

CHAPTER XIII



uring the period covered by the first annual report from July 23, 1916 to December 31, 1917,

there was considerable expense for new cars, electric locomotives, substations, power equipment, rails, ties, ballast, right of way, bridges, stations, crossing gates, warning signal bells and for a general rehabilitation of the system to bring the property to a higher standard of operating efficiency and safety, and to provide for the growing passenger and merchandise business of the Company. The total amount so expended was \$1,146,996.28, to provide which, the Company issued -

\$940,000, par value of its First Mortgage
5% Bonds

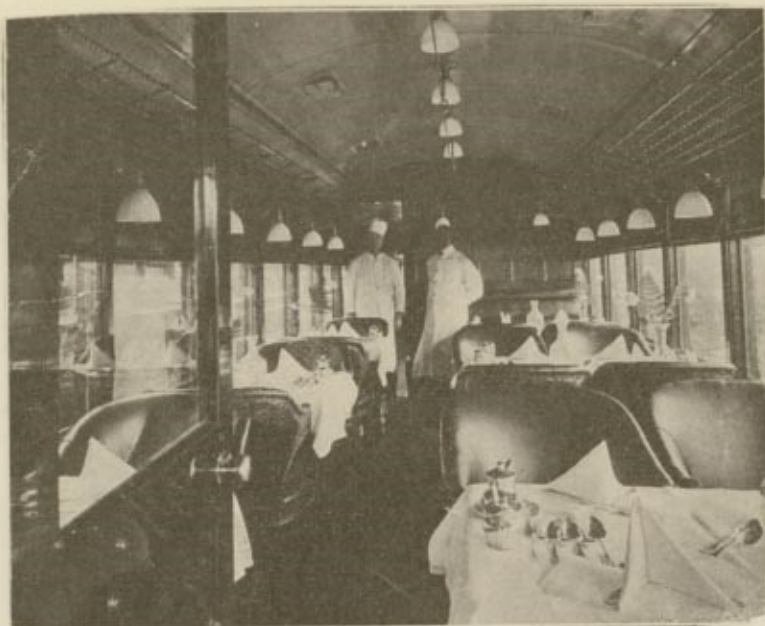
\$170,000, of its 6% Equipment Notes

Bonds and
Equipment
Notes

in addition to the earnings resulting from operation of the property. Because of market conditions created by the war, it was found impossible to sell long term bonds on a reasonable interest basis and consequently the Company issued its One, Two and Three-Year Six Per Cent Serial Notes, amounting to \$885,000 divided as follows -

\$180,000 due July 1, 1918-without collateral
\$345,000 due July 1, 1919-with \$460,000 First
Mortgage Bonds as collateral
\$360,000 due July 1, 1920-with \$480,000 First
Mortgage Bonds as collateral

During the year, 10%, or \$17,000, of the Equipment Notes were paid and canceled. The remaining notes matured at the rate of \$8,500 every six months.



Interior of ~~new~~ Dining Cars - 1917



Interior of Parlor Car - 1917

Arrangements were made, in 1917, to acquire property for terminal facilities in Milwaukee. Until money conditions would improve, the Company found it necessary to advance funds for this terminal.

Milwaukee
Terminal

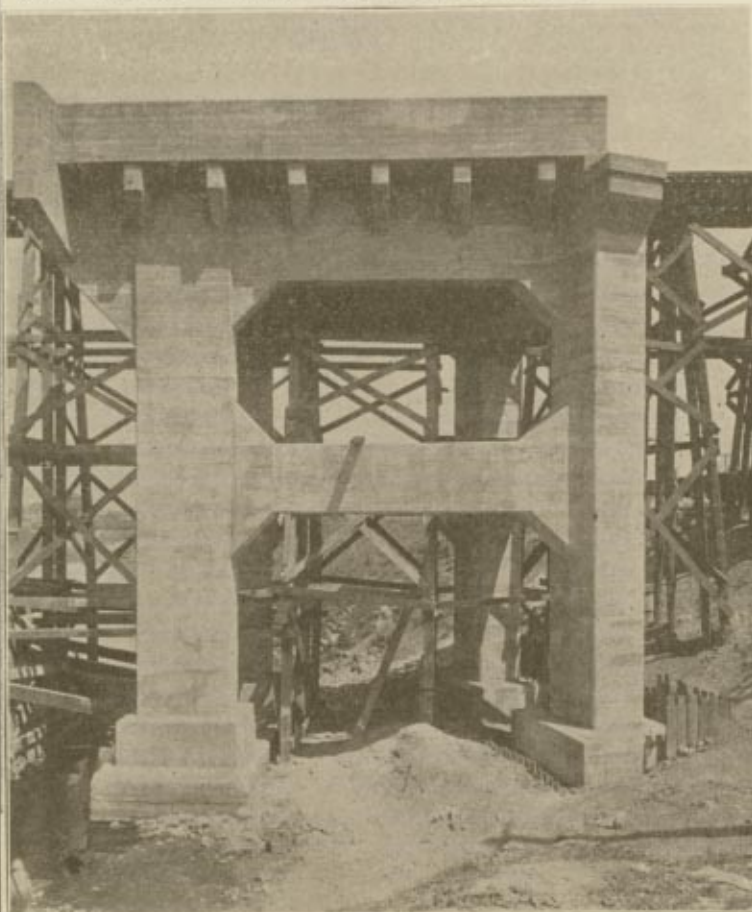
The Waukegan City Lines were largely rebuilt and new tracks laid on North Avenue and Glen Flora Avenue from Sheridan Road to West Line tracks.

