

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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FRANK WILLIAMS and
JOHN W. RANNAY,

Complainants,

vs.

LOS ANGELES & SAN DIEGO BEACH
RAILWAY COMPANY,

Defendant.

No. 265.

Frank Williams for complainant.
Leovy & Leovy for defendant.

TEEBLEN, Commissioner.

O P I N I O N.

The complaint in this case attacks defendant's passenger rates, freight rates, service and equipment. The passenger rates are alleged to be unjust and unreasonably high and discriminatory as between various localities on defendant's line of railway. These rates are alleged to be so high that owners of property at Pacific Beach, Bird Rock and other points on defendant's line of railway are unable to build and live on their property. The freight rates are alleged to be unreasonable and the service and equipment are alleged to be inadequate. Particular complaint was made at the hearing that the equipment is out of date and unserviceable and that sufficient trains are not run to serve the needs of the public. Complaint is also made that all of defendant's cars and trains do not stop at the station of Seaside and this Commission is requested to direct defendant to stop all its trains at Seaside and to print the names of all of its stations, including Seaside, on its time tables and conductor's tickets. Defendant in its answer denies all the material allegations of the complaint and avers that

all of its rates are just and reasonable and non-discriminatory and that its service and facilities are adequate. The hearing was held on June 3, 1912 in San Diego. Subsequently, in response to the Commission's request, defendant filed a statement dated July 2, 1912, showing ⁱⁿ detail from the beginning the cost of the construction and acquisition of the railway property now being operated by it. Being convinced that important material facts in this case were not as yet before the Commission, I directed the Commission's auditor to make an examination of defendant's books. The examination has been made and the auditor's report is now at hand.

I find that the relation which exists between defendant and the people living along its line of railway is one of disadvantage to both. Neither side has been willing to help the other as it should. Defendant has in times past failed to provide proper shelter for its passengers or their property or to attend properly to their comfort or to treat them with the courtesy and consideration which the owners of a property devoted to the public service owe to the public. Defendant's passenger rates have been higher than an enlightened business policy would justify and have contributed to a considerable extent to retard the development of the territory which defendant serves, while other sections adjacent to San Diego have gone forward with leaps and bounds. On the other hand, I find that members of the public have made demands on the defendant which have been out of all reason in view of defendant's financial condition and that the impressions which quite a number of defendant's patrons entertain concerning the cost of its property and its net earnings vary widely from the truth. It is clear to me that the solution of the problems which confront defendant and its patrons lies largely in electrifying the railway either by its present owners or by capitalists who may be willing to take over the property and to spend the \$100,000 or thereabouts which will be necessary to this end: but I am equally clear that it may be difficult to accomplish this desired result unless defendant and its patrons forget their past differences and work together for the common good. In view of

the widely diverging views concerning the material facts of this case, and prompted by an earnest hope that a full presentation of the facts may remove existing misapprehensions and misunderstandings and induce the parties henceforth to work together, I shall present the facts in greater detail than is usual in cases of this kind.

The Los Angeles and San Diego Beach Railway Company owns and operates a line of broad guage railway running between the foot of C Street in San Diego and La Jolla on the Pacific Ocean, 14.1 miles. The company also owns and operates a line of street railway of about 1.8 miles in the business portion of the city of San Diego running from its depot at the foot of C Street easterly along C Street to 5th Street and thence southerly and southeasterly to the tracks of the San Diego and Southeastern Railway at the foot of 9th Street. Until recently steam has been the sole motive power used on what may be called the La Jolla line, between the foot of C Street in San Diego and La Jolla, but within the last few years defendant has bought two gasoline motor cars, which now carry a large portion of the passenger traffic. Defendant's street railway line in the business portion of San Diego is operated by electricity.

