



Britton I. Budd  
President  
1916-1932

HISTORY  
OF  
CHICAGO NORTH SHORE  
AND  
MILWAUKEE RAILROAD COMPANY

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By  
Florence M. O'Donnell  
June 1, 1938

## FOREWORD

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This history presents the accomplishments and background of the Chicago North Shore and Milwaukee Railroad Company which operates the electric interurban railway, and its branches, between Chicago, Milwaukee and Mundelein, and Lake Bluff and Mundelein.

The railroad, located in a territory of keenest competition, developed into the best known and most widely discussed electric interurban railroad in the world.

Your contemplation of the results achieved by those interested in the North Shore Line may suggest some constructive criticism, but you will surely have a strong feeling of admiration for the courage and enterprise of those who planned and completed this exceptionally fine electric interurban railroad.

The receivership commenced in 1908 was terminated in 1916. In the years following, under Samuel Insull's management by able, experienced railroad executives, the North Shore Line enjoyed its most phenomenal growth.

The colonization of the beautiful Skokie Valley residential district, thru which the high speed branch of the railroad was built, was delayed by the depressed business outlook which has prevailed in varying degrees since 1929. This slow development and the general curtailment of traffic resulted in the appointment of Receivers for the Road in 1932.

The North Shore Line has seen hard times before now, and problems, greater than those of 1938, have been well solved. Its future is in the hands of the loyal men and women of the North Shore Line, and their mettle assures the continuance of the Railroad's long established courteous service to the residents of the many beautiful villages, towns and cities in its territory.

You, who know the Railroad and its splendid spirit, understand my confidence.

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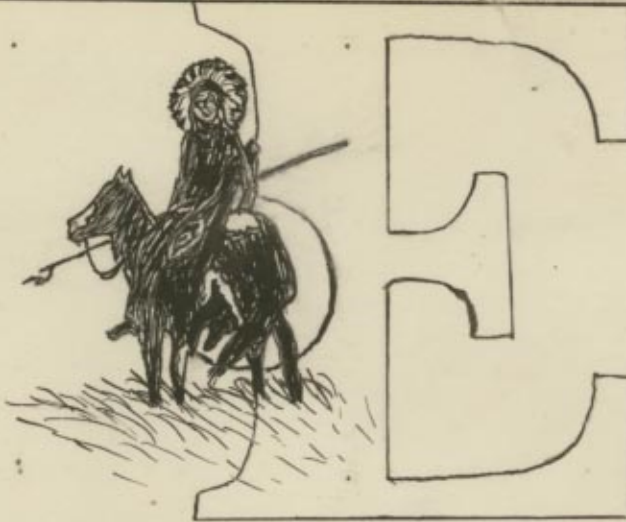
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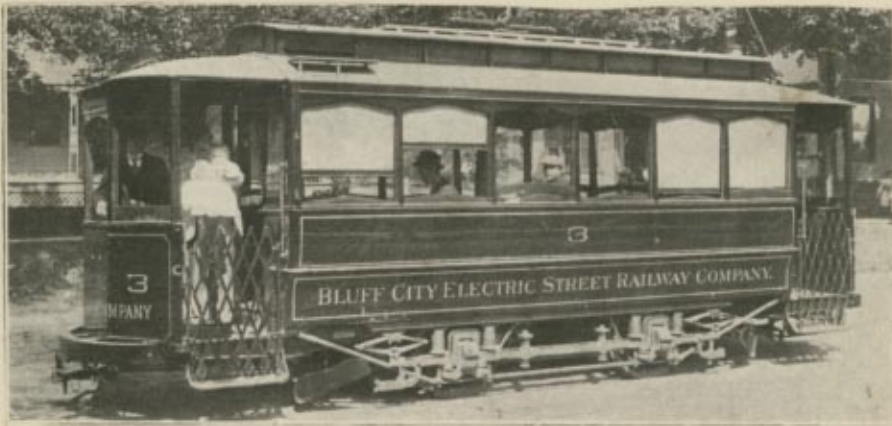
## Chapter I



lectric transporta-  
tion in Waukegan

The Early  
Street Car

began early in 1895 with the operation of two second-hand street cars. The route of the street car line followed quite closely an old Indian trail which wound thru Waukegan and on to Evanston. This street car line was the beginning of the present Chicago North Shore and Milwaukee Railroad, the fast inter-urban railroad now serving 26 cities and villages between Chicago and Milwaukee.



One of the three cars which constituted the entire rolling stock of the Bluff City Electric Street Railway. This Railway was established in 1894 to connect Waukegan with Bluff City, now Lake Bluff. These street cars often obtained a speed of ten miles an hour.



"Flagship"  
of the four  
car fleet on  
the Bluff  
City Electric  
Street Rail-  
way bearing  
the magic  
number "one"



One of the first cars on the old Bluff City Electric Line. Motorman, S. P. Hutchison; Road and Trackman-Geo. Sells, now head of American Steel & Wire Co. of the Chicago and Waukegan Branch.



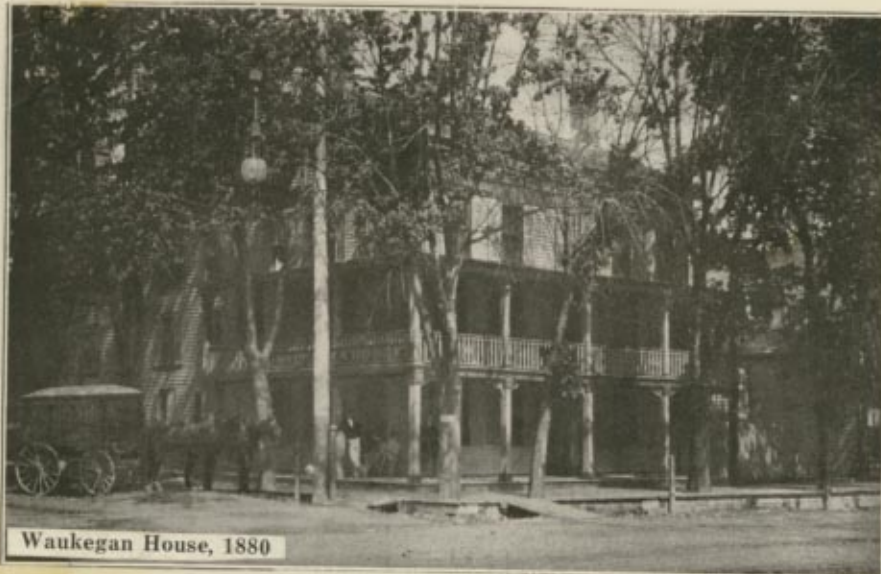
Motor Passenger Car Number 4, built in 1900 ?

Pottawatomie Indians of the Algonquin tribe were the earliest inhabitants of the Lake shore at Waukegan. Remains of their camps and burying grounds have been found in Waukegan until just recent years. The old 1793 map of the Northwest Territory shows the first white man settlement around Waukegan was "Little Fort". The Fort itself was in Waukegan at Sheridan Road and Washington Street, and the settlement was incorporated as a village on 1841.

Little Fort

Lake Michigan passenger and freight boats made regular stops at the active settlement of Little Fort; hotels were built and two newspapers published.

Waukegan



Waukegan House, 1880



LITTLE FORT

The village then had a population of 452 people. In 1849 its population had grown to 2500, and the name of the village was changed to "Waukegan", the Indian name for "Little Fort".

Waukegan, thru the years from 1849 to 1894, developed into an interesting, large midwestern city, and in 1895 its citizens succeeded in providing electric transportation for the townspeople.

The incorporators of this first link of the Chicago North Shore and Milwaukee Railroad were citizens of Waukegan - Dewitt L. Jones, S. D. Talcott and Charles Whitney. They conceived the plan for providing transportation service, and secured the subscriptions for \$200,000. to begin building a single track line running from the hospital site in the north center part of the present town of Waukegan south to Tenth Street, which was then the south city limits of Waukegan.

Incorporators  
of Bluff City  
Electric Street  
Railway

On June 25, 1894, these gentlemen incorporated under the laws of Illinois as the "Bluff City Electric Street Railway Company". The object of the Company as stated in the charter, was to "locate, construct, maintain and operate an electric street railroad in the townships of Waukegan and Shields, in the County of Lake and State of Illinois".

The capital stock of the Company was 2000 shares of \$100. each, which was issued to subscribers as follows:

S. Delano Talcott	1 share	\$100.
D. L. Jones	1 share	100.
E. B. McClanahan	1 share	100.
Nelson A. Steele	1 share	100.
P. F. Hendershot	1 share	100.

W. H. Dodge	1 share	\$100.
Charles Whitney	1 share	100.
George R. Lyon	1 share	100.
William W. Pearce	1 share	100.
T. H. Lindsay	1 share	100.
L. Patterson	1 share	100.
J. F. Powell	1 share	100.
Reuben W. Coon	1 share	100.
Homer Cooke	1 share	100.
Harry W. Ator (Treasury Stock) 1986 shares \$198,600.		

In September 1894, the first Board of Directors, composed of the following named gentlemen, was elected:

First Board  
of  
Directors

Nelson A. Steele	Homer Cooke
George R. Lyon	T. H. Lindsay
S. D. Talcott	J. F. Powell
W. H. Dodge	

The first officers of the Company, elected at the Board of Directors' meeting November 24, 1894, were

First  
Officers

President	-	Homer Cooke
Secretary	-	S. D. Talcott
Treasurer	-	T. H. Lindsay

Clarence Murray, a hotelkeeper in Waukegan, was appointed General Manager, in which capacity, and as a Director, he served the Company until April 22, 1898.

Construction of the road proceeded rapidly. The line was completed as planned from the hospital site in the north central part of the present town, south to Tenth Street. Two secondhand single truck cars were purchased and actual operation was started in the year 1895. A five-cent fare was provided for in the Waukegan City ordinance of April 15, 1895.

Operation  
Started

A New York Railroad man, C. E. Loss, became interested in the property in the fall of 1895, and on September 2, 1895, the Bluff City Electric Street Railway Company assigned to him 1986 shares of its treasury stock, as consideration paid to him for construction of the line of railroad as described in the Waukegan franchise. On September 7, 1895, the stockholders elected Mr. Loss a Director, and at the Directors' meeting on the same day, he was elected President. He served the Company in these capacities until June 1898, when he resigned.

C. E. Loss

In 1895, the line was extended south from Waukegan to Twenty-Second Street, in North Chicago. Then construction work continued to the present North Chicago Junction.

On June 1, 1896, the Company issued \$50,000. First Mortgage Bonds, dated June 1, 1896, and maturing June 1, 1916. The Northern Trust Company was named as Trustee, and the proceeds from the sale of the bonds used by President C. E. Loss in construction of the road.

Bluff City  
Elect.St.Ry.  
Company's  
1st Mortgage  
Bonds

The object for which the Bluff City Electric Street Railway Company was formed, as stated in the Articles of Incorporation, which were enlarged December 29, 1896, was to construct and operate electric street railroads in the several townships, cities and villages in Cook and Lake Counties, Illinois. Mr. Loss and the Directors of the Company were taking the first steps toward construction of the interurban railroad between Waukegan and Evanston. Franchises were secured from towns as far south as Wilmette.

Object

The ~~first~~ Board of Directors named by Commissioners April 7, 1897, were

C. E. Loss

-

A. C. Frost

George A. Ball

-

George M. Seward

Each of these gentlemen was assigned stock.

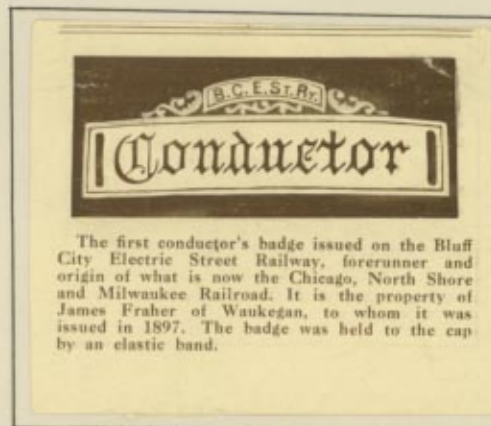
Among the officers elected were -

Officers

C. E. Loss	-	President
George A. Ball	-	Vice President
Frank S. Reeves	-	Secretary
A. C. Frost	-	Treasurer

Mr. Loss, Mr. Murray and Mr. Frost were also officers of the Bluff City Electric Railway Company.

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T

*North Shore Suburban Railway*

he Company, on May 12, 1898, officially changed its name to Chicago & Milwaukee Electric Railway Company, and increased its capital to \$1,000,000 by increasing shares from 3,400 to 10,000 shares, at \$100 each. On this date, Mr. Frost held 1547 shares, George A. Ball ( by proxy) 1850 shares, and Mr. Seward and Mr. Reeves 1 share each. Its object, as stated in the Articles of Incorporation, was enlarged to include operation of electric railroads in Lake and Cook Counties.

Chgo &  
Milw. Elect  
Railway  
Company

Mr. Loss resigned as President on April 13, 1898, and was succeeded by George A. Ball. Mr. Ball resigned as Vice President and was succeeded by Albert C. Frost.

President  
Geo. A. Ball

The first power plant constructed at Highwood contained one Corliss engine, driving a 500 volt alternator of 250 kw capacity. About this time, a substation was erected at North Chicago, which contained one small rotary converter. A small car barn was built next to the Highwood power plant.

Highwood  
Power Plant  
and  
Car Barn

During 1897, President Loss was given authority to pledge the credit of the Company in notes or other means in obtaining right of way or franchises, employment of labor and purchase of materials, for the railroad.

To provide the funds for railroad construction it became necessary, September 6, 1897, for the Company to borrow \$300,000 on its First Mortgage Notes. This amount was obtained thru services of A. C. Frost from George Ball of Muncie, Indiana, and William Gilman of Chicago. These two men were, for several years following, controlling factors in the management of the road. The \$50,000 bond issue

Loan  
A.C. Frost  
Geo Ball  
Wm. Gilman

of June 1, 1896, was paid with part of the proceeds of these new First Mortgage Notes. The remainder of the proceeds from the notes was used for construction expenses.

Albert C. Frost became a stockholder on April 22, 1898, and was elected President on June 1, 1898.

A.C.Frost  
Elected  
President

Power, during this period, was purchased from the Waukegan Electric Company which later became the "North Shore Electric Company" and was absorbed by the Public Service Company of Northern Illinois.

Power



Plant of Public Service Company  
Waukegan, Illinois

*Inter-Urban*

At the stockholders meeting of April 7, 1898, the Directors were authorized to sell all the property, franchises, etc., owned by the Bluff City Electric Street Railway Company, to the North Shore Interurban Railway Company, upon such terms as they saw fit, subject to the \$300,000. incumbrance.

Sale to  
North Shore  
Interurban  
Railway Co.

The sale was effected July 12, 1898, subject to the September 1, 1897, \$300,000. mortgage indebtedness, evidenced by note for \$1.00, and 3380 shares of the capital stock of the successor company, North Shore Interurban Railway Company. The certificate for 3380 shares was issued to C. E. Loss, Trustee.

At the final Directors' meeting of the Bluff City Electric Street Railway Company, on June 1, 1898, Mr. Loss resigned as President, and A. C. Frost was elected in his place.

A. C. Frost  
elected  
President

At the final Stockholders' meeting of the Bluff City Electric Street Railway Company, on June 23, 1898, C. E. Loss and F. S. Reeves, resigned as Directors. C. B. Wood and H. S. Oakley were elected in their places, as Directors. Mr. Wood and Mr. Oakley were law partners, and under Mr. Frost they became generally the legal advisers and representatives of the road.

Resignation  
of  
C. E. Loss

There is no record of meetings having been held or of further activity of the Bluff City Electric Street Railway Company.

The North Shore Interurban Railway Company, on March 21, 1898, was incorporated as an Illinois corporation, with \$743,000. capital stock, represented by 3400 shares, having a value of \$100. each, which was held by Mr. Loss and the directors. The office of the company was located in Chicago.

The object for which the corporation was formed was to operate street railways and to sell electric current in Cook and Lake Counties.

Its first stockholders were

Frank S. Reeves	3000 shares
Thomas S. Davidson	5 shares
Charles H. Rice	5 shares
C. A. Edward Kohler	5 shares
C. E. Loss	5 shares

Stockholders  
of  
North Shore  
Interurban  
Railway Co.

### Chapter III

The

*Inter-Urban*

The North Shore Interurban Railway Company, on March 21, 1898, was incorporated as an Illinois corporation, with \$340,000. capital stock, represented by 3400 shares, having a value of \$100. each, which was held by Mr. Loss and the Directors. The office of the company was located in Chicago.

The object for which the corporation was formed was to operate street railways and to sell electric current in Cook and Lake Counties.

Its first stockholders were -

Frank S. Reeves	3380	Shares
Thos. S. Creighton	5	shares
Charles R. Rice	5	shares
G.A. Edward Kohler	5	shares
C. A. Murray	5	shares
	<u>3400</u>	<u>shares</u>

Stockholders  
of  
North Shore  
Interurban  
Railway Co

In April, 1898, the Company entered into a contract with C. E. Loss to build the line from 22d Street, Waukegan, to the southerly portion of Highland Park. Mr. Loss also agreed to build a power house, secure the right of way, and furnish ten cars, for \$400,000. in First Mortgage Bonds of the Company, and \$660,000. par value of the common capital stock of the Company.

At the North Chicago crossing of the Chicago & North Western Railroad, Mr. Loss encountered considerable difficulty. The original line was built on the west side of the Chicago & North Western Railroad and he proposed building the south line on the east side of the North Western. Finally, the road was built at this point south of the North

XXXXXXXXXX  
XXXXXX  
XXXXXXXXXXXXX  
C&NWR  
Crossing

From Evanston to Fort Sheridan in 1902 the first five-car train ever operated over the railroad and hauled by the first four-motored coach, "Old Seven Spot," was photographed while transporting a Sunday School Picnic crowd.



The high structure to the left in the picture is the Old Highwood City Hall, on Waukegan Road, where the right of way was located.

The crew of this "wonderful train" was, composed of Motorman Charlie Ives, Conductor Herb Strang, Trainman Wink and Trainman Frank Snyder. The important looking man in the background is Ed Vivian, who held the titles of Traffic Manager, Claim Agent, Freight Agent, and Assistant Superintendent of Transportation of the Chicago and Milwaukee Electric Railroad.

There was nothing automatic about this train.

The air was just plain "straight air". The old "Seven Spot" and "Eight Spot", the first four-motored cars, were built in the Highwood shops, and the bodies of three "dinkeys" were pieced together to make one of these mammoth cars.

Western Railroad and east of its tracks. Passengers were required to walk across the North Western tracks to continue on the Bluff City Line north to Waukegan or south of North Chicago. Then the Line was built thru Bluff City (now Lake Bluff) and Lake Forest, along the public highway and on private right of way, thru the southern part of Lake Forest to Helm's Crossing (now Wesley Road); then it was again built on the public highway, going thru Fort Sheridan, Highland and to the north limits of Highland Park, where the line ended in the wooded section south of Highland Park, then a fair size village. The line to Highland Park was completed and in operation June 23, 1898 - approximately fifteen miles of the inter-urban railroad.

Road built south to Highland Pk

The construction from 22d Street, Waukegan to Highland Park was cheap, sixty-five pound rail having been used on the private right of way and on the unpaved streets, which was practically the entire distance. In a few places, where the paving required it, a six inch and seven inch rail was laid. Practically no ballast was used, the tracks being laid on the surface of the ground, and the grades conformed to the surface ground of the streets or private right of way.

Construction

C. E. Loss, on July 12, 1899, effected the conveyance to the Chicago and Milwaukee Electric Railway Company of the property, franchises, etc., of the Bluff City Electric Street Railway Company, and received, as Trustee, 3380 shares of the Chicago & Milwaukee Electric Railway Company's capital stock.

C&MERY Co

To proceed with the extension of the line from Highland Park to Evanston, new funds were needed, and on July 12, 1899, the stockholders of the Chicago & Milwaukee Electric Railway Company authorized a bond issue of \$1,500,000. Of these bonds, \$1,000,000 were placed as collateral for a \$600,000 loan, of which \$350,000 was obtained from the Cleveland Trust Company, and \$250,000 from the Royal Trust Company. Earlier in 1899, \$165,000 was borrowed on notes.

Bond Issue

Construction started at once under contract with North American Construction Company, for a line of double track road, almost paralleling

Construction Highland Pk to Evanston

*"End of the Line" a Quarter Century Ago*



Contrast this tranquil semi-deserted street scene of 1901, with the intersection of North Avenue and Franklin St., in Waukegan now. When the cameraman made his

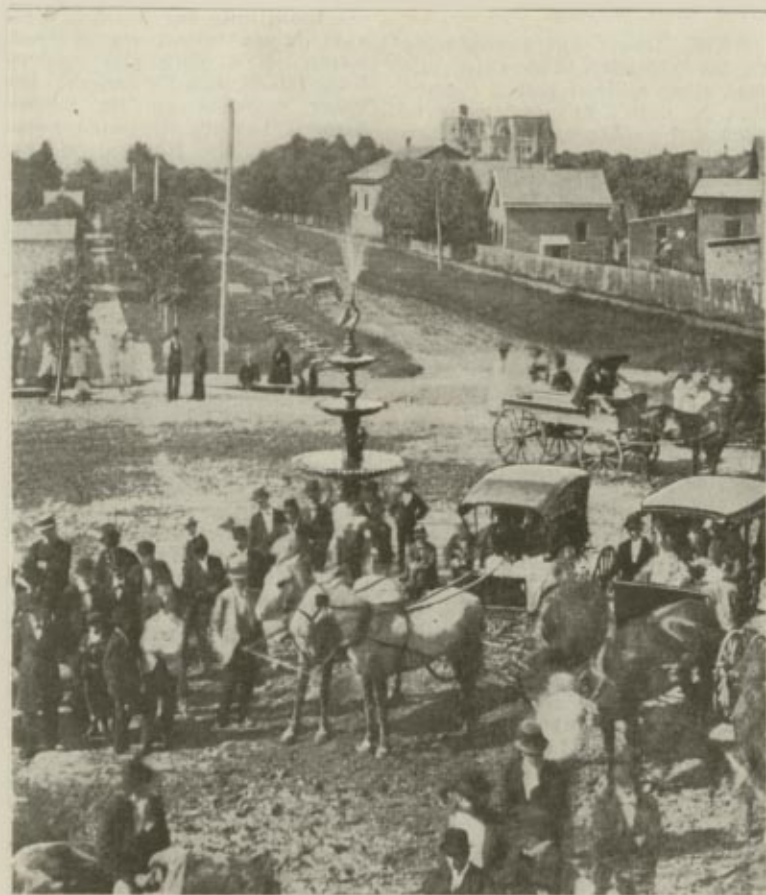
visit on this beautiful spring day, Motorman J. L. Vedder and Conductor Walker Townsend of the old Waukegan City Line, then operated by the Chicago and Milwaukee Electric Railroad, had just swung the trolley and were ready for the return run from the terminal.

In those days, according to Motorman Vedder, a motorman didn't have to worry about stop-and-go lights, speeding automobiles or rail-riding auto trucks.

*"All Aboard! Waukegan Train on Track One!"*



In 1902, it was something of an event when cars of the "Milwaukee Electric" left the diminutive Evanston terminal shown on the left, "rarin" to get to the open stretch on the Waukegan road where the motorman sometimes attained the stupendous speed of 20 miles an hour. Farmers along the road jumped from their buggies and hung frantically to their horses' bridles until the car swept by.



Fountain Square, Evanston as it looked  
July 4, 1876, when the fountain was  
dedicated.



A third of a century brought about the transformation you see pictured here.

The top picture taken in 1902, shows the stately line car dubbed "the Old Flying Machine," manned by a piratical looking crew. Foreman James Kehrwald is seen standing on top of the ladder; then, reading from the plug derby on the left to the walrus type mustache on the right, we find Charles Jahnke, Olie Moline, Motorman Peter Hutter, S. Lee, Frank Scott and Frank Smith.

The lower view shows a recent line car. Neat, trim, capable looking, with efficiency standing out all over it, it speaks volumes for the progress made by the old Chicago and Milwaukee Electric Railroad of 1902 in becoming the North Shore Line of the present day.

the Chicago & Northwestern Railroad from Highland Park to Evanston. The line was built on private right of way, where possible, with good grades and curvature. Sixty-five pound rail was laid, but very little ballast was placed under the ties. Standard rail was used where right of way was on public streets. This work compared well with standard practice in 1899. In some localities the tracks were laid along the parkway adjacent to the pavement. Pavement was frequently put in by the Railroad Company as compensation for franchises granted by the municipalities thru which the road was being extended.

The line at completion, provided a continuous operation of trains from Waukegan to Evanston. The power house at Highwood was enlarged; a new engine installed, and two additional generators. This provided a total capacity of 750 kilowatts. An addition was built on the North Chicago Substation, and a new substation built at Winnetka.

On August 1, 1900, the stockholders were George A. Ball, holding 5450 shares, and A. C. Frost, holding 4550 shares. The directors were George A. Ball, A. C. Frost, J. W. Mauck and George M. Seward. The officers were George A. Ball, President, A. C. Frost, Vice President, George M. Seward, Secretary and J. W. Mauck, Treasurer.

Improvements

Stockholders

The Chicago and Milwaukee Electric Railroad Company, Illinois Corporation, was incorporated March 20, 1902, and had its principal office at Chicago. Capital stock was \$300,000. The incorporators were A. C. Frost, Joseph W. Mauck, George M. Seward, Charles B. Wood, and Horace S. Oakley. Mr. Frost subscribed for 2960 shares, and the others for ten shares each. These gentlemen also comprised the first Board of Directors of the new company. Mr. Frost was president, Mr. Mauck, Vice President and Mr. Seward, Secretary and Treasurer.

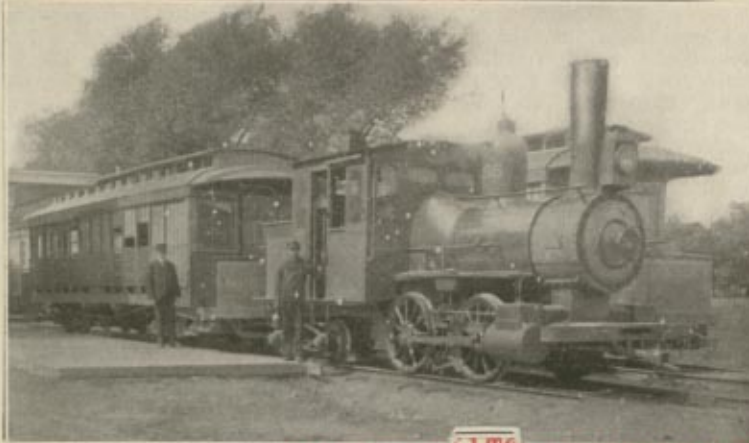
Chicago and  
Milwaukee  
Electric  
Railroad Co.  
Illinois  
Corporation  
Organized

Mr. Frost organized the Republic Construction Company. Apparently this Company was created to receive the Railroad's construction contracts.

Republic  
Construction  
Company

On April 11, 1902, the Chicago & Milwaukee Electric Railroad Company, (Illinois Corporation), entered into contract with the Republic Construction Company to build the Libertyville Branch of the

In 1903 a little steam dinkey puffed wearily between a point near the main line of the former Chicago and Milwaukee Electric Railroad and the town of Libertyville.



First  
Train  
on Liberty-  
ville  
Branch  
in 1903

At that time a connection between the main line and the Libertyville branch hadn't been made, and of course there were no through trains. Later, when a motor car was detailed for service on the branch, according to Jesse S. Hyatt, who is one of Lake County's pioneers, the men were compelled to "skid" the electric car across a roadway and then re-rail it on the branch tracks.

Transportation wasn't quite as pleasant then, declared Mr. Hyatt, because whether the sun was shining or the snow was blowing, the trailer trailed along just the same - sans heat, sans curtains. A pair of lanterns, hung on the ends of the car, furnished all the heat used.



The trailer shown above was the first "modern passenger car" to be coupled behind the dinkey.



This is one of the first return coupons issued soon after the opening of the line.

railroad - from Lake Bluff to Libertyville.

A supplemental contract was given to the Republic Construction Company on May 7, 1902, for overhead crossing by the tracks of the Railroad Company above the Elgin, Joliet and Eastern Railway and the Chicago, Milwaukee & St Paul Railway tracks, at Rondout, and for other changes in the original specifications for that branch.

On July 1, 1902, the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, issued \$5,000,000. 5% bonds, due July 1, 1922, secured by deed of trust of all the property and franchises of the Railroad Company, then owned or to be acquired. The Merchants Loan and Trust Company was Trustee.

Chicago and  
Milwaukee  
Electric RR  
Corp. 1st Mtg  
*Ill. Corp.*

Two main line sections of the original, poorly constructed Bluff City Electric Street Railway, built during the Loss regime, were entirely rebuilt in 1902; one section was rebuilt in the same location, on private right of way thru Lake Forest. The other section was taken off the highway where it was originally built, and reconstructed on private right of way. The original line of this second section was built thru Fort Sheridan and in streets of Highland Park. These single track, rebuilt sections, were relaid as double track.

Relocation

The fourteen mile Libertyville Branch Line from Lake Bluff to Libertyville was completed July 15, 1902. The Republic Construction Company which built the branch was given in payment, in accordance with the contract, the entire capital stock of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, - \$300,000. in stock and \$300,000. of its First Mortgage bonds. The \$140,000. compensation which was to have been in form of \$70,000. in stock and \$70,000

Libertyville  
Branch



A Glimpse of the Residential District  
of Libertyville -Brainard street  
south of Cook.



A View of Libertyville's Business  
Section -1926

in bonds, for the changes agreed upon in a supplemental construction contract of May 15, 1902, covering work on the Libertyville Branch, was left to future adjustment. The stock certificates were issued as directed by the Republic Construction Company to the following named gentlemen: Albert C. Frost, 2960 shares, J. W. Mauck, C. B. Wood, H. S. Oakley and G. M. Seward, 10 shares each.

To provide for the smooth operation of the Libertyville Branch, the grade of the tracks at Lake Bluff was lowered and the Elgin, Joliet & Eastern and Chicago, Milwaukee & St Paul crossing bridges at Rondout, were rebuilt in November, 1902, to take care of the freight traffic. These changes were made under another contract with the Republic Construction Company, the consideration being \$90,000, in stock and \$90,000, in bonds of the Company.

The Chicago & Milwaukee Electric Railway Company was leased to the Chicago and Milwaukee Electric Railroad Company of Illinois, on October 21, 1902. The Illinois Company was empowered to operate from Evanston north to the State Line, from Lake Bluff west to Libertyville; and from Libertyville northwesterly to the State line.

C&ME Ry Co  
leased to  
C&ME RR Co  
Illinois  
Corp.

The term of lease of the Chicago & Milwaukee Electric Railway Company's property was for twenty years, at an annual rental of \$100,000.

On December 9, 1902, the Railway Company's bond issue was increased to \$5,000,000. and on December 17, 1902, the lease to the Illinois Company was canceled and the Railway Company was sold to Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, for \$1,700,000. in bonds and \$1,700,000. in stock of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation. It was provided that \$1,000,000. of the \$1,700,000. in bonds received from the Illinois Company was to be deposited with the Merchants Loan & Trust Company in exchange, bond for bond, for bonds of the Chicago & Milwaukee Electric Railway Company then outstanding and held by the Trust Co. As directed, the \$1,000,000. of the bonds of the Chicago and Milwaukee Electric Railway Company held by the Merchants Loan and Trust Company were taken up and \$1,000,000. of the bonds of the Railroad Company substituted.

Sale to  
Illinois  
Corporation  
of C&ME Ry Co.

Bonds  
Deposited  
with Merchants  
Loan & Trust  
Company



Picture of Trainmen taken in 1902. Left to right: Frank Curley, Clem Merriman, John Crowley, John Strelke, Matt Smith, Axel Robert, Joe Delhaye, John Gartley, Herb Strang, Mart Sullivan, Red Scott, Pony Moore, Bert Newsome, Red Hoban, Nick Williams and Harry Straight.

*First Engineers of the North Shore Line*



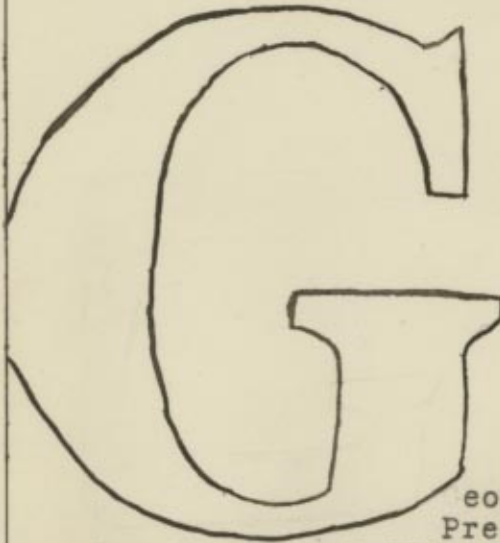
The first group of company engineers during the "laying out" of the Chicago and Milwaukee Electric Railroad right of way in 1903, between North Chicago and Milwaukee.

This picture was taken at the north end of the depot grounds at Lake Bluff.

The men grouped about an old two-wheel horse grader, played an important part in the construction of this track extension through the North Shore wilderness north of North Chicago. In the front row, left to right are: Frank Chadwick, then Chief Engineer, Frank Geraghty, George Micks and Charles Powers; center row, Floyd Hartman, Mr. Francis, then Assistant Engineer, Jesse S. Hyatt, an unknown man, "Red" Carroll (note pass badge on suspenders) and "Bill" Dawley; rear row, unknown man, Mr. Simmons, then the whole office force, and Mr. Sweetland.



Albert C. Frost  
President  
1902-1908



George A. Ball resigned as President of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, December 30, 1902, and Albert C. Frost was elected to succeed him. J. W. Mauck was elected Vice President and George M. Seward, was elected Secretary and Treasurer. The Chicago General Offices of the Illinois Corporation were at 108 LaSalle Street, Chicago; the operating office and power plant at Highwood, Illinois.

To secure the \$5,000,000. bond issue, dated July 1, 1902, a deed dated January 10, 1903, was executed and delivered to the Merchants Loan and Trust Company, as Trustee, which covered all of the property of the Chicago and Milwaukee Electric Railroad Company, Illinois Corporation.

For a perpetual franchise thru two and three-quarter miles of Zion City, John Alexander Dowie, head of the Zion Church and Community, was paid \$101,000. on March 1, 1904.

Geo. A. Ball  
Resigns as  
President  
A. C. Frost  
Elected  
President

On April 7, 1904, Henry Campbell Osborne, of Toronto, Canada, was elected a director to succeed J. W. Mauck, and H. S. Oakley, was elected Vice President to succeed Mr. Mauck.

The Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation - was incorporated June 22, 1904, to construct and operate a road from the State line in Section 36 of the Town of Pleasant Prairie, Kenosha County, Wisconsin, to the City of Milwaukee. Capital stock was \$300,000. On February 27, 1907, the office of the Company was located at Room 21 - Miller Building, Milwaukee.

*railroad*  
C&MERRCo  
Wisconsin  
Corp.

The first Directors were A. C. Frost, George Seward, Charles B. Wood, F. S. Monroe and Horace S. Oakley. Mr. Frost held 2996 shares and the others one share each.

At the stockholders' meeting in Milwaukee on December 19, 1904, the Directors were authorized to borrow \$10,000,000. on bonds of the Company, secured by deed of trust on all its property then owned or to be acquired. The bonds and deed of trust were dated January 1, 1905. The Directors were authorized to enter into a contract with the Republic Construction Company to acquire the right of way and construct the railroad from the State line to Milwaukee. Authorization was given to lease the property of the Wisconsin Company to the Illinois Company.

First Mtge  
on  
Wisconsin  
Property

In the Spring of 1905, surveys were pushed thru to Milwaukee. Construction work was carried on as far north as Racine.

Milwaukee  
Racine

At the stockholders' meeting April 3, 1905, Mr. Frost reported for the year 1904-

- Substantial increase was made in earnings over those of 1903 -
- large expenditure for 1904 construction work justified by the extraordinary territory thru which the road operates -
- power plant enlarged to almost double its capacity-

Increased  
Earnings

*A Line Car of the Past*



One of the Old-times of the repairing gang is this old Chicago and Milwaukee "Line car." In 1905, when this picture was taken, the car was manned by (left to right), "Noisy" Fernalt, Motorman Frank Curley, Jimmy Kerwald, Lineman Charles Jahnke and "Ole" Moline.

Fromelt

- efforts continued to acquire private right of way for four track road to replace present line now on highways - \$1,000,000 stated as amount spent for private right of way -
- subway built under Chicago & Northwestern Railway at Lake Bluff - new four track line built thru Lake Bluff - required reconstruction on entire line in Lake Bluff -
- many grade crossings abolished thru elevating railroad tracks, building heavy concrete abutments and steel bridges -
- extension of line west from Lake Bluff completed to Rockefeller (now Libertyville) and operation commenced March 25, 1905 -
- fifteen new stations built along the Line -

Right of Way  
Expense

Subway at  
Lake Bluff

Libertyville  
Branch to  
Libertyville

On April 6, 1905, C. B. Wood resigned as Director. Joseph E. Otis was elected in his place.

The Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, on April 6, 1905, leased the Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, guaranteed that Company's bonds, \$10,000,000., as to principal and interest, dated January 1, 1905, Due January 1, 1925, notes and other obligations, as part consideration of the lease. The term of the lease was for fifty years. The written guarantee was attached to each of the Wisconsin bonds and by it the bonds were made payable either in United States or at the Dresdner Bank, London.

Lease to  
C & M.E.R.R.Co  
Ill. Corp. of  
C&ME RR Co.  
Wisc. Corp.  
Properties

The Kenosha City Railway was purchased and operated in conjunction with the Interurban.

Kenosha City  
Railway

At the stockholders' meeting April 5, 1906, Mr. Frost reported increased earnings for 1905 -

- again justified expenditures by reference to the extraordinary territory thru which the road was built.-

*Clearing the Track After a "Heavy One"*



The above picture was taken more than 32 years ago, when trains were compelled to fight the snow drifts with less efficient equipment than is now available. The scene is at Racine in 1906, and old motor car number 130 is "bucking the beautiful."

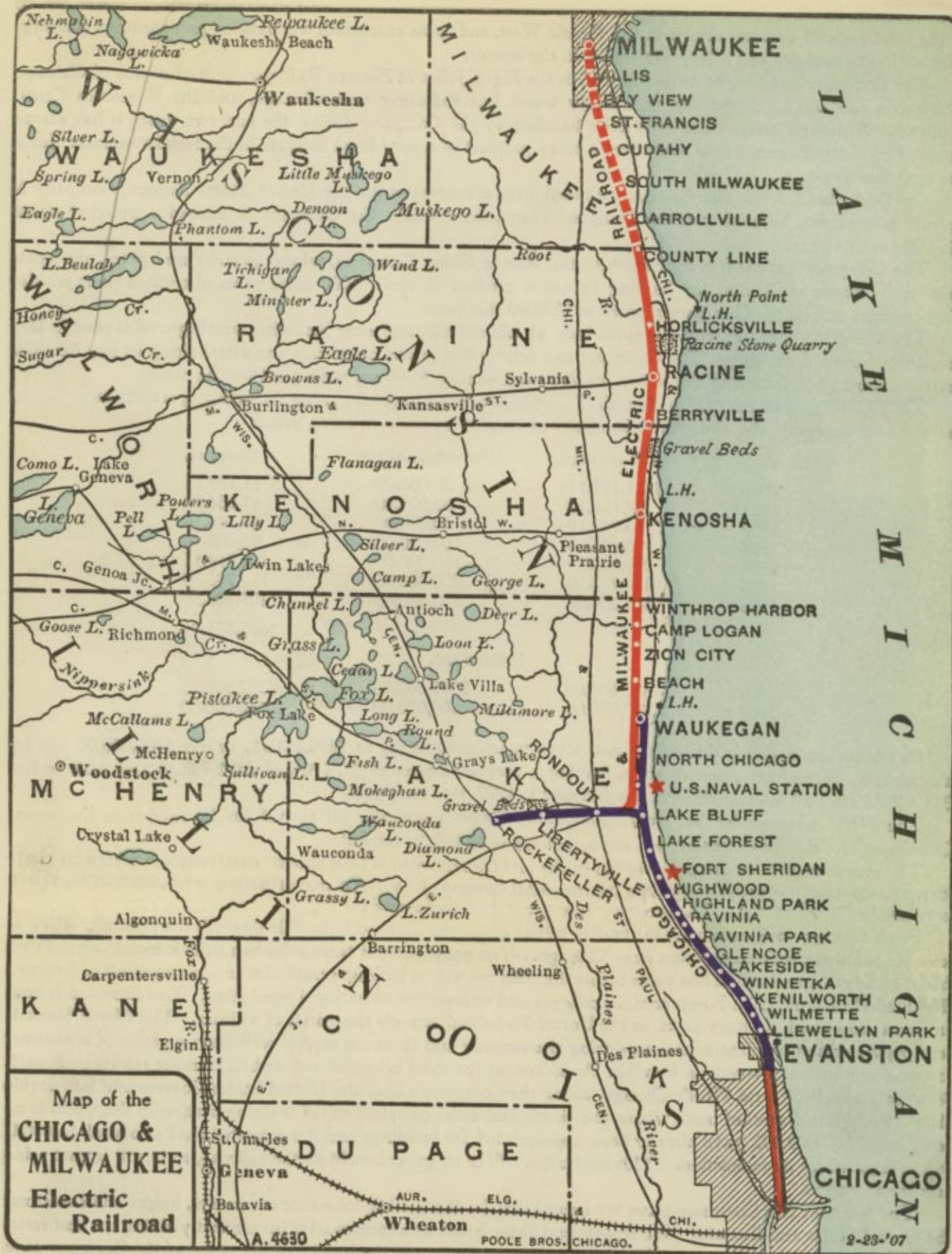





*"Looks a Little Like Snow"*

The result of a real blizzard at Winthrop Harbor in 1906. A "nor'easter" blew up along the lake one day and, when the snow finally ceased, six Chicago and Milwaukee Electric trains were snowed under somewhere along the road. So much snow fell during the 18-hour storm that it took the country two days to dig itself out of the drifts, and the old C&M was in operation some 42 hours later.



