UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1997

Commission file number 1-10466

St. Joe Corporation
(Exact name of registrant as specified in its charter)

Florida	59-0432511
(State or other jurisdiction of Incorporation or organization)	(IRS Employer Identification No.)
Suite 400, 1650 Prudential Drive, Jacksonville, Florida	32207
(Address of principal executive offices)	(Zip code)

(904) 396-6600
(Registrant' telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of September 30, 1997 there were 30,565,937 shares of common stock, no par value, outstanding

ST JOE CORPORATION

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ST. JOE CORPORATION
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	September 30 1997 (Unaudited)	December 31, 1996
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 200,986	$ 449,013
Short-term investments	38,200	88,011
Accounts receivable	39,343	57,517
Inventory	12,692	18,677
Other assets	35,665	17,455
Total current assets	326,886	630,673
Investment & Other Assets:		
Marketable securities	337,526	282,827
Other assets	67,231	58,571
Total investment and other assets	404,757	341,398
Property, plant & equipment	1,180,263	1,156,642
Accumulated depreciation	(327,046)	(322,475)
Net property, plant & equipment	853,217	834,167
Total assets	$ 1,584,860	$ 1,806,238
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 26,903	$ 28,480
Accrued liabilities	25,920	21,615
Income tax payable	3,876	6,864
Total current liabilities	56,699	56,959
Accrued casualty reserves and other liabilities	19,951	18,185
Deferred income taxes	279,690	254,873
Minority interest in consolidated subsidiaries	293,915	279,280
Stockholders' Equity:		
Common stock, no par value; 60,000,000 shares authorized; 30,565,937 and 30,498,650 issued and outstanding at September 30, 1997 and December 31, 1996	13,054	8,714
Retained earnings	843,198	1,125,161
Net unrealized gains on marketable securities available for sale	82,043	63,066
Restricted stock deferred compensation	(3,689)	--
Total stockholders' equity	934,606	1,196,941
Total liabilities and stockholders' equity	$ 1,584,860	$ 1,806,238

See notes to consolidated financial statements.

ST. JOE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(UNAUDITED)
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Three months ended September 30, 1997	Three months ended September 30, 1996	Nine months ended September 30, 1997	Nine months ended September 30, 1996
Net sales	$ 11,047	$ 30,187	$ 79,566	$ 173,401
Operating revenues	58,366	54,369	172,328	162,307
Total revenues	69,413	84,556	251,894	335,708
Cost of sales	5,374	24,895	63,282	64,765
Operating expenses	39,945	40,559	118,493	120,524
Selling, general and administrative expenses	8,207	9,507	28,103	24,373
Operating profit	15,887	9,595	42,016	126,046
Other income (expense):				
Dividends	926	481	2,583	2,196
Interest income	6,719	10,334	21,955	20,887
Interest expense	(89)	(102)	(331)	(426)
Gain on sales and other dispositions of property	206	2,809	3,305	5,745
Other, net	2,346	998	5,138	3,603
Total other income (expense)	10,108	14,520	32,650	32,005
Income before income taxes and minority interest	25,995	24,115	74,666	158,051
Income tax expense	11,432	9,139	32,981	71,211
Income before minority interest	14,563	14,976	41,685	86,840
Minority interest	5,507	3,527	13,404	9,922
Income from continuing operations	9,056	11,449	28,281	76,918
Income from discontinued operations:				
Earnings (loss) from discontinued operations (net of income taxes of $527)	--	--	--	746
Gain on sale of discontinued operations, net of income taxes of $61,638	--	--	--	90,370
Net income	9,056	11,449	28,281	168,034
Retained earnings at beginning of period	835,669	1,108,774	1,125,161	955,239
Dividends	(1,528)	(1,525)	(310,244)	(4,575)
Retained earnings at end of period	$ 843,198	$ 1,118,698	$ 843,198	$ 1,118,698
PER SHARE DATA:				
Income from continuing operations	$ 0.30	$ 0.38	$ 0.93	$ 2.53
Earnings from discontinued operations	--	--	--	2.98
Net income	$ 0.30	$ 0.38	$ 0.93	$ 5.51

See notes to consolidated financial statements.

