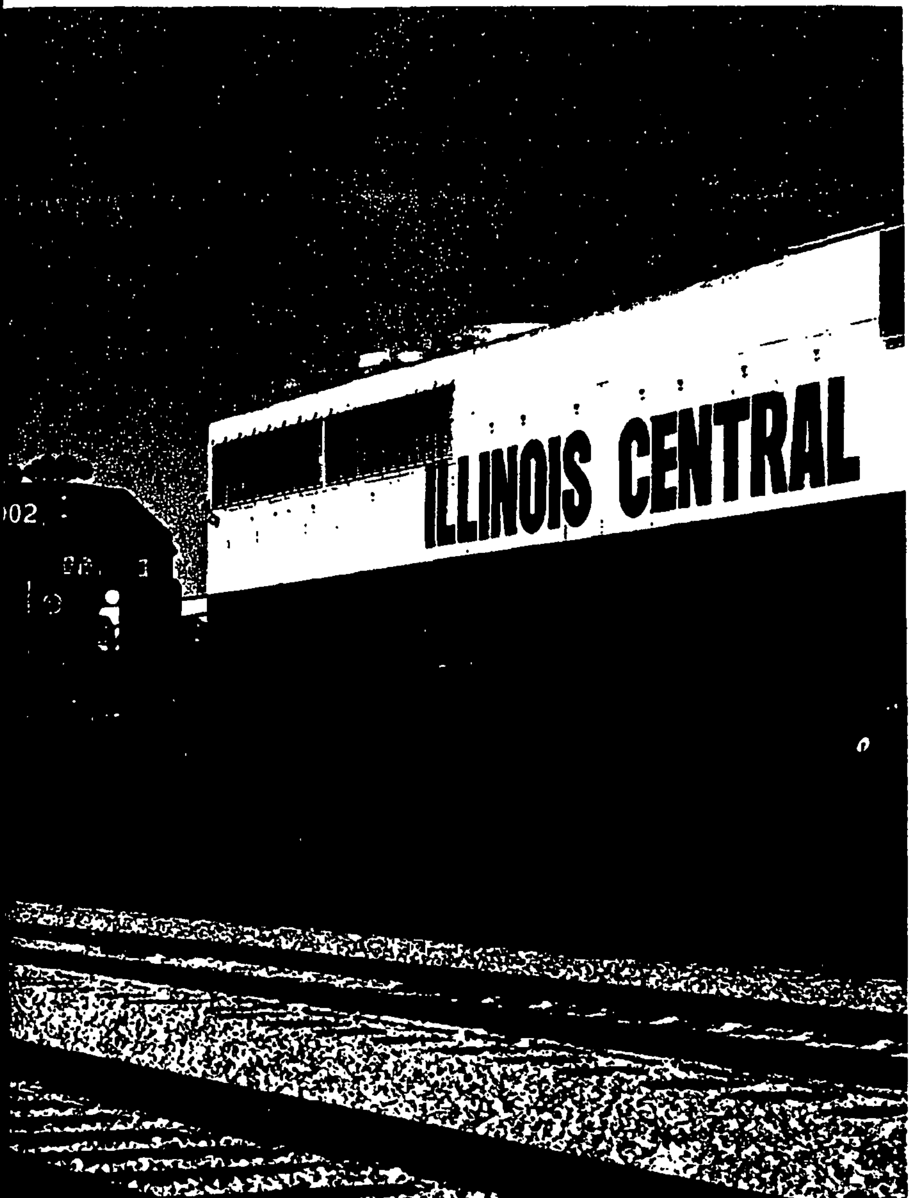

Transportation Division

Gross revenues of the transportation division, mostly from Illinois Central Railroad, were up about two percent to $307,123,093, compared with $300,073,442 in 1967. Freight revenues gained three percent to $265,441,728, against $256,143,960 for the previous year. Passenger revenues, despite discontinuance of eight through trains, declined one percent to $23,672,149 compared with $23,974,624 in 1967. Mail and express business dropped 38 percent to $4,546,414 from $7,359,462 in 1967.

The year 1968 was not an easy one. During the early part of the year, there was considerable storm damage. In the North, coal traffic was shut off to lake ports for more than 100 days by the Belt Railway strike. U.S. Atlantic and Gulf ports were struck in December. Expenses were affected by a considerable increase in wage rates, and by the railroad's election to spend an additional $6 million for maintenance.

The railroad gained some $8,700,000 from the sale of property in Chicago for a new Illinois state college campus.

Freight Business Shows Gain

Freight revenues and the number of tons handled gained slightly, as did the number of revenue ton miles. Because an increasing amount of freight is being hauled in larger cars, the number of carloads handled declined slightly.

Major gains were recorded in the hauling of automobiles, chemicals, miscellaneous manufactured products, pulpwood, woodpulp and freight forwarder traffic. Volume declined in coal, cotton, fertilizer, flour and meal, grain, ore, sand, gravel and stone.

International traffic, mostly through New Orleans, declined slightly. Approximately 177,000 cars were handled, some 2,000