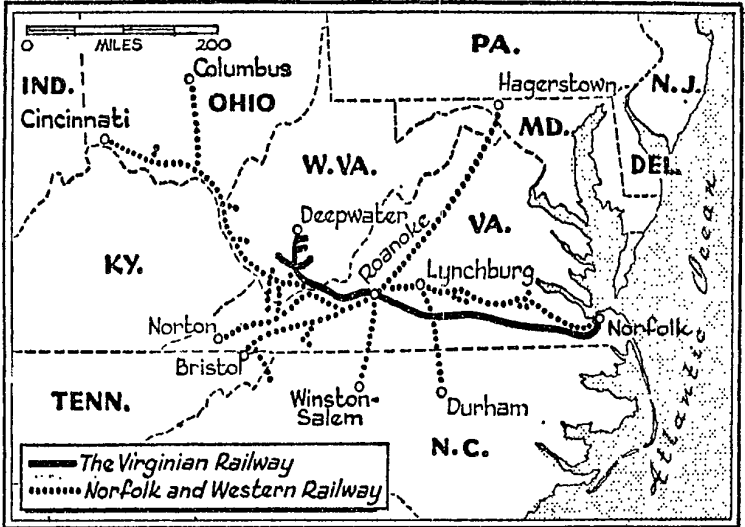


Norfolk & Western Considering Merger With Virginian Railway



The New York Times

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Routes of the Norfolk & Western and Virginian railways

The Norfolk & Western Railway and the Virginian Railway are weighing the possibility of a merger. The two roads carry coal from the southern West Virginia fields to the port of Norfolk.

The presidents of the two roads had planned to issue an announcement of the proposal for publication tomorrow. However, rumors of the possible merger circulated in Wall Street yesterday, and interest in the shares of the two carriers rose sharply.

Norfolk & Western climbed \$5 a share to a 1958 high of \$90.50 on the New York Stock Exchange after touching 92 during the day. The Virginian Rail-

way's stock rose 75 cents to close at \$40.62.

During the afternoon neither carrier would make any comment beyond the Norfolk & Western statement that it would issue an announcement today.

During the evening, however, Stuart T. Saunders, president of the Norfolk & Western, said over the telephone that a merger arrangement was being studied. Speaking for himself and for F. D. Beale, president of the Virginian Railway, Mr. Saunders said that "a merger presents most attractive prospects."

"Both railroads are sound financially," he said, "and a

Continued on Page 57, Column 3

2 COAL CARRIERS WEIGHING MERGER

Continued From Page 51

merger would add strength to strength. The two roads complement each other in the West Virginia coal fields."

The roads connect the fields with Norfolk, where much of the coal is trans-shipped to coastal steamers and to foreign ports. In addition, the Norfolk & Western lines run west to Cincinnati.

Both roads have been operating at substantial profits this year, while other Eastern roads have fared less well.

In the first nine months the Norfolk & Western cleared \$27,265,911, or \$4.73 a share, compared with \$34,456,993, or \$5.75 a share, last year. The Virginian had a profit of \$8,385,312, or \$2.28 a share, against \$13,698,214, or \$3.98, in the respective periods.

The new road, if the merger should become a reality, would be second only to the Chesapeake & Ohio Railway as a coal carrier.