Front or West view of the general offices of the North Shore Line at Highwood, Illinois. The two-story and basement brick building is 40 feet by 90 feet, and is still occupied by general offices and lunch room. This building was erected in 1905 and in its immediate vicinity are carbarns, yards and recreation rooms for employes.



-  Illinois Division in operation since 1900.  
 Wisconsin Division in operation since 1906.  
 Connection with Chicago Union Traction System.  
 Proposed connection with Northwestern Elevated four-track system into business centre of Chicago.

- office building completed at Highwood cost approximately \$40,000.-
- twelve stations completed -
- road reconstructed from Lake Bluff to North Chicago on private right of way for four track operation -
- Wisconsin Division as far north as Kenosha placed in operation December 2, 1905 - earnings gratifying -
- practically all right of way to Racine acquired; most of the concrete arches built and considerable grading done -
- new road from Lake Bluff to Kenosha entirely on 100 foot wide private right of way -
- Company holds perpetual franchises in each city and town thru which the road is built - all double track construction with a maximum of 4/10 of 1% grade and a maximum of one degree curves, and practically an air line. Eighty pound steel rail laid on first quality white oak ties. All construction built for four track road - two tracks for local service and two tracks for fast express service -
- Wisconsin Corporation has issued and has outstanding \$1,600,000. of bonds for the completed road to Kenosha, on which the Illinois Corporation will pay interest from January 1, 1906 -
- even during the winter the Wisconsin Division has earned more than interest charges -
- City of Milwaukee granted franchise February 26, 1906, for entrance to business center of Milwaukee -
- City of Chicago connection expected in 1906 -
- increased earnings expected after establishment of United States Naval Training Station on the 168 acres between North Chicago and Lake Bluff, donated by business men of Chicago and interests on the North Shore. This Company donated \$25,000.

Franchises

Milwaukee  
Franchise

## CHAPTER VI

Considerable new construction equipment was purchased in 1906. In order to avoid curves and grades as far as possible, it was necessary to do some very expensive, heavy construction work between Racine and Milwaukee. This work continued during 1907.

At this April 5, 1906 stockholders' meeting, Messrs. Osborne and Francis held proxies to 14,013 shares and A. C. Frost held 26,914 out of the total 50,000 shares. An expenditure of \$200,000 of the Company's surplus was authorized for improvement of the Company's property at Lake Forest, Fort Sheridan, Highwood, Highland Park and Glencoe.

Property  
Improvements  
in  
Illinois

Authority was given at this meeting for entering into a contract with the Chicago & Milwaukee Power Company, a corporation located in Waukegan, organized by Albert C. Frost, under the terms of which that company was to build a power plant and issue bonds in payment therefor, and the principal and interest was to be guaranteed by the Chicago & Milwaukee Electric Railroad Company of Illinois. This was another of Mr. Frost's projected enterprises, and one which was not completed. The plant was to have a capacity of 50,000 kilowatts and cost approximately \$5,000,000. The contract provided for the power company to build immediately at its Waukegan plant and to install two 5000 kilowatt turbines, also two 3000 kilowatt turbines to furnish power to both the Illinois and Wisconsin Corporations for the operation of the entire line from Evanston to Milwaukee.

Power

At the April 6, 1906 stockholders' meeting, Gordon A. Ramsey was elected a Director to take the place of Mr. Oakley. Mr. Ramsey was elected Vice President and Mr. Seward, Secretary, at the Directors' meeting following. Mr. Seward resigned as Secretary in July of the same year and Pierre G. Beach was elected in his place.

At stockholders' meeting April 4, 1907, Mr. Frost reported increased earnings.

Annual  
Report

- justified expenditures by reference to extraordinary territory thru which the road was built -



Here are a few of the boys who were responsible for keeping the right of way of the old Chicago and Milwaukee Electric

*"We've Been Workin' on the Railroad"*

Railroad in condition. Several members of the early "work Train" crew are still with the road, and all of them are familiar to North Shore employees of the present generation. The men of this 1906 train are "Ed" Whiting, George Merriman, "Bill" Ives, Frank Sheehan and Frank Curley.



*Famous Highwood "Pit" Mystery Solved!*

This picture shows the car pits which existed around 1907 or 1908 but which were filled in when the shops were built. The name of the "Pit" will live forever to designate the car stop at the Highwood Office.

*When Racine Was the Terminal of the "Milwaukee Electric"*



This picture was taken a short time before the fire that wiped out the old station when Racine was the Northern terminal of the Chicago and Milwaukee Electric Railroad Company.

William (Red) Scott is the trim appearing conductor standing beside his car, while motorman William Ludwig is in the cab.

- all but four franchises are in perpetuity -
- all Wisconsin franchises are perpetual except into Milwaukee, which is for thirty years -
- A number of new stations and shelters built - a cutoff between Highland Park and Lake Forest, about two miles, on private right of way, for four track construction, thereby eliminating two bad curves and reducing running time between the cities -
- \$200,000. expended out of surplus for permanent improvements -
- Wisconsin Division to Racine placed in service September 2, 1906 -
- Road constructed to within 15 miles of Milwaukee, expect to complete road to Milwaukee by October 1, 1907 -
- "The Chicago & Milwaukee Electric Railroad operates in a territory which is unequalled anywhere in this country, connecting the City of Chicago with the City of Milwaukee and 26 other cities and towns along the line" -
- serving a population of 3,000,000 which is rapidly increasing -
- on December 1, 1906, the Company entered into a contract with the United States Express Company for operating its express business over this Company's lines, from which contract this Company is assured a profit of at least \$25,000. for the year -
- contract made with Racine Stone Company which has its quarries and plant on the Railroad's main line, three miles north of Racine, for hauling its entire product of about 1000 cubic yards of crushed stone per day. This contract assures the Company a profit of \$75,000 a year -

Wisconsin  
Franchises

Service to  
Racine  
Started

United States  
Express Co

Racine  
Stone Company

On April 4, 1907, the date of the last meeting of the stockholders of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, A. C. Frost held 38,495 shares of the capital stock of the Company. Gordon A. Ramsey held 10 shares. F. J. Geraghty, Engineer of the Company, 100 shares. Pierre G. Beach - 10 shares, Messrs. Osborne and Francis, by proxy, 1830 shares, J. Ernest Osborne, by proxy, 256 shares and G. A. Ball, by proxy - 500 shares. Mr. Beach and Mr. Francis were elected Directors to take the place of George M. Seward and Joseph E. Otis. The capital stock was increased from \$5,000,000. to \$10,000,000. It was voted to buy the Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, with \$3,000,000. of the increased stock of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, and to use the other \$2,000,000. of increased stock to complete the road into Chicago.

It was also voted to expend \$300,000. of the surplus earnings of the Company in the year 1906, to purchase additional land for the right of way and in the reconstruction of the road between Winnetka and Glencoe and thru Highland Park, Highland and Lake Forest.

On February 27, 1907, the Wisconsin Corporation Directors authorized a \$2,000,000. issue of Two-Year 6% convertible and Collateral Gold Notes, to be secured by \$2,500,000. of the January 1, 1905 bonds of the Company. A trust agreement, dated March 1, 1907, was entered into with the Western Trust and Savings Bank as Trustee.

Road  
Construction

\$2,000,000.  
Convertible  
Gold Notes  
Issued

*The "End of the Line" in 1908 -North*



"Evanston" far as we go - this was the information given to passengers of the old Chicago-Milwaukee Electric in 1908, shortly after service was extended to that thriving village.



This picture shows a "heavy train" in 1910, when the road was still operating as the Chicago and Milwaukee Electric Railroad ~~road~~ Company. The sign hanging on the front of the train shows it was operating between Waukegan and Evanston. The crew was (left to right) Conductor Nicholas Stiegleman and Motorman John Johnson.

The entire Wisconsin Division property, franchises, etc., were, on May 4, 1907, sold to the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, for \$3,000,000 of the additional capital stock of the Illinois Corporation. The capital stock of the Wisconsin Company was increased from \$300,000 to \$1,000,000.

Illinois  
Corporation  
Purchases  
Wisconsin  
Corporation  
Properties

In the same month a loan of \$500,000 was authorized, to be evidenced by the notes of the Wisconsin Corporation. It was stated that the loan was made for the purpose of completing the road to Milwaukee and to pay the Western Trust & Savings Bank \$100,000, for which amount the Company was indebted to the Bank. It was resolved that the Company issue no more notes or borrow any more money until the \$500,000 indebtedness was fully paid.

At a special Directors' meeting of the Chicago & Milwaukee Electric Railroad, Illinois Corporation, held on October 1, 1907, a resolution was adopted stating that the line from Lake Bluff north to the Wisconsin State Line belonged to and was part of the Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation.

On January 27, 1908, Otto R. Hansen, filed his creditor's bill against the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, and Judge Grosscup appointed D. B. Hanna, W. I. Osborne and Henry Haugan as Receivers of the Illinois Corporation.

Otto  
Hansen's  
Creditor's  
Bill

At the final Stockholders' meeting of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, held April 2, 1908, it was resolved that the Illinois Company consent that the holders of the Wisconsin Company bonds, who wish to agree to issue of \$1,000,000. of Receivers' Certificates as a lien prior to the lien of such bonds, could do so without prejudice to any rights they might have or be entitled to under the contract of guaranty of the Illinois Company attached to the Wisconsin bonds. It was further resolved that the Receivers of the Illinois Company turn over to the Receivers of the Wisconsin Company semi-annually, after payment of maintenance charges, a sum not exceeding \$30,000., to pay the interest of \$1,000,000. of Receivers Certificates issued by order of Court to complete the lines into Milwaukee.

Receivers'  
Certificates

At February 1, 1908, the Republic Construction Company had been paid \$2,400,000. par value in capital stock and \$10,300,000. par value in bonds of the Illinois and Wisconsin Divisions.

Explanation was made at the Directors' meeting of January 24, 1908, relative to the payment of \$2,100,000. par value of bonds to the Republic Construction Company, which was in excess of that Company's contract. It was stated that the Construction Company could not sell the Wisconsin bonds during the financial difficulties of 1907, and that in order to realize money on them, they had to put up large margins of the First Mortgage bonds. This necessitated delivery of more bonds to that Company than was contemplated in the contract. It was stated that the understanding was that the Republic Construction Company would complete the road into Milwaukee, build and equip a substation at the south limits of Milwaukee, make the necessary payments for the completion of the First Avenue and Sixth Street Viaduct, and furnish ten additional cars, then being built by the Jewett Car Company.

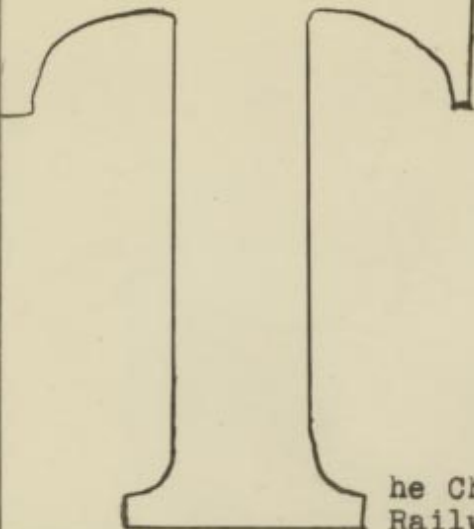
Bonds Issued  
in Excess of  
Authorization

On February 1, 1908, a meeting of Directors of Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, was held, and a resolution passed stating that whereas the Company was insolvent, and consequently, unable to meet its obligations and complete the Line to Milwaukee, it therefore submit itself and its property to the jurisdiction of the Circuit Court, of the United States for the Eastern District of Wisconsin, and that the Company's attorney file an answer in the case of the Sovereign Bank of Canada versus Chicago & Milwaukee Electric Railroad Company of Wisconsin, admitting the allegations of the bill and joining in a prayer for a receiver.

Wisconsin  
Corporation  
Receivers  
Appointed

On January 28, 1908, the same gentlemen were appointed Receivers for the Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, by Judge Grosscup, sitting at Chicago, in response to a creditor's bill of the Sovereign Bank of Canada, without judgment, filed in the United States Circuit Court at Milwaukee against the Wisconsin Corporation.

---


 he Chicago and Milwaukee Electric Railway Company, was organized through the efforts of A. C. Frost, January 31, 1906, with power to construct and operate street railways in the City of Milwaukee, Wisconsin. The authorized capital stock was \$100,000. It had no bond issue authorized or outstanding. Its entire capital stock was assigned to the Western Trust & Savings Bank, Trustees of the bond issue of the Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, as additional security for that issue.

C&ME Ry  
 Company  
 Milwaukee  
 City Line

The Common Council of the City of Milwaukee, by ordinance ~~andxxxxxxxxxxxxxxxxxxxx~~ granted the Chicago & Milwaukee Electric Railway Company, Wisconsin Corporation, the right to construct and operate a double track electric railway, with terminals, bridges and viaducts, over and across certain portions of Second Street, Wells Street, Seventh Street, Sixth Street, St Paul Avenue, First Street, Madison Street and Grove Street, to a point in the south corporate limits of the City of Milwaukee.

Milwaukee  
 Franchise

In 1908, the year the Receivers were appointed for the Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, the Railway Company had completed construction of about two miles of double track railway along and upon the streets of Milwaukee from the southern city limits, on Grove and Madison Streets, and east on Madison Street to First Avenue, and north on First Avenue to Washington Street; and had partially constructed its lines upon other streets. The road was completed to the heart of Milwaukee after the appointment of Receivers, with proceeds from sale of Receivers' Certificates.

Road  
 Completed  
 to Business  
 District of  
 Milwaukee

*When Service Was Extended to Milwaukee*



The first car of the Chicago and Milwaukee Electric Railroad to enter Milwaukee in 1908 when the service was extended north to the "Cream City" This picture was taken when the car was on North Second Street. Water Street is on the left and Wells Street in the rear.

The triangular building has been razed and the space is now a park.



The Receiver changed from time to time but in February 1911, the Court appointed W. O. Johnson as Receiver, and he remained in that position until he was discharged by the Court in 1916.

W.O. Johnson  
Receiver

The Illinois and Wisconsin Divisions were operated by the Receivers as one railroad from the beginning of the Receivership in 1908 until the Receiver was discharged in the summer of 1916.

During these years, the road was greatly improved and many cars were purchased; timber trestles and bridges, near Milwaukee were rebuilt with the best materials and workmanship; a new bridge was built over the river at Racine; Willow Street Bridge built in Winnetka, the roadbed was rebuilt over a considerable part of the Road; limited express service was established between Milwaukee and Evanston.

Improvement



In January 1912 the several groups and committees concerned in protecting the interests of the bondholders of the two companies, Illinois and Wisconsin, merged in one committee, named the "Protective Committee". About 97% of the Wisconsin bonds, and over 98% of the Illinois bonds, were deposited with this Committee.

Protective  
Committee

The members of the Protective Committee were -

George M. Reynolds	George A. Somerville
Ernest A. Hamill	Robert Cassels
W. E. Stavert	E. A. Shedd
H. S. Osler	R. Floyd Clinch
Miller Lash	John R. Thompson

The first meeting of the Committee was held on January 26, 1912. At this meeting the Plan and Agreement of January 26, 1912 was approved. Under this Plan and Agreement, the Protective Committee assumed responsibility for obligations of the old Wisconsin Committee and was authorized to act for the bondholders in reorganization matters. The purpose of the Plan and Agreement was to provide for the purchase at judicial sales, of the properties of each of the Divisions, and for the purchase of 1,000 shares of the capital stock of the Chicago & Milwaukee Electric Railway Company and the properties of that Company, and for the operation of such property for the benefit of the bondholders who deposited their bonds under the agreement. The Plan contemplated the two Divisions were to be owned and controlled as one continuous line by one corporation.

Plan and  
Agreement  
of  
January 26,  
1912

Mr. Johnson, as Receiver, entered into a lease with the Public Service Company of Northern Illinois for power, and a lease was made with that company covering the Company's power plant at Highwood, Illinois, on May 6, 1913.

Power

At the June 10, 1913 meeting of the Protective Committee, George M. Reynolds, Ernest A. Hamill and R. Floyd Clinch were appointed as a Special Committee to acquire for the Protective Committee the properties of the Chicago & Milwaukee Electric Railroad Company of Illinois and the Chicago & Milwaukee Electric Railroad Company of Wisconsin and to do various other things as described in the January 26, 1912 Plan and Agreement.

Protective Committee

Special Committee

The Protective Committee on May 2, 1912, entered into an agreement with Samuel Insull which provided that a new Company should be formed to acquire the properties of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, and Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, when the receivership ended.

New Operating Company

The stock of the new Company under the Plan was to be placed in a Voting Trust. Mr. Insull was to be elected Chairman of the Board of Directors, was to manage and operate the railroad properties during the existence of the Voting Trust, but not to exceed ten years. It was understood he would obtain an entrance to Chicago for the new Company's trains.

Entrance Chicago

On September 25, 1912, the properties of the Company were sold under foreclosure and bid in by Jacob Newman of the Reorganization Committee at \$1,600,000 for the Wisconsin Division and \$1,650,000 for the Illinois Division. The sale of the Illinois Division was set aside by Judge Landis of the United States District Court on January 2, 1913, on the grounds that bidding was suppressed and that the price obtained was much below true valuation. On June 6, 1913, the United States Circuit Court of Appeals affirmed the order of Judge Landis.

First Sale of Railroad Properties

Sale set aside

On February 27, 1914, Judge Geiger, in the United States District Court, Northern District of Illinois, Eastern Division, ordered the re-sale of the Wisconsin Division and denied the petition of a stockholder to intervene to become a party to the

Re-sale Ordered



Samuel Insull

suit to prevent the Reorganization Committee from being permitted to bid at the next sale. On May 29, 1914, the United States Circuit Court of Appeals affirmed the decision of Judge Geiger, ordering the re-sale of the Wisconsin Division. On December 12, 1915, Judges Geiger and Landis in the United States District Court, for the Northern District of Illinois Eastern Division, at Chicago, overruled a motion for further delay and ordered the properties sold at foreclosure.

On May 1, 1916, the properties in Wisconsin were sold under mortgage sale, pursuant to August 7, 1912 Decree of the District Court of the United States for the Eastern District of Wisconsin; and pursuant to March 24, 1914 Decretal Order of Sale to Frank A. Vath and Charles White, nominees of the Protective Committee.

Final  
Sale of  
Wisconsin  
Properties



In 1913 the "Cannon Ball Limited" shown above with its crew, was reputed to be the fastest train on what was then the Chicago, Milwaukee Electric Railway, forerunner of the North Shore Line.

The motorman is Mort Gilkeson, and the conductors are Tom Russell and "Bob" Botner.

## CHAPTER X

The North Shore Racine & Milwaukee Railroad was organized June 25, 1916, to purchase the Wisconsin Division of the Chicago & Milwaukee Electric Railroad Company and to maintain and operate it.

North Shore  
Racine & Mil-  
waukee Rail-  
road Organize

Subscriptions to the 1000 shares of \$100,000. capital stock, par value \$100. a share, were made by -

Charles L. Burlingham	1 share
Anthony White	1 share
Harry Goodman	1 share
Frank A. Vath	1 share
Charles White	996 shares

who became the Directors of the Company.

Articles of Incorporation for the North Shore Racine & Milwaukee Railroad were filed in the office of the Secretary of State of Illinois on June 15, 1916.

Articles of  
Incorporation

The By-Laws of the Company were approved at the July 22, 1916 meeting of the incorporators.

By-Laws

The Directors were authorized, subject to the approval of the Railroad Commission of Wisconsin, to issue \$100,000. capital stock.

Capital  
Stock

At this meeting on July 22, 1916, the Directors were authorized to acquire, subject to the prior approval of the Railroad Commission of Wisconsin, the property and franchises of the Chicago & Milwaukee Electric Railroad Company, Wisconsin

Authority to  
Acquire  
Wisconsin  
Corporation  
Properties,  
et cetera

Corporation, and to lease the property to Chicago North Shore and Milwaukee Railroad for 25 years from July 1, 1916, for \$105,000. a year. The Directors were also authorized at this meeting to sell all the remaining interests, franchises and property to the Chicago North Shore and Milwaukee Railroad, and after payment of its liabilities, to distribute the remainder to the stockholders upon surrender of stock certificates.

At a special meeting of the Directors of North Shore Racine & Milwaukee Railroad on August 23, 1916, the sale of the properties, franchises and privileges of North Shore Racine and Milwaukee Railroad to Chicago North Shore and Milwaukee Railroad, was authorized, in consideration of the Chicago North Shore and Milwaukee Railroad assuming a certain note of North Shore Racine & Milwaukee Railroad for \$964,000. due in six months from date. The sale was effective August 14, 1914. The Chicago North Shore and Milwaukee Railroad accepted the properties subject to all liens against it. Included in these liens were -

Receiver's Certificates, dated May 11,  
1908, with interest at 6% from  
May 11, 1916 for.....\$961,000.

Receiver's Certificates dated July 21,  
1911 with interest at 6% from July  
1, 1916 for..... 75,000.

\$1,036,000.

and various claims.

Authority to  
Lease and  
Sell North  
Shore Racine  
& Milwaukee  
Railroad  
Properties  
to CNS&M RR

Sale of  
Wisconsin  
Properties  
by North  
Shore Racine  
& Milwaukee  
Railroad to  
Chicago North  
Shore & Mil-  
waukee Rail-  
road author-  
ized

# E

Effective May 1, 1916, Frank A Vath and Charles White sold the property and franchises of the

Illinois Division of the Chicago & Milwaukee Electric Railroad Company to Chicago North Shore and Milwaukee Railroad. The purchase price on consideration paid to, or on the order of Mr. Vath and Mr. White, was the execution, issue and delivery of its securities and agreements, which are the essence of the "Offer to Sell" made by Frank A. Vath and Charles White on June 1, 1916. That offer was accepted by the Chicago North Shore and Milwaukee Railroad on July 12, 1916, and the North Shore Company agreed to deliver to Vath and White -

Illinois  
Properties  
Sold to  
Chicago  
North Shore  
and Milwauk  
Railroad

- 1 1000 shares of Chicago North Shore and Milwaukee Railroad Common Capital stock - par value - \$100,000.
- 2 \$1,500,000. on note of Chicago North Shore and Milwaukee Railroad, dated June 1, 1916, and payable with interest at 5% on or before six months after date

3. An agreement to be made by it to take said property subject to the lien of a Trust Deed made by Chicago & Milwaukee Electric Railway Co. to Cleveland Trust Co. and Royal Trust Co., Trustees, securing bonds for \$1,080,000, with interest after July 1st, 1916, at the rate of 5% per annum, said bonds being dated July 1st, 1899, and due July 1st, 1919.
4. An agreement to be made by it to take said property subject to the rights and claims, if any, of General Electric Company, Westinghouse Traction Brake Co., Marion Steam Shovel Co., F.S. Munro, as Receiver of the Republic Construction Co., to the ownership and possession of certain specific portions of said property.
5. An agreement obligating it to assume and pay the certain liens and claims hereinafter mentioned upon or against the said property proposed hereunder to be sold and transferred or unpaid and owing by the undersigned on account thereof and wherein said Chicago North Shore and Milwaukee Railroad, if this offer is accepted, shall agree and warrant to save and keep harmless the undersigned from or on account of said liabilities, or any of them or any part thereof, as follows:
  - (a) All taxes, assessments and government fees unpaid upon or against said property or unpaid and owing by the undersigned on account thereof:
  - (b) All claims against the Receivers of the Chicago and Milwaukee Electric Railroad Company, an Illinois

Corporation, or any one of them, for personal injuries or other wrongful acts that have occurred or which shall occur during and in connection with the receivership of said last mentioned Corporation prior to such transfer and sale, and which within six months after the first publication of a notice, as provided in said decrees of sale above referred to, as entered in the District Court of the United States for the Northern District of Illinois, for the presentation of such claims shall have been duly presented to Charles B. Morrison, Special Master of the United States, and which shall be duly allowed by said Special Master without objection, or established by the final order, judgment or decree of said court.

6. An agreement obligating it upon terms and provisions satisfactory to or approved by counsel for the undersigned, in event only that it shall hereafter acquire by purchase the property the Chicago and Milwaukee Electric Railroad Company, a Wisconsin Corporation, also purchased by the undersigned on May 1st, 1916, at a mortgage foreclosure sale pursuant to decrees of the District Court of the United States for the Eastern District of Wisconsin, to execute, issue and deliver in part payment of the purchase price of said property and in lieu of the 1,000 shares of capital stock, each of the par value of \$100, mentioned in paragraph 1 hereof, the following:

- (a) Its First Income Bonds, secured by a Second Mortgage on the property hereunder offered to be sold and transferred and by a Third Mortgage on the property of the Chicago and Milwaukee Electric Railroad Company, a Wisconsin Corporation, to the aggregate amount or \$5,000,000. Said First

Income Bonds and the Second Mortgage securing the same shall mature at such time and embody such terms, covenants, agreements, provisions and conditions as may be approved by counsel for the undersigned; said First Income Bonds to bear non-cumulative interest at the rate of four (4) per cent per annum, payable semi-annually out of the annual net earnings and not otherwise. Said Second Mortgage shall always be inferior to and subject to the prior lien of a First Mortgage securing \$10,000,000 par value of bonds and of a General Mortgage securing \$1,500,000 par value of bonds and the bonds therein mentioned and thereby respectively secured.

- (b) Its Second Income Bonds secured by a Third Mortgage on the property offered to be transferred and sold hereunder and by a Second Mortgage on the property of the Chicago and Milwaukee Electric Railroad Company, a Wisconsin Corporation, to the aggregate amount of \$5,800,000. Said Second Income Bonds and the Third Mortgage securing the same shall mature at such time and embody such terms, covenants and agreements, provisions and conditions as may be approved by counsel for the undersigned; said Second Income Bonds to bear non-cumulative interest at the rate of four (4) per cent per annum, payable semi-annually out of the annual net earnings and not otherwise. Said Third Mortgage shall always be inferior and subject to the prior lien of a First Mortgage securing \$10,000,000 par value of bonds and of a General Mortgage securing \$1,500,000 par value of bonds and the bonds therein mentioned and thereby respectively secured, and shall ~~be~~ also be inferior and subject to the prior lien of said Second Mortgage and the First

Income Bonds secured thereby and therein mentioned on the properties proposed to be sold and transferred hereunder and as to the prior interest claims of said First Income Bonds upon annual net earnings.

- (c) 62,000 shares of its common capital stock, each of the par value of \$100, to the aggregate amount of \$6,200,000 or such lesser amount as may hereafter be designated by the undersigned.

Said First and Second Income Bonds and said Second and Third Mortgages respectively securing the same, and said additional common capital stock shall be executed, issued and delivered only in the event that the execution, issue and delivery thereof for the full amounts herein stated shall be first authorized and approved by the State Public Utilities Commission of Illinois and the Railroad Commission of Wisconsin, and whenever the execution, issue and delivery of said securities may otherwise be lawfully made, and in the event that the State Public Utilities Commission of Illinois and the Railroad Commission of Wisconsin, or either of them, shall not authorize the issue of said First and Second Income Bonds and the Second and Third Mortgages securing the same, and said additional capital stock, or if Counsel for the undersigned shall be of opinion that the execution, issue and delivery of said securities may not be lawfully made, then said Chicago North Shore and Milwaukee Railroad is to be relieved and discharged from paying any portion of the consideration for the sale

and transfer of said property in this paragraph numbered 6 hereof provided for, and in that event the undersigned agree to accept, in full satisfaction and discharge of all claims and demands whatsoever arising under this offer for the sale and transfer of the property hereinabove described, and as full payment for the sale and transfer thereof, the consideration mentioned in paragraphs numbered 1, 2, 3, 4 and 5 hereof.

Under the agreement so to be executed by Chicago North Shore and Milwaukee Railroad under this paragraph numbered 6, it shall be obligated, when requested by the undersigned, to make and file due application, conformable to law, with the State Public Utilities Commission of Illinois and the Railroad Commission of Wisconsin for the issue of the First and Second Income Bonds and the Second and Third Mortgages securing the same, and the issue of the additional capital stock, all as herein provided for, and it shall comply with all such requirements of law in the making of the application to the said Commissions for the issue of said securities and on the hearing thereof as may be requisite, necessary and lawful to have a determination of the question as to whether the securities provided for in this paragraph may be lawfully executed, issued and delivered.

On July 1, 1916, Frank A. Vath and Charles White, nominees of the Protective Committee, sold to George M. Reynolds, Samuel Insull and R. Floyd Clinch, as Trustees, approved by Protective Committee, at meeting June 28, 1916, in accordance with the July 1, 1916 Trust Agreement signed by each of them, their 1000 shares of the capital stock of the Chicago North Shore and Milwaukee Railroad and their 1000 shares of the capital stock of the

Sale of  
Capital Stock  
of Chicago  
North Shore &  
Milwaukee RR  
and Chicago  
and Milwaukee  
Electric Rail-  
way Company

Chicago & Milwaukee Electric Railway Company (the street railroad in Milwaukee). These shares were designated as the "Trust Estate".

It was agreed between these parties to the Trust Agreement that the 1000 shares of the combined stock of the Companies would be divided into 170,000 shares being issued, instead of income bonds, as provided in the Plan and Agreement of January 26, 1912, of which -

Participatio  
shares

50,000 shares would be First Preferred Participation shares

58,000 shares would be Second Preferred Participation shares

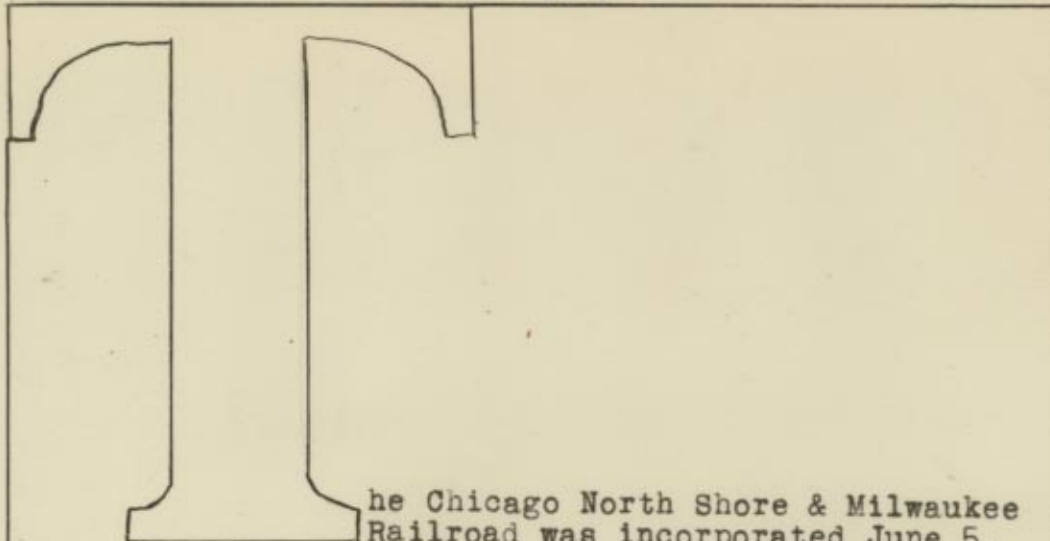
62,000 shares would be Common Participation shares

These shares were, under direction of the Protective Committee (Acting under January 26, 1912 Plan and Agreement) issued in March 1917, to the bondholders who had deposited bonds with the Protective Committee of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, and Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation.

The Trust Agreement provided that the First and Second Preferred Participation Shares were to receive dividends each year. The dividend account was to be credited with the net income of the Railroad or 30% of the gross income after deducting any interest accrued in the year. Unpaid dividends were to bear interest at 5%.

Dividend  
Policy

## CHAPTER XII



he Chicago North Shore & Milwaukee Railroad was incorporated June 5, 1916, by

Incorporators

Archie F. Hooper	7200 Ellis Ave., Chgo
John Moran	11951 Princeton Ave., Chgo
Frank Stava	3904 W. Twenty-fourth St. Chgo
E. L. White	6620 St. Lawrence Ave., Chgo
W. D. Johnston	1923 Sherman Ave., Evanston
R. E. Simond	6026 Kenwood Ave., Chgo
Keith Richardson	74 Seventh Ave., La Grange, Ill.

who constituted the first Board of Directors, and each subscribed for 1 share of the Company's capital stock of \$100 par value, except Mr. Hooper who subscribed for 994 shares. Mr. Richardson, one of the directors mentioned in Article of Incorporation, resigned and transferred his interest in one share of the corporation to H. A. Pillman.

At the First Meeting of the Incorporators, held July 12, 1916, By-Laws were adopted, the Board of Directors was authorized to issue capital stock of the Corporation to the amount of \$100,000; Directors approved execution of trust deed to Continental Illinois Trust & Savings Bank, being a First Mortgage for \$10,000,000 on the Company's properties. The First Mortgage Gold Bonds were dated July 1, 1916, due July 1, 1936, interest at 5% payable semi-annually on the first day of July and January in each year.

First Meeting  
of  
Incorporators

At this meeting of the stockholders, on July 12, 1916, the issuance of \$3,400,000 First Mortgage Bonds was authorized.

First  
Mortgage  
Bonds

A General Mortgage of \$1,500,000 was approved at the meeting. The bonds were dated

General  
Mortgage Bonds

August 1, 1916, interest rate to be decided upon before issuance of bonds. The bonds matured August 1, 1936. An immediate issue of \$1,180,000 of these General Mortgage Bonds was authorized.

An issue of \$600,000. par value Collateral Gold Notes, Central Trust Company of Illinois, Trustee, dated August 1, 1916, was authorized. These notes matured \$266,000 August 1, 1917, \$67,000 August 1, 1918 and \$267,000 August 1, 1919.

Collateral  
Gold  
Notes

John Moran's resignation as a Director was accepted at Stockholders' meeting July 17, 1916, and the vacancy was filled by the election of W.O. Johnson as a Director.

Directors

At the Stockholders' meeting on August 15, 1916, resignations and elections were as follows:

W.O. Johnson resigned - E.A. Shedd elected  
R.E. Simond resigned - Britton I. Budd elected  
W.D. Johnston resigned - John R. Thompson elected  
E.L. White resigned - R. Floyd Clinch elected

At a second meeting of the Incorporators on July 12, 1916, attended by each of the Incorporators, the Directors were authorized to accept the offer of Frank A. Vath and Charles White to sell the properties and franchises of the Chicago & Milwaukee Electric Railroad Company to the Chicago North Shore and Milwaukee Railroad; to acquire from the North Shore Racine & Milwaukee Railroad the old Chicago & Milwaukee Electric Railroad Company's railroad and properties, and in payment of the purchase price thereof, to assume on behalf of the Chicago North Shore and Milwaukee Railroad the payment of an outstanding, unsecured promissory note of North Shore Racine & Milwaukee Railroad, dated June 1, 1916, and payable six months thereafter, in amount of \$964,000, with interest at 5%, and to take the railroad property of the North Shore Racine & Milwaukee Railroad subject to liens and claims as stated in the "acceptance" of the Railroad, as follows

2d Meeting  
of  
Incorporators

Purchase  
of  
North Shore  
Racine &  
Milwaukee  
RR Properties

" (a) All taxes, assessments and governmental license fees that may be unpaid upon or against said property

- (b) All claims against the Receivers of the Chicago and Milwaukee Electric Railroad Company, a Wisconsin Corporation, or any one of them, for personal injuries or other wrongful acts that have occurred or which shall occur during and in connection with the Receivership of said last mentioned corporation prior to such transfer and sale; and of <sup>the</sup> payment of all unpaid indebtedness, if any, legally contracted or incurred by any of the receivers prior to such transfer and sale, and which, within six months after the first publication of notice, as provided in the decrees of sale as entered in the District Court of the United States for the Eastern District of Illinois, for the presentation of such claims, shall be duly presented to Charles B. Morrison, Special Master of the United States, and be duly allowed by said Special Master, without objection, or established by the final order, judgment or decree of said Court, to the extent and so far as the same are not paid, satisfied and discharged out of the funds available for such purpose in the hands of the receiver in said cause.
- (c) Receivers' Certificates dated May 11, 1908 with interest at six per cent, from May 11, 1916, for \$961,000.
- (d) Receivers' Certificates, dated July 21, 1911, with interest at six per cent, from July 1, 1916, for \$75,000.
- (e) The rights, liens and claims, if any, of the General Electric Company, the Ketler-Elliott Erection Company, the Commercial & Savings Bank, and the Filer & Stowell Company, to any of the property herein mentioned or to any lien thereon, or to any of the proceeds thereof, or to compensation for the use and value thereof, to the extent and so far as the same are hereafter allowed and ordered to be paid by the final order, judgment or decree of the United States District Court for the Eastern District of Wisconsin, in the cause entitled Investment Registry, Limited, complainant, vs Chicago & Milwaukee Electric Railroad Company, A Wisconsin

Corporation, et al., defendants, consolidated cause in equity No. 80, Civil Docket C. C.; and upon the cross bill therein filed by Western Trust & Savings Bank and Willoughby Walling, as Trustees, under the deed of trust, dated January 1, 1905, made by the Chicago & Milwaukee Electric Railroad Company under and pursuant to the terms of said decree of sale, and not paid, satisfied and discharged out of the funds available for said purpose in the hands of the receiver in said Cause."

At stockholders' meeting of August 15, 1916, Directors' resignations were accepted and elections approved as follows:

Directors

H. A. Pillman resigned	Samuel Insull elected
Archie F. Hooper resigned	H. L. Stuart elected
Frank Stava resigned	H. S. Osler elected

The capitalization of the Chicago North Shore and Milwaukee Railroad, at September 11, 1916, was as follows -

Capitalization

"Capital Stock

The capital stock is in the nominal sum of \$100,000, which will be made the basis of an authorized issue of 170,000 Participation Certificates with no face value expressed.

Funded Debt

First Mortgage 5% Gold Bonds due July 1, 1936  
(this issue)

Authorized  
\$10,000,000.

Outstanding in hands of Public  
\$3,620,000

\*5½% Collateral Gold Notes  
 due serially  
 August 1, 1917-1919  
 (secured by deposit of  
 \$480,000 General Mortgage  
 5% Gold Bonds) \$600,000 \$400,000

General Mortgage 5% Gold Bonds  
 due August 1, 1936 \$1,500,000 \$460,000

\*The remaining \$200,000 Notes were issued and  
 canceled."

The Directors elected by the stockholders  
 on August 15, 1916 were -

Directors

Britton I. Budd	E. A. Shedd
R. Floyd Clinch	H. L. Stuart
H. S. Osler	John R. Thompson
Samuel Insull	

The Executive Committee elected by the  
 Board of Directors on October 16, 1916 was composed  
 of -

Executive  
 Committee

R. Floyd Clinch	Samuel Insull
H. L. Stuart	

The Officers at December 31, 1917 were -

Officers

Samuel Insull	-	Chairman, Board of Directors
Britton I. Budd	-	President
R. Floyd Clinch	-	Vice President
W. V. Griffin	-	Secretary and Treasurer
C.E. Thompson	-	Assistant to President
E. J. Doyle	-	Assistant Secretary
W. F. Holtz	-	Assistant Treasurer
Ralph R. Bradley	-	General Counsel

The first annual report to stockholders  
 by Samuel Insull, Chairman, was made December 31, 1917,  
 for the period of July 26, 1916 to December 31, 1917.  
 Net Income was \$345,469.18 for that period. Balance  
 sheet at December 31, 1917 follows.

