PRITCHARD NAMES SEABOARD RECEIVERS

R. L. Williams and S. D. Warfield, Baltimore Bankers, Are in Charge of Crippled Road.

RYAN'S POLICY IS BLAMED

Ex-President Williams Contended That Financier's Course Tended to the Ruin of the Property.

Special to The New York Times.

RICHMOND, Va., Jan. 2.—Judge Pitchard of the United States Circuit Court today named R. Lancaster Williams of Richmond and S. Davies Warfield of Baltimore as receivers for the Seaboard Air Line. Both men are identified with banking houses in Baltimore, Williams is of the firm of Middendorf, Williams & Co. and Warfield is President of the Continental Trust Company. Williams is also a partner of the firm of John S. Williams & Sons of this city. The bond of each was fixed at $50,000.

Judge Pritchard's decree gives the receivers immediate possession of the property, which embraces the main stem from Portsmouth, Va., to Tampa, Fla., with numerous branches to coast points on the east, and Atlanta, Montgomery and Birmingham on the west, a total of 2,382 miles.

To-night John Skelton Williams, a member of the voting trust, whose views as to the finances of the road have all along been at variance with those of the Ryan interest, gave out a statement saying the present situation is the logical result of the policy pursued by those in control during the last few years.

The preliminaries to the appointment of receivers for the Seaboard form a dramatic incident. Decision to put the road into the hands of receivers was reached at a conference in Washington on Tuesday night between members of the voting trust and creditors of the road, both the Ryan and Williams forces concurring. Then came the search for Judges to grant the order, resulting in the night ride of Judge Pritchard.

John S. Williams's Statement.

John Skelton Williams, ex-President of the Seaboard Air Line, said to-night:

"In no spirit of boasting, but as evidence for those who are interested in Seaboard securities that my opinions on the affairs of that system are well founded, I ask attention to the fact that my predictions of the course of the property and the results of its financial and operating management in recent years have been fulfilled exactly.

"The passing of the Seaboard Air Line system from the control of Messrs. Ryan, Blair, and Coolidge, into the hands of officers of the court is not an event which should cause stockholders alarm or discouragement. This is not a case where the unexpected has happened, but the present situation is the logical result of forces which have been at work during the past four years. It is hoped that all interests may now unite upon some plan and platform which may look to the speedy rehabilitation of the system and the carrying out of some scheme which will produce the most satisfactory results to all security holders of every class, and without unjust discrimination. Business, like politics, makes strange bedfellows.

"My confidence in the possibilities of the system, under proper management, is unshaken. For the calendar year 1907 the Seaboard Air Line Railway and its affiliated lines earned approximately $19,000,000. On this basis of earnings, over $6,000 per mile, the system ought to be operated at an expense ratio of approximately 70 per cent. or less. On this basis net earnings for the past year would have been $5,700,000, or nearly $2,000,000 in excess of fixed charges. With the return of normal business conditions and the tremendous development which has been going on vigorously for the past ten years in the entire territory traversed by the Seaboard Air Line system, the arrest of which development can only be temporary, I believe that results still more favorable than these may be confidently expected."

Charges Against Ryan Policy.

Ryan and John Skelton Williams, then President of the system, differed sharply from the very beginning of their association. Williams has contended all along that the Ryan-Barr policy tended to the ruin of the property and the absorption of all its real life and cash value by the New York interests. In various published circulars, he has charged that those forces financed the system in such a way as to promote their own interests to the detriment of the stockholders; that they forced on it unnecessary expenditures and loans at exorbitant rates of interest and on ruinous commission; that they used bonus stock issued to themselves with unnecessary bond issues to hammer down the prices of the securities and drive the Richmond and Baltimore firms to the wall.

A statement was issued to-day by Judge Leigh R. Watts, general counsel of the Seaboard Air Line Railway; James Byrne, advisory counsel; Samuel Untermyer, as counsel for the Continental Trust Company of Baltimore, which is the Trustee of the first mortgage and for various interests, and by John Skelton Williams, on behalf of the security holders represented by him. It says in part:

"The order making the appointment requires the receivers forthwith to pay the coupons on all underlying bonds that mature on Jan. 1, 1908, and the installments on car trusts and equipment notes. The receivers have power to borrow money for that purpose. There were $764,000 of such payments due, and this step is essential to preserve the integrity of the system, which is the purpose of the receivership. In order to avoid embarrassment and delay to holders of underlying bonds the New York interests in the property represented by Ryan, Blair, Ladenburg-Thalmann & Co. and associates, and the Baltimore interests represented by Warfield and his associates, have supplied the money for the purchase of the coupons until the receivers can provide for the payment and cancel the coupons.

"The company has outstanding about $1,000,000 in past due vouchers and has a floating debt of about $3,000,000. It was being pressed by its creditors, and had not the credit or resources with which to borrow. The condition of the money market, together with the curtailment of net earnings and extraordinary expenditures, has seriously affected the revenues of the company and it has become manifest if the system is to escape disintegration and be developed as its opportunities permit there must be a readjustment of its securities, which will give them the stability and value to which they are entitled."

BANKERS DENY DISSENSIONS.

Expect That Committees Will Represent All Interests in the Company.

Bankers identified with the Seaboard Air Line said yesterday that no plan has yet been formulated for the readjustment of the road's finances, which will be necessitated by the appointment of receivers. It is assumed that in the near future committees will be appointed to care for the interest of the stockholders and of the bondholders as well, but the bankers said that no thought had yet been given to the details of this matter. The reports that dissentions existed within the company over the receivership were denied on all sides yesterday, and it was added that the committees which are expected to be formed will include in all probability representatives of all the interests in the company.

Wall Street was much interested in the fact that the naming of one of the two receivers appointed for the road was given to the Williams interests. That this course was followed without the opposition of the banking interests identified with the property was regarded as an indication of a desire on the part of those interests to have the readjustment of the road's finances conducted on lines which will meet the approval of all the interests in the property.

The clause in the receivership order giving the receivers authority to borrow money with which to meet maturing interest and equipment trust installments is intended, it was said, to provide a way for repaying to Blair & Co. and Ladenburg, Thalmann & Co. the moneys advanced for the purchase of those coupons which fell due yesterday and for the payment of the equipment trust installments.

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