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 1-8400.

AMR Corporation
(Exact name of registrant as specified in its charter)

Delaware	75-1825172
(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 - 91,171,362 as of November 6, 1997

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AMR CORPORATION

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

AMR CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited) (In millions, except per share amounts)

	Three Months Ended September 30, 1997	1996	Nine Months Ended September 30, 1997	1996
Revenues				
Airline Group:				
Passenger				
- American Airlines Inc.	$3,713	$3,533	$10,744	$10,330
- AMR Eagle, Inc.	262	265	766	798
Cargo	169	165	507	501
Other	233	208	658	615
	4,377	4,171	12,675	12,244
The SABRE Group	456	408	1,343	1,246
Management Services Group	151	158	463	466
Less: Intergroup revenues	(186)	(175)	(547)	(536)
Total operating revenues	4,798	4,562	13,934	13,420
Expenses				
Wages, salaries and benefits	1,591	1,464	4,687	4,448
Aircraft fuel	466	494	1,457	1,405
Commissions to agents	332	323	975	959
Depreciation and amortization	311	302	933	899
Other rentals and landing fees	228	229	673	668
Maintenance materials and repairs	227	178	641	516
Food service	176	177	510	506
Aircraft rentals	143	146	430	472
Other operating expenses	714	661	2,081	1,972
Total operating expenses	4,188	3,974	12,387	11,845
Operating Income	610	588	1,547	1,575
Other Income (Expense)				
Interest income	40	16	98	48
Interest expense	(98)	(117)	(300)	(386)
Minority interest	(10)	-	(32)	-
Miscellaneous - net	-	(23)	(10)	(28)
	(68)	(124)	(244)	(366)
Earnings Before Income Taxes	542	464	1,303	1,209
Income tax provision	219	182	526	477
Net Earnings	$ 323	$ 282	$ 777	$ 732
Earnings Per Common Share				
Primary	$ 3.55	$ 3.06	$ 8.46	$ 8.53
Fully Diluted	$ 3.55	$ 3.06	$ 8.46	$ 8.11
Number of Shares Used in Computation				
Primary	91	92	92	86
Fully Diluted	91	92	92	92

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

AMR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions)

	September 30, 1997	December 31, 1996
		(Note 1)
Assets		
Current Assets		
Cash	$ 27	$ 68
Short-term investments	2,891	1,743
Receivables, net	1,546	1,382
Inventories, net	629	633
Deferred income taxes	403	404
Other current assets	210	240
Total current assets	5,706	4,470
Equipment and Property		
Flight equipment, net	8,992	9,251
Other equipment and property, net	1,859	1,882
	10,851	11,133
Equipment and Property Under Capital Leases		
Flight equipment, net	1,902	2,016
Other equipment and property, net	161	156
	2,063	2,172
Route acquisition costs, net	952	974
Other assets, net	1,767	1,748
	$ 21,339	$ 20,497
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 1,178	$ 1,068
Accrued liabilities	2,163	2,055
Air traffic liability	2,295	1,889
Current maturities of long-term debt	468	424
Current obligations under capital leases	133	130
Total current liabilities	6,237	5,566
Long-term debt, less current maturities	2,499	2,752
Obligations under capital leases, less current obligations	1,670	1,790
Deferred income taxes	829	743
Other liabilities, deferred gains, deferred credits and postretirement benefits	4,114	3,978
Stockholders' Equity		
Common stock	91	91
Additional paid-in capital	3,162	3,166
Treasury stock	(452)	-
Retained earnings	3,189	2,411
	5,990	5,668
	$ 21,399	$ 20,497

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

AMR CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Nine Months Ended September 30, 1997	1996
Net Cash Provided by Operating Activities	$2,379	$1,988
Cash Flow from Investing Activities:		
Capital expenditures	(670)	(389)
Net increase in short-term investments	(1,148)	(490)
Proceeds from sale of equipment and property	182	232
Net cash used for investing activities	(1,636)	(647)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(318)	(1,404)
Repurchases of common stock	(592)	-
Other	126	20
Net cash used for financing activities	(784)	(1,384)
Net decrease in cash	(41)	(43)
Cash at beginning of period	68	82
Cash at end of period	$ 27	$ 39
Cash Payments For:		
Interest	$ 313	$ 395
Income taxes	322	285

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

AMR CORPORATION
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 AMR Corporation (AMR 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 $6.6 billion and $6.1 billion, respectively. Accumulated amortization of equipment and property under capital leases at September 30, 1997 and December 31, 1996, was $1.1 billion and $971 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 Airlines, Inc. (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 AMR.