First  
 Annual Report  
 to  
 Stockholders

# Balance Sheet - December 31, 1917

## Assets

Road and Equipment as Per Appraisal Dated May 1, 1916, and Additional Construction Since July 26, 1916.....	\$12,963,023.58
Discount and Expense on Funded Debt, Subject to Amortization.....	116,621.52
Funds in Hands of Trustees.....	10,000.00
Inventories.....	\$ 219,351.67
Accounts Receivable.....	84,722.39
Cash.....	<u>377,675.20</u>
Unadjusted Accounts.....	681,749.26
	31,290.34
	<u>\$13,802,684.70</u>

## Liabilities and Capital

Capital Stock.....	\$ 100,000.00
Equity of Participation Shareholders in Road and Equipment.....	7,151,827.00

### Funded Debt:

First Mortgage 5% Gold Bonds.....	\$5,000,000.00
Less: Pledged as Collateral.....	<u>940,000.00</u>
	\$4,060,000.00
General Mortgage 5% Gold Bonds.....	460,000.00
Equipment 6% Gold Notes.....	153,000.00
Serial 6% Gold Notes.....	<u>885,000.00</u>
	5,558,000.00

Liabilities Assumed, Expressed at Nominal Value..	2.00
Protective Committee.....	1,693.42

### Current and Accrued Liabilities:

Loans and Notes Payable.....	\$154,872.10
Accounts Payable.....	375,449.67
Liberty Loan Subscription	7,857.37
Accrued Interest and Taxes.....	<u>92,396.65</u>
Unredeemed Tickets.....	630,575.79
Surplus.....	15,117.31
	345,469.18
	<u>\$13,802,684.70</u>

## 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

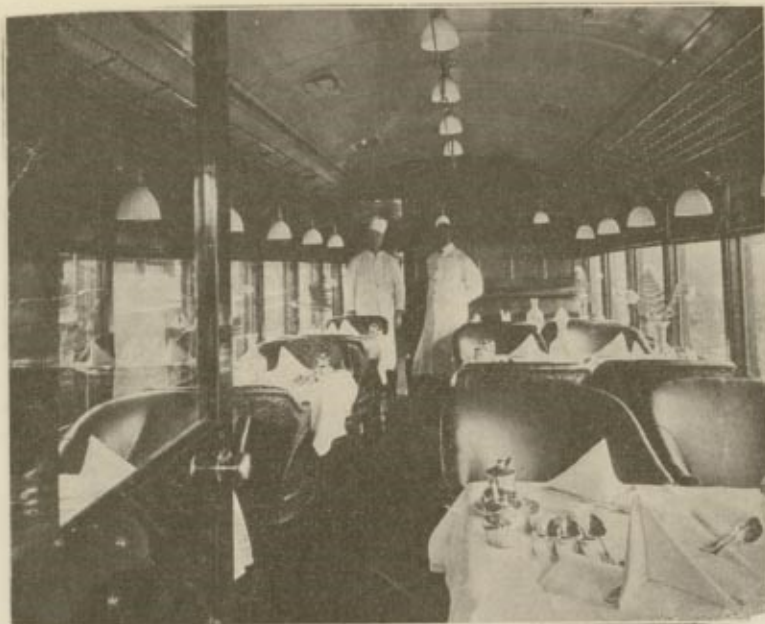
\$170,000, of its 6% Equipment Notes

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

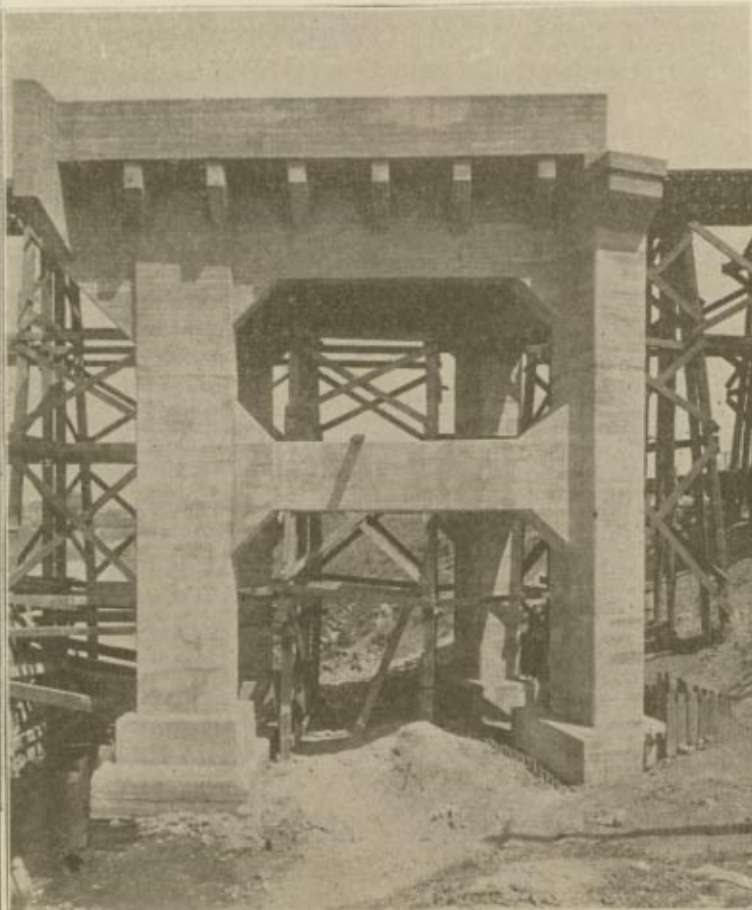
The Waukegan City Lines were largely rebuilt and new tracks laid on North Avenue and Glen Flora Avenue from Sheridan Road to West Line tracks.

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

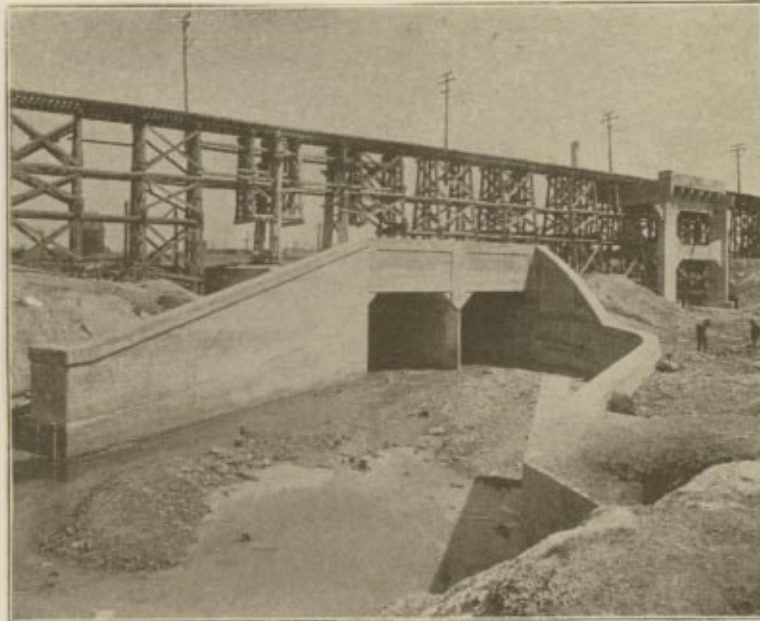
The car shops, at Highwood and North Chicago, were modernized; new concrete and steel bridges built (1) over the crossing of the St. Francis cut-off tracks of the Chicago and North Western Railway just south of Milwaukee (2) on the north side at the Madison Division crossing of the Chicago and North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

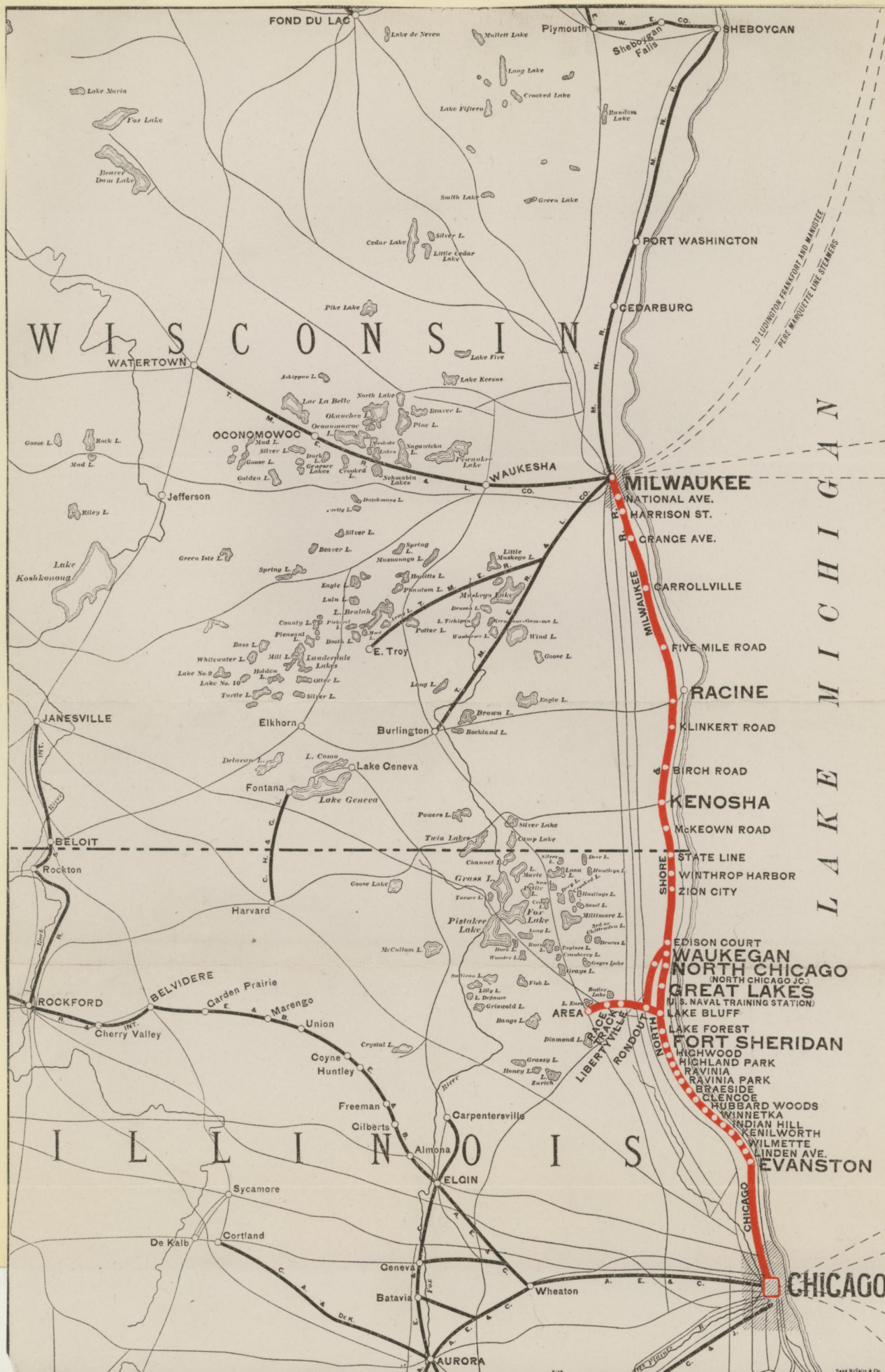
The merchandise despatch service commenced operation August 1, 1917.

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

Map of  
Chicago North Shore and Milwaukee Railroad  
at December 31, 1917





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



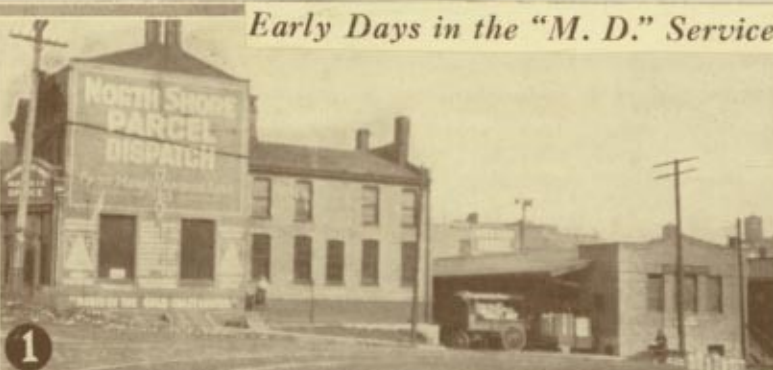
Warehouse at Sixth and Clybourn, Milwaukee-the northern terminal of this high-speed merchandise delivery service. The large number of trucks backed up at the loading platform prove that business is rushing at the "North Pole".



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



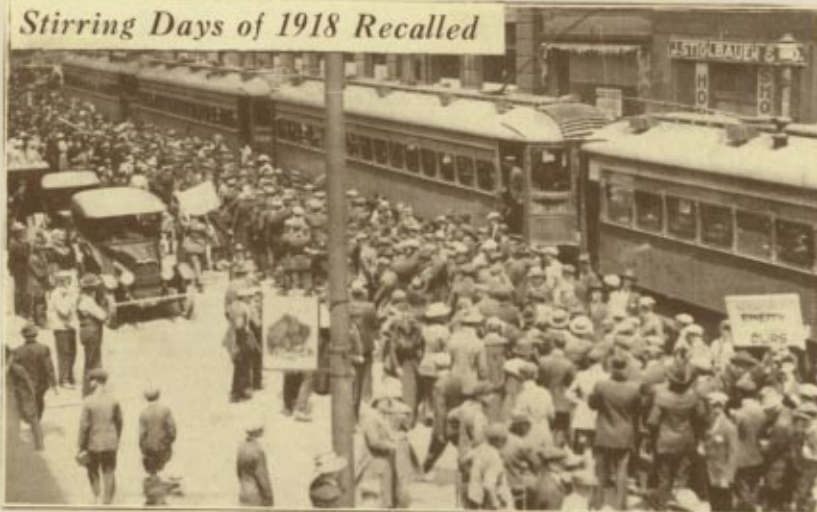


The Merchandise despatch station at Kenosha, Wisconsin  
erected in 1919

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

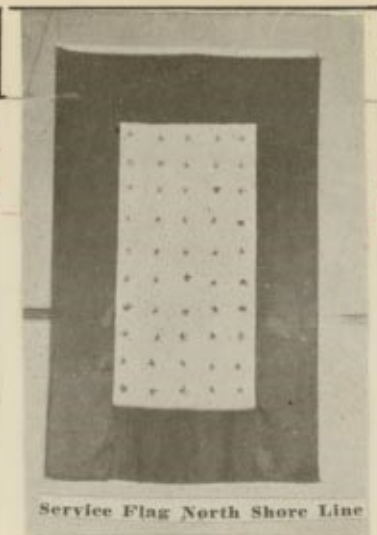
Do you remember these and other stirring slogans carried on placards by enthusiastic recruits as they flocked to Great Lakes Naval Training Station to "join up" in 1918? Almost every member of the North Shore Line family recalls the excitement, tenseness and fervid patriotism of the time, when war news 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

# D

uring 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.

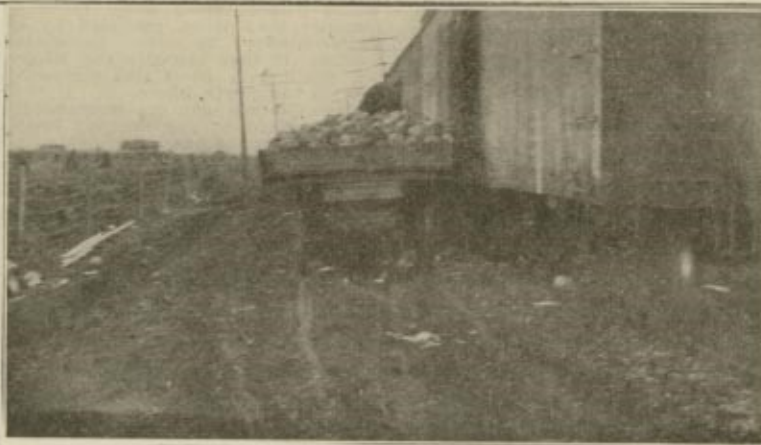
War Traffic

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.

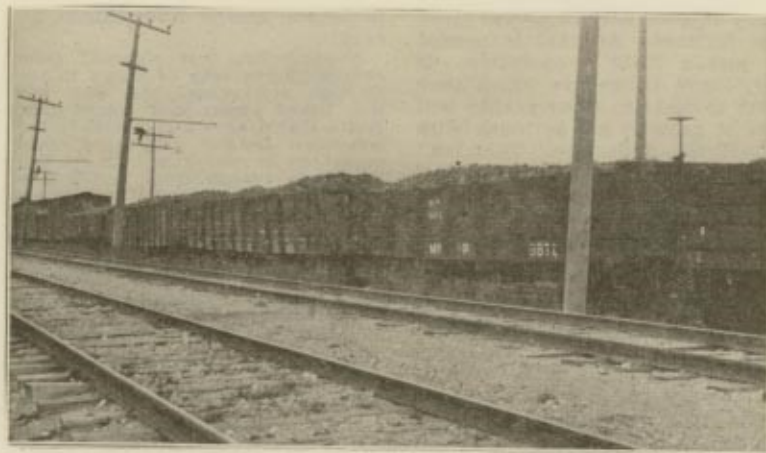
Blizzards



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 -

First  
Mortgage  
5% Bonds

\$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.

Wage  
Increase

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.

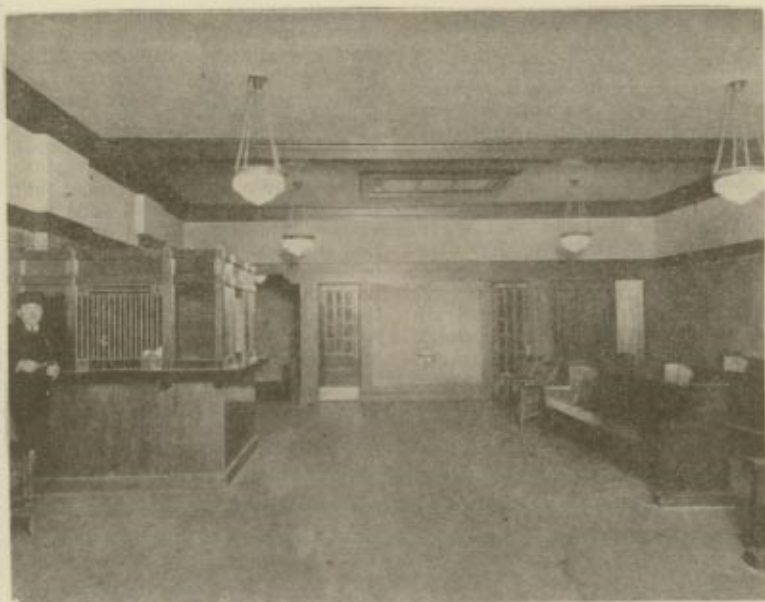
Trains to  
Operate into  
Chicago Loop

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.

Adams and  
Wabash  
Station

Main floor  
North Shore  
Passenger  
Station -  
Chicago  
1919





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.

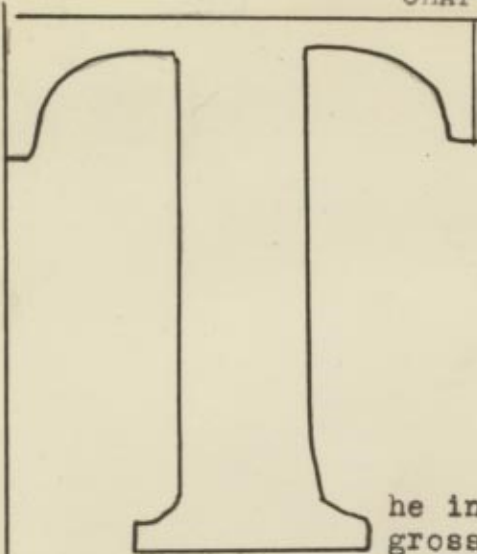
First  
Mortgage  
Bonds

\$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.

## CHAPTER XVII

	
	<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 Terminal

More Fast Trains

Waukegan 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

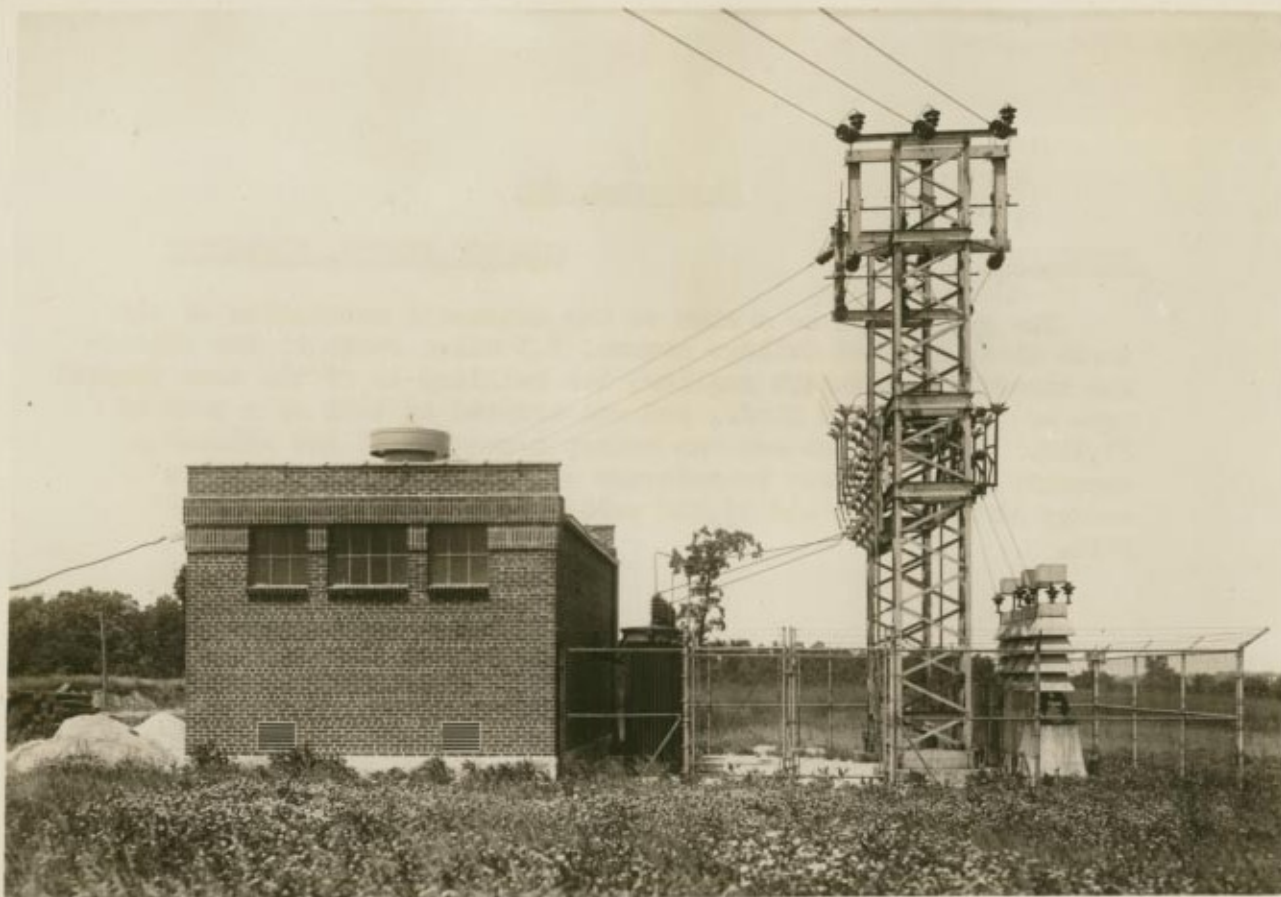
Samuel Insull

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.

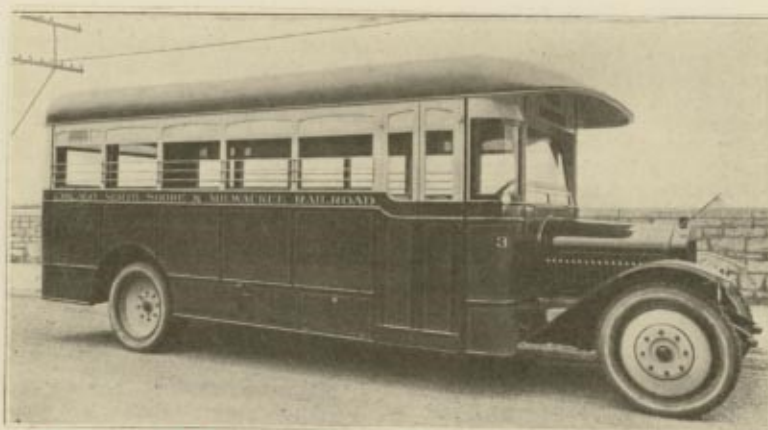
"Eastern  
Limited"



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

## CHAPTER XVII

The year 1923 was most successful to date in the history of the North Shore Line. Operating revenues that year increased \$937,320.13 or 18.71% over the year 1922, while the increase in the net income was \$168,935.26 or 32.61%. Gross revenues from freight and Merchandise Despatch business increased \$294,661.58 or 39.88%.

Increased  
Revenues

Participation Shareholders met February 27, 1923, and by unanimous vote adopted the plan previously announced for the financial reorganization of the Company. A new corporation was formed under the name of the Chicago North Shore and Milwaukee Railroad Company with an authorized capital stock distributed as follows:

1923  
Financial  
Reorganization

\$10,000,000. Prior Lien 7% Cumulative Stock  
5,000,000. Preferred 6% Non-Cumulative Stock  
5,000,000. Common Stock

All the Preferred and Common Stock, together with \$2,684,208.07 of 5-Year, Non-Interest Bearing Promissory Notes were delivered to the Participation Shareholders in exchange for their shares, in the proportion provided for in the Trust Agreement under which the Participation Shares were issued.

Basis on  
Exchange of  
Shares

The Company issued \$1,500,000 of the new Prior Lien 7% Cumulative Stock, partially to reimburse the Treasury of the Company for capital expenditures made in 1923. The stock was sold at the par value of \$100 a share.

More than two-thirds of this stock was sold to employees and customers of the Company, residents of the territory tributary to the road.

Employee-  
Customer  
Ownership of  
Stock

About 70% of the employees of the Company subscribed for this stock, a majority paying for it on the monthly payment plan. All of the stock sold, amounting at this time to upward of \$1,000,000. was sold by the employees of the Company. The number of stockholders had increased from 840 to 1936, while the number of subscribers acquiring the stock on the monthly payment plan brought the total up to more than 3000.

Additional equipment was acquired in 1923, which cost \$649,000. This was financed through an Equipment Trust, providing for the issuance of \$557,000. Equipment Trust Certificates, the balance of the purchase price being payable by the Company.

To provide funds for additions and betterments, \$1,000,000. of 6½% Three-Year Secured Sinking Fund Notes were sold. First Mortgage Bonds to the amount of \$902,000. were issued and deposited as part of the security for the Notes.

3 Year  
Secured  
Sinking Fund  
6% Notes

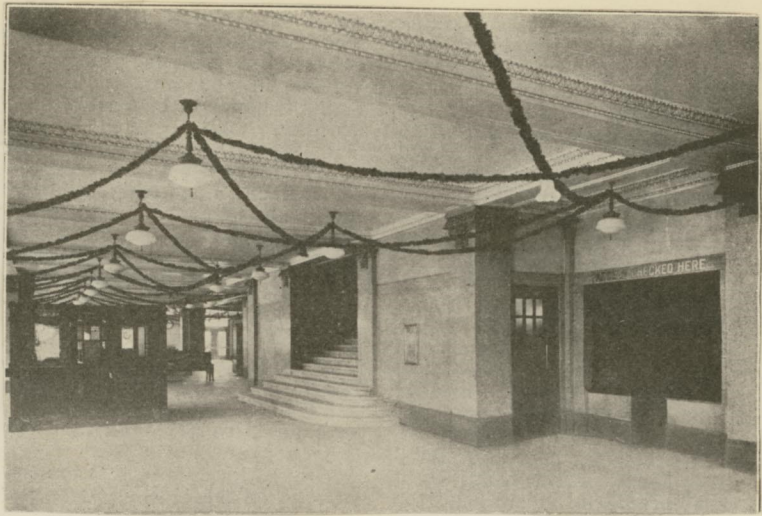
The North Shore Line, in October, 1923, won the Charles A. Coffin Gold Medal for the distinguished contribution it made to the development of the electric railroad industry. This medal and prize award were provided by the General Electric Company, for the electric railroad, within the United States, which, during the year, had done the most to popularize electric railway service.

Coffin  
Medal  
Award

Electric railroads in all parts of the United States entered the competition for the Coffin medal. In awarding the prize to the North Shore Line, the American Electric Railway Association Committee which examined the claims of the competing companies said-

"From the representations of the winning company, the Committee finds that on this property there has been carried to fruition most of the things that have been talked about for years as the remedies for various troubles. On this property the remedies have not only been talked about; they have been executed. Thus the winner stands out as a railway that has largely accomplished the tasks of gaining public good will, of merchandising transportation, modernizing service and equipment and improving its financial structure."

A handsome and commodious passenger station erected by the Chicago Rapid Transit Company and leased by the North Shore Line, located at the corner of Wilson Avenue and Broadway, in the heart of the district known as Uptown Chicago, was opened December 12, 1923.



**Uptown Chicago Union Station**

This modern station, equipped with every convenience for the use of the public, is used jointly by the North Shore Line and the Elevated Railroads. It was an improvement much needed by the North Shore Line to accommodate its growing business in that district.



**Interior view of Uptown Station showing stairway to trains.**

The competition for the Coffin Medal was the first engaged in by the electric railroads of the country. The North Shore Line won the distinction of being the first winner, which added materially to the value of the award.



## CHARLES A. COFFIN FOUNDATION

ESTABLISHED BY GENERAL ELECTRIC COMPANY

FOR THE ADVANCEMENT OF THE  
ELECTRICAL ART

AWARDS

THE CHARLES A. COFFIN MEDAL

TO

CHICAGO NORTH SHORE & MILWAUKEE RAILROAD COMPANY

IN RECOGNITION OF ITS DISTINGUISHED CONTRIBUTION DURING THE PAST YEAR TO  
THE DEVELOPMENT OF ELECTRIC TRANSPORTATION FOR THE CONVENIENCE OF THE  
PUBLIC AND THE BENEFIT OF THE INDUSTRY.

CHARLES A. COFFIN PRIZE COMMITTEE OF THE  
AMERICAN ELECTRIC RAILWAY ASSOCIATION

ATLANTIC CITY, N. J., OCTOBER 11, 1903

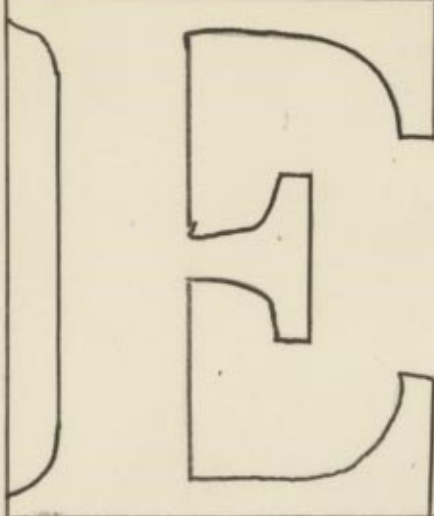
*W. M. Smith*

SECRETARY

*C. H. Johnson*

CHAIRMAN





arnings of the North Shore Line showed a substantial increase in 1924 over the year 1923.

Increased  
Earnings

While the increase was less marked than in some previous years, the gain of \$253,715.04 in operating revenue may be regarded as very satisfactory in view of the fact that part of the year 1924 was a period of general business depression felt in all industries and in all parts of the country.

The steady growth of the Company's business since Mr. Britton I. Budd became President, may be understood by a comparison of the gross operating revenue per mile of road:

Revenue per  
Mile of  
Road  
Summary

1916.....	\$12,688
1917.....	19,203
1918.....	31,798
1919.....	33,278
1920.....	40,558
1921.....	43,528
1922.....	48,472
1923.....	57,498
1924.....	59,962

In 1923, there was formed a corporation under the name of the Chicago North Shore and Northern Railroad, with a nominal capital stock of \$50,000 for the purpose of acquiring a right of way and constructing a railroad through the Skokie Valley. The stock of the Company was held by the Chicago North Shore and Milwaukee Railroad Company.

Chicago  
North Shore  
and  
Northern  
Railroad

The reason the Company acquired this new line is summarized as follows:

Grade separation through the various municipalities from Evanston to Glencoe had been a subject of discussion for several years. Separation of grades appeared inevitable, only the time when it must be done being unsettled.

Grade  
Separation

To protect the Railroad from the interruption in service which would accompany construction, the Company considered it essential to provide another new line for through passenger traffic between Chicago and Milwaukee.

Under conditions at that time the Company was prohibited by ordinance from operating freight trains south of Highland Park.

In June, 1924, the Company issued \$3,500,000 One-Year Notes to provide funds for the building of the line. Later, it was planned, permanent financing would be effected.

\$3,500,000  
One-Year  
Notes

At a meeting of stockholders of both Companies, held October 6, 1924, a consolidation of the two Companies was effected under the current name Chicago North Shore and Milwaukee Railroad Company.

Consolidation  
of Chicago  
North Shore  
& Northern RR  
with North  
Shore Line

In December, the consolidated corporation was authorized to issue and sell \$7,000,000 First and Refunding Mortgage 6% Gold Bonds for the purpose of retiring the \$3,500,000 One-Year Notes, all of the Three-Year, Ten-Year and Fifteen-Year Sinking Fund Notes, and for the other corporate purposes. The entire issue of \$7,000,000 bonds was subscribed for by banks and investment banking houses before actual issuance.

\$7,000,000  
1st & Refunding  
Mtg Bonds

The sale of the first issue of \$1,500,000 of 7% Cumulative Prior Lien Stock to employees and customers, which was started late in 1923, was closed in March 1924. About 70% of the employees subscribed

far this stock and the balance was sold largely to small investors, customers of the Company living in the various communities served by the Railroad.

Employee and  
Customer  
Stock  
Ownership

A second issue of \$1,000,000. of this same stock was placed on the market in November, 1924, the employees again acting as salesmen and saleswomen. The second issue was readily subscribed for in our own territory. The issue was sold and considerably over subscribed in less than three months after the sale opened.

The following figures show the wide distribution of this stock on the closing day of the sale: Subscribers numbered 2,652, of whom 1,489, or 54%, paid cash and 1,163, or 46%, were paying on the monthly instalment plan. Stockholders of the Company now numbered 4,768, while subscribers who were paying on the instalment plan brought the total upward of 6,250. The average subscription for Prior Lien Stock was four shares to a subscriber.

Construction work on the new Valley Line, which runs from a junction with the tracks of the Chicago Rapid Transit Company at Howard Street, Chicago, west in the cities of Evanston and Niles Center, and north through the Skokie Valley to a connection with the Libertyville Branch, near Lake Bluff, was started in the Spring of 1924 and pushed toward completion.

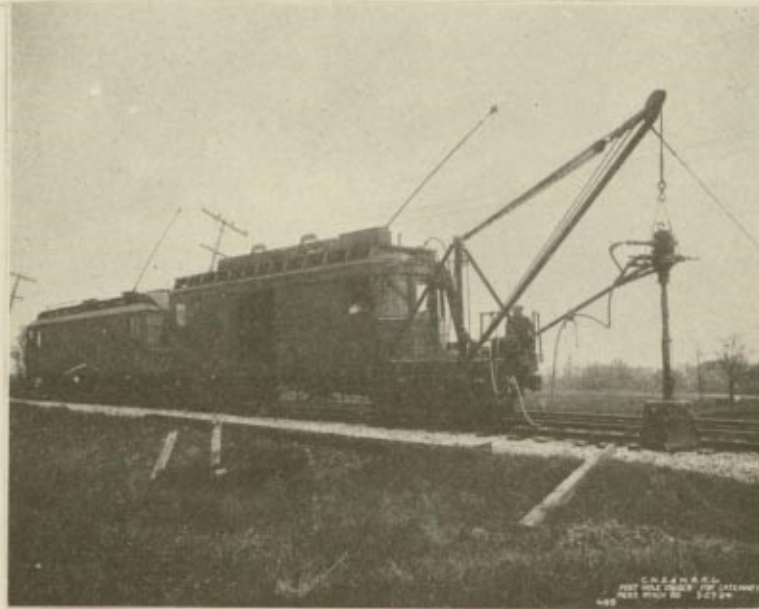
Skokie  
Line  
Construction



Turning the First Spadefulls of Earth which Celebrated the Opening of Construction in 1924 on the Chicago North Shore and Northern Railroad. The Officials Wielding the Spades are: Mayor Harry Pearsons, Evanston; Mayor John E. Brown, Niles Center; and R. Floyd Clinch, Vice President.

The ordinance authorizing the line was passed by the City Council of Evanston on April 2, 1924, approved by the Mayor and accepted by the Company the following day, and Construction work was started April 4th. The new line embraces every type of modern railway construction-subway, depressed tracks in an open cut, elevated tracks on a solid fill, and on open steel structure and surface tracks.

Evanston  
Ordinance  
Skokie  
Line



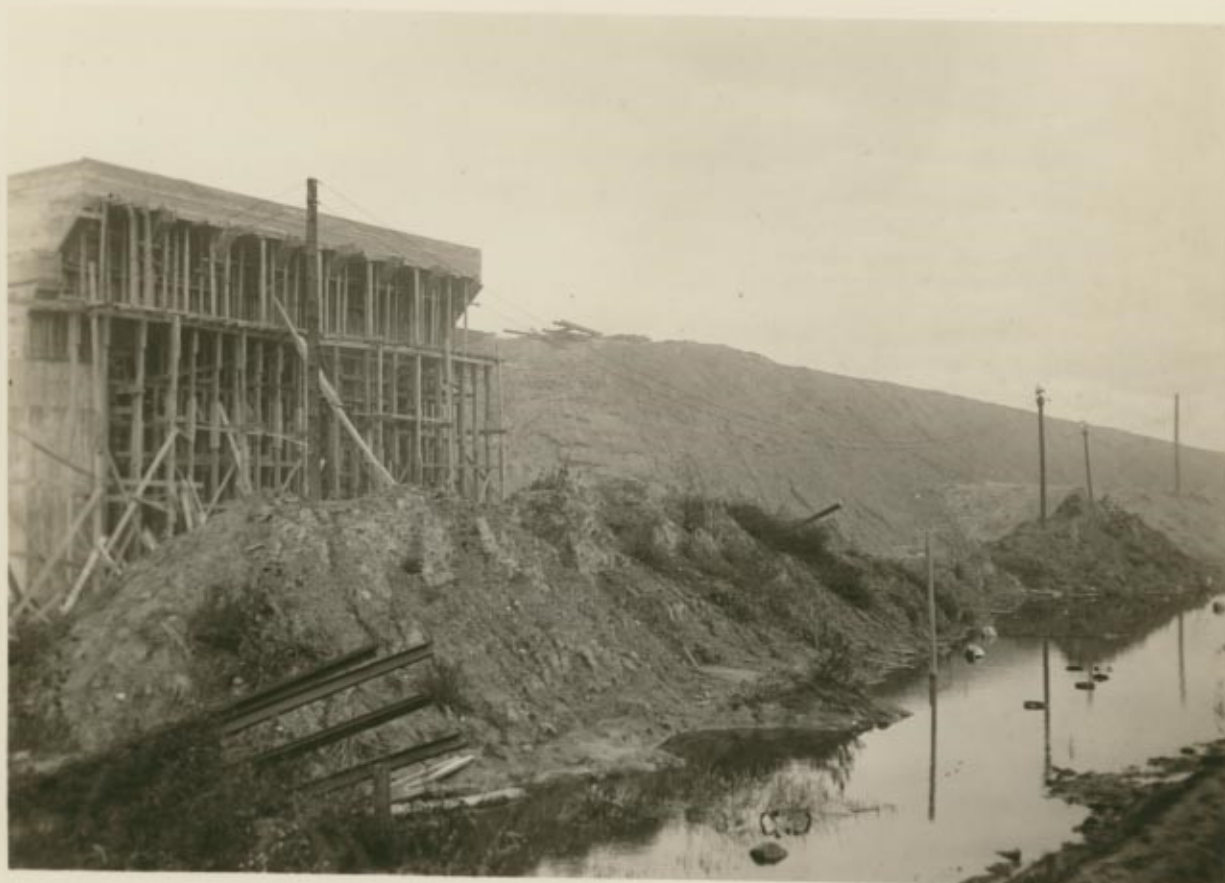
Machine developed on North Shore Line for digging holes for Trolley Poles

How concrete foundations for trolley poles are laid on North Shore Line





Looking east September 30, 1924 from the future Custer Street bridge, on the Skokie Valley Line, and showing a section of the roadbed, which at this place averages about 12 feet in depth. At the point marked "A" the new line will pass between the main line of the Milwaukee division of the Chicago and Northwestern railway, and a crew may be seen driving piles preparatory to beginning construction of the subway. In the foreground are construction facilities for the Custer Street bridge over the new line.



