ASARCO INC, filed this 10-K/A on 06/30/1999.

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

1998 FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998 Commission file number 1-164

ASARCO Incorporated

(Exact name of registrant as specified in its charter)

New Jersey	13-4924440
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

180 Maiden Lane, New York, N. Y. 10038
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 510-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock, without par value	New York Stock Exchange

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_____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of February 26, 1999, there were of record 39,669,569 shares of Common Stock, without par value, outstanding, and the aggregate market value of the shares of Common Stock (based upon the closing price of Asarco Common Stock on the New York Stock Exchange Composite Transactions) of ASARCO Incorporated held by nonaffiliates was approximately $0.6 billion.

PORTIONS OF THE FOLLOWING DOCUMENTS ARE INCORPORATED BY REFERENCE:

Part III: Proxy statement in connection with the Annual Meeting to be held on April 28, 1999. Part IV: Exhibit index is on pages C1 through C3.

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ASARCO Incorporated

FORM 10-K/A
December 31, 1998

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ASARCO Incorporated and Subsidiaries

FORM 10-K/A
December 31, 1998

The undersigned registrant hereby amends the 1998 Annual Report on Form 10-K as set forth in the pages attached hereto to add the information, financial statements and exhibits required by Form 11-K filed with respect to the Savings Plan of ASARCO Incorporated and Participating Subsidiaries pursuant to Rule 15d-21.

The following item has been refiled to reflect such amendments:

Item 14. Exhibits, Financial Statements Schedules and Reports on Form 8-K.

The Exhibit Index has been amended and is refiled herewith to include as Exhibit 99 the report in 11-K relating to the Savings Plan for Salaried Employees of ASARCO Incorporated and Participating Subsidiaries, which is filed herewith.

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

ASARCO Incorporated

By /s/ W. Dowd
W. Dowd
Vice President nd
Chief Financial Officer

Date: June 28, 1999

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

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ASARCO Incorporated
EXHIBIT INDEX

Exhibit No.	Description	Indexed on Page
3.	Certificate of Incorporation and By-Laws	
(a)	Certificate of Incorporation - restated, filed June 26, 1998 (Filed as an Exhibit to the Company's Report on Form 10-Q for the quarter ended June 30, 1998 and incorporated herein by reference)	

(b) By-Laws as last amended on June 26, 1991 (Filed as an Exhibit to the Company's 1991 Annual Report on Form 10-K and incorporated herein by reference)

4. Instruments defining the rights of security holders, including indentures

(a) There are currently various separate indentures, agreements or similar instruments under which long-term debt of Asarco is currently outstanding. The Registrant hereby agrees to furnish to the Commission, upon request, a copy of any of the instruments which define the rights of holders of long-term debt securities. None of the outstanding instruments represent long-term debt securities in excess of 10% of the total assets of Asarco as of December 31, 1998

(b) Form of Rights Agreement dated as of July 26, 1989, between the Company and First Chicago Trust Company of New York, as Rights Agent, defining the rights of shareholders under a July 1989 Shareholders' Rights plan and dividend declaration (Filed as an Exhibit to the Company's report on Form 8-K filed on July 28, 1989 and incorporated herein by reference)

(c) Rights Agreement Amendment dated as of September 24, 1992, between the Company and The Bank of New York, as Successor Rights Agent under the Rights Agreement listed above (Filed as an Exhibit to the Company's 1992 Annual Report on Form 10-K and incorporated herein by reference)

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ASARCO Incorporated
EXHIBIT INDEX

Exhibit No.	Description	Indexed on Page
(d)	Second Rights Agreement Amendment dated as of February 23, 1995, between the Company and The Bank of New York (Filed as an Exhibit to the Company's report on Form 8-K filed on February 24, 1995, and incorporated herein by reference)	
(e)	Form of Rights Agreement dated as of January 28, 1998, between the Company and The Bank of New York, as Rights Agent, defining the rights of shareholders' under a January 1998 Stockholders' Rights plan and dividend declaration (Filed as an Exhibit to the Company's Form 8-K filed on March 2, 1998, and incorporated herein by reference)	
(f)	Indenture Agreement dated as of February 1, 1993 between the Company and Bankers Trust Company, as Trustee, covering the issuance of debt securities registered by the Company in April 1992, not to exceed $250 million (Filed	

as an Exhibit to the Company's 1992 Annual Report on Form 10-K and incorporated herein by reference)

