

PROSPECTUS SUPPLEMENT
(To Prospectus Dated August 25, 1992)

\$100,000,000

[SOUTHWEST AIRLINES LOGO]

8% NOTES DUE 2005

The Notes will mature on March 1, 2005. Interest on the Notes is payable semi-annually on March 1 and September 1, commencing September 1, 1995. The Notes may not be redeemed prior to maturity and will not be subject to any sinking fund. See "Description of Notes."

Settlement for the Notes will be made in same-day funds. All payments of principal and interest will be made by the Company in immediately available funds. See "Description of Notes."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT	PROCEEDS TO COMPANY (1) (2)
<S>	<C>	<C>	<C>
Per Note.....	99.461%	.650%	98.811%
Total.....	\$99,461,000	\$650,000	\$98,811,000

</TABLE>

(1) Plus accrued interest, if any, from March 7, 1995 to the date of delivery.

(2) Before deducting expenses payable by the Company estimated to be \$150,000.

The Notes are offered subject to receipt and acceptance by the Underwriters, to prior sale and to the Underwriters' right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that the Notes will be delivered in book-entry form only on or about March 7, 1995 through the facilities of The Depository Trust Company.

SALOMON BROTHERS INC

LEHMAN BROTHERS

MERRILL LYNCH & CO.

The date of this Prospectus Supplement is February 28, 1995.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The regional offices of the Securities and Exchange Commission referred to under "Available Information" in the accompanying Prospectus have moved and are now located at Citicorp Center, 500 West Madison Street, Chicago, Illinois 60661 and Seven World Trade Center, New York, New York 10048.

INCORPORATION OF ADDITIONAL DOCUMENT BY REFERENCE

In addition to the documents referred to in the Prospectus under "Incorporation of Certain Documents by Reference," the Company incorporates herein by reference its Current Report on Form 8-K dated February 27, 1995, including the Company's Consolidated Financial Statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations.

Southwest Airlines Co. ("Southwest" or the "Company") is a major domestic airline which provides single class air transportation characterized by frequent, high-quality service at affordable prices. Southwest primarily serves shorthaul city pairs, targeting the business commuter as well as leisure travelers.

The Company was incorporated in Texas and commenced customer service on June 18, 1971 with three Boeing 737 aircraft serving three Texas cities -- Dallas, Houston and San Antonio. At December 31, 1994, Southwest operated 199 Boeing 737 aircraft and provided service to 45 airports in 44 cities primarily in the midwestern, southwestern and western regions of the United States.

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SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1994	1993	1992
<S>	<C>	<C>	<C>
Financial Data:			
(in thousands except per share amounts)			
Operating revenues.....	\$ 2,591,933	\$ 2,296,673	\$ 1,802,979
Operating expenses.....	2,275,224	2,004,700	1,609,175
Operating income.....	316,709	291,973	193,804
Other expenses, net.....	17,186	32,336	36,361
Income before income taxes and cumulative effect of accounting changes.....	299,523	259,637	157,443
Provision for income taxes.....	120,192	105,353	55,816
Income before cumulative effect of accounting changes.....	179,331	154,284	101,627
Cumulative effect of accounting changes.....	--	15,259 (1)	12,538 (2)
Net income.....	\$ 179,331	\$ 169,543	\$ 114,165
Income per common and common equivalent share before cumulative effect of accounting changes.....	\$ 1.22	\$ 1.05	\$ 0.71
Cash dividends per common share.....	\$.04	\$.03867	\$.03533
Total assets at period-end.....	\$ 2,823,071	\$ 2,576,037	\$ 2,368,856
Long-term obligations at period-end.....	\$ 583,071	\$ 639,136	\$ 735,754
Stockholders' equity at period-end...	\$ 1,238,706	\$ 1,054,019	\$ 879,536
Operating Data:			
Revenue passengers carried.....	42,742,602	36,955,221	27,839,284
Revenue passenger miles (RPMs) (000s).....	21,611,266	18,827,288	13,787,005
Available seat miles (ASMs) (000s)...	32,123,974	27,511,000	21,366,642
Load factor.....	67.3%	68.4%	64.5%
Average length of passenger haul (miles).....	506	509	495
Trips flown.....	624,476	546,297	438,184
Average passenger fare.....	\$ 58.44	\$ 59.97	\$ 58.33
Passenger revenue yield per RPM.....	11.56c.	11.77c.	11.78c.
Operating revenue yield per ASM.....	8.07c.	8.35c.	7.89c.
Operating expenses per ASM.....	7.08c.	7.25c. (3)	7.03c.
Fuel cost per gallon (average).....	53.92c.	59.15c.	60.82c.
Number of employees at period-end....	16,818	15,175	11,397
Size of fleet at period-end (includes leased aircraft).....	199	178	141