A view on September 30, 1924 of the new embankment for the Skokie Valley Line, looking east from the track of the Chicago and West Ridge railroad, and industrial road serving certain brick plants in the vicinity. At this place the embankment is approximately 32 feet high, and is built for two tracks. At the left foreground is the concrete abutment upon which will rest the east end of the steel structures crossing the Chicago and West Ridge railroad, the North Shore Channel, and the Mayfair cutoff of the Chicago and Northwestern Railway.

## GLIMPSES OF SKOKIE VALLEY ROUTE CONSTRUCTION WORK



The above picture shows the men of the Electrical Department stringing the trolley wires on the catenary towers. This overhead work calls for a structure that will bring the men within reach of the cross-beams of the towers.. The problem was solved by erecting platforms on top of these box cars. With this eight-car train 12 men were enabled to work at one time ~~on this~~ on this big task.



In addition to the trolley wires, the catenary towers bear a telephone cable strung along one side of the track. This picture shows the telephone cable work train and crew in action.



welding the rail bonds - large copper wires of many strands, which unite the rails of the track at the joints and form an unbroken circuit for the electric current.

Owing to the depth of the open cut, which at some points is below the level of Lake Michigan, it was necessary to build a large sewer and install automatic pumps to drain the surface water. The new line goes under Chicago Avenue and the tracks of the Chicago & Northwestern Railway at the east end in a subway and over the railroad tracks, the Drainage Canal and McCormick Boulevard, on a viaduct more than 800 feet in length, at a height of 35 feet at the highest point.

Skokie  
Valley Line  
Constructio



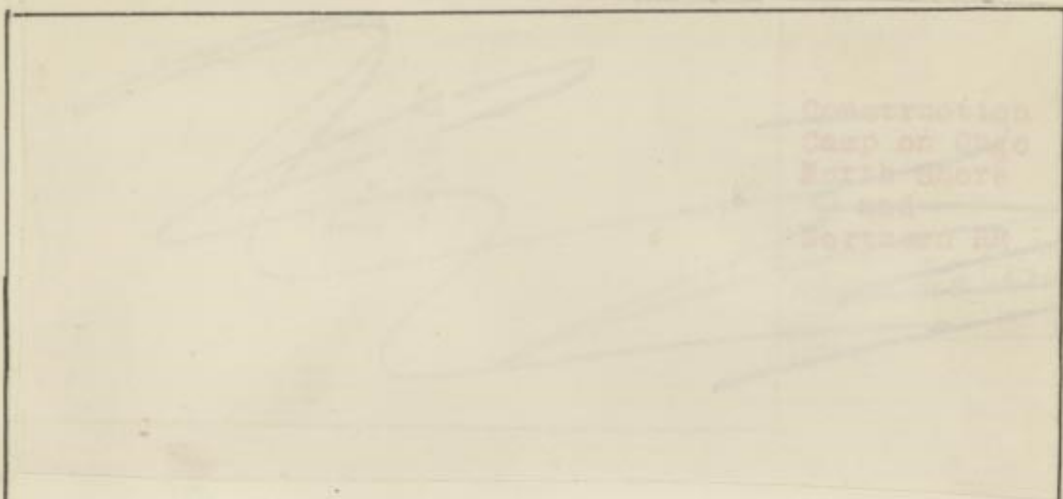
Trestle work at  
low spot on  
Skokie Valley  
Division, North  
Shore Line



Laying permanent track on Niles Center  
Extension

Subway under North-  
western Railroad  
tracks, Niles Center  
extension.





Ridge Avenue as it appeared  
August 7, 1924



Ridge Avenue as it appeared August 14, 1924



Construction  
Camp Buildings  
showing Mess  
Hall at  
Blodgett on  
North Shore  
Line.



The model construction camp at Blodgett now known as Briergate, was constructed in June, 1925, to house the men employed building the Skokie Valley branch, of the North Shore Line.

When construction work was at its height the camp housed and fed as many as 850 men at a time. It was a model of its kind.

There were 51 buildings in the camp. It had a complete sewage system, hot and cold water, bath houses and showers, one for each four bunkhouses, a general store and postoffice. For a time weekly entertainments were provided for the men in the form of band concerts, motion pictures and boxing bouts.

Perhaps the building which will be remembered longest by the men who lived at the camp, was the mess hall and kitchen. All bread and pastry consumed in the camp was baked in the kitchen. It meant 300 loaves of bread, each weighing three pounds, about 120 doughnuts or cookies and 200 pies a day.

Track  
Construction  
1924

Among the items of track construction in 1924 were the installation of a material yard at Highland Park with 1,000 lineal feet of material track, and laying of 24,838 lineal feet of single track on the main line and the Libertyville Branch, and the relaying of double track in Lake Forest with 100# rail, realigning of tracks and raising them to permanent grade.

The program of stone ballasting on the main line was carried on throughout the year. The grading and filling on the line required the removal of more than 360,000 cubic yards of dirt.



Completed stone-ballasted track on top of solid fill which replaces former open trestle work



Stretch of stone-ballasted roadway between Kenosha and Racine.

McKinley Road in Lake Forest, from North Gate to Sacred Heart, was paved with brick laid on a 6 inch concrete base.

Thirteen miles of right of way was fenced with wire fencing.

Automatic substations were built in 1924, at Berryville, Wisconsin, and Winthrop Harbor, Illinois and a 1,000 kilowatt 60 cycle rotary with transformer and automatic control equipment was installed at the Kenosha, Wisconsin substation.

Sub-Stations



Automatic Substation, Winthrop Harbor, North Shore Line

A 3-phase transmission line on steel poles was constructed between Glen Flora and Kenosha Automatic Substation, and a 3-phase transmission line was built between Libertyville Substation and St. Mary's of the Lake.

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Looking east in Skokie Valley Line, September 30, 1924 from a point about 300 feet west of East Prairie road, marked by the standing automobile. In the foreground workmen are beginning the construction of the passenger station which will be at that place. At the right is a substation of the Public Service Company of Northern Illinois, and in the left background is a gas holder belonging to the same company. At this place the tracks of the Skokie Valley Line are at grade, and are a part of those first laid to permanent alignment, although they are not yet ballasted.



Section of rock-ballasted double track, looking north from a point near the Beach, Illinois, substation, about 38 miles north of the Union Loop, Chicago, in July, 1924. Much of the Company track is of this character, the ballast extending to a depth of about 10 inches beneath the tie, and is obtained principally from a quarry about two miles north of Racine, Wisconsin.



A view on September 30, 1924, looking west across the North Shore channel of the Sanitary District of Chicago. Foundations of a double-track deck truss bridge 120 feet long, may be seen on both sides of the canal. In the middle distance are the tracks of the Mayfair cutoff of the Chicago and Northwestern Railway, which also will be crossed by steel structure.

## CHAPTER XIX

The Skokie Valley Line was completed to Dempster Street, in Niles Center, a distance of 5 miles of double track railroad. The first train carrying passengers was run over the line February 1st, from Howard Street to Dempster Street and the line was opened for traffic March 28, 1925.

Opening of  
Skokie Valley  
Line to  
Niles Center  
March 28, 1925



Two of the Special Trains to the  
Niles Center Opening Ceremonies

Eight modern brick and stone stations of distinctive type were erected, and a track leasing arrangement made with Chicago Rapid Transit Company to operate a local service on the Branch to Dempster Street.

Chicago  
Rapid  
Transit  
Company

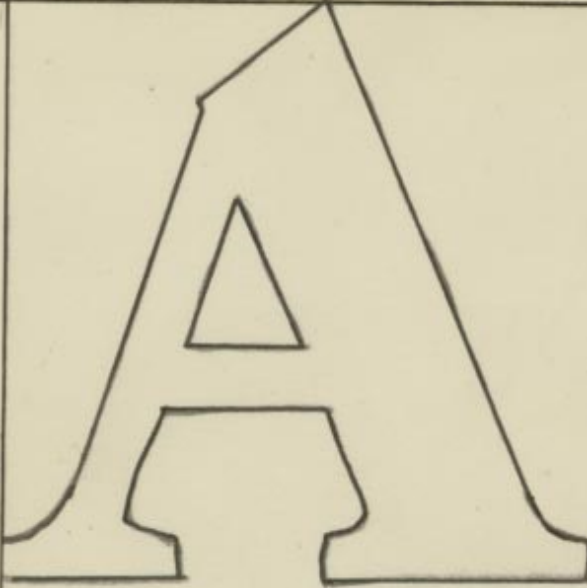
The Skokie Valley right of way is owned by the Company, is double tracked and has steel catenary construction its entire distance.



Architect's drawing of the attractive mission style stations on the new Skokie Valley Line.



Crowd at Niles Center Opening of the New Dempster Street  
Station March 28, 1925.



new feature for the  
benefit of employes and  
their dependents in the

Employes  
Group  
Insurance

form of group insurance was introduced by the Company at the beginning of 1925. Through an arrangement with the Metropolitan Life Insurance Company, policies for \$1,000 life insurance and an additional \$1,000, in case of death or dismemberment through an accident, were taken out by the Company for each employe.

The educational department maintained by the Company for the benefit of its employes did a great deal for the morale of the working forces, especially among those commonly classed as unskilled. Classes in English, for foreign-born track laborers, in public speaking, electricity, operation of air brakes and similar subjects, were conducted regularly throughout the year, and a number of educational and social clubs were organized. Private instruction in arithmetic and mechanical drawing was provided for those who were unable to attend the regular classes.

Educational  
Department

On the motor coach routes, operated as auxiliary to the high-speed electrically-operated railroad, 963,503 passengers were carried, an increase of 175,376 over the corresponding year.

Motor  
Buses



General John J. Pershing on his Farewell Inspection of Camp Grant, rode from Evanston to Rockford on a North Shore Line Parlor Motor Coach -1925

Operating revenue in 1925, was \$6,850,165, an increase of \$651,178 over 1924. Gross income, after operating expenses, depreciation and taxes, was \$1,613,621, an increase of \$302,318. Net income after fixed charges was \$780,630, an increase of \$79,910.

Increased  
Net Income

The steady growth in business is indicated by a comparison of gross operating revenue per mile of road over the last ten years:

10-Year  
Comparison of  
Operating  
Revenue

Year	Revenue Per Mile	Year	Revenue Per Mile	Year	Revenue Per Mile
1916	\$12,688	1919	\$33,278	1922	\$48,472
1917	19,203	1920	40,558	1923	57,498
1918	31,798	1921	43,528	1924	59,962
				1925	63,251

Another interesting sidelight on the growth in the Company's business is the fact that in 1925 operating revenue was six times that of 1916.

During 1925 the Company sold \$9,950,000. par value of First and Refunding Mortgage 6% Gold Bonds.

1st & Refd  
Mtge 6%  
Gold Bonds

Additional issues of 7% Cumulative Prior Lien Stock aggregating \$3,500,000. were authorized. Cash sales of Prior Lien Stock in 1925 totalled \$2,884,800.

\$3,500,000.  
Prior Lien  
Stock Issue  
Authorized

The Skokie Valley Line connects at the south with the present main line at the northern Chicago city limits, bisects the famous Skokie Valley and Lake County countryside, joins the old main line at North Chicago. It provides transportation for the "Valley" and to Libertyville and Mundelein, and is also a high-speed outlet for through traffic from Chicago to Milwaukee. Enlargement of the Company's merchandise despatch service was made possible when this line was completed.

Skokie  
Valley  
Line

During 1925, the public suggested names for the nine new stations north of Dempster Street. The contest attracted very wide interest, more than 75,000 names being offered. The following names were selected - "Harmswood", "Glenayre", "Wau-Bun", "Northbrook", "Woodridge", "Briergate", "Highmoor", "Sheridan Elms" and "Skokie Manor".

Skokie  
Valley  
Station  
Names

With the completion of the Skokie Valley route, the Company owned and operated approximately 230 miles of single track. It is significant that between Chicago and Milwaukee all of the right of way, excepting 3 miles, is entirely owned by the Company.

On the main line the old rail was replaced with 100# rail. Riding comfort was greatly enhanced.

An important advancement was the re-alignment of the track at Grove and Madison Streets, Milwaukee to improve the curvature.

Track  
Realignment  
in Milwaukee



Badger Limited, July 19, 1924, one of the high-speed trains. This train leaving Dorchester Avenue at 5:48 A.M., leaving the Union Loop, Chicago, at 6:15 A.M., arrived in Milwaukee at 8:26 A.M., making the run between the business districts of the two places, a distance of 85 miles, in two hours and eleven minutes.

The middle car is one of the all-steel diners operated in 1924 on five of the north-bound trains daily. These cars weigh about 110,000 pounds each, are equipped with four motors, with a total capacity of 560 horse power, seat 28 at tables.

Catenary  
Tower  
Construction

Considerable progress was made in 1925 with ~~catenary~~ installation of steel towercatenary construction. This involved the setting of steel poles on concrete piers, replacing existing wood poles and also extensive improvement of the usual form of overhead trolley wire system.



Steel Tower Catenary and Northbrook Station  
on the North Shore Line in 1924

In 1925 building started on the steel bridge over Oklahoma Avenue, at Milwaukee.

The new station and platform, at Ravinia, was practically completed.



Ravinia Station  
Officially Opened  
May 17, 1924

Some impression of the improvement work in 1925, may be gained from the fact that 34,073 ties were renewed, 7,178 tons of 100# rail laid 30,902 rail anchors installed, 476 concrete piers sunk for catenary construction, 33500 lineal feet of stone and cinder ballast laid, six bridges installed entailing 11,600 pounds of steel and 1,470 cubic yards of concrete and 15,600 yards of excavation or fill completed, as well as 13,350 yards of ditching, in addition to countless other smaller items entering into proper maintenance of tracks, buildings and equipment.

Year 1925  
Improvements

At the end of 1925, the North Shore Line was operating 47 limited trains daily between Chicago and Milwaukee, in addition to its express and local service.

The "Northland" and the "Metropolitan", fast trains, were placed in service in 1925.

New Fast  
Trains

Double-tracking of the line between Lake Bluff and Mundelein was completed in July, 1925, and a frequent service was started.

Parlor and dining car facilities on the Limited trains continued to be popular, on a constantly increasing scale. Seventy-nine thousand meals were served and 39,000 riders carried in the parlor cars in 1925.

79,000  
Meals



Chicago Passenger Club on annual  
outing on North Shore Line

The rolling stock of the Company at the end of the year 1925 consisted of 173 passenger cars, 43 merchandise despatch cars, 197 box cars and gondolas, 17 electric locomotives and work cars and 68 motor coaches and a large number of motor trucks. All of the cars used in the Chicago-Milwaukee service are of steel construction.

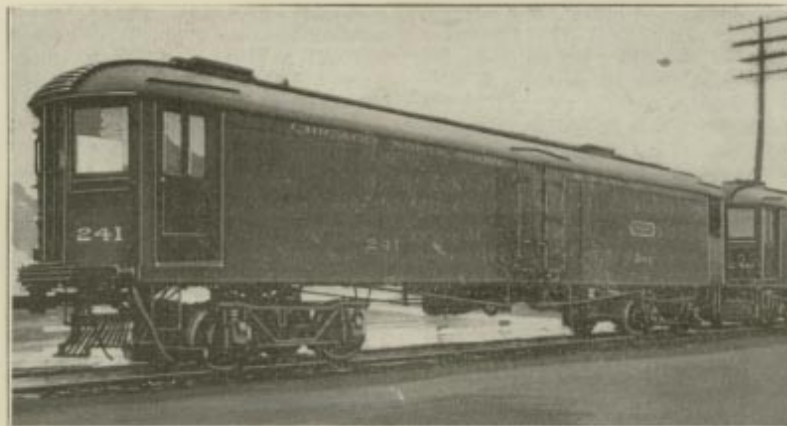
Rolling  
Stock

To provide for the growing traffic, 20 additional passenger cars and 3 more diners were ordered at a cost of \$800,000.

New Cars

Five merchandise despatch refrigerator cars were placed in merchandise despatch service in 1925. These carried fresh meat, vegetables and other perishables to North Shore communities.

Refrigerator  
Cars



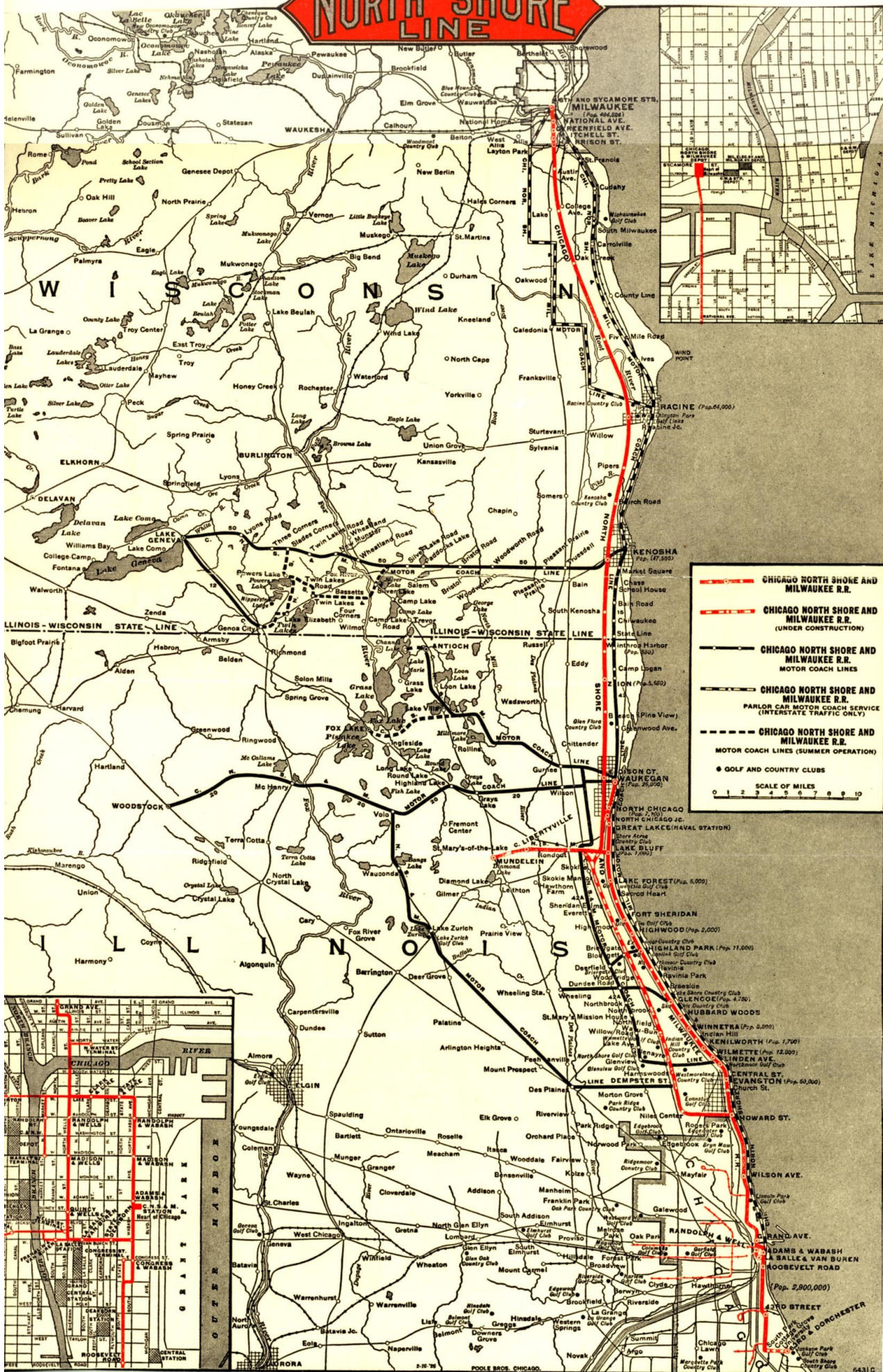
Refrigerator Cars, North Shore Line - 1925

The Company's motor coach business showed a constant increase. The Company had 68 motor coaches of improved type, operating upon eleven regular routes and providing a much needed auxiliary service to residents of the countryside. In addition to the regular routes, the Company's chartered coach business increased.

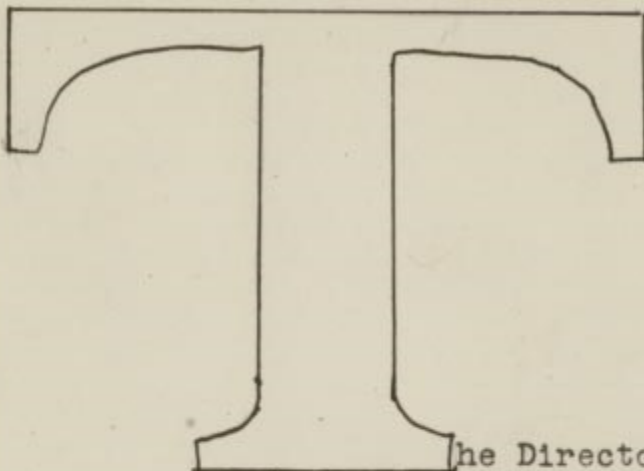
Motor  
Coach  
Buses

The stockholders of the North Shore Line, at December 31, 1925, numbered 8,250, the majority of these being residents of the communities served. The larger percentage of the Company's employes were stockholders, at December 31, 1925.

# NORTH SHORE LINE



## CHAPTER XXI



The Directors, Executive Committee and Officers at December 31, 1926, were -

Directors  
Executive  
Committee  
Officers

### Directors

Samuel Insull	R. Floyd Clinch	John R. Thompson, Jr.
Britton I. Budd	Joseph E. Otis	Charles C. Shedd
	H. S. Osler	

### Executive Committee

Samuel Insull	R. Floyd Clinch
John R. Thompson, Jr.	

### Officers

Samuel Insull	Chairman
Britton I. Budd	President
R. Floyd Clinch	Vice President
Bernard J. Fallon	" "
Charles E. Thompson	" "
William V. Griffin	" "
Hal M. Lytle	" "
John F. Egolf	General Manager
Lincoln C. Torrey	Secretary and Treasurer
Florence M. O'Donnell	Assistant Secretary and Assistant Treasurer
Arthur E. Kullas	Assistant Secretary
John W. Evers, Jr.	" "
George Apfel	" Treasurer
Charles R. Mahan	Comptroller
William W. O'Toole	Auditor
Ralph R. Bradley	General Counsel

In the year 1926, the Company carried a total of 19,461,426 passengers on its rail and motor coach lines, an increase of 1,232,266 over the year 1925. Of that number 10,714,458 passengers were carried on the main line, an increase of 899,864 over 1925. The Milwaukee city lines carried 3,012,776 passengers, an increase for the year of 225,034, and the Waukegan city lines, including the auxiliary motor coach service supplied in that city, carried 4,845,284 passengers, an increase over 1925 of 181,963. Including Waukegan city service the motor coach lines of the Company carried 1,821,603 passengers during the year.

The merchandise despatch and freight business of the Company for 1926 mounted to 656,754 tons, an increase of 120,659 tons over the business of 1925.

Operating revenue of the Railroad for the year amounted to \$7,568,362. an increase of \$717,197. over the year 1925. The gross income after deducting operating expenses and taxes was \$1,814,290., an increase of \$200,699. over 1925. The net income was \$731,427., a decrease of \$49,203. from 1925, due to the increased fixed charges resulting from the heavy capital expenditures for additions to the physical property.

Construction of the Skokie Valley Route increased materially the fixed charges of the Company, and while the line greatly improved the Chicago-Milwaukee passenger service by reducing the running time of trains, and was a necessity because of the contemplated grade separation through the communities on the Shore Line Route, the territory would need time for development to make this line self-supporting.

During the year the Company sold \$2,750,000. par value of First and Refunding Mortgage 5½% Gold Bonds to reimburse its treasury for capital expenditures for additions and betterments, including construction expenditures on the Skokie Valley Line; and \$730,000. Equipment Trust Certificates for the purchase of 20 steel passenger cars, 3 dining cars and 5 refrigerator cars.

Net Income  
Decrease

Fixed  
Charges

First and  
Refunding  
Mortgage  
5½% Gold  
Bonds  
  
Equipment  
Trust  
Certificate

An additional issue of \$1,000,000. of 7% Cumulative Prior Lien Stock was authorized. Cash sales of Prior Lien Stock during 1926 totaled \$2,085,200.

Issue of  
7% Prior  
Lien Stock

Improved passenger service was installed upon the opening of the Skokie Valley Route on June 5, 1926. Nearly all of the through Chicago-Milwaukee trains were routed over the Skokie Valley Line, reducing the running time about twenty minutes and a direct hourly service began between Chicago and Libertyville and Mundelein. A new half-hourly limited service was started between Chicago and Waukegan over the Shore Line Route and a half-hourly express service between Chicago and North Chicago Junction.

Improved  
Passenger  
Service

Trains, in the various classes of service enumerated, were operated in and out of the Loop, which is the heart of Chicago's business and shopping center. There were five trains an hour then being operated between Chicago, North Chicago and Mundelein to Milwaukee and to Mundelein - a total of six trains every hour.

The Company maintained a convenient local service between Evanston and Milwaukee, with frequent trains.

An important feature of the construction work in 1926, and indicative of the growth of the Company's business, is the number of sidings and switch tracks installed that year for the convenience of industrial concerns locating their business on the railroad. A total of 30,570 lineal feet or nearly six miles of such sidings and tracks were completed in the year at twenty locations.

Construction  
Work

Of the industrial trackage 25,255 feet were laid on Skokie Valley Line and 5,315 feet at locations in Waukegan, Kenosha and Racine.

A connection with the tracks of The Milwaukee Electric Railway and Light Company for the interchange of merchandise despatch cars was made at the Milwaukee Terminal. Upward of 8,800 square yards of paving were laid in 1926. The new passenger station at Ravinia necessitated a realignment of both tracks.

The Milwaukee  
Electric Rail  
way & Light  
Company

Ravinia  
Station

bringing them to final line and grade and involving a considerable amount of excavation and grading. The old shelters and platforms were removed and the right of way at both ends of the new station was graded, providing 1,000 square yards of parking space.

Work was completed during 1926 on the installation of automatic block signals on eleven miles of double track, extending from 22nd Street, North Chicago, to Winthrop Harbor at the Wisconsin State Line.

Automatic  
Block  
Signals

The mechanical Interlocking plant of 24 levers at South Upton on the Skokie Valley Line was changed to electric interlocking of 55 levers and made to control three wyes in addition to protecting the Chicago and Northwestern crossing at that point.

South Upton  
Interlocking



Upton "Y"  
Skokie  
Valley  
Route

At the Skokie Junction the mechanical interlocking plant was changed to an electric plant of 31 levers and a mechanical plant of 24 levers at Dempster Street, Niles Center, was completed during the year.

Skokie Jct.  
Interlocking  
Plant

An extensive building program was carried out during 1926, thirteen new passenger stations, including those on the Skokie Valley Line, having been added to the physical property of the Company.

Stations

The nine Skokie Valley Stations, are of Spanish architecture, and harmonize with the type of homes built in the valleys. Our landscaped right of way gives these stations a strikingly attractive appearance. The stations provide living rooms for the station agents as well as convenience for the public.

A new terminal station was built at Mundelein, and placed in service July 11, 1926, the style of architecture following the standard type adopted for North Shore Line passenger stations. This station is a valuable contribution to the growth and development of Mundelein. There is ample parking space at the station for the convenience of passengers.

Mundelein  
Terminal



Mundelein Station opened to the public  
July 11, 1926.



Mayor Robert F. Rouse of Mundelein (with shovel) breaking ground for the new station at Mundelein. To the right is Bert W. Arnold, Asst. General Manager, and to the left A. U. Gerber, Architect.

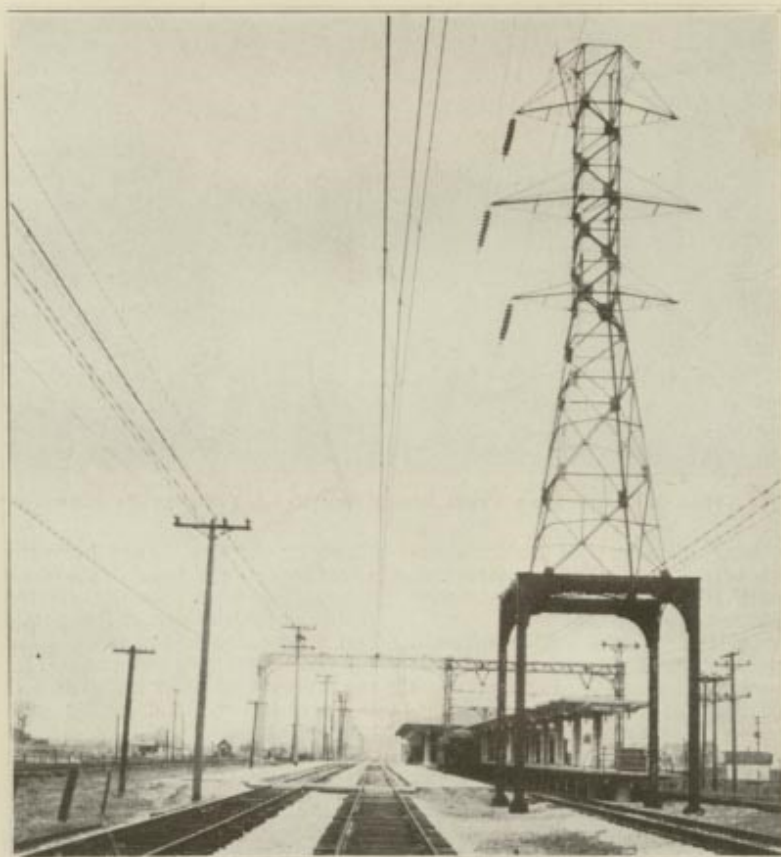


Artistic  
bridge, Saint  
Mary of the  
Lake, Mundelein

Group of  
Buildings, Saint  
Mary of the Lake,  
Mundelein



Saint Mary of the Lake, the great Catholic Seminary, at Mundelein, where the Eucharistic Congress, was held. This institution which has been built at a cost of about \$10,000,000 is said to be unequalled by any educational institution of the kind in the world. Mundelein is on the North Shore Line, trains being operated to the entrance gate of the Seminary.



Dempster Street, Niles Center, showing  
transmission tower of Public Service  
Company raised to let Rapid Transit  
Trains into Terminal.

An attractive new passenger station was built at Winnetka, the English architecture conforms in style to the surrounding homes.

Winnetka  
Station



Winnetka  
Station

Increasing demand for additional facilities in the Loop was met by the opening of a new passenger station, with greatly increased passenger accommodations, at 223 South Wabash Avenue. It occupies the entire basement, first floor and part of the mezzanine and second floors of the building. The waiting room on the second floor is connected by a bridge over the sidewalk to the platform of the Adams and Wabash Station of the Chicago Rapid Transit Lines. This station is known as "Adams and Wabash Station". It was ultra modern in arrangement and decoration, and the lounge especially for women and children on the mezzanine floor is a popular feature with women shoppers.



View of  
rear first  
floor and  
Restaurant  
"Adams &  
Wabash"  
Station



Exterior View  
showing Bridge  
Connection with  
Train Platform  
"Adams & Wabash"  
Station



View of Second Floor Waiting Room  
"Adams & Wabash" Station

Among other buildings erected during 1926 are 5 substations, 7 section houses. A large motor coach garage was built at 10th Street, Waukegan. The latter is a two story fireproof structure 107 x 172 feet, with concrete floors and composition roof supported by steel trusses. The first floor, containing 18,400 square feet of space, provides repair pits, tire repair shop, paint shop and stock room. The second floor provides office room for the motor coach department, lock<sup>er</sup> rooms and showers for the motor coach operators and similar accommodations for shop mechanics. Two 5,000 gallon underground tanks are provided for the storage of gasoline.

Substations  
Section  
Houses -  
Waukegan  
Garage



Motor Coach  
Garage at  
10th Street  
Waukegan

Interior of  
motor coach  
garage at  
Waukegan



Concessions operated by the Company in 1926 in various stations were increased during the year by the addition of new concessions in the Mundelein, Libertyville, Briergate, Northfield, Glenayre and Ravinia stations. New concession furniture and fixtures were installed at the Winnetka station and the downtown Chicago Terminal at 223 South Wabash Avenue. A gross business of \$545,453 was done in the various concessions, an increase of 18% over 1925. The net income was \$69,516. These concessions and restaurants are maintained principally for the convenience of our customers.

Concessions



①



②



③



④

Glimpses of the special trip made on June 4, 1926 over the Skokie Valley Route by 300 invited guests of Samuel Insull and President Britton I. Budd. Picture No.1 shows the party inspecting one of the St. Mary of the Lake Seminary buildings during ~~xxxx~~ motor coach trip through the grounds. Picture No.2 was taken while the five-car special train-the first to operate over the Skokie Valley Route-stopped at Northbrook Station. Picture No.3 shows members of the party inspecting Northbrook Station. Picture No. 4 was taken just before the special train departed from Mundelein on the return trip.

With a view to increasing the business of the Company and to enlist the active interest and support of all employees in this work, a "Better Business Campaign" was started in January 1926. An organization was formed among the employees and cash prizes were provided for the employees doing the most meritorious work.

Better  
Business  
Campaign

A total of 7,714 "tips" were turned in by 647 employees during 1926. These tips were followed up by agents from the Traffic Department and a considerable amount of new business was secured.

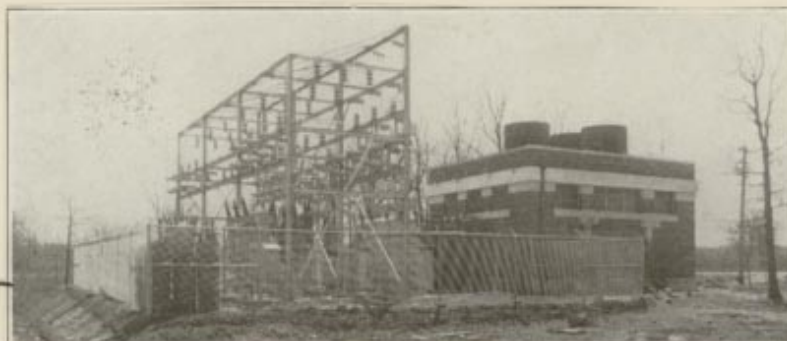
Skokie  
Valley  
Line

The opening of the new Skokie Valley Line over its entire length on June 5, 1926, marked the greatest forward step in the history of the Road as well as the most important development in the villages. The Skokie Valley Line set a record for rapid railroad construction and has every modern feature known to electrical and railroad engineering science. It is an outstanding example of the modern electrically-operated railroad.

Skokie Valley  
Line

The line extends as a double-track railroad from Howard Street, at the northern limits of the city of Chicago, to a connection with the old line at North Chicago Junction.

The first section from Howard Street to Dempster Street in Niles Center was opened to traffic on March 28, 1925. For the first  $1\frac{1}{4}$  miles from Howard Street, the tracks are laid in an open cut running under intersecting streets; the next  $1\frac{1}{2}$  miles are built on a solid fill embankment and steel structure, the balance of the road being built at grade. This section was built in 11 months after work was started. The Chicago Rapid Transit Company operates a local service over the line to Dempster Street. This section is 5 miles in length.



Type of Automatic Substation, Skokie Valley Line

Construction of the second section running from Dempster Street north through the Skokie Valley to a junction with the Libertyville Branch, a distance of about nineteen miles, was started on June 1, 1925, and with the necessary connections to the Libertyville Branch and to the Main Line, was placed in service for through trains on June 5, 1926. The tracks on this section equal 44 miles of single track, exclusive of yards and industrial track sidings.

The new line was built for safety and high speed. For miles the road is a straight line and where curves were necessary they were laid on a wide radius making high speed safe around them.

That the construction engineers did their work well was proved 19 days after the new line was opened to traffic when one of the greatest feats in mass transportation in the history of the world was performed. The closing exercises of the International Eucharistic Congress were held at Mundelein, on June 24, 1926, and the burden of transporting the multitudes fell upon the North Shore Line in conjunction with the Chicago Rapid Transit Company.

Skokie  
Valley Line  
Cont'd

International  
Eucharistic  
Congress at  
Mundelein



Scene at Uptown Station, Wilson and Broadway, on morning of June 24, 1926, Thousands crowded the station and sidewalks eager to get trains for Mundelein.

*before*  
Never in history was a new railroad subjected to so severe a test. The distance from Chicago to Mundelein is forty miles and from day break until midnight a constant stream of trains kept running over the new line in both directions. That part of the service was operated by Chicago Rapid Transit Company equipment, leased for the occasion. Trains of the North Shore Line carried pilgrims from Evanston and intermediate towns north to Lake Bluff and from Milwaukee and other cities south to the same point, where they were transferred to trains on the Libertyville Branch, on which a shuttle service was operated throughout the day between Lake Bluff and Mundelein.

"Miracle of  
Transportati

It was estimated that by 10 o' clock on the morning of June 24, 1926 a total of 125,000 passengers for the Congress had been discharged from North Shore trains at the gates of St. Mary of the Lake, at Mundelein. Still the stream of humanity continued to pour in. The homeward movement had started long before the outbound movement stopped.



Scene at Adams and  
Wabash Station of  
Chicago Rapid Transit  
Lines on morning of  
June 24th, 1926. Trains  
for Mundelein were being  
sent out two minutes  
apart.

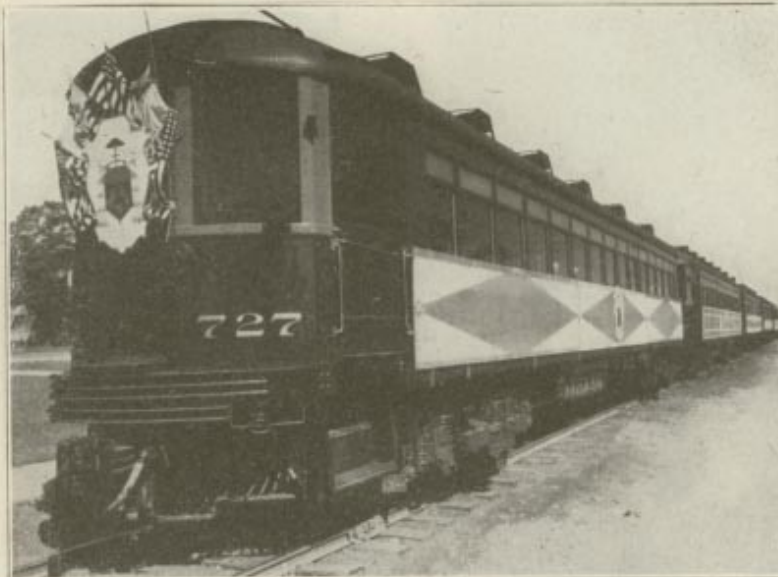


Scene at Mundelein Station of the North  
Shore Line on closing day of International  
Eucharistic Congress, June 24, 1926.

That day a total of 820 trains of 5,216 cars were operated in and out of the Mundelein terminal. It was an exceptional accomplishment in railroading. About 200,000 persons were carried forty miles and back in 18 hours. This was done without injury to any passenger in transit and without a wheel leaving the rail. Public officials and newspapers pronounced it "A Miracle in Transportation."

On June 23, 1926, the day before the closing exercises, the North Shore Line ran the "Cardinals' Special" decorated with the papal colors, from its station at Wilson Avenue to Mundelein, carrying the Papal Legate and the assisting Cardinals.

"Cardinals'  
Special"

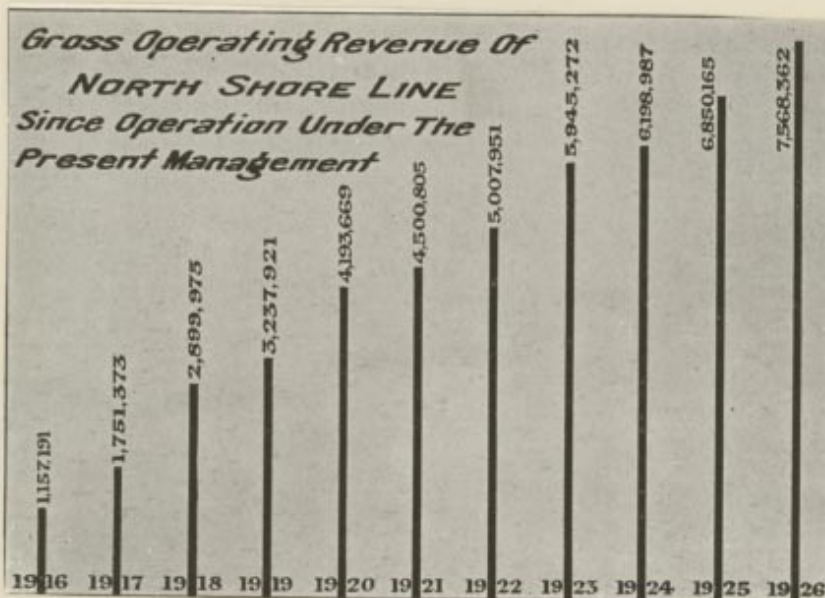


Front  
end  
view  
of  
"Cardi-  
nals  
Special"  
on  
North  
Shore  
Line

These movements during the International Eucharistic Congress were, for months before, planned by the operating officials. The hearty cooperation of the employees of the North Shore Line and the Rapid Transit Company, hundreds of whom remained at their posts of duty, without relief, until the great pilgrimage had ended and the last pilgrim had left, made this "Miracle of Transportation" possible. High church dignitaries said the services rendered by the North Shore Line were an important factor in the success of the Eucharistic Congress.

