

DOHERTY DISAVOWS 'ONE-MAN CONTROL'

**Cities Service Can Get Along
Without Him, He Says in a
Letter to Stockholders.**

HAS QUIT ACTIVE ROUTINE

**Company Reports Net Earnings of
\$26,507,121 as Its Record for
Twelve Months.**

Henry L. Doherty, President of the Cities Service Company, whose serious illness on March 3 was used as a pretext by professional traders to bring about a sensational break in the common stock of that company, has addressed a letter to stockholders of his companies describing the condition of his health and announcing that he never expects again "to take an active part in the routine work" of the business.

He denied emphatically that the Cities Service Company was a "one-man concern" and insisted that his organization had been so perfected that it would function perfectly without him. He intimated that on account of his health it had become necessary for him virtually to retire from active business and said that he was "still unable to conduct business in the ordinary way." He regretted that he was not on the "firing line" when the attempt was made to raid the company's stock.

Credits Others in Organization.

"The last thing I want to do is to say anything that may sound like criticism of others," Mr. Doherty told his stockholders. "I am not an impatient man and am not given to making impatient statements, but I have got to the point where it is hard for me to preserve the semblance of good humor when somebody makes a statement that Cities Service Company is a 'one-man concern.' There are many reasons why I have been so closely associated with the Cities Service Company in the public mind that perhaps many people never think of one without thinking of the other, but when people talk about a one-man concern they mean a concern that cannot carry on without some single individual.

"I am perfectly willing that you should go for verification of what I say to our own competitors, and I do not think that there is any question but what they will say that the Cities Service Company does not deserve the reputation of being a one-man concern. It is possible to have organizations and aggregations. We have an organization well knit together, most of the men having been associated with our concern since they left universities. We have done at least more than our share of training the men who make up the great army who carry on the public utility business of the country, and if there is any one concern that could carry on under any or all circumstances regardless of what happened to me, or what happens to other prominent men in the Cities Service Company, it is the Cities Service Company, and you will do me a great favor by asking these questions of the men who are in the public utility business and who know what they are talking about, and you will do me a very great favor if you can find a single man who does not admit that this is one concern that does not depend on the life or health of any single individual to continue to carry on its operations.

Tells of His Illness.

"It is true that I am sick, but there has never been any attempt at any time to deceive anybody about the real conditions. On the other hand, there has been no reason to advertise them. I have been a sufferer from rheumatism practically all my life, or at least that is what it was called. My first severe attack was when I was 23 years old. Since then even that name seems to have gone out of fashion, and what I have now resembles in every way, so far as I can see, what I had then, but they now call it 'arthritis.' As long as others have seen fit to make a statement of the seriousness of my illness, I will admit frankly that I have been in Johns Hopkins Hospital since the latter part of December. I am still unable to conduct business in the ordinary way. It may be some time before I can be back on the firing line; however, business will go on without me. Business will also go on if other members of the staff are taken sick.

"At all times my business affairs have been provided for by will and by provision for trustees. If anything should happen to me now, or at any other time, there is no reason why it should lessen the intrinsic value of the securities of the Cities Service Company by a single dollar. I have taken no part in the routine work of the Cities Service Company since the United States got into the World War, and never expect again to take an active part in the routine work."

Mr. Doherty asks that he be "let alone." "I wish," he says, "I could write a reply to every letter that is written to me and to see every person who asks for an interview, but I cannot carry on my work under the present conditions unless given a reasonable amount of privacy. I am better and my physicians have given me permission to go any place I may select. If people want to transact business with me and insist upon doing so at Johns Hopkins Hospital, I will be simply compelled to move elsewhere and conceal my location until I can force every one to take up his business matters through my office."

Since Mr. Doherty's letter was written to his stockholders he has gone to a health institute at Battle Creek, Mich.

Company's Financial Report.

Net earnings of the Cities Service Company for the twelve months ended on Feb. 28 amounted to \$26,507,121, making it the best year in the company's history. This sum was 36 per cent. more than the \$19,420,237 earned in the previous twelve months. Gross earnings were \$27,521,058, against \$20,215,041.

Net earnings in February were \$2,567,013, a record for the month, and 46.8 per cent. more than in February, 1926, when they were \$1,747,975. The amount applicable to stock and reserves after preferred dividends was \$1,806,032, an increase of 70.7 per cent. as compared with the \$1,057,888 reported for February, 1926.

Interest and discount on the company's debentures were earned more than ten times in the twelve months ended on Feb. 28. The net amount applicable to common stock and reserves for the period was \$17,489,637, equivalent to 22.22 per cent. on the average amount of common stock outstanding, or \$4.44 a share on the \$20 par common stock. This compared with \$11,752,019 for the previous twelve months, which was equivalent to 15.83 per cent., or \$1.16 a share, on the common stock then outstanding.