UNITED STATES
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, 1998

OR

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

Commission File Number 1-3970

HARSCO CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	23-1483991
(State of incorporation)	(I.R.S. Employer Identification No.)

Camp Hill, Pennsylvania	17001-8888
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number (717) 763-7064

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES X NO

Title of Each Class	Outstanding Shares at September 30, 1998
Common Stock Par Value $1.25	44,449,995
Preferred Stock Purchase Rights	44,449,995

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
REVENUES:				
Product sales	$218,330	$209,686	$649,815	$638,711
Service sales	227,328	197,313	653,136	585,251
Other	492	427	1,364	1,217
TOTAL REVENUES	446,150	407,426	1,304,315	1,225,179
COSTS AND EXPENSES:				
Cost of products sold	167,062	159,272	494,914	487,326
Cost of services sold	174,960	147,739	497,765	440,647
Selling, general and administrative expenses	52,606	52,971	158,263	159,647
Research and development expenses	1,764	1,562	4,570	3,695
Facilities discontinuance and reorganization costs	2,026	178	2,314	3,233
TOTAL COSTS AND EXPENSES	398,418	361,722	1,157,826	1,094,548
INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST, INCOME TAXES, AND MINORITY INTEREST	47,732	45,704	146,489	130,631
Interest income	1,358	1,079	6,783	3,521
Interest expense	(5,589)	(4,148)	(14,143)	(12,661)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	43,501	42,635	139,129	121,491
Provision for income taxes	16,096	13,339	51,478	46,167
INCOME FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	27,405	29,296	87,651	75,324
Minority interest in net income	1,461	1,555	4,291	4,701
INCOME FROM CONTINUING OPERATIONS	25,944	27,741	83,360	70,623
Income from discontinued defense business (net of income taxes of $3,523 and $13,389 respectively)	-	5,487	-	29,117
NET INCOME	$ 25,944	$ 33,228	$ 83,360	$ 99,740
Average shares of common stock outstanding	45,782	48,724	46,300	49,104
Basic earnings per common share:				
Income from continuing operations	$ .57	$ .57	$ 1.80	$ 1.44
Income from discontinued operations	-	.11	-	.59
BASIC EARNINGS PER COMMON SHARE	$ .57	$ .68	$ 1.80	$ 2.03
Diluted earnings per common share				
Income from continuing operations	$ .56	$ .56	$ 1.78	$ 1.42
Income from discontinued operations	-	.11	-	.59
DILUTED EARNINGS PER COMMON SHARE	$ .56	$ .67	$ 1.78	$ 2.01

See accompanying notes to consolidated financial statements.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Continued)

CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(In thousands)	SEPTEMBER 30 1998	DECEMBER 31 1997
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 67,100	$ 221,565
Investments in debt securities	-	43,867
Receivables	343,888	259,565
Inventories:		
Finished goods	44,327	27,639
Work in process	38,453	27,979
Raw material and purchased parts	67,305	60,982
Stores and supplies	25,110	18,554
Total inventories	175,195	135,154
Other current assets	57,233	53,501
TOTAL CURRENT ASSETS	643,416	713,652
Property, plant and equipment, at cost	1,423,695	1,202,783
Allowance for depreciation	(811,640)	(690,870)
	612,055	511,913
Cost in excess of net assets of companies acquired, net	260,127	187,666
Other assets	119,771	63,957
TOTAL ASSETS	$ 1,635,369	$ 1,477,188
LIABILITIES		
CURRENT LIABILITIES:		
Notes payable and current maturities	$ 34,837	$ 26,477
Accounts payable	135,612	120,148
Accrued compensation	47,955	42,652
Income taxes	23,497	30,572
Other current liabilities	166,884	152,643
TOTAL CURRENT LIABILITIES	408,785	372,492
Long-term debt	330,800	198,898
Deferred income taxes	62,664	36,954
Other liabilities	88,168	87,142
TOTAL LIABILITIES	890,417	695,486
SHAREHOLDERS' EQUITY		
Common stock and additional paid-in capital	167,877	161,678
Accumulated other comprehensive income (expense)	(47,414)	(50,974)
Retained earnings	1,087,031	1,033,770
Treasury stock	(462,542)	(362,772)
TOTAL SHAREHOLDERS' EQUITY	744,952	781,702
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,635,369	$ 1,477,188

See accompanying notes to consolidated financial statements.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Continued)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(In thousands)	NINE MONTHS ENDED SEPTEMBER 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 83,360	$ 99,740
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	86,684	79,813
Amortization	8,702	6,842
Equity in earnings of unconsolidated entities	(991)	(43,258)
Dividends or distributions from unconsolidated entities	96	49,142
Deferred income taxes	12,107	1,180
Other, net	7,434	3,557
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:		
Accounts receivable	(44,955)	(24,875)
Inventories	(30,405)	(19,187)
Accounts payable	(1,310)	(1,265)
Other assets and liabilities	(30,558)	(1,059)
NET CASH PROVIDED BY OPERATING ACTIVITIES (1)	90,164	150,630
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property, plant and equipment	(108,703)	(105,742)
Purchase of businesses, net of cash acquired	(123,584)	-
Maturities of investments available-for-sale	40,000	-
Investments held-to-maturity, net of purchases	4,010	16,379
Proceeds from sale of a business	-	1,236
Other investing activities	(4,038)	5,631
NET CASH (USED) BY INVESTING ACTIVITIES	(192,315)	(82,496)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term borrowings, net	2,320	12,836
Current maturities and long-term debt:		
Additions	110,894	56,430
Reductions	(36,750)	(56,760)
Cash dividends paid on common stock	(30,658)	(29,504)
Common stock issued-options	3,791	5,228
Common stock acquired for treasury	(99,410)	(69,109)
Other financing activities	(1,365)	(1,275)
NET CASH (USED) BY FINANCING ACTIVITIES	(51,178)	(82,154)
Effect of exchange rate changes on cash	(1,136)	(1,282)
Net (decrease) in cash and cash equivalents	(154,465)	(15,302)
Cash and cash equivalents at beginning of period	221,565	45,862
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 67,100	$ 30,560