(g) Indenture Agreement dated as of October 1, 1994 between the Company and Chemical Bank, as Trustee covering the issuance of debt securities registered by the Company in October 1994, not to exceed $300 million (Filed as an Exhibit to the Company's registration statement on Form S-3 filed on October 12, 1994, and incorporated herein by reference)

Material Contracts

10. (a) Stock Option Plan as last amended on November 30, 1994 (Filed as an Exhibit to the Company's 1994 Annual Report on Form 10-K and incorporated herein by reference)

(b) Form of Amended Employment Agreement dated February 26, 1997, between the Company and currently 11 of its executive officers, including Messrs. R. de J. Osborne, F.R. McAllister, K.R. Morano, and A.B. Kinsolving (Filed as an Exhibit to the Company's 1996 Annual Report on Form 10-K and incorporated herein by reference)

(c) Deferred Fee Plan for Directors, as amended through April 29,1998 C9-C14

(d) Director's Deferred Payment Plan, as amended through April 29, 1998. C15-C20

(e) Retirement Plan for Non-Employee Directors, as amended through January 28, 1998. Effective December 31, 1995, the Company terminated the plan for current and future directors.

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ASARCO Incorporated
EXHIBIT INDEX

Exhibit No.	Description	Indexed on Page
(f)	Directors' Stock Award Plan, as amended through January 27, 1993 (Filed as an Exhibit to the Company's 1992 Annual Report on Form 10-K and incorporated herein by reference)	
(g)	Stock Incentive Plan adopted by the Company's Shareholders on April 25, 1990, as last amended on November 29, 1995 (Filed as an Exhibit to the Company's 1995 Annual Report on Form 10-K and incorporated herin by reference)	
(h)	Supplemental Pension Plan for Designated Mid-Career Officers, as amended through April 29, 1998	C21-C28
(i)	Incentive Compensation Plan for Senior Officers,	

		effective January 1, 1996 (Filed on Exhibit B to the Company's 1996 Proxy Statement filed on March 12, 1996 and incorporated herein by reference)	
	(j)	1996 Stock Incentive Plan, effective April 24, 1996 (Filed as an Exhibit to the Company's Registration Statement on Form S-8 filed on December 17, 1996, and incorporated herein by reference)	
	(k)	Compensation Deferral Plan, as amended through April 29, 1998	C29-C35
	(l)	Supplemental Retirement Plan, as amended through April 29, 1998	C36-C41
	(m)	Consulting agreement between the Company and Mr. R. de J. Osborne dated November 24, 1998	C42-C43
11.		Statement re Computation of Earnings Per Share	C4
12.		Statement re Computation of Ratios	C5
21.		Subsidiaries of the Registrant	C6-C8
23.		Consent of Independent Accountants is included on page A72 of this Annual Report on Form 10-K.	
99.		Report on Form 11-K relating to the Savings Plan for Salaried Employees of ASARCO Incorporated and Participating Subsidiaries.	C44-C60

Copies of exhibits may be acquired upon written request to the Treasurer and the payment of processing and mailing costs.

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission File No. 1-164

For the fiscal year ended December 31, 1998

Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

ASARCO Incorporated
180 Maiden Lane
New York, New York 10038

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Financial Statements and Schedules

December 31, 1998 and 1997

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

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* Refers to item number in Form 5500 ("Annual Return/Report of Employee Benefit Plan") filed with the Department of Labor for the plan year ended December 31, 1998.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of the Savings Plan of ASARCO Incorporated and Participating Subsidiaries:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Savings Plan of ASARCO Incorporated and Participating Subsidiaries (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed in the index on the preceding page, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. These supplemental schedules and fund information are the responsibility of the Plan's management. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

New York, New York
June 28, 1999

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Savings Plan of ASARCO Incorporated and Participating Subsidiaries
Statement of Net Assets Available for Benefits with Fund Information
at December 31, 1998
(dollars in thousands)