The first portion of the line of railway now owned and operated by defendant was a street railway which ran from Arctic and D Streets in San Diego to Washington Square Plaza in Old Town and which was constructed in 1887 and 1888 during what was known as "The boom." In 1888 the Pacific Beach Railway Company, which was owned by Colonel A. G. Cassen and several other land owners of Pacific Beach, built a line of steam railway from the Washington Square Plaza in Old Town to Ocean Front at Pacific Beach, in connection with the old race track at Pacific Beach and to aid in the disposition of the properties of the owners at that point. These two railroads were then consolidated into the San Diego, Old Town and Pacific Beach Railway Company. In 1893 and 1894 the railway was extended from Ocean Front, in Pacific Beach, a distance of some four and one half miles to its present terminus at La Jolla, and the entire property was taken over by a new corporation known as

the San Diego, Pacific Beach and La Jolla Railway Company. In 1898 or 1899 the stock in this corporation was bought by Mr. E. S. Babcock. In 1905 or thereabouts, Mr. Babcock also constructed defendant's present street railway in San Diego, which was planned to be the first link in a line of railway to be constructed between San Diego and Los Angeles. In April, 1906, Mr. Babcock incorporated the Los Angeles & San Diego Beach Railway Company, the defendant in this case, and turned over to it both the La Jolla line and his electric line in the business portion of San Diego, in return for stocks and bonds of defendant company, as will hereafter appear in greater detail.

Defendant's total authorized capital stock is 20,000 shares of the par value of \$100 each. Of the amount so authorized, 7110 shares having a par value of \$711,000 are now issued and outstanding. Of the shares so issued, 5460 shares, of which Mr. Babcock received all except 8, which were issued to qualify four other directors, were issued in exchange for the property consolidated into defendant company as follows:

San Diego, Old Town and Pacific Beach Railway-----	\$250,000.00
San Diego, Pacific Beach and La Jolla Railway-----	151,000.00
Mr. Babcock's electric line in San Diego-----	165,000.00

	\$546,000.00

The amount of stock so issued was far in excess of what these properties had cost Mr. Babcock and considerably in excess of their real value. The remaining 1650 shares of stock constitute the original subscription of stock by the incorporators of the defendant. The certificates of stock representing these shares were all endorsed "10% paid in." Apparently 90% is still due on the subscriptions. The present ownership of defendant's capital stock is as follows:

	<u>Issued for Property</u>	<u>Issued for 10% cash</u>	Total
E. S. Babcock	5452 shares	1646 shares	7098 shares
Mrs. Isabella Babcock	2 "	1 "	3 "
Clara L. Ingle	2 "	1 "	3 "
J. L. Stroup	2 "	1 "	3 "
R. B. Talbot	2 "	1 "	3 "
	<u>5460 "</u>	<u>1650 "</u>	<u>7110 "</u>

Shortly after the time of the defendant's incorporation, bonds of the face value of \$546,000 were also issued by defendant to Mr. Babcock in return for the same property covered by the stock, but in June, 1909, these bonds were cancelled, together with accrued interest amounting to \$81,050.00. Defendant has outstanding an indebtedness as of June 30, 1911, amounting to \$152,946.63, on which it pays interest at the rate of 7% per annum. All moneys expended for construction since 1906, in so far as necessary to be borrowed, have been advanced by Mr. Babcock, who has been credited monthly with 7% interest. His interest credits have amounted during his ownership ^{about} to \$29,298.24. His cash advances ceased in the fall of 1910, since which time he has withdrawn ^{about} \$62,270.78, which amount has been partially refunded to the defendant through the sale of various notes in favor of different San Diego banks, totalling \$44,000. The cost of defendant's property has been a matter of very considerable confusion and uncertainty. The estimates of various witnesses for complainants and others are as far below the truth as the returns given in certain of defendant's annual reports filed with this Commission are in excess of the real cost. In response to the Commission's request, defendant filed with it after the hearing a carefully prepared and itemized statement showing in considerable detail ^{actual} the cost of construction and acquisition of the property now owned and operated by defendant. I believe this report with the exception of item covering replacement of rails, to which reference will hereafter be made, to be substantially correct. A summary of its items is as follows:

1. Cost of construction of property of San Diego, Old Town and Pacific Beach Railway Company,

	from Arctic and D Streets, San Diego to Ocean Front, Pacific Beach- 1887-1903-----	\$126,024.02
2.	Cost of construction of property of San Diego, Pacific Beach & La Jolla Rail- way Company, from Ocean Front, Pacific Beach, to La Jolla - 1893-1898-----	25,046.44
3.	Cost of construction of C and 6th Street electric line built by Mr. Babcock, together with electrified San Diego terminal of San Diego, Old Town and Pacific Beach Railway along Arctic Street between D Street and Cedar Street - 1903-1906-----	66,318.64
4.	Moneys expended by defendant in con- struction since April 1906.	
(a)	Fourth and F Street construction-- 1908-----	24,138.34
(b)	Additional C and 6th Streets con- struction, 1906 and 1909 -----	10,040.58
(c)	Construction within San Diego yard limits since 1906-----	16,539.53
(d)	Arctic Street Hill - elevation re- duced and approach raised about 1907-----	2,281.36
(e)	Middletown cut-off- about 1906----	2,625.00
(f)	Old Town, near cemetery, new location of curb - about 1908-----	580.60
(g)	Old Town, new location through, eliminating sharp curves and crossing of plaza - about 1907 and 1909-----	4,860.58
X(2)	Raising and widening embankment through low lands, between San Diego River Bridge and Morena -about 1907-----	4,582.49
(i)	Improvements at Morena and fills for Old Town and Pacific Beach cut-off- about 1907-----	1,330.52
(j)	Pacific Beach cut-off across race track- about 1907-----	23,287.64
(k)	Widening embankment at Pacific Beach-- about 1908-----	475.00
(l)	Bird Rock - new spur - about 1907----	70.34

(m)	Y, side tracks and engine house at South La Jolla - about 1906, 1907, 1908-----	\$ 5,167.15
(n)	Loop in La Jolla Park, side tracks and depot property - about 1907 and 1908 1908-----	14,652.19
(c)	Various construction charges - 1906 - March 1912-----	1,427.03
(p)	General expense - 1906 - March 1912---	7,241.05
		<u>119,299.40</u>
5.	Moneys spent for equipment.	
(a)	October 1, 1888 - 1903-----	39,951.17
(b)	1905 - 1906 -(including 2 electric cars and equipment, \$7330.59)-----	7,824.49
(c)	1906/1912 -(including 2 gasoline motor cars, \$37,744.84)-----	42,295.51
		<u>\$90,071.17</u>
	Credit two flat-cars sold,---	300.00
		<u>\$89,771.17</u>
	Flat cars received from E.S. Babcock in 1906-----	7,941.11
		<u>97,712.28</u>
6.	Material on hand-----	7,447.63
	Total moneys expended in construction and acquisition of property-----	441,848.41

It should be remembered that the above figures represent the cost of the property now running over a period of more than twenty years and that nothing has been charged off for depreciation. It should be remembered furthermore that Mr. Babcock did not expend nearly this amount on the property. The property represented by items 1 and 2 in the above statement and equipment valued at \$39,951.17, representing an outlay from 1888 of \$191,021.53 were bought by Mr. Babcock in 1898 or 99. The property at that time was in a very dilapidated condition. A witness testified positively that Mr. Babcock paid \$50,000 for the controlling interest in the property at that time. Mr. Babcock was asked concerning this price and refused to state what he paid. Consequently, for the purposes of this case, the sum of \$50,000 will stand. In order to ascertain the moneys which Mr. Babcock has expended on the property, there must be added