The Skokie Valley Line opened for residential development probably the choicest section in the Chicago Metropolitan area. Beautifully situated home sites which had been largely inaccessible because of the lack of transportation were brought within a few minutes ride of the downtown district of Chicago.

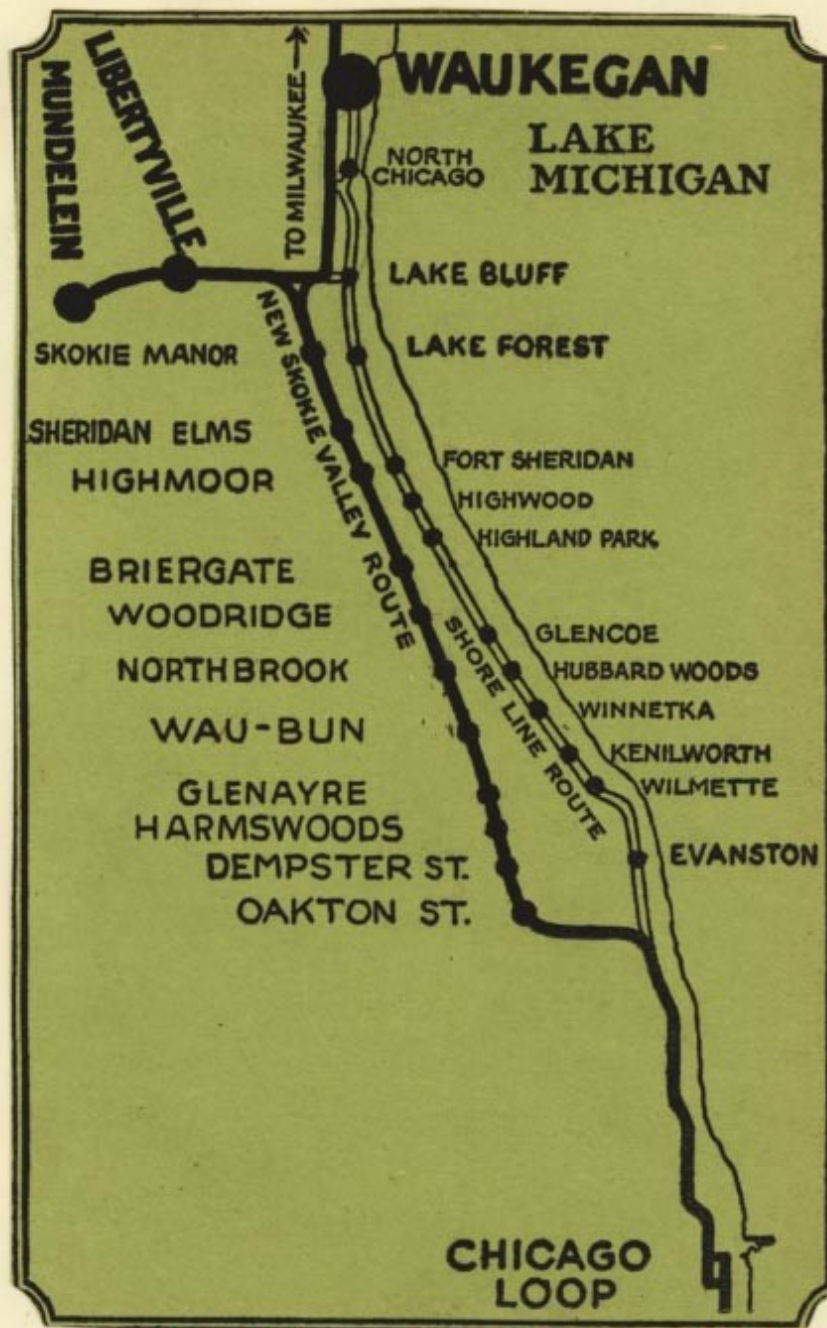
The business for 1926 was the largest in volume in the history of the Railroad, as shown below;



The gross operating revenue of \$7,829,592 compares with \$7,568,361. for the year 1925, an increase of \$261,231.

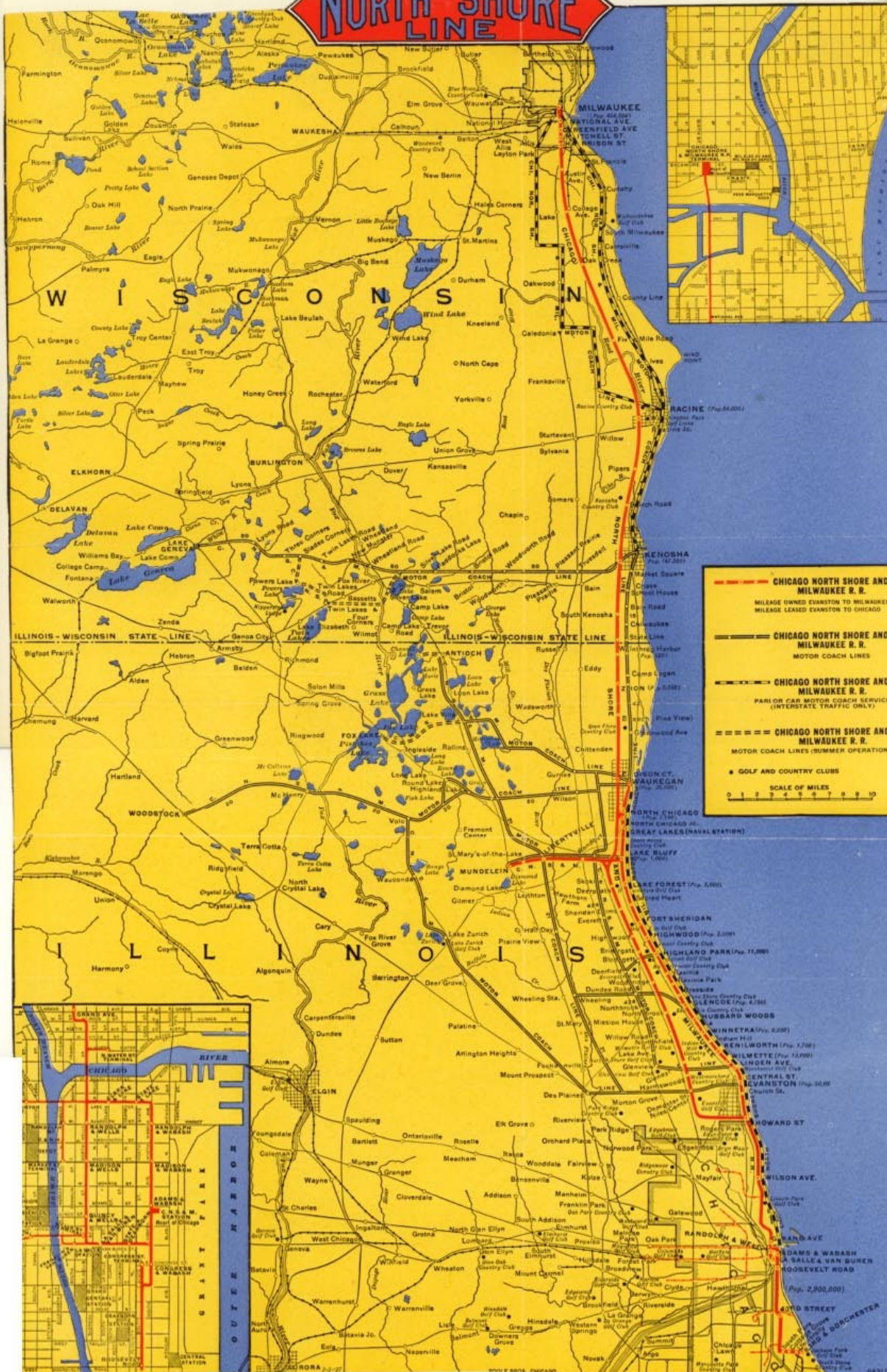
Largest  
Volume of  
Business in  
the History  
of the Rail-  
road

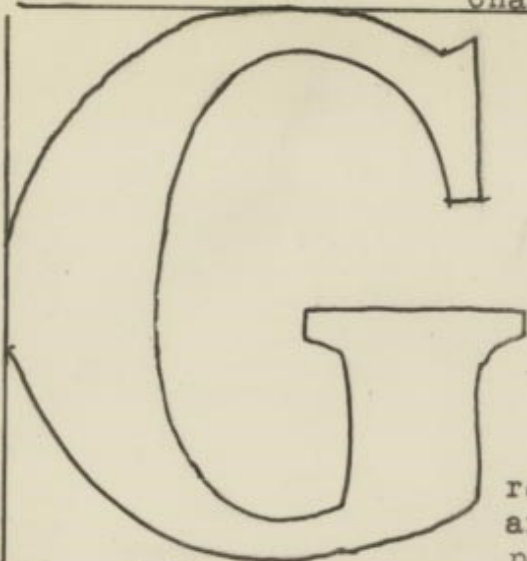
Increased  
Revenue



Skokie Valley Route Stations - 1926

# NORTH SHORE LINE





gross income for the year 1927 after deducting operating expenses and taxes was \$1,794,405. a decrease of \$19,886. from the previous year. The net income was \$496,044. compared with \$731,427, in 1926, a decrease of \$235,383.

Earnings

The decrease in the net income was due to the increased fixed charges under a full year's operation of the Skokie Valley Route. In the previous year the interest charges on the capital invested in the new railroad were not charged against operation until the opening of the line in June 1926.

Development along the new line progressed rapidly. Dealers in coal and building materials, foreseeing the future of the territory and appreciating the advantages of favorable locations established yards with switch track connections. Twelve such yards, representing an investment of approximately \$450,000, and the use of five miles of storage tracks and sidings were put into operation.

Yards and  
Switch  
Tracks

Along the entire 23 miles of road new municipalities were created or corporate limits of old-established towns and villages were extended. Practically the entire territory adjacent to the railroad was then within the corporate limits of cities and villages.

Municipalities  
Created

This suburban area, brought by the new line within a few minutes ride of the business center of Chicago has thousands of acres of highly desirable home sites, capable, when fully settled, of housing a large population.

Arrangements were made with the steam railroads for the interchange of cars, a profitable carload freight business was developed.

Carload  
Freight  
Business



One of three 700-horsepower electric locomotives in daily use along the North Shore Line, which has been instrumental in building up the carload freight service.

During the year 1927, the Company sold \$2,500,000, Three-Year 5½% Gold Notes to retire floating indebtedness and reimburse the treasury for expenditures made for additions and betterments.

3 Year  
5½% Gold  
Notes

New equipment was partially financed by issuance of Equipment Trust Certificates to the amount of \$804,000. par value.

First and Refunding Mortgage 6% Gold Bonds to the amount of \$156,400, and First and Refunding Mortgage 5½% Gold Bonds to the amount of \$92,300 were acquired through the operation of the sinking fund.

Bonds  
purchased  
for  
Sinking  
Fund

At the beginning of 1927, passenger rates were on the basis of 3¢ a mile, but authority was granted to increase interstate rates to 3.6¢ a mile in March 1927. The intrastate rates remained at 3¢ a mile, but on a further application to the Interstate Commerce Commission an order was issued December 12, 1927, directing the Company to increase its intrastate rates to 3.6¢ a mile to end the discrimination against the interstate passenger.

Rates of  
Fare

With the idea of still further improving public relations through employees, cash prizes were offered employees who submitted the best suggestions on how to improve the service, increase the business of the Company and effect economies in operation. A total of 810 suggestions were submitted, for which 115 cash prizes aggregating \$600. were awarded. The plan increased the interest of the employees in their work and in the Company.

Improvement  
Suggestion  
Prizes

It is an interesting comparative fact that at the time the present management assumed operation of the North Shore Line, in 1916, the road and equipment had a valuation of \$12,251,997. In the intervening period to the end of 1925, a total of \$22,089,374. additional was raised from investors and spent for right of way track improvement, stations, cars and other equipment, bringing the value of the road and equipment, as of the end of the year, up to the large sum of \$34,341,371.

Value of  
Road and  
Equipment  
December 31,  
1925

A total of 18,299,160 passengers, or an increase of 1,057,975, as compared with 1924, was carried. The main line railroad carried 9,814,594 revenue passengers, an increase of 354,480 over 1924. It transported 536,095 tons of merchandise, as compared with 333,888 in 1924, an increase of 202,207 tons. Its express and milk departments showed healthy increases.

Increase in  
Passengers,  
in Merchandise  
Express and  
in Milk Car-  
ried

The larger electrically operated railroad service provided the public is seen in the fact that North Shore Line trains operated 10,989,774 car miles, an increase of 1,107,975 miles over the previous year. This did not include car mileage of city lines.

On the Milwaukee city line, 2,787,742 revenue passengers were carried, an increase of 175,625.

Milwaukee  
City Line

In Waukegan, where the Company operates both the street railway and supplemental motor coach service, 4,663,321 passengers were carried, an increase of 352,494.

Waukegan



Viaducts were used to tell the public "Where to go and how to get there". The result is shown above, taken at Church Street, Evanston. Girder signs have been painted at - Illinois Avenue, Lake Forest; Highland Avenue Highland Park; Moraine Road, Highland Park; Wisconsin Avenue, Lake Forest; and Lake Bluff subway.

This order was made effective January 15, 1928.

The increase in interstate passenger rates placed the Company in a position to participate in through interline passenger traffic with steam railroads. As a result arrangements were perfected for travelers to purchase tickets at our stations for any part of the United States, Canada and Mexico, over any railroad they wished to travel.

Interline  
Tickets

Passenger traffic on the Main Line showed a substantial increase over the previous year, notwithstanding the less favorable business conditions and the fact that in the last four months the railroad had keen motor coach competition between Chicago and Milwaukee.

Passenger  
Traffic  
Increase

The Company carried on its Main Line a total of 10,865,823 revenue passengers, in 1927, compared with 10,714,458 in 1926, a gain of 151,365.

The total number of passengers carried on all rail and motor coach lines was 19,161,925, compared with 19,461,426 in 1926. There was a decrease of 299,501 passengers on the Milwaukee and Waukegan City Lines, and the motor coaches during the latter months of the year, due to general slackening in industrial activities and considerable unemployment among city workers.

Early in 1927 an arrangement was made with connecting steam railroads to move carload freight to or from stations on our line to any point in the United States, Canada and Mexico, at the same freight rates as applied to steam railroads. Our ability to protect industries on our line in this respect opened the way for further industrial development.

Freight  
Rates

The freight merchandise despatch business amounted to 843,000 tons, an increase of 186,000 tons over the year 1926. The increase was all in carload freight, a branch of service which operation of the new Skokie Valley Route had opened to the Company.

Increased  
Merchandise  
Despatch  
and Freight  
Revenue

Previous to the building of the Skokie Valley Line the Company's facilities for handling carload freight and for exchanging cars with steam railroads, were extremely limited, as franchise restrictions and limitations prohibited the hauling of freight cars south of Highland Park.



Carload of washers handled by North Shore Line.

When the right of way was being acquired through the Skokie Valley the Company saw the necessity of having some control over the development that was certain to follow the building of the railroad. The Company was able to make arrangements with private interests which acquired title to lands adjacent to station sites, through which profits from the sale of such lands would accrue to the Company over a period of years as the lands were sold and the territory developed.

Lands  
Adjacent to  
Stations  
Acquired

This arrangement was made without the investment of any funds of the Company in land other than that required for railroad purposes. The profits accruing to the Company up to December 31, 1927, amounted to \$333,597.

As the Skokie Valley territory developed and the land held by the Skokie Valley Realty Association, (an organization formed by the private interests above mentioned) was sold, a considerable revenue was obtained by the Company from this source, which helped materially in carrying interest charges during the early years of operation.

Skokie Vall  
Realty  
Association

Although the Company has no financial investment in land adjacent to its railroad property, it is vitally interested in controlling the character of the colonization and development under way, because its business of the future is dependent in large measure upon those factors.

Concessions operated by the Company for the convenience of passengers in various stations produced a gross revenue for the year of \$586,351.. compared with \$545,453 the previous year, an increase of \$40,898. The net income from this source was \$68,934. for 1927.

Concessions  
1927  
Earnings



Banquet of the North Shore Line Public Speaking Clubs, held in the Hotel Racine, the evening of April 26, 1927. Everyone wore a paper festival cap and had a gay time. General Manager John F. Egolf is "dolled up" in a Chinese mandarin hat. Luke Grant, Publicity Manager, is seen in the lower left corner and his hat proves that he is scotch in fancy.

# P

Passenger revenue for the year 1928 showed a decrease compared with 1927, a condition common to practically all rail carriers in the country, due to the general business situation. This, however, was more than offset by a substantial increase in freight traffic, so that the gross revenue of the Company was the largest in its history, amounting to \$7,967,186.11, compared with \$7,829,591.61 in 1927, an increase of \$137,594.50 for 1928.

Increased  
Net Income

The gross income available for return on the investment was \$2,129,234.49, an increase of \$334,829.87 over 1927. Net income was \$781,721.15, an increase over 1927 of \$285,676.88.

A service, which has been developed almost entirely since the opening of the Skokie Valley Route in June 1926, is carload freight. This business showed an increase of approximately 50% for the year, with indications pointing to a steady increase in the future, because of the ability of the Company to give shippers a fast and reliable service.

Carload  
Freight

The business in less than carload freight also showed a substantial increase. A large part of that traffic was what is known as "Ferry Truck" business established in 1927. A door-to-door pickup and delivery service is handled in Chicago and Milwaukee. Goods are loaded in a special steel trailer at the warehouse of the shipper and are not touched by hand until unloaded at the door of the consignee. The convenient overnight service which the Company offers makes a strong appeal to shippers where the time element is an important factor.

Ferry  
Truck



Flatcar and trailer equipment placed in service in the Merchandise Despatch Department of the North Shore Line. The top picture shows the flatcar with two trailers on wheels mounted and securely locked in place for transit. The bottom picture shows the flatcar and the interlocking devices which make it possible to transport the trailers without removing the wheels.

A source of considerable revenue is the news stands and other public conveniences, maintained and operated by the Company in various stations. They produced a gross revenue of \$593,863.41 for the year, and yielded a net income of \$59,601.98.

Concessions

During the year, non-interest bearing notes, due July 1, 1928, to the amount of \$2,465,200 were converted into 6% non-cumulative preferred stock, pursuant to the terms of the agreement under which the Notes were issued.

Notes  
Converted  
into 6%  
Preferred  
Stock

A total of \$93,300. First and Refunding Mortgage 6% Gold Bonds and \$59,000. First and Refunding 5% Gold Bonds were acquired through the operation of the Sinking Fund. Equipment Trust Certificates to the amount of \$251,000. were retired during the year.

Sinking Fund  
Bonds  
Acquired

In an opinion of the Supreme Court of Illinois, handed down at the June term of court, in the case of the City of Chicago vs the Chicago North Shore and Milwaukee Railroad Company, the right of the Company to operate into Chicago over the tracks of the Chicago Rapid Transit Company without an ordinance from the City, was finally and definitely established.

Operation  
Over  
Northwestern  
El. RR Co

An extension to the Waukegan City Lines on North Avenue from Glen Flora Avenue to Greenwood Avenue, a distance of one-half mile, was completed during 1928. This extension was built under a street railway franchise granted the Company by the City of Waukegan, which also includes the right to lay tracks on Water Street and County Street in the downtown district.

Extension  
Franchises

An interurban franchise was granted the Company giving the right to operate in Belvidere Street and Utica Street, which route, provided better operating conditions into the Waukegan Terminal.

For the greater convenience of customers two additional stations were opened in Chicago, during 1928, one at the Belmont Avenue Station of the Chicago Rapid Transit Lines and the other at Madison Street and Wabash Avenue on the Loop.

Belmont Ave.  
Station  
Madison &  
Wabash Ave.

Extension of City Lines in Waukegan  
on North Avenue from Glen Flora  
to Greenwood Ave (Waukegan) was  
completed in 1928 under ordinance  
granted the CUSUM RR Co February  
13, 1928; which includes the right to  
lay tracks on Water St and County  
St in the downtown district  
which work was completed May 10  
or June 10 1931.

(Work was done some time after November 1930, as  
authority to change certain material (in con-  
nection with the work) was granted by the City Nov. 3, 1930

The sale of interline tickets was maintained throughout the year and has become an important feature of North Shore Line service. The Company has benefited materially from the sale of through tickets over steam railroads.

Interline  
Tickets  
Increase  
Traffic

During 1928 the "Better Business Campaign" enlisting the active support of all employees in securing new business was made a permanent part of the Traffic Department.

"Better  
Business  
Campaign"

For the second consecutive year the North Shore Line was awarded the Silver Cup Speed Trophy at the convention of the American Electric Railway Association. The award was made on the basis that this line had during the year maintained the fastest schedule of any electric interurban railroad in the United States.

Speed  
Trophy



Speed Trophy awarded to the North Shore Line for the second successive year at the 1928 A. E. R. A. Convention.



For greater protection at grade crossings over its tracks, the North Shore Line installed a new type of automatic electrically-operated safety gate at crossings between Niles Center and Racine.

On the Skokie Valley Route the safety gates were installed at Main Street, Niles Center Road, Glenview Road, Willow Road, Dundee Road, Deerfield Road and Deerpath Avenue. Other cities to receive additional protection were Fort Sheridan, Lake Bluff, North Chicago, Waukegan, Zion, Kenosha and Racine.

This gate furnishes as nearly perfect grade crossing protection as human ingenuity had <sup>then</sup> devised. The approaching train itself operates the gates by closing an electric track circuit, so arranged that warning is given by both bells and lights at least 35 seconds before the fastest train reaches the crossing. In the practical tests made, the circuit was completed by approaching trains when 2,200 feet away from the crossing.

Should a careless driver fail to heed the warning signals and run into a lowered gate, the mechanism is such that the gate will swing around parallel with the road. Springs in the gate posts automatically return the lowered arms to normal upright position.



(1) The gate when not in operation



(2) relay box



(3) Interior of Gate Post



(4) Gate being swung aside by automobile failing to stop



Diners and parlor observation car placed in service year 1928. (1) Exterior view of parlor-observation car. (2) Interior view of parlor-observation car, showing revolving easy chairs. (3) Exterior view of one of the diners. (4) Interior view of diner.



Double grade crossing over the North Shore Line tracks at Kinzie Avenue and Osborne Road, Racine, is one of the finest construction jobs of this kind ever done. Cost approximately \$6,000. Practically all the construction work was done by the Maintenance of Way forces under Supervisor Louis Homan. The track was raised 14 inches to eliminate the double bump caused by the fact that the two tracks were banked for the curve on the same level. The northbound track was raised 14 inches.



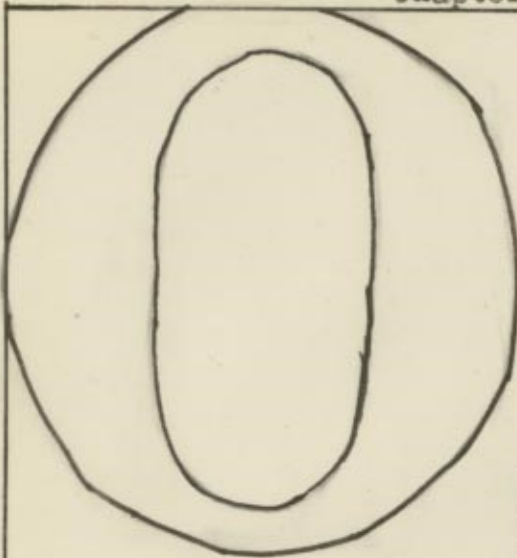
The largest motor coach movement ever handled by the North Shore Line Motor Coach Department, was in transporting the Zion Choir and Orchestra to Milwaukee and return on February 27, 1928.

The combined choir and orchestra numbered more than 450 trained musicians with their instruments, robes and music. Sixteen parlor Motor coaches were necessary to carry the crowd.



Double-truck safety cars, put in city service in Milwaukee and Waukegan by the North Shore Line, in 1928. These cars are designed for either one-man or two-men operation. They are 51 feet in length and have a seating capacity of 56 persons. The doors and treadles operate automatically by air, assuring a maximum in safety as the cars cannot be moved while the doors are open. A new feature is automatic lights similar to those in use on automobiles which warn vehicle drivers in the rear when the cars are slowing down to a stop.

## Chapter XXIV



perating revenues for 1929 were larger than for any previous year.

Increased  
Net Income

Total revenue from railway operation was \$8,020,762.28 compared with \$7,967,186.11 for the year 1928, an increase of \$53,576.17, while operating expenses were \$5,913,692.01 compared with \$5,928,424.54 in 1928, a reduction of \$14,732.53. The net revenue from railway operation was \$2,107,070.27 compared with \$2,038,761.57 in 1928, an increase of \$68,308.70. Gross income available for return on the investment was \$2,168,323.50, an increase over 1928 of \$39,089.01.

The gross revenue derived from the operation of news stands and other public conveniences in stations amounted to \$521,738.08 and yielded a net income of \$60,628.38 for 1929.

First and Refunding Mortgage 5½% Gold Bonds amounting to \$2,722,000 were issued.

Bonds  
Issued

A total of 10,000 shares of 7% cumulative Prior Lien Stock was issued of which number 9,300 shares had been sold by the end of 1929. This stock was sold almost entirely by employees of the Company among customers regularly using the service.

Stock  
Issue

North Shore Line service was extended to air travel during the year through arrangements with three air transportation companies. Fast passenger trains from Milwaukee made convenient connections in Chicago with the Stout Air Lines operating daily airplane service to Detroit, Cleveland and other eastern cities, also with the Universal Air Lines System to St. Louis and Kansas City, and with the Embry-Riddle Company to Indianapolis and Cincinnati.

Connections  
with Air  
Transporta-  
tion  
Companies



One of the planes used in the rail-air service of the North Shore Line and the Universal Air Lines System. This is a tri-motored Fokker plane, which accommodates 14 passengers.

*"From Milwaukee to Detroit in 5½ Hours!"*



A graphic illustration of how in 1929 the rail-air service of the the North Shore Line and the Stout Air Lines cut the travel time between Milwaukee and Detroit to 5½ hours and brought Eastern cities closer to other North Shore communities. (1) North Shore Line Limited left Milwaukee at noon, received passengers at Racine, Kenosha and Waukegan and arrived in Chicago at 2:11 P.M. Central Standard Time (2) Marigold Motor Coach transported passengers from Roosevelt Road Station, Chicago, direct to plane at Municipal Airport (3) Passengers immediately boarded "Miss North Shore" and left for Detroit at 3:00 P.M., Central Time (4) Plane arrived at Ford Field, Detroit, at 6:30 P.M., Eastern Standard Time (5:30 Central Time) which was exactly 5½ hours after travelers boarded North Shore Limited at Milwaukee Terminal.

Through rail-air tickets with the three air service companies were on sale at our stations in Milwaukee, Racine and Kenosha. While the business developed through these rail-airline connections was not great at the time, it was another step in the way of broadening our service to customers.

An increased sale was enjoyed in 1929 in interline tickets with steam railroads, also in the business which came to the Company from foreign lines. ~~This~~ Convenience to customers ~~in~~ being able to purchase through railroad and Pullman tickets at our stations to any part of the United States, Canada and Mexico was appreciated by travelers and resulted in a considerable amount of new business for the railroad.

Interline  
and  
Foreign  
Railroad  
Business

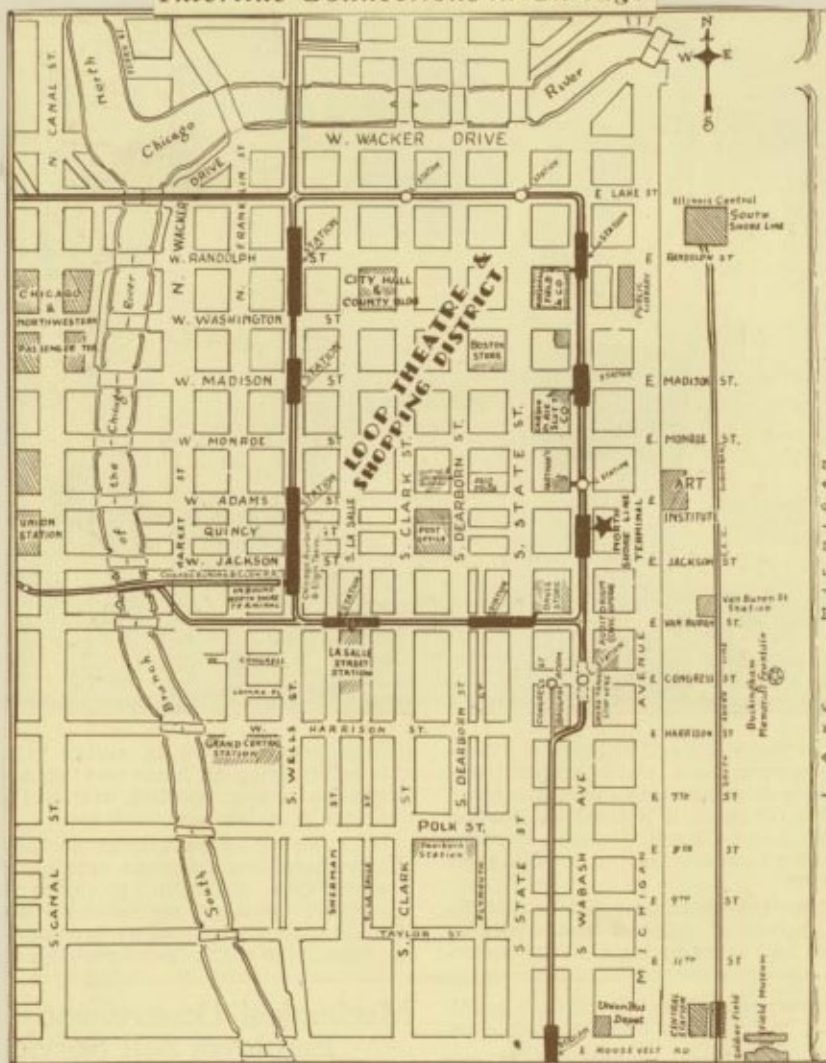
Twelve new industries employing several hundreds of workers, located on the railroad during 1929, which resulted in a substantial increase in ~~our~~ carload freight business and also in ~~our~~ less than carload and passenger traffic. The increase in carload tonnage was about 15% over the previous year, with an approximate 12% increase in revenue.

Increased  
Traffic

Several of the manufacturing concerns located on the railroad and also others in the coal, lumber, building and material supplies business all of which brought to the railroad a desirable class of business.

Industrial  
Development

Less than carload through rates were established to practically all points in the United States giving shippers the benefit of the same rates as apply to other carriers in the territory. This increased materially the less than carload business.



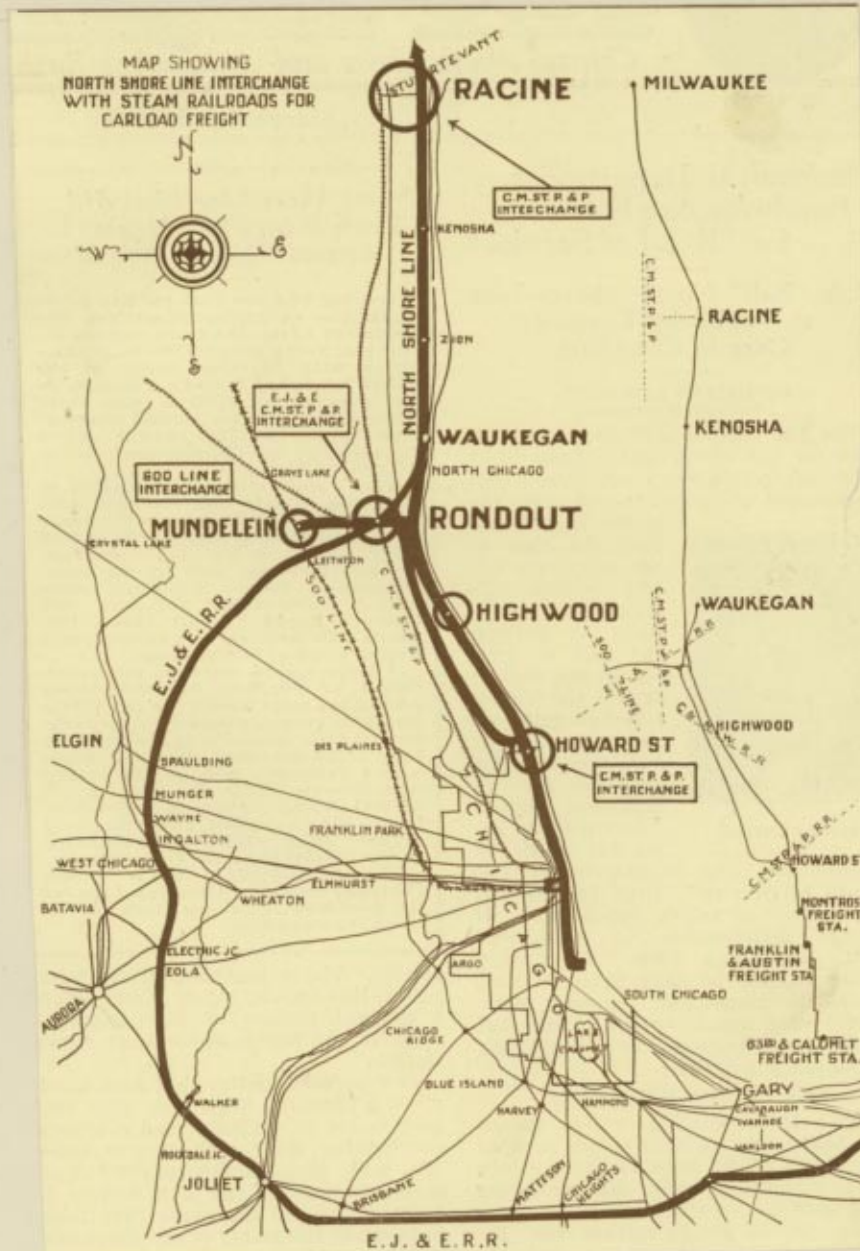
MADISON and WELLS - Chicago and North Western Station three blocks west.

QUINCY and WELLS - Union Station  
(Pennsylvania Lines, Chicago & Alton;  
Burlington; Chicago, Milwaukee, St. Paul  
& Pacific) three blocks west. Reached  
directly by transferring to Rapid Transit  
trains for Canal Street Station and  
using subway entrance.  
Grand Central Station (Baltimore &  
Ohio; Chicago Great Western; Pere  
Marquette; Soo Line) three blocks south.

VAN BUREN and DEARBORN - Dearborn Station  
(Chicago & Eastern Illinois; Erie;  
Chicago & Western Indiana; Grand Trunk;  
Monon; Santa Fe and Wabash) two blocks  
south.

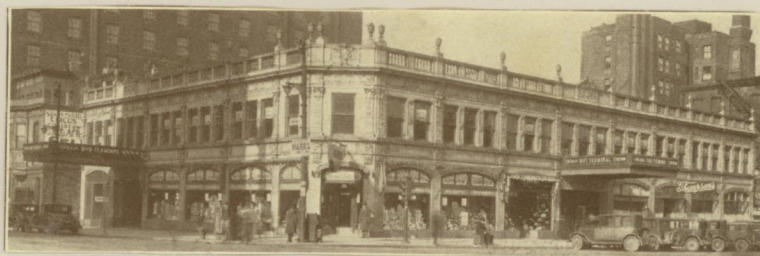
ROOSEVELT ROAD - Central Station (Big Four; Illinois Central; Michigan Central; Chesapeake & Ohio) two blocks east.

At Quincy and Wells, the inbound station of the "North Shore Line" is the Wells Street Terminal of the Chicago Aurora and Elgin Railroad, reached by overhead bridge at the south end of the elevated platform. The Van Buren Street Station of the South Shore Line is three blocks east of our State and Van Buren Street stop.



Map showing the various points where the North Shore Line interchanges carload freight with steam railroads for intermediate hauls on through shipments.

The extensive territory served by the Metropolitan Motor Coach Company and the Western Motor Coach Company--the Marigold Lines--in the Chicago Metropolitan Area is shown in ~~the above~~ this map. There are also two new Marigold routes direct from the Chicago Loop to the Chain O'Lakes region and to Lake Geneva and Lake Delavan. Connections with the North Shore Line also are made by Marigold coaches at various stations. Note especially the locations of the two new airports in the Skokie Valley--Sky Harbor Aviation Country Club and Curtiss Flying Field. Sky Harbor is quickly and conveniently reached by taking the North Shore Line to Highland Park or Briergate and transferring to Marigold coaches on the Highland Park-Northbrook route. Curtiss Field is reached by taking the North Shore Line to Wilmette or Niles Center and transferring to Marigold coaches--operating between these two suburbs.



The Union Motor Coach Terminal, the largest station in the world devoted exclusively to motor coach transportation has been opened at Roosevelt Road and Wabash Avenue, in the heart of the Chicago downtown business district.

At this central station are motor coaches of 24 companies serving all points in the United States. The terminal is conveniently located for North Shore Line customers, being only half a block east of the Roosevelt Road Station.



In 1929 extensive improvements were made at the Chicago Loop station at 223 South Wabash Avenue.

New entrance and terra cotta front add greatly to the attractiveness and convenience of the station. The large window to the north of the old entrance was torn out, being replaced by a smaller window on the north and a large entrance in the center with three doors.

A steel and glass canopy has been erected over the new entrance, extending to the curb.

Overhead bridge leading from the second floor of the station to the "L" platform has been enclosed in glass.

Three Neon tube signs announcing in large red letters "North Shore Line Station" have been installed over the entrance, one each facing north and south in Wabash Avenue and the other being located on the station platform.

The interior of the station has been redecorated, and everything possible has been done to make this a convenient and ideal place to board trains for north shore suburbs, the beautiful Skokie Valley, the Lake County countryside and any of the many thriving cities along the lake shore as far north as Milwaukee.

To increase facilities for handling the steadily growing business at Howard Street, the north city limits of Chicago, the Company built a new passenger station, which was opened to the public in January 1930. It has five display windows on Howard Street and contains soda fountain, lunch room, magazine stands, telephone booths and other public conveniences.

Howard  
Street  
Station

*Howard Street Station*



North Shore Line station at Howard Street. The station is located on the north side of street, directly across from the "L" station. Rapidly increasing business at this point made it necessary to provide separate quarters for North Shore Line passengers. The above picture shows the entrance to the station.

A new stop was established on the Loop at Clark and Lake Streets for the convenience of customers boarding trains on the north side of the Loop. Considerable and increasing traffic had been developed at this station. Customers may board trains on the Loop at four convenient points.

"Loop"  
Stops

Revenue from railway operation was \$6,672,508.37 compared with \$8,020,762.28 for the year 1929, a decrease of \$1,348,253.91. Operating expenses were \$5,638,471.20 compared with \$5,913,692.01 last year, a reduction of \$275,220.81. Net revenue from railway operation was \$1,034,037.17 compared with \$2,107,070.27 in 1929, a decrease of \$1,073,033.10. Gross Income available for return on the investment was \$2,173,885.87 an increase of \$5,562.37.

Increased  
Gross Income

The decrease in revenue from railway operation was due to the general business depression during the year which affected the rail carriers as well as other branches of industry. The decrease in revenue was partially compensated for by a reduction in the operating expenses.

General  
Business  
Depression

The Company disposed of its Skokie Valley Realty Association holdings at a substantial profit. With certain investments which were sold, a profit of \$901,162.16 was realized.

Skokie  
Valley  
Realty  
Ass'n.



An aerial view of one of the many suburban residential communities along the North Shore Line. It shows the growing Community of Niles Center, which has developed

Niles Center

rapidly since the Skokie Valley Route was placed in service. The straight line running from the lower right to the upper left of the picture is the "North Shore Line" right-of-way. Dempster Street Station which also is a terminal point for the Rapid Transit Lines and the Marigold Motor Coach Lines, is located in the heart of this new suburban residential area.

Surplus at the end of 1930, was \$1,033,326.93 as compared with \$1,018,981.02 December 31, 1929.

Surplus  
1930

On February 23, 1930, a serious grade crossing wreck occurred at our Washington Road crossing Kenosha, Wisconsin. The accident was caused by a motorist, who disregarding crossing signals, drove directly in the path of a passenger train.