Waukegan
City
Lines

The office building, at Highwood, was thoroughly overhauled, repainted, an employees lunch-room installed in the basement, and a commissary for use in connection with the dining car service.

Highwood
Office

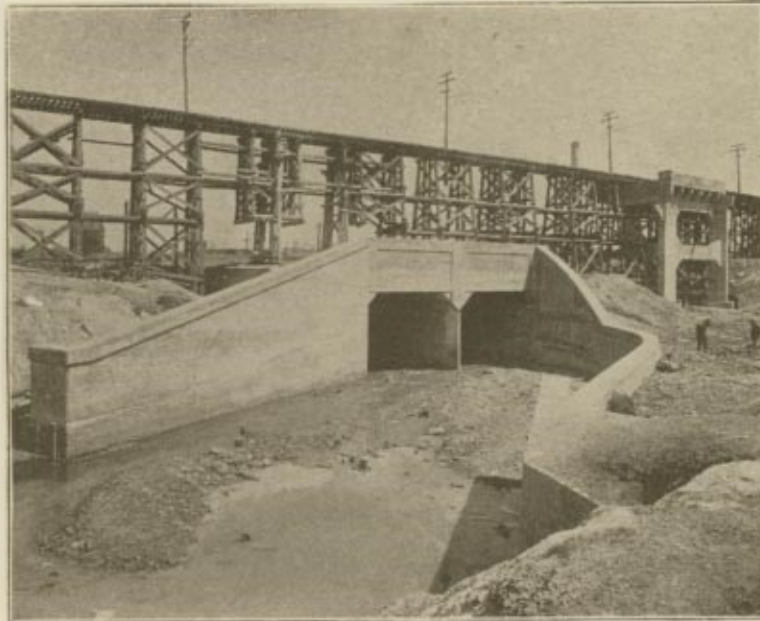
The car shops, at Highwood and North Chicago, were modernized; new concrete and steel bridges built (1) over the crossing of the St. Francis cut-off tracks of the Chicago and North Western Railway just south of Milwaukee (2) on the north side at the Madison Division crossing of the Chicago and North Western Railway (3) over Kinnikinnic River south of Milwaukee .



Bridge abut-
ment, 65 feet
high, over
North Western
RR tracks.



Starting excavation for culvert at
Kinnickinnick River over Madison Division
of the Chicago and Northwestern Railway
tracks.



Completed Reinforced Concrete Culvert
over Kinnickinnic River.

In the change from receivership operation to private operation, a large expenditure of money was required to bring the Road to the standard of maintenance and operation expected and demanded by the public and by Government Authorities.

A Safety Bureau was organized and many changes made to safeguard the public and the Company's employees.

Safety
Bureau

The Road serves the United States Naval Training Station at Great Lakes, as well as the United States Army Post, at Fort Sheridan. The war had caused the traffic to and from the Great Lakes Station to be very heavy. Approximately 25,000 men were stationed at those two locations.

War
Activities
Traffic



Bathing Beach at Ft. Sheridan



Entrance
to
Great Lakes
Naval Train-
ing Station



Administration Building, Great Lakes

Sailors Being
Reviewed by
Secretary of
the Navy
Wilbur



74



Arrangements were made for a close connection at Central Street, Evanston, between the trains of this Company and those of the Northwestern Elevated Railroad Company, by which passengers are carried into the center of the business district of Chicago, where transfers may be made to all parts of the city.

Connection
with
Northwestern
El RR at
Evanston

In Waukegan a new franchise was obtained, running for thirty years from May 11, 1917. As this franchise provides for the operation of city cars, it was necessary for the Company to acquire and surrender to the City of Waukegan the franchise formerly held by the Waukegan, Fox Lake and Western Railway Company, under which franchise a small part of the city lines was formerly operated.

Waukegan
Franchise

Waukegan
Fox Lake &
Western RR

The merchandise despatch service commenced operation August 1, 1917.

Merchandise
Despatch

On September 8, 1917, the Public Utilities Commission of Illinois granted permission to the Company to increase the rate of fare in Illinois to two cents per mile, which is the same rate authorized in Wisconsin by the Railroad Commission of Wisconsin and also by the Interstate Commerce Commission.

Fares

[illegible]



A southbound merchandise despatch train of five cars of the regulation type devoted to this service. These cars are of steel and wood construction, are 51 feet over all, weigh about 75,000 pounds each, are equipped with two motors having a total capacity of 280 horse power; are heated and ventilated; are fitted with M. C. B. standard radial automatic couplers, and having a loading capacity of 40,000 pounds. Trains of these cars are run as "extras" as often as the demands of the service require, and are equipped for multiple unit control.

