

GRISCOM IS NO LONGER HEAD OF SHIP COMBINE

New York Times

Wednesday 24 February 1904

J. Bruce Ismay is Chosen for Its President

FREE HAND FOR THE NEW MAN

His Predecessor Remains in the Company as Chairman of the Board of Directors---Ismay to Live in New York

Clement A. Griscom resigned yesterday as President of the International Mercantile Marine Company and the Directors elected J. Bruce Ismay, managing Director of the White Star Line, to succeed him. Mr. Griscom was elected Chairman of the board.

Mr. Griscom, who has been ill at his Haverford home, near Philadelphia, for two weeks, said last night that his indisposition would not allow him to make any extended explanation of his resignation.

"I have simply carried out my intentions," he said. "When I accepted the Presidency of the International Mercantile Marine Company it was with the understanding that I should be allowed to retire as soon as a satisfactory organization could be determined. That has recently been arranged."

By those familiar with the company's affairs it has been said that J. P. Morgan, whose firm financed the undertaking, was desirous personally that Mr. Griscom should assume the Presidency of the combined White Star, American, Red Star, Atlantic Transport, and Leyland lines. Mr. Griscom, it is said, wanted to give up office after the work of organization was completed. He has pressed this matter recently, and it was reported several times that he actually had resigned.

Mr. Ismay arrived here from England two weeks ago, and the rumor was again revived that he was to assume the Presidency of the shipping combination. Mr. Ismay, however, would not discuss the matter, and the announcement was made that he had come over to inspect the Boston Dominion Line service, which shortly before had been taken over by the White Star Line. He was met then by Mr. Griscom, and they had a long conference at the dock.

Mr. Ismay, it was announced, will make his home in this country, and the home office of the International Mercantile Marine Company, now in Philadelphia, will be moved to the Whitehall Building, in Battery Place, where the combined offices of the company are to be situated.

It is understood that the new President will have a free hand and unlimited power in the direction of the company's affairs, and that a number of the committees which have had much power in the management will be done away with.

Mr. Ismay sails for England this morning on the White Star liner Cedric. He will settle up his personal affairs there, returning to country in a few weeks to take up his permanent residence.

This change in the management of the big combination follows close upon the action of the company in bringing to this port the Pacific Coast fleet of the American Line, and the appointment of George H.

Higbie, Pacific Coast manager, to be manager of the combined American and Red Star Lines at this port.

The American Line, whose President was Mr. Griscom, while the General Manager was his son, Clement A. Griscom, Jr., has been dominant in the management of the affairs of the combination, of which Mr. Griscom was one of the principal promoters, and a succession of accidents to American Line vessels created a feeling of dissatisfaction among the shareholders with the predominance of American Line officials among the officers of the greater company.

Mr. Griscom's friends, however, deny that he has been forced to step down from the Presidency. It has been his life-long ambition, they say, to bring under one management the greatest steamship combination in the world, one that could handle adequately itself the North Atlantic passenger and freight traffic without such waste of the duplicated service as might be deemed inseparable from the competitive system.

The retiring President has been concerned in the active management of steamship traffic ever since he was twenty-one years old, when, in 1863, he was made a partner in the firm of Peter Wright & Sons, shipping merchants. In 1871 he began to operation of the American Line with the Indiana, Pennsylvania, and Ohio, which were the only steamships flying the American flag on the North Atlantic, and which were so well built that they are still in active service.

It is claimed for Mr. Griscom that during these forty years he never lost a ship, passenger, or a bag of mail. In 1888 Mr. Griscom started a new American line, buying out the Inman, and the American flag was raised by President Harrison on the steamships New York and Paris. Later the St. Louis and St. Paul were built at the Cramp yard, of which Mr. Griscom is a Director.

President Cleveland attended the launching of the St. Louis, which was christened by Mrs. Cleveland. Mr. Griscom also was the principal owner of the Red Star Line. Three years ago Mr. Griscom secured the co-operation of J. Pierpont Morgan, and steps were laid for the foundation of the International Mercantile Marine Company.

Mr. Ismay hesitated about assuming the Presidency because it necessitated his giving up his English home, and finally accepted only through the persistent urging of their friends. Although a young man, Mr. Ismay is generally recognized as one of the leading steamship managers in the world. He succeeded his father as head of the firm of Ismay, Imrie & Co., whose vessels are operated between England and Australia, England and America, and between San Francisco and the Orient.

J. P. Morgan & Co. announced the details of the organization of the International Mercantile Marine Company Oct. 1, 1902. As a matter of fact, no new company was organized, but the International Navigation Company, a New Jersey corporation comprising the American and Red Star Lines, had its name changed. The capital stock was increased to \$60,000,000 preferred and \$60,000,000 common stock, and an issue of \$50,000,000 in 4 1/2 per cent. bonds was authorized. The stock was taken up by those interested in the combination, and the bonds were taken care of by a syndicate.

The lines in the combination are: White Star Line, American Line, Red Star Line, Leyland Line, Atlantic Transport Line, and Dominion Line.

The Board of Directors is composed of eight Americans and five Englishmen, the representation being about proportionate to the capital subscribed by the Americans and British.

After its formation a working agreement as to rates was made with the Hamburg-American and North German Lloyd Lines, and later on with the French Line. Much opposition was encountered in Great Britain, and fear for British ascendancy on the seas was expressed in the House of Commons. The

Cunard Line, which is not a member of the combination, was heavily subsidized in order to allow it to build two twenty-five-knot steamships to compete with the combination.

Finally an agreement was made between the International Company and the British Government, which made permanent the British interests in the combination. Premier Balfour announced that the British ships would be manned by British seamen, should fly the British flag, and that half the contemplated new tonnage should be British.

Courtesy of Mark Baber

Copyright Encyclopedia Titanica - www.encyclopedia-titanica.org 1996-2011 and third parties (ref: #2375)

URL : <http://www.encyclopedia-titanica.org/griscom-is-no-longer-head-ship-combine.html>

PDF edition provided for personal reference only.

