GM&O and IC Agree On Basic Merger Terms: Would Create System Of More Than 9,000 Miles

President Glen Brock of our Railroad and President William B. Johnson of the Illinois Central Railroad announced on October 2 that they had agreed on basic terms for a merger between the two railroads.

The announcement was made simultaneously from headquarters of the two railroads at Mobile and Chicago. Presumably the same running the Executive Committee of the two companies had approved a ratio for an exchange of stock of the two companies.

Actions by the Boards of Directors and Stockholders of the Companies will be sought promptly and the merger application will go before the Interstate Commerce Commission for a public hearing and its decision.

In their joint statement the two presidents said, "The consolidation is a logical one from all aspects. Each company has a background of more than one hundred years in a territory much of which is just now coming of age industrially. We feel certain that the merger will benefit shippers, stockholders, the public and employees alike."

"Together with our combined resources and long years of experience, we shall be able to be more efficient and more useful than ever before."

The combination of GM&O and IC would create a new single system of more than 9,000 miles in fourteen states. It would stretch from the Great Lakes at Chicago to the Gulf ports of New Orleans, Galveston, Pascagoula and Mobile. And it would extend in the Midwest from Albert Lea, Minnesota; Sioux Falls, South Dakota; Omaha, Nebraska; and Kansas City, Missouri; to Birmingham and Montgomery, Alabama, in the Southeast.

In an era in which the American railroad network is changing rapidly through mergers — 29 completed in the past ten years — the new proposed system would be in a much stronger position to compete successfully for business and continue to provide jobs, than either one would be separately.

The GM&O/IC merger has been actively discussed since 1962 and since July last Illinois Central has owned a controlling outstanding shares of GM&O common stock.

Under the terms of the stock exchange agreement approved on October 2 by the Executive Committee, the holder of each outstanding share of GM&O common will receive 50 shares of a new Illinois Central Industries (Illinois Central parent company) $6.00 cumulative preferred, a full share of which is convertible into three shares of Illinois Central Industries common. In effect, this produces an exchange ratio of 2.25 shares of Illinois Central Industries common stock for each share of GM&O common stock. The new cumulative preferred stock will be callable five years after the date of the merger at $100.00 per share, declining 1.00 each year thereafter, until $100.00 is reached, plus accumulated unpaid dividends, if any. GM&O preferred stock will be retired prior to the merger.

Merger are not an entirely new experience to GM&O. There was the consolidation of the Gulf Mobile and Northern with the Mobile and Ohio Railroad in 1946 when the GM&O had its origin. Then was the merging of the Chicago and Alton Railroad into the Gulf Mobile and Ohio Railroad in 1947. The intervening years have proven both were advantageous from all aspects.

Traffic Officer Gets Pin

Assistant Freight Traffic Manager L. A. Marlin (left) of our Chicago Traffic office receives his 50 year pin and gold pass from Vice President E. B. de Villers (center) and Assistant Vice President K. G. Gotteschaldt. The presentation was made at Mobile.

All of Mr. Marlin's service has been in the pricing section, with his first job as a clerk in East St. Louis. He was made Assistant General Freight Agent at St. Louis in 1953, transferred to Chicago in 1946 and made General Freight Agent there in 1954. He assumed his present position in 1959.

Promotions Announced in Operations and Traffic

A number of promotions have been announced in two departments recently.

IN THE OPERATING DEPARTMENT:

W. S. (Bill) Pipas has been advanced to the position of General Superintendent, remaining in Mobile. The announcement was made by Executive Vice President and General Manager R. Y. Bodie.

The new General Superintendent has been with the Company since 1957. Before being transferred to Mobile in 1964 as Assistant to General Superintendent, Mr. Pipas had wide experience as Trainmaster and Superintendent on the Eastern Division at Bloomington, Illinois. A graduate engineer, he came to GM&O from another railroad and his first position was as Assistant Superintendent of Signals. Later he was promoted to Superintendent of Signals and Communications.

W. C. Passmore, who has been in train service as a Switchman and an Engine Foreman at Mobile since 1955, was promoted to Trainmaster, Mobile Terminal area.

K. P. Bernard, Yardmaster at Chicago since 1960, was promoted to Assistant Trainmaster, Chicago. Mr. Bernard was first employed in 1955, in yard service.

M. C. Pace was promoted to Assistant Trainmaster, Meridian, Mississippi. Mr. Pace's first job with the Company was in 1948 and he was worked as a Switchman at Venice and Meridian before his promotion to Assistant Trainmaster.

TRAFFIC DEPARTMENT:

Gerald C. Stockey, Division Freight Traffic Manager at Springfield since 1960, was promoted to Freight Traffic Manager in Chicago. Mr. Stockey was Route Representative at Artesia, Mississippi in 1852 and promoted to Commercial Agent at Bloomington in 1959. Other announcements of Traffic Department promotions made by R. T. Tallman, General Freight Traffic Manager were:

Leonard F. Clemens from Commercial Agent at Jackson, Tennessee to Division Freight Traffic Manager at Springfield. His first job with the Company was in the Kansas City office in 1953 and in promotions in 1951 and 1955 he was made Clerk and Chief Clerk, respectively. He was transferred to Jackson, Tennessee as Commercial Agent in 1960.

Neil L. Hooker Jr., Freight Traffic Agent at New Orleans since 1966, was promoted to Commercial Agent at Jackson, Tennessee in an announcement by Division Freight Traffic Manager C. L. Garrard.

Charles J. McMillan, Commercial Agent at Memphis since 1956, succeeded Division Freight Traffic Manager Herbert N. Crooke, who retired after 47 years of loyal, dedicated and efficient service. Mr. McMillan was in the General Office Traffic Department in various clerical posi- (Continued on Page 2, Col. 1)
Depot on Mississippi State Campus Will Retain Tradition of Old Line

An old Mississippi State University landmark and seat of tradition is rapidly disappearing from the campus. Rails and ties of a 11-mile GM&O branch line from the main line at Artesia to Starkville are being removed at the request of the University and of the City of Starkville.

Built in 1915, three years before the College was founded, the little used tracks today occupy ground badly needed by the educational institution, which has expanded over the years on both sides of the railroad.

Serving the University side of Starkville and with practically no business intermediate to Artesia, the operation has been leased for several years. At the request of City officials, the University faculty and the Railroad, the Interstate Commerce Commission authorized its abandonment.

Associate Dean Henry P. Neal remembers in an article in the Jackson (Miss.) Daily News that when he was a student in 1922 "about all the students came by rail. In fact, anyone who lived as far as 30 miles away just about had to come on the old line."

"It used to be quite an occasion when the athletic teams would leave for a big game or tournament and we would give them a big send-off at the depot. A favorite method of celebrating—celebrating anything—was to rock the coaches back and forth on the tracks until it seemed they would topple...."

"Sometimes the students would soap the tracks just before the train was due to leave, and after a great deal of wheel spinning and braking, they would have to go out and spread sand on the track to get started."

Soon the last rail and the last tie will be loaded away, but the old depot on the campus will remain as a University office building and maintain some of the old tradition.

Promotions

Continued from Page 1

ions from 1947 until 1952 when he was made Freight Traffic Representative at Mobile.

Charles W. Smith and James B. Mitchell were both promoted by Mr. McMillan from Freight Traffic Agents to Commercial Agents at Memphis. Mr. Smith had been Freight Traffic Agent since 1963 and before that was a clerk in the office for one year. Mr. Mitchell joined the Company as C.T. 465 and was promoted to Freight Traffic Agent in 1966.

E. G. (Buddy) Browning, Freight Traffic Agent at Mobile, was elevated to the position of Commercial Agent by Division Freight Manager C. E. Thomas. Mr. Browning has been employed in various capacities in the General Office Traffic Department since 1957 and was Freight Service Agent when he was made Freight Traffic Agent in 1966, the position he held at his latest promotion.

Elmer A. Brautigam in a previous announcement by Assistant Vice President K. G. Gottschaldt on March 1 was promoted to General Freight Agent at Mobile. Mr. Brautigam has been with the railroad since 1925 when he went to work as a messenger in St. Louis. He held jobs as Clerk, Commercial Clerk and Commercial Agent being promoted to Assistant General Freight Agent in 1959, the position he held when elevated to the office of General Freight Agent.

PASSENGER DEPARTMENT:

A. T. Cermac, Passenger Service Supervisor at St. Louis since 1949, was promoted to Superintendent Dining and Parlor Cars in an announcement by Passenger Traffic Manager B. C. Pyle. Mr. Cermac has been with the Company since 1928 working on dining cars until he was made Supervisor Chef in 1949. He was promoted to Passenger Service Supervisor in 1958, the position he held when he was elevated to Superintendent of Dining and Parlor Cars.

150 Years of Service

Cloyd H. Sawyer, L. Ward Ballard and Claude O. Snook recently retired after more than 150 years of accumulated service, all at Roedhouse.

Mr. Ballard entered service Jan. 1, 1899, as a section laborer under his father, Charles E. Ballard, who was section foreman at that time.

Later, Mr. Ballard worked as warehouseman, ticket clerk, yard clerk and yard clerk. Two sons are G. M. & O. employees. Edward is a switchman in Glenn yard and Ward K., a carman at Roedhouse.

Mr. Sawyer entered service Oct. 6, 1916, as a crew caller. He went on to become chief clerk to the trainmaster, crew dispatcher, warehouse foreman and mechanical department clerk.

A son, Dr. William D. Sawyer, who is on the staff of the Rockefeller Foundation is currently serving as professor and chairman of microbiology in the Faculty of Medical Sciences, a new medical school in Bangkok, Thailand.

Mr. Snook entered service Aug. 11, 1923, as fire knocker. Later he served as fire builder, coal tippet operator and supplyman.

His two sons are employees of the G. M. & O. Wayne is yard clerk at Roedhouse and Jack is a rate clerk in Alton.

GM&O Train in Movie

We are receiving quite a number of letters from friends and rail fans all over the country telling us about a GM&O passenger train they have seen in a new movie called "In The Heat Of The Night."

It all goes back to September is year ago when the Muehle Corporation of Hollywood had a cast and crew on location at Sparta, Illinois. The locale of the story is a small town in Mississippi, but the director of the film, after a diligent search, concluded that downtown Sparta, Illinois and our Depot there looked more like Mississippi picturably than anything they could find in the Magnolia State.

For the scene showing a passenger train leaving the depot, the station sign was re-lettered to say Sparta, Mississippi. A diesel motor, a baggage car and two coaches were rented from us for the two days during which that particular scene was filmed. If you have a chance to see "In The Heat Of The Night" be sure to look for the GM&O passenger train.
WOODEN NUGGETS
GET MODERN HANDLING

Wood chips are a relatively new commodity for railroads to haul. As a result, new mechanical equipment is constantly improving the design of the freight cars that transport them. Like this high-sided and well-built new OR&N one at the top right in the picture at left, a customer, Inc., the St. Regis Paper Company has stepped out with this new car design that has been installed at the 2x-1,500 to 3,000,000 lbcp. paper and paperboard complex near Monticello, Mississippi.

Attending the initial demonstration of the dumper are the invitation of St. Regis Traffic Manager Paul Kiesler of Jacksonville, Fl., and Plant Traffic Manager Howard Hansen (third and fifth from left) were three representatives from C&O's Traffic Department, Commercial Agent John Langhorne of Noblesville, Mississippi, Assistant Vice President Eugene E. Dwyer and Vice President F. B. (Teddy) T. Willer, first, second and fourth from left, respectively.

Looking at the railcar and other wood working plans right-hand side in question mark is Charles B. (Chuck) France, Jr., Vice President, Rail Transportation, and Charles H. Peterson, President, National Paper Company in Chicago.

The majority of the wood that the big or small mills and平原-laid plans are large in this territory is receiving, grading, and loading in the railcars on its own.

However, the movement toward shipping the wood in Ohio from rather thin to the port is shown of right is entirely contrary. In Ohio, except for a handful of railroads, the wood is brought to the nearest rail or water. Once when shipped in Ohio, it is the railroads that really make the difference in the marketing cost to the mill. The railroads are in the programme in Michigan, Maine, and to a lesser extent to New York, New Jersey and Pennsylvania. A major portion of the remaining railroads will sell wood production land to the rail.

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A Glad and A Sad Day for Chet Clancy

It is a rare opportunity when The News gets so many General Office employees together at one time. The occasion, as Vice President and Comptroller Y. D. Lott put it, was one of mixed emotions; regret over the retirement of C. F. (Chet) Clancy, able and popular Auditor Disbursements after 39 years of service, and pleasure in the knowledge that he was embarking on his own choice on a new life of leisure.

E. A. Overby, Assistant Manager of Data Processing, and with 20 years of experience in various accounting capacities, succeeds Mr. Clancy. The golf woods and irons were presented from Mr. Clancy’s associates and presented at a noon-day coffee and cake get-together.

Ernest A. Chapman

The many friends of Ernest A. Chapman will regret to learn of his death in Mobile on August 15. As a member of the Passenger Department for a number of years he had a wide acquaintanceship all over the railroad. At the time of his passing he was Commercial Agent at Mobile, having transferred there from Dallas where he was both a freight and passenger salesman.

Nearly a million people hold railroad stocks and bonds. The industry’s rate of return on net assets has averaged 4 percent during the last 10 years — less than half that for regulated utilities and a third of that in general manufacturing. Today’s railroad plant represents an investment value, after allowing for depreciation, of $27 billion; it would take almost three times as much to build the present rail system from scratch.

Brothers Retire

Brother Harry V. and Herbert C. Booth retired almost simultaneously at Springfield, Illinois after almost 100 years of total service. Both began work in the freight agency, Harry on October 28, 1917 and Herbert on May 17, 1918. Harry has worked in the freight traffic office also and for the last several years has been in the ticket office. Herbert remained in agency work and was chief clerk upon retirement.

The bachelor brothers live together in their original homestead.