</TABLE>

- (1) In 1993, the Company changed its method of accounting for income taxes and postretirement benefits.
- (2) In 1992, the Company changed its method of accounting for scheduled airframe overhauls.
- (3) Excludes merger expenses of \$10.8 million.

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The following table sets forth the consolidated capitalization of the Company at December 31, 1994 and as adjusted for the issuance and sale of the Notes offered hereby.

<TABLE>
<CAPTION>

	DECEMBER 31, 1994	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
<S>	<C>	<C>
Current maturities of long-term debt.....	\$ 9,553	\$ 9,553
	=====	=====
Long-term debt less current maturities:(1)		
9 1/4% Notes due 1998.....	\$ 100,000	\$ 100,000
9.40% Notes due 2001.....	100,000	100,000
8 3/4% Notes due 2003.....	100,000	100,000
7 7/8% Notes due 2007.....	100,000	100,000
8% Notes due 2005.....	--	100,000
Capital leases.....	186,214	186,214
Other.....	424	424
	-----	-----
	586,638	686,638
Debt discount.....	(3,567)	(4,106)
	-----	-----
Total long-term debt less current maturities.....	583,071	682,532
	-----	-----
Stockholders' Equity:		
Common stock, \$1.00 par value; authorized -- 500,000,000 shares, issued and outstanding -- 143,255,795 shares(2).....	143,256	143,256
Capital in excess of par value.....	151,746	151,746
Retained earnings.....	943,704	943,704
	-----	-----
Total Stockholders' Equity.....	1,238,706	1,238,706
	-----	-----
Total Capitalization.....	\$ 1,821,777	\$ 1,921,238
	=====	=====

</TABLE>

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- (1) For additional information as to long-term debt and lease obligations, see the Consolidated Financial Statements of the Company and the accompanying notes incorporated by reference herein.
- (2) Excludes 12,009,293 shares of Common Stock reserved for issuance pursuant to Employee stock benefit plans and 155,265,088 shares reserved for issuance pursuant to the Common Stock Rights Agreement.

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RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's consolidated ratios of earnings to fixed charges for the periods shown, as restated to reflect the Company's acquisition of Morris as if it had occurred at the beginning of such periods.

<TABLE>
<CAPTION>

	DECEMBER 31,				
	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Ratios of Earnings to Fixed Charges.....	3.28	3.12	2.41	1.51	2.32

</TABLE>

The ratios of earnings to fixed charges have been computed using earnings which are the sum of net income, income taxes and fixed charges adjusted to exclude interest capitalized during the period. Fixed charges are interest, whether expensed or capitalized, amortization of debt discount and expense, and that portion of rental charges estimated to be representative of an interest factor.

DESCRIPTION OF NOTES

The following description of the particular terms of the Notes (referred to in the Prospectus as the "Offered Debt Securities") supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of Debt Securities set forth in the Prospectus, to which description reference is hereby made.

GENERAL

The Notes are to be issued as a series of Debt Securities under the Indenture, which is more fully described in the Prospectus. The maximum aggregate principal amount of Notes which may be issued is limited to \$100,000,000. Interest at the annual rate set forth on the cover page of this Prospectus Supplement is to accrue from March 7, 1995 and is to be payable semi-annually on March 1 and September 1, commencing September 1, 1995, to the persons in whose names the Notes are registered at the close of business on the preceding February 15 or August 15, respectively, and, unless otherwise determined by the Company, will be paid by check mailed on or before the payment date, by first class mail to such persons.

