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, 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 November 14, 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.

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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)

	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Revenues				
Passenger	$3,713	$3,533	$10,744	$10,330
Cargo	167	163	501	494
Other	227	204	641	600
Total operating revenues	4,107	3,900	11,886	11,424
Expenses				
Wages, salaries and benefits	1,314	1,207	3,865	3,683
Aircraft fuel	452	476	1,411	1,354
Commissions to agents	314	306	924	905
Depreciation and amortization	237	236	716	691
Other rentals and landing fees	202	200	592	574
Maintenance materials and repairs	193	142	540	412
Food service	175	176	506	502
Aircraft rentals	133	133	398	429
Other operating expenses	618	580	1,822	1,743
Total operating expenses	3,638	3,456	10,774	10,293
Operating Income	469	444	1,112	1,131
Other Income (Expense)				
Interest income	35	1	69	3
Interest expense	(46)	(49)	(144)	(154)
Related party interest-net	(20)	(28)	(64)	(130)
Miscellaneous - net	(4)	(21)	(15)	(21)
	(35)	(97)	(154)	(302)
Income From Continuing Operations Before Income Taxes	434	347	958	829
Income tax provision	168	139	378	333
Income From Continuing Operations	266	208	580	496
Income From Discontinued Operations (less applicable income taxes)	-	-	-	136
Net Earnings	$ 266	$ 208	$ 580	$ 632

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

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

	September 30, 1997	December 31, 1996 (Note 1)
Assets		
Current Assets		
Cash	$ 13	$ 37
Short-term investments	2,321	1,312
Receivables, net	1,223	1,087
Inventories, net	552	559
Other current assets	514	549
Total current assets	4,623	3,544
Equipment and Property		
Flight equipment, net	8,266	8,545
Other equipment and property, net	1,203	1,240
	9,469	9,785
Equipment and Property Under Capital Leases		
Flight equipment, net	1,626	1,724
Other equipment and property, net	92	92
	1,718	1,816
Route acquisition costs, net	952	974
Other assets, net	1,436	1,443
	$ 18,198	$ 17,562
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 1,017	$ 914
Payables to affiliates	1,002	1,410
Accrued liabilities	1,807	1,738
Air traffic liability	2,295	1,889
Current maturities of long-term debt	20	22
Current obligations under capital leases	111	109
Total current liabilities	6,252	6,082
Long-term debt, less current maturities	941	983
Long-term debt due to Parent	-	118
Obligations under capital leases, less current obligations	1,415	1,520
Deferred income taxes	752	680
Other liabilities, deferred gains, deferred credits and postretirement benefits	3,728	3,651
Stockholder's Equity		
Common stock	-	-
Additional paid-in capital	1,717	1,717
Retained earnings	3,393	2,811
	5,110	4,528
	$ 18,198	$ 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)

	Nine Months Ended September 30,	
	1997	1996
Net Cash Provided by Operating Activities	$1,917	$1,595
Cash Flow from Investing Activities:		
Capital expenditures	(410)	(333)
Net increase in short-term investments	(1,009)	(270)
Proceeds from sale of equipment and property	173	232
Net cash used for investing activities	(1,246)	(371)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(139)	(1,116)
Funds transferred to affiliates, net	(556)	(161)
Net cash used for financing activities	(695)	(1,277)
Net decrease in cash	(24)	(53)
Cash at beginning of period	37	70
Cash at end of period	$ 13	$ 17
Cash Payments For:		
Interest	$ 239	$ 298
Income taxes	226	282

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 September 30, 1997 and December 31, 1996, was $5.6 billion and $5.1 billion, respectively. Accumulated amortization of equipment and property under capital leases at September 30, 1997 and December 31, 1996, was $877 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 nine months ended September 30, 1996. The amounts shown are net of income taxes of $82 million for the nine months ended September 30, 1996. Revenues from the operations of the Information Services Group were $754 million for the nine months ended September 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 October 31, 1997, American signed a previously announced aircraft acquisition agreement with Boeing. The contract includes firm orders for 75 Boeing 737-800s, 12 Boeing 757-200s, 11 Boeing 777-200IGWs and eight Boeing 767-300ERs, with deliveries commencing in 1998 and continuing through 2004. 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 and wide-bodied aircraft with prior notice ranging from 15 to 18 months.