The "M. D." North and South Poles



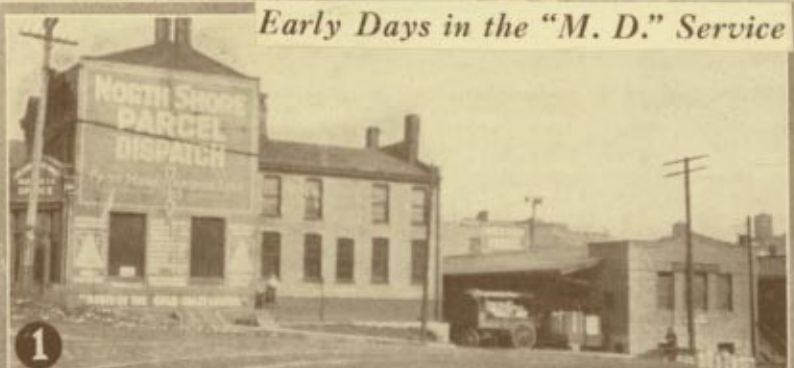
Warehouse at Sixth and Clybourn, Milwaukee-the northern terminal of this high-speed merchandise delivery service. The large number of trucks backed up at the loading platform prove that business is rushing at the "North Pole".



This picture shows the loading platform at the "South Pole" - 63rd and Calumet, Chicago

Old Parcel Despatch station in Milwaukee. There is some difference of opinion as to whether pictures number two and three show the early P.D. Station at Racine or Waukegan.

Early Days in the "M. D." Service



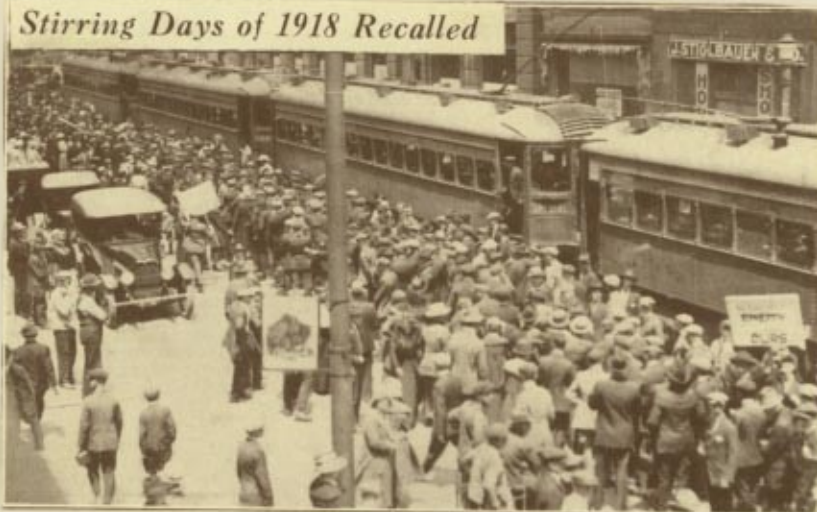


The Merchandise despatch station at Kenosha, Wisconsin
erected in 1919

"Join the Navy's fighting fleet!" "We have met the enemy and he is ours!"

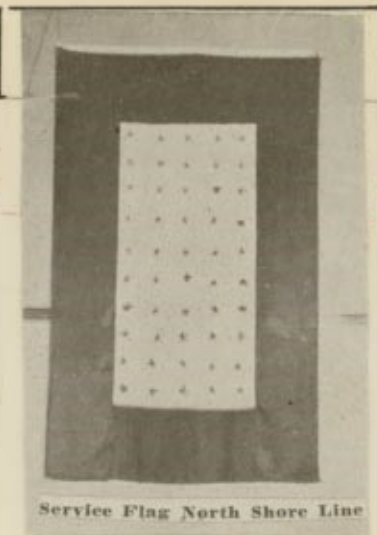
Do you remember these and other stirring slogans carried on placards by enthusiastic recruits as they flocked to Great Lakes Naval Training Station to "join up" in 1918? Almost every member of the North Shore Line family recalls the excitement, tenseness and fervid patriotism of the time, when war news was eagerly awaited, and the Naval Station at Great Lakes was a huge canvas city, housing at one time about 40,000 sailors.

Stirring Days of 1918 Recalled



On July 2, 1918, volunteers for the Navy from Milwaukee and Wisconsin communities, boarding one of the many special trains operated by the North Shore Line to Great Lakes Station. Over 500 of Wisconsin's "finest" enlisted on that day. Milwaukee gave them a tremendous "send-off."

Sixty-five
employees of the
North Shore
served under
the colors



The service
flag holds sixty-
five stars

Following are the names on the honor roll:

Transportation Dept.

