443	$ 57,429
Accrued payroll and benefits	39,254	31,385
Product warranty	12,792	7,892
Accrued income taxes	5,207	6,786
Long-term debt due within one year	4,629	4,629
Other current liabilities	39,524	24,036
TOTAL CURRENT LIABILITIES	203,849	132,157
Long-term debt (note 5)	344,354	131,203
Other liabilities	69,803	60,636
Deferred income taxes	50,377	42,343
STOCKHOLDERS' EQUITY:		
Class A common stock, $5 par value: authorized 14,000,000 shares; issued 8,723,970	43,620	43,688
Common stock, $1 par value: authorized 60,000,000 shares; issued 23,825,392	23,825	23,812
Capital in excess of par value	52,165	51,121
Retained earnings (note 5)	529,273	499,954
Accumulated other comprehensive income (note 6)	(2,272)	(1,488)
Treasury stock at cost	(218,113)	(215,994)
TOTAL STOCKHOLDERS' EQUITY	428,498	401,093
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,096,881	$ 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
Nine Months Ended September 30, 1999 and 1998
(000 omitted)
(unaudited)

	Nine Months Ended September 30 1999	Nine Months Ended September 30 1998
OPERATING ACTIVITIES		
CONTINUING		
Net earnings	$ 37,683	$ 33,781
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	30,014	22,552
Equity in loss of joint ventures	-	2,418
Net change in current assets and liabilities	(5,682)	(6,963)
Net change in noncurrent assets and liabilities	(11,250)	2,751
Other - net	(255)	(99)
CASH PROVIDED BY OPERATING ACTIVITIES	50,510	54,440
INVESTING ACTIVITIES		
Capital expenditures	(26,595)	(20,116)
Capitalized purchased software costs	(1,187)	(1,308)
Investment in joint ventures	-	(8,066)
Acquisition of business (note 3)	(251,892)	(126,456)
CASH USED BY INVESTING ACTIVITIES	(279,674)	(155,946)
CASH USED BY CONTINUING OPERATIONS BEFORE FINANCING ACTIVITIES	(229,164)	(101,506)
DISCONTINUED		
Cash used by discontinued operations before financing activities	(1,761)	(2,095)
FINANCING ACTIVITIES		
Long-term debt incurred	217,780	30,590
Long-term debt retired	(4,629)	(5,590)
Purchase of common stock held in treasury	(2,745)	(33,244)
Other stock transactions	1,296	397
Dividends paid	(8,364)	(8,257)
CASH PROVIDED BY / (USED IN) BY FINANCING ACTIVITIES	203,338	(16,104)
Net decrease in cash and cash equivalents	(27,587)	(119,705)
Cash and cash equivalents-beginning of period (note 2)	37,666	145,896
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 10,079	$ 26,191

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
September 30, 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 and nine-month periods ended September 30, 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. 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. Acquisition

On August 2, 1999, the Company acquired the assets of the motors business of MagneTek, Inc. for $253 million, subject to final adjustment. The company funded the acquisition through available cash ($42 million), proceeds from the issuance of commercial paper ($103 million) and borrowings under a revolving credit facility and available lines of credit ($108 million). The acquisition was accounted for by the Company using the purchase method of accounting and, accordingly, the financial statements include the operating results of the acquired business from the date of its acquisition.

The pro forma unaudited results of operations for the nine-month periods ended September 30, 1999 and September 30, 1998, assuming consummation of the purchase as of January 1, 1998, are as follows:

Dollars in Thousands: except per share amounts	Nine Months Ended September 30 1999	1998
Net sales	1,074,640	986,939
Earnings	29,873	38,154
Earnings per share:		
Basic	1.29	1.61
Diluted	1.26	1.57

4. Inventories (000 omitted)

	Sept. 30, 1999	Dec. 31, 1998
Finished products	$ 95,191	$ 58,534
Work in process	40,018	18,354
Raw materials	53,156	50,542
Supplies	2,226	1,350
	190,591	128,780
Allowance to state inventories at LIFO cost	28,366	28,796
	$ 162,225	$ 99,984

5. Long-Term Debt

To support the acquisition of the assets of MagneTek, Inc.'s motor business, the company entered into a $350 million multi-year credit facility on August 2, 1999, with nine different banks. The facility is made up of two tranches: $100 million which expires July 28, 2000, and $250 million which expires August 2, 2004. The previous $100 million facility expiring on June 30, 2001 was terminated on August 2, 1999.

