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, 1998.

[ ]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 7, 1998

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

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AMERICAN AIRLINES, INC.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN AIRLINES, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited) (In millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Revenues				
Passenger	$3,789	$3,641	$7,367	$7,031
Cargo	166	172	328	334
Other	238	216	458	414
Total operating revenues	4,193	4,029	8,153	7,779
Expenses				
Wages, salaries and benefits	1,380	1,281	2,694	2,551
Aircraft fuel	391	456	793	959
Commissions to agents	305	312	590	610
Depreciation and amortization	234	238	469	479
Maintenance, materials and repairs	192	185	390	347
Other rentals and landing fees	199	200	390	390
Food service	174	171	337	331
Aircraft rentals	133	133	266	265
Other operating expenses	635	609	1,278	1,204
Total operating expenses	3,643	3,585	7,207	7,136
Operating Income	550	444	946	643
Other Income (Expense)				
Interest income	25	31	52	34
Interest expense	(46)	(51)	(97)	(103)
Interest capitalized	22	3	39	5
Related party interest -net	(8)	(25)	(17)	(44)
Miscellaneous - net	(1)	(6)	(17)	(11)
	(8)	(48)	(40)	(119)
Earnings Before Income Taxes	542	396	906	524
Income tax provision	211	156	354	210
Net Earnings	$ 331	$ 240	$ 552	$ 314

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

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

	June 30, 1998	December 31, 1997 (Note 1)
Assets		
Current Assets		
Cash	$ 88	$ 47
Short-term investments	1,714	1,762
Receivables, net	1,329	1,057
Inventories, net	568	555
Deferred income taxes	360	360
Other current assets	196	201
Total current assets	4,255	3,982
Equipment and Property		
Flight equipment, net	7,689	7,790
Other equipment and property, net	1,249	1,232
Purchase deposits for flight equipment	1,084	695
	10,022	9,717
Equipment and Property Under Capital Leases		
Flight equipment, net	1,583	1,652
Other equipment and property, net	92	92
	1,675	1,744
Route acquisition costs, net	930	945
Other assets, net	1,459	1,365
	$ 18,341	$ 17,753
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 919	$ 855
Payable to affiliates	259	595
Accrued liabilities	1,695	1,720
Air traffic liability	2,280	2,044
Current maturities of long-term debt	28	21
Current obligations under capital leases	111	112
Total current liabilities	5,292	5,347
Long-term debt, less current maturities	916	937
Obligations under capital leases, less current obligations	1,283	1,382
Deferred income taxes	1,137	999
Other liabilities, deferred gains, deferred credits and postretirement benefits	3,812	3,734
Stockholders' Equity		
Common stock	-	-
Additional paid-in capital	1,732	1,732
Retained earnings	4,169	3,622
	5,901	5,354
	$ 18,341	$17,753

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, 1998	1997
Net Cash Provided by Operating Activities	$1,080	$ 798
Cash Flow from Investing Activities:		
Capital expenditures, including purchase deposits for flight equipment	(818)	(313)
Net decrease (increase) in short-term investments	48	(358)
Proceeds from sale of equipment and property	161	169
Net cash used for investing activities	(609)	(502)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(94)	(87)
Funds transferred to affiliates, net	(336)	(238)
Net cash used for financing activities	(430)	(325)
Net increase (decrease) in cash	41	(29)
Cash at beginning of period	47	37
Cash at end of period	$ 88	$ 8
Cash Payments For:		
Interest	$ 96	$ 132
Income taxes	143	205

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, 1997 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, 1997.

2. Accumulated depreciation of owned equipment and property at June 30, 1998 and December 31, 1997, was $6.0 billion and $5.7 billion, respectively. Accumulated amortization of equipment and property under capital leases at June 30, 1998 and December 31, 1997, was $1.0 billion and $965 million, respectively.

3. 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 and/or other charges. The ultimate resolution of this matter is not expected to have a significant impact on the financial position or liquidity of American.