E. Haugebrauck	C. Berrong	H. Clow
V. Nelson	H. Augustine	E. Williams
C. Gillard	F. Okey	H. Riley
A. Nugent	J. Schmidt	W. Buderun
L. Delong	Geo. Ehleiter	A. Bourkland
J. Helton	E. Anderson	*Gilbert O. Evans
A. Rhyner	T. Bacon	G. Watkins
M. C. Sanborn	W.H. Burke	G. Theobold

Maintenance of Way Dept.

L. N. White	T. Berg	W. Stupey
F. Kramer	James Corse	E. Mundy
George Laurentz	G. P. Root	
F. Kellner	F. Llewellyn	

Electrical Dept.

J. E. Brady	Clarence Smith	H. Anderson
Carl Redding	H. Amsden	Leslie Smith
E. J. Brown	And. Alschlager	E. V. Kaplan
William Rettig	John Lawther	P. Gerharz
William Skinner	Lloyd Horton	E. Anderson
James Lund	G. Smith	H. Thomas

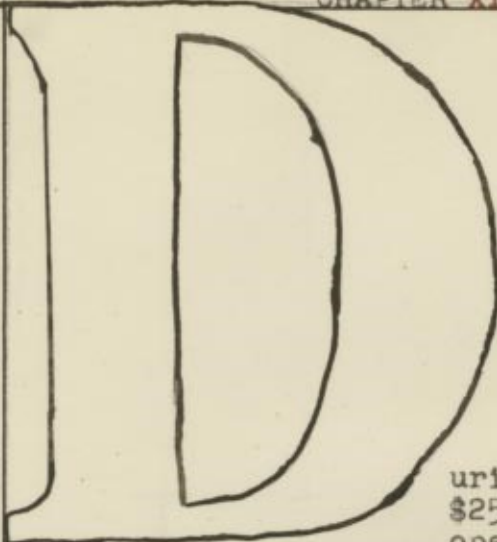
Mechanical Dept.

H. V. Scott	Frank Rozales
K. Melville	E. Meyers
H. Dowden	H. Williams
R. Betts	

Auditing Dept.

John H. Page	F. N. Neal	H. Miltimore
N. J. Filitz	O. H. Holmes	Leslie K. Grant

* Died in France



During 1918, net income was \$255,619.88, but the gross operating revenue increased \$1,148,601.70, partially due to the traffic of war activities in the various cities and particularly at Great Lakes and Fort Sheridan. until war ended on November 18, 1918.

War Traffic

A succession of record blizzards in January and February, 1918, caused operation costs to increase approximately \$150,000. During these blizzards exceptional service was performed by the North Shore trains which created much favorable comment.

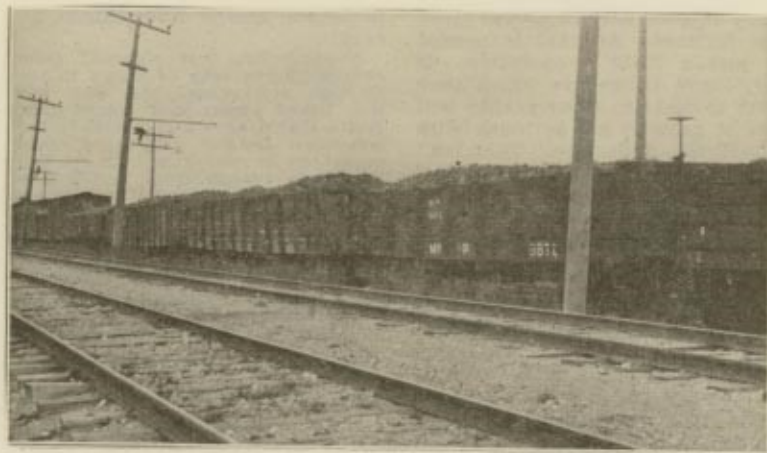
Blizzards



Clearing tracks after heavy snow storm



Loading
Cabbages and
Farm Truck
on North
Shore Line



Cars loaded with Sugar Beets on North
Shore Line



Bringing RR
Service to
the Farmer's
Door

Reconstruction, additions and betterments, in 1918, cost \$511,639.33. In 1918, the Company issued \$370,000. First Mortgage 5% Bonds to provide for part of that expense. The bonds could not, because of the war, be sold on a satisfactory basis. Accordingly, \$365,000. 7% Serial Notes were issued, due in one and three years, divided -

\$125,000. due June 15, 1919, without collateral
\$260,000. due June 15, 1921, with \$370,000. First Mortgage Bonds as collateral

Traffic in 1919, after the war, decreased sharply. The gross operating revenue increased \$337,945.93, but net income showed a decrease of \$103,239.59. This decrease is attributable to increase of \$300,000. a year in wages effective August 1, 1919.

The North Shore and the Northwestern Elevated Railroad Company, through negotiations with the Chicago, Milwaukee & St. Paul Railway Company, secured a lease March 31, 1919, expiring January 8, 1944, of all the rights and property of the St. Paul Company on what is known as its Evanston Division, between Irving Park Boulevard in Chicago, and Linden Avenue, in Wilmette, and provision was made for the operation of the trains of the North Shore Company to the Union Loop in the City of Chicago.