MATURITY AND REDEMPTION

The Notes will mature on March 1, 2005. The Notes will not be redeemable at the option of the Company or repayable at the option of any holder prior to maturity. There is no sinking fund applicable to the Notes.

DEFEASANCE

Subject to certain conditions described in the Prospectus, the Company shall be deemed to have paid and discharged the entire indebtedness on all the outstanding Notes by depositing with the Trustee (i) as trust funds in trust an amount sufficient to pay and discharge the entire indebtedness on all outstanding Notes for principal and interest, or (ii) as obligations in trust such amount of direct obligations of, or obligations as the principal of and interest on which are fully guaranteed, by, the United States of America as will, together with the income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay and discharge the entire indebtedness on all outstanding Notes.

SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Notes will be made in same-day funds. All payments of principal and interest will be made by the Company in immediately available funds. To the extent any Notes are held by The Depository Trust Company ("DTC"), such Notes will trade in DTC's Same-Day Funds Settlement

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System until maturity, and therefore DTC will require secondary trading activity in the Notes to be settled in immediately available funds. Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing-house or next-day funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

GLOBAL SECURITIES

The Notes initially will be represented by one or more global securities (the "Global Securities") deposited with DTC and registered in the name of DTC or any successor depository (the "Depository") or its nominee. The Depository will maintain the Notes in denominations of \$1,000 and integral multiples thereof through its book-entry facilities. Unless and until Notes are issued in definitive certificated form under the limited circumstance described in the Prospectus under "Description of Debt Securities -- Global Debt Securities," no beneficial owner of a Note shall be entitled to receive a definitive certificate representing a Note. See "Description of Debt Securities -- Global Debt Securities" in the Prospectus for additional information concerning the Global Securities and book-entry procedures.

DTC has advised the Company and the Underwriters as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own interests in DTC. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

UNDERWRITING

Subject to the terms and conditions set forth in the Terms Agreement (which incorporates by reference the terms of the Underwriting Agreement, except to the extent inconsistent therewith), the Company has agreed to sell to each of the Underwriters named below, and each of the Underwriters has severally agreed to

purchase from the Company, the principal amount of Notes set forth opposite its name below:

<TABLE>
<CAPTION>

UNDERWRITER	PRINCIPAL AMOUNT OF NOTES
<S>	<C>
Salomon Brothers Inc	\$ 33,400,000
Lehman Brothers Inc.	33,300,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	33,300,000
Total.....	\$ 100,000,000 =====

</TABLE>

In the Underwriting Agreement, the Underwriters have severally agreed, subject to the terms and conditions set forth therein, to purchase all the Notes offered hereby if any of the Notes are purchased. In the event of a default by any Underwriter, the Underwriting Agreement provides that, in certain circumstances, the purchase commitments of the nondefaulting Underwriters may be increased or the Underwriting Agreement may be terminated.

The Underwriters propose initially to offer the Notes to the public at the price to public set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession of

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not in excess of .40% of the principal amount of the Notes. The Underwriters may allow and such dealers may realow concessions not in excess of .25% of such principal amount of the Notes to certain other dealers. After the initial public offering, the public offering price and such concessions may be changed.

The Company does not intend to apply for listing of the Notes on a national securities exchange, but has been advised by the Underwriters that they currently intend to make a market in the Notes, as permitted by applicable laws and regulations. The Underwriters are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the Underwriters may be required to make in respect of such liabilities.

The Underwriters and their respective affiliates may engage in transactions with and perform services for the Company in the ordinary course of business.

LEGAL OPINIONS

The validity of the Notes will be passed upon for the Company by Deborah Ackerman, Associate General Counsel, who beneficially owns approximately 8,700 shares of the common stock of the Company and for the Underwriters by Vinson & Elkins L.L.P., Houston, Texas. Vinson & Elkins L.L.P. also acts as counsel to the Company in matters unrelated to the offering of the Notes. Members of the firm of Vinson & Elkins L.L.P. having responsibility for the Company's legal matters beneficially own approximately 5,500 shares of common stock of the Company.