Kenosha  
Accident

While the Company was not responsible for the accident, and was exonerated by a Coroner's jury, it was decided to make settlements to avoid costly litigation.

To provide for refunding the \$2,500,000 three-year 6% Gold Notes maturing February 1, 1930, the Company sold \$2,500,000 short term 6% Gold Notes maturing January 1, 1931.

\$2,500,000  
Short Term  
Notes Issue

Equipment Trust Certificates Series "G" in the amount of \$700,000 were sold during 1930 to help finance the purchase of twenty-five new steel motor cars.

\$700,000  
Equipment  
Trust  
Note Issue

An issue of \$2,500,000 Twenty-Five year Income Debentures dated December 31, 1930, was sold to provide funds to pay the \$2,500,000 short term 6% Gold Notes, maturing January 1, 1931.

To gain the utmost speed consistent with safety and comfort, a still faster service was started between Chicago and Milwaukee. Four "flyers" operating over the Skokie Valley Route now cover the distance between the Loop district of Chicago and the business district of Milwaukee in 1 hour and 50 minutes. These trains are composed of new all-steel cars with most improved facilities for comfort and safety. Three "flyers" carry parlor-observation cars

High Speed

A new station was established during the latter part of 1930 at Kinzie and Wells Street, Chicago.

Kinzie-  
Wells St.  
Station



Comfortable City Cars in use in Waukegan and Milwaukee

# D

Due to the unfavorable economic conditions of 1931, the revenue from railway operation was

Decreased  
Revenue

\$1,491,115.03 less than that for the year 1930. Gross income available for return on the investment decreased \$1,538,250.19 as compared with the return for 1930. Operating expenses were reduced by \$767,416.67. Many economies were made, including a reduction of 7½ to 15 percent in salaries of officers and members of the clerical and supervisory forces. Surplus at December 31, 1931 was \$226,971.72, a decrease of \$806,355.21.

Salary  
Reductions

Serial Notes in the aggregate amount of \$62,500 were issued as part payment for the purchase of automatic crossing gates.

\$62,500  
Serial  
Note Issue

A faster train service between Chicago and Milwaukee won the Company the "Electric Traction" speed trophy for the third year in competition with other electric carriers.

Electric  
Traction  
"Speed Trophy"

A new high record for maintenance of schedules was established for 1931 when 98.5% of the total of 96,972 trains operated reached their destinations on time.

To attract more off-the-line passengers, a number of additional parking spaces near our stations were opened.

Parking  
Spaces

The weekly "two purpose" commutation ticket, which in addition to providing the owner with six round trip fares, permitted of the purchase of substantial additional tickets at 2¢

Two-Purpose  
Commutation  
Ticket

a mile had become popular.

A door-to-door canvass of homes in all suburban communities served, was made by employees to advertise the new ticket.

Fifteen new industries were located along the Company's lines during 1931. Nine of these actually started operations, and the remainder did early in 1932.

New  
Industries  
Located

In 1932 there was a further decline in both passenger and freight business and a corresponding decrease in revenues. As a result earnings were reduced to the extent that the Company was unable to meet its financial obligations.

Decreased  
Earnings

Total revenue from railway operation was \$1,327,857 less than in 1931. Operations for the year resulted in a deficit of \$377,963, compared with gross income available for return on the investment of \$635,636 in 1931.

This unfavorable showing was made altho operating expenses were reduced \$789,369.

Many economies were made including a further reduction in salaries, wages and personnel, resulting in a decrease in payroll of \$621,588, compared with 1931.

Economies

On September 30, 1932 the American Brake Shoe and Foundry Company, to which the Company was indebted for materials furnished, filed a bill of complaint in the District Court of the United States for the Northern District of Illinois, Eastern Division, alleging the inability of the Company to meet its matured and maturing indebtedness, and requesting the appointment of Receivers to take charge of the assets of the Company and operate the property. The Company admitted the allegations made in the bill of complaint and the Court ~~thereupon~~ appointed Colonel Albert A. Sprague and Mr. Britton I. Budd, as Co-Receivers. They immediately took charge of the property and operated it under direction of the Court.

Receivers  
Appointed

In order to meet interest payments and other maturing obligations, the Company, on February 20, 1932, obtained a loan from the Reconstruction Finance Corporation. The proceeds, \$1,150,000, were received on June 29, 1932. As security for the loan the Company pledged \$2,056,000 of its First and Refunding Mortgage 5½% Gold Bonds.

Reconstruction  
Finance  
Corporation  
Loan

To provide for refunding the \$2,000,000 Three-Year 6% Gold Notes, maturing April 1, 1932, the Company, in accordance with a plan submitted to and accepted by the holders of the notes, secured authority to issue in exchange, 80% of the principal amount, or \$1,600,000 in Three-Year 7% Income Gold Notes and to pay 20% of the principal amount, or \$400,000 in cash.

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\$1,600,000  
Three-Year  
7% Note Issue



COLONEL ALBERT A. SPRAGUE  
Receiver

## CHAPTER XXVIII

The general business and industrial depression continued during 1933, although the rate of decline in both the passenger and freight business was less severe than in recent years.

The number of interurban passengers carried in 1933 compared with 1932 shows an increase of 149,275, or 2.39%. The revenue from this class of service was slightly less than 1932, due to reduction in rates made necessary to meet the competition of other railroads in the territory.

The total revenue from railway operation was \$160,651 less than in 1932. Operating expenses and taxes were reduced by \$505,391 as compared with 1932. As a result, operations for the year, after including taxes and non-operating income, showed a deficit of \$21,838 as compared with the deficit of \$377,963 in 1932. This improved showing was made possible through the economies effected during the year as reflected in the operating expenses. Operating expenses for the year include retirement reserves of \$214,535, compared with \$203,356 in 1932.

The following table shows the reduction in earnings, ~~of the Company~~ for the past five years due to the most severe industrial depression in our history.

Rate Reduction and Lowered Earnings

1932 Revenue

Table of Earnings 1929 - 1933

1929	Operating Revenue and Other Income	Operating Expenses and Taxes	Amount Available for Interest Charges
1929...	\$8,462,101.92	\$6,293,778.42	\$2,168,323.50
1930...	8,102,949.13	5,929,063.26	2,173,885.87
1931...	5,802,466.39	5,166,830.71	635,635.68
1932...	4,053,165.05	4,431,128.33	377,963.28
1933...	3,903,899.66	3,925,737.40	21,837.74

Receivers' Certificates bearing interest not to exceed 6% a year, payable within three (3) years after date of issue, were authorized to be issued in the aggregate principal amount up to but not exceeding \$600,000. Issue of \$600,000 Receivers' Certificates

The Receivers' Certificates were authorized for the purpose of procuring funds for the discharge of tax and real estate mortgage obligations, equipment obligations, for the reimbursement of moneys actually expended by the Receivers for capital expenditures, for the lawful refunding of obligations of said Receivers, and for necessary expenses incurred by the Receivers in operating, conserving, and repairing the railroad properties and conducting business during the receivership.

At the close of 1933, \$103,000. principal amount of Receivers' Certificates had been sold.

Expenditures for additions and betterments to the property amounted to \$104,778. Of this amount \$40,000. covered a payment to the State of Wisconsin as the Company's share of the cost of grade separation of State Highway 38 at Horlicksville Road Crossing, Racine County, and State Highway 43 at Burlington Road Crossing, Kenosha County.

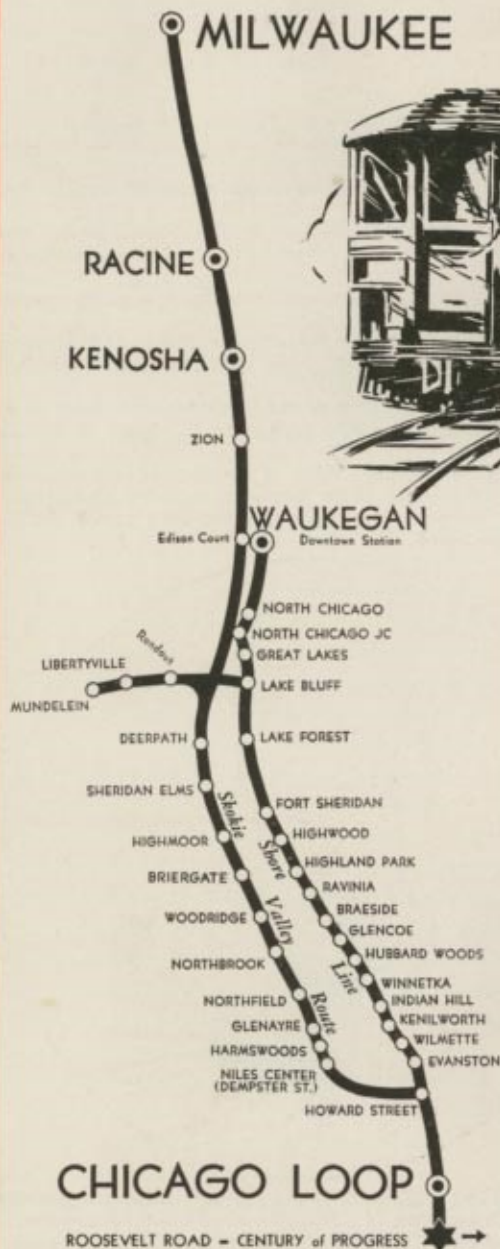
Grade  
Separation in  
Wisconsin

The following sheets illustrate some publicity used to attract travelers to the Century of Progress in Chicago in 1933.

# DIRECT TO THE GATES OF THE 1933

## CENTURY OF PROGRESS

### WORLD'S FAIR GROUNDS



**M**ILWAUKEE, Racine, Kenosha, Waukegan, Mundelein, Libertyville, Skokie Valley, North Shore Suburbs; through the residential districts of Chicago's North Side; over the congestion of the famous Loop and direct to the Roosevelt Road Gateway to A Century of Progress—the 1933 World's Fair Route of the North Shore Line.

**CONVENIENT!** When you go North Shore Line to Chicago you can easily make fullest use of the city-wide transportation facilities of the Rapid Transit Lines—the "L." In Chicago all stations are on the "L"—at any one of these you can transfer direct to "L" trains bound for different parts of the city. If you are visiting relatives or friends, the "L" will take you *there!*

**FREQUENT!** In addition to the hourly service between Milwaukee, Racine, Kenosha, Waukegan and Chicago, there are four trains every hour between the Loop and Waukegan via North Shore suburbs. Trains over the Skokie Valley Route to Libertyville and Mundelein are just as handy.

**FAST!** For the past six years the North Shore Line has ranked among the three fastest electric interurbans—four times it has been named *America's Fastest!*

CHICAGO — JUNE 1 — NOVEMBER 1, 1933

Page Seventeen

# 39 years of NORTH SHORE LINE Progress!.....

**I**T is 1894. A company of builders, fired with the enthusiasm and desire for expansion which followed in the wake of the World's Columbian Exposition of '93, is establishing the little Bluff City Electric Railway—great-grandfather of the famous North Shore Line of today.

These pioneers in the adaptation of electric power to transportation plan modest plans. The Bluff City will link the communities of Waukegan and Lake Bluff. But back in the minds of these men is the dream that some day steel will be extended to Evanston, 19 miles to the south—possibly even northward to Kenosha, 16 miles away in Wisconsin.

Their dreams become actualities sooner than they hope. Rail is laid to Highland Park and the Bluff City dignifies itself by taking the name North Shore Interurban. Rapid development of the beautiful home country of the North Shore makes it necessary to go on to Evanston. That goal is reached but ambitions soar and, under the title Chicago and Milwaukee Electric Railway, the old Bluff City triumphantly enters Kenosha, then Racine and ultimately Milwaukee!

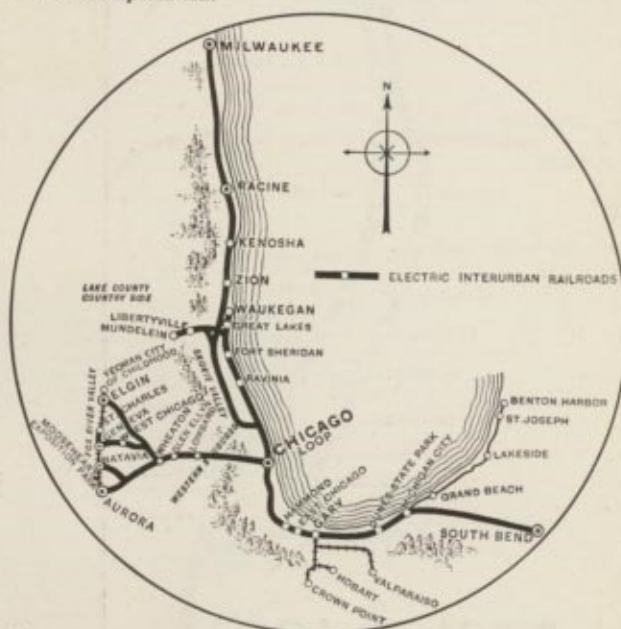
In 1919 the career of this lusty electric infant is climaxed. It becomes a full-fledged electric interurban railroad with dining car service and trains start operation between Chicago and Milwaukee!

Since those early times down to the present, progress has been continuous. Now hourly trains over the famous Skokie Valley Route bring together the Chicago Loop, Waukegan, Kenosha, Racine and Milwaukee. Four trains every hour serve Waukegan, Lake Bluff, Highland Park, Evanston and other North Shore suburbs. High-speed trains make the Skokie Valley, Libertyville and Mundelein only an hour's ride from Chicago.

**Now the North Shore Line numbers many notable achievements among its "features"**

- It was the first to win the Charles A. Coffin award "for distinguished contribution to the development of electric transportation, for convenience of the public and the benefit of the industry."
- First to offer the public de luxe parlor-dining service.
- First interurban line to establish interline ticketing arrangements with steam railroads by which the customer is able to buy tickets, check baggage, etc., from any North Shore Line station to any point in the United States or Canada.

- First and only interurban to sell Pullman tickets.
- First to provide its customers with the luxury of an individual easy-chair seat—at no extra cost.
- First to introduce the popular small-investment weekly ticket for commuters.
- First and only transportation line to offer limited service *every hour* between Chicago and Waukegan, Kenosha, Racine and Milwaukee.
- First to hook up with air transport companies in giving complete air-rail service.
- Only line which offers the unexcelled convenience in reaching all parts of Chicago through direct platform connections with the Rapid Transit Lines—the "L."
- Only interurban that receives and discharges customers at five inbound—and four outbound—stations in the heart of the Chicago Loop.
- A pioneer in the modernization of the electric interurban railway industry, the North Shore Line has earned a reputation as "The Road of Service" by its unceasing efforts to provide the best in 1933 transportation.

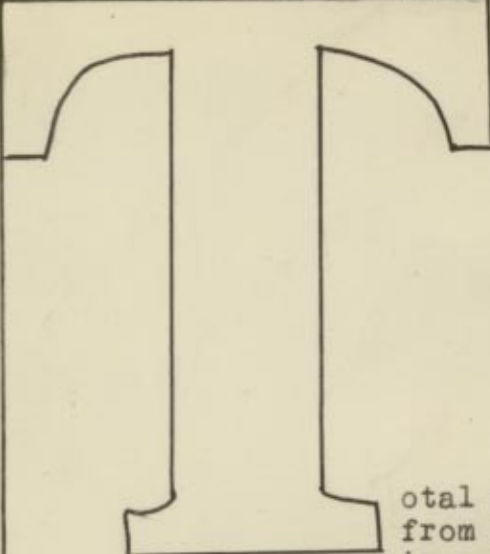


**America's First and Finest—the three electric interurbans serving Chicagoland! The North Shore Line—South Shore Line and the Chicago Aurora and Elgin. A glance at the map shows the important territories served by each.**

## TRAVEL BY TRAIN TO THE WORLD'S FAIR

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# CHAPTER XXIX

	<p>total revenue for the year 1934 from railway operation and other income was \$3,865,196.49 compared with \$3,903,899.66 for the year 1933, a decrease of \$38,703.17. Operating expenses and taxes for the year were \$3,890,427.46 compared with \$3,925,737.40 in 1933, a decrease of \$35,309.94. As a result operations for the year, after including taxes and non-operating income, showed a deficit of \$25,230.97 compared with a deficit of \$21,837.74 in 1933.</p>	<p>Decreased Earnings</p>
<p>City and motor bus passengers carried in 1934 were 3,403,030 as compared with 3,116,878 the previous year, an increase of 286,152, or 9.18%. The number of interurban passengers carried in 1934 was 7,730,717, compared with 6,509,462 in 1933, an increase of 1,221,255 or 18.76%. Due to the drastic reduction made in passenger rates, the revenue from this class of business was \$15,749.86 less than for 1933.</p>	<p>The basic rate of 3.6¢ a mile was reduced to 2¢ a mile on December 1, 1933, with a further reduction of 10% or to 1.8 cents a mile when a round trip ticket is purchased, to meet the experimental rates placed in effect by competing steam railroads.</p>	<p>Rate Reduction</p>
<p>Carload freight revenue for the year 1934 was \$358,533.24 compared with \$327,440.17 in 1933, an increase of \$31,093.07 or 9.50%. Less than carload freight revenue for the year 1934 was \$284,925.01 compared with \$335,781.53 in 1933, a decrease of \$50,856.52 or 15.15%. The loss in this less than carload business was due to the</p>	<p>Carload Freight</p>	

unregulated competition of motor trucks operating on the public highways.

Operating expenses for 1934 included Retirement Reserves in the amount of \$217,746., as compared with \$214,535. for the year 1933.

The following table shows the earnings of the Company for the past three years:

	Operating Revenues and Other Income	Operating Expenses Taxes, Receivers' Interest and Other Charges	Deficit
1932...	\$4,053,165.05	\$4,609,821.33	\$556,656.28
1933...	3,903,899.66	4,106,456.44	202,556.78
1934...	3,865,196.49	4,079,363.92	214,167.43

Three-Years'  
Earnings Table

No interest payments on the First Mortgage Bonds and the First and Refunding Mortgage Bonds were made.

Bond Interest  
Not Paid

As stated in the annual report for the year 1933, Receivers' Certificates bearing interest not to exceed 6% per annum, payable within three years after date of issue, were authorized to be issued in the aggregate principal amount up to but not exceeding \$600,000; the Certificates to be issued in conformity with an order of the District Court of the United States for the Northern District of Illinois, Eastern Division, duly entered on October 10, 1933, and approved by the Illinois Commerce Commission under order dated October 18, 1933.

During 1934, Receivers' Certificates in the amount of \$148,300. were issued, and at the close of the year, \$251,300. principal amount of Receivers' Certificates were outstanding.

Receivers'  
Certificates

Expenditures for additions and betterments to the property amounted to \$53,448.80. Of this amount \$42,475.67 covered the installation of automatic crossing gates, replacing manual operation, thereby effecting a substantial saving in the expense of operation.

Crossing  
Gates

On October 3, 1934, attorneys representing three bondholders owning an aggregate of \$4,000 of such securities, filed a petition in the District Court of the United States, Northern District of Illinois, Eastern Division, asking a reorganization of the Company under Section 77A and 77B of the Bankruptcy Act. The Company filed its answer contesting this petition on the ground that it did not comply with the Bankruptcy Act and, therefore, should be dismissed.

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77-A and 77-B  
Bankruptcy  
Petition  
Successfully  
Contested

# CHAPTER XXX

The following table shows the earnings of the property for the years 1932 - 1935 inclusive:

	Operating Revenues and other Incomes	Operating Expenses, Taxes Receivers Interest and other Charges	Deficit
1932...	\$4,053,165.05	\$4,609,821.33	\$556,656.28
1933...	3,903,899.66	4,106,456.44	202,556.78
1934...	3,865,196.49	4,079,363.92	214,167.43
1935...	3,832,521.75	4,059,941.89	227,420.14

Earnings  
Table

In 1935 the primary problem of this property was the decrease in operating revenues, as will be noted by comparing 1932 and 1935 in the above table. The loss is accounted for in the interurban passenger revenue, which was \$118,359.50 less in 1935 than in 1932, and in the less than carload freight revenue which was \$144,684.93 less in 1935 than in 1932.

The decrease in interurban passenger revenue was caused by the reduction in the basic rates of fare forced upon the Receivers by competing steam railroad carriers. These basic rates are hereinafter referred to. The effect of these non-compensatory low rates is made apparent when consideration is given to the fact that the Company carried in the year 1935, 1,388,274 more interurban passengers than it did in the year 1932, and despite this large increase in the number of passengers carried, the total revenue received from such carriage was \$118,359.50 less than that received in 1932.

Effect  
of Rate  
Reduction

In an endeavor to meet this situation, ~~XXXXXXX~~, through operating economies, the Receivers were enabled to decrease the operating expenses for the year 1935 in the amount of \$549,879.44, as against such expense for the year 1932.

Economies

The decrease in less than carload freight revenue in 1935 was caused by the unregulated competition of motor trucks operating over the public highways.

Motor Trucks

Total revenue from Railway operation and other income for the year amounted to \$3,832,521.75 compared with \$3,865,196.49 in 1934, a decrease of \$32,674.74. Operating expenses, taxes and other deductions for the year were \$4,059,941.89 compared with \$4,079,363.92 in 1934, a decrease of \$19,422.03. As a result, the Receivers' operations in 1935, after including taxes, interest and other charges, and non-operating income show a deficit of \$227,420.14 compared with a deficit of \$214,167.43 in 1934.

1935  
Deficit

The total interurban passenger revenue for 1935 was \$2,318,756.39 compared with \$2,414,644.93 in 1934, a decrease of \$95,888.54.

In 1934 the Company derived a substantial amount of long haul business on account of a second year of "A Century of Progress Exposition" held in Chicago. While there was a substantial increase in the normal interurban passenger revenue during 1935, this increase was not sufficient to offset the revenue secured in 1934 due to "A Century of Progress Exposition".

"A Century  
of Progress  
Exposition"  
Effect in  
Traffic

The number of interurban passengers carried during 1935 was 7,765,722 compared with 7,730,717 in 1934, an increase of 35,005 or 45/100%. City and motor bus passengers carried in 1935 were 3,636,685 as compared with 3,403,030 in 1934, an increase of 233,655 or 6.87%.

Freight revenue for the year 1935 was \$682,281.92 compared with \$643,458.25 in 1934 an increase of \$38,823.67 or 6%. Interstate highway motor carriers were in 1935 placed under the jurisdiction of the Interstate Commerce Commission and required to conduct their business under regulations similar in principal to those governing the operations of this Company and other rail carriers.

Increased  
Freight  
Revenue

No additional Receivers' Certificates were issued during the year, and at the close of 1935, \$251,300 principal amount were outstanding.

Receivers'  
Certificates

Total revenue from railway operation and other income for 1936, amounted to \$4,269,646.03, compared with \$3,832,521.75 the previous year, an increase of \$437,124.28 or 11.41%. Operating expenses, taxes and other deductions for 1936 were \$4,231,971.94, compared with \$4,059,941.89 for 1935, an increase of \$172,030.05, or 4.24%. The Receivers' operations for the year, after including taxes, interest and other charges, and non-operating income, show a net income of \$37,674.09, compared with a deficit of \$227,420.14 in 1935 - an improvement in Receivers' net income of \$265,094.23.

Increased  
Earnings

Total Interurban passenger revenue for 1936 was \$2,543,242.82, compared with \$2,318,756.39 an increase of \$224,486.43 or 9.68% over the year 1935.

The number of interurban passengers carried during the year 1936, was 8,340,814 - compared with 7,765,722 in 1935, an increase of 575,092 or 7.41%. City passengers carried in 1936 totalled 4,211,434 - as compared with 3,636,685 in 1935, and increase of 574,749 or 15.80%.

Freight revenue for the year 1936 was \$831,867.49, compared with \$682,281.92 in 1935, an increase of \$149,585.57, or 21.92%.

Operating expenses for 1936 included retirement reserves in amount of \$220,007., compared with \$214,307. for 1935.

On March 1, 1932, wages of employees were decreased 10%. Effective as of January 1, 1936, restoration of 2½% was made. On January 19, 1937, the Receivers executed a new contract with Division 900 of the Amalgamated Association of Street and Electric Railway and Motor Coach Employees of America covering the period to June 1, 1938, under which the remaining amount of the reduction is to be restored by July 1, 1937. This is accomplished through an increase of two and one-half per cent made retro-active to October 1, 1936, and a further increase of 2½% January 1, 1937. The remaining amount of the reduction will be restored on July 1, 1937.

Salary and  
Wage  
Restoration

On November 24, 1936, a three-car train collided with an eight-car Chicago Rapid Transit train near Granville Station of the Rapid Transit Company, causing death and injuries to a number of persons. The cost of settling claims arising out of this accident in excess of \$25,000. is covered by insurance.

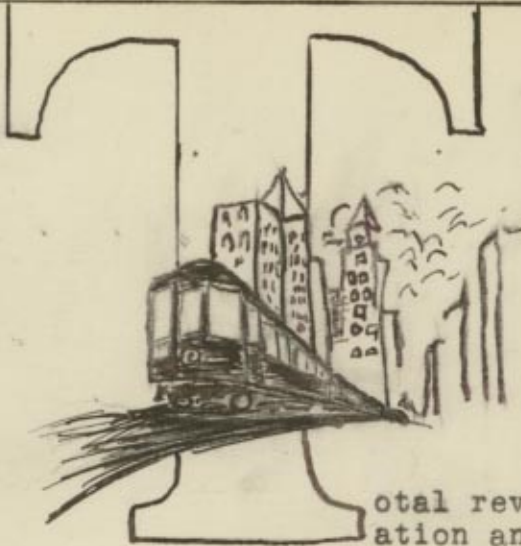
Granville  
Station  
Accident

Under the "Unemployment Insurance" provisions of the Federal Social Security Act, approximately \$19,000 was included in "Taxes," representing 1% of the total amount of wages payable for the year 1936.

Unemployment  
Insurance

Receivers' Certificates in the principal amount of \$136,300. were paid during the year 1936, leaving a balance of \$115,000. unpaid as of December 31, 1936.

Receivers'  
Certificates



total revenues from railway operation and other income for the year 1937, amounted to \$4,327,443.77, compared with \$4,269,646.03 in 1936, an increase of \$57,797.74, or 1.35%. Operating expenses taxes and other deductions for 1937 were \$4,384,643.17, compared with \$4,231,971.94 in 1936 - an increase of \$152,671.23, or 3.61%. The Receivers' operations for 1937, after including taxes, interest, other charges and adjustments applicable to prior years' operations and other non-operating income, shows a deficit of \$64,126.94, compared with a net income of \$37,647.09 in 1936.

Decreased  
Net Income

Operating costs for the year included an increase of approximately \$122,000. in wages due to general increase in rates of pay; an increase of \$42,201 in Federal and State Unemployment Insurance and Federal Old-Age Benefits under the provisions of the Federal and State Social Security Acts.

Operating expense for 1937 included retirement reserves in the amount of \$221,065., compared with \$220,077. for 1936.

Injunction suits resulted in settlements of tax claims for the years 1932, 1935 and 1936, and tax liability was decreased \$145,601.

Tax  
Claims

Total interurban passenger revenue for 1937 was \$2,587,465.90 compared with \$2,543,242.82 for 1936, an increase of \$44,223.08 or 1.74%.

The number of interurban passengers carried in 1937 was 8,390,955, compared with 8,340,814 in 1936, an increase of 50,141 or .6%

The low basic passenger rates were continued through 1937.

Freight and express revenue for the year 1937 was \$861,762.90, compared with \$831,867.49, an increase of \$29,895.41 or 3.59% for 1936.

The Receiver was authorized by the Court to install an automatic block signal system on the Skokie Valley Line between Dodge Avenue, Evanston, Illinois, and North Chicago Junction, Illinois, at an approximate cost of \$150,000. This work was started in 1937 and will be completed early in 1938.

Automatic  
Block  
Signals

Four highway and railroad grade separation projects and one underpass for pedestrians were completed during the year. The projects were financed principally through State and Federal Funds. These grade separations will reduce operating costs and eliminate existing accident hazards.

Grade  
Separation

All of the Receiver's Certificates outstanding at the close of 1936, in the principal amount of \$115,000, fell due in 1937 and were paid at maturity. Receiver's Certificates in the principal amount of \$37,200, dated November 5, 1937, bearing interest at the rate of 2% per annum and maturing serially in six semi-annual installments, were issued as part payment in connection with the block signal installation referred to above.

Receiver's  
Certificates  
Paid

The Court, upon recommendation of the Receiver authorized the Receiver to meet rental payments for equipment covered by Equipment Trust Indentures, aggregating approximately 50% of the interest which matured during the year on the outstanding Equipment Trust Certificates.

Rental  
payments  
on Equipment

On December 16, 1937, the City National Bank and Trust Company of Chicago, Trustee

(by succession) under the Company's First and Re-funding Mortgage, with the consent of the Court in the receivership proceedings, filed in the same court its bill of complaint to foreclose ~~the~~ mortgage. The Trustee filing this bill to foreclose has also filed with it a petition asking the court to consolidate that proceeding with the present receivership proceeding and to extend the present receivership to the consolidated cause.

Motor buses were substituted for street cars in Washington Street in Waukegan. This resulted in more economical operation and more satisfactory service.

Waukegan  
Buses

The Directors and Officers of the Chicago North Shore and Milwaukee Railroad Company, at December 31, 1937 were -

Directors  
and  
Officers at  
December 31,  
1937

#### Directors

Bernard J. Fallon	Joseph E. Otis
Addison L. Gardner	Charles C. Shedd
*George R. Jones	Charles E. Thompson
John R. Thompson, Jr.	

\*Resigned

#### Officers

Addison L. Gardner	President
Charles E. Thompson	Vice President
William V. Griffin	Secretary and Treasurer
Lincoln C. Torrey	Assistant Secretary and Assistant Treasurer

The corporation "Chicago North Shore and Milwaukee Railroad" still retains its corporate existence. Its Directors and Officers are as follows:

#### Directors

Edgar L. Wood	Charles E. Thompson
Bernard J. Fallon	William V. Griffin
Lincoln C. Torrey	Charles R. Mahan
Addison L. Gardner	

### Officers

Edgar L. Wood	President
Charles E. Thompson	Vice President
William V. Griffin	Secretary and Treasurer
Lincoln C. Torrey	Assistant Secretary and Assistant Treasurer

---

The Directors and Officers of the  
Chicago & Milwaukee Electric Railway Company, as of  
March, 1938, were -

### Directors

Charles E. Thompson	Bernard J. Fallon
Edgar L. Wood	John R. Thompson, Jr.
William V. Griffin	

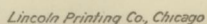
### Officers

Edgar L. Wood	President
Charles E. Thompson	Vice President
B. J. Fallon	Vice President
William V. Griffin	Secretary and Treasurer
Lincoln C. Torrey	Assistant Secretary and Assistant Treasurer
William H. Burke	Assistant Secretary and Superintendent
William W. O'Toole	Auditor

### Executive Committee

Edgar L. Wood	Chairman (ex-officio)
John R. Thompson, Jr.	
Charles E. Thompson	

# NORTH SHORE LINE





The Executive offices of the Company are located  
in the Commonwealth Edison Building, Chicago.

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## BASIC ONE-WAY PASSENGER FARES

---

In 1916 passenger rates were on a five cent zone basis, length of zone being approximately three miles.

February 1, 1917, fares were changed to a basis of two cents a mile and the Company was relieved of commutation rates on franchise basis.

October 18, 1918, Interstate and Wisconsin Intrastate fares were increased to 2½ cents a mile, Illinois Intrastate rates remaining at 2 cents.

September 1, 1920, Interstate and Wisconsin Intrastate fares were increased to 2.7 cents a mile, ticket rate, and 3 cents a mile cash fare.

November 1, 1920, Interstate fares were increased to 3 cents a mile ticket fare, and 3.6 cents a mile cash fare.

March 25, 1927, Interstate fares were increased to 3.6 cents.

January 15, 1928, <sup>inter</sup>state fares increased from 3 cents to 3.6 cents.

December 1, 1933, all fares were reduced temporarily to 2 cents a mile and <sup>reduction was</sup> extended from time to time until September 30, 1936, when the 2 cents basis was published without expiration and is still in effect.

---

## BETTER BUSINESS CAMPAIGN

---

To increase the business of the Company and secure the active co-operation of its employes a "Better Business Campaign" was undertaken in 1926.

The Company's Traffic Department followed up the "tips" sent in by employes concerning possible chartered car movements by large groups, carload and less-than-carload freight movements and smaller business that might be secured for the Railroad.

In 1926 - 647 employes sent in 7,714 "tips"  
In 1927 - 815 employes sent in 16,654 "tips"

So successful and gratifying was this Better Business Campaign made by the Employes, that in 1928 the Better Business Department was made a permanent division of the Traffic Department.

---

# Consolidated Balance Sheet, December 31, 1937

## ASSETS

### Investments

Property at book value at date of receivership,  
plus additions made by receivers, at cost:

Road and Equipment.....	\$43,377,291.84
Property Leased (Substations and Facilities).....	1,719,061.84

### Other Investments:

Sinking Fund, Cash.....	1,174.66	
Deposits in Lieu of Mortgaged Property sold.....	10,554.20	
Other Property not used in operations, at cost.....	391,032.09	
Contracts, Notes, Accounts, etc., pertaining to transactions in Real Estate, at face value.....	4,179.16	
Other Investments, at cost or at estimated value at date of Receivership.....	19,408.60	\$ 45,522,702.39

### Current Assets:

Cash.....	\$ 103,534.19	
Accounts Receivable.....	\$177,310.43	
Due from Officers and Employees.....	11,889.54	
	<u>\$189,199.97</u>	
Less: Reserve for Doubtful Accounts	31,690.62	157,509.35
Materials and Supplies at book value.....	<u>280,305.97</u>	541,349.51

### Other Assets:

Replacement Fund, Howard to Dempster Street Line.....	67,428.77	
Provident Funds.....	7,470.03	
Deposits for Retirement of Three Year 6% Gold Notes due April 1, 1932.....	15,000.00	
Deposits for Payment of Matured Principal and Interest on Funded Debt and Normal Income Tax Thereon (Per Contra)	49,041.60	
Miscellaneous Special Deposits.....	<u>4,000.00</u>	142,940.40

### Deferred Charges and Unadjusted Accounts:

Unexpired Insurance, Prepaid Rentals, Etc.....	25,946.26	
Unamortized Debt Discount and Expense.....	472,822.43	
Unpaid Special Assessments on other than Right of Way Property.....	5,363.21	
Miscellaneous Unadjusted Items.....	<u>381.55</u>	504,513.45

\$46,711,505.75

Notes: 1. Dividends on preferred 7% cumulative prior lien stock are in arrears since September 30, 1931 in the amount of \$43.75 per share an aggregate \$3,495,362.50 at December 31, 1937.

2. Interest on income debentures, Series "A" due December 31, 1955 is cumulative at 6% per annum from December 31, 1930. This interest is payable from time to time only if and when declared by the Board of Directors, provided that all accrued and unpaid cumulative interest must be paid (1) before any dividends are paid on the Company's non-cumulative preferred stock and common stock and (2) at maturity of the bonds. At December 31, 1937 the accrued and unpaid cumulative interest (which does not appear in the above balance sheet) amounted to \$1,050,000.

# LIABILITIES

## Capital Stock

Common Stock, Par Value \$100 per share-			
Authorized and issued, 50,000 shares..	\$ 5,000,000.00		
Less: In Treasury, 43 shares.....	<u>4,300.00</u>	\$4,995,700.00	
Preferred Stock 6% Non-Cumulative, par value \$100 per share-			
Authorized-76,842 shares	<u>\$7,684,200.00</u>		
Issued-76,254 shares.....	7,625,400.00		
Less: In Treasury, 43 shares.....	<u>4,300.00</u>	7,621,100.00	
Preferred Stock, 7% Cumulative Prior Lien, par value \$100 share-			
Authorized -100,000 shares \$10,000,000.00			
Issued - 80,000 shares..	8,000,000.00		
Less: In Treasury, 106 shares.....	<u>10,600.00</u>	<u>7,989,400.00</u>	\$20,606,200.00

## Receivers' Certificates of Indebtedness 2%:

Due in 1939.....	12,400.00	
Due in 1940.....	<u>12,400.00</u>	24,800.00

## Funded Debt (See attached statement)

Secured by Liens on Property -			
Past Due.....	4,711,700.00		
Due in 1938.....	301,650.00		
Due in 1939.....	274,612.67		
Due Subsequent to 1939.....	<u>10,811,500.00</u>	16,099,462.67	
Unsecured - "Income Debentures and Gold Notes -			
Past Due.....	1,665,613.41		
Due December 31, 1955.....	<u>2,500,000.00</u>	<u>4,165,613.41</u>	20,265,076.08

## Collateral Loans-Past Due (Secured by First and Refunding Gold Bonds of the Company, par value \$3,388,000):

Reconstruction Finance Corporation..	1,150,000.00	
Others.....	<u>1,145,980.58</u>	2,295,980.58

Accounts Payable at Date of Receivership  
and Accrued Interest on Funded Debt and  
Collateral Loans (Corporate):

Accounts Payable.....	1,684,752.21	
Accrued Interest on Funded Debt.....	5,163,521.71	
Accrued Interest on Collateral Loans.....	<u>764,875.66</u>	7,613,149.58

Current Liabilities:

Special Assessments, due January 2, 1939 and Prior....	48,168.35	
Accounts Payable.....	348,328.00	
Accrued Wages.....	72,970.30	
Accrued Taxes.....	387,297.53	
Accrued Interest.....	19,449.68	
Accrued Rental of Rolling Stock.....	7,194.25	
Receiver's Certificates of Indebtedness, 2% due May 5, 1938 and November 5, 1938.....	<u>12,400.00</u>	895,808.11

Matured Principal and Interest

on Funded Debt and Normal Income Tax

Thereon for which Funds are on deposit (Per Contra)....		49,041.60
---	--	-----------

Deferred Liabilities and Unadjusted Accounts:

Special Assessments due subsequent to January 2, 1939..	7,706.17	
Accounts Payable due Subsequent to January 1, 1939.....	25,351.91	
Deposits by Protective Committee of Old Predecessor Company, Less Securities on Hand (\$11,600) Deposited by Committee.....	4,800.07	
Liability for Provident Funds.....	7,470.03	
Deposits for Industrial Sidings.....	2,307.15	
Miscellaneous Unadjusted Items... ..	<u>21,564.46</u>	69,199.79

Reserves:

Retirement.....	2,866,539.41	
Amortization of Franchises.....	40,888.27	
Injuries and Damages.....	143,730.41	
Plate Glass Insurance.....	<u>4,730.12</u>	3,055,888.21

Deficit.....

8,163,638.20  
\$46,711,505.75

## DIVIDENDS

---

The Company paid dividends on the 100,000 shares of Chicago North Shore and Milwaukee Railroad Company's stock and the Chicago and Milwaukee Electric Railway Company's stock, combined as follows -

Dividend of 60% in year 1920  
Dividend of 70% in year 1921  
Dividend of 90% in year 1922

In accordance with agreement with Trustees for the bondholders of the Chicago & Milwaukee Electric Railroad Companies, one, the Illinois Company, and the other the Wisconsin Company, the dividends above mentioned were then paid over by the North Shore Railroad, to the First and Second Preferred Participation shareholders.

After the 1923 reorganization of the North Shore Railroad, the capital of the new Company, was composed of -

50,000 shares of Common stock, par value \$100.  
50,000 shares 6% Preferred Non-Cumulative stock,  
par value \$100.  
5,717 shares 7% Prior Lien Cumulative stock,  
par value \$100. (shares authorized, 15,000)

---

105,717 shares  
issued and outstanding - par value -  
\$10,571,700.

Dividends at the rate  $1\frac{1}{2}\%$  on the Preferred stock and  $1\frac{3}{4}\%$  on the Prior Lien stock were paid at quarterly intervals each year from December 31, 1923 to September 30, 1931 inclusive.