The North Shore Company leased a two story building at 209 South Wabash Avenue, Chicago, remodeling and equipping it with all conveniences for passengers. Direct access for boarding and leaving trains is provided by a passageway from the Elevated station platform, at Adams and Wabash, to the second floor of the North Shore Station.

Main floor
North Shore
Passenger
Station -
Chicago
1919

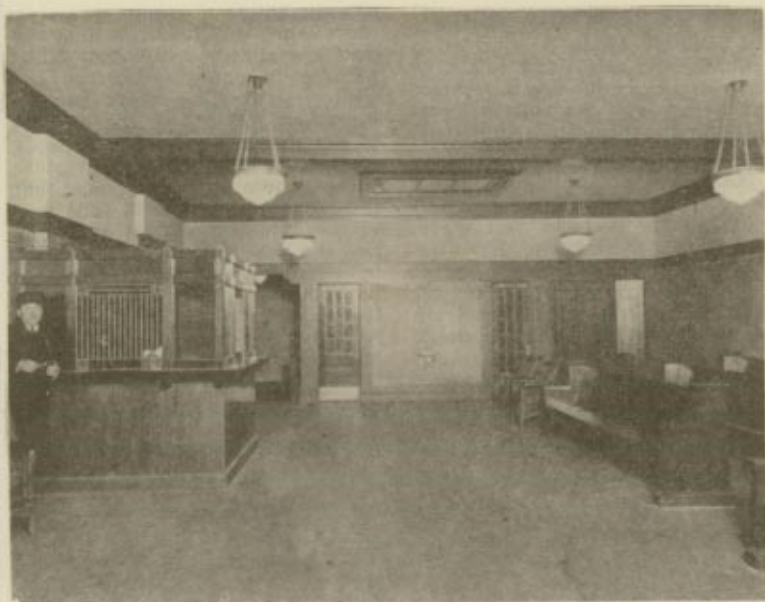


First
Mortgage
5% Bonds

Wage
Increase

Trains to
Operate into
Chicago Loop

Adams and
Wabash
Station



Waiting Room North Shore Passenger
Station - Chgo - 1919



Restaurant North Shore Station
Chicago - 1919

Trains of the North Shore Company commenced to operate to and around the Union Loop August 6, 1919. The commencement of this service marked another means of easy and convenient transportation for the merchants and citizens of the cities and towns between Chicago and Milwaukee, and passengers were thus enabled, without the use of taxicabs or street cars, to board a train in the heart of the business district of Chicago and be transported to the heart of the business district of Milwaukee.

Around Loop
Operation
Started

The extension of the passenger service into Chicago and the rapid growth of the merchandise despatch business, necessitated the purchase of additional equipment. Safety cars were purchased for use in the city service in Waukegan and North Chicago. The new equipment, which cost approximately \$800,000, was financed thru an Equipment Trust, providing for the issuance of \$550,000 of Equipment Notes dated August 1, 1919, maturing serially over a ten year period, with interest at the rate of 6% per annum the balance being payable from current funds.

Waukegan
and North
Chicago
Safety Cars

Equipment
Notes

During 1919, the Company expended for additions and betterments and for reconstruction, the sum of \$763,680.27. To provide part of the funds for this work, \$491,200 of its First Mortgage 5% Bonds were issued. As it was not possible to sell long term securities on a satisfactory basis, the Company issued and sold \$600,000 of One Year 6% Notes, secured by the deposit of \$857,200 of its First Mortgage Bonds.

First
Mortgage
Bonds

\$600,000
One Year
Notes



At the time this picture was taken in 1919, at Harrison St., Milw. this trio enjoyed the distinction of being the only work train crew there. From left to right the men are: J. Davis, P. Geisler and Ben Schaffer.

	<p>he increase, during 1920, in the gross operating revenue of \$955,748.02 was almost all absorbed in the increase in cost of labor.</p>
	<p>On August 1, 1919, wages were increased amounting to over \$30,000 a month, and on June 1, 1920 a further increase was made, amounting to approximately \$28,000 a month.</p>
	<p>With the opening on September 15, 1920, of the new terminal in the City of Milwaukee, the through service between Milwaukee and Chicago was materially improved and passenger traffic increased.</p>
	<p>In addition to the hourly limited express trains between Milwaukee and Chicago, four fast trains were added, two each way leaving Milwaukee and Chicago in the morning and afternoon. These trains made the run in two hours and fifteen minutes, stopping only at the intermediate points of Racine and Kenosha, and were very popular. There were then operated 44 trains daily between Chicago and Milwaukee.</p>
	<p>On February 22, 1920, the new safety cars were put in operation in the City of Waukegan. The improved service, resulting from the operation of these cars, increased revenue on the city lines 39%, and for the first time, they showed a tendency towards becoming self-sustaining.</p>
	<p>On August 19, 1920, the rate of fare on the Milwaukee City Lines was increased from five</p>