(1) Net cash provided by operating activities for the nine months ended September 30,1998 includes approximately $13 million of payments related to income taxes and certain other liabilities of the discontinued defense business.

See accompanying notes to consolidated financial statements.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Net income	$25,944	$33,228	$83,360	$99,740
Other comprehensive income (expense):				
Foreign currency translation adjustments	9,668	(5,608)	3,532	(18,144)
Unrealized investment gains, net of deferred income taxes	-	-	28	-
Other comprehensive income (expense)	9,668	(5,608)	3,560	(18,144)
TOTAL COMPREHENSIVE INCOME	$35,612	$27,620	$86,920	$81,596

See accompanying notes to consolidated financial statements.

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Commitments and Contingencies:

Discontinued Defense Business - Contingencies

Federal Excise Tax and Other Matters Related to the Five-ton Truck Contract

In 1995, the Company, the United States Army, and the United States Department of Justice concluded a settlement of Harsco's previously reported claims against the Army relating to Federal Excise Tax ("FET") arising under a completed 1986 contract for the sale of five-ton trucks to the Army. On September 27, 1995, the Army paid the Company $49 million in accordance with the settlement terms. The Company released the Army from any further liability for those claims, and the Department of Justice released the Company from a threatened action for damages and civil penalties based on an investigation conducted by the Department's Commercial Litigation Branch that had been pending for several years.

The settlement preserves the rights of the parties to assert claims and defenses under the Internal Revenue Code, and rights of the Army and the Company to claim certain amounts that may be owed by either party to reconcile possible underpayments or overpayments on the truck contract as part of the formal contract close-out process.

The settlement does not resolve the claim by the Internal Revenue Service that, contrary to the Company's position, certain cargo truck models sold by the Company should be considered to have gross vehicle weights in excess of the 33,000 pound threshold under the Federal Excise Tax law, are not entitled to an exemption from the Federal Excise Tax under any other theory, and therefore are taxable. On December 19, 1996, the District Director of the Internal Revenue Service issued a 30-day letter and examination report (the "Report") that proposed an increase in Federal Excise Tax of $33.7 million plus penalties of $6.9 million and applicable interest currently estimated by the Company to be $41.9 million, primarily on the grounds that those cargo truck models are subject to the Federal Excise Tax. This proposed increase in Federal Excise Tax takes into account offsetting credits of $9.2 million, based on a partial allowance of the Company's $22.9 million claim that certain truck components are exempt from the Federal Excise Tax. The Report disallowed in full the Company's additional claim that it is entitled to the entire $52 million of Federal Excise Tax (plus applicable interest currently estimated by the Company to be $35.3 million) the Company has paid on the five-ton trucks, on the grounds that such trucks qualify for the Federal Excise Tax exemption applicable to certain vehicles specially designed for the primary function of off-highway transportation. In the event that the Company ultimately receives from the Internal Revenue Service a refund of tax (including applicable interest) with respect to which the Company has already received reimbursement from the Army, the refund would be allocated between the Company and the Army. The Company plans to vigorously contest the findings of the District Director. On March 19, 1997, the Company filed its formal written protest to these findings with the Internal Revenue Service Office of the Regional Director of Appeals. In October

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

1998, the Internal Revenue Service and the Company agreed to explore the possibility of settlement through a nonbinding mediation process to be conducted under the provisions of the Internal Revenue Service Restructuring and Reform Act of 1998. If the parties are unable to settle the dispute in mediation, the case will continue to proceed through the legal process. Although there is risk of an adverse outcome, the Company believes that the cargo trucks are not taxable. No recognition has been given in the accompanying financial statements for the Company's claim with the Internal Revenue Service.

The settlement agreement with the Army preserves the Company's right to seek reimbursement of after-imposed tax from the Army in the event that the cargo trucks are determined to be taxable, but the agreement limits the reimbursement to a maximum of $21 million. Additionally, in an earlier contract modification, the Army accepted responsibility for $3.6 million of the potential tax, bringing its total potential responsibility up to $24.6 million.

Under the settlement, the Army agreed that if the cargo trucks are determined to be taxable, the 1993 decision of the Armed Services Board of Contract Appeals (which ruled that the Company is entitled to a price adjustment to the contract for reimbursement of FET paid on vehicles that were to be delivered after October 1, 1988) will apply to the question of the Company's right to reimbursement from the Army for after-imposed taxes on the cargo trucks. In the Company's view, application of the 1993 decision will favorably resolve the principal issues regarding any such future claim by the Company. Therefore, the Company believes that even if the cargo trucks are ultimately held to be taxable, the Army would be obligated to reimburse the Company for a majority of the tax, (but not interest or penalty, if any), resulting in a net maximum liability for the Company of $9.1 million plus penalties of $6.9 million and applicable interest currently estimated by the Company to be $41.9 million. The Company believes it is unlikely that resolution of this matter will have a material adverse effect on the Company's financial position, however, it could have a material effect on quarterly or annual results of operations.