to this amount items 3 and 4, \$50,120.00 of item 5, item 6, and an item of \$22,788.00 for new rails, as will hereinafter appear, making a total of \$315,973.27. It should also be remembered in adjusting passenger rates between San Diego and La Jolla and points intervening, that an original outlay of \$66,318.64, and a later outlay of \$34,178.92 for construction and \$7,330.59 for equipment, making a total of \$107,828.15 ^{are} all chargeable to the electric lines in the business section of San Diego, which have no necessary connection with the La Jolla line, and were built as a first link in a railroad to Los Angeles. From the above total of \$315,973.27 should be subtracted that portion of the San Diego city lines which is not justly chargeable to the La Jolla line; also the sum of \$152,946.63, which represents part of the above total, and on which defendant is regularly paying interest at 7% per annum; also the depreciation in the property. The result thus secured should then be considered in connection with defendant's net revenue for the year ending June 30, 1912. After considering all the facts in this case, I find that defendant is at present earning ^{at least} a reasonable return, though for the years ending June 30, 1909 and June 30, 1910, it was ~~operating at an actual deficit.~~ operating at an actual deficit.

The question of defendant's net earnings has also been one of considerable dispute. Attached to this opinion and marked "Exhibit A" is a statement prepared by this Commission's auditor, showing the total earnings, total operating expenses and maintenance, net operating revenue, interest credited at 7% on new capital and balance remaining to pay interest on original investment, all as shown on defendant's books, for each of the six years preceding June 30, 1912. It will be noted that this exhibit shows profits and deficits, after paying operating expenses and maintenance and interest on outstanding indebtedness as follows:

For the year ending June 30, 1907	- profit	\$7,108.77
" " " " " " 1908	- "	1,579.23
" " " " " " 1909	- deficit	7,823.79
" " " " " " 1910	- "	9,476.52
" " " " " " 1911	- profit	98.54
" " " " " " 1912	- "	5,187.82

To the total balances above shown, however, should be added the sum of \$22,766. This sum represents the difference between 9 miles of 60 lb. rails at \$40.00 per ton and 9 miles of 40 lb. rails at \$20.00 per ton. Defendant relaid this distance of 40 lb. rails with 60 lb. rails and charged the entire cost of the 60 lb. rails to repairs, thus increasing the item of maintenance and decreasing the net profits, instead of crediting the difference to betterments, as should have been done.

Complainants and numerous citizens of La Jolla and Pacific Beach have complained earnestly that defendant's passenger rates are too high and that this fact has retarded the development of the territory adjacent to defendant's line of railway. They complain also of discriminations in rates as between different localities on the line, particularly as against Pacific Beach. I find these complaints to be in part well founded. However, even if the Commission were convinced that it would be a good thing for a community to reduce passenger rates into that community, the Commission would have no right, either legal or moral, to do so if such action would in effect take away the railway's property. If I believed that the reduction in defendant's passenger rates herein ordered would reduce defendant's revenues, I should hesitate, in view of defendant's present financial condition, to recommend such reduction. In the present case, however, bearing in mind among other things the remarkable prosperity which the city of San Diego is enjoying, her marked expansion in every available direction except along the line of defendant's line of railway and the attractiveness of considerable portions of the territory along said line for home builders if they can secure reasonable passenger rates, I am convinced that a reasonable reduction in such rates will give a marked impetus to the building up of the country and will increase instead of decreasing defendant's revenues and net profits. My conviction in this matter is strengthened by the results of a slight reduction in rates, mostly commutation rates, which defendant established on this Com-

mission's recommendation, effective January 15, 1912. Since said date, defendant's revenues, instead of decreasing, have materially increased. In reaching a conclusion in this matter it should also be borne in mind that defendant must be permitted to earn a liberal profit, so that either defendant or other capitalists will be encouraged to electrify the railroad - an action which will redound very large to the benefit of all the people living along its line.