---

Financing  
1894 - 1937

---

DATE ISSUED			PRINCIPAL	DUE DATE	DATE PAID OR RETIRED
6/25/1894	Bluff City Elec. St. Ry. Co.	\$100 Capital Stock	\$ 200,000.		3/21/1898
6/1/1896	Bluff City Elec. St. Ry. Co.	First Mortgage Bonds	50,000.		9/6/1897
9/1/1897	Bluff City Elec. St. Ry. Co.	First Mortgage Bonds	300,000.		7/12/1899
3/21/1898	North Shore Interurban Ry. Co.	Capital Stock	340,000.		4/22/1899
5/12/1898	North Shore Interurban Ry. Co.	Capital Stock	660,000.		4/22/1899
4/22 to 6/25/1899	Chicago & Milwaukee Elec. Ry. Co.	Loans Made	265,000.		7/12/1899
7/12/1899	Chicago & Milwaukee Elec. Ry. Co.	First Mortgage Bonds	1,080,000.	Year 1922	
8/3/1899	Chicago & Milwaukee Elec. Ry. Co.	Notes-Royal Trust Co. Cleveland Trust	150,000.) 450,000.)	Collateral \$1,080,000. of First Mortgage Bonds	Mortgage re- leased July 1916
3/20/1902	Chicago & Milwaukee Elec. RR. Co. Ill.	\$100 Capital Stock	300,000.		7/26/16
7/1/1902	Chicago & Milwaukee Elec. RR. Co. Ill.	First Mortgage Bonds	4,000,000.	Year 1919	Aug. 1916
2/14/1903	Chicago & Milwaukee Elec. RR. Co. Ill.	\$100 Capital Stock	4,700,000.		7/26/16
4/4/1907	Chicago & Milwaukee Elec. RR. Co. Ill.	\$100 Capital Stock	5,000,000.		7/26/1916
8/28/1907	Chicago & Milwaukee Elec. RR. Co. Ill.	Notes given for	500,000.		No record of disposition
1908-1916	Receiver, Chicago & Milw. Elec. RR. Co.	Receiver's Certificates	961,000.		Canceled 8/1916
Dec. 1904	Chicago & Milwaukee Elec. RR. Co. Wisc.	First Mortgage Bonds (Guaranteed by Ill. Co.)	10,000,000.	Year 1925	August 1916
1908-1916	Chicago & Milwaukee Elec. RR. Co. Wisc.	Receivers' Certificates Nos. 1 to 198 203 to 237	232,162.57		Canceled 7/1916
July & Aug. 1916	" " "		75,000.		Canceled 8/1916
6/1/16	Chicago North Shore & Milw. RR	5% Notes	1,500,000.		9/8/16
6/1/16	North Shore Racine & Milw. RR. Co.	5% Notes	964,000.		9/8/16
6/1/16	Chicago North Shore & Milw. RR	Not in excess of 6% First Mortgage	10,000,000.	7/1/36	Issued 5% \$4,060,000.
July 1916	Chicago North Shore & Milw. RR	\$100 Capital Stock	100,000.		Non-Participating shares issued against this \$100,000 of stock
July 1916	Chicago North Shore & Milw. RR	1st Preferred Participa- tion Shares	a- 50,000.		
July 1916	Chicago North Shore & Milw. RR	2nd Preferred Participa- tion Shares	a- 58,000.		
July 1916	Chicago North Shore & Milw. RR	Common Participation shares	a- 62,000.		

DATE ISSUED			PRINCIPAL	DUE DATE	DATE PAID OR RETIRED
8/1/16	Chicago North Shore & Milw RR	Not in excess of 6% General Mortgage	\$ 1,500,000.	8/1/36	\$1,180,000 5% which were paid Dec. 22, 1924 <i>retired</i>
8/1/16	Chicago North Shore & Milw RR	5½% Collateral Notes	600,000.	8/1/17	(\$200,000 Series "A" ( 400,000 Series "B"
1/1/17	Chicago North Shore & Milw RR	6% Equipment Notes Series "A"	170,000.	7/1/26	Last installment 1/1/27
7/1/17	Chicago North Shore & Milw RR	6% Serial Gold Notes	885,000.	(\$180,000. 7/1/18 ( 345,000. 7/1/19 ( 360,000. 7/1/20	July 1, 1918 July 1, 1919 July 1, 1920
6/15/18	Chicago North Shore & Milw RR	7% Collateral Gold Notes	385,000.	(\$125,000. 6/15/19 (\$260,000. 6/15/21	June 15, 1919 June 15, 1921
8/15/19	Chicago North Shore & Milw RR	6% Secured Gold Notes Series "A"	600,000.	8/15/20	8/15/20
8/1/19	Chicago North Shore & Milw RR	Equipment Trust Notes Series "B"	550,000.	(\$55,000 8/1/20 and ( 55,000 each yr (following to 8/1/29	8/1/29
6/11/20	Chicago North Shore & Milw RR	7% Ten Year Secured Sinking Fund Series "A" Notes	1,500,000.	6/1/30	Redeemed the \$1,262,400. issued on 1/23/25
6/15/21	Chicago North Shore & Milw RR	7% 15 Year secured Sinking Fund Series "B" Notes	500,000.	6/15/36	Redeemed the \$436,000. issued on 1/23/25
4/2/23	Chicago North Shore & Milw RR	6½% 3 Year Secured Sinking Fund Series "C" Notes	1,000,000.	4/1/26	Redeemed the \$932,200. issued on 1/23/25
7/1/22	Chicago North Shore & Milw RR	6% Equipment Trust Notes Series "C"	600,000.	7/1/32	7/1/32
4/2/23	Chicago North Shore & Milw RR	6% Equipment Trust Notes Series "D"	557,000.	4/2/33	( 46,200 (past due- 4/2/33
7/1/23	Chicago North Shore & Milw RR Co.	\$100 Prior Lien Stock 7%	1,500,000. ***		
7/1/23	Chicago North Shore & Milw RR Co	\$100 6% Non-Cumulative Preferred Stock -b-	5,000,000. **		(This stock issued to holders of non-corporate Participation Certificates referred to above indicated by -a- in reorganization of 7/1/23)

DATE ISSUED			PRINCIPAL	DUE DATE	DATE PAID OR RETIRED
7/1/23	Chicago North Shore & Milw RR Co	\$100 6% Non-Cumulative Preferred Stock -c- (43 shares in Treasury)	\$ 2,625,400.** 4,300. \$ 2,621,100.		(These shares issued to holders of \$2,684,200. Five Year Non-Interest Bearing Notes in accord- ance with provision of agreement under which the notes were issued as of 7/1/23)
7/1/23	Chicago North Shore & Milw RRCO	\$100 Par Value Common Stock (43 shares in Treasury)	5,000,000.* 4,300. 4,995,700.		(This stock issued to holders of non-corporate Participation Certificates referred to above indicated by -b- in reorganization of 7/1/23)
7/1/23	Chicago North Shore & Milw RR Co	Five Year Non-Interest Bearing Notes	2,700,000.	7/1/28	\$58,613.41 Past due since 7/1/28
6/16/24	Chicago North Shore & Milw RR Co	One Year 6% Gold Notes	3,500,000.	6/15/25	1/8/25
11/30/24	Chicago North Shore & Milw RR Co	7% Prior Lien Stock	1,000,000.***		
5/1/25	Chicago North Shore & Milw RR Co	7% Prior Lien Stock	2,000,000.***		
12/1/25	Chicago North Shore & Milw RR Co	7% Prior Lien Stock	1,500,000.***		
1/2/26	Chicago North Shore & Milw RR Co	Equipment Trust Notes Series "E" -1 \$130,000. @4½% 195,000. @ 5% 325,000. @5½%	650,000.	1/1/27 to 1/1/26	\$188,000. past due from 1/1/34 to 1/1/36
5/15/26	Chicago North Shore & Milw RR Co	Series "E"-2 5½% 7% Prior Lien Stock	80,000. 1,000,000.***	1/1/31	1/1/31
2/1/27	Chicago North Shore & Milw RR Co	5½% Gold Notes	2,500,000.	2/1/30	2/1/30
12/1/27	Chicago North Shore & Milw RR Co	Equipment Trust Notes 5½%			
		Series "F"-1	720,000.	12/1/42	\$306,000 Past due
4/1/29	Chicago North Shore & Milw RR Co	Series "F"-2	84,000.	12/1/42	35,700 Past Due
7/15/29	Chicago North Shore & Milw RR Co	6% Three Year Gold Notes	2,000,000.	4/1/32	\$75,000 past due 4/1/32
		7% Prior Lien Stock	1,000,000.***		
2/1/30	Chicago North Shore & Milw RR Co	6% Gold Notes	2,500,000.	1/1/32	1/1/31
1/18/30	Chicago North Shore & Milw RR Co	6% Equipment Trust Notes Series "G"	700,000.	1/1/45	\$208,000. past due 12/1/35 to 12/1/37
4/1/32	Chicago North Shore & Milw RR Co	7% Income Gold Notes			
	Authorized \$2,500,000.	3 Year	1,532,000.	4/1/35	
	Issued 1,540,000.				
	8,000 In Treasury				
12/1/30	Chicago North Shore & Milw RR Co	6% Income Debenture Notes Series "A"	2,500,000.	12/1/55	

A total principal amount of \$288,500. 6% Receiver's Certificates Nos. 1 to 52 inclusive have been issued in the period December 15, 1933 to December 31, 1937, and of this total amount \$251,300. principal has been repurchased and canceled. At December 31, 1937, the principal outstanding was \$37,200.

The Receivers 6% Certificates to the principal amount of \$600,000. were authorized under authorities as follows -

Federal Court Order entered October 10, 1933  
 Illinois Commerce Commission Order Docket #22653 entered October 18, 1933  
 Public Service Commission of Wisconsin Docket #2-SB-44 Order entered  
 October 21, 1933

---

Summary of  
 Chicago North Shore and Milwaukee Railroad Company Stock Outstanding

* Common Shares	-	49,957 shares
** Preferred 6% Shares	-	76,211 "
*** Prior Lien 7% Shares	-	79,894 "
Total	-	<u>206,062 shares</u>

---

First Mortgage Bonds  
 Issued under Trust Deed to  
 Continental and Commercial Trust and Savings Bank  
 Dated July 1, 1916

	<u>PRINCIPAL</u>	<u>Date Issued</u>	<u>Rate</u>	<u>Ill.C.C. Authority</u>	<u>R.R.Comm. Authority</u>	<u>Outstanding in Hands of Public</u>	<u>In Treasury or Pledged under 1st &amp; Refunding Mtg</u>
Series "A"	\$4,060,000.	Aug. 1916	5%	322		\$ 4,000,000.	\$ 60,000.
" "	940,000.	May 1917	5%	487	SB1152		940,000.
" "	370,000.	July 1918	5%	698	SB1279		370,000.
" "	709,600.	Aug. 1919	5%	881	SB1372		709,600.
" "	400.	June 1924	5%	1601	SB2001		400.
	<u>\$6,080,000.</u>					<u>\$ 4,000,000.</u>	<u>\$2,080,000.</u>
Series "B"	137,000.	7/17/20	6%	1058	SB1528		137,000.
" "	403,000.	11/5/20	6%	1108			403,000.
" "	98,000.	6/15/21	6%	1223	SB1680		98,000.
" "	188,000.	3/2/22	6%	1288	SB1732		188,000.
" "	541,000.	12/15/22	6%	1399	SB1845		541,000.
" "	272,000.	4/27/23	6%	1454	SB1876		272,000.
" "	89,000.	6/20/23	6%	1482	SB1897		89,000.
" "	1,692,000.	7/8/24	6%	1601	SB2001		1,692,000.
	<u>\$3,420,000.</u>					<u>\$ 4,000,000.</u>	<u>\$3,420,000.</u>
	<u>\$9,500,000.</u>					<u>\$ 4,000,000.</u>	<u>\$5,500,000.</u>

Bonds Purchased for  
Sinking Fund

	Series "B" 6%	Series "A" 5½%
Year 1926	\$ 144,000.	
1927	156,400.	\$ 92,300.
1928	93,300.	59,500.
1929	95,500.	116,200.
1930	128,300.	72,000.
1931	401,700.	112,700.
1932	428,600.	60,600.
Bonds Purchased	<u>\$ 1,447,900.</u>	<u>\$ 513,300.</u>
Bonds Issued	<u>9,950,000.</u>	<u>2,750,000.</u>
Bonds Outstanding	\$ 8,502,100.	\$ 2,236,700.
Less Amount Pledged on Loans	<u>555,800.</u>	<u>110,200.</u>
Outstanding with Public	\$ 7,946,300.	\$ 2,126,500.

First and Refunding Mortgage Bonds  
 Issued under Trust Deed to  
 Central Trust Company of Illinois  
 Dated October 1, 1924

		Principal	Dated Issued	Rate	Ill.C.C. Authority	R.R.Comm. Authority
1-2-25	Series "A"	\$ 7,000,000.	1/1/25	6%	1645	SB2033
1-2-25	" "	2,950,000.	7/8/25	6%	1711)	SB2077)
					1712)	SB2079)
		<u>\$ 9,950,000.</u>				
4-1-26	Series "B"	1,250,000.	4/1/26	5½%	1816	SB2177
4-1-26	" "	1,500,000.	10/6/26	5½%	1870	SB2213
4-1-26	" "	2,200,000.	4/10/29	5½%	2102	SB2392 In Treasury
	" "	522,000.	12/17/29	5½%	2153	SB2430 In Treasury
		<u>\$ 5,472,000.</u>				
		<u>\$15,422,000.</u>				

	<u>Gross Earnings</u>	<u>Operating Expenses</u>	<u>Net Earnings</u>
1898 - \$	20,802.	\$	\$
1899 -	84,365.		
1900 -	140,685.		
1901 -	171,172.		
1902 -	190,110.		
1903 -	193,326.		
1904 -	240,870.		60,354.
1905 -	302,663.		59,981.
*1906 -	441,265.		71,289.
*1907 -	556,848.		97,897.
*1908 -	597,977.	167,901.	110,189.
*1909 -	921,019.	498,241.	234,229.
*1910 -	945,152.	624,431.	210,196.
*1911 -	952,190.	662,969.	330,898.
*1912 -	960,108.	614,885.	359,269.
*1913 -	937,981.	600,093.	335,553.
*1914 -	958,661.	599,496.	354,183.
*1915 -	911,120.	613,930.	327,151.

	<u>Gross Income</u>		<u>Net Income or Decrease</u>
*7/26/16 to			
*12/31/17	710,236.	1,468,624.	345,469.
*1918 -	867,585.	1,856,038.	535,079.
*1919 -	773,235.	2,319,464.	431,839.
*1920 -	823,208.	3,229,048.	433,012.
*1921 -	852,734.	3,440,762.	389,720.
*1922 -	1,004,714.	3,777,592.	517,929.
*1923 -	1,239,473.	4,464,421.	686,865.
*1924 -	1,311,303.	4,650,030.	700,720.
*1925 -	1,613,622.	5,066,956.	780,630.
*1926 -	1,814,290.	5,644,846.	731,427.
*1927 -	1,794,405.	5,740,868.	496,044.
*1928 -	2,129,234.	5,928,425.	781,721.
*1929 -	2,168,324.	5,913,692.	723,066.
*1930 -	2,173,886.	5,638,471.	597,855.
*1931 -	635,636.	4,871,055.	746,579.
*1932 -	377,963.	4,081,686.	1,673,673.
*1933 -	21,838.	3,613,303.	1,285,123.
*1934 -	25,231.	3,657,716.	1,331,665.
*1935 -	154,160.	3,726,482.	1,381,747.
*1936 -	93,120.	3,976,296.	1,203,168.
*1937 -	13,201.	4,088,859.	1,179,767.

\* Poor's and Moody's Public Utilities 1912 and 1916.  
 \* Arthur Young Report.

# REVENUE PASSENGERS

1898 -	333,128
1899 -	968,365
1900 -	1,354,970
1901 -	1,466,799
1902 -	1,706,103
1903 -	1,970,700
1904 -	2,391,118
1905 -	3,320,222
1906 -	4,414,717
1907 -	4,944,414
1908 -	5,329,894
1909 -	6,460,914
1910 -	6,987,201
1911 -	7,054,723
1912 -	7,276,422
1913 -	7,215,358
1914 -	7,146,288
1915 -	6,812,518
C&MERY 1916 -	1,278,620
July 26, 1916 to	
Dec. 31, 1916 -	<u>3,539,554</u> CNS*4,818,174
* 1917 -	* 12,000,288
* 1918 -	* 11,875,249
* 1919 -	* 12,425,634
* 1920 -	* 15,521,637
* 1921 -	* 14,037,414
* 1922 -	* 13,618,741
* 1923 -	* 16,146,802
* 1924 -	* 17,149,133
* 1925 -	* 16,492,429
* 1926 -	* 17,639,823
* 1927 -	* 14,497,169
* 1928 -	* 13,908,174
* 1929 -	* 13,937,617
* 1930 -	* 12,190,402
* 1931 -	* 9,702,522
* 1932 -	* 7,780,160
* 1933 -	* 7,667,261
* 1934 -	* 8,998,550
* 1935 -	* 9,213,184
* 1936 -	* 10,085,856
* 1937 -	* 9,912,278

\* Monthly Financial Statement  
 . C&MERY and CNSRR combined

# NET OPERATING FREIGHT REVENUE

1909	-	\$	63,386.15*
1910	-		66,515.48*
1911	-		52,230.89*
1912	-		64,893.15*
1913	-		68,812.60*
1914	-		52,676.76*
1915	-		54,315.66*
1916	-		62,654.20*
1917	-		105,572.08*
1918	-		151,607.25*
1919	-		25,819.44*
1920	-		82,700.66*
1921	-		101,276.06*
1922	-		190,159.15*
1923	-		218,468.55*
1924	-		224,137.81*
1925	-		256,070.97*
1926	-		1,255,550.67*
1927	-		1,335,169.29*
1928	-		217,349.98*
1929	-		257,441.07*
1930	-		41,130.78*
1931	-		122,619.79*
1932	-		118,416.31*
1933	-		21,886.33*
1934	-		17,684.43*
1935	-		31,473.80**
1936	-		81,461.88*
1937	-		55,462.95*

- \* Monthly Merchandise Despatch Report
- \* Financial Statement compiled monthly by the Auditor

**CHICAGO NORTH SHORE AND MILWAUKEE RAILROAD COMPANY (IN RECEIVERSHIP)**  
AND SUBSIDIARY COMPANIES

**FUNDED DEBT, DECEMBER 31, 1937**

12

	In Hands of Public	Past Due	1938	1939	Maturity Subsequent to 1939	Date
Secured by Liens on Property:						
First Mortgage Gold Bonds—						
Series "A", 5%—Issued.....	\$5,967,800.00					
Less: Pledged as collateral to Chi- cago North Shore and Mil- waukee Railroad Company, First and Refunding Mortgage Gold Bonds.....	2,080,000.00	\$ 3,887,800.00	\$3,887,800.00			July 1, 1936
Series "B", 6%—Issued.....	\$3,420,000.00					
Less: Pledged as collateral to Chi- cago North Shore and Mil- waukee Railroad Company, First and Refunding Mortgage Gold Bonds.....	3,420,000.00	None				July 1, 1936
First and Refunding Mortgage Gold Bonds—						
Series "A", 6%—Issued.....	\$8,502,100.00					
Less: Pledged as collateral to Loans.....	555,800.00	7,946,300.00			\$ 7,946,300.00	Jan. 1, 1935
Series "B", 5½%—Issued.....	\$2,236,700.00					
Less: Pledged as collateral to Loans.....	110,200.00	2,126,500.00			2,126,500.00	Apr. 1, 1936
Series "C", 5½%—Issued.....	\$2,722,000.00					
Less: Pledged as collateral to Loans.....	2,722,000.00	None				Apr. 1, 1936
Equipment Trust Certificates—						
Series "D-1", 6%.....	46,200.00	46,200.00				Apr. 1, 1933
Series "E-1", 5½%.....	188,000.00	188,000.00				Jan. 1, 1934-36
Series "F-1", 5½%.....	657,000.00	306,000.00	67,000.00	72,000.00	212,000.00	Dec. 1, 1933-42
Series "F-2", 5½%.....	77,700.00	35,700.00	8,400.00	8,400.00	25,200.00	Dec. 1, 1933-42
Series "G", 6%.....	698,000.00	208,000.00	70,000.00	70,000.00	350,000.00	Dec. 1, 1935-44
Real Estate Mortgages (Various Interest Rates).....	471,962.67	40,000.00	156,250.00	124,212.67	151,500.00	
Total Funded Debt, Secured by Liens on Property.....	\$16,099,462.67	\$4,711,700.00	\$ 301,650.00	\$ 274,612.67	\$10,811,500.00	
Unsecured:						
Income Debentures, Series "A", 6%.....	\$ 2,500,000.00				\$ 2,500,000.00	Dec. 31, 1935
Three Year Gold Notes, 7%—Issued.....	\$1,540,000.00					
Less: Held in Treasury.....	8,000.00	1,532,000.00	1,532,000.00			Apr. 1, 1935
Three Year Gold Notes, 6%.....		75,000.00	75,000.00			Apr. 1, 1932
Five Year Gold Notes, Non-Interest Bearing.....		58,613.41	58,613.41			July 1, 1928
Total Funded Debt Unsecured.....	\$ 4,165,613.41	\$1,665,613.41			\$ 2,500,000.00	
Total Funded Debt.....	\$20,265,076.08	\$6,377,313.41	\$ 301,650.00	\$ 274,612.67	\$13,311,500.00	

13

## MOTOR COACHES

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In August, 1922, the Company's service was extended, thru motor coach operation, into territory without adequate transportation facilities. Thru tickets on rail and bus lines were issued.

A fleet of twenty-seven Company owned motor buses operated on four routes. Additional coaches were rented for demands of unusually heavy days.

Four most attractive types of equipment were used, one being the parlor coach, which was reserved for the many special and chartered bus groups.

While the motor coaches rendered a special service, they were primarily feeders to the railroad.

The first route was established between Kenosha and Lake Geneva on August 12, 1922. The second route opened on December 23, 1922, operated between Kenosha and Waukegan.

The motor coach service was popular and increased the railroad business appreciably.

In 1924 a route was opened between Waukegan and Volo which later in that year was extended to McHenry. Another route was opened in 1924, between Waukegan and Antioch. Special bus ticket offices were maintained at Grays Lake, McHenry and Antioch.

In 1924 thirteen motor coaches, including parlor motor coach and an inter-city coach were added to the equipment. In this year Bert W. Arnold was appointed Manager of Motor Coach service.

Through motor coach service was established between Chicago and Milwaukee in the year 1925. Two round trips were made daily.

In addition to its city lines, the North Shore Railroad in 1925 was operating eleven motor coach routes providing convenient cross country transportation, for territory 35 miles distant from the Railroad's main line, in northern Illinois and southern Wisconsin. These lines acted as feeders to the railroad.

The eleven routes and the year each operation started were -

- Year 1922 - Kenosha to Lake Geneva  
Waukegan to Kenosha
- Year 1923 - Wilmette to Highland Park  
Wilmette to Waukegan and Lake  
County Hospital
- Year 1924 - Waukegan to Volo-Extension to  
McHenry  
Waukegan to Antioch
- Year 1925 - Kenosha to Milwaukee (interstate  
only)  
Chicago to Milwaukee (interstate  
only)  
Waukegan to Fox Lake (summer only)  
Kenosha to Slades Corners, Wisc.  
(summer only)  
Slades Corners to Genoa City, Wisc.  
(summer only)

In 1926 the Slades Corners to Genoa City Route was discontinued.

At this time the Railroad motor equipment consisted of 68 coaches.

The chartered motor coach business was a most successful part of this activity.

The North Shore Line motor buses and equipment for the service representing an investment of \$454,086.40, was sold January 1, 1927, under authority of the Illinois Commerce Commission, to The Metropolitan Motor Coach Co. The North Shore Railroad acquired a 45% interest in the stock of the Metropolitan Motor Coach Co.

Howard P. Savage, Assistant General Manager of the North Shore Line, was appointed

General Manager of the Metropolitan Company's system. The policy of the new Company was to continue to operate the coaches as feeders to the North Shore trains. The Metropolitan coaches were known as "Marigold Coaches."



Howard P. Savage  
General Manager  
of Metropolitan  
Motor Coach Company

The North Shore Railroad in 1930 purchased from the Metropolitan Company, the garage at Waukegan and eighteen motor coaches.

In 1930, Dr. Otto Gressens was appointed Assistant General Manager of the Metropolitan Motor Coach Company. The Metropolitan Company policy was to operate its coaches as feeders to the North Shore Railroad.



Dr. Otto Gressens

From August 23 to September 1, 1930, during the National Air Race Meet at Curtis-Wright-Reynolds Airport near Glenview on the North Shore Line, thousands traveled to and from the Airport via the North Shore Line and Marigold coaches. On Sunday August 24, 1930, 6500 persons made the round trip and about 3000 persons made it daily while the Meet was in progress.

A Hospital Unit No.1, was maintained by the Company's Medical Department and Dr. Hart Ellis Fisher, Chief Surgeon, directed all first aid and medical service during the race program.

The motor coach "Hospital on Wheels.", a group of hospital tents equipped with beds, and an ambulance, were located directly in rear of the bleachers and close to the grandstand. There was on hand at all hours to meet emergencies a staff of physicians and nurses and a corps of first aid experts headed by David F. Whitelaw, First Aid Director of the North Shore Line Medical Department.

The Hospital Unit No. 1 was organized at the time of the Eucharistic Congress at Mundelein in the summer of 1926.

The motor coach operations of The Metropolitan Motor Coach Company in Waukegan and Northern Illinois were leased to the North Shore Railroad, from August 1, 1931 to July 31, 1938.

Compensation is paid for Certificate of Convenience from the Illinois Public Utilities Commission to the Metropolitan Company, governing the Northern Illinois routes.

The Waukegan City Lines and one other route are now operated by the North Shore Line.

Below is a tabulation of earnings and expenses of the motor coach lines, during the years they were operated by the North Shore Line.

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expense</u>	<u>Revenue Inc. or Decr.</u>
*1922	\$13,150.67	\$ 25,829.97	\$ 12,679.30
1923	129,869.04	157,736.87	27,867.83
1924	206,466.77	248,837.05	42,370.38
1925	317,650.33	281,823.74	35,826.59
1926	303,166.76	269,265.71	33,901.05
1927	247,068.63	247,527.78	459.15
1928 )			
1929 )			
1930 )	Metropolitan Motor Coach Operation		
**1931	39,619.36	52,351.40	12,732.04
1932	65,281.61	84,538.92	19,257.31
1933	55,688.62	71,623.68	15,935.06
1934	59,877.48	67,510.94	7,633.46
1935	69,317.45	64,976.22	4,341.23
1936	85,719.76	73,248.18	12,471.58
1937	98,843.10	92,108.15	6,735.05

\*Operation commenced on August 12, 1922

\*\*From August 1, 1931 thru December 31, 1931

- ROLLING STOCK -

Early in 1895, when electric transportation was launched in the Townships of Waukegan and Shields, Illinois, the Bluff City Electric Street Railway Company's inventory of rolling stock listed - 2 second-hand single-truck street cars.

About 1898, 4 new motor cars and 2 single-truck trailers were purchased and operated by the Road, under its new name, Chicago & Milwaukee Electric Railway Company.

During the year, 1904, 12 large double-truck interurban passenger cars were added to the equipment - Nos. 23/28 purchased from the Jewett Car Company and Nos. 62/67 from Stephanson Company; also 30 flat cars and gravel cars.

In 1905, passenger cars Nos. 29/38 were purchased from the Saint Louis Car Company.

In 1906, 10 large interurban passenger cars - Nos. 117/124 and 126/127, were purchased from the Jewett Car Company.

As of January 1, 1908, the rolling stock consisted of -

- 74 passenger cars
- 125 freight cars
- 2 electric locomotives
- 10 steam locomotives
- Miscellaneous Equipment

The passenger cars shown in the above list are Nos. 3, 5, 6, 7, 8, 9, 10, 12, 13/17, 18, 19, 20, 23/28, 29/38, 46/55, 56, 57, 58/61, 62/67, 117/127, and 129/137; and the 2 electric locomotives Nos. 450 and 451.

There is no record available showing the numbers of the other rolling stock listed.

At the time of the organization of the Chicago North Shore and Milwaukee Railroad, in July, 1916, Walker & Cressler, Consulting Engineers, prepared an inventory of "Equipment", showing rolling stock as follows:

<u>Car Nos.</u>	<u>Type of Car</u>	<u>Builder</u>	<u>Date Built</u>	<u>No. of Cars</u>	<u>Destroyed or Retired</u>
11	Combination	J. G. Brill Co.	1902	1	1925
23/28	Passenger	Jewett Car Co.	1904	6	1930
29/38	"	St. Louis Car Co.	1905	10	1928
29					1927
30					1928
31/32					1923
33/36					1925
37/38					
62/67	"	Stephanson Co.	1904	6	1927
62					No record
63					1927
64/67					
75/82	"	American Car Co.	1910	8	June 29, 1936
75/77					1930
78					June 29, 1936
79/82					
117/124 }	"	Jewett Car Co.	1906	10	1930
126/127 }					1926
117					1930
118					June 29, 1936
119/120					June 29, 1936
121/124					
126/127					
128/137	"	Jewett Car Co.	1907	10	June 29, 1936
128					1930
132/135					
138/141	"	American Car Co.	1910	4	
150/164	"	J. G. Brill Co.	1915	15	
200/202	Combination	Jewett Car Co.	1909	3	
300/302	Pass. & Comb.	Jewett Car Co.	1909	3	
303/305	Passenger	American Car Co.	1910	3	
400/402	"	Jewett Car Co.	1909	3	
400	"				June 29, 1936
403	"	American Car Co.	1910	1	
500/509	"	St. Louis Car Co.	1909	10	
503, 505					March 28, 1938

By orders entered June 29, 1936 and March 28, 1938, the Federal Court authorized the Receiver for CNS&M RR Co. to salvage certain obsolete and worn out equipment

<u>Car Nos.</u>	<u>Type of Car</u>	<u>Builder</u>	<u>Date Built</u>	<u>No. of Cars</u>	<u>Destroyed Retired</u>
5	Express	J. G. Brill Co.	1902	1	March 28, 1938
6	Express	Ditto	1902	1	June 29, 1936
	Rebuilt 1910				
12	Express	"	1915	1	1925
	Overhauled 1915				
18	Express	McGuire-Cummings	1910	1	Retired; no date
1212/1223	Side Dump	Western Wheeled	1906	12	
1218/1219		Scraper Co			March 28, 1938
1224/1273	" "	Ditto	1907	50	March 28, 1938
1224/1231					March 28, 1938
1233/1247					March 28, 1938
1400/1417	Flat	Pullman Car Co.		18	
		3 in 1903			
		5 in 1904			
		10 in 1907			
1403, 1408					Retired; no date
2001	Flat) Formerly	Pullman Car Co	1907	3	
2010	" ) gondolas		1907		
2022	" ) converted		1907		
2000	" ) in 1912		1907		
2002/2009	Gondolas	" " "	1907	26	
2011/2021	"	" " "	1907		
2024/2029	"	" " "	1907		
2000					June 29, 1936
2002/2009					June 29, 1936
2011					June 29, 1936
2013/2017					June 29, 1936
2021, 2024,					June 29, 1936
2026, 2028/2029					June 29, 1936
2030/2059	T & O C cars purchased		1916	30	
	2d and rebuilt				
3003/3012	Box - purchased 2d hand and rebuilt		1916	10	June 29, 1936
3004/3006					June 29, 1936
3008, 3010/3012					June 29, 1936
3000/3002	Box - purchased 2d hand		1907	3	1930-1931-1932
3	Snow Sweeper	McGuire-Cummings	1899	1	
	Rebuilt 1904				
21	Snow Sweeper	" "	1907	1	
70	Snow Sweeper	" "	1909	1	
601	Snow Plow	CNS&M RR shops	1910	1	
		built 40-ton gon-			
		dola			

<u>Car Nos.</u>	<u>Type of Cars</u>	<u>Builders</u>	<u>Date Built</u>	<u>No. of Cars</u>	<u>Destroyed or Retired</u>
602	Line Repair	Pullman Car Co	1900	1	1930
	Rebuilt in CNS&M	RR Shops	-1911		
604	Line Repair	CNS&M RR Shops	1916	1	
16	Passenger	Pullman Car Co	1900	1	1928
603	Sprinkler	McGuire-Cummings Mfg Co	1909	1	June 29, 1916
583	American Road Ditcher		1912	1	No Record
-	Pile Driver	Vulcan Iron Works	1902	1	Retired; no Record
-	Larry Cars	No Record	1904	3	No record
5	Flat;	J. G. Brill	1903	1	March 28, 1938
	formerly #5 engine tender; tank removed				
-	Gasoline	Mudge-Adams	1915	3	
	Motor Inspection				
-	Gasoline	Mudge-Adams	1914	1	
	Motor Section				
19	Gasoline	Buda	1914	1	June 29, 1936
	Motor Section				
	Gasoline	Rockford	1914	1	
-	Motor Section				

.....

The following sheet shows rolling stock purchased and financed under Equipment Trusts since the reorganization and refinancing of the Chicago North Shore and Milwaukee Railroad in 1916 -

<u>Car Nos.</u>	<u>Type of Cars</u>	<u>Builder</u>	<u>Date Built</u>	<u>No. of Cars</u>	<u>Destroyed or Retired</u>
*404/406	Combination	Jewett Car Co	1917	3	
250/256	Pass.-Baggage	" " "	1917	7	
165/169	" "	" " "	1917	5	
170/182)	Pass.-Baggage	Cincinnati Car Co	1920	15	
407/408)	" "	" " "			
183/197	" "	" " "	1920	15	
203/214	Mdse Desp	" " "	1920	12	
316/325	Safety	" " "	1919	10	
316, 318/324					March 28, 1938
215/299	Mdse Desp	" " "	1922	15	
606	Line Motor	" " "	1922	1	
326/337	Safety	" " "	1922	12	
510/511	Passenger	" " "	1923	2	
700/706	" "	" " "	1923	7	
409	Dining	" " "	1923	1	
410/411	Parlor Car	" " "	1923	2	
230/239	Mdse Desp.	" " "	1924	10	
607	Derrick	" " "	1925	1	
**707/716	Passenger	" " "	1924	10	
454	Locomotive	General Electric Co.	1923	1	
6000/6019	Gondolas	Standard Steel Car Co	1923	20	
5000/5014	" "	American Car & Fdry Co	1923	15	
240/244	Refrigerator	Cincinnati Car Co	1926	5	
714/733	Passenger	" " "	1926	20	
415/417	Dining	" " "	1926	3	
737/751	Passenger	Pullman Car Co	1927	15	
418/419	Dining	" " "	1928	2	
420	Observation	" " "	1928	1	
351/360	Passenger	St. Louis Car Co.	1927	10	
455/456	Locomotives	General Electric Co	1928	2	
752/766	Passenger	Standard Steel Car Co	1929-1930	25	

\*Nos. 404/406 were rebuilt in 1924 or 1925 and re-numbered 734/736

\*\*Nos. 714/716 shown in Equipment Trust Series "D" were not built under that Trust;  
 Nos. 412/414 being built in lieu of Nos. 714/716 -  
 Nos. 714/716 were built under Equipment Trust Series "E"

# SUMMARY OF ROLLING STOCK

Steel Interurban Motors	131
Steel Interurban Trailers	13
Wooden Interurban Motors	27
Wooden Interurban Trailers	7
Steel Interurban Diners	9
Steel Observation Trailers	<u>5</u>

Total Interurban Equipment	182
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Waukegan One-Man City Cars	17
Waukegan One-Man Two-Man City Cars	<u>7</u>

Total Waukegan City Cars	24
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C&ME Milwaukee One-Man City Cars	12
C&ME Milwaukee One-Man Two-Man City Cars	<u>8</u>

Total C&ME Milwaukee City Cars	20
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Express Merchandise Despatch Cars	41
Express Merchandise Trail Flat Cars	14
Express Merchandise Despatch Refrigerator Cars	7
Freight and Express Locomotives	7
Miscellaneous Service Cars	<u>34</u>

Freight Cars	187
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Speeders	24
Inspection Cars	1
Hand Velocipedes	4
Hand Cars	25
Push Cars	<u>28</u>

TOTAL ROLLING STOCK	598
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As shown in  
Receivers' Inventory  
Dated April 19, 1933

Since beginning operation of the North Shore Line, it has been necessary to spend a great deal of money for rebuilding and remodelling the rolling stock; for the installation of safety appliances; and for general overhauling and replacement work, in order to maintain the rolling stock in safe and efficient operating condition.

The blue print on the next page shows a complete list of the rolling stock of the Chicago North Shore and Milwaukee Railroad Company, as of June 1, 1938.

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DESCRIPTION	M.O.B. Designation	CAR NUMBERS	No. Cars	CONST RUCTION	Built by
Passenger Cars	E.P.	* 129 to 131, 133, 134, 137	5	Wood-Motor	J.C.Co.
		* 138 to 141	4		A.C.Co.
		300 to 302	3		J.C.Co.
		303 to 305	3		A.C.Co.
		* 401 to 402	2		J.C.Co.
		* 403	1		A.C.Co.
		150 to 164	15	Steel-Mtr.	J.C.B.Co.
		165 to 169	5		J.C.Co.
		170 to 184	15		C.C.Co.
		700 to 733	34		C.C.Co.
		734 to 736	3		J.C.Co.
		737 to 751	15		P.C.Co.
		752 to 776	25		S.S.Co.
		510, 511	2		C.C.Co.
Obser.-Parlor	E.T.	185 to 197	13	Steel-Trl.	C.C.Co.
Obser.-Car	E.T.	410 to 413	4		C.C.Co.
Combination	E.C.	420	1		P.C.Co.
Dining	E.D.A.	250 to 256	7	Steel-Mtr.	J.C.Co.
Dining	E.D.A.	408, 409	2		C.C.Co.
Dining	E.D.A.	407, 414 to 417	5	Steel-Trl.	C.C.Co.
Dining	E.D.A.	418, 419	2		P.C.Co.
Safety	E.A.	351 to 360	10	Steel-Mtr.	St.L.C.Co.
Safety-Wauk	E.A.	313, 315	2		St.L.C.Co.
Safety-Wauk.	E.A.	317, 325	2		C.C.Co.
Safety-Mil.	E.A.	326 to 337	12		C.C.Co.
Safety-Wauk.(NoteE)	E.A.	500 to 509	8		St.L.C.Co.
SUBTOTAL			201		
Express	E.B.X.	200 to 202	3	Wood-Mtr.	J.C.Co.
Express	E.B.X.	203 to 239	37		C.C.Co.
TOTAL PASSENGER EQUIPMENT (As per T.C.R.E.R.)			241		
Freight Car Equipment					
Refrigerator(NoteA)	R.P.	240 to 244	5	Wood	
Box (Note D)	R.P.	3021, 3022	2	Wood	
Box	XM	3018 to 3020	3	Wood	
Side Dump 12 yd.(NoteE)	M.W.D.	1248 to 1273	26	Wood	
Side Dump 20 yd.	M.W.D.	1274 to 1293	20	Wood	
Flat (T.&T) 30 ton	M.W.D.	1400 to 1402	3	Wood	
Flat(T&T) 30 ton	M.W.D.	1406, 1407	2	Wood	
Flat(T&T) 30 ton	M.W.D.	1411 to 1414	4	Wood	
Flat(T&T) 30 ton	M.W.D.	1416, 1418	2	Wood	
Flat 30 ton	M.W.D.	1404, 1405	2	Wood	
Flat 30 ton	M.W.D.	1408, 1410, 1415, 1417	4	Wood	
Flat 40 ton	F.M.	1412	1	Wood	
Flat	F.M.	1500 to 1503	4	Steel	
Flat	F.M.	1504 to 1513	10	Steel	
Flat	F.M.	2022	1	Wood	
Flat	F.M.	2060	1	Wood	
Flat(T&T)	F.M.	2010, 2012, 2018, 2020, 2027	5	Wood	
Gondola (NoteE)	G.B.	2030 to 2059	28	Wood	
Gondola	G.K.	5000 to 5015	16	Comp.	
Gondola	G.S.	6000 to 6019	20	Steel	
Tank (Note B)	T.M.	4000	1	Steel	
Tank (Note C)	T.M.	4001	1	Steel	
TOTAL FREIGHT EQUIPMENT			161		
LOCOMOTIVE EQUIPMENT					
Electric		450 to 454	5	Steel	G.E.
Electric & Storage Battery		455 to 456	2	Steel	G.E.
TOTAL LOCOMOTIVES			7		
MISCELLANEOUS EQUIPMENT					
Caboose	N.E.	1002 to 1006	5	Wood	
Steam Shovel	M.W.S.	609	1		
Tool	M.S.T.	3003, 2056	2		
Lidgerwood Unloader	M.W.J.	2001	1		
Snow Plow	M.W.K.	601, 605	2		
Snow Sweeper	M.W.K.	608	1		
Snow Sweeper(Motor)	M.W.K.	3, 21, 70	3		
Derrick (Motor)	M.W.S.	607	1		
Derrick	M.W.S.	1420	1		
Line Car(Motor)		604, 606	2		
Line Car		610, 611, 612	3		
Section Gang & Trk Insp.	M.W.G.		20		
Hand Car (Push Car)	M.W.G.		20		
Hand Car	M.W.G.		22		
TOTAL MISCELLANEOUS EQUIPMENT			84		
RECAPITULATION OF CAR EQUIPMENT					
Plain Box			3		
Gondolas, Flat bottom			64		
Refrigerator			7		
Flat			39		
Tank			2		
Dump Cars			46		
Miscellaneous			84		
Locomotives			7		
TOTAL FREIGHT EQUIPMENT			252		
TOTAL PASSENGER EQUIPMENT			241		
GRAND TOTAL FREIGHT & PASSENGER EQUIPMENT			493		

Note A) 240 to 244 have ice generating machines.

