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 June 30, 1997.

[ ]Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period From to .

Commission file number 1-2691.

American Airlines, Inc.
(Exact name of registrant as specified in its charter)

Delaware	13-1502798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4333 Amon Carter Blvd. Fort Worth, Texas	76155
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (817) 963-1234

Not Applicable
(Former name, former address and former fiscal year , if changed since last report)

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $1 par value - 1,000 shares as of August 13, 1997

The registrant meets the conditions set forth in, and is filing this form with the reduced disclosure format prescribed by, General Instructions H(1)(a) and H(1)(b) of Form 10-Q.

INDEX

AMERICAN AIRLINES, INC.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN AIRLINES, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Revenues				
Passenger	$3,641	$3,510	$7,031	$6,797
Cargo	172	171	334	331
Other	216	204	414	396
Total operating revenues	4,029	3,885	7,779	7,524
Expenses				
Wages, salaries and benefits	1,281	1,242	2,551	2,476
Aircraft fuel	456	454	959	878
Commissions to agents	312	303	610	599
Depreciation and amortization	238	224	479	455
Other rentals and landing fees	200	191	390	374
Maintenance materials and repairs	185	136	347	270
Food service	171	172	331	326
Aircraft rentals	133	148	265	296
Other operating expenses	609	568	1,204	1,163
Total operating expenses	3,585	3,438	7,136	6,837
Operating Income	444	447	643	687
Other Income (Expense)				
Interest income	7	6	14	12
Interest expense	(48)	(104)	(122)	(217)
Miscellaneous - net	(7)	2	(11)	-
	(48)	(96)	(119)	(205)
Income From Continuing Operations Before Income Taxes	396	351	524	482
Income tax provision	156	138	210	194
Income From Continuing Operations	240	213	314	288
Income From Discontinued Operations (less applicable income taxes)	-	61	-	136
Net Earnings	$ 240	$ 274	$ 314	$ 424

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

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(In millions)

	June 30, 1997 (Unaudited)	December 31, 1996 (Note 1)
Assets		
Current Assets		
Cash	$ 8	$ 37
Short-term investments	1,670	1,312
Receivables, net	1,208	1,087
Inventories, net	541	559
Other current assets	541	549
Total current assets	3,968	3,544
Equipment and Property		
Flight equipment, net	8,349	8,545
Other equipment and property, net	1,214	1,240
	9,563	9,785
Equipment and Property Under Capital Leases		
Flight equipment, net	1,658	1,724
Other equipment and property, net	93	92
	1,751	1,816
Route acquisition costs, net	959	974
Other assets, net	1,439	1,443
	$ 17,680	$ 17,562
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 847	$ 914
Payables to affiliates	1,290	1,410
Accrued liabilities	1,643	1,738
Air traffic liability	2,098	1,889
Current maturities of long-term debt	22	22
Current obligations under capital leases	113	109
Total current liabilities	6,013	6,082
Long-term debt, less current maturities	972	983
Long-term debt due to Parent	-	118
Obligations under capital leases, less current obligations	1,443	1,520
Deferred income taxes	725	680
Other liabilities, deferred gains, deferred credits and postretirement benefits	3,684	3,651
Stockholder's Equity		
Common stock	-	-
Additional paid-in capital	1,717	1,717
Retained earnings	3,126	2,811
	4,843	4,528
	$ 17,680	$ 17,562

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

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30, 1997	1996
Net Cash Provided by Operating Activities	$ 798	$1,043
Cash Flow from Investing Activities:		
Capital expenditures	(313)	(204)
Net decrease (increase) in short-term investments	(358)	10
Proceeds from sale of equipment and property	169	156
Net cash used for investing activities	(502)	(38)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(87)	(814)
Funds transferred to affiliates, net	(238)	(196)
Net cash used for financing activities	(325)	(1,010)
Net decrease in cash	(29)	(5)
Cash at beginning of period	37	70
Cash at end of period	$ 8	$ 65
Cash Payments For:		
Interest	$ 132	$ 210
Income taxes	205	281

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

AMERICAN AIRLINES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. The balance sheet at December 31, 1996 has been derived from the audited financial statements at that date. For further information, refer to the consolidated financial statements and footnotes thereto included in the American Airlines, Inc. (American or the Company) Annual Report on Form 10-K for the year ended December 31, 1996.

2. Accumulated depreciation of owned equipment and property at June 30, 1997 and December 31, 1996, was $5.4 billion and $5.1 billion, respectively. Accumulated amortization of equipment and property under capital leases at June 30, 1997 and December 31, 1996, was $843 million and $792 million, respectively.