ST. JOE CORPORATION
CONSOLIDATED STATEMENT OF CASHFLOWS
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	Nine months ended September 30, 1997	1996
Cash flows from operating activities:		
Net income	$ 28,281	$ 168,034
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, depletion and amortization	23,635	21,232
Minority interest in income	13,404	9,922
Gain on sale of property	(3,682)	(5,745)
Gain on sale of discontinued operations	--	(90,370)
Deferred income taxes	12,327	60,687
Changes in operating assets and liabilities:		
Accounts receivable	18,174	(377)
Inventory	5,985	3,459
Other assets	(26,870)	(14,151)
Accounts payable, accrued liabilities and casualty reserves	6,971	27,121
Income taxes payable	(2,988)	25,537
Discontinued operations-noncash charges and working capital changes	--	(68,531)
Cash provided by operating activities	75,237	136,818
Cash flows from investing activities:		
Purchases of property, plant and equipment	(53,256)	(41,135)
Investing activities of discontinued operations	--	(4,327)
Purchases of investments:		
Available for sale	(49,615)	(18,698)
Held to maturity	(100,336)	(216,570)
Proceeds from dispositions of assets	14,904	4,806
Proceeds from sale of discontinued operations	--	454,949
Maturities and redemptions of investments:		
Available for sale	62,434	12,218
Held to maturity	114,096	153,194
Cash provided by/(used in) investing activities	(11,773)	344,437
Cash flows from financing activities:		
Financing activities of discontinued operations		(245)
Dividends paid to stockholders	(310,244)	(4,575)
Dividends paid to minority interest	(1,247)	(1,245)
Cash used in financing activities	(311,491)	(6,065)
Net increase (decrease) in cash and cash equivalents	(248,027)	475,190
Cash and cash equivalents at beginning of period	449,013	16,802
Cash and cash equivalents at end of period	$ 200,986	$ 491,992
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 331	$ 835
Income taxes	$ 25,776	$ 93,172

See notes to consolidated financial statements.

ST JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, certain information and footnotes required by generally accepted accounting principles for complete financial statements are not included herein. The interim statements should be read in conjunction with the financial statements and notes thereto included in the Company' latest Annual Report on Form 10-K. In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of September 30, 1997 and December 31, 1996 and the results of operations and cash flows for the nine month periods ended September 30, 1997 and 1996 are not necessarily indicative of the results that may be expected for the full year.

2. On April 11, 1996, St Joe Industries, Inc., a wholly owned subsidiary of the Company, sold the stock of St. Joe Communications, Inc. (SJCI) to TPG Communications, Inc. SJCI also sold its interest in four cellular partnerships. These sales represent the Company' entire communications segment. On May 30, 1996, the Company sold its linerboard mill and container plants. The Company retained its forestry operation. Net operating results of the communications segment and for the linerboard mill and container plants for the three month and nine month periods ended September 30, 1997 and 1996 are shown as earnings from discontinued operations in the accompanying statement of income and retained earnings.

3. On January 7, 1997, the Company adopted the 1997 Stock Incentive Plan ("the Incentive Plan"), whereby awards may be granted to certain employees and non-employee directors of the Company in the form of restricted shares of Company stock or options to purchase Company stock. Awards are discretionary and are determined by the Compensation Committee of the Board of Directors. The total amount of restricted shares and options available for grant under the Incentive Plan is 1.85 million shares. As of September 30, 1997 awards were granted to certain officers of the Company totaling 1.8 million shares. The options were granted at the Company's current market price on the date of grant and range from $57.43 to $94.13 after adjustment for the effects of the special dividend. The options are exercisable in equal installments on the first five anniversaries of the date of grant and expire generally 10 years after date of grant.

   Effective January 6, 1997, the Company also granted Mr. Rummell, Chairman and CEO of the Company, 67,287 restricted shares of the Company's common stock. The restricted shares vest in equal installments on the first five anniversaries of the date of grant. The Company has recorded deferred compensation of $3.7 million for the unamortized portion of this grant as of September 30, 1997. Compensation expense related to this grant totaled approximately $.6 million in 1997.

   Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, permits entities to recognize as expense over the vesting period the fair value of all stock based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to apply the provisions of Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants as if the fair-value-based method defined in SFAS No. 123 has been applied. Under APB No. 25, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. The Company has selected to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123. The disclosures are not required for interim reporting.

4. On January 10, 1997, the Company purchased for $5.5 million, a 38% limited partnership interest in Deerfield Park, LLC a limited partnership established to acquire and develop 554 acres of land in Fulton County, Georgia. Costs incurred to date have been capitalized.

5. In September 1997, the linerboard mill at Port St. Joe, Florida, which had been shutdown since April 1997, reopened. On August 25, 1997 the Company renegotiated certain terms of its wood fiber supply agreement with Florida Coast Paper Company. Under the new agreement, the Company will supply 615,400 tons of pulpwood and wood chips between August 25, 1997 and May 30, 1998; thereafter the Company will supply 700,000 tons per year through December, 2011 with two five year renewal periods. Under the previous agreement, up to 1.6 million tons per year was to be provided to Florida Coast Paper.

6. On May 5, 1997, the Company announced a proposal to the Board of Directors of Florida East Coast Industries ("FECI") under which the Company and FECI would merge and all shares of FECI stock owned by others than the Company would be exchanged for cash at $102 per share. There are approximately 9.1 million shares of FECI common stock outstanding, of which approximately 4.9 million, or 54%, are owned by St. Joe. The proposed merger would be subject to all required regulatory approvals and approval by the shareholders of FECI, as well as other customary terms and conditions. The proposal is also 6. parties. The Company is evaluating various financing alternatives. There can be no assurances when, if or on what terms the Company and FECI can reach agreement with respect to the Company's proposal.