4. During 1998, the Company exercised its purchase rights to acquire 25 Boeing 737-800s and 23 Boeing 777-200IGWs. As of August 14, 1998, the Company had commitments to acquire the following aircraft: 100 Boeing 737-800s, 34 Boeing 777-200IGWs, 11 Boeing 757-200s and four Boeing 767-300ERs. Deliveries of these aircraft will occur during the remainder of 1998 and will continue through 2004. Payments for these aircraft will approximate $600 million during the remainder of 1998, $2.2 billion in 1999, $1.8 billion in 2000 and an aggregate of approximately $1.9 billion in 2001 through 2004. The exercise of these aircraft purchase rights will allow the Company to continue the retirement of its Boeing 727-200 and McDonnell Douglas DC-10 fleets, which the Company anticipates to be complete by 2004, as well as to provide for modest growth.

5. In March 1998, the Company exercised its option to sell seven MD-11 aircraft to Federal Express Corporation (FedEx), thereby committing to sell its entire MD-11 fleet to FedEx. Eight aircraft have been delivered as of June 30, 1998. The remaining 11 aircraft will be delivered to FedEx between 1999 and 2003.

6. As of January 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130). SFAS 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of SFAS 130 had no impact on the Company's net income or stockholders' equity. SFAS 130 requires unrealized gains or losses on the Company's available-for-sale securities and changes in minimum pension liabilities, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive income. During the second quarter of 1998 and 1997, total comprehensive income was approximately $331 million and $241 million, respectively. Total comprehensive income for the six months ended June 30, 1998 and 1997 was approximately $552 million and $314 million, respectively.

   Effective January 1, 1998, the Company adopted early the provisions of Statement of Position No. 98-5, "Reporting on the Costs of Start-Up Activities," (SOP 98-5). SOP 98-5 requires costs of start-up activities and organization costs to be expensed as incurred. The adoption of SOP 98-5 did not have a material impact on the Company's financial position or results of operations for the six months ended June 30, 1998.

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

RESULTS OF OPERATIONS

For the Six Months Ended June 30, 1998 and 1997

American recorded net earnings for the six months ended June 30, 1998 of $552 million. This compares to net earnings of $314 million for the second quarter of 1997. American's operating income of $946 million increased 47.1 percent, or $303 million, compared to $643 million for the same period in 1997.

American's passenger revenues increased by 4.8 percent, or $336 million, primarily as a result of strong demand for air travel driven by continual economic growth in the U.S. and Europe and a healthy pricing environment. American's yield (the average amount one passenger pays to fly one mile) of 13.82 cents increased by 3.4 percent compared to the same period in 1997. Domestic yields increased 5.4 percent from the first six months of 1997. International yields decreased 1.1 percent, reflecting a 5.3 percent decrease in the Pacific and a 3.2 percent decrease in Latin America, partially offset by a 1.7 percent increase in Europe. The decrease in Pacific yields was primarily due to the weakness in Asian economies and increased industry capacity. The decrease in Latin America was due primarily to an increase in industry capacity in Central and South America and a decline in economic conditions, while the increase in European yields was partially attributable to the cancellation of American's New York Kennedy - Zurich, New York - Brussels and Miami - Frankfurt routes in 1997.

American's traffic or revenue passenger miles (RPMs) increased 1.3 percent to 53.3 billion miles for the six months ended June 30, 1998. American's capacity or available seat miles (ASMs) increased 0.5 percent to 76.7 billion miles in the first six months of 1998. American's domestic traffic increased 5.7 percent on capacity increases of 0.2 percent and international traffic grew 2.7 percent on capacity increases of 3.9 percent. The increase in international traffic was driven by a 3.9 percent increase in traffic to Latin America on capacity growth of 7.3 percent, a 5.6 percent increase in traffic to the Pacific on growth of 11.5 percent and a 0.6 percent increase in traffic on a capacity decrease of 1.1 percent in Europe.

American's yield and traffic were both negatively impacted in 1997 by the effects of the pilot contract negotiations throughout the first three months of 1997. During the first six months of 1998, American's yield and traffic were adversely impacted by the imposition of the transportation tax for the entire period compared to slightly less than four months during the same period in 1997.

American's other revenues increased $44 million, or 10.6 percent, primarily as a result of an increase in aircraft maintenance work performed by American for other airlines and increased administrative and employee travel service charges and service contracts.