Wages

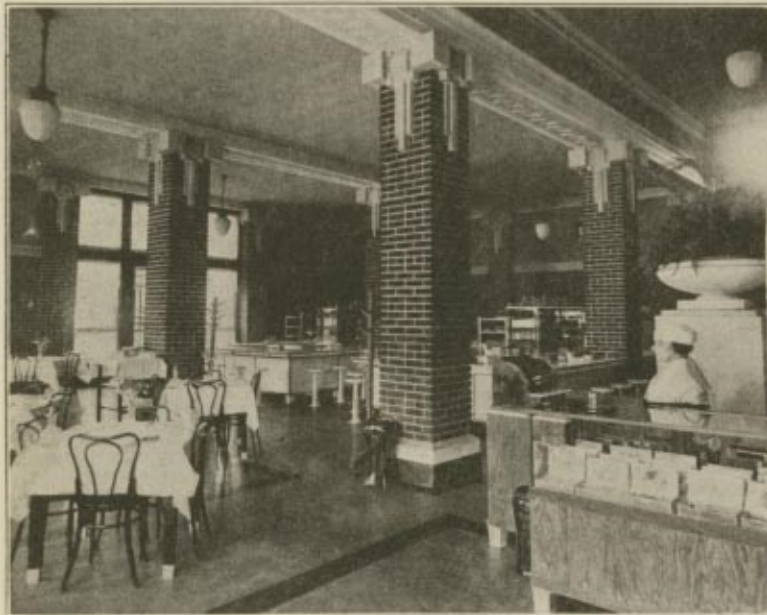
New Milwaukee
TerminalMore Fast
TrainsWaukegan
Safety
Cars



Passenger terminal of the North Shore Line in Milwaukee, Wisconsin. The Company owns the half block of land, 150 feet by 420 feet, at the southeast corner of Sixth and Sycamore Streets. This tract is occupied by buildings devoted to handling merchandise. The main building fronts 150 feet on Sycamore Street and extends south along Sixth Street 107 feet. July 1924.



Interior
Milwaukee
Station
North Shore
Line - 1921



Restaurant
North Shore
Terminal,
Milwaukee
1921

Women's Restroom
Milwaukee Terminal
North Shore Line
1921





K.M. Taylor, at work
in the bindery in
the North Shore Line
Record Room at Sixth
and Clybourn, Milwaukee.
Between 200 and 300
volumes of records are
bound here each month

Binding the Records



Where North Shore Line Records Are Kept

C. A. Waite, Supervisor of Records, at his
desk in the North Shore Line Record Room
at Sixth and Clybourn Station, Milwaukee.
Flanking him on all sides are records of
the North Shore Line Merchandise Despatch
Department.

cents to six cents, and on November 28, 1920, the rate on the Waukegan City Lines was also increased from five cents to six cents.

Passenger
Fare
Increase

On September 1, 1920, the interurban rates of fare on interstate business and on business within the State of Wisconsin were increased from 2.5¢ per mile to 2.7¢ per mile, and on November 1, 1920, the interstate fares were increased from 2.7¢ per miles to 3¢ per mile.

On September 17, 1920, an increase of approximately 33-1/3% in freight rates became effective.

Freight
Rate
Increase

The increase in gross earnings for the year 1921 of \$307,136.81 was largely due to the change in intra-state rates in Illinois and Wisconsin, which became effective July 14, 1921. Traffic for the year showed a decrease of approximately 9% due to the unfavorable business conditions. The decrease in net income of \$43,291.12 was due to the operation, during the first six months of the year, when operating costs were abnormally high. This condition could not be overcome during the last six months of the fiscal year, notwithstanding increase in intra-state rates and a general decrease in wages and salaries, effective June 16, 1921.

Decreased
Net Income

Capital requirements during the year were held to a minimum on account of the high interest rates for money. The amount expended during the year for additions and betterments and for reconstruction was \$591,683.26. During the year the Company issued and sold \$500,000. of 15-year 7% Sinking Fund Collateral Notes secured by First Mortgage Bonds.

\$500,000. 7%
15-Year
Sinking Fund
Notes Issued
and Sold

Merchandise despatch service was extended to 63rd Street and Calumet Avenue and 40th Street and Union Avenue, the latter location being adjacent to the Stock Yards. To accommodate the growth of the merchandise despatch business, the Company established an inbound station at Wells Street and Austin Avenue, Chicago.

Merchandise
Despatch

On July 30, 1921, a new station was opened at Grand Avenue, Chicago, on the Northwestern Elevated Line, and all North Shore trains operating in and out of Chicago stopped at this station, giving access to the manufacturing district north of the River.

Grand Avenue
Station

A new franchise ordinance was passed by the City of Highland Park on June 17, 1921, continuing for thirty years to replace the franchise that had previously expired. Under the terms of this ordinance, the Railroad Company acquired approximately two miles of additional right of way.