7. On September 8, 1997, the Company and Orlando - based CNL Group, Inc. signed a letter of intent to form a real estate joint venture to invest in and develop office and industrial properties in the central Florida region. Pursuant to the joint venture, the Company, through two subsidiaries, will receive a 50% ownership interest by contributing $5 million in cash to the partnership and committing to fund an additional $25 million for new projects the venture determines to develop and/or manage.

8. On November 12, 1997, the Company, through two subsidiaries, purchased certain assets, including management and proprietary information systems, of Arvida Company through a newly formed limited partnership with JMB Southeast Development, L.L.C. and JMB Southeast Development L.P. for the purpose of developing and/or managing residential communities on certain lands owned by the Company, as well as the purchase of other lands for development and management. The Company owns 74% of the new limited partnership, St. Joe/Arvida Company, L.P. The purchase price for the 74% partnership interest in the new entity is not considered material to the Company's financial position.

9. The Company and its subsidiaries are involved in litigation in a number of matters and are subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position or results of operations.

   The Company has retained certain self-insurance risks with respect to losses for third party liability, property damage and group health insurance provided to employees.

   The Company is subject to costs arising out of environmental laws and regulations, which include obligations to remove or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites, including sites which have been previously sold. It is the Company's policy to accrue and charge against earnings environmental cleanup costs when it is probable that a liability has been incurred and an amount is reasonably estimable. As assessments and cleanups proceed, these accruals are reviewed and adjusted, if necessary, as additional information becomes available.

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of several Superfund sites. Other proceedings involving environmental matters, such as alleged discharge of oil or waste material into water or soil, are also pending against the Company. The Company has accrued an allocated share of the total estimated cleanup costs for these sites, based upon currently available information and management's evaluation of other potentially responsible parties. As of September 30, 1997 the aggregate environmental related accruals were $7.0 million. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any certainty. The Company does not expect to incur amounts in excess of its accruals.

However, it is not possible to quantify future environmental costs with certainty because facts develop over time, many issues relate to actions by third parties, and there are frequent changes in environmental regulations or the enforcement thereof. Nonetheless, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or results of operations of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

St. Joe Corporation is a diversified company engaged in the real estate, forestry, transportation and sugar industries. Until the second quarter of 1996, the Company was also engaged in communications and the manufacture and distribution of forest products.

The Company's assets and operations are concentrated in the state of Florida, making the Company, and particularly its real estate operations, dependent upon the general health of the Florida economy. The Company's businesses, particularly forestry and transportation, are influenced by the general health of the national economy. The Company's real estate operations are also cyclical but are primarily affected by local demographic and general economic trends, and the supply and rate of absorption of new construction. Although the Company has a large portfolio of income producing properties that provide stable operating results, the Company's earnings from period to period may be significantly affected by the nature and timing of sales of development property and non-strategic assets.

The Company is currently undergoing a number of important changes in the mix of its business and its overall business strategy. In the first quarter of 1997, the Company hired a new chairman and chief executive officer as well as several other senior members of management with strong backgrounds in large-scale real estate planning and development. Under the direction of this new management team, the Company is focusing more closely on the development of its large land portfolio. Management believes that the Company's increased focus on real estate operations will result in a larger portion of the Company's overall revenues being attributable to real estate operations. However, many of the Company's proposed projects will require a lengthy process to complete the development cycle before they are sold or otherwise generate revenue. Nevertheless, management believes that the Company's existing raw land portfolio will allow the Company to maintain relatively low development costs and that its existing large portfolio of income-producing properties, together with its other businesses, will continue to generate cash to fund a significant portion of its longer-term projects.

The Company is also undergoing certain strategic changes in its forestry operations. The major customer for the Company's timber has been and continues to be the Company's former linerboard mill which was sold in May, 1996. The wood fiber supply agreement between the Company and the mill was recently renegotiated to provide for a level of tonnage that is significantly less than historical levels. Partly as a result of the reduced tonnage under the agreement, the Company has decided to allow its forests to grow for longer periods in order to age the timber and shift its focus toward higher margin products. However, during this transition period, management believes that revenues in the forestry segment may continue to decline.

As part of its effort to focus more intently on the Company's core assets, management is continuing to explore the sale of its sugar operations, which for the nine months ended September 30, 1997 generated $25.5 million of revenues.

RECENT EVENTS

On May 5, the Company announced a proposal to the Board of Directors of Florida East Coast Industries, ("FECI"), under which the Company and FECI would merge and all shares of FECI stock owned by others than the Company would be exchanged for cash at $102 per share. There are approximately 9.1 million shares of FECI common stock outstanding, of which approximately 4.9 million or 54% are owned by St. Joe. The proposed merger would be subject to all required regulatory approvals and approval by the shareholders of FECI, as well as other customary terms and conditions. The proposal is also subject to negotiation of a merger agreement containing terms and conditions mutually satisfactory to the parties.