American's operating expenses increased 1.0 percent, or $71 million. American's Jet Operations cost per ASM increased by 0.3 percent to 9.30 cents. Wages, salaries and benefits increased 5.6 percent, or $143 million, primarily due to an increase in the average number of equivalent employees, contractual wage rate and seniority increases that are built into the Company's labor contracts and an increase in the provision for profit sharing. The increased headcount is due primarily to increased volumes of work at American's maintenance bases and increases associated with American's flight dependability initiatives. Aircraft fuel expense decreased 17.3 percent, or $166 million, due to a 18.6 percent decrease in American's average price per gallon, including taxes, partially offset by a 1.6 percent increase in American's fuel consumption. Commissions to agents decreased 3.3 percent, or $20 million, despite a 4.8 percent increase in passenger revenues, due to the continued benefit from the commission rate reduction initiated during September 1997. Maintenance, materials and repairs expense increased $43 million, or 12.4 percent, due primarily to higher volumes for both airframe and engine maintenance at American's maintenance bases as a result of the maturing of its fleet. Other operating expenses increased by $74 million, or 6.1 percent, primarily related to spending on the Company's Year 2000 compliance program and higher costs, such as credit card fees, resulting from higher passenger revenues.

Other Income (Expense) decreased 66.4 percent, or $79 million, primarily due to a $34 million increase in capitalized interest on aircraft purchase deposits and a decrease of $27 million in related party interest - net due primarily to a decline in the balance of American's intercompany balance with AMR.

AIRCRAFT COMMITMENTS

During 1998, the Company exercised its purchase rights to acquire 25 Boeing 737-800s and 23 Boeing 777-200IGWs. As of August 14, 1998, the Company had commitments to acquire the following aircraft: 100 Boeing 737-800s, 34 Boeing 777-200IGWs, 11 Boeing 757-200s and four Boeing 767-300ERs. Deliveries of these aircraft will occur during the remainder of 1998 and will continue through 2004. Payments for these aircraft will approximate $600 million during the remainder of 1998, $2.2 billion in 1999, $1.8 billion in 2000 and an aggregate of approximately $1.9 billion in 2001 through 2004. The exercise of these aircraft purchase rights will allow the Company to continue the retirement of its Boeing 727-200 and McDonnell Douglas DC-10 fleets, which the Company anticipates to be complete by 2004, as well as to provide for modest growth. While the Company expects to fund the majority of its capital expenditures from the Company's existing cash balance and internally generated cash, some new financing may be raised depending upon capital market conditions and the Company's evolving view of its long-term needs.

YEAR 2000 COMPLIANCE

The Company has implemented a Year 2000 compliance program designed to ensure that the Company's computer systems and applications and embedded operating systems will function properly beyond 1999. The SABRE Group, which operates and maintains substantially all of the computer systems and applications utilized by the Company, has also implemented a Year 2000 compliance program. Substantially all of the Company's core systems are either completed or in the final testing phases of the Year 2000 project. The Company and The SABRE Group expect their Year 2000 projects to be substantially completed in the first quarter of 1999 and believe they have allocated adequate resources to meet this goal. However, there can be no assurance that the systems of other parties (e.g., Federal Aviation Administration, Department of Transportation, airport authorities, data providers) upon which the Company's businesses also rely will be Year 2000 compliant on a timely basis. The Company's business, financial condition, or results of operations could be materially adversely affected by the failure of its systems and applications or those operated by other parties to properly operate or manage dates beyond 1999. The Company is currently evaluating responses from and addressing issues with significant vendors to determine the extent to which the Company's systems are vulnerable to those third parties which fail to remedy their own Year 2000 issues. The Company is developing contingency plans designed to enable it to continue operations in the event of certain third party failures, to the extent that such operations can be conducted safely.

The Company expects to incur significant costs from The SABRE Group, internal staff costs and consulting and other expenses related to infrastructure and facilities enhancements necessary to prepare its system for the Year 2000. The Company's total estimated cost of the Year 2000 compliance program is approximately $125 million to $160 million, of which approximately $90 million was incurred as of June 30, 1998. The Company expects to incur most of the remaining expenses during the remainder of 1998. A significant portion of these costs are not likely to be incremental costs to the Company, but rather will represent the redeployment of current information technology spending. Maintenance or modification costs associated with making existing computer systems Year 2000 compliant are expensed as incurred and are funded through cash from operations.