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 $59.7 million were unrestricted as of September 30, 1999 for cash dividends and treasury stock purchases.

6. Comprehensive Earnings (Loss)
The company's comprehensive earnings were $12.6 million and $36.9 million for the three- and nine-month periods ended September 30, 1999 and $11.4 million and $33.8 million for the three and nine-month periods ended September 30, 1998. Comprehensive earnings, for all 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 September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Denominator for basic earnings per share - weighted-average shares	23,189,535	23,390,234	23,188,520	23,690,464
Effect of dilutive stock options	655,900	567,290	582,825	625,668
Denominator for diluted earnings per share	23,845,435	23,957,524	23,771,345	24,316,132

8. Operations by Segment
(000 omitted)

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Net Sales				
Electric Motor Technologies	$211,609	$135,309	$516,148	$360,913
Water Systems Technologies	75,797	71,685	236,536	220,534
Other	30,901	36,260	85,729	111,442
Net Sales	$318,307	$243,254	$838,413	$692,889
Earnings before Interest and Taxes				
Electric Motor Technologies	$ 20,041	$ 14,931	$ 59,076	$ 41,285
Water Systems Technologies	7,169	7,775	24,067	22,277
Other	933	1,536	1,124	7,293
Total Segments	28,143	24,242	84,267	70,855
General Corporate and Research and Development Expenses	(5,932)	(5,671)	(18,302)	(17,154)
Interest Expense - Net	(3,868)	(1,716)	(7,813)	(1,912)
Earnings before Income Taxes	18,343	16,855	58,152	51,789
Provision for Income Taxes	(5,977)	(5,881)	(20,469)	(18,008)
Net Earnings	$ 12,366	$ 10,974	$ 37,683	$ 33,781

Intersegment sales, which are immaterial, have been excluded from segment revenues.

The assets of the Electric Motor Technologies segment increased by more than $315 million at September 30, 1999 compared with the amount reported in the December 31, 1998 annual report. This increase was due to the aforementioned MagneTek motor business acquisition on August 2, 1999 (see note 3).

PART I - FINANCIAL INFORMATION

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

RESULTS OF OPERATIONS

FIRST NINE MONTHS OF 1999 COMPARED WITH 1998

Sales increased 31% to $318.3 million in the third quarter of 1999 compared with 1998 third quarter sales of $243.3 million. Significantly higher sales at Electric Motor Technologies benefiting from the recent acquisition of the MagneTek motor business, and a 6% increase at Water Systems Technologies more than offset a 15% decline in sales in the Storage & Fluid Handling Technologies segment. Sales for the first nine months of 1999 were $838.4 million or 21% higher than the $692.9 million of sales generated during the same period last year. Of the $145.5 million increase in sales, acquisitions contributed approximately $132.0 million, while the inclusion of the sales of the company's wholly-owned Chinese entities accounted for $9 million. In 1998, the company's Chinese operations were reported as equity in income and were not consolidated.

Third quarter net earnings increased 12.7% to $12.4 million compared with $11 million earned in the third quarter of 1998. Significantly higher operating profit at Electric Motors more than offset the decline in operating profit at Storage & Fluid Handling. Net earnings for the first nine months of 1999 were $37.7 million compared with $33.8 million for the first nine months of 1998. Third quarter diluted earnings per share increased from $0.46 in 1998 to $0.52 in 1999. Diluted earnings per share for the first nine months of 1999 were $1.59 compared with $1.39 in the same period last year.