M9 Armored Combat Earthmover Claim

The Company and its legal counsel are of the opinion that the U.S. Government did not exercise option three under the M9 Armored Combat Earthmover (ACE) contract in a timely manner, with the result that the unit prices for options three, four and five are subject to renegotiation. Claims reflecting the Company's position were filed with respect to all options purported to be exercised, totaling in excess of $60 million plus interest. In February 1998, the Armed Services Board of Contract Appeals denied the Company's claims. The Company has appealed the decision to the United States Court of Appeals for the Federal Circuit. No recognition has been given in the accompanying financial statements for any recovery on these claims.

Other Defense Business Litigation

In 1992, the U.S. Government filed a counterclaim against the Company in a civil suit alleging violations of the False Claims Act and breach of a contract to supply M109A2 Self-Propelled

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

Howitzers. The counterclaim was filed in the United States Claims Court in response to the Company's claim of approximately $5 million against the Government for costs incurred on this contract relating to the same issue. In May 1997, the Court issued a decision in the first phase of the case, denying the Company's claim for reimbursement and granting the Government's counterclaim for breach of contract and penalties under the False Claims Act. The Court will consider the amount of damages and penalties in the next phase of the case, and the decision will then be subject to the right of appeal. The Government has filed a brief seeking penalties and treble damages totaling $26 million. The Company intends to vigorously oppose this claim. The Company and its counsel believe that resolution of these claims will not have a material adverse effect on the Company's financial position, however, it could have a material effect on quarterly or annual results of operations.

In 1992, the United States Government through its Defense Contract Audit Agency commenced an audit of certain contracts for sale of tracked vehicles by the Company to foreign governments, which were financed by the United States Government through the Defense Security Assistance Agency. The Company cooperated with the audit and responded to a number of issues raised by the audit. In September 1994, the Company received a subpoena issued by the Department of Defense Inspector General seeking various documents relating to sale contracts between the Company and foreign governments which were funded by the Defense Security Assistance Agency. The Company is continuing to cooperate and is responding to Government document requests. The Government subsequently subpoenaed a number of former employees of the Company's divested defense business to testify before a grand jury and in October 1998 issued a grand jury subpoena to the Company for additional documents. Based on discussions with the Government, it appears that the investigation focuses on whether the Company made improper certifications to the Defense Security Assistance Agency and on other government contract accounting matters. The Government has not asserted any claims at this time and it is too early to know whether a claim will be asserted or what the nature of any such claim would be, however, the Company's management and its counsel believe it is unlikely that this issue will have a material adverse effect on the Company's financial position.

Continuing Operations - Contingencies

In June 1994, the shareholder of the Ferrari Group, a Belgium holding company involved in steel mill services and other activities, filed a legal action in Belgium against Heckett MultiServ, S.A. and S.E.A.E., subsidiaries of MultiServ International N.V. (a subsidiary of the Company). The action alleges that these two subsidiaries breached contracts arising from letters of intent signed in 1992 and 1993 concerning the possible acquisition of the Ferrari Group, claiming that the subsidiaries were obligated to proceed with the acquisition and failed to do so. The action seeks damages of 504 million Belgian francs (approximately U.S. $14.6 million). The Company intends to vigorously defend against the action and believes that based on conditions contained in the letters of intent and other defenses it will prevail. The Company

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

and its counsel believe that it is unlikely that these claims will have a material adverse effect on the Company's financial position or results of operations.

Environmental

The Company is involved in a number of environmental remediation investigations and clean-ups and, along with other companies, has been identified as a "potentially responsible party" for certain waste disposal sites. While each of these matters is subject to various uncertainties, it is probable that the Company will agree to make payments toward funding certain of these activities and it is possible that some of these matters will be decided unfavorably to the Company. The Company has evaluated its potential liability, and its financial exposure is dependent upon such factors as the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the allocation of cost among potentially responsible parties, the years of remedial activity required and the remediation methods selected. The Consolidated Balance Sheet at September 30, 1998 and December 31, 1997, includes an accrual of $5.0 million and $3.4 million, respectively, for environmental matters. The amounts charged to earnings on a pre-tax basis related to environmental matters totaled $0.6 million for the nine months of 1998 and $0.4 million for the nine months of 1997.

The liability for future remediation costs is evaluated on a quarterly basis. Actual costs to be incurred at identified sites in future periods may vary from the estimates, given inherent uncertainties in evaluating environmental exposures. Subject to the imprecision in estimating future environmental costs, the Company does not expect that any sum it may have to pay in connection with environmental matters in excess of the amounts recorded or disclosed above would have a material adverse effect on its financial position or results of operations.

Other

The Company is subject to various other claims, legal proceedings and investigations covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position or results of operations of the Company.

Financial Instruments and Hedging

The Company has subsidiaries principally operating in North America, Latin America, Europe and Asia-Pacific. These operations are exposed to fluctuations in related foreign currencies, in the normal course of business. The Company seeks to reduce exposure to foreign currency fluctuations, primarily the European currencies, through the use of forward exchange contracts. The Company does not hold or issue financial instruments for trading purposes, and it is the Company's policy to prohibit the use of derivatives for speculative purposes. The Company has a Foreign Currency Risk Management Committee that meets periodically to monitor foreign currency risks.