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PROSPECTUS

SOUTHWEST AIRLINES CO.

DEBT SECURITIES

Southwest Airlines Co. (the "Company") intends to issue from time to time unsecured debt securities (the "Debt Securities") from which the Company will receive up to an aggregate of \$200,000,000 in proceeds and which will be offered on terms determined by market conditions at the time of sale. The Debt Securities may be issued in one or more series with the same or various maturities, at par or with an original issue discount. The specific designation, aggregate principal amount, authorized denominations, offering or purchase price, maturity, rate and time of payment of any interest, any redemption terms or other specific terms and any listing on a securities exchange of the Debt Securities in respect of which this Prospectus is being delivered (the "Offered Debt Securities") are set forth in the accompanying Prospectus Supplement (the

"Prospectus Supplement"), together with any other terms of offering of the Offered Debt Securities.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Prospectus may not be used to consummate sales of the Debt Securities unless accompanied by a Prospectus Supplement.

THE DATE OF THIS PROSPECTUS IS AUGUST 25, 1992.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy or information statements and other information with the Securities and Exchange Commission (the "Commission") relating to its business, financial position, results of operations and other matters. Such reports, proxy or information statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. and at certain of its Regional Offices, located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois; and 75 Park Place, Room 1400, New York, New York. Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549 at prescribed rates. Such material can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York, on which the Company's common stock is listed.

The Company has filed with the Commission a Registration Statement under the Securities Act of 1933 with respect to the Debt Securities offered hereby. This Prospectus does not contain all of the information set forth in such Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. Reference is made to such Registration Statement and to the exhibits relating thereto for further information with respect to the Company and the Debt Securities offered hereby.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 1992 and June 30, 1992, heretofore filed with the Commission, are incorporated by reference herein and made a part hereof.

In addition, all documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Prospectus and prior to the termination of the offering of the Debt Securities offered hereby shall be deemed incorporated herein by reference and such documents shall be deemed to be a part hereof from the date of filing such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in the accompanying Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE FOREGOING DOCUMENTS INCORPORATED HEREIN BY REFERENCE (OTHER THAN EXHIBITS TO SUCH DOCUMENTS, UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE INTO THE DOCUMENTS THAT THIS PROSPECTUS INCORPORATES). WRITTEN OR TELEPHONE REQUEST SHOULD BE DIRECTED TO: SOUTHWEST AIRLINES CO., P.O. BOX 36611, DALLAS, TEXAS 75235, ATTENTION: JOHN D. OWEN, TREASURER (TELEPHONE 214/904-4334).

THE COMPANY

Southwest Airlines Co. ("Southwest" or the "Company") provides single class air transportation characterized by frequent, high quality service at affordable prices. Southwest primarily serves short-haul city pairs, targeting the business commuter as well as leisure travelers.

At June 30, 1992, Southwest provided service to 36 airports in 34 cities in

the southwestern, western and midwestern regions of the United States. Southwest employed a fleet comprised exclusively of 138 Boeing 737 aircraft.

The Company was incorporated in Texas in 1967. The Company's principal executive offices are located at 2702 Love Field Drive, Dallas, Texas 75235. The Company's mailing address is P.O. Box 36611, Love Field, Dallas, Texas 75235, where its telephone number is 214/904-4000.

RATIOS OF EARNINGS TO FIXED CHARGES

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,				
	1992	1991	1991	1990	1989	1988	1987
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Ratios of Earnings to Fixed Charges....	2.12	*	1.38	2.21	3.03	2.74	1.47

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* Earnings for the six months ended June 30, 1991 were inadequate to cover fixed charges. The earnings deficiency for such six month period was \$3.8 million.

The ratios of earnings to fixed charges have been computed using earnings which are the sum of net income, income taxes and fixed charges adjusted to exclude interest capitalized during the period. Fixed charges are interest, whether expensed or capitalized, amortization of debt discount and expense and that portion of rental charges estimated to be representative of an interest factor.