	Vanguard Index 500 Portfolio	Vanguard International Fund	Asarco Common Fund
Investments, at fair value:	--	--	--
Asarco Common Stock (cost $26,211)	--	--	$ 3,208
Registered investment companies:	--	--	--
Vanguard Money Market Reserves Prime ..	--	--	--
Portfolio (cost approximates market) .	--	--	20
Vanguard Index Trust 500 Portfolio	--	--	--
(cost $21,975)	$ 44,654	--	--
Vanguard International Growth Fund	--	--	--
(cost $215)	--	$ 225	--
Vanguard Short Term U.S. Treasury	--	--	--
Bond Portfolio (cost $7,889)	--	--	--
Vanguard Wellington Fund (cost $10,704)	--	--	--

Vanguard Index Extended Market Fund ...	--	--	--
(cost $3,281)	--	--	--
Vanguard U.S. Growth Fund (cost $5,385)	--	--	--
Vanguard Windsor II Fund (cost $11,793)	--	--	--
Vanguard Bond Index Fund (cost $2,457)	--	--	--
Loans to Participants	--	--	--
Total Investments	44,654	225	3,228
Contributions Receivable:	--	--	--
Participants	151	4	18
Company	1	--	--
Interest receivable	--	--	--
Loans receivable	43	--	7
NET ASSETS AVAILABLE FOR PLAN BENEFITS ...	$ 44,849	$ 229	$ 3,253

	Vanguard Index Extended Market Fund	Vanguard U.S. Growth Fund	Vang Wind F
Investments, at fair value:			
Asarco Common Stock (cost $26,211)			
Registered investment companies:			
Vanguard Money Market Reserves Prime ..	-	--	
Portfolio (cost approximates market) .	--	--	
Vanguard Index Trust 500 Portfolio	--	--	
(cost $21,975)	--	--	
Vanguard International Growth Fund	--	--	
(cost $215)	--	--	
Vanguard Short Term U.S. Treasury	--	--	
Bond Portfolio (cost $7,889)	--	--	
Vanguard Wellington Fund (cost $10,704)	--	--	
Vanguard Index Extended Market Fund ...	--	--	
(cost $3,281)	$ 3,994	--	
Vanguard U.S. Growth Fund (cost $5,385)	--	$ 8,109	
Vanguard Windsor II Fund (cost $11,793)	--	--	$ 14
Vanguard Bond Index Fund (cost $2,457)	--	--	
Loans to Participants	--	--	
Total Investments	3,994	8,109	14
Contributions Receivable:	--	--	
Participants	28	52	
Company	--	1	
Interest receivable	--	--	
Loans receivable	6	10	
NET ASSETS AVAILABLE FOR PLAN BENEFITS ...	$ 4,028	$ 8,172	$ 15,

The accompanying notes are an integral part of these financial statements.

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Savings Plan of ASARCO Incorporated and Participating Subsidiaries
Statement of Net Assets Available for Benefits with Func. Information
at December 31, 1997
(dollars in thousands)

	Particip		
	Vanguard Index 500 Portfolio	Asarco Common Fund	Vangu Money Reserv Portf
Investments, at fair value:	--	--	--
Asarco Common Stock (cost $25,211)	--	$ 3,260	--
Shares of registered investment	--	--	--
companies:	--	--	--
Vanguard Money Market Reserves Prime	--	--	--
Portfolio (cost approximates market)	--	29	$ 17,8
Vanguard Index Trust 500 Portfolio	--	--	--
(cost $22,581)	$ 39,654	--	--
Vanguard Short Term U.S. Treasury	--	--	--
Bond Portfolio (cost $7,452)	--	--	--
Vanguard Wellington Fund (cost $9,952)	--	--	--
Vanguard Index Extended Market Fund	--	--	--
(cost $3,113)	--	--	--
Vanguard U.S. Growth Fund (cost $3,971)	--	--	--
Vanguard Windsor II Fund (cost $10,560)	--	--	--
Vanguard Bond Index Fund (cost $1,661)	--	--	--
Loans to Participants			
Total Investments	39,654	3,289	17,8
Contributions Receivable:	--	--	--
Participants	167	22	
Company	--	--	--
Interest receivable	--	--	--
Loans receivable	52	8	
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 39,873	$ 3,319	$ 17,9