On September 8, 1997, the Company and Orlando - based CNL Group, Inc. signed a letter of intent to form a real estate joint venture to invest in and develop office and industrial properties in the central Florida region. Pursuant to the joint venture, the Company , through two subsidiaries, will receive a 50% ownership interest by contributing $5 million in cash to the partnership and committing to fund an additional $25 million for new projects the venture determines to develop and/or manage.

On November 12, 1997, the Company, through two subsidiaries, purchased certain assets, including management and proprietary information systems, of Arvida Company through a newly formed limited partnership with JMB Southeast Development, L.L.C. and JMB Southeast Development L.P. for the purpose of developing and/or managing residential communities on certain lands owned by the Company, as well as the purchase of other lands for development and management. The Company owns 74% of the new limited partnership, St. Joe/Arvida Company, L.P. The purchase price for the 74% partnership interest in the new entity is not considered material to the Company's financial position.

THREE MONTHS ENDED SEPTEMBER 30
Net sales decreased 63.4% from $30.2 million in the third quarter of 1996 to $11.0 million in the third quarter of 1997. Decreases in forestry sales of $13.5 million and sugar sales of $10.8 million were offset slightly by real estate land sales totaling $5.5 million. Operating revenues increased 7.4% from $54.3 million in the third quarter of 1996 to $58.4 million in the third quarter of 1997, primarily due to improved performance in the transportation segment.

Cost of sales decreased 78.4% from $24.9 million in the third quarter of 1996 to $5.4 million in the third quarter of 1997. Forestry costs decreased $13.3 million and sugar costs decreased $7.5 million, consistent with decreases in sales, and real estate costs of land and building sales increased $1.3 million. Operating expenses decreased 1.5% from $40.6 million in the third quarter of 1996 to $40.0 million in the comparable quarter of 1997.

Selling, general and administrative expenses decreased 13.7% from $9.5 million in the third quarter of 1996 to $8.2 million in the third quarter of 1997 due to income recorded for the change in prepaid pension costs of $2.8 million, partially offset by increases in staffing and related new hire costs.

Other income (expense) decreased 30.4% from $14.5 million in the third quarter of 1996 to $10.1 million in the comparable quarter of 1997. This decrease is primarily attributable to lower interest income from reduced investment balances as a result of the Company's special dividend paid in March 1997.

Income tax expense was $11.4 million in 1997, for an effective rate of 44%, as compared to $9.1 million or 38% in 1996.

Minority interest represents the 46% interest in Florida East Coast Industries, Inc. ("FECI") not owned by the Company.

The Company reported net income of $9.1 million or $0.30 per share for the third quarter of 1997 as compared to $11.4 million or $0.38 per share for the comparative quarter of 1996.

NINE MONTHS ENDED SEPTEMBER 30
Net sales decreased 54.1% from $173.4 million in the first nine months of 1996 to $79.6 million in the first nine months of 1997. Sales in 1996 were unusually high due to two related condemnation sales of land to the State of Florida in exchange for $97.8 million in cash plus certain limited development rights. Sales of real estate totaled $30.5 million in 1997. Operating revenues increased 6.2% from $162.3 million in 1996 to $172.3 million in 1997 primarily due to an increase in transportation revenues of $6.8 million as well as increases in real estate rental revenues.

Cost of sales decreased 2.3% from $64.8 million in the first nine months of 1996 to $63.3 million in the first nine months of 1997, as a result of decreases in cost of timber and other sales of $21.9 million offset by increases in cost of real estate sales of $20.3 million. Operating expenses decreased 1.7% from $120.5 million in the first nine months of 1996 to $118.5 million in the first nine months of 1997 resulting from decreases in transportation costs of $3.9 million offset in part by an increase in real estate operating costs of $1.9 million.

Selling, general and administrative expenses increased 15.3% from $24.4 million in the first nine months of 1996 to $28.1 million in the first nine months of 1997, primarily due to a one-time write-off of approximately $2.9 million for expenses incurred in the transportation segment in connection with the possible disposition of certain of its assets.

Other income (expense) increased 2% from $32.0 million in 1996 to $32.7 million in 1997. The year to date increase for the first nine months of 1997 was due to higher average investment balances compared to the first nine months of 1996.

Income tax expense on continuing operations for the nine months ended September 30, 1997 totaled $33.0 million, representing an effective rate of 44% compared to $71.2 million for a similar effective tax rate in the 1996 comparable period. These rates exceed statutory rates primarily because of the 50% excise tax on prepaid pension cost totaling $4.2 million in 1997 and $11.0 million in 1996. It is anticipated that as long as the Company continues to record prepaid pension cost, an excise tax of 50% will be accrued.

Net income for the nine months ended September 30, 1997 was $28.3 million or $0.93 per share compared to $168.0 million or $5.51 per share in 1996. Results for 1996 included income from discontinued operations of $91.1 million, net of tax.