Highland Park
Franchise
Ordinance

At December 31, 1921, the members of the Board of Directors and of the Executive Committee were -

Directors
and
Executive
Committee

Directors

Britton I. Budd
R. Floyd Clinch
H. S. Osler

Joseph E. Otis
E. A. Shedd
John R. Thompson

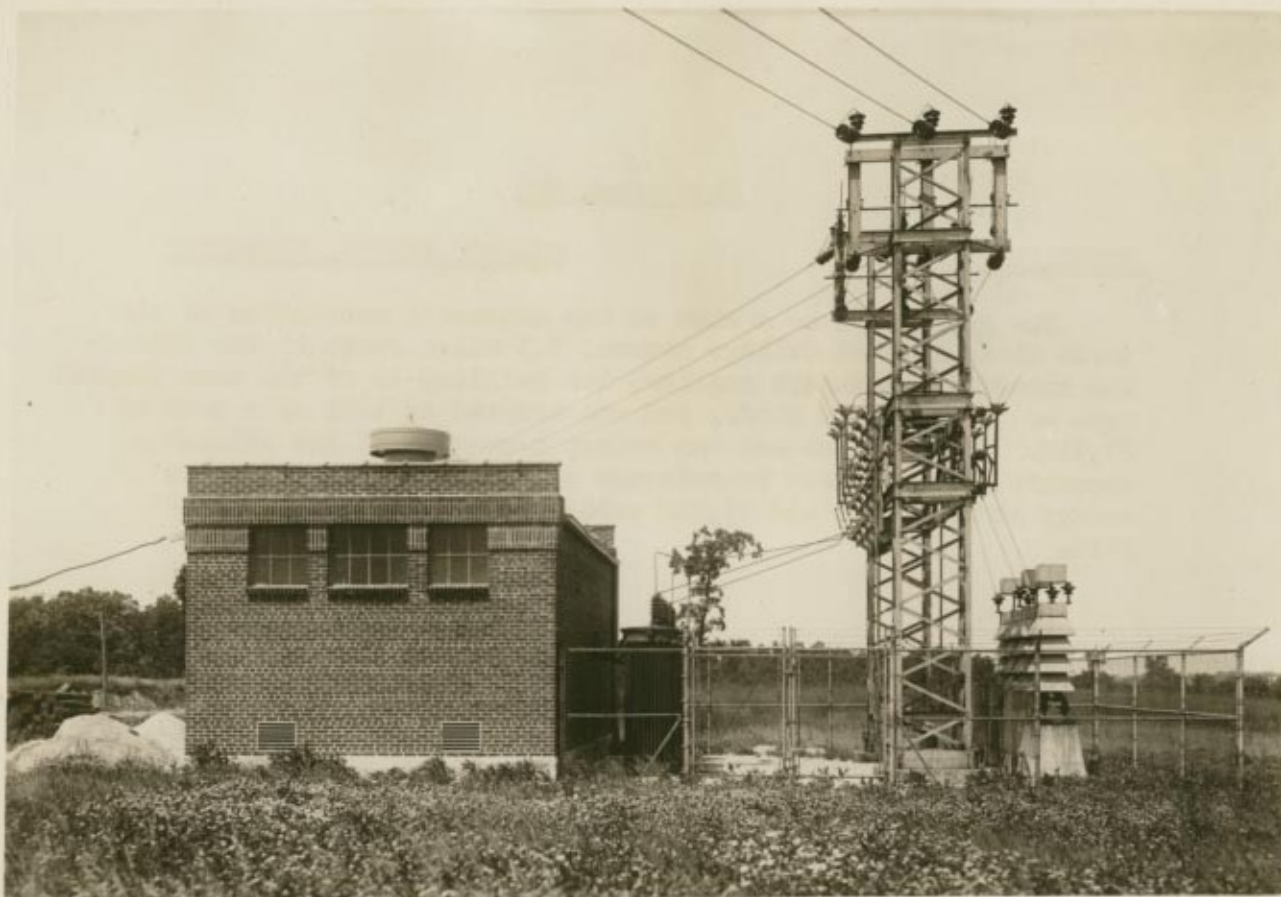
Samuel Insull

Executive Committee

R. Floyd Clinch Samuel Insull John R. Thompson

Mr. Harry L. Stuart resigned February 25, 1921, as a Director and as a member of the Executive Committee.

Harry L. Stuart



North Shore Line substation at College Avenue 7.5 miles south of the Milwaukee Terminal. This substation was erected in 1922 and the photograph was taken July 14, 1924.

This station has one rotary converter of 500 kilowatts capacity with outdoor transformer bank, and receives 3 phase energy at 25 cycles and 33,000 volts.

CHAPTER XVI

In the year 1922, there was a revival in general business conditions, which was reflected in better returns from operation of the North Shore Line. The increase in operating revenue in 1922 was \$507,145.54, equal to 11.26%. This compares with an increase in the preceding year of \$307,136.81, equal to 7.32%. The increase in net income was \$128,208.99 equal to 32.9%.

Increased
Net Income

The merchandise despatch business has shown a continuous growth; the increase in 1922 over 1921 being equal to 54.6%, although on July 1, there was a decrease in merchandise rates of 10%.