B 8,000 gallon capacity

C 10,000 gallon capacity.

D Electrical refrigeration-Not available for regular R.R. service.

E The following car numbers are vacant: 503, 505, 1409, 2013, 2014, 2015, 2016, 2017, 2019, 2021, 1403, 2023, 2024, 2025, 2026, 2028, 2029, 2054, 2056.

(Equipment retired by Court Order No. 12299 not listed)

Office of the Master Mechanic Note \* 129, 130, 133, 134, 137, 138, 139, 140, 141, 401, 402, 403 leased to C.A. & E. in 1936.

June 1, 1938

FB

## EMPLOYEES SAFETY ORGANIZATION AND THE SAFETY BUREAU

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The North Shore Line in 1917 established its Employees Safety Organization. This Department was supervised by the Safety Director Mr. C. G. Goodsell. Excellent work was done in the way of accident prevention. The department was systematically operated with the same exactness and recognition enjoyed by other departments of the Railroad. The settlement of personal injury and property damage claims in 1922 amounted to 1.82% of gross earnings. There was one accident for every 16,081 car miles operated. This was an outstanding accomplishment considering every trivial accident was recorded, and much credit ~~was~~ was due to the Employees' Safety Organization.

The Bureau of Safety, a well known organization specializing in the safety of public utility operation, was constantly engaged in supervising the safety work, until the Safety Director was appointed. However, the Bureau afterward continued to keep a member of its staff working in co-operation with the Safety Director.

In 1923 a total of 205 safety meetings were held at which papers on various phases of operation were read by motormen, conductors, shop mechanics and other employees. Under the direction of the Company's safety engineer, and with the co-operation of the Central Bureau of Safety, every school in Racine, Kenosha, North Chicago and Highwood was visited and talks given to the pupils on the subject of safety. Milwaukee was visited also, and about 30,000 school children in all were reached on the subject of safety. Accident prevention talks were made before many civic groups and parent-teacher associations.

Most of the safety meetings of employe groups were held after the days' work, at places convenient for the men. To overcome the difficulty getting trackmen, who were scattered

all along the road, to attend the meetings, the North Shore fitted up an old wooden passenger car suitably for meetings of those men. This Safety Car, as it was known, picked up a group of the men along the route, then switched to a nearby sidetrack, where the Safety Director delivered a short talk. Then the men were returned to their places and the safety car moved on to pick up another gang of the workers, continuing until all were reached. The response of these track laborers to safety teaching was such as to more than compensate the Road for the expense involved and the effort made.

To assure the safety of service rendered has been the aim of the new management since 1916. This fact has had the appreciation of employees and the public.

The annual meetings of employees were a considerable aid in improving the cordial Employee-Company relations.

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## SALARIES AND WAGES

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In departments in which employees are organized in unions, the principle of collective bargaining is recognized. Wages and working conditions are established through joint conference.

In departments where no union organization exists a liberal policy is followed. Wages and working conditions are made as agreeable to employees as is consistent with conservative management.

The North Shore Line from 1916 to date has had no labor difficulties to interfere with its continuous operation.. Employees work without protest, night and day during emergencies to give the accustomed service to the public. Hundreds of letters received every year from patrons, commend the good work of the employees, their courtesy and alertness.

The management on August 1, 1919, increased wages over \$30,000 a month. On June 1, 1920 an increase of approximately \$28,000 a month was made.

A general decrease in salaries and wages was effective June 16, 1921.

In 1931 strictest economy was practiced in every department to offset insofar as possible the unfavorable economic conditions. Salaries of officers and members of the clerical and supervisory force, were reduced 7½% to 15%.

Wages of employees were decreased 10% effective March 1, 1932.

Effective January 1, 1936 restoration of 2½% of the reduction was made.

An agreement, dated January 19, 1937 was executed by the Receivers with Division 900 of the Amalgamated Association of Street, Electric

Railway and Motor Coach Employes of America covering the period to June 1, 1938. Under that agreement the remaining amount of the reduction was to be restored by July 1, 1937.

Under the "Unemployment Insurance" provision of the Federal Social Security Act, approximately \$19,000. was included in "Taxes" representing one percent of the total amount of wages payable for the year 1936.

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RICHARD S. AMIS  
General Passenger Agent  
for the Receiver

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Mr. Amis was born in Barrington, Illinois. He attended grammar school and high school at Dundee, Illinois.

In January 1916, he commenced work with the Chicago & Northwestern Railway Company at Dundee, Illinois, as a clerk, acted as Cashier for that Railroad at Morrison, Illinois and at Racine, Wisconsin; was Chief Clerk at Janesville, Wisconsin and left his position as Traveling Agent at Philadelphia, Pennsylvania to become General Agent of the Chicago North Shore and Milwaukee Railroad Company in November 1925.

In September 1926, he was appointed Assistant General Passenger Agent at Milwaukee, and in November 1926 was made General Passenger Agent. He continues in that capacity under the Receiver.

Mr. Amis lives in 2740 Woodbine Avenue, Evanston.

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BERT W. ARNOLD  
Assistant to the Vice President  
in Charge of Operation

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Mr. Arnold was born in Clyde, Ohio, and began his climb in railroad circles as call boy for the Wheeling and Lake Erie Railroad, later serving as a telegrapher and despatcher. He was connected with the Illinois Traction System for eleven years as Division Superintendent and Superintendent of Transportation. He joined the Eastern Wisconsin Electric Company in 1917 as General Manager of this organization operating city railways in Oshkosh - Sheboygan and Fond du Lac and interurban lines between Sheboygan - Elkhart Lake, Fond du Lac and Neenah.

January 1, 1924 Mr. Arnold entered the employ of the North Shore Line as Manager of its Motor Coach Department; was appointed General Manager in March 1926; and Assistant to the Vice President in Charge of Operation for Chicago North Shore and Milwaukee Railroad Company, October 25th, the same year.

He was active in the general interest of Public Utility organizations; was chairman of the railway section of the Wisconsin Utilities Association for two years.

Mr. Arnold lived in Milwaukee. He died at Saint Mary's Hospital, Milwaukee, on ~~after a protracted illness~~ October 20, 1929.

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JOHN ROBERT BLACKHALL  
Manager for the  
Receiver

Mr. Blackhall was born in Caraquet, New Brunswick, Canada, and after a grade school education, was in 1886 employed by a firm of wholesale fish dealers. Within a short time he was its buyer.

In 1889 he worked as a carpenter for a building contractor, and as inside wireman for The Western Union Telegraph Company, in Portland, Maine.

In 1890 he commenced work as a lineman with a New York engineering firm and in 1904 was its Superintendent of Electric Railway Construction, when he left to become General

Manager of the Chicago & Joliet Electric Railway Company, at Joliet, Illinois. In 1925 he was elected Vice President of that Company, which office he held until October 1, 1927. Then he resigned to join the Chicago North Shore and Milwaukee Railroad Company as its General Manager. He was Manager for the Railroad Company's Receivers at the time of his death on January 23, 1935.

Mr. Blackhall was recognized as a leading authority on electric railroad operation, having made outstanding contributions to the advancement of electric transportation; some of which were a practically noiseless truck for street cars, reducing the average weight of car per passenger almost one-half; and an aluminum body for street cars, which was predicted would revolutionize the street car industry.



RALPH ROBINSON BRADLEY  
General Counsel for the Receiver

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Mr. Bradley was born in Chicago, attended its public schools, the University of Michigan, and Northwestern University Law School; was admitted to the bar in 1893, and is the senior member of the law firm of Goodrich, Vincent & Bradley. He is a member of the American, Illinois and Chicago bar Associations.

He has been General Counsel for the Chicago North Shore and Milwaukee Railroad Company since 1916 and for the Receiver since 1932.

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Britton I. Budd,  
President of North  
Shore Line. Con-  
gratulating George  
E. Hummel, Motorman  
on first train run  
over Niles Center  
Extension February  
1, 1925.

Elgin Railroad Company. In 1932 Mr. Budd was appointed a Co-Receiver for the Chicago Rapid Transit Company, Chicago North Shore and Milwaukee Railroad Company, and Chicago Aurora and Elgin Railroad Company.

In 1923, Mr. Budd was elected President of the Public Service Company of Northern Illinois, which position he still occupies.

Britton Ihrie Budd was born in San Francisco, California; educated in the Chicago public schools and Shattuck Military Academy, Faribault, Minnesota. He has an L.L.D. Degree from DePaul University, Chicago.

Mr. Budd entered the service of the Metropolitan West Side Elevated Railway Company, Chicago, in 1895; in 1910 was elected its President; in 1911 became President of the Northwestern Elevated Railroad Company and of the South Side Elevated Railroad Company, and Chief Executive for the Receiver of the Chicago and Oak Park Elevated Railroad Company. In 1916, he was elected President of the Chicago North Shore and Milwaukee Railroad, and in 1924, President of the Chicago Rapid Transit Company, the Company formed by consolidation of the Elevated Railroads in Chicago. In 1926 he was elected President of the Chicago Aurora and

Mr. Budd was President of the Evanston Niles Center Bus Company from May 31, 1935 to January 13, 1937. He is Trustee of - Saint Luke's Hospital, John Crerar Library and DePaul University.

He was Trustee, and Member of the Executive Committee of the Century of Progress Exposition at Chicago 1933-1934. He is a member of the Advisory Counsel of the Cook County Hospital and is on the Advisory Committee of the Chicago Stock Exchange.

Mr. Budd is a director and member of the Executive Committee of the American Red Cross; Vice President and Director of the Chicago Black Horse Troop Association; was President of the American Electric Railway Association 1923-1924; and during 1917-1918 served as Captain, Major, and ~~Lieutenant~~ Colonel of the 11th Regiment, Illinois National Guard.

The United States District Court, thru Federal Judge Wilkerson, in 1937 accepted Mr. Budd's resignation as a Co-Trustee of the Chicago Rapid Transit Company and as Co-Receiver of Chicago North Shore and Milwaukee Railroad Company and as Co-Receiver of Chicago Aurora and Elgin Railroad Company.

Following is an excerpt from Judge Wilkerson's acceptance of Mr. Budd's resignation -

"I am very sorry that you have reached the conclusion that you must give up the position of Trustee of the Elevated and other transit companies. I understand entirely your reasons for so doing; and, of course, am obliged to accept your decision... You have served the Court faithfully in some very difficult matters; and I am glad that your interest will continue and that we may call upon you for advise and assistance..."

On January 12, 1938, the Employees of the

Chicago Rapid Transit Company, expressed their regret that Mr. Budd had resigned, as follows:

"Now that you have been called to greater responsibilities, and have severed your official connection with the Chicago Rapid Transit Company, we, who have had the honor of being associated with you, beg leave to offer you this testimonial of our regard.

Never was there a leader more just, more loyal to those who worked with him, or more loved by those who served under him.

We are proud of what you have accomplished not only in the business world but as one of Chicago's first citizens in civic and charitable fields.

As you go on to greater tasks, it is enough for us if the knowledge of our admiration, respect, loyalty and devotion, gives you encouragement."

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R. FLOYD CLINCH  
Vice President

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R. Floyd Clinch was a member of the first Board of Directors of the Chicago North Shore and Milwaukee Railroad, a member of the Executive Committee and Vice President of the Company.

He was born in Georgia, the son of Colonel Duncan L. Clinch of the Confederate Army, and the grandson of General Duncan L. Clinch who served in the War of 1812. He was educated in private schools in Georgia and at a military academy in Pennsylvania.

In 1883, he came to Chicago and became associated with the Joliet Steel Company. In 1889, he and John R. Crerar organized the Crerar Clinch Coal Company.

At the time of his death, November 7, 1930 Mr. Clinch was -

Director and Vice President of -  
Chicago North Shore and Milwaukee Railroad Company  
Chicago Rapid Transit Company  
Chicago Aurora and Elgin Railroad Company

Director of Central Trust Company of Ill.  
President of  
Michigan Transit Company  
Traverse City State Bank of Traverse City, Michigan  
Hannah and Lay Mercantile Company

Receiver of the Chicago Auditorium Assoc.

Mr. Clinch's home was in Winnetka, Illinois.

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HENRY C. CORDELL  
Master Mechanic for the Receiver

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Mr. Cordell, Master Mechanic, was born in Sweden, where he attended grammar school, and a special school. He came to the United States in August, 1893, and went to work for Freestate House Moving Company on The Metropolitan West Side Elevated Railway Company right of way. He subsequently advanced from apprentice for the Featherstone Foundry & Machine Company to Machine Shop Foreman of that Company. (1893-1903). During part of the period 1903 to 1905, he was machinist successively for Gallagher & Speck, and the Chicago and Northwestern Ry. Co. During the latter part of 1905, he started work as foreman of the Wilson Avenue Shop of the Northwestern Elevated Railroad Company and from 1909 to 1916 was its Master Mechanic.

During the fall of 1916, he was engaged by the Chicago North Shore and Milwaukee Railroad.

Mr. Cordell lives in Wilmette.

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BERNARD JOSEPH FALLON  
Executive Officer for the Receiver

Mr. Bernard J. Fallon was born in Rutland, Illinois, was educated at Holy Angels School and graduated from DeLaSalle Institute, Chicago.

In 1907, he resigned from the Engineering Department of the Chicago Burlington and Quincy Railroad Company, where he had been employed since 1899, to accept the position of Engineer, Maintenance-of-Way for The Metropolitan West Side Elevated Railway Company. In 1909, he was advanced to the office of Assistant General Manager of the Company. From 1911 to 1920, Mr. Fallon was Engineer, Maintenance-of-Way for the elevated railroads in Chicago, and in 1921, became General Manager. He was elected Vice President in Charge of Operation for the Chicago Rapid Transit Company in 1925, and the Chicago Aurora and Elgin Railroad Company, and the Chicago North Shore and Milwaukee Railroad Company. In 1932, he was appointed Executive Officer for the Receivers of each of the three railroad companies. In 1937, he became Executive Officer for the Trustee of Chicago Rapid Transit Company.

Mr. Fallon was elected a Director of the Metropolitan Motor Coach Company, December 30, 1926. He became Vice President on November 21, 1927, and was elected President on January 20, 1933.

On January 30, 1929, Mr. Fallon was elected a Director and Vice President of the Evanston and Niles Center Bus Company, and became President and General Manager on January 18, 1937.

Mr. Fallon is a member of the Western Society of Engineers, Chicago Association of Commerce, Chicago Historical Society, Chicago Athletic Association, and Chicago Engineers Club.

He lives at 2845 Sheridan Place,  
Evanston, Illinois.

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MICHAEL J. FERON

Assistant to the Chief Executive *Officer*  
for the Receiver

Mr. Feron has been associated with the Chicago North Shore and Milwaukee Railroad since in 1916, when <sup>he</sup> became its General Superintendent of Transportation. On February 24, 1925, he was made Assistant to the Vice-President in Charge of Operation, which position he holds under the Receiver.

Mr. Feron's life work has been in the transportation industry. He worked with the Chicago and Northwestern Railroad Company as a switchman, foreman and yard master. For forty-three years he has been in the service of the Chicago Rapid Transit Company, starting with The Metropolitan West Side Elevated Railroad Company in April 1895, working his way up through the ranks of switchman, starter despatcher, trainmaster. He was Superintendent of Transportation of The Metropolitan Line in 1911 when the Elevated Lines consolidated. Mr Feron was then appointed General Superintendent of Transportation for the entire elevated system. In 1925 he was made Assistant to the Vice President in Charge of Operation of the Chicago Rapid Transit Company, which position he now occupies.

When Receivers were appointed for the North Shore Line and the Chicago Rapid Transit Company, Mr. Feron continued his work as Assistant to the Chief Executive for the Receiver.

The widely used safety slogan, "Watch your Step", adopted by transportation companies throughout the world, was originated by Mr. Feron.

Mr. Feron lives in Evanston, Illinois.



DR. HART ELLIS FISHER  
Chief Surgeon for the Receiver

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Dr. Fisher was born in San Antonio, Texas. He is a graduate of a Joliet High School, was a student at Dartmouth College and Northwestern University Law School. He received his M. D. from Hahnemann Medical College in 1912, and did graduate study at the New York-Post Graduate Medical School in 1913. He is Chief Surgeon in charge of the Medical Departments for the Receiver or Trustee of Chicago North Shore and Milwaukee Railroad Company, Chicago Rapid Transit Company, Chicago Aurora and Elgin Railroad Company and Chicago South Shore and South Bend Railroad Company and Public Service Company of Northern Illinois. He is consulting surgeon and local surgeon for many transportation companies. Dr. Fisher has been assistant professor of industrial medicine and surgery of General Medical College, assisting surgeon at St. Luke's Hospital, attending surgeon at Henrotin Memorial Hospital, surgeon at Rogers Park Hospital and at Provident Hospital, and associate physician at the West Side Hospital.

Dr. Fisher served as a surgeon in the 356th Infantry, 89th Division U. S. A. World War, Chief Surgeon on the staff of Camp Hospital 38, and surgeon of Trench Artillery Center, Vity-sur-Seine, France.

Dr. Fisher is a Captain of the Medical Officers Reserve Corps, fellow of the American College of Surgeons, American Medical Association; member of the Association of Railroad Chief Surgeons, American Association of Railway Chief Surgeons, Illinois State Medical Society and Chicago Medical Society, is a member of the American Association of Industrial Physicians and Surgeons, the Chicago Society of Industrial Medicine and Surgery, and of the Institute of Traumatic Surgery.

Dr. Fisher lives at 4220 W. Paulina Street, Chicago.



ADDISON LEMAN GARDNER  
General Attorney for the Receiver

Mr. Gardner, a descendant of Robert Gardner who settled in Massachusetts about 1650 - was born and educated in New York where he attended Walworth Academy, Lima, N. Y., and Columbia University; was admitted to the bar in 1887, and began practice in New York. Late in 1887 he entered the firm of Jenkins & Harkins, Chicago.

He has been associated with the Chicago Elevated Railroad Companies, since 1890, and became General Attorney for the Chicago North Shore and Milwaukee Railroad in 1916- and of the Chicago Rapid Transit Company in 1924.

Mr. Gardner is senior member of the law firm of Gardner, Foote, Morrow & Merrick; member of the American, Illinois State and Chicago Bar Associations; of the American Historical Society, Sons of American Revolution, and is a frequent contributor to legal journals.

He lives in Oak Park, Illinois.

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ARTHUR A. GERBER  
Architect for the Receiver

Mr. Gerber was born in Chicago. He attended grade school, Tilden High School and the Metropolitan Business College, and was a student at Massachusetts Institute of Technology.

He was apprentice with -

Cuddell & Hertz, Architects	1896-1900
P. J. Weber, Architect	1901-1903

and has been associated with the Chicago Elevated Railroads since 1903, as its

Chief Engineer from 1909-1925.  
 In 1925 we was appointed Chief Architect for-  
 Chicago North Shore and Milwaukee Railroad  
 Company  
 Chicago Rapid Transit Company  
 Chicago Aurora and Elgin Railroad Company  
 Chicago South Shore and South Bend Railroad

Following is a list of some of the  
 buildings he designed -

McJunkin Building	Chicago
Wells Street Terminal	Chicago
Wilson Avenue Terminal	Chicago
Milwaukee(Wisconsin)Terminal	Milwaukee
Michigan City(Indiana)Terminal	Michigan City
Niles Center (Illinois) Shops	Niles Center
Michigan City(Indiana) Shops	Michigan City

and Chicago North Shore and Milwaukee Railroad  
 bridges at -

Rockland Road	Deerpath Avenue
Onwentsia	Niles Center

Mr. Gerber lives at 472 Sheridan Road,  
 Evanston, Illinois.



LUKE GRANT  
Publicity Manager

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Mr. Grant joined the North Shore Line in 1917, and organized the Publicity Department. For a number of years he carried on the duties of the Department alone. This included the editing of the "North Shore Bulletin". As the Department was enlarged, publication of an employe paper was started under his supervision. It was called "The Highball" and grew from a small four sheet folder to a full-sized magazine.

Before associating with the Chicago North Shore and Milwaukee Railroad, Mr. Grant was engaged in newspaper work. He was labor editor of the old Chicago Inter-Ocean, and was a member of the editorial staff of the Chicago Record-Herald. He had also been Chief Investigator for the Government Committee on Industrial Relations.

Glenlivet, Scotland was his birthplace. He came to the United States in 1890, and worked here as a carpenter. He was always interested in labor and held various positions in labor organizations. He was a close friend and confident of Samuel Gompers, President of the American Federation of Labor, and numbered many labor leaders and authorities among his friends.

Mr. Grant was a resident of Chicago. He died December 2, 1930, in Stuart, Florida.



WILLIAM VanRENSSELAER GRIFFIN  
Treasurer for the Receiver

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Mr. Griffin is a native of Chicago and was educated in its schools. His home is at 1127 Forest Avenue, Evanston, Illinois.

He was elected Secretary and Treasurer of the Chicago North Shore and Milwaukee Railroad, in October 1916, and continued in that capacity with the Chicago North Shore and Milwaukee Railroad Company until 1925, when he was elected Vice President. Since 1932, he has been Treasurer for the Receiver.

Mr. Griffin began his business career with Henry W. King & Company of Chicago; later went West on commercial enterprises. In 1897, he entered the employ of the Northwestern Elevated Railroad Company, and in 1900 was elected its Secretary and Treasurer. In 1914, he became Secretary and Treasurer of The Metropolitan West Side Elevated Railway Company and of the South Side Elevated Railroad Company. Upon consolidation of the Elevated Railroads into Chicago Rapid Transit Company, in 1925, he was elected Secretary and Treasurer, and was later in that year elected Vice President of that Company.



GUSTAVUS THEODORE HELLMUTH  
General Claims Attorney  
for the Receiver

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Mr. Hellmuth was Claim Agent for the Receiver of the Chicago & Milwaukee Electric Railroad Company from 1911 to 1916. Since 1916, he has been General Claims Agent for the Chicago North Shore and Milwaukee Railroad, and since 1923 General Claims Attorney for this Company, its Receivers, and for the Receivers and Trustee of Chicago Rapid Transit Company.

Mr. Hellmuth was born in London, Ontario. He was educated at Ocean Springs, Mississippi, High School, and John Marshall Law School, Chicago.

Mr. Hellmuth lives in Winnetka. He is a member of the Chicago, Illinois State and American Bar Associations, and is a member of the Chicago Law Institute.

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CLIFFORD HUTTLESTON  
Electrical Engineer  
for the Receiver

Mr. Huttleston is a member of the North Shore Line Veteran's Club - the Twenty-Five Year Club of employes of the Chicago North Shore and Milwaukee Railroad Company. He was born in Allegan County, Michigan, had a common school education and home study course.

Mr. Huttleston commenced work as a bonding laborer and lineman's helper in 1904, and in January 1905 worked as a machine wiper in the Highwood Power House. In July of that year, he was substation operator, and in April, 1906, became Operator of the power house. In 1911 and 1912 he was Load Despatcher and Acting Electrical Engineer. Since 1913 he has been Electrical Engineer for the Road, and continues in that capacity for the Receiver.

Mr. Huttleston lives in Waukegan, Illinois.



JESSE S. HYATT  
Chief Engineer  
for the Receiver

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Mr. Hyatt's first contact with the North Shore Line was in June 1903, when he worked as a rodman for the Republic Construction Company, which was the Company that built most of the original Chicago & Milwaukee Electric Railroad. He has held positions in the engineering field as -

Assistant Engineer of the Chicago & Milwaukee Electric Railway Company  
Resident Engineer of the Grand Trunk Pacific Railroad Company  
Assistant Chief Engineer of the Chicago & Milwaukee Electric Railway Company  
Secretary and Treasurer of the Lake County Telephone Company  
Member of the firm of Hyatt & Windes, Municipal Engineers

Engineering Assistant to the Vice  
President in Charge of Operation for -

Chicago North Shore and Milwaukee  
Railroad Company  
Chicago Rapid Transit Company  
Chicago South Shore and South Bend  
Railroad Company  
Chicago Aurora and Elgin Railroad  
Company

Mr. Hyatt was born in New York; is  
a graduate of Gouverneur New York High  
School, Hillsdale College and the Univer-  
sity of Vermont. His home is in Liberty-  
ville, Illinois. He was Mayor of the  
Village of Libertyville for ten years.

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Samuel Insull was born in London, England, attended private schools in London, Reading and Oxford, England, and began work as private secretary to Colonel George E. Gourand, London Representative of Thomas A. Edison, engaged in organizing the Edison Telephone Company of London. In February, 1881, he came to the United States to become private secretary to Mr. Edison and had full charge of his business affairs for many years.

Mr. Insull came to Chicago in 1892, after an association of twelve years with Mr. Edison, to take the Presidency of the Chicago Edison Company, a small central station company, about four years' old, with \$883,000 capitalization, and operated with small units in a very limited territory. Mr. Insull with his up-to-the-minute knowledge of central station business vision and confidence, and with Chicago as a field, proceeded to interpret and demonstrate Mr. Edison's ideas and methods. He immediately planned and executed extensions and additions, the prospective cost of which made the directors gasp, and developed the theory of the advantage of massing the production of electrical energy. He persuaded the elevated and surface railway companies to buy all their power from his company, in spite of the fact that the street railway operators, at that time, had first class modern plants of their own.

The first railway power contract was effective in 1902; the purchaser was the Lake Street Elevated Railroad Company. Within a short time contracts were made to supply power to all the elevated and surface street railway companies in Chicago. Later the Illinois Central Railroad agreed to purchase energy for its electrified suburban service,

from two central stations under Mr. Insull's direction, the Commonwealth Edison Company and the Public Service Company of Northern Illinois.

In testimony of his leadership in administrative skill, the Charles A. Coffin Medal was awarded to the Public Service Company of Northern Illinois for 1923, to the Chicago North Shore and Milwaukee Railroad Company in 1924, and to the Commonwealth Edison Company in 1925 - all Insull Companies.

Mr. Insull was Chairman of the Board of Directors of the Chicago North Shore and Milwaukee Railroad from August 15, 1916 to July 15, 1932, and of the Chicago North Shore and Milwaukee Railroad Company from June 25, 1923 to July 15, 1932. He held similar office in the Elevated Railroad Companies of Chicago - and upon their consolidation, in the Chicago Rapid Transit Company.

Mr. Insull was an outstanding executive in the public utilities field during the years prior to the financial depression, which started in 1929.



RALPH H. JAMES  
Vice President

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Mr. James was elected a Vice President of the Chicago North Shore and Milwaukee Electric Railroad Company, April 2, 1929 and resigned September 29, 1932.

He is President of the Super Power Company of Illinois, Chicago District Electric Generating Corporation - and is Vice President of the Chicago South Shore and South Bend Railroad.

Mr. James was born in London, England.

He now lives at 220 E. Walton Place, Chicago.

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FRANK J. KRAMER  
Engineer, Maintenance of Way  
for the Receiver

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Mr. Kramer is a native of Chicago; and was educated here in its grade schools and at Lewis Institute.

His work has always been in the engineering line; started as a rodman in 1903, worked as instrument man and inspector, superintendent of building and general construction. During the period 1906-1907 he was Assistant Engineer of the West Chicago Parks; and in 1907 and 1908 was engaged in making a survey of the Kankakee River.

With the exception of the period 1917-1919 when he was in United States Government service, Mr. Kramer has been continuously in the service of the North Shore Line since February 1910.

Mr. Kramer lives in Waukegan, Illinois, where he has long been politically active. He is a member of the Chamber of Commerce and of its Rotary Club.

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HAL McLEOD LYTLE  
Officer in Charge of Public Relations  
for the Receiver

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Mr. Lytle was elected Vice President in Charge of Public Relations of the Chicago North Shore and Milwaukee Railroad Company in 1925. In 1932 he was appointed Officer in Charge of Public Relations for the Receivers. He holds similar office with the Trustee of Chicago Rapid Transit Company and with the Receiver of Chicago Aurora and Elgin Railroad Company.

Mr. Lytle was born in Jackson, Ohio, graduated from high school and attended the University of Illinois, 1904-1908. He is a well known man in newspaper circles, having held positions in the Editorial Departments of the Chicago Inter-Ocean and Chicago Herald and was Financial Editor for the Chicago Herald. In 1918 Mr. Lytle became associated with the Chicago Tribune in its Editorial Department.

Mr. Lytle is a member of the American Transit Association. He lives at 455 W. Oakdale Avenue, Chicago.



CHARLES R. MAHAN  
Comptroller for the Receiver

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Mr. Mahan in 1905 was in charge of the payroll department of the Chicago Rock Island and Pacific Railroad Company, where Mr. T. B. MacRae was Auditor. About 1906 both left their positions with that Company, Mr. MacRae to become Auditor of The Metropolitan West Side Elevated Railway Company, and Mr. Mahan to accept a position as Chief Clerk to the Auditor of the Indiana Harbor Belt Railway, which road was in course of construction.

On September 1, 1907, Mr. Mahan resigned to accept position of Chief Clerk to the Auditor of The Metropolitan West Side Elevated Railway Company, and in 1911 was appointed Assistant to Mr. MacRae, Auditor for the consolidated Elevated Railroad Companies.

On May 1, 1916, Mr. Mahan resigned that position to accept a position as accountant with the Interstate Commerce Commission, Washington, D. C. There he was promoted to the position of Accountant-in-Charge of a field party on valuation work. On September 30, 1921, he resigned from the Commission and was reappointed Assistant Auditor of the Chicago Rapid Transit Company where he remained until his appointment on February 1, 1922, as Auditor of the Chicago North Shore and Milwaukee Railroad Company.

In 1926 he became its Comptroller, and was later appointed Comptroller for the Receiver.

Mr. Mahan lives in Evanston, Illinois.

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THADDEUS B. MacRAE  
General Auditor

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Mr. MacRae was General Auditor of the North Shore Line from 1918 to 1922. During those years he reorganized the Company's Accounting Department.

He was President of the Accountants' Association of the American Electric Railway Association, and was well known in railroad and accounting circles.

Mr. MacRae was born in Jackson, Louisiana, educated in private schools and at West Point. He began his railroad career as an accountant with the Chicago and Northwestern Railroad at Cedar Rapids, Iowa; later became Freight Auditor of the Burlington Cedar Rapids and Northern Railroad. In 1905 he became Auditor of the Metropolitan West Side Elevated.

In 1911 he became Auditor of each of the Elevated Railroads, and in 1923 was appointed General Auditor of the Chicago Rapid Transit Company, which position he held until his death.

Mr. MacRae passed away following a two months illness, on July 3, 1928.

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PETER F. MCCALL  
Manager of Commissary  
for the Receiver

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Mr. McCall was born in Chicago, where he attended grammar school and business college.

His first business contacts were with Libby, McNeil & Libby and the Chicago Telephone Company.

Previous to his employment with the North Shore Line, he was General Storekeeper for The Metropolitan West Side Elevated Ry. Company, 1907 to 1911 and from 1907 to 1920 with the Elevated Railroads.

He engaged in commissary work for the Chicago North Shore and Milwaukee Railroad Company, Chicago Aurora and Elgin Railroad Company, and Chicago South Shore and South Bend Railroad Company. He is no longer associated with the Chicago South Shore and South Bend Railroad Company.

Mr. McCall lives on Linden Avenue, Wilmette, Illinois.

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SAMUEL A. MORRISON  
Manager for the Receiver

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Mr. Morrison was born in Allentown, Pennsylvania. After finishing high school, he worked for the Chicago and Northwestern Railway Company - from 1889 to 1927 as an operator, train despatcher, trainmaster, Assistant Superintendent and Division Superintendent.

In October 1927, the Chicago South Shore and South Bend Railway employed him as its Superintendent of Freight Service, and a year later he became Assistant General Superintendent of that Company.

Mr. Morrison on March 15, 1935, was appointed Manager for the Receivers of the Chicago North Shore and Milwaukee Railroad Company to succeed John R. Blackhall, deceased.

He lives at 535 Hinman Avenue, Evanston, Illinois.

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WILLIAM W. O'TOOLE  
Auditor for the Receiver

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Mr. O'Toole served in various capacities in the General Accounting Department of the Chicago Rapid Transit Company from 1914 to 1920, when he was appointed Assistant Auditor of the Chicago and Interurban Traction Company under Mr. T. B. MacRae, Auditor. He was appointed Auditor of that Company in 1921 and remained in that position until August 1, 1924 when he became Assistant to Charles R. Mahan, then Auditor of the North Shore Railroad. In 1926 he succeeded Mr. Mahan as Auditor. He is now Auditor for the Receiver.

Mr. O'Toole lives at 7454 N. Damen Avenue, Chicago.

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FREDERIC WILLIAM SHAPPERT  
Traffic Manager

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Mr. Shappert was employed by the Chicago North Shore and Milwaukee Railroad on September 1, 1916, as its Traffic Manager. He had previously been solicitor for the Nashville, Chattanooga & St Louis Railway. He left the service of the Chicago North Shore and Milwaukee Railroad Company on April 30, 1932.

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JOSEPH W. SIMONS  
Superintendent of Transportation  
for the Receiver

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Mr. Simons was born in Marshville, Ontario, Canada, and received his education in grade school, high school and business college.

He worked for the Gilbert Construction Company of Montreal, at Cardinal, Ontario, in 1904, and for the International Railway, Buffalo, in 1905 and 1906. Toward the end of 1906, he worked four months for the South Side Elevated Railroad Company.

From May 1906 to 1915 he was employed by the North Shore Line as motorman, conductor, dispatcher, trainmaster, and in 1915 assumed the duties of Superintendent of Transportation, which work he continues under the Receiver.

Mr. Simons lives in Waukegan, Illinois.

He is a member of the North Shore Railroad's Twenty-Five Year Club.

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Photograph  
on  
Page 180

Colonel Albert A. Sprague was born in Chicago. After his graduation from Harvard in 1898, he started work in the wholesale grocery, Sprague, Warner & Company, which was founded by his father. Colonel Sprague later became its President and Chairman of the Board of Directors and is now a director of that company.

On September 30, 1932, Judge Wilkerson of the Federal Court appointed him Co-Receiver for the Chicago North Shore and Milwaukee Railroad Company, and since Mr. Budd's resignation as Co-Receiver February 20, 1937, Colonel Sprague has been the Road's Sole Receiver. He is also Trustee for the Chicago Rapid Transit Company and Receiver for the Chicago Aurora and Elgin Railroad Company.

Colonel Sprague is a director of - Continental Illinois National Bank and Trust Company, Chicago and Northwestern Railway, B. F. Goodrich Company, Wilson & Co., International Harvester Company and Clearing Industrial District, and is Trustee for - Field Museum of Natural History, John Crerar Library, Children's Memorial Hospital, Rush Medical College, Sprague Memorial Institute, Chicago Symphony Orchestra, Shedd Aquarium, Rosenwald Museum of Science and Industry, Saint Paul's School, Concord, New Hampshire, and Student Officers' Training Camp, Fort Sheridan, Illinois and is a Member of the Board of Overseers of Harvard University. He is a member of the Advisory Counsel of the Cook County Hospital.

Colonel Sprague was commissioned Major of the United States Infantry, November 27, 1917, assigned to the 341st Regiment, Infantry, 86th Division, detailed to headquarters, and sailed for France in July 1918. He returned to the United States in March 1919, and was honorably discharged March 28, 1919. He was commissioned "Lieutenant-Colonel" on

November 9, 1918, and "Colonel" March 1919. He is a Colonel in the Officers' Reserve Corps.

Colonel Sprague was Commissioner of Public Works for the City of Chicago from 1923 to 1927 and from 1931 to 1933.

He was Democratic Candidate for the United States Senate in 1924.

He is a member of the City Club, Chicago Club, Mid-Day Club and Commercial Club.

Colonel Sprague's home is at 1130 Lake Shore Drive, Chicago.

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CHARLES EDWIN THOMPSON  
Financial Officer  
for the Receiver

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*Agent*

From 1905 to 1908, Mr. Thompson was employed by the Chicago & Milwaukee Electric Railroad Company as its Chief Clerk and Auditor; was General Manager for its Receivers until the 1916 reorganization, when he became Assistant to President, Britton I. Budd of the Chicago North Shore and Milwaukee Railroad. In 1923, he was elected Vice President in Charge of Finance of the Chicago North Shore and Milwaukee Railroad Company, and in 1932 he became Financial Officer for the Receivers. He is similarly associated with the Chicago Rapid Transit Company and with the Chicago Aurora and Elgin Railroad Company.

He has been a Director since 1933.

Mr. Thompson was born in Bartholomew County and educated in Anderson, Indiana. Since 1907 has been a member of the International Accountants Society.

He lives on Bluff Road, Glencoe, Illinois.

# North Shore Line News

PUBLISHED BY AND FOR EMPLOYEES OF THE CHICAGO NORTH SHORE AND MILWAUKEE RAILROAD

VOLUME II - NO. 8

SALVAGE ALL MATERIALS ... HELP NATIONAL DEFENSE!

AUGUST, 1941

## C. E. THOMPSON, FINANCIAL OFFICER, DEAD; GAVE LIFE-TIME SERVICE TO ROAD

Charles Edwin Thompson, financial officer for the receivers and vice president of the Chicago North Shore and Milwaukee Railroad Company, died in the Highland Park Hospital on July 24. Death followed a heart attack suffered about two weeks previously.

Funeral services were held at the Wilmette Baptist Church at 2:30 o'clock, Saturday, July 26. Burial was in Memorial Park Cemetery.

Surviving him are his widow, Mrs. Hallie (Robinson) Thompson and three children, Mrs. A. J. Waldorf, Willard C. and Harold R. Thompson. All were at the bedside when death came.

These brief facts tell of the passing of a man beloved by everyone connected with the North Shore Line; one who had given a lifetime of invaluable service to the railroad, its improvement and preservation; one to whom everyone associated with him was more than a fellow worker ... a close friend.

To Mr. Thompson the North Shore Line was "his railroad" and the heavy burden he carried in pulling it through its several dark periods was known only to his closest intimates, for outwardly he was an optimist and always a believer that somehow the railroad would live to be of even greater public service.

He was born in Bartholomew County, Indiana and received his early schooling there and at Anderson, Indiana. For a short time he was connected with the Indiana Union Traction Company and on April 16, 1905 went to work for the North Shore Line as chief clerk and paymaster in the auditor's office at Highwood. He was appointed auditor on October 1, 1907 and auditor for the receivers on March 1, 1908. On April 1, 1913 he was made general agent for the receivers and was charged with the operation of the property.

On September 1, 1918 he was made assistant to the president of the reorganized company and for ten years not only remained in charge of the railroad's operation but was very active in the planning and largely in charge of the extensive financing required. On July 28, 1924 he was made vice president of the railroad and relieved of the responsibility of actual operation. The same year he also became a vice president of the Chicago Rapid Transit Company and the Chicago Aurora and Elgin Railroad and since then had been in charge of the finance and accounting of the three railroads.

Mr. Thompson was active in the religious and social life of the north shore suburbs. For a number of years he had been a member of the board of directors and of the committee on finance and property of the Chicago Baptist Association.

*Oct. 6, 1916 (see Directors' minutes)*



ROY R. THOMPSON  
Freight Traffic Manager  
for the Receiver

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Mr. Thompson is a Chicagoan; was born and educated here, attending grade and high schools; later business college.

He has been with the North Shore Line since April, 1920, coming from the Minneapolis & St. Louis Railroad, which he served as Traveling Commercial Agent. Previous to this he had worked for the Santa Fe Railroad, where he commenced his business career as a stenographer, advanced to Contracting Freight Agent. Mr. Thompson has held various positions in the Traffic Department of the North Shore. In 1926, he was appointed Traffic Manager in Direct Charge of the Department and personnel.

Mr. Thompson lives at 7630 Phillips Avenue, Chicago.

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LINCOLN CUMMINGS TORREY  
Secretary for the Receiver

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Mr. Torrey was born in Byfield, Massachusetts. He is a graduate of Concord, Massachusetts High School, Phillips Academy, Andover, Massachusetts, and received a Bachelor of Arts Degree from Harvard University in 1912.

He served with the Engineering Corps of the Pennsylvania Railroad from 1912 to 1914, and during the following two years was Pilot Engineer of Valuation for that Railroad, as ordered by the Interstate Commerce Commission. From 1916 to 1920, he was Cost Engineer with the Goodyear Rubber Company.

Mr. Torrey entered the service of the North Shore Line in January, 1921 as Engineer Auditor; was Valuation Engineer in 1922, Assistant Treasurer in 1923, Assistant Secretary and Assistant Treasurer in March 1925; and was appointed Secretary and Treasurer in October 1926.

In addition to his duties with the North Shore Line, Mr. Torrey was Assistant Secretary and Assistant Treasurer of the Chicago Rapid Transit Company, of the Niles Center Transit Company. *and Treasurer*

He is now Secretary for the Receiver for the Chicago North Shore and Milwaukee Railroad Company and Assistant Secretary and Assistant Treasurer for the Receiver for the Chicago Rapid Transit Company.

Mr. Torrey lives in Wilmette, Illinois