The third quarter gross profit margin declined to 18.8% from 19.3% in the third quarter of 1998 as a result of the decline in profitability in the Storage & Fluid Handling business, and the inclusion of the MagneTek motor business, which carries a lower gross margin relative to the consolidated gross profit margin of the company's other businesses. The gross profit margin for the first nine months declined to 19.6% in 1999 from 20.3% in 1998 consistent with acquisition activity and decreased profitability at Storage & Fluid Handling.

Third quarter sales of $211.6 million for the Electric Motors Technologies platform were more than 56% higher than sales in the third quarter of 1998 and included approximately $66 million of sales associated with the aforementioned acquisition of the MagneTek motor business. The balance of the increase in sales was due to higher demand in the heating, ventilating, and air conditioning market, increased export motor volume, and higher sales in the company's general industries business. Year-to-date sales for the electric motor segment were $516.1 million in 1999 compared with $360.9 million in 1998. The 43% increase in sales for the first nine months of 1999 reflects the additional sales from the company's MagneTek motor business acquisition; the acquisition of the General Electric compressor motor business in July 1998; and the growth in the base business excluding acquisitions.

Operating profit for the Electric Motor Technologies segment improved significantly in both the third quarter and first nine months of 1999 compared with 1998 as a result of the increased volume.

Third quarter sales of Water Systems Technologies were $75.8 million or 5.7% higher than 1998's third quarter sales of $71.7 million, due primarily to the inclusion of sales for the Chinese operation. Volumes in both the domestic residential and commercial markets were flat compared with the year ago quarter. Sales for the first nine months of 1999 were $236.5 million, compared with $220.5 million for the first nine months of 1998. Water Systems Technologies' third quarter operating profits declined from $7.8 million in 1998 to $7.2 million in 1999 reflecting the impact of sluggish domestic markets and continued investment to support the growing Chinese water products business. Through the first nine months of 1999, operating profits were $24.1 million or $1.8 million higher than the same period last year as a result of increased volume in the first half of 1999.

Third quarter and nine-month sales in the Storage and Fluid Handling segment declined 14.8% and 23.1%, respectively, compared with the same periods in 1998. The steepest decline occurred in the fiberglass pipe operation, as sales to both petroleum marketing and chemical markets were significantly lower throughout 1999 compared with 1998. The decline in the petroleum marketing segment was due mostly to the expiration of certain EPA regulations whereas chemical-related markets continue to suffer from weak capital spending. Reduced capital spending in the chemical and food processing business adversely affected demand for the segment's storage tank products.

As a result of the lower volume, third quarter operating profits of the Storage and Fiberglass Products segment declined from $1.5 million in 1998 to $0.9 million in 1999. On a year-to-date basis, profits dropped from $7.3 million in 1998 to $1.1 million in 1999.

Third quarter selling, general and administrative (SG&A) expenses increased $9.3 million compared with the same quarter in 1998. As a percentage of sales, SG&A increased to 11.2% compared with 10.8% in the third quarter of 1998. These increases resulted from the MagneTek motor business acquisition and the inclusion of the Chinese entities, which were not consolidated in 1998. Through the first nine months of 1999, SG&A was 11.0% of sales compared with 11.6% in 1998. The year-to-date decline in SG&A relative to sales reflects the impact of the operating expense leverage resulting from the acquisition of the General Electric compressor motor business at mid year 1998.

Net interest expense for the third quarter and first nine months of 1999 exceeded that of the comparable periods by $2.2 million and $5.9 million, respectively. The increased financing cost was associated with the acquisition of the General Electric compressor motor business in July 1998, and the acquisition of the MagneTek motor business in August 1999.

Other expense for the third quarter and first nine months of 1999 doubled compared with the same periods in 1998 primarily as a result of higher goodwill amortization costs related to the previously discussed acquisitions.

The effective tax rate for the third quarter of 1999 was 32.6% compared with 35.2% in the third quarter of 1998. 1999 benefited from recognition of tax credits associated with the resolution of the company's Research and Development tax credit claim. The company's effective tax rate for the first nine months of 1999 and 1998 was approximately 35%.