A statement setting forth the calculation of the ratios of earnings to fixed charges is filed as an exhibit to the Registration Statement of which this Prospectus is a part.

USE OF PROCEEDS

The net proceeds from the sale of the Debt Securities offered hereby will be added to working capital of the Company and will be available for general corporate purposes, including the acquisition of aircraft and related equipment, unless otherwise indicated in the Prospectus Supplement relative to the Offered Debt Securities.

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Offered Debt Securities. The particular terms of the Offered Debt Securities and the extent, if any, to which such general provisions may not apply to the Offered Debt Securities are described in the Prospectus Supplement.

The Debt Securities are to be issued under an Indenture (the "Indenture") dated as of June 20, 1991 between the Company and NationsBank of Texas, N.A. (formerly NCNB Texas National Bank) (the "Trustee"), as Trustee. The following statements are subject to the detailed provisions of the Indenture, a copy of which is filed as an exhibit to the Registration Statement. Wherever any particular provision of the Indenture or terms defined therein are referred to, such provisions and terms are incorporated by reference as a part of the statements made herein and such statements are qualified in their entirety by such references. Parenthetical references in italic type are to the Indenture.

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GENERAL

The Indenture does not limit the amount of Debt Securities that can be issued thereunder. Debt Securities will be issued from time to time and offered on terms determined by market conditions at the time of sale.

The Debt Securities may be issued in one or more series with the same or various maturities at par or at a discount. (Section 2.03) Any Debt Securities bearing no interest or interest at a rate which at the time of issuance is below market rates ("Original Issue Discount Securities") will be sold at a discount (which may be substantial) below their stated principal amount. Federal income tax consequences and other special considerations applicable to any such substantially discounted Debt Securities will be described in the Prospectus Supplement relating thereto.

Reference is made to the Prospectus Supplement for the following terms of the Offered Debt Securities: (i) the designation, aggregate principal amount and authorized denominations of the Offered Debt Securities, (ii) the percentage of their principal amount at which such Offered Debt Securities will be issued;

(iii) the date or dates on which the Offered Debt Securities will mature; (iv) the rate per annum, if any, at which the Offered Debt Securities will bear interest, or the method of determining such rate or rates; (v) the times at which any such interest will be payable; (vi) whether such Debt Securities are to be issued in whole or in part in the form of one or more temporary or permanent global securities and, if so, the identity of the depository for such global security or securities; and (vii) any redemption terms or other specific terms. Principal, premium, if any, and interest, if any, will be payable and the Offered Debt Securities will be transferable at the Corporate Trust Office of the Trustee in Dallas, Texas, provided that payment of interest, if any, may be made at the option of the Company by check mailed on or before the payment date, first class mail, to the address of the person entitled thereto as it appears on the registry books of the Company. (Sections 2.03, 3.01)

The Debt Securities will be unsecured and will rank equally and ratably with other unsecured and unsubordinated debt of the Company.

Neither the Indenture nor any of the outstanding senior indebtedness of the Company contains any provisions which would afford holders protection in the event of a highly leveraged or other transaction involving the Company that may adversely affect holders.

The Offered Debt Securities will be issued only in fully registered form without coupons and in denominations of \$1,000 and any multiple thereof, unless otherwise specified in the Prospectus Supplement. No service charge will be made for any transfer or exchange of any Debt Securities but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Sections 2.03, 2.06)

GLOBAL DEBT SECURITIES

The Debt Securities of a series may be issued in whole or in part in the form of one or more fully registered global securities (a "Registered Global Security") that will be deposited with a depository (the "Depository") or with a nominee for the Depository identified in the applicable Prospectus Supplement. In such a case, one or more Registered Global Securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding Debt Securities of the series to be represented by such Registered Global Security or Securities. Unless and until it is exchanged in whole or in part for Debt Securities in definitive certificated form, a Registered Global Security may not be registered for transfer or exchange except as a whole by the Depository for such Registered Global Security to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository for such series or a nominee of such successor Depository and except in the circumstances described in the applicable Prospectus Supplement. (Section 2.10)

The specific terms of the depository arrangement with respect to any portion of a series of Debt Securities to be represented by a Registered Global Security will be described in the applicable Prospectus Supplement. The Company expects that the following provisions will apply to depository arrangements.