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

The Company enters into forward foreign exchange contracts to hedge transactions on its non-U.S. subsidiaries, for firm commitments to purchase equipment and for export sales denominated in foreign currencies. These contracts generally are for 90 to 180 days or less. For those contracts that hedge an identifiable transaction, gains or losses are deferred and accounted for as part of the underlying transactions. The cash flows from these contracts are classified consistent with the cash flows from the transaction being hedged. The Company also enters into forward exchange contracts for intercompany foreign currency commitments. These foreign exchange contracts do not qualify as hedges, and they are recognized in income based on their fair market value. As of September 30, 1998, the total of all forward exchange contracts amounted to $5.3 million, with an unfavorable mark-to-market fluctuation of $51,000.

New Financial Accounting Standards Issued

In February 1998, the Financial Accounting Standards Board issued SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits" (SFAS 132), which is effective for fiscal years beginning after December 15, 1997. SFAS 132 revises the required disclosures about pension and other postretirement benefit plans. The Company plans to adopt SFAS 132 in the fourth quarter of 1998.

In June 1998, the Financial Accounting Standard Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), which is effective for the fiscal years beginning after June 15, 1999. SFAS 133 requires that an entity recognize all derivative instruments as either assets or liabilities on its balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction, and, if it is, the type of hedge transaction. The Company will adopt SFAS 133 by the first quarter of 2000. Due to the Company's limited use of derivative instruments, SFAS 133 is not expected to have a material effect on the financial position or results of operations of the Company.

Acquisitions

In February 1998 the Company acquired EFI Corporation (EFIC) from Racal Electronics Plc for approximately $7.2 million in cash. EFIC produces lightweight composite cylinders used extensively in fire fighter breathing apparatus as well as other industrial and commercial applications. EFIC is expected to contribute annual sales of approximately $10 million.

In April 1998, the Company completed the acquisition of Faber Prest Plc for approximately $98 million. Faber Prest is a UK-based provider of mill services to worldwide steel producers and of integrated logistics services to the steel industry and other market sectors. For the year ended September 30, 1997, Faber Prest recorded sales of approximately $137 million.

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

In June 1998, the Company completed the acquisition of Chemi-Trol Chemical Company for approximately $46 million in cash. Chemi-Trol's principal business is the production and distribution of steel pressure tanks for the storage of propane gas and anhydrous ammonia. Chemi-Trol had sales of approximately $50 million in 1997.

In October 1998, the Company completed the acquisition of Superior Valve Company from Amcast Industrial Corporation. Superior Valve designs, manufactures, and sells high pressure, precision valves for a range of commercial and industrial applications. Superior Valve had annual sales of approximately $40 million for fiscal 1997.

The Company's planned acquisition of Charter plc's Pandrol Jackson railway track maintenance business, announced in February 1998, is currently awaiting favorable completion of pre-merger review by the United States Department of Justice.

Planned Sale of Non-Core Operations

On July 7, 1998, the Company announced plans to sell certain of its smaller businesses. The operations to be sold include Nutter Engineering, a designer and manufacturer of mass transfer equipment for the refining and petrochemical industries; Astralloy Wear Technology, which produces wear-resistant steel components for a variety of industrial uses; and France-based HydroServ SAS, which provides specialized industrial cleaning services, largely for the western European market. Altogether, these businesses accounted for 1997 sales of approximately $55 million.

On October 30, 1998 the Company completed the sale of Nutter Engineering to the Sulzer Chemtech division of Swiss-based Sulzer Technology Corporation.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Cont'd.)

Reconciliation of Basic and Diluted Shares

(Dollars in thousands, except per share)	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Income from continuing operations	$ 25,944	$ 27,741	$ 83,360	$ 70,623
Average shares of common stock outstanding used to compute basic earnings per common share	45,781,560	48,724,238	46,300,410	49,104,086
Additional common shares to be issued assuming exercise of stock options, net of shares assumed reacquired	318,939	501,349	402,941	448,945
Shares used to compute dilutive effect of stock options	46,100,499	49,225,587	46,703,351	49,553,031
Basic earnings per common share from continuing operations	$ .57	$ .57	$ 1.80	$ 1.44
Diluted earnings per common share from continuing operations	$ .56	$ .56	$ 1.78	$ 1.42

Opinion of Management:

Financial information furnished herein, which is unaudited, reflects in the opinion of management all adjustments (all of which are of a recurring nature) that are necessary to present a fair statement of the interim period.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

FINANCIAL CONDITION AND LIQUIDITY

Net cash provided by operating activities was $90.2 million in the first nine months of 1998 compared with $150.6 million in 1997. Excluding cash transactions relating to the discontinued defense business, operating cash flows of $103.1 million for the nine months of 1998 approximated the nine months of 1997. Cash flows from operating activities in 1998 were lowered by $13 million due to payments for income taxes and certain other liabilities related to the discontinued defense business. In 1997, cash flows were significantly increased by $49.1 million in distributions from the discontinued defense business.

Capital expenditures for the nine months of 1998 were a record $108.7 million compared with $105.7 million in 1997. These investments reflect the Company's continuing program to achieve business growth and to improve productivity and product quality. Also, in the nine months of 1998, $123.6 million of cash was used to purchase EFI Corporation, Faber Prest Plc, and Chemi-Trol Chemical Co.