RESULTS OF OPERATIONS

REAL ESTATE

	THREE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)			NINE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)		
	1997	1996	% Change	1997	1996	% Change
Net Sales and Operating Revenue	$15.2	$9.9	53.5	$59.2	$124.2	-52.3
Cost of Sales and Operating Expense	7.5	5.8	29.3	41.2	18.4	123.9
Selling, General and Administrative	.6	1.3	-53.8	3.4	3.1	9.7
Operating Profit	7.1	2.8	153.6	14.6	102.7	-85.8

The Company's real estate operations currently consist of commercial and industrial development and management through Gran Central Corporation ("GCC"), a subsidiary of FECI, and community residential development through Southwood Properties Division of the Company.

THREE MONTHS ENDED SEPTEMBER 30

Real estate net sales and operating revenue increased 53.5% from $9.9 million in the third quarter of 1996 to $15.2 million in the third quarter of 1997. Current year's revenues include sales of miscellaneous commercial parcels of property located throughout Florida by GCC totaling $4.9 million with cost of sales totaling $1.3 million and residential lot sales by Southwood located in west Florida totaling $.6

million with cost of sales totaling $.1 million. Commercial rental revenues totaled $9.7 million in the third quarter of 1997 compared to $9.8 million in the third quarter of 1996. Rental revenues were affected this quarter compared to prior year by loss of rental revenue due to the sale of two office buildings in the first six months of 1997. Operating expenses related to realty revenues were $6.1 million in 1997 for a 37.1% gross margin compared to $5.6 million for a 42.9% gross margin in 1996. Selling, general and administrative costs were down in 1997 due primarily to non-recurring legal expenses in 1996 related to environmental matters. The lower gross margin for the quarter is a result of depreciation expense on new buildings placed in service in 1997 this year.

NINE MONTHS ENDED SEPTEMBER 30

Real estate net sales decreased 52.3% from $124.2 million in the first nine months of 1996 to $59.2 million in the first nine months of 1997. Operating expenses and costs of sales increased 123.9% from $18.4 million in the first nine months of 1996 to $41.2 million in the first nine months of 1997. The decrease in sales was largely due to two related condemnation sales of land to the State of Florida in 1996 for $97.8 million in cash plus certain limited development rights. Costs associated with these sales were $.1 million.

In the commercial/industrial segment, conducted through GCC, rental revenues increased 14.3% from $25.1 million in the first nine months of 1996 to $28.7 million in the first nine months of 1997. During the first nine months of 1997 eight buildings were placed in service adding approximately 973,000 leaseable square feet. In the first nine months of 1997 land and building sales totaled $26.5 million and include three office buildings, totaling $20.1 million, one of which was developed and constructed specifically for the purpose of resale. Total cost of these sales was $22.4 million.

In the community/residential segment, conducted through the Southwood Division, land sales increased 200.7% from $1.3 million in the first nine months of 1996 to $4.0 million in the first nine months of 1997 (not including the condemnation sales). Costs of these sales increased 66.7% from $.4 million in the first nine months of 1996 to $1.2 million in the first nine months of 1997.

Operating expenses on realty revenue were $17.6 million for a 38.7% gross margin in the 1997 period compared to $15.7 million in 1996 for a gross margin of 37.5%. Year to date selling, general and administrative expenses increased 9.7% during 1997 due primarily to additional salaries and related benefits. As a result of these factors, operating profit decreased 85.8% from $102.7 million for the nine months ended September 30, 1996 to $14.6 million for the comparable period in 1997.

FORESTRY

	THREE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)			NINE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)		
	1997	1996	% Change	1997	1996	% Change
Net Sales	$5.4	$18.9	-71.4	23.1	44.6	-48.2
Cost of Sales	3.9	17.2	-77.3	20.3	42.3	-52.0
Selling, General and Administrative Expenses	.5	.8	-37.5	1.7	1.4	21.4
Operating Profit (Loss)	1.0	.9	11.1	1.1	.9	22.2

THREE MONTHS ENDED SEPTEMBER 30

As a result of the Florida Coast Paper linerboard mill shutdown for most of the quarter, sales to the mill decreased from $14.8 million in the third quarter of 1996 to $1.4 million in 1997. This reduction in sales was partially offset by increases in sales to other vendors totaling $2.4 million at a higher margin. Cost of sales as a percentage of sales was lower than previous year's, as more sales of Company grown timber with lower cut and haul costs occurred in 1997 versus 1996.

NINE MONTHS ENDED SEPTEMBER 30

Total net sales in 1997 were lower by $21.5 million compared to the first nine months of 1996, all of which is attributable to the Florida Coast Paper linerboard mill shutdown which lasted from April 1997 through August 1997. Costs of sales decreased 52% from $42.3 million in 1996 to $20.3 million in 1997 due to declining sales, although cost of sales as a percentage of sales continue to improve as the Company sells more of its grown timber with higher margins than procured wood. Selling, general and administrative costs were $.3 million higher this year than last year primarily due to severance payments of approximately $1.2 million paid to 62 terminated employees, offset by reductions in ongoing staffing levels.