3. As discussed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996, the Miami International Airport Authority is currently remediating various environmental conditions at Miami International Airport (Airport) and funding the remediation costs through landing fee revenues. Future costs of the remediation effort may be borne by carriers operating at the Airport, including American, through increased landing fees. The ultimate resolution of this matter is not expected to have a significant impact on the financial position or liquidity of American.

4. On July 2, 1996, AMR Corporation (AMR), the parent company of American, completed the reorganization of its information technology businesses known as The SABRE Group into a separate, wholly-owned subsidiary of AMR known as The SABRE Group Holdings, Inc. and its direct and indirect subsidiaries (the "Reorganization"). Prior to the Reorganization, most of The SABRE Group's business units were divisions of American. As part of the Reorganization, all of the businesses of The SABRE Group, including American's SABRE Travel Information Network, SABRE Computer Services, SABRE Development Services, and SABRE Interactive divisions (collectively, the Information Services Group), and certain buildings, equipment, and American's leasehold interest in certain other buildings used by The SABRE Group were combined in subsidiaries of American, which were then dividended to AMR.

   The results of operations of the Information Services Group have been reflected in the consolidated statement of operations as income from discontinued operations for the three months and six months ended June 30, 1996. The amounts shown are net of income taxes of $37 million for the three months ended June 30, 1996, and $82 million for the six months ended June 30, 1996. Revenues from the operations of the Information Services Group were $368 million for the three months ended June 30, 1996, and $754 million for the six months ended June 30, 1996.

5. On May 5, 1997, the members of the Allied Pilots Association ratified a new labor agreement that was reached with American in March 1997. The new contract becomes amendable August 31, 2001. Among other provisions, the agreement granted pilots options to buy 5.75 million shares of AMR stock at $83.375, $10 less than the average fair market value of the stock on the date of grant, May 5, 1997. The options are immediately exercisable.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. On May 7, 1997, American confirmed the structure of its aircraft acquisition arrangement with Boeing announced in November 1996. The arrangement includes firm orders for 75 Boeing 737s, 12 Boeing 757s and four Boeing 767-300ERs, with deliveries commencing in 1998 and continuing through 2004. In June 1997, American confirmed an order for seven Boeing 777-200IGW aircraft, to be delivered in 1999 and 2000. In addition to the firm orders, American obtained "purchase rights" for additional aircraft. Subject to the availability of delivery positions, some of which are guaranteed, American has the right to acquire, at specified prices, new standard-body aircraft with as little as 15 months prior notice; wide-bodied acquisitions will require 18 months notice.

Payments for the firm-order aircraft noted above will approximate $570 million in 1997, $1.0 billion in 1998, $1.3 billion in 1999, and $1.8 billion in 2000 and thereafter.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Six Months Ended June 30, 1997 and 1996

As discussed in Note 4, as of July 2, 1996, AMR completed the reorganization of The SABRE Group (the "Reorganization"). Thus, the results of operations of American's Information Services Group have been reflected in the consolidated statement of operations as income from discontinued operations for the three months and six months ended June 30, 1996. Following the Reorganization, American operates in only one business segment, and, as such, the discussion below relates only to the operations of what was formerly American's Airline Group.

American recorded income from continuing operations for the first six months of 1997 of $314 million. This compares to income from continuing operations of $288 million for the same period last year. American's operating income was $643 million for the first six months of 1997 compared to $687 million for the first six months of 1996.

American's passenger revenues increased by 3.4 percent, $234 million. American's yield (the average amount one passenger pays to fly one mile) of 13.36 cents increased by 0.8 percent compared to the same period in 1996. Domestic yields decreased 0.2 percent from the first six months of 1996. International yields increased 3.5 percent, reflecting a 4.4 percent increase in Latin America, a 1.9 percent increase in Europe and a 1.1 percent increase in the Pacific.

American's traffic or revenue passenger miles (RPMs) increased 2.5 percent to 52.6 billion miles for the six months ended June 30, 1997. American's capacity or available seat miles (ASMs) increased 0.3 percent to 76.3 billion miles in the first six months of 1997, primarily as a result of seven additional operating aircraft. American's domestic traffic increased 2.2 percent on capacity increases of 0.5 percent and international traffic grew 3.3 percent on capacity decreases of 0.1 percent. The overall increase in international traffic was driven by a 7.8 percent increase in traffic to Latin America on capacity growth of 3.2 percent, partially offset by a 9.0 percent decrease in Pacific traffic on a capacity decrease of 5.9 percent.