The Company has maintained a policy of reacquiring its common stock in unsolicited open market or privately-negotiated transactions at prevailing market prices for several years. In November 1997, the Board of Directors authorized the purchase, over a one-year period, of up to 2,000,000 shares of the Company's common stock. In June 1998, the Board of Directors authorized the purchase of up to 1,000,000 additional shares of common stock through December 31, 1998. Also, in September 1998 the Board of Directors authorized the purchase of an additional 2,000,000 shares of common stock. The total number of shares purchased under these programs for the nine months ended September 30, 1998 was 2,737,549 for approximately $99.3 million. Due to the timing of actual payments for the purchase of common stock, the cash flow used by financing activities was approximately $99.4 million. Remaining authorized shares to be purchased as of September 30, 1998 total 1,323,710.

For the nine months of 1998 cash and cash equivalents decreased $154.5 million to $67.1 million.

Other matters which could affect cash flows in the future are discussed under Part 1, item 1 "Notes to Consolidated Financial Statements."

The Company continues to maintain a good financial position, with net working capital of $234.6 million, a decrease from the $341.2 million at December 31, 1997. The decrease of $106.6 million relates principally to cash used to acquire businesses and for stock repurchases. Current assets amounted to $643.4 million, and current liabilities were $408.8 million, resulting in a current ratio of 1.6 to 1, compared with 1.9 to 1 at December 31, 1997. With debt of $365.6 million and equity of $745.0 million at September 30, 1998, the debt as a percent of total capital was 32.9%, compared with 22.4% at December 31, 1997.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

The stock price ranged from $23.00 to $47.25 per share during the first nine months of 1998. Harsco's book value per share at September 30, 1998 was $16.76, compared with $16.64 at December 31, 1997. The Company's annualized return from continuing operations on average equity for the nine months of 1998 was 14.4% compared with 14.9% for the nine months of 1997. The annualized return from continuing operations on average assets was 13.3% compared with 14.1% for the nine months of 1997. The annualized return from continuing operations on average capital for the nine months was 11.7% compared with 11.8% for the nine months of 1997.

The Company has available, through a syndicate of banks, a $400 million multi-currency five-year revolving credit facility, extending through July 2001. This facility serves as back-up to the Company's commercial paper program. As of September 30, 1998, there were no borrowings outstanding under this facility.

The Company has a U.S. commercial paper borrowing program under which it can issue up to $300 million of short-term notes in the U.S. commercial paper market. In addition, the Company has a 3 billion Belgian Franc program, equivalent to approximately US $87 million. The Belgian program can be used to borrow a variety of European currencies in order to fund the Company's European operations more efficiently and in appropriate currencies. The Company limits the aggregate commercial paper and syndicated credit facility borrowings at any one time to a maximum of $400 million. At September 30, 1998, the Company had $126.8 million of commercial paper debt outstanding under the commercial paper programs.

The Company's outstanding long-term notes are rated A by Standard & Poor's, A by Fitch IBCA and A-3 by Moody's. The Company's commercial paper is rated A-1 by Standard & Poor's, F-1 by Fitch IBCA and P-2 by Moody's. The Company also has on file with the Securities and Exchange Commission a Form S-3 shelf registration for the possible issuance of up to an additional $200 million of new debt securities, preferred stock or common stock.

As indicated by the above, the Company's financial position and debt capacity should enable it to meet its current and future requirements. As additional resources are needed, the Company should be able to obtain funds readily and at competitive costs.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

RESULTS OF OPERATIONS
THIRD QUARTER OF 1998 COMPARED
WITH THIRD QUARTER OF 1997

Third quarter revenues of $446.2 million were 10% above 1997's comparable period. The increase was due to the inclusion of acquired companies for 1998. Inclusion of the acquired companies resulted in revenue increases over 1997 for metal reclamation and mill services and gas control and containment products. Additionally, process equipment products had increased revenues, while pipe fittings, scaffolding, shoring and forming services and railway maintenance of way equipment products had decreased revenues. Excluding the adverse foreign currency translation effect of the strengthening U.S. dollar, revenues from continuing operations for the third quarter of 1998 were 11% above the third quarter of 1997.

Cost of products and services sold increased principally due to the inclusion of acquired companies for 1998. Selling, general and administrative expenses decreased slightly due to the results of cost reduction measures, which more than offset the inclusion of acquired companies.

Income from continuing operations before income taxes and minority interest increased 2% from 1997. This is due principally to the inclusion of an acquired metal reclamation and mill services company's results. Additionally, income was positively affected by the improved performance of railway maintenance of way equipment and process equipment products. These increases were partially offset by lower results for gas control and containment products and start-up losses of the recently acquired medical waste disposal services business. The Company's third quarter results for 1998 were adversely affected by the Asian economic crisis. That crisis contributed to reduced sales and income in our Asian operations, lower exports for certain operations in the United States, and reduced margins of certain domestic operations adversely affected by foreign imports.

Interest income increased due to higher cash available for international investment purposes. Interest expense in the United States increased due to financing required for the Company's stock repurchase program.

The effective income tax rate for continuing operations for 1998 was 37% versus 31.3% in 1997. The increase is due principally to certain non-recurring tax benefits recorded for the third quarter of 1997.