On August 25, 1997, the Company renegotiated certain terms of its wood fiber supply agreement with Florida Coast Paper Company. Under the new agreement, the Company will supply 615,400 tons of pulpwood and wood chips between August 25, 1997 and May 30, 1998; thereafter the Company will supply 700,000 tons per year for a period of fifteen years with two five year renewal periods. Under the previous agreement, up to 1.6 million tons per year were to be provided to Florida Coast Paper. As a result of the decrease in tonnage required to be provided to Florida Coast Paper, management expects that the Company's revenues will be temporarily depressed, but the change should result in higher quality older-growth timber in the future. The pricing mechanism for the wood remains the same as in the original agreement.

TRANSPORTATION

	THREE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)			NINE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)		
	1997	1996	% Change	1997	1996	% Change
Operating Revenues	$48.6	$44.8	8.5	$144.0	$137.2	5.0
Operating Expenses	33.8	35.0	-3.4	100.9	104.8	-3.7
Selling, General and Administrative	5.7	4.7	21.3	17.7	14.5	22.1
Operating Profit	9.1	5.1	78.4	25.4	17.9	41.9

THREE MONTHS ENDED SEPTEMBER 30

FEC contributed $46.3 million of operating revenues and Apalachicola Northern Railroad Company ("ANRR") contributed $2.3 million for the third quarter of 1997. FEC's operating revenues were up $5.0 million compared to the third quarter of 1996 due to the increase in number of shipments handled and various rate increases achieved. ANRR's operating revenues were $1.2 million lower than last year due to fewer freight shipments to the Florida Coast Paper linerboard mill as a result of its shutdown between April 1997 and August 1997. The linerboard mill, which has been a significant portion of ANRR's revenues in the past, resumed operation in September 1997. If the linerboard mill were to shut down again, ANRR's revenue, operating profit and net income would be significantly impacted. Operating expenses were approximately $1.2 million lower than in the prior year, due primarily to decreases in casualty and insurance reserves and a reduction at ANRR of costs due to layoffs. Selling, general and administrative expenses increased $1.0 million in the third quarter of 1997 compared to the third quarter of 1996.

NINE MONTHS ENDED SEPTEMBER 30

Total FEC transportation operating revenues year to date were $136.5 million, an increase of $9.0 million over 1996. This increase is attributable to a combination of an 8.2% increase in the number of shipments handled in the first nine months of 1997 versus 1996 and various rate increases achieved since the beginning of the year. ANRR's operating revenues were $7.5 million in 1997, $2.2 million lower than in 1996 due to the shutdown of the Florida Coast Paper linerboard mill, its largest customer. Operating expenses for this segment were $3.9 million lower than last year as a result of decreases in casualty reserves totaling $2.5 million and overall reductions in operating expenses. The 1996 comparable figures for casualty and insurance costs included an accrual for an adverse legal judgment against the Company, which was subsequently reversed on appeal, of approximately $2.2 million. Operating profit for the transportation segment overall has increased from 13.0% in 1996 to 17.6% in 1997 as a result.

SUGAR

	THREE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)			NINE MONTHS ENDED SEPTEMBER 30, ($ IN MILLIONS)		
	1997	1996	% Change	1997	1996	% Change
Net Sales	$.2	$11.0	-98.2	$25.5	$29.7	-14.1
Cost of Sales	0	7.5	-100.0	19.3	19.9	-3.0
Selling, General and Administrative Expenses	1.1	.9	22.2	3.5	3.5	0
Operating Profit (Loss)	-.9	2.6	-134.6	2.7	6.3	-57.1

THREE MONTHS ENDED SEPTEMBER 30
There were no sugar shipments in the third quarter of 1997 due to completion of shipments relating to the 1996 harvest in the prior quarter, however collections from the segment's customer totaled $.2 million. Sales for the 1997 harvest year will resume in the fourth quarter.

NINE MONTHS ENDED SEPTEMBER 30

Net sales decreased $4.2 million due to a 12.4% volume decrease (8.4 million tons) compared to the first nine months of 1996 as a result of the timing of shipments and fewer acres being harvested, and a sales price decrease of $7 dollars per ton. Cost of sales as a percentage of sales increased from 67.0% to 75.7% due to lower selling price, higher direct costs including cultivation expenses, as well as higher indirect costs compared to 1996. Selling, general and administrative expense levels were consistent with 1996. Included in selling, general and administrative expense is the Everglades Agricultural Privileges Tax of $905,000 and $976,000 for 1997 and 1996, respectively.

CORPORATE AND OTHER
On February 25, 1997 the Board of Directors approved an interim severance program. The program was available to all employees (including early and regular retirees) who elected to leave employment with the Company prior to May 2, 1997. In total 80 employees elected to participate, and the Company incurred total severance costs of approximately $2.5 million during 1997 of which $1.3 million is included in corporate general and administrative expense and $1.2 million is included in the forestry segment.