In considering the question of defendant's passenger fares, I wish to present the following additional considerations: Defendant is supported to a large extent by the tourist travel which appears to be confined almost exclusively to movements between San Diego and La Jolla. Of a total of 17,893 tickets sold between all points on defendant's line during the months of June and July, 1911, 15,885 tickets, or approximately 88 per cent, were round trip tickets sold between San Diego and La Jolla. The great majority of persons purchasing these round trip tickets were tourists. Defendant sells various forms of commutation tickets good for ten to thirty rides - both individual and family tickets - which enable the purchaser to travel at a much less rate than the ordinary single or round trip rates, and persons having their homes along defendant's line of railway generally buy some form of such commutation tickets instead of the regular single or round trip tickets. For instance, family commutation tickets good for 60 days and containing 20-ride tickets may be purchased to Pacific Beach for \$3.30 or 16½ cents per single trip and to La Jolla for \$4.00 or 20 cents per single trip. Thirty ride family commutation tickets good for 60 days may be purchased to Pacific Beach for \$3.75 or 12½ cents per single trip and to La Jolla for \$6.00 or 17½ cents per single trip. Individual commutation tickets good for ten rides, to be used within 30 days, may be purchased to Pacific Beach for \$1.65 or 16½ cents per single trip and to La Jolla for \$2.00 or 20 cents per single trip and 15-ride individual tickets limited to 15 days may be purchased for \$1.90 to Pacific Beach or 12 2/3 cents per single trip

and \$2.25 to La Jolla or 15 cents per single trip.

A comparison of these commutation rates with the present one-way round-trip fares and a consideration of the fact that parties can purchase these family or individual commutation tickets good for periods which would permit a person or family doing any traveling worthy of consideration to obtain rates much less than the current single and round trip rates leads me to believe that the residents along this line are not suffering from excessive single and round trip rates, except in so far as the rates which I shall hereinafter specify as reasonable are reductions from the present fares.

I may also say that in my opinion defendant, in selling the numerous forms of commutation tickets, has pursued a policy much more liberal than railroads generally throughout the country. In fact, it is almost a uniform practice for carriers to have on sale only two forms of commutation tickets for adults, namely, an individual monthly ticket good for the month and a family commutation ticket containing 30 rides. I find, however, that the rates now charged for individual monthly commutation tickets good for one round trip daily during the month are excessive and cannot be expected to be attractive to homeseekers and accordingly recommend material reductions in the rates for such individual monthly commutation tickets.

While I have made certain adjustments on single and round trip tickets between San Diego and points Hardy to Bird Rock inclusive, which I believe eliminate the present inconsistencies, I cannot agree with complainant's contention that in order to arrive at a rate from San Diego to La Jolla, the full local should be added over the rate - San Diego to Pacific Beach. It is an axiom of railroading, and I think too thoroughly established to admit of dispute, that as distance increases the cost of hauling freight per ton per mile or for carrying passengers per mile decreases. In other words, the cost of transporting a passenger 14 miles is more than the cost of transporting him 10 miles, but not to the extent of what would ordinarily be charged for transporting him locally the difference in distances.

In addition to the rates herein specifically named as reasonable rates, the defendant will be required to adjust all its one-way passenger fares between points other than those mentioned to the basis of 3 cents per mile, with a minimum charge of 5 cents.

After careful consideration of this question in its various aspects, I find that the defendant's present passenger fares are unjust and unreasonable and discriminatory in so far as they vary from the fares hereinafter prescribed and that the following passenger fares are just and reasonable and non-discriminatory, and should be established, viz:

<u>Between San Diego and</u>	<u>Single trip</u>	<u>Round trip</u>	<u>Monthly Individual/ Commutation - one round trip daily.</u>
Hardy	10	20	4.00
Morena	15	25	4.25
Mission Bay	20	30	4.50
Pacific Beach			
Lamont St.	20	30	5.00
Haines St.	20	30	5.00
Ocean Front	25	35	5.25
Seaside	25	35	5.25
Glendol	30	40	5.50
Bird Rock	35	45	5.75
La Jolla Strand	40	50	6.00
So. La Jolla	40	50	6.00
La Jolla	40	50	6.00

Defendant should be directed to file and publish said fares, effective twenty days from the date of the service of the order in this case. If after a one year's trial it appears that the effect of the order in this case has been to reduce defendant's revenues, defendant may then, if it so desires, apply to this Commission for relief.