	Participant Directed Di		
	Vanguard U.S. Growth Fund	Vanguard Windsor II Fund	Van Bond
	---	----	
Investments, at fair value:	--	--	
Asarco Common Stock (cost $25,211)	--	--	
Shares of registered investment	--	--	
companies:	--	--	
Vanguard Money Market Reserves Prime	--	--	
Portfolio (cost approximates market)	--	--	
Vanguard Index Trust 500 Portfolio	--	--	
(cost $22,58[illegible])	--	--	
Vanguard Short Term U.S. Treasury	--	--	
Bond Portfolio (cost $7,452)	--	--	
Vanguard Wellington Fund (cost $9,952)	--	--	
Vanguard Index Extended Market Fund	--	--	
(cost $3,11[illegible])	--	--	
Vanguard U.S. Growth Fund (cost $3,971)	$ 5,399	--	
Vanguard Windsor II Fund (cost $10,560)	--	$ 13,870	
Vanguard Bond Index Fund (cost $1,661)	--	--	
Loans to Participants		$	
Total Investments	5,399	13,870	
Contributions Receivable:	--	--	
Participants	48	101	
Company	--	--	
Interest receivable	--	--	
Loans receivable	16	33	
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 5,463	$ $ 14,004	$

The accompanying notes are an integral part of these financial statements.

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Savings Plan of ASARCO Incorporated and Participating Subsidiaries
Statement of Changes in Net Assets Available for Benefits with Fund Information
for the year ended December 31, 1998
(dollars in thousands)

	Vanguard Index Trust	Vanguard International	Asarco Common
ADDITIONS:	500 Portfolio	Growth Fund	Stock Fu

Investment Income			
Net appreciation (depreciation) in the	--	--	--
fair value of investments	$ 10,020	$ 13	$ (7,161)
Dividends and Interest	723	4	695
Interest (participant loans)			
Total	10,743	17	(6,466)
Contributions	--	--	--
Participants	2,130	54	258
Company	7	--	2,354
Loan Repayments	725	5	124
Transfers from other plan	185	--	63
Interfund transfers	(2,254)	162	1,117
TOTAL ADDITIONS	11,536	238	(2,550)
DEDUCTIONS:			
Benefit payments	5,841	5	2,933
General and administrative	1	--	--
Loans	718	4	130
TOTAL DEDUCTIONS	6,560	9	3,063
Net increase (decrease)	4,976	229	(5,613)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, .	--	--	--
BEGINNING OF YEAR	39,873	0	21,439
NET ASSETS AVAILABLE FOR PLAN BENEFITS, .	--	--	--
END OF YEAR	$ 44,849	$ 229	$ 15,826

	Vanguard Index Extended Market Fund	Vanguard U.S. Growth Fund	V W
Investment Income			
Net appreciation (depreciation) in the	--	--	
fair value of investments	$ (44)	$ 1,724	$
Dividends and Interest	314	519	
Interest (participant loans)			
Total	270	2,243	
Contributions	--	--	
Participants	426	639	
Company	1	4	

Loan Repayments	121	205	
Transfers from other plan	3	5	
Interfund transfers	(369)	369	(1
TOTAL ADDITIONS	452	3,465	
DEDUCTIONS:			
Benefit payments	431	631	
General and administrative	2	--	
Loans	60	125	
TOTAL DEDUCTIONS	493	756	
Net increase (decrease)	(41)	2,709	
NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR	4,069	5,463	1
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	$ 4,028	$ 8,172	$ 1

The accompanying notes are an integral part of these financial statements

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Notes to Financial Statements

1. Plan Description

The following description of the Savings Plan of ASARCO Incorporated and Participating Subsidiaries (the "Plan") provides only general information. Reference should be made to the Plan document for a complete description of the Plan and Plan amendments, including eligibility requirements and vesting provisions.

General:

Effective January 1, 1980, ASARCO Incorporated (the "Company") established the Savings Plan of ASARCO Incorporated and Participating Subsidiaries, which has been amended thereafter. Contributions commenced in July 1980. The Plan is a defined contribution plan and is administered by the Company's Savings Plan Committee of the Board of Directors in accordance with authority delegated by the Fiduciary Committee. The Plan is designed to provide a method of savings by eligible employees for their retirement and other needs, and to enable them to acquire an ownership interest in the Company.