4. 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. To offset the potential dilution from the exercise of these options, and as previously announced, the Company intends to repurchase in the open market or in private transactions up to 5.75 million shares of its common stock. As of September 30, the Company had completed this stock repurchase.

5. 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.

   In April 1997, the Company announced that AMR Eagle will acquire 12 new ATR 72 (Super ATR) aircraft, with deliveries beginning in July 1997 and continuing through May 1998. Three ATR aircraft were delivered in the third quarter of 1997. In June 1997, the Company announced that AMR Eagle will acquire 67 regional jets. This includes a firm order for 42 Embraer EMB-145 aircraft, with deliveries beginning in February 1998 and continuing through November 1999, and a firm order for 25 Bombardier CRJ-700 aircraft, with deliveries beginning in the first quarter of 2001 and continuing through the second quarter of 2003.

   Payments for the firm-order aircraft noted above will approximate $875 million in 1997, $1.5 billion in 1998, $2.2 billion in 1999, and $2.2 billion in 2000 and thereafter.

6. On July 16, 1997, the Company announced that its board of directors had authorized management to repurchase up to an additional $500 million of its outstanding common stock in the open market or in private transactions from time to time over a 24-month period. A total of 276,575 shares had been repurchased as of September 30, 1997.

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

RESULTS OF OPERATIONS

For the Three Months Ended September 30, 1997 and 1996

Summary AMR recorded net earnings for the three months ended September 30, 1997, of $323 million, or $3.55 per common share. This compares to net earnings of $282 million, or $3.06 per common share for the third quarter of 1996. AMR's operating income of $610 million increased slightly compared to $588 million for the same period in 1996.

AMR's operations fall within three major lines of business - the Airline Group, which includes American Airlines, Inc.'s Passenger and Cargo Divisions and AMR Eagle, Inc.; The SABRE Group, which includes AMR's information technology and consulting businesses; and the Management Services Group, which includes AMR's airline management, aviation services, and investment service activities.

The following sections provide a discussion of AMR's results by reporting segment, which are described in AMR's Annual Report on Form 10-K for the year ended December 31, 1996. The minority interest in the earnings of consolidated subsidiaries of $10 million and $32 million for the three and nine months ended September 30, 1997, has not been allocated to a reporting segment.

AIRLINE GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Three Months Ended September 30,	
	1997	1996
Revenues		
Passenger - American Airlines, Inc.	$3,713	$3,533
- AMR Eagle, Inc.	262	265
Cargo	169	165
Other	233	208
	4,377	4,171
Expenses		
Wages, salaries and benefits	1,380	1,271
Aircraft fuel	466	494
Commissions to agents	332	323
Depreciation and amortization	259	258
Other operating expenses	1,431	1,345
Total operating expenses	3,868	3,691
Operating Income	509	480
Other Income (Expense)	(66)	(109)
Earnings Before Income Taxes	$ 443	$ 371
Average number of equivalent employees	91,900	89,300

RESULTS OF OPERATIONS (continued)

OPERATING STATISTICS

	Three Months Ended September 30, 1997	1996
American Airlines Jet Operations		
Revenue passenger miles (millions)	28,500	27,808
Available seat miles (millions)	39,378	39,134
Cargo ton miles (millions)	506	486
Passenger load factor	72.4%	71.1%
Breakeven load factor	61.2%	60.1%
Passenger revenue yield per passenger mile (cents)	13.03	12.71
Passenger revenue per available seat mile (cents)	9.43	9.03
Cargo revenue yield per ton mile (cents)	32.05	33.50
Operating expenses per available seat mile (cents)	9.14	8.72
Fuel consumption (gallons, in millions)	712	707
Fuel price per gallon (cents)	63.5	67.4
Fuel price per gallon, excluding fuel tax (cents)	58.5	62.3
Operating aircraft at period-end	642	640
AMR Eagle, Inc.		
Revenue passenger miles (millions)	670	651
Available seat miles (millions)	1,070	1,111
Passenger load factor	62.6%	58.6%
Operating aircraft at period-end	196	208