The expected costs and completion dates for the Year 2000 project are forward-looking statements based on management's best estimates, which were derived utilizing numerous assumptions of future events including the continued availability of resources, third party modification plans and other factors. Actual results could differ materially from these estimates as a result of factors such as the availability and cost of trained personnel, the ability to locate and correct all relevant computer codes and similar uncertainties.

NEW EUROPEAN CURRENCY

In January 1999, certain European countries are scheduled to introduce a new currency unit called the "euro". The Company has implemented a project intended to ensure that software systems operated by the Company's businesses are designed to properly handle the euro. The SABRE Group, which operates and maintains substantially all of the software systems utilized by the Company, has also implemented a euro project. The Company and The SABRE Group expect their euro projects to be substantially completed by the fourth quarter of 1998 and believe they have allocated adequate resources to meet this goal. The Company estimates that the introduction of the euro, including the total cost for the euro project, will not have a material effect on the Company's business, financial condition, or results of operations. Costs associated with the euro project will be expensed as incurred and will be funded through cash from operations. Statements related to the Company's euro project are forward-looking statements that are based on management's best estimates. Actual results could differ materially from these estimates.

DALLAS LOVE FIELD

In 1968, as part of an agreement between the cities of Fort Worth and Dallas to build and operate Dallas/Fort Worth Airport (DFW), a bond ordinance was enacted by both cities (the Bond Ordinance). The Bond Ordinance required both cities to direct all scheduled interstate passenger operations to DFW and was an integral part of the bonds issued for the construction and operation of DFW. In 1979, as part of a settlement to resolve litigation with Southwest Airlines, the cities agreed to expand the scope of operations allowed under the Bond Ordinance at Dallas' Love Field. This settlement was codified by Congress and became known as the Wright Amendment. The Wright Amendment limited interstate operations at Love Field to the four states contiguous to Texas (New Mexico, Oklahoma, Arkansas and Louisiana) and prohibited through ticketing to any destination outside that perimeter. In 1997, without the consent of either city, Congress amended the Wright Amendment by (i) adding three states (Kansas, Mississippi and Alabama) to the perimeter and (ii) removing all federal restrictions on large aircraft configured with 56 seats or less (the 1997 Amendment). In October 1997, the City of Fort Worth filed suit in state district court against the City of Dallas and others seeking to enforce the Bond Ordinance. Fort Worth contends that the 1997 Amendment does not preclude the City of Dallas from exercising its proprietary rights to restrict traffic at Love Field in a manner consistent with the Bond Ordinance and, moreover, that it has an obligation to do so. American has joined in this litigation. Thereafter, Dallas filed a separate declaratory judgment action in federal district court seeking to have the court declare that, as a matter of law, the 1997 Amendment precludes Dallas from exercising any restrictions on operations at Love Field. Further, in May 1998, Continental Airlines and Continental Express filed a lawsuit in federal court seeking a judicial declaration that the Bond Ordinance cannot be enforced to prevent them from operating flights from Love Field to Cleveland using regional jets. As a result of the foregoing, the future of interstate flight operations at Love Field and American's DFW hub is uncertain. To the extent that operations at Love Field to new interstate destinations increase, American may be compelled for competitive reasons to divert resources from DFW to Love Field. A substantial diversion of resources could adversely impact American's business.

Recently, American announced its intent to initiate limited intrastate service to Austin from Love Field and has commenced implementation of a business plan to start such service on August 31, 1998.