Contributions:

Employees are eligible for participation in the Plan after completing thirty days of service. Each eligible employee wishing to participate in the Plan must elect to authorize pre-tax and/or post-tax contributions by payroll deduction. Contributions are stated in whole percentages of 1% to 17% effective October 1,1998 of the participant's basic earnings, as defined. A participant may elect to increase, decrease or suspend the pre-tax or post-tax contributions on the first day of any month. The Internal Revenue Code of 1986 (the "Code"), as amended, limited the maximum amount an employee may contribute on a pre-tax basis to $10,000 and $9,500 in 1998 and 1997, respectively.

Matching Company Contribution - The Company matches the first 6% of a participant's monthly contribution at the rate of 50%. The matching contribution may be made in either cash or Asarco Common Stock and in the case of cash, the Plan's trustee, Vanguard Fiduciary Trust Company ("Vanguard"), is required to purchase Asarco Common Stock. Company contributions for the year ended December 31, 1998 consisted of cash in the amount of $2,379,583.

The Company is not obligated to make a contribution during any period in which it has no accumulated retained earnings. The Company's contributions are subject to all legal restrictions which may apply, including Sections 401 and 415 of the Code, which limit the annual contributions to an employee's account.

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Notes to Financial Statements - Continued

Participants are 100% vested in both their contributions and the Company's matching contribution and earnings thereon upon participation in the Plan.

Benefit Payments:

Upon retirement or termination of employment (other than by death) prior to age 65, a participant must consent in writing to receive a distribution of account balances. If participants do not consent in writing, payment of a distribution is made upon the earlier of death or attainment of age 65. Participants who retire may elect to receive payments in annual cash installments over a period of up to 10 years. Participants receiving lump sum distributions may choose to receive cash equal to the value of their interest in all accounts or full shares of Asarco Common Stock equal to all or part of their interest in the Asarco Common Stock Fund plus cash equal to the remaining value of their interest in all Accounts. In the event of the death of a participant, his or her entire interest in the Plan will be paid to their designated beneficiary in either a single lump sum or annual cash installments not to exceed 10 years.

Loans:

The Plan provides for loans to participants who have participated in the Plan for at least one year, subject to certain limitations. The maximum loan allowed to each participant is limited to the lesser of 50% of the total value of the participant's accounts, or $50,000 reduced by the outstanding balance of any plan loans to such participant.

A participant's loan is repayable within a maximum of five years or immediately upon termination of employment. Interest is currently accrued at the prime rate, which was in existence on the first day of the month in which the loan was issued. Loans are secured by a lien on the participant's interest in the Plan. Loan repayments are made through payroll withholdings from the participant's earnings. A participant may pre-pay a loan at any time without penalty.

2. Significant Plan Amendments

On August 26,1998 the Plan was amended, effective October 1, 1998, to increase the maximum permissible contribution to 17% from 12% for salaried employees.

On November 25, 1997 the Plan was amended, effective January 1, 1998 to change the eligibility waiting period from six months of service to the first day of any month following completion of 30 days of service; to permit employees to change contribution rates on a monthly, rather than quarterly, basis; to allow employees who have reached age 64 to transfer Company matching contributions from the Asarco Common Stock fund to other investment options under the Plan; to add the Vanguard International Growth Fund as an investment option; to permit express loans and automated withdrawals; and to increase, in accordance with the Taxpayer Relief Act of 1997, the account balance threshold for automatic cash-outs of terminating employees from $3,500 to $5,000. In addition, on July 30, 1997, the Plan was amended to recognize service by new hires with Southern Peru Copper Corporation for purposes of satisfying eligibility requirements, and to make other technical changes to comply with changes in law.

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Notes to Financial Statements - Continued

3. Summary of Significant Accounting Policies

Valuation of Investments:

The Plan's investments are stated at fair value. Units of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. The Asarco Common Stock Fund is valued at its year-end unit closing price (comprised of year-end market price plus uninvested cash position). Participant loans are valued at cost which approximates fair value.