Other selling, general and administrative expenses, not allocated to segments, for the third quarter of 1997 totaled $.3 million compared to $1.8 million in 1996. These costs for the third quarter of 1997 are net of income of $2.8 million recorded for the change in prepaid pension cost. The gross amount of $3.1 million primarily relates to new management, increased staffing and related new hire costs. It is anticipated that general and administrative expenses will continue at this level for the remainder of this year. Year to date selling, general and administrative expenses for 1997 totaled $1.7 million, which is net of income of $8.4 million related to the change in prepaid pension costs.

FINANCIAL POSITION

Total cash and cash equivalents decreased 55.2% from $449.0 million at December 31, 1996 to $201.0 million at September 30, 1997 primarily as a result of the distribution of the special dividend of $10 per share paid during the first quarter totaling approximately $305 million. Additionally, it is anticipated that the final distribution from net proceeds of the sales of operations which occurred in 1996 of approximately $1.00 per share will be distributed on or before December 31, 1997. Total cash, cash equivalents, short-term investments and marketable securities were $576 million at September 30, 1997.

Capital expenditures for the year to date totaled $53.3 million, of which $50.5 related to real estate construction and land purchases. It is anticipated that expenditures in the foreseeable future will be funded through existing available liquidity and operations.

Stockholder's equity at September 30, 1997 was $30.60 per share, a decrease of $8.65 from December 31, 1996, due to total dividends paid of $310.2 million, including the special dividend and the regular $.05 per share dividend paid each quarter.

If the merger with FECI is consummated as currently contemplated, the cost of such merger would be approximately $424 million in cash. The Company has historically not incurred debt in the development of its various real estate projects or for other expenditures, funding instead from internally generated cash flows. As the Company moves forward, debt may be incurred in those situations where the use of financing leverage is deemed appropriate.

PART II - OTHER INFORMATION

Item 6. Exhibits and reports on Form 8-K

(a) Exhibits
10 Agreement to Amend Wood Fiber Supply Agreement
Dated August 25, 1997
27 Financial Data Schedule (for SEC use only)

(b) Reports on Form 8-K
No Reports on Form 8-K were filed this quarter

SIGNATURES

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.

St Joe Corporation

Date: November 14, 1997 /s/ Peter Rummell

Peter Rummell
Chief Executive Officer

Date: November 14, 1997 /s/ Charles A. Ledsinger

Charles A. Ledsinger
Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)

Exhibit Index

10	Agreement to Amend Wood Fiber Supply Agreement Dated August 25, 1997
27	Financial Data Schedule (for SEC use only).

AGREEMENT TO AMEND WOOD FIBER SUPPLY AGREEMENT

THIS AGREEMENT is made and entered into this 25th day of August, 1997, between ST. JOE TIMBERLAND COMPANY, F/K/A ST. JOSEPH LAND AND DEVELOPMENT COMPANY, a Florida corporation (hereinafter "St. Joe"), and FLORIDA COAST PAPER COMPANY, L.L.C., a Delaware Limited Liability Company (hereinafter "Florida Coast"), and shall hereinafter be referred to as "Amendment Agreement."

W I T N E S S E T H :

WHEREAS, St. Joe and Florida Coast entered into a Wood Fiber Supply Agreement on May 30, 1996, attached hereto as Exhibit "A", (hereinafter "Fiber Agreement"), and

WHEREAS, St. Joe and Florida Coast desire to change, amend, and/or alter certain terms in the Fiber Agreement while leaving other terms in the Fiber Agreement in place;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good an valuable consideration, St. Joe and Florida Coast agree to the following:

1. DELIVERY AND ACCEPTANCE AMOUNTS.

1.1. During the period from August 25, 1997 through and including May 30, 1998:

St. Joe will deliver to Florida Coast, and Florida Coast will accept from St. Joe a total volume of 615,400 tons, in weekly increments of 15,385 tons per week of pulpwood and wood chips;

A minimum of 13,460 tons per week of the pulpwood and wood chips St. Joe delivers to Florida Coast and Florida Coast accepts from St. Joe under its Paragraph 1.1 will originate from land owned by St. Joe in fee;

St. Joe will provide to Florida Coast, within twenty (20) days of signing this Amendment Agreement, a list of all private pulpwood and wood chips volume obligations which St. Joe is required to accept by May 30, 1998. This volume will not exceed 150,000 tons;

In satisfying its volume requirements under this Paragraph 1.1., St. Joe shall receive no credit for trade wood, defined as wood chips received by St. Joe from solid wood product customers in return for St. Joe selling solid wood products to those customers.

The volume of wood chips in the mix of wood chips and pulpwood which St. Joe delivers to Florida Coast shall not be less than 25% and not greater than 55%.

1.2. For the period from May 31, 1998 through the end of the Fiber Agreement:

St. Joe will deliver to Florida Coast and Florida Coast will accept from St. Joe 13,460 tons of pulpwood and wood chips per week, equating to an annual volume of 700,000 tons of pulpwood and wood chips;

All pulpwood and wood chips delivered by St. Joe under this Paragraph 1.2 shall originate from land owned by St. Joe in fee;

In satisfying its volume requirements under this Paragraph 1.2., St. Joe shall receive no credit for trade wood, defined as wood chips received by St. Joe from solid wood product customers in return for St. Joe selling solid wood products to those customers.

