

In the matter of the application
of the Inland Navigation Company
for an order authorizing issue of
stock.

Decision No. 120

Application No. 105.

Decision No. 120

Appearances.

J. C. Myerstein for Applicant.

LOVELAND-COMMISSIONER.

OPINION.

Applicant purchased a stern wheel steamer known as the Wapa City from the Bank of Wapa for Nine Thousand, Seven Hundred and Fifty Dollars (\$9,750.00). The bank had taken the steamer under foreclosure proceedings on a mortgage given to secure a loan, and the time had nearly elapsed that it could hold the boat under the law, so that applicant claims that by reason of the bank being compelled to sell the steamer it was purchased by applicant for less than its real value, which applicant claims is between Ten Thousand (10,000) dollars and eleven thousand (11,000) dollars. Applicant is a corporation composed of four men, namely; Joseph Palacin, J. J. Thiebaut, A.D. Little and E. J. Linden, holding equal interest in the corporation.

None of these gentlemen were present at the hearing, being represented by their attorney, Mr. Myerstein, who claimed to have as intimate a knowledge of all of the circumstances and details concerning which the Commission would want information as any one of the incorporators.

Mr. Myerstein testified that he was competent to judge of the value of the boat and that he considered it worth between Ten Thousand (10,000) dollars and eleven thousand (11,000) dollars. I believe the boat may fairly be considered as worth Ten Thousand, Five Hundred (\$10,500.00) Dollars.

In addition to this investment applicant has secured contracts from the Sperry Flour Company and from the Selby Smelting Works to furnish transportation for the products of those companies, the securing of which contracts applicant claims involved considerable time and effort, and upon this investment, to wit: the steamer and the two contracts, applicant asks for an authorization to issue Two Hundred (200) shares of common stock of the par value of One Hundred Dollars (\$100.00) per share or a total of Twenty Thousand Dollars (\$20,000.00). The contracts are for one year each.

It must be borne in mind that in fixing the rates and fares which it will charge the public as a common carrier, applicant may reasonably be expected to ask for such rates and fares as will give fair returns upon its investment, and in view of this fact I am of the opinion that this Commission cannot consistently permit applicant to capitalize its contracts in the manner asked for.

Mr. Myerstein testified that it took Mr. Linden about two months to secure the contracts and make the arrangements for operating the boat. I believe that if we consider their investment for boat and contracts Twelve Thousand Dollars (\$12,000.00) it will be fair both to applicant and to the public, and so hold.

Order will issue accordingly.

O R D E R .

Application having been made to the Railroad Commission of the State of California by Inland Navigation Company for an order authorizing the issue of Two Hundred (200) shares of its capital stock of the par value of One Hundred Dollars (\$100.00) each, and a hearing having been duly held upon said application, and it appearing to the Commission that the issue of One Hundred and Twenty (120) shares of said stock having a par value of Twelve Thousand (12,000) Dollars is reasonably required for the