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Upon the issuance of any Registered Global Security, and the deposit of such Registered Global Security with or on behalf of the Depository for such Registered Global Security, the Depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Registered Global Security to the accounts of institutions ("participants") that have accounts with the Depository or its nominee. The Accounts to be credited will be designated by the underwriters or agents engaging in the distribution of such Debt Securities or by the Company, if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Registered Global Security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests by participants in such Registered Global Security will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by the Depository for such Registered Global Security or by its nominee. Ownership of beneficial interests in such Registered Global Security by persons that hold through participants will be shown on, and the transfer of that ownership interest within such participant will be effected only through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. The foregoing limitations and such laws may impair the ability to transfer beneficial interests in such Registered Global Securities.

So long as the Depository for a Registered Global Security, or its nominee, is the registered owner of such Registered Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Registered Global Security for all purposes under the Indenture. Unless otherwise specified in the applicable Prospectus Supplement and except as specified below, owners of beneficial interests in such Registered Global Security will not be entitled to have Debt

Securities of the series represented by such Registered Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities of such series in certificated form and will not be considered the holders thereof for any purposes under the Indenture. (Section 2.10) Accordingly, each person owning a beneficial interest in such Registered Global Security must rely on the procedures of the Depositary and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. The Depositary may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to give or take under the Indenture. The Company understands that, under existing industry practices, if the Company requests any action of holders or an owner of a beneficial interest in such Registered Global Security desires to give any notice or take any action a holder is entitled to give or take under the Indenture, the Depositary would authorize the participants to give such notice or to take such action, and participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Unless otherwise specified in the applicable Prospectus Supplement, payments with respect to principal, premium, if any, and interest, if any, on Debt Securities represented by a Registered Global Security registered in the name of a Depositary or its nominee will be made to such Depositary or its nominee, as the case may be, as the registered owner of such Registered Global Security.

The Company expects that the Depositary for any Debt Securities represented by a Registered Global Security, upon receipt of any payment of principal, premium or interest, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Registered Global Security as shown on the records of such Depositary. The Company also expects that payments by participants to owners of beneficial interests in such Registered Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street names," and will be the responsibility of such participants. None of the Company, the Trustee or any agent of the Company shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Registered Global Security, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. (Section 2.10)

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If the Depositary for any Debt Securities represented by a Registered Global Security is at any time unwilling or unable to continue as Depositary and a successor Depositary is not appointed by the Company within 90 days, or an Event of Default (or an event which, with the giving of notice or lapse of time would constitute an Event of Default) with respect to the Debt Securities has occurred and is continuing, then the Company will issue such Debt Securities in definitive certificated form in exchange for such Registered Global Security. In addition, the Company may at any time and in its sole discretion determine not to have any of the Debt Securities of a series represented by one or more Registered Global Securities and, in such event, will issue Debt Securities of such series in definitive certificated form in exchange for all of the Registered Global Security or Securities representing such Debt Securities. (Section 2.10)

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

The Indenture provides that the Company may, without the consent of the holders of the Debt Securities, consolidate with, or sell or convey all or substantially all of its properties and assets to, or merge into or with another corporation, provided that in any such case (i) if the Company is not the continuing corporation, the successor corporation shall assume by a supplemental indenture the Company's obligations under the Indenture and (ii) immediately after giving effect to such transaction no Event of Default, and no event which after notice or lapse of time would become an Event of Default, shall have occurred and be continuing. (Section 10.01) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company as obligor on the Debt Securities, with the same effect as if it had been named in the Indenture as the Company. (Section 10.02)

EVENTS OF DEFAULT

The following events are "Events of Default" under the Indenture with respect to Debt Securities of each series: (a) failure with respect to such series to pay principal (including any sinking fund installment) or premium, if any, when due; (b) failure with respect to such series for a period of 30 days to pay interest; (c) failure for a period of 90 days after notice to perform in any material respect any other covenants in respect of such series; (d) default under any instrument under which there may be issued or by which they may be secured or evidenced any indebtedness for money borrowed by the Company