Income from continuing operations of $25.9 million was down 6% from 1997. This is due to the higher effective tax rate for 1998. Basic earnings per common share from continuing operations was $.57, equal to 1997. Diluted earnings per common share from continuing operations was $.56, equal to 1997.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART I - FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

Net income of $25.9 million was below 1997 which included $5.5 million income from the discontinued defense business. Diluted earnings per common share was $.56, down from $.67 in 1997, which included $.11 related to the discontinued defense business.

Sales of the Metal Reclamation and Mill Services Group, at $200.5 million, were above 1997 due to the inclusion of an acquired company. Sales of the Process Industry Products Group, at $155.5 million, were above 1997 due principally to the inclusion of sales from acquired companies and increased sales of process equipment. Sales of the Infrastructure and Construction Group, at $89.7 million, were below 1997 due principally to lower sales of railway maintenance of way equipment and of scaffolding, shoring and forming services.

Operating profit of the Metal Reclamation and Mill Services Group, at $29.6 million, exceeded 1997 due to the inclusion of an acquired company and improved performance of certain international operations. Operating profit of the Process Industry Products Group, at $13.2 million, was below 1997 due to decreased demand for gas control and containment equipment, start-up losses of the medical waste disposal services business and, to a lesser extent, reduced demand for pipe fittings. Operating profit of the Infrastructure and Construction Group, at $9.3 million, was above 1997 due to improved results for railway maintenance of way equipment.

In addition to the Group reporting noted above, the Company views itself as a diversified industrial services and engineered products company. Total industrial service sales, which include the Metal Reclamation and Mill Services and Infrastructure and Construction Group service businesses, principally scaffolding, forming and shoring services and railway maintenance of way services, were $227.3 million in 1998 and $197.3 million in 1997, or approximately 51% and 48% of net sales, respectively. Total engineered products sales for 1998, which include sales of the Reed Minerals Division of the Metal Reclamation and Mill Services Group, product sales of the Infrastructure and Construction Group and the Process Industry Products Group, were $218.3 million in 1998 and $209.7 million in 1997, or approximately 49% and 52% of net sales, respectively.

The operating profit for industrial services for 1998 was $27.9 million compared with $26.6 million in 1997, or approximately 55% of total Group operating profit for both years. The operating profit for engineered products for 1998 was $22.4 million compared with $21.7 million in 1997, or approximately 45% of total Group operating profit for both years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

RESULTS OF OPERATIONS
FIRST NINE MONTHS OF 1998 COMPARED
WITH FIRST NINE MONTHS OF 1997

Revenues from continuing operations for the first nine months of 1998 of $1.3 billion were 6% above last year's comparable period. The increase was due to the inclusion of acquired companies in the first nine months of 1998. Inclusion of the acquired companies increased revenues for metal reclamation and mill services and gas control and containment equipment. Process equipment product sales also increased. Sales of scaffolding, shoring and forming services increased, but to a lesser extent. These increases were partially offset by lower sales for pipe fittings and grating. Excluding the adverse foreign exchange translation effect of the strengthening U.S. dollar, revenues from continuing operations for the first nine months of 1998 were approximately 9% above the first nine months of 1997.

Cost of products and services sold increased due to the inclusion of acquired companies. Selling, general and administrative expenses decreased as a result of continuing efforts to reduce expenses, which more than offset the inclusion of acquired companies.

Income from continuing operations before income taxes and minority interest increased 15% from 1997 due principally to improved performance. Increased earnings from continuing operations in 1998 were due principally to improved results for scaffolding, shoring and forming services, process equipment, and metal reclamation and mill services, as well as the inclusion of acquired companies. These increases were partially offset by lower results for gas control and containment equipment and pipe fittings, as well as start-up losses associated with the recently acquired medical waste disposal services business.

The Company's results have been adversely affected by the Asian economic crisis. That crisis contributed to reduced sales and income in our Asian operations, lower exports for certain operations in the United States, and reduced margins of certain domestic operations adversely affected by foreign imports. Also included in the first nine months of 1998 were $1.6 million of net foreign currency translation/transaction losses, principally due to the weakening of the Mexican peso in relation to the U.S. dollar, as compared with $.6 million of net foreign currency translation/transaction gains in 1997.

Interest income increased in 1998 due to the investment of cash received from the disposal of the Company's defense business in the fourth quarter of 1997. Interest expense increased in 1998 as a result of increased borrowings due to the Company's share repurchase program and the financing of acquisitions.

The effective income tax rate for continuing operations for 1998 was 37% versus 38% in 1997. The reduction in the income tax rate is due principally to lower effective income tax rates on state, as well as international earnings.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

Income from continuing operations was up 18% from 1997. Basic earnings per common share from continuing operations of $1.80 were up 25% from 1997.

Net income of $83.4 million for the first nine months of 1998 was below 1997 which included $29.1 million of income from discontinued operations related to the Company's divested defense business. Basic earnings per common share were $1.80, down from $2.03 in 1997. Diluted earnings per common share were $1.78, down from $2.01 in 1997.

Sales of the Metal Reclamation and Mill Services Group, at $568 million, were above 1997's first nine months, despite the adverse effect of foreign exchange translation. The increase was due to the inclusion of an acquired company as of the second quarter of 1998. Sales of the Process Industry Products Group, at $458 million, increased from 1997 due to the inclusion of sales of three acquired companies and due to increased sales for process equipment. Sales of the Infrastructure and Construction Group, at $277 million, decreased slightly from 1997. Sales of scaffolding, shoring and forming services were above 1997, however, sales of grating products were down from 1997.