During the first nine months of 1999 and 1998, the company was party to futures contracts for the purposes of hedging a portion of certain raw material purchases. The company was also a party to forward exchange contracts to hedge foreign currency transactions consistent with its committed exposures. Had these contracts not been in place, the earnings of the company would not have been materially affected.

Liquidity & Capital Resources

The company's working capital was $213.0 million at September 30, 1999 compared with $155.2 million at December 31, 1998, an increase of $57.8 million. The majority of the increase in working capital was a result of the MagneTek motor business acquisition. Cash flow from operations for the year to date period ended September 30, 1999, excluding acquisitions, declined to $22.7 million compared with $25.0 million for the same period last year, as a result of higher capital spending.

Capital expenditures during the first nine months of 1999 were $26.6 million compared with $20.1 million through September 30, 1998. The majority of the capital spending increase was related to higher spending requirements in the motor business. The company projects total capital spending in 1999 to be higher than 1998, but expects such capital expenditures to be covered by cash flow from operations.

The company's long-term debt increased $213.2 million in the first nine months of 1999. The increase was a result of the aforementioned acquisition of the MagneTek motor business on August 2, 1999. Additionally, the company's leverage as measured by the ratio of total debt to total capitalization was 45% compared with 25% at December 31, 1998.

Under the company's odd lot repurchase program initiated in July 1999, the company purchased 1,914 shares of its common stock during the third quarter.

At its October 13, 1999 meeting, A. O. Smith's Board of Directors declared a regular quarterly cash dividend of $.12 per share on its common stock (Classes A and Common). The dividend is payable on November 15, 1999 to shareholders of record on October 29, 1999.

Year 2000
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The company has organized its activities to prepare for the Year 2000 (Y2K) under a company-wide project that involves four phases: assessment, modification, testing, and implementation.

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

The assessment and modification phases are complete. Key customers, vendors and service providers have been queried about their Y2K readiness, and their responses have been analyzed. All critical suppliers have responded that they are Y2K compliant.

The testing and implementation phases for renovated Information Technology (IT) systems are nearing completion. All critical IT systems that were previously determined to have potential Y2K-related problems have been replaced by Y2K-certified systems or renovated and tested for Y2K readiness. Completion and testing of remaining non-critical modules of renovated systems will be completed during the remainder of the year.

Costs specifically associated with renovating software for Y2K readiness are funded through operating cash flow 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 approximately $125 thousand.

To prepare for unforeseen Y2K problems, each business segment has developed formal contingency plans which include ensuring availability of in-house support and technical personnel during the transition to the new year, establishing earlier reporting deadlines, and completing certain critical processes before year-end.

Following the company's recent acquisition of the worldwide motor operations of MagneTek, Inc. MagneTek has continued to provide data processing services for those operations. MagneTek has completed the review and testing of its IT systems to eliminate Y2K problems and final implementation is substantially complete.

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.

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". These forward-looking statements can generally be identified as such because the context of the statement will include words such as the company "believes", "anticipates", "expects", "projects" or words of similar import. 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 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 world-wide air conditioning, heating, and refrigeration market; the weather and its impact on the HVAC, pool and spa pump markets; and the timely and proper implementation of future cost reduction programs. All subsequent written and oral forward-looking statements attributable to the company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Dip Tube Litigation

The Company previously reported on the Dip Tube Litigation in its Form 10-Q Report for the Quarter ended March 31, 1999. Subsequent to the close of the third quarter the company entered into a settlement of a lawsuit which is pending in the United States District Court, Western District of Missouri. The lawsuit was brought by individuals on behalf of themselves and all persons throughout the United States who have owned or currently own a water heater manufactured by Rheem Manufacturing Company, A. O. Smith Corporation, Bradford White Company, American Water Heater Company, Lochinvar Corporation and State Industries, Inc. (the "Water Heater Manufacturers") that contain a dip tube manufactured, designed, supplied or sold by Perfection Corporation between August, 1993 and October, 1996.