I find that there is no satisfactory evidence to sustain the complaint as to defendant's freight rates and recommend that the complaint be dismissed in so far as it attacks such rates.

Complainants also attack defendant's service and in particular ask for certain changes in the time schedule of existing motor cars and steam trains and for the putting on of specified additional cars and trains. After the hearing in this case, defendant put into effect its time table No.15, which grants most of the material changes requested by defendant's patrons. The 11 P.M. motor car which used to leave San Diego two nights in the week only now runs every night except Sunday and an additional motor car leaves San Diego Saturdays and Sundays at 9:15 P.M. Additional motor cars also leave San Diego during the day time and similar changes have been made from the La Jolla end of the line. These changes have made it necessary to employ steadily an extra crew which was formerly used only for extra and special trains. In my judgment these changes should meet the present reasonable demands of the traveling public in so far as affects time schedules and I shall make no recommendation on this branch of the case except that before defendant changes said schedule it shall first have secured this Commission's permission.

Considerable complaint was made concerning defendant's equipment, particularly its rolling stock. The steam motors and passenger cars have been used by defendant and its predecessor since 1888, and compare very unfavorably with the rolling stock of the more progressive steam and electric railroads of the state. The same comment except as to the length of service applies to the two electric cars used on defendant's electric line within the business portion of San Diego. Defendant, in an effort to improve conditions, has within the last few years put on two gasoline motor cars, but they are unreliable and frequently out of repair so that passengers often do not arrive at their destination on schedule time. These cars are also frequently crowded to the limit and they seem particularly uncomfortable to persons accustomed to travel on easily moving, commodious electric cars. While I find that defendant's rolling stock

is out of date and inadequate to meet the traveling conditions of to-day, I shall not recommend the acquisition of new or additional steam or gasoline equipment for the reason that in my judgment the money so spent would be largely wasted in view of the very evident need for electrifying the railroad. I think it far wiser to save this money and to use it later to buy electric equipment. In continuing to endure for a while longer the present conditions, the public will have to bear in mind that some forbearance and patience is necessary on their part in order to accomplish the ultimate ends for which both the public and the railway should strive. If after a year from date no satisfactory improvement in motive power and rolling stock has taken place, application for relief in these respects may again be made to this Commission.

Several persons owning property in the vicinity of Seaside station have complained because no motor cars and only certain steam trains stop at that station and they ask that defendant be required to stop all its cars and trains at said station, on signal, and that defendant be required to print the names of all stations, including Seaside, on its time tables and conductors' tickets, and that if defendant's equipment does not permit the stoppage of all cars and trains at Seaside, defendant be required to provide equipment which will permit of such stoppage. I find that Seaside station is situated on a long grade of 1.94%, ascending from the south, and that it would be difficult and impracticable for motor cars coming from the south to start again after stopping at said station. There is no good reason, however, why motor cars coming from the north should not stop at this station. Steam trains of more than three cars going north, will likewise have difficulty in starting again after stopping at this station. These are likewise difficulties which would be considerably alleviated if the railway were electrified. Defendant should be directed to stop at Seaside for passengers having tickets to that station and to flag all its motor cars coming south and all its steam trains in either direction except such trains going north as consist of more than three cars,

and to print on all its time tables and conductors' tickets sold by agents or conductors the names of all stations, including Seaside.

* This disposes of all the material questions involved in this controversy. In closing this opinion, I wish to emphasize the point that defendant can not make good unless it has passengers and the public living along its line can not secure that prosperous development to which they believe they are entitled unless they have good service in the way of transportation at reasonable rates. I cannot too strongly express the hope that both defendant and its patrons will now forget their past differences and work together for the benefit of both.