Operating profit of the Metal Reclamation and Mill Services Group, at $86.3 million, exceeded 1997 despite the adverse foreign exchange translation effect of the strong U.S. dollar. Operating profit of the Process Industry Products Group, at $45.5 million, was slightly above last year's comparable period due principally to improved results for process equipment. Results improved despite the inclusion of start-up losses associated with the medical waste disposal services business. Operating profit in 1998 of the Infrastructure and Construction Group, at $26.6 million, was significantly above 1997. The increase is due to improved results for scaffolding, shoring and forming services.

In addition to the Group reporting noted above, the Company views itself as a diversified industrial services and engineered products company. Total industrial service sales, which include metal reclamation and mill services, as well as scaffolding, forming, and shoring services and railway maintenance of way services, were $653.1 million in 1998 and $585.3 million in 1997, or approximately 50% and 48% of net sales, respectively. Excluding the adverse effect of foreign exchange translation of the strengthening U.S. dollar, total industrial service sales were approximately 15% above last year's comparable period. The total engineered products sales for 1998 were $649.8 million, or approximately 50% of net sales compared to $638.7 million in 1997, or 52% of net sales. Engineered products include sales of the Reed Minerals Division in the Metal Reclamation and Mill Services Group, and product sales of the Infrastructure and Construction Group and the Process Industry Products Group.

The operating profit for industrial services for 1998 was $86.9 million compared with $75.9 million in 1997, or approximately 56% and 54%, respectively, of total Group operating profit. The operating profit from engineered products for 1998 was $69.3 million compared with

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

$64.3 million in 1997, which included a $1.4 million loss on the disposal of the Company's shell and tube business. These amounts are approximately 44% and 46%, respectively, of total Group operating profit. The increased percentage of industrial services profit results principally from improved performance over 1997 for scaffolding, shoring and forming services as well as metal reclamation and mill services.

Year 2000 Readiness

The Year 2000 Problem can be traced to the early days of computers, when memory and data storage were very expensive. To conserve these limited resources, computer programmers decided to use just two digits in date fields to identify calendar year. Accordingly, 1999 is identified as "99." The assumption is that the date is within the twentieth century. In the Year 2000 this assumption will be invalid and some systems will not properly recognize dates. On January 1, 2000, many computer programs in mainframe, microcomputer, client/server, personal computer, and embedded systems may recognize the year "00" as 1900 rather than 2000. Because many computer functions are date-sensitive, this error may cause systems to process data inaccurately or shut down if they do not recognize the date. If not corrected, many computer applications could fail or create erroneous results as of or prior to the Year 2000. Errors may occur in chronological sorting, in date comparisons, duration calculations, and other time and date-sensitive processing.

The Company is taking steps to ensure its operations will not be adversely impacted by potential Year 2000 computer failures. The Year 2000 readiness project is overseen by the senior management of the Company with regular progress reports made to the Board of Directors. Year 2000 Readiness teams have been working at various levels within the Company, as well as coordinating tasks common to the total Company. The Year 2000 readiness process generally includes the following phases: identification and assessment; replacement, remediation and testing; implementation; and contingency planning for high risk mission critical areas.

The Company has determined that it will be necessary to modify, upgrade or replace portions of its software so that its computer applications will properly utilize dates beyond December 31, 1999, and has developed a plan to implement such modifications, upgrades, and replacements. The majority of the software which is not Year 2000 ready is currently being updated through normal software upgrades and replacements.

It is currently estimated by the Company that the major information technology system improvements will be implemented principally by mid-1999. Most business units have already made significant progress in this regard. Most replacement software has been purchased from vendors who have asserted that their software is Year 2000 ready. Our implementation process includes provisions for testing of Year 2000 readiness of mission critical applications.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

Additionally, our process includes an overall Year 2000 readiness assessment of major business partners including information technology vendors.

Included within the scope of our Year 2000 readiness plan is the assessment of non-information technology systems including operations' and production equipment with embedded chips. Our assessment process generally includes inventorying such equipment and making a determination as to the Year 2000 readiness status of critical items. Our assessment is estimated to be complete by the first quarter of 1999. No Year 2000 modifications or replacements of a material nature have been identified for non-information technology systems.

The Company is also engaged in communications with its significant business partners, suppliers and major customers to determine the extent to which the Company is vulnerable to such third parties' failure to address their own Year 2000 issues. The Company's assessment is based on information currently available to the Company from such third parties. The Company is also seeking assurances from the third parties that their computer applications will not fail due to Year 2000 problems. It is estimated that the assessment process will be materially complete by the first quarter of 1999. No significant third parties have indicated that they will not be Year 2000 ready by December 31, 1999.

Based on its assessment of presently available information, the Company's cost to complete its Year 2000 readiness program is currently estimated to be $2 million. However, there can be no certainty that all Year 2000 failures will be avoided, nor that the costs will be within the range of the Company's current estimates.

The Company currently believes that its major Year 2000 risk relates to the performance and readiness status of outside parties, principally utilities providing power and communication networks to Company facilities and operations. The impact of a related failure on the Company's financial position or results of operations cannot be estimated. Management has also engaged the Company's Internal Audit Department to perform Year 2000 readiness audits and to identify other material Year 2000 risks.