Operating aircraft at September 30, 1997, included:

Jet Aircraft:		Regional Aircraft:	
Airbus A300-600R	35	ATR 42	46
Boeing 727-200	79	Super ATR	34
Boeing 757-200	90	Saab 340B	90
Boeing 767-200	8	Saab 340B Plus	25
Boeing 767-200 Extended Range	22	Shorts 360	1
Boeing 767-300 Extended Range	41	Total	196
Fokker 100	75		
McDonnell Douglas DC-10-10	13		
McDonnell Douglas DC-10-30	5		
McDonnell Douglas MD-11	14		
McDonnell Douglas MD-80	260		
Total	642		

87.7% of the jet aircraft fleet is Stage III, a classification of aircraft meeting noise standards as promulgated by the Federal Aviation Administration.

Average aircraft age is 9.8 years for jet aircraft and 5.3 years for regional aircraft.

The Airline Group's revenues increased $206 million or 4.9 percent in the third quarter of 1997 versus the same period last year. American's passenger revenues increased by 5.1 percent, $180 million, primarily as a result of strong demand for air travel driven by continual economic growth in the U.S. and abroad. American's yield (the average amount one passenger pays to fly one mile) of 13.03 cents increased by 2.5 percent compared to the same period in 1996. Domestic yields increased 1.2 percent from the third quarter of 1996. International yields increased 5.4 percent, primarily due to a 5.3 percent increase in Latin America and a 6.1 percent increase in Europe.

American's traffic or revenue passenger miles (RPMs) increased 2.5 percent to 28.5 billion miles for the quarter ended September 30, 1997. American's capacity or available seat miles (ASMs) increased 0.6 percent to 39.4 billion miles in the third quarter of 1997. American's domestic traffic increased 2.6 percent on capacity increases of 1.0 percent and international traffic grew 2.1 percent despite capacity decreases of 0.3 percent. The increase in international traffic was driven by a 5.8 percent increase in traffic to Latin America on capacity growth of 5.1 percent and a 2.7 percent increase in traffic to the Pacific, partially offset by a 1.6 decrease in traffic to Europe on a capacity decrease of 7.0 percent, primarily due to the cancellation of the Miami-Frankfurt and New York Kennedy-Zurich routes.

The Airline Group's operating expenses increased 4.8 percent, $177 million. American's Jet Operations cost per ASM increased 4.8 percent to 9.14 cents. Wages, salaries and benefits increased 8.6 percent, $109 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 decreased 5.7 percent, $28 million, as the result of a 5.8 percent decrease in American's average price per gallon, including taxes. Other operating expenses increased by $86 million, primarily as a result of a $48 million increase in maintenance materials and repairs expense due to additional aircraft check lines added at American's maintenance bases as a result of the maturing of its fleet.

Other Income (Expense) decreased 39.4 percent or $43 million. Interest expense decreased $19 million primarily due to the retirement of debt prior to scheduled maturity. Interest income increased approximately $7 million due primarily to higher investment balances. Other income (expense) in the third quarter of 1996 also included a $21 million provision for a cash payment representing American's share of a multi-carrier travel agency class action litigation settlement.

RESULTS OF OPERATIONS (continued)

THE SABRE GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Three Months Ended September 30, 1997	1996
Revenues	$ 456	$ 408
Operating Expenses	368	319
Operating Income	88	89
Other Income (Expense)	4	(15)
Earnings Before Income Taxes	$ 92	$ 74
Average number of equivalent employees	8,600	7,800

Revenues

Revenues for The SABRE Group increased 11.8 percent, $48 million, primarily due to growth in booking fees. The growth in booking fees was due to an overall increase in the price per booking and to an increase in booking volumes, primarily in Europe and Latin America, partly offset by a decline in domestic U.S. booking volumes. Revenues from technology solution services provided by The SABRE Group to its unaffiliated customers increased approximately $13 million due to an increase in software development, consulting and software license fee revenues.