I submit herewith the following form of order:

O R D E R.

A public hearing having been held in the case entitled as above and evidence having been presented by the parties and the Railroad Commission having made an independent investigation into the books and accounts of defendant and due consideration having been given to all the evidence in the case,

IT IS HEREBY ORDERED AS FOLLOWS:

1. THE COMMISSION FINDS AS A FACT, that defendant's present passenger fares are unjust and unreasonable and discriminatory in so far as they vary from the fares hereinafter prescribed, and finds as a fact that the following passenger fares are just and reasonable and non-discriminatory:

Between San Diego and	Single trip	Round trip	Monthly Individual/Commutation - one round trip daily.
Hardy	10	20	4.00
Morena	15	25	4.25
Mission Bay	20	30	4.50
Pacific Beach Lamont St.,	20	30	5.00
" Haines St.	20	30	5.00
" Ocean Front	25	35	5.25
Seaside	25	35	5.25
Glendol	30	40	5.50
Bird Rock	35	45	5.75
La Jolla Strand	40	50	6.00
So. La Jolla	40	50	6.00
La Jolla	40	50	6.00

In addition to the foregoing rates defendant is also directed to adjust all its one-way passenger fares between any two stations on its line of railway, except as above indicated, to the basis of $\frac{3}{4}$ cents per mile, with a minimum charge of 5 cents. Defendant is hereby directed to file and publish the fares in this order specified, effective 20 days from the service of this order.

2. Defendant shall maintain its present time schedules until it shall first have secured the consent of the Railroad Commission to any proposed change therein.

3. Defendant is directed to stop at Seaside for passengers having tickets to that station and on flag all its motor cars coming south and all its steam trains in either direction, except such trains going north as consist of more than three cars and to print on all its time tables and tickets sold by agents or conductors the names of all stations, including Seaside.

4. The complaint in this case in so far as it prays for the foregoing relief is hereby sustained and in other respects it is hereby dismissed.

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 23rd day of August, 1912.

H. D. Loveland

W. H. Gordon

Wm. Shelton

Commissioners.

EXHIBIT "A".

LOS ANGELES AND SAN DIEGO BEACH RAILWAY--STATEMENT OF EARNINGS AND EXPENSES FOR SIX YEARS ENDING JUNE 30, 1912. EXHIBIT A

	For Year Ending June 30, 1907	For Year Ending June 30, 1908	For Year Ending June 30, 1909	For Year Ending June 30, 1910	For Year Ending June 30, 1911	For Year Ending June 30, 1912	Totals
Longer Earnings	37,754.53	45,104.78	41,113.54	44,861.15	53,036.63	63,036.32	284,906.95
Light & Misc. Earngs	10,999.96	13,922.66	13,071.30	9,981.10	10,268.02	13,948.19	72,191.23
Total Earnings	48,754.49	59,027.44	54,184.84	54,842.25	63,304.65	76,984.51	357,098.18
Operating Expenses	23,514.73	28,137.25	37,253.35	37,296.47	34,800.89	42,980.46	203,983.15
Maintenance	17,572.46	27,007.14	18,771.28	18,675.88	18,208.16	18,952.08	119,187.00
Total Expenses	41,087.19	55,144.39	56,024.63	55,972.35	53,009.05	61,932.54	323,170.15
Operating Revenue	7,667.30	3,883.05	1,839.79	1,130.10	10,295.60	15,051.97	33,928.03
Int. Credited at 7%	558.53	2,303.82	5,984.00	8,346.22	10,197.06	9,864.15	37,253.78
Balance	7,108.77	1,579.23	7,823.79	9,476.32	98.54	5,187.82	3,325.75

Note: To the balances above shown should be added the sum of \$22,788.00 im-
properly charged on defendant's books
to repairs instead of to betterments,
making a net balance for the period
of \$19,462.25.