   Payments for the firm-order aircraft noted above will approximate $720 million in 1997, $1.2 billion in 1998, $1.9 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 Nine Months Ended September 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 nine months ended September 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 nine months of 1997 of $580 million. This compares to income from continuing operations of $496 million for the same period last year. American's operating income of $1.1 billion for the first nine months of 1997 was comparable to the same period in 1996.

American's passenger revenues increased by 4.0 percent, $414 million. American's yield (the average amount one passenger pays to fly one mile) of 13.25 cents increased by 1.5 percent compared to the same period in 1996. Domestic yields increased 0.2 percent from the first nine months of 1996. International yields increased 4.2 percent, reflecting a 4.7 percent increase in Latin America and a 3.4 percent increase in Europe.

American's traffic or revenue passenger miles (RPMs) increased 2.5 percent to 81.1 billion miles for the nine months ended September 30, 1997. American's capacity or available seat miles (ASMs) increased 0.4 percent to 115.6 billion miles in the first nine months of 1997. American's domestic traffic increased 2.4 percent on capacity increases of 0.7 percent and international traffic grew 2.9 percent on capacity decreases of 0.2 percent. The overall increase in international traffic was driven by a 7.1 percent increase in traffic to Latin America on capacity growth of 3.8 percent, partially offset by a 4.9 percent decrease in Pacific traffic on a capacity decrease of 3.8 percent.

American's operating expenses increased 4.7 percent, $481 million. American's Jet Operations cost per ASM increased by 4.4 percent to 9.23 cents. Wages, salaries and benefits increased 4.9 percent, $182 million, primarily due to an increase in the average number of equivalent employees and contractual wage rate and seniority increases that are built into the Company's labor contracts. Aircraft fuel expense increased 4.2 percent, $57 million, due primarily to a 2.9 percent increase in American's average price per gallon, including taxes, and a 1.2 percent increase in American's fuel consumption. Maintenance materials and repairs expense increased 31.1 percent, $128 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 7.2 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 49.0 percent, $148 million, primarily as a result of an increase in interest income and a decrease in related party interest, primarily due to the reorganization of The SABRE Group and the repayment of debt due to AMR.

AIRLINE TRANSPORTATION TAXES

The Federal airline passenger excise tax, which was reimposed in the first quarter of 1997, expired on September 30, 1997. A replacement tax mechanism took 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 was increased from $6 per departure to $12 for each arrival and departure and a 7.5 percent tax was added on the purchase of frequent flyer miles. The ultimate impact of the new taxes on American cannot be determined at this time.

TRAVEL AGENCY COMMISSION

During the third quarter of 1997, the Company implemented changes to its travel agency commission payment plan, which lowered the base commission paid to travel agents from 10% to 8% on all tickets purchased in the U.S. and Canada for both domestic and international travel. The ultimate impact of the new travel agency commission structure on American cannot be determined at this time.

YEAR 2000 COMPLIANCE

The Company has implemented a Year 2000 compliance program designed to ensure that the Company's computer systems and applications will function properly beyond 1999. Such program includes both systems and applications operated by the Company's businesses. The Company believes that it has allocated adequate resources for this purpose and expects its Year 2000 date conversion program to be completed on a timely basis. However, there can be no assurance that the systems of other parties upon which the Company's businesses also rely will be converted 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 expects to incur significant internal staff costs, as well as consulting and other expenses, related to infrastructure and facilities enhancements necessary to prepare its system for the Year 2000. However, a portion of these costs will not be incremental costs to the Company, but rather will represent the redeployment of existing information technology resources. The Company cannot presently determine the amount of such costs that will be incremental. Maintenance or modification costs associated with making existing computer systems Year 2000 compliant will be expensed as incurred.

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. 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 plaintiff's 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., No. 88 CH 7554, and Tucker v. American Airlines, Inc., No. 89CH199) 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.

Another frequent flyer case, 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. The plaintiffs seek class certification of this action, although the court has yet to rule on the issue. To date, only limited discovery has been undertaken. American is vigorously defending the lawsuit.

On October 22, 1997, federal agents executed a search warrant at American Airlines Miami facilities. American has learned that 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, American has been served with a subpoena calling for the production of documents relating to the handling of courier shipments, cargo, excess baggage and hazardous materials. American is in the process of producing 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.

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:November 14,1997

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

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