Merchandise
Rate
Decrease



Merchandise Despatch Train, North Shore
Line



Snow plow on North Shore Line, designed for a double-track railroad, throwing the snow to one side only and cutting a path two feet wider than the width of the car.

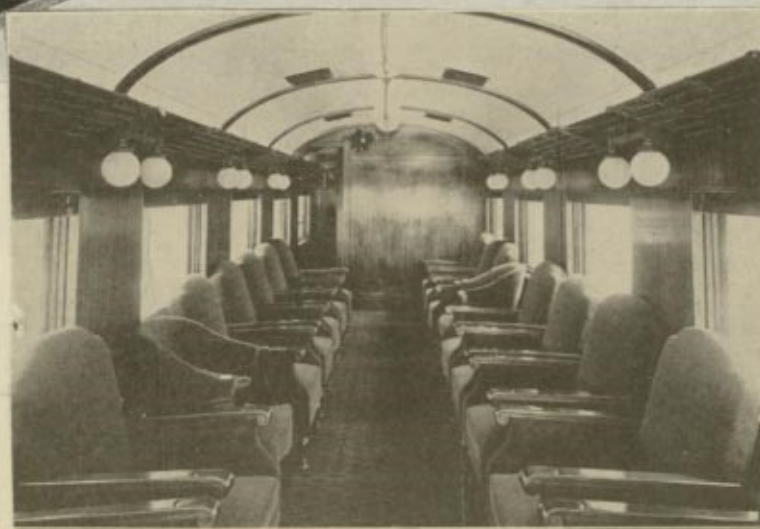
It is known as a double-end plow and works from either end. The plow has a drop nose which runs close to the rails in ordinary service, but can be raised in crossing bridges or roads.

On February 15, 1922 the operation of Limited trains was extended to Sixty-third Street and Dorchester Avenue over the tracks of the South Side Elevated Railroad, in Chicago.

"Limited"
Service
to
63rd St.

On the same date a new service known as the Eastern Limited was added for the accomodation of passengers on the Twentieth Century of the New York Central Lines and the Broadway Limited on the Pennsylvania System.

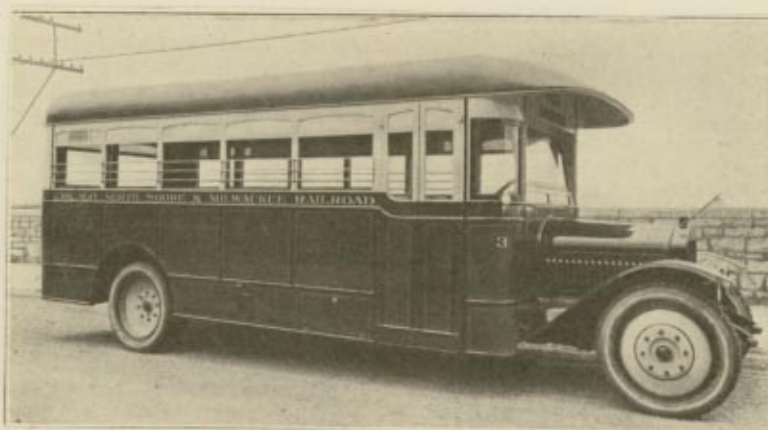
"Eastern
Limited"



Interior of
Parlor
Observation
Car on "Eastern
Limited" - 1922

Buses

Motor bus operation began August 12, 1922 between Kenosha and Lake Geneva and between Kenosha and Waukegan on December 23rd, 1922, the buses operated on a regular daily schedule in conjunction with passenger service on the Main Line. Through tickets were sold between points on the Railroad and points reached by the motor bus lines.



Type of Bus used on Kenosha-Lake Geneva Route



Interior view of New North Shore Line Station
Lake Geneva, Wisc.



Interior
of
Kenosha
Station



Station at Kenosha, Wisconsin, which was opened to the public August 12, 1922.

With the exception of the Milwaukee Terminal, the Kenosha Station was then the most imposing on the road

The expenditures during the year for additions and betterments and for reconstruction amounted to \$1,125,833.31. This amount included \$267,933.35 for new equipment. This equipment was financed through an issue of \$600,000. of Equipment Notes, out of which, the above amount, \$267,933.35, was expended in 1922, and the balance paid out in 1923, as the cars were received.

\$600,000.
Equipment
Note Issue

At December 31, 1922, the officers of the Railroad were-

Officers

Samuel Insull	- Chairman, Board of Directors
Britton I. Budd	- President
R. Floyd Clinch	- Vice President
C. E. Thompson	- Assistant to the President
W. V. Griffin	- Secretary and Treasurer
Florence M. O'Donnell	- Assistant Secretary
John Evers, Jr.	- " "
L. C. Torrey	- Assistant Treasurer
T. B. McRae	- General Auditor
C. R. Mahan	- Auditor
Ralph R. Bradley	- General Counsel

Under the proposed plan of recapitalization of the Company, it was planned to offer to the employees and patrons an opportunity to acquire an interest in the Company through the purchase of stock.

Employee Stock
Purchase
Plan