OTHER INFORMATION

Several items of legislation have been introduced in Congress that would, if enacted; (i) authorize the withdrawal of slots from major carriers -- including American -- at key airports for redistribution to new entrants and smaller carriers and/or (ii) provide financial assistance, in the form of guarantees and/or subsidized loans, to smaller carriers for aircraft purchases. In addition, the Department of Justice is investigating competition at major hub airports, and in April 1998, the Department of Transportation (DOT) issued proposed pricing and capacity rules that would severely limit major carriers' ability to compete with new entrant carriers. The outcomes of the proposed legislation, the investigations and the proposed DOT guidelines are unknown. However, to the extent that (i) slots are taken from American at key airports, (ii) restrictions are imposed upon American's ability to respond to a competitor, or (iii) competitors have a financial advantage in the purchase of aircraft because of federal assistance, American's business may be adversely impacted.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), which is required to be adopted in years beginning after June 15, 1999. SFAS 133 permits early adoption as of the beginning of any fiscal quarter after its issuance. SFAS 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

The Company is currently evaluating the impact of SFAS 133; however, based on current market conditions, SFAS 133 is not expected to have a material impact on the Companys financial condition or results of operations.

FORWARD-LOOKING INFORMATION

Statements in this report contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this report, the words "expects," "plans," "anticipates," and similar expressions are intended to identify forward-looking statements. All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expectations. The following factors, in addition to other possible factors not listed, could cause the Company's actual results to differ materially from those expressed in forward-looking statements: risks related to the Company's Year 2000 and Euro currency compliance programs and government regulations, including restrictions on competitive practices (e.g., new regulations which would curtail an airlines ability to respond to a competitor). Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, included but not limited to the Form 10-K for the year ended December 31, 1997.

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 plaintiff alleges that the 10 percent federal excise transportation tax should have been excluded from the "fare" upon which the 25 percent penalty was assessed. Summary judgment was granted in favor of American but subsequently reversed and vacated by the Illinois Appellate Court. In August 1997, the Court denied the plaintiffs' motion for class certification. American is vigorously defending the lawsuit.

In connection with its frequent flyer program, American was sued in two cases (Wolens et al v. American Airlines, Inc. and Tucker v. American Airlines, Inc.) seeking class action certification that were consolidated and are currently pending in the Circuit Court of Cook County, Illinois. The litigation arises from certain changes made to American's AAdvantage frequent flyer program in May 1988 which 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. In the consolidated action, the plaintiffs allege that these changes breached American's contract with AAdvantage members, seek money damages for the alleged breach and attorney's fees and seek to represent all persons who joined the AAdvantage program before May 1988 and accrued mileage credits before the seat limitations were introduced. The complaint originally asserted several state law claims, however only the plaintiffs' breach of contract claim remains after the U. S. Supreme Court ruled that federal law preempted the other claims. Although the case has been pending for numerous years, it still is in its preliminary stages. The court has not ruled as to whether the case should be certified as a class action. American is vigorously defending the lawsuit.

Gutterman et al. v. American Airlines, Inc. is also pending in the Circuit Court of Cook County, Illinois, arising from an announced increase in AAdvantage mileage credits required for free travel. 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, giving rise to the Gutterman litigation filed on that same date. The Gutterman plaintiffs claim that the announced increase in award mileage level violated the terms and conditions of the agreement between American and AAdvantage members. On June 23, 1998, the Court certified the case as a class action although to date no notice has been sent to the class. The class consists of all members who earned miles between January 1, 1992 (the date the change was announced) and February 1, 1995 (the date the change was made). On July 13, 1998, the Court denied American's motion for summary judgment as to the claims brought by plaintiff Steven Gutterman. On July 30, 1998, the plaintiffs filed a motion for summary judgment as to liability. American is vigorously defending the lawsuit.

A federal grand jury is investigating whether American handled hazardous materials and processed courier shipments, cargo and excess baggage in accordance with applicable laws and regulations. In connection with this investigation, federal agents executed a search warrant at American's Miami facilities on October 22, 1997. In addition, American was served with a subpoena calling for the production of documents relating to the handling of courier shipments, cargo, excess baggage and hazardous materials. American has produced documents responsive to the subpoena and intends to cooperate fully with the government's investigation.

PART II

Item 6. Exhibits and Reports on Form 8-K

The following exhibits are included herein:

27 Financial Data Schedule

On April 15, 1998, American filed a report on Form 8-K relative to a press release issued by the Company to announce that Robert L. Crandall, Chairman, President and CEO of AMR and Chairman and CEO of American, will retire from his affiliations with AMR and American after the AMR annual meeting on May 20, 1998.

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 14, 1998

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

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