Basis of Accounting:

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Transactions and Investment Income:

Transactions are accounted for on a trade-date basis. Average cost is the basis used in the determination of gains or losses on sales of securities. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

Net appreciation (depreciation) in the fair value of the Plan's investments, as shown in the Statement of Changes in Net Assets Available for Benefits, consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Contributions:

The Company's matching contributions are measured by reference to the participant contributions and are not discretionary.

Loans to Participants:

Loans to participants are presented in the Statement of Net Assets Available for Plan Benefits as Plan assets.

Benefit Payments:

Benefit payments are recorded when paid.

Plan Expenses:

The Company pays all administrative expenses of the Plan including trust, recordkeeping, consulting, audit and legal fees, with the exception of loan administration fees which are charged to participants. Taxes, excluding transfer taxes on shares of Asarco Common Stock distributed to participants or their beneficiaries, and investment fees related to Vanguard Funds are paid from the net assets of such funds.

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Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties:

The Plan provides for investment options in various mutual funds. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits. Participants are advised to read a Vanguard prospectus or the Plan's summary plan description before investing in any fund.

4. Investment Funds

Vanguard is the investment manager and participant recordkeeper for all investment funds of the Plan. Vanguard is also the trustee of all of the funds.

Upon enrollment in the Plan throughout 1998, participants directed their elected contributions to be invested in one or more of the following funds in multiples of 5%:

o Vanguard Index Trust 500 Portfolio - A fund invested in all of the stocks included in the Standard & Poor's 500 Composite Index (the "Index") in approximately the same proportions as they are represented in the Index. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 1,322 and 1,413, respectively.

o Vanguard Money Market Reserves Prime Portfolio - A fund invested in a portfolio of high quality money market instruments with maturities of one year or less. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 897 and 1,055, respectively.

o Vanguard Short Term U.S. Treasury Bond Portfolio - A fund invested primarily in short-term U.S. Treasury securities with an average maturity of two to three years. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 484 and 540, respectively.

o Vanguard Wellington Fund - A fund invested in bonds and common stocks. The bonds are held for relative stability of income and principal, while the common stocks are held for potential growth of capital and income. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 849 and 903, respectively.

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Notes to Financial Statements - Continued

- Vanguard Index Extended Market Fund - A fund which provides investment results that correspond to the aggregate price and yield performance of the Wilshire 4500 Index. The Wilshire 4500 Index consists of over 4,500 U.S. common stocks (primarily medium and small capitalization stocks) that are not included in the Standard & Poor's 500 Composite Stock Price Index. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 435 and 470, respectively.

- Vanguard U.S. Growth Fund - A fund invested primarily in a diversified portfolio of common stocks with above-average growth potential. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 589 and 555, respectively.

- Vanguard Windsor II Fund - A fund invested in common stocks to provide capital appreciation and dividend income. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 954 and 1,014, respectively.

- Asarco Common Stock Fund - A fund that invests exclusively in ASARCO Incorporated common stock with a small amount invested in the Vanguard Money Market Reserves Prime Portfolio to allow for timely responsiveness to Plan transactions. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 1,914 and 2,105, respectively.

- Vanguard Bond Index Fund - A fund that holds a combination of securities which, taken together, are expected to perform similarly to the Lehman Brothers Aggregate Bond Index. At December 31, 1998 and 1997, the number of Plan participants who held an interest in this fund was 131 and 104, respectively.

- Vanguard International Growth Fund - This fund invests in stocks of high quality, seasonal companies based outside the United States. It includes stocks with records of exceptional growth from more than 15 countries (including Japan, the United Kingdom, the Netherlands, Switzerland and Germany.) At December 31, 1998 and 1997, the number of plan participants who held an interest in this fund was 39 and 0 respectively.

The Plan also maintains the following fund:

- Loan Fund - A fund designed to facilitate the recordkeeping and other administrative functions relating to loans made to participants based on their account balances (See Note 1). These loans are recorded as receivables of the Plan.