Expenses

Operating expenses increased 15.4 percent, $49 million, due primarily to an increase in salaries, benefits and employee related costs, and subscriber incentive expenses. Salaries, benefits and employee related costs increased due to an increase in the average number of equivalent employees necessary to support The SABRE Group's revenue growth and to annual salary increases. Employee related costs also increased due to increased travel expenses. Subscriber incentive expenses increased in order to maintain and grow The SABRE Group's travel agency subscriber base.

Other Income (Expense)

Other income (expense) increased $19 million, 73.3 percent. Interest expense decreased $9 million due to a lower principal balance outstanding on the subordinated debenture payable to AMR. Interest income increased approximately $7 million due to higher investment balances.

RESULTS OF OPERATIONS (continued)

MANAGEMENT SERVICES GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Three Months Ended September 30,	
	1997	1996
Revenues	$ 151	$ 158
Operating Expenses	138	139
Operating Income	13	19
Other Income (Expense)	4	-
Earnings Before Income Taxes	$ 17	$ 19
Average number of equivalent employees	15,600	14,700

Revenues

Revenues for the Management Services Group decreased 4.4 percent, or $7 million. The decrease was primarily the result of lower revenues for AMR Combs due to the March 1997 sale of its aircraft parts division, decreased telemarketing services provided by TeleService Resources, and a reduction in fees for services provided by Airline Management Services to Canadian Airlines International Limited. This decrease was partially offset by higher revenues for AMR Distribution Systems and AMR Airline Services as a result of increased airline passenger, ramp and cargo handling services.

Expenses

Operating expenses decreased 0.7 percent, $1 million, primarily due to a decrease in expenses associated with the AMR Combs aircraft parts division sold in March 1997 and decreased telemarketing services related to its TeleService Resource division. This decrease was substantially offset by an increase in wages, salaries and benefits resulting from an increase in the average number of equivalent employees.

RESULTS OF OPERATIONS (continued)

For the Nine Months Ended September 30, 1997 and 1996

Summary AMR recorded net earnings for the nine months ended September 30, 1997, of $777 million, or $8.46 per common share. This compares with net earnings of $732 million, or $8.53 per common share ($8.11 fully diluted) for the same period in 1996. AMR's operating income decreased 1.8 percent or $28 million.

AIRLINE GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Nine Months Ended September 30, 1997	1996
Revenues		
Passenger - American Airlines, Inc.	$10,744	$10,330
- AMR Eagle, Inc.	766	798
Cargo	507	501
Other	658	615
	12,675	12,244
Expenses		
Wages, salaries and benefits	4,059	3,878
Aircraft fuel	1,457	1,405
Commissions to agents	975	959
Depreciation and amortization	781	757
Other operating expenses	4,190	4,019
Total operating expenses	11,462	11,018
Operating Income	1,213	1,226
Other Income (Expense)	(223)	(348)
Earnings Before Income Taxes	$ 990	$ 878
Average number of equivalent employees	90,800	89,000

OPERATING STATISTICS

	Nine Months Ended September 30, 1997	1996
American Airlines Jet Operations		
Revenue passenger miles (millions)	81,113	79,119
Available seat miles (millions)	115,636	115,128
Cargo ton miles (millions)	1,507	1,504
Passenger load factor	70.1%	68.7%
Breakeven load factor	61.3%	59.5%
Passenger revenue yield per passenger mile (cents)	13.25	13.06
Passenger revenue per available seat mile (cents)	9.29	8.97
Cargo revenue yield per ton mile (cents)	33.22	32.83
Operating expenses per available seat mile (cents)	9.23	8.84
Fuel consumption (gallons, in millions)	2,082	2,057
Fuel price per gallon (cents)	67.7	65.8
Fuel price per gallon, excluding fuel tax (cents)	62.8	60.9
Operating aircraft at period-end	642	640
AMR Eagle, Inc.		
Revenue passenger miles (millions)	1,924	1,962
Available seat miles (millions)	3,160	3,350
Passenger load factor	60.9%	58.6%
Operating aircraft at period-end	196	208

RESULTS OF OPERATIONS (continued)

The Airline Group's revenues increased $431 million or 3.5 percent during the first nine months of 1997 versus the same period last year. 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.