The class claims in the lawsuit are broad and comprehensive and include by way of example claims for breach or violation of federal, state, common or other laws; breach of any duties imposed by contract or otherwise; claims based on strict product liability, negligence, breach of express or implied warranty, fraud, conspiracy, suppression, consumer fraud, unfair or deceptive trade practices, negligent or intentional misrepresentation or the Magnuson-Moss Act, etc. The plaintiffs and defendants have reached a settlement of the claims of this litigation. On October 21, 1999 the parties petitioned the court to enter an order determining that the suit may be maintained as a class action and that the class be constituted as set forth in the complaint. The petition also asks for preliminary approval of the proposed settlement and approval of the form and manner of notice which will be given to the class members. The court has also been asked to set a date for a hearing on the fairness of the settlement and final approval of the settlement. To date, the court has not acted upon the petition of the parties.

The settlement agreement anticipates a procedure whereby members of the class will be able to file claims for reimbursement of damages previously incurred for the repair or replacement of a subject dip tube and for those class members who have not incurred out-of-pocket expense or whose subject dip tube related problems have not been fully remedied, the settlement provides a procedure for the repair and replacement of the subject dip tubes at no expense to the class member. The expenses of the reimbursements, repairs and replacements and administration of the settlement will be paid by the defendant Water Heater Manufacturers. The settlement agreement contemplates an application to the court for an award of reasonable attorney's fees and reimbursement of litigation expenses incurred on behalf of class members by counsel for the class in the amount of $5,650,000. The court approved award would also be paid by the defendant Water Heater Manufacturers. In consideration of the agreement by the Water Heater Manufacturers to effectuate the terms of the settlement agreement for the benefit of the class members, the class members will release and discharge the Water Heater Manufacturers from any liability for settled claims. Further, all such claims of the class against Perfection Corporation, the manufacturer of the subject dip tubes, will be deemed assigned to the Water Heater Manufacturers. Individuals can elect to be excluded from the class and separately pursue their remedies and if so elected would not be entitled to the benefits of the settlement agreement. The parties are requesting the court to stay all other legal actions brought or to be brought against the Water Heater Manufacturers until this lawsuit is resolved.

Separately, the Water Heater Manufacturers on September 29, 1999 filed a direct action lawsuit in the Civil District Court for the Parish of Orleans, State of Louisiana against the insurers of Perfection Corporation and American Meter Company, the parent company of Perfection. This lawsuit seeks coverage from the defendant insurance companies for (i) the damages that the Water Heater Manufacturers and the class members in the federal court action referred to above have incurred because of the property damages caused by the dip tube failures, (ii) the liability of the Water Heater Manufacturers assumed by Perfection by contract, and (iii) the personal injuries suffered by the Water Heater Manufacturers as a result of the disparagement of them and their products in the media reports relating to the dip tubes.

As of this date, it is premature for the company to determine what, if any, costs it will incur with respect to the aforementioned settlement. It is the Company's expectation that all or a substantial portion of the costs will be recovered from the insurers of Perfection Corporation and American Meter Company as well as the Company's insurers. The costs which the Company has incurred to date in defending the litigation and resolving customer claims have not been material.

There have been no material changes in the environmental matters previously reported in Part 1, Item 3 and Note 12 of the Notes to Consolidated Financial Statements in the company's annual report on Form 10-K for the year ended December 1998 and Part 2, Item 1 in the quarterly report on Form 10-Q for the quarter ended June 30, 1999 which are incorporated herein by reference.

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

(b) Reports on Form 8-K

A current report on Form 8-K was voluntarily filed by the company on August 17, 1999. The Form 8-K stated that on August 2, 1999 the company acquired the assets of the motors business of the Motors and Controls Division of MagneTek, Inc. An amendment to the Form 8-K was filed on October 18, 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

November 12, 1999

/s/John J. Kita

John J. Kita
Vice President,
Treasurer and Controller

November 12, 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

5
1,000

9-MOS
DEC-31-1999
SEP-30-1999
10,079
0
226,120
0
162,225
416,818
617,258
285,725
1,096,881
203,849
344,354
0
0
67,445
361,053
1,096,881
838,413
838,413
674,292
674,292
97,090
0
8,879
58,152
20,469
37,683
0
0
0
37,683
1.63
1.59