American's operating expenses increased 4.4 percent, $299 million. American's Jet Operations cost per ASM increased by 4.0 percent to 9.27 cents. Aircraft fuel expense increased 9.2 percent, $81 million, due primarily to a 7.5 percent increase in American's average price per gallon including tax. Maintenance materials and repairs expense increased 28.5 percent, $77 million, due to additional aircraft check lines added at American's maintenance bases as a result of the maturing of its fleet. Aircraft rentals decreased 10.5 percent, $31 million, as a result of American's decision to prepay the cancelable operating leases it had on 12 of its Boeing 767-300 aircraft during June and July 1996. Following the prepayments, these aircraft have been accounted for as capital leases and the related costs included in amortization expense.

Other Income (Expense) decreased 42.0 percent or $86 million. Interest expense decreased $95 million due primarily to the decline in the balance of American's intercompany subordinated note with AMR and the retirement of debt prior to scheduled maturity.

Other

In June 1997, Standard & Poor's raised its corporate credit ratings and senior debt ratings of AMR Corporation and its subsidiary American Airlines, Inc. to triple "B" minus from double "B" plus.

The Federal airline passenger excise tax, which was reimposed in the first quarter of 1997, is scheduled to expire on September 30, 1997. A replacement tax mechanism will take effect on October 1, 1997. Over a five year period on a sliding scale, the airline ticket tax will be reduced from ten percent to 7.5 percent and a $3 per passenger segment fee will be phased in. Additionally, the fee for international arrivals and departures will be increased from $6 per departure to $12 for each arrival and departure and a 7.5 percent tax will be added on the purchase of frequent flyer miles. The ultimate impact of the new taxes on American cannot be determined at this time.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

In January 1985, American announced a new fare category, the "Ultimate SuperSaver," a discount, advance purchase fare that carried a 25 percent penalty upon cancellation. On December 30, 1985, a class action lawsuit was filed in Circuit Court, Cook County, Illinois entitled Johnson vs. American Airlines, Inc. The Johnson plaintiffs allege that the 10 percent federal excise transportation tax should have been excluded from the "fare" upon which the 25 percent penalty was assessed. The case has not been certified as a class action. Summary judgment was granted in favor of American but subsequently reversed and vacated by the Illinois Appellate Court. American is vigorously defending the lawsuit.

American has been sued in two class action cases that have been consolidated in the Circuit Court of Cook County, Illinois, in connection with certain changes made to American's AAdvantage frequent flyer program in May 1988. (Wolens et al v. American Airlines, Inc., No. 88 CH 7554, and Tucker v. American Airlines, Inc., No. 89 CH 199.) In both cases, the plaintiffs seek to represent all persons who joined the AAdvantage program before May 1988. Although the complaint originally involved numerous claims, after a January 18, 1995 preemption ruling by the U.S. Supreme Court, only the plaintiffs' breach of contract claim remains. Currently, the plaintiffs allege that in May 1988, American implemented changes that limited the number of seats available to participants traveling on certain awards and established blackout dates during which no AAdvantage seats would be available for certain awards and that these changes breached American's contracts with AAdvantage members. The case has not been certified as a class action. Although the case has been pending for numerous years, it still is in a preliminary stage. American is vigorously defending the lawsuit. Plaintiffs seek money damages for the alleged breach and attorneys' fees.

In December 1993, American announced that the number of miles required to claim a certain travel award under American's AAdvantage frequent flyer program would be increased effective February 1, 1995. On February 1, 1995, a class action lawsuit entitled Gutterman vs. American Airlines, Inc., was filed in the Circuit Court of Cook County, Illinois. The Gutterman plaintiffs claim that this increase in mileage level violated the terms and conditions of the agreement between American and AAdvantage members. On February 9, 1995, a virtually identical class action lawsuit entitled Benway vs. American Airlines, Inc., was filed in District Court, Dallas County, Texas. After limited discovery and prior to class certification, a summary judgment dismissing the Benway case was entered by the Dallas County court in July 1995. Although American's motion to dismiss the Gutterman lawsuit was denied, American's motion for summary judgment is still pending. No class has been certified in the Gutterman lawsuit and to date only very limited discovery has been undertaken. American is vigorously defending the lawsuit.

PART II

Item 6. Exhibits and Reports on Form 8-K

The following exhibits are included herein:

27 Financial Data Schedule.

On April 17, 1997, American filed a report on Form 8-K relative to the Company's negotiations with the Allied Pilots Association.

Signature

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.

AMERICAN AIRLINES, INC.

Date: August 13, 1997

BY: /s/ Gerard J. Arpey
Gerard J. Arpey
Senior Vice President - Finance and Planning
and Chief Financial Officer

5
1,000,000

6-MOS
DEC-31-1997
JUN-30-1997
8
1,670
1,215
7
541
3,968
17,562
6,248
17,680
6,013
2,415
0
0
1,717
3,126
17,680
0
7,779
0
7,136
0
0
122
524
210
314
0
0
0
314
0
0