The Airline Group's operating expenses increased 4.0 percent, $444 million. American's Jet Operations cost per ASM increased by 4.4 percent to 9.23 cents. Wages, salaries and benefits increased $181 million, 4.7 percent, 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 3.7 percent, $52 million, due 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. Other operating expenses increased by $171 million, primarily as a result of a $123 million increase in maintenance materials and repairs expense due to additional aircraft check lines added at American's maintenance bases as a result of the maturing of its fleet.

Other Income (Expense) decreased 35.9 percent or $125 million. Interest expense decreased $90 million primarily due to the retirement of debt prior to scheduled maturity and the conversion to common stock in May 1996 of $1.02 billion in convertible subordinated debentures. Interest income increased approximately $27 million primarily due to higher investment balances. Other income (expense) in the third quarter of 1996 also included a $21 million provision for a cash payment representing American's share of a multi-carrier travel agency class action litigation settlement.

RESULTS OF OPERATIONS (continued)

THE SABRE GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Nine Months Ended September 30, 1997	1996
Revenues	$1,343	$1,246
Operating Expenses	1,054	960
Operating Income	289	286
Other Income (Expense)	8	(17)
Earnings Before Income Taxes	$ 297	$ 269
Average number of equivalent employees	8,400	7,900

Revenues

Revenues for The SABRE Group increased 7.8 percent, $97 million, primarily due to growth in booking fees. The growth in booking fees was due to an overall increase in the price per booking and to an increase in booking volumes, primarily in Europe and Latin America. Revenues from technology solution services provided by The SABRE Group to its unaffiliated customers increased approximately $21 million due to an increase in software development, consulting and software license fee revenues.

Expenses

Operating expenses increased 9.8 percent, $94 million, due primarily to an increase in salaries, benefits and employee related costs, and subscriber incentive expenses. Salaries, benefits and employee related costs increased due to an increase in the average number of equivalent employees necessary to support The SABRE Group's revenue growth and to annual salary increases. Employee related costs also increased due to increased travel expenses. Subscriber incentive expenses increased in order to maintain and grow The SABRE Group's travel agency subscriber base.

Other Income (Expense)

Other income (expense) increased $25 million primarily due to an increase in interest income on higher investment balances and an increase in income from joint ventures in which The SABRE Group owns an interest accounted for under the equity method.

RESULTS OF OPERATIONS (continued)

MANAGEMENT SERVICES GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Nine Months Ended September 30, 1997	1996
Revenues	$ 463	$ 466
Operating Expenses	418	403
Operating Income	45	63
Other Income (Expense)	3	(1)
Earnings Before Income Taxes	$ 48	$ 62
Average number of equivalent employees	15,500	14,300

Revenues
Revenues for the Management Services Group decreased 0.6 percent, or $3 million. The decrease was primarily the result of lower revenues for AMR Combs due to the March 1997 sale of its aircraft parts division and a reduction in fees for services provided by Airline Management Services to Canadian Airlines International Limited. This decrease was partially offset by higher revenues for AMR Distribution Systems and AMR Airline Services as a result of increased airline passenger, ramp and cargo handling services.

Expenses
Operating expenses increased 3.7 percent, $15 million, due primarily to an increase in wages, salaries and benefits resulting from an increase in the average number of equivalent employees.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities in the nine month period ended September 30, 1997, was $2.4 billion, an increase of $391 million over the same period in 1996. Capital expenditures for the first nine months of 1997 were $670 million, and included purchase deposits on new aircraft orders of $231 million, computer related equipment of $165 million, and the acquisition of three ATR aircraft. These capital expenditures were financed with internally generated cash. Proceeds from the sale of equipment and property of $182 million for the first nine months of 1997 include proceeds received upon the delivery of two of American's McDonnell Douglas MD-11 aircraft to Federal Express Corporation in accordance with the 1995 agreement between the two parties.