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Vanguard as recordkeeper maintains individual account records reflecting each participant's net interest in each fund of the Plan in which such participant invests. Participant's net interest in each fund of the Plan is represented by units of participation. The following schedule shows the number of units and the net asset value per unit in each fund:

	December 31, 1998		
	Number of Units	Net Asset Value Per Unit	
Asarco Common Stock Fund*	2,782,722	$5.62	
Vanguard Index Trust 500 Portfolio*	391,870	$113.95	
Vanguard International Growth Fund	11,987	$18.77	
Vanguard Money Market Reserves Prime Portfolio*	17,831,043	$1.00	1
Vanguard Short Term U.S. Treasury Bond Portfolio*	771,936	$10.37	
Vanguard Wellington Fund*	421,577	$29.35	
Vanguard Windsor II Fund*	499,540	$29.85	
Vanguard U.S. Growth Fund**	216,296	$37.49	
Vanguard Index Extended Market Fund	130,441	$30.62	
Vanguard Bond Index Fund	244,273	$10.27	

* Represents 5% or more of net assets available for plan benefits as of December 31, 1998 and 1997

** Represents 5% or more of net assets available for plan benefits as of December 31, 1998

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Notes to Financial Statements - Continued

5. Tax Status

The Plan, as amended through July 27, 1994, has received a favorable determination from the Internal Revenue Service ("IRS") that it is a qualified plan and trust under Section 401(a) of the Code and, thus, exempt from federal income taxes under provisions of Section 501(a) of the Code. The Plan has been amended since receiving the determination letter. However, the Plan's management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

6. Termination Priorities

Although it has not expressed any intent to do so, the Company reserves the right to amend or discontinue the Plan by action of the Board at any time. In the event of termination or partial termination of the Plan or a complete discontinuance of matching Company contributions under the Plan, each affected participant shall be 100% vested in all amounts credited to their account at the date of such termination, partial termination, or complete discontinuance of matching Company contributions.

7. Related Party Transactions

The Plan invests in shares of mutual funds managed by an affiliate of Vanguard. Vanguard acts as trustee for only those investments as defined by the Plan. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules.

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Form 5500 Item 27a
Schedule of Assets Held for Investment Purposes
at December 31, 1998

Identity of Issue or Borrower	Cost or Book Value	
Vanguard Index Trust 500 Portfolio	$21,974,805	$44
Asarco Common Stock Fund	26,211,253	15
Vanguard Money Market Reserves Prime Portfolio	17,831,043	17
Vanguard Short Term U.S. Treasury Bond Portfolio	7,888,679	8
Vanguard Wellington Fund	10,704,304	12
Vanguard Index Extended Market Fund	3,281,368	3
Vanguard U.S. Growth Fund	5,385,277	8
Vanguard Windsor II Fund	11,793,336	14
Vanguard Bond Index Fund	2,456,557	2

Vanguard International Growth Fund	214,874	
Loan Fund		
Participants' Loans (interest rates range from 6% to 9%)	-	4
TOTAL INVESTMENTS	$107,741,496	$132

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Savings Plan of ASARCO Incorporated
and Participating Subsidiaries

Form 5500 Line 27d
Schedule of Reportable Transactions
for the year ended December 31, 1998

Description of Asset	Purchase Price	Selling Price	Basis of Asset
Vanguard Index Trust 500 Portfolio	$10,016,644	$15,036,962	$10,630,214
Vanguard Money Market Reserves Prime Portfolio	11,997,908	12,036,147	12,036,147
Vanguard Wellington Fund	3,651,906	3,600,870	2,900,566
Vanguard Windsor II	4,082,237	3,713,661	2,853,154
Asarco Common Stock Fund	8,067,993	6,476,632	7,060,825

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CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements of ASARCO Incorporated on Form S-3 (File Nos. 33-45631, 33-55993 and 333-02359) and on Form S-8 (File Nos. 2-67732, 2-83782, 33-34606, 333-16875, 333-18083 and 333-46181) of our report dated June 28, 1999 on our audits of the Statements of Net Assets Available for Benefits of the Savings Plan of ASARCO Incorporated and Participating Subsidiaries as of December 31, 1998 and 1997, the Supplemental Schedules as of December 31, 1998 and for the year then ended and the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 1998, which report is included in this Annual Report on Form 11-K.

PricewaterhouseCoopers LLP

New York, New York
June 28, 1999

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