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ORIGINAL

Decision No. 10794.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CHOWCHILLA PACIFIC RAILWAY COMPANY)
to sell its railroad, rolling stock,)
rights of way, franchises, etc., to)
FRANK G. DRUM)

Application No. 8030

E.J. Foulds, for Applicants.

BENEDICT, Commissioner.

O P I N I O N

In this Application the Railroad Commission is asked to make its order authorizing the sale and transfer of the railroad, rights and properties of CHOWCHILLA PACIFIC RAILWAY COMPANY to FRANK G. DRUM.

Chowchilla Pacific Railway Company was organized on or about May 6, 1913, for the purpose of constructing and operating a standard gauge railroad from Chowchilla, on the line of the Southern Pacific in Madera County, to a point known as Dairyland on the Chowchilla Ranch, a distance of about ten miles. It appears that the road was constructed at a cost of \$105,827.90 and that it has been operated primarily for the transportation of agricultural products from the property along its line. The record shows that its operations have been conducted at a loss.

The testimony of O.A. Robertson, president of Chowchilla Pacific Railway Company, shows that all of the company's outstanding stock, amounting to \$10,000.00 is held by United States Farm Land Company, and that this company, whose business is strictly of a land nature, is inexperienced in operating a railroad and cannot give the

service required of a common carrier.

For these reasons it has been decided to sell the railroad properties. Frank G. Drum has agreed to purchase such properties for \$50,000.00 and to operate them thereafter as a common carrier. It is thought by applicants that the proposed transfer of properties to Mr. Drum will result in their being operated for the better interest of the public than they are at present.

I submit the following form of Order:

O R D E R.

Application having been made to the Railroad Commission for an order authorizing the transfer of properties, a public hearing having been held and the Railroad Commission being of the opinion that the application should be granted as herein provided;

IT IS HEREBY ORDERED, that CHOWCHILLA PACIFIC RAILWAY COMPANY be, and it is hereby, authorized to sell and transfer all of its properties, referred to in this application, to FRANK G. DRUM for \$50,000.00, and FRANK G. DRUM be, and he is hereby, authorized to acquire such properties.

The authority herein granted is subject to the following conditions:

- 1.--The price at which the properties are herein authorized to be transferred shall not hereafter be urged before this Commission, or other court, or public body, as a measure of value in fixing rates or for any purpose other than the transfer herein authorized.
- 2.--Frank G. Drum shall file with the Commission a certified copy of the deed by which he obtains title to the properties he is herein authorized to acquire.

3.--The authority herein granted shall apply only to such properties as may be transferred on or before December 31, 1922.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 29th day of July, 1922.

H. C. Amundson
James Martin
Robert H. Brown
J. T. Amundson

Commissioners.