During 1997, the Company has signed or announced firm orders to acquire the following aircraft: 75 Boeing 737-800s, 12 Boeing 757-200s, 11 Boeing 777-IGWs, eight Boeing 767-300ERs, 42 Embraer EMB-145s, 25 Bombardier CJR-700s, and 12 ATR 72s. Deliveries of these aircraft commenced during the third quarter of 1997 and will continue through 2004. Payments for these aircraft will approximate $875 million in 1997, $1.5 billion in 1998, $2.2 billion in 1999, and $2.2 billion in 2000 and thereafter. The Company will determine the method of financing these aircraft acquisitions near their respective delivery date; however, deliveries in 1997 and 1998 are currently expected to be financed with internally generated funds as well as external financing.

LIQUIDITY AND CAPITAL RESOURCES (continued)

As of September 30, 1997, the Company had completed its previously announced plans to repurchase 5.75 million shares to offset the potential dilution from the exercise of options granted to pilots. Through September 30, approximately 1.1 million shares had been reissued upon the exercise of stock options, resulting in proceeds of approximately $95 million to the Company.

On July 16, 1997, the Company announced that its board of directors had authorized management to repurchase up to an additional $500 million of its outstanding common stock in the open market or in private transactions from time to time over a 24-month period. A total of 276,575 shares had been repurchased as of September 30. The Company expects to spend approximately $470 million to repurchase the remainder of the outstanding shares.

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 AMR 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 percent to 8 percent 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 AMR 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 as well as software licensed to or operated for third parties by The SABRE Group. 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, those licensed to or operated for third parties, 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.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 1997, the FASB issued Statement of Financial Accounting Standards No. 128, Earnings per Share (SFAS 128), which the Company will be required to initially adopt in the fourth quarter of 1997. At that time, the Company will be also required to restate all prior periods in accordance with SFAS 128. The Company anticipates that the adoption of SFAS 128 will not have a significant impact on its reporting of earnings per share for 1997 or prior years.

In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS 131), effective for years beginning after December 15, 1997. SFAS No. 131 supersedes SFAS No. 14, Financial Reporting for Segments of a Business Enterprise, and requires that a public company report annual and interim financial and descriptive information about its reportable operating segments pursuant to criteria that differ from current accounting practice. Operating segments, as defined, are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Because this statement addresses how supplemental financial information is disclosed in annual and interim reports, the adoption will have no impact on the Company's financial statements, but may affect the disclosure of segment information.

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:

11	Computation of earnings per share.
27	Financial Data Schedule.

On July 16, 1997, AMR filed a report on Form 8-K relative to a press release issued to report the Company's second quarter 1997 earnings and to announce that the Company's board of directors authorized management to repurchase additional shares of its outstanding common stock.

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.

AMR CORPORATION

Date: November 14, 1997

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

EXHIBIT 11

AMR CORPORATION
Computation of Earnings Per Share
(In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Primary:				
Earnings applicable to common shares	$ 323	$ 282	$ 777	$ 732
Average shares outstanding	88	91	90	85
Add shares issued upon assumed conversion of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	9	3	6	3
Less assumed treasury shares purchased	(6)	(2)	(4)	(2)
Total primary shares	91	92	92	86
Primary earnings per share	$ 3.55	$ 3.06	$ 8.46	$ 8.53
Fully diluted:				
Earnings applicable to common shares	323	282	777	732
Adjustments:				
Add interest upon assumed conversion of 6.125% convertible subordinated debentures, net of tax	-	-	-	14 (a)
Add dividends upon assumed conversion of convertible preferred stock	-	-	-	1 (a)
Earnings, as adjusted	$ 323	$ 282	$ 777	$ 747
Average shares outstanding	88	91	90	85
Add shares issued upon:				
Assumed conversion of 6.125% convertible subordinated debentures	-	-	-	5
Assumed conversion of preferred stock	-	-	-	1
Assumed conversion of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	9	3	6	3
Less assumed treasury hares purchased	(6)	(2)	(4)	(2)
Total fully diluted shares	91	92	92	92
Fully diluted earnings per share	$ 3.55	$ 3.06	$ 8.46	$ 8.11

(a) Through date of actual conversion.

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1,000,000

9-MOS
DEC-31-1997
SEP-30-1997
27
2,891
1,567
21
629
5,706
20,611
7,697
21,339
6,237
4,169
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0
91
5,899
21,339
0
13,934
0
12,387
0
0
300
1,303
526
777
0
0
0
777
8.46
8.46