The Company is taking steps to mitigate the risk of material impact of Year 2000 computer failures on its operations via the development of contingency plans. Contingency plans are currently being developed for those high risk mission critical applications, functions and resources. Such plans will include detailed alternative operating procedures to be invoked upon confirmation of a critical Year 2000 computer failure. The plans will be updated as necessary as new information becomes available prior to 2000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd.)

Euro Currency Conversion

On January 1, 1999, certain countries of the European Union are scheduled to establish fixed conversion rates between their existing currencies and one common currency, the euro. The euro will then trade on currency exchanges and may be used in business transactions. Beginning in January 2002, new euro-denominated currencies will be issued and the existing local currencies will be withdrawn from circulation by July 1, 2002. The Company is in the process of arranging euro bank accounts and modifying certain loan arrangements for the conversion to the euro currency and is evaluating other systems and business issues raised by the euro conversion. These issues include the need to adapt computer and other business systems and equipment and the long-term competitive implications of conversion. In 1997, the Company derived approximately 19% of its sales from the European geographic area, including non-European Union countries. The Company has not completed its assessment of the potential impact of the euro conversion. However, at present the Company believes the euro conversion will not have a material effect on the Company's financial position or results of operations.

Safe Harbor Statement

The nature of the Company's operations and the many countries in which it operates subject it to changing economic, competitive, regulatory, and technological conditions, risks, and uncertainties. In accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors which, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. These include statements about our management confidence and strategies for performance, expectations for new and existing products, technologies, and opportunities; and expectations for market segment and industry growth, sales, and earnings.

These factors include, but are not limited to: (1) changes in the world-wide business environment in which the Company operates, including import, licensing and trade restrictions, currency exchange rates, interest rates, and capital costs; (2) changes in governmental laws and regulations, including taxes; (3) market and competitive changes, including market demand and acceptance for new products, services, and technologies; (4) effects of unstable governments and business conditions in emerging economies; and (5) other risk factors listed from time to time in the Company's SEC reports. The Company does not intend to update this information and disclaims any legal liability to the contrary.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES
PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The discussion of legal proceedings in Part I under the heading "Commitments and Contingencies" is incorporated into Part II.

ITEM 5. OTHER INFORMATION

DIVIDEND INFORMATION:

Dividends declared for the third quarter of 1998 and 1997 were 22 cents and 20 cents, respectively. Year to date dividends declared at September 30, 1998 and 1997 were 66 cents and 60 cents, respectively.

ITEM 6(a). EXHIBITS

The following exhibits are attached:

a.) Exhibit No. 12 Computation of Ratios of Earnings to Fixed Charges.
b.) Exhibit No. 27 Financial Data Schedule.

ITEM 6(b) REPORTS ON FORM 8-K

a.) There were no reports filed on form 8-K during the third quarter ending September 30, 1998.

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.

HARSCO CORPORATION
(Registrant)

DATE November 2, 1998

/S/Salvatore D. Fazzolari
Salvatore D. Fazzolari
Senior Vice President and
Chief Financial Officer

DATE November 2, 1998

/S/Stephen J. Schnoor
Stephen J. Schnoor
Vice President and Controller

EXHIBIT INDEX

Exhibit No. 12	-	Computation of Ratios of Earnings to Fixed Charges.
Exhibit No. 27	-	Financial Data Schedule.

HARSCO CORPORATION

Exhibit 12

Computation of Ratios of Earnings to Fixed Charges

(In Thousands of Dollars)

	Nine Months Ended 9/30/98	1997	1996	1995	1994	1993
		YEARS ENDED DECEMBER 31				
Consolidated Earnings:						
Pre-tax income from continuing operations (net of minority interest in net income)	$ 134,838	$ 165,613	$ 145,984	$ 107,073	$ 84,197	$ 70,116
Add fixed charges computed below	20,016	24,263	26,181	33,121	37,982	23,879
Net adjustments for equity companies	(895)	(694)	(181)	(466)	(134)	(363)
Net adjustments for capitalized interest	(3)	-	-	-	(274)	(172)
Consolidated Earnings Available for Fixed Charges	$ 153,956	$ 189,182	$ 171,984	$ 139,728	$ 121,771	$ 93,460
Consolidated Fixed Charges:						
Interest expense per financial statements (1)	$ 14,143	$ 16,741	$ 21,483	$ 28,921	$ 34,048	$ 19,974
Interest expense capitalized	96	128	131	134	338	332
Portion of rentals (1/3) representing an interest factor	5,777	7,394	4,567	4,066	3,596	3,573
Interest expense for equity companies whose debt is guaranteed (2)	-	-	-	-	-	-
Consolidated Fixed Charges	$ 20,016	$ 24,263	$ 26,181	$ 33,121	$ 37,982	$ 23,879
Consolidated Ratio of Earnings to Fixed Charges	7.69	7.80	6.57	4.22	3.21	3.91

(1) Includes amortization of debt discount and expense.

(2) No fixed charges were associated with debt of less than fifty percent owned companies guaranteed by the Company during the five year period 1993 through 1997, and the nine months ended September 30, 1998.

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9-MOS
DEC-31-1998
SEP-30-1998
67,100
0
351,571
(7,683)
175,195
643,416
1,423,695
(811,640)
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662,362
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1,304,315
992,679
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139,129
51,478
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83,360
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1.78