2. SPECIFICATIONS AND PRICING FOR PULPWOOD AND FOR WOOD CHIPS.

2.1. The following specifications shall apply to pulpwood and wood chips delivered by St. Joe to the Florida Coast mill at Port St. Joe:

Pulpwood shall be cut to a 2 1/2 inch small end top;

Wood chips shall meet those specifications used at the Stone Container Corporation paper mill in Panama City, Florida, as of the date of the signing of this Amendment Agreement. These specifications are attached hereto and made a part hereof as Exhibit "A".

2.2. Pulpwood which St. Joe brings to its chip plant in Lowry or Newport for ultimate delivery to Florida Coast as wood chips, shall be cut to a 2 1/2 inch small end top. In return, Florida Coast will pay a $0.35 per ton premium to St. Joe for all wood chips shipped to Florida Coast from either the Lowry or the Newport chip plant.

2.3. St. Joe will install chip screens at the Lowry chip plant in a commercially reasonable time, and Florida Coast will then pay an additional $0.50 per ton premium for wood chips from the Lowry plant for a five-year period beginning once the screens are in place and in use. Such beginning date shall be confirmed in writing by the parties.

2.4. The $0.35 and $0.50 premiums referred to in Paragraphs 2.2 and 2.3 above, will be added to the weekly invoice amount which St. Joe sends to Florida Coast and shall not be subject to the quarterly indexing of prices referred to in the Fiber Agreement.

2.5. The volume of wood chips in the mix of wood chips and pulpwood which St. Joe delivers to Florida Coast shall be not less than 25% and not greater than 55% of the annual 700,000 ton mix of wood chips and pulpwood which St. Joe delivers to Florida Coast.

2.6. Bark content shall not exceed 1% of the chip load weight. The portion of the weekly average bark content based on sample analysis that exceeds 1% but is less than 3.9% shall be deducted as cull. If a load contains over 4% bark, confirmed by a sample analysis, the entire load will be rejected. Florida Coast shall pay St. Joe for loads rejected at the fuel price rate. Both parties agree that the objective is to produce and accept loads containing 1% bark or less and that this procedure is for occasional loads only. Both parties also agree that a bark specification does not apply to any pulpwood deliveries.

3. CASH PAYMENT AND CANCELLATION OF INVOICES.

On the date this Amendment Agreement is signed by St. Joe and Florida Coast, Florida Coast shall make a one-time payment of $70,000 to St. Joe, and St. Joe shall cancel all invoices it issued under the Fiber Agreement to Florida Coast from April 14, 1997, through August 25, 1997.

4. LIQUIDATED DAMAGES.

4.1. If Florida Coast does not accept pulpwood and wood chips at the paper mill in Port St. Joe, Florida, as provided in Paragraph 1 of this Amendment Agreement for a period longer than thirty (30) consecutive days, either:

a. Florida Coast will pay to St. Joe an amount of $50,000 per week, prorated for each day beyond the first thirty days which the mill does not receive pulpwood or wood chips, or

b. Florida Coast shall instruct St. Joe to deliver the amounts of pulpwood and wood chips stated in Paragraph 1 above to third parties at destinations other than the Port St. Joe mill, and shall pay to St. Joe all additional delivery costs incurred for delivery to the third parties. Any savings in delivery cost realized as a result of the sale to a third party will be credited to Florida Coast. The specifications provided herein will apply to such deliveries.

4.2. The provisions of Paragraph 4.1 above are intended as liquidated damages, and specifically recognize that St. Joe incurs substantial costs, expense, and business interruptions if Florida Coast does not receive pulpwood or wood chips under this contract for a period in excess of thirty (30) days.

4.3. The provisions of Paragraph 4.1 above do not apply if the Port St. Joe mill is closed due to an Act of God or a force majeure event.

4.4. If Florida Coast does not accept pulpwood and wood chips under this Amendment Agreement from St. Joe, as set forth in Paragraph 1 of this Amendment Agreement, for any reason, including Act of God or force majeure, the weekly amount of wood fiber not accepted will be released and deducted from the volume for that contract year which St. Joe would otherwise be obligated to make available to Florida Coast.

5. SURVIVAL OF FIBER AGREEMENT.

5.1. All provisions of this Amendment Agreement take precedence over, control, and overrule any provisions of the Fiber Agreement with which they are in conflict.

5.2. Any provisions of the Fiber Agreement not in conflict with this Amendment Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed by their duly authorized officer on this 25th day of August, 1997.

Signed, sealed and delivered in the presence of:	ST. JOE TIMBERLAND COMPANY
/s/ Witness as to St. Joe	By: /s/
/s/ Witness as to St. Joe	Title: Vice President
	FLORIDA COAST PAPER COMPANY
/s/ Witness as to Florida Coast	By: /s/
Witness as to Florida Coast	Title: Chairman

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF ST. JOE CORPORATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
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