(including the Indenture) resulting in the acceleration of such indebtedness in excess of \$50 million, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, within 10 days after notice; or (e) certain events in bankruptcy, insolvency, or reorganization of the Company. (Section 5.01)

The Indenture provides that if an Event of Default described above occurs and is continuing with respect to any series, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Debt Securities of such series then outstanding may declare the principal (or, in the case of Original Issue Discount Securities, the portion thereof specified in the terms thereof) of all outstanding Debt Securities of such series and the interest accrued thereon, if any, to be due and payable immediately, but under certain conditions such declarations may be annulled and past defaults (except for a default in the payment of principal of or interest or premium, if any, on such Debt Securities) may be waived by the holders of a majority in aggregate principal amount of the then outstanding Debt Securities of each such series. (Sections 5.01 and 5.06)

Under the Indenture the Trustee must give to the holders of each series of Debt Securities notice of all uncured defaults known to it with respect to such series within 90 days after the occurrence of such a default (the term default to include the events specified above without grace periods); provided that, except in the case of default in the payment of principal of, or interest on, any of the Debt Securities, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the Debt Securityholders of such series. (Section 5.07)

The Company must furnish to the Trustee annually an officer's certificate as to his or her knowledge of the Company's compliance with all of the conditions and covenants under the Indenture. (Section 4.03)

No holder of any Debt Securities of any series may institute any legal action unless he shall have given the Trustee written notice of default and unless (i) the holders of not less than 25% in aggregate principal

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amount of the Debt Securities of such series then outstanding shall have requested the Trustee to act, (ii) such holders shall have offered the Trustee such reasonable indemnity as the Trustee may require, (iii) the Trustee shall have failed to institute an action for 60 days thereafter and (iv) no inconsistent direction shall have been given to the Trustee by the holders of a majority in aggregate principal amount of Debt Securities of all series affected (voting as one class). (Section 5.04)

The holders of a majority in aggregate principal amount of the Debt Securities of any or all series affected and then outstanding (voting as one class) will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. (Section 5.06) The Indenture provides that in case an Event of Default shall occur (which shall not have been cured or waived), the Trustee in exercising its rights and powers under the Indenture, will be required to use the degree of care of a prudent man in the conduct of his own affairs. (Section 6.01) Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the Debt Securityholders unless they shall have offered to the Trustee reasonable security or indemnity. (Section 6.02)

MODIFICATION OF THE INDENTURE

The Company and the Trustee, with the consent of the holders of not less than 66 2/3% in aggregate principal amount of the Debt Securities of all series then outstanding and affected (voting as one class), may add any provisions to, or change in any manner or eliminate any of the provisions of, the Indenture or modify in any manner the rights of the holders of the Debt Securities of each such series; but no such modification may be made which would (a) extend the fixed maturity of the Debt Securities or reduce the principal amount thereof or reduce the rate or extend the time of payment of interest, if any, thereon, or reduce any amount payable on redemption thereof or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 5.01, or impair or affect the right of any Debt Securityholder to institute suit for the payment thereof or the right of repayment, if any, at the option of the Debt Securityholder, without the consent of the holder of each Debt Security so affected; or (b) reduce the percentage of aggregate principal amount of Debt Securities of any series, or of all series (voting as one class), as the case may be, the consent of the holders of which is required for any such modification, in any case without the consent of the holders of all Debt Securities of each such series so affected. (Section 9.02)

DEFERANCE

If the terms of any series of Debt Securities so provide, the Company shall

be deemed to have paid and discharged the entire indebtedness on all outstanding Debt Securities of such series by depositing with the Trustee (i) as trust funds in trust an amount sufficient to pay and discharge the entire indebtedness on all Debt Securities of such series for principal and interest, or (ii) as obligations in trust such amount of direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America as will, together with the income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay and discharge the entire indebtedness on all such Debt Securities for principal and interest. Such a trust may be established only if, among other things, the Company has received from, or there has been published by, the Internal Revenue Service a ruling to the effect that holders of such Debt Securities will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred. (Section 11.05) In the event of any such defeasance, the holders of such Debt Securities would thereafter be able to look only to such trust fund for payment of principal, premium, if any, and interest.

CONCERNING THE TRUSTEE

NationsBank of Texas, N.A., a national banking association with its principal offices in Dallas, Texas, is the Trustee under the Indenture. The Trustee maintains a commercial banking relationship with the Company, including participating in loans to the Company in the ordinary course of business.

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The Indenture contains certain limitations on the right of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize for its own account on certain property received in respect of any such claim as security or otherwise. (Section 6.13) The Trustee will be permitted to engage in certain other transactions; however, if it acquires any conflicting interest (as described in the Indenture) it must eliminate such conflict or resign. (Section 6.08)

PLAN OF DISTRIBUTION

The Company may sell the Debt Securities in any of three ways: (i) through underwriters or dealers; (ii) directly to a limited number of institutional purchasers or to a single purchaser; or (iii) through agents. Any such underwriter, dealer or agent may be deemed to be an underwriter within the meaning of the Securities Act of 1933. The Prospectus Supplement relative to the Offered Debt Securities sets forth the terms of the offering of the Offered Debt Securities, including the name or names of any underwriters, the purchase price of the Offered Debt Securities and the proceeds to the Company from such sale, any underwriting discounts, commissions, and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which the Offered Debt Securities may be listed.

If underwriters are used in the sale, the Debt Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, or at prices related to such prevailing market price, or at negotiated prices. The Debt Securities may be offered to the public either through underwriting syndicates represented by managing underwriters which may include Merrill Lynch & Co., Lehman Brothers or Goldman, Sachs & Co. or directly by any of such firms. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase the Offered Debt Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all the Offered Debt Securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Offered Debt Securities may be sold directly by the Company or through agents designated by the Company from time to time, which may include Merrill Lynch & Co., Lehman Brothers or Goldman, Sachs & Co. Any agent involved in the offer or sale of the Offered Debt Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the Prospectus Supplement, the Company will authorize dealers acting as the Company's agents to solicit offers by certain institutions to purchase Offered Debt Securities from the Company at the public offering price set forth in the Prospectus Supplement pursuant to Delayed Delivery Contracts ("Contracts") providing for a payment and delivery on the date stated in the Prospectus Supplement. Each Contract will be for an amount not less than, and the aggregate principal amount of Offered Debt Securities sold pursuant to Contract shall be not more than, the respective amounts stated in the Prospectus Supplement. Institutions with whom Contracts, when authorized, may be made

include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions but shall in all cases be subject to the approval of the Company. Contracts will not be subject to any conditions except (i) the purchase by an institution of the Offered Debt Securities covered by its Contract shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject, and (ii) if the Offered Debt Securities are being sold to underwriters, the Company shall have sold to such underwriters the total principal amount of the Offered Debt Securities less the principal amount thereof covered by Contracts.

Agents and underwriters may be entitled under agreements entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution by the Company to payments they may be required to make in respect thereof. Agents and underwriters may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

LEGAL OPINIONS

The validity of the Debt Securities will be passed upon for the Company by Deborah Ackerman, Associate General Counsel of the Company, and for any agents, dealers or underwriters by Jenkins & Gilchrist, P.C., Dallas, Texas.

EXPERTS

The consolidated financial statements of Southwest Airlines Co. for the year ended December 31, 1991 incorporated herein by reference to the Company's Annual Report (Form 10-K) have been examined by Ernst & Young, independent auditors, as set forth in their report incorporated herein by reference. Such consolidated financial statements are incorporated by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITERS. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE SUCH DATE.

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[SOUTHWEST AIRLINES LOGO]

8% NOTES DUE 2005

SALOMON BROTHERS INC

LEHMAN BROTHERS

MERRILL LYNCH & CO.

PROSPECTUS SUPPLEMENT

DATED FEBRUARY 28, 1995