LOVETT NOW HEADS **UNION PACIFIC BOARD**

Vice President Succeeds Harriman-William Rockefeller and Mr. Schiff Elected Directors.

NEW PRESIDENT LATER A

Harriman Policies, with Some Modification, to Go On-Morgan & Co. Have Made No Demands.

Robert S. Lovett. Vice President and general counsel for the Union Pacific Railroad Company, was elected Chairman of the Executive Committee at a special meeting of the Directors yesterday to. succeed E. H. Harriman, whose right hand man in Union Pacific affairs Mr. Lovett had been for several years. William Rockefeller and Jacob H. Schiff were elected Directors to fill the vacancies caused by the deaths of Mr. Harriman and H. H. Rogers, and both Mr. Schift and Mr. Rockefeller were elected memoers of the Executive/Committee of the company, the membership of the committee having been increased from five to six for the purpose.

It is understood that the direction cf Union Pacific affairs on the financial side, and so far as policies are concerned, will hereafter be in the hands of Mr. Lovett and the Executive Committee, which is now composed of Mr. Lovett, (Chairman,) Henry C. Frick, Jacob H. Schiff, William Rockefeller, Marvin Hughitt, and Frank A. Vanderlip. Within a short time a President of the road will be elected to succeed to that office, which Mr. Harriman also held, and while the choice for this position, the duties of which will under the present scheme be largely of an operating nature, is still open, it is expected to fall upon either Julius Kruttschnitt, now Director of Operation and Maintenance of the Harriman lines, or J. C. Stubbs, Traffic Manager. Other names are mentioned in this connection, however, including that of L. V. Loree, President of the Delaware & Hudson, who was recently elected a Director of the Erie to represent Mr. Harriman's interests.

New Order Pleases Bankers.

In banking circles in the financial district yesterday the selection of Judge Lovett as Chairman of the Executive Committee and of William Rockefeller and Jacob H. Schiff as Directors and members of the Executive Committee was received with great satisfaction. It was generally believed that under the board as it now stands the fundamental policies of Mr. Harriman would be carried out without hitch and the integrity and high place of the Union Pacific in the railroad world maintained. As Chairman of the Executive Committee, which is the highest place in the company's service, Judge Lovett will be the actual head of the Union Pacific system, and, while he is a man of a different type from Mr. Harriman and educated along different lines, he has had much experience in railroad affairs and is thoroughly familiar with the ideas of Mr. Harriman. He is possessed of executive ability of a high order, coupled with conservatism.

Mr. Schiff, as the head of the banking house of Kuhn. Loeb & Co., withdrew, along with his partners, from all railroad directorates several years ago, announcing at the time that it was found too difficult for members of an active banking house to give the attention they felt necessary to so many, varied interests. Mr. Harriman's death has, so far as the Union Pacific is concerned, created a new condition, and in order to represent extensive holdings, not only of Kuhn Loeb & Co., but also of their European banking connections and clients, in both Union Southern Pacific, it was Pacific and deemed best that a member of the house should be in close touch with the property. A meeting of the Directors of the Southern Pacifie Company has been called for to-day, and, in addition to the election of Judge Lovett as Chairman of Exthe ecutive Committee of that company, to succeed Mr. Harriman, it is also probable that Mr. Schiff. or some member of Kuhn. Loeb & Co., will be elected a Director, to fill the vacancy caused by Mr. Harriman's death.

Morgan & Co. Not "Buying for Control."

Mr. Rockefeller's son, William G. Rockefeller, has been a Director of the Union, Pacific Road for a number of years, renresenting, along with Mr. Rogers directly, the so-called Standard Oil interests in the property. William Rockefeller's elecis, therefore, entirely natural, and, tion like Schiff, adds further that of Mr. strength to an already remarkably strong board. Yesterday's election settled for the time being, at least, the rumors which have filled Wall Street for a number of days, regarding the entrance into the Union Pacific board of representatives of Morgan & Co., for old rumors were replaced by new ones to the effect that the alleged "buying for control" on the part of the Morgan interests would be disclosed at the annual meeting of the Union Pacific in October, and their representatives thereafter put on the directorate. Commenting on this and other stories, a man in close touch with Union Pacific affairs said yesterday:

"No request for representation on the Union Pacific board was made so far as I have been able to learn, by Morgan & Co., nor has there been any outward evidence, at least, of any attempts on their part to obtain sufficient stock to control the road. Of course, they might be doing it quietly, but I think the whole story very improbable and not worth serious it consideration. "In only two ways is Mr. Harriman's death likely to be reflected in the conduct death likely to be reflected in the conduct of Union Pacific affairs. In the first place, it is very doubtful if any more properties are added to the already large list of those controlled by the Union Pa-cific, and again it is possible that the pol-icy as to construction of new lines may be somewhat, modified. Regarding the much discussed 'segregation plan,' my under standing is that it will be some time before anything is done in this connecbefore anything is done in this connection."

Judge Lovett Once a \$40 Clerk.

Judge Lovett's close connection with Mr. Harriman's policies really dates from his coming to this city in 1903. He had been the head of the legal department of the Union Pacific and Southern Pacific

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for some time previously. Born on a near Shepard, Texas, farm in the first year of the civil war, he became a railroad man before he was a lawyer. He began his railroad career as station agent of the Houston, East & West Texas Railroad in his native town, and it was while forty-dollar-a-month freight he was a clerk for the road at Houston that he studied law.

When he was admitted to the bar he formed a partnership with former Repre-sentative Charles Stewart, but soon re-turned to the railroad field as local counsel of the road which had first employed him. He eventually became gen-eral counsel of the road, and was soon afterward appointed assistant general counsel and then general counsel of the Texas & Pacific, remaining with the Gould road until he became a member of the firm representing the Southern Pacific.

One of the first results of his associa-tion with E. H. Harriman was his elec-tion to the Presidency of the Houston, East & West Texas. He then became East & West Texas. He then became counsel for the Southern Pacific, with of-fices in Houston, and it was from there E. H. Harriman brought him that to New York three years ago.

SLUMP IN CHICAGO SUBWAY.

Break in Shares of Company Harriman Was Interested In Unaccounted For.

Following a slump in the shares of the Chicago Subway Company on the Curb yesterday, which put the stock down from 16% to 10. word was received in Wall Street from officers of the company in Chicago denying rumors that some sort of reorganization was impending. a The slump in the stock accompanied heavy selling, and transactions of over 19.000 shares were reported yesterday here, while equally heavy amounts were sold in Chicago.

J. B. Russell of J. B. Russell & Co., who has been closely identified with the company since its organization, said yesterday that there was nothing in the condition of the company which would explain the market movement. He pointed out that shipments over the completed part of the company's freight tunnel system in Chicago had been growing steadily, and that receipts have been more than enough to meet expenses, and are taking care of fixed charges. Mr. Russell has recently inspected the property in Chicago, and that the dock terminal h will have a railroad said l properties, freight cawill have a railroad freigh of 800 cars, will be ready which pacity in a couple of weeks, materially increasing the company's business.

E. H. Harriman, who with the Armour! interests and others took control of the property about three years ago, has been dominant in its affairs, and his death was one of the arguments used on the Curb yesterday in accounting for the weakness of the stock. Mr. Russell said that there was no rea-son why the property should be affected

by Mr. Harriman's death, explaining that the policies laid out by Mr.Harriman the property are when first he entered

when first he entered the property are well on the way to completion. When the Harriman and Armour inter-ests took control the company contem-. plated putting into operation at once the twenty miles of freight tunnels then com-pleted, which connected the business dis-trict with the company's dock terminal property. Mr. Harriman, it was explained vesterday, insisted upon the connections yesterday, insisted upon the connections with the railroad freight terminals being completed first, which necessitated the building of forty additional miles of tun-nel. The company is now operating be-tween the railway freight houses and its own distributing centres in various parts of the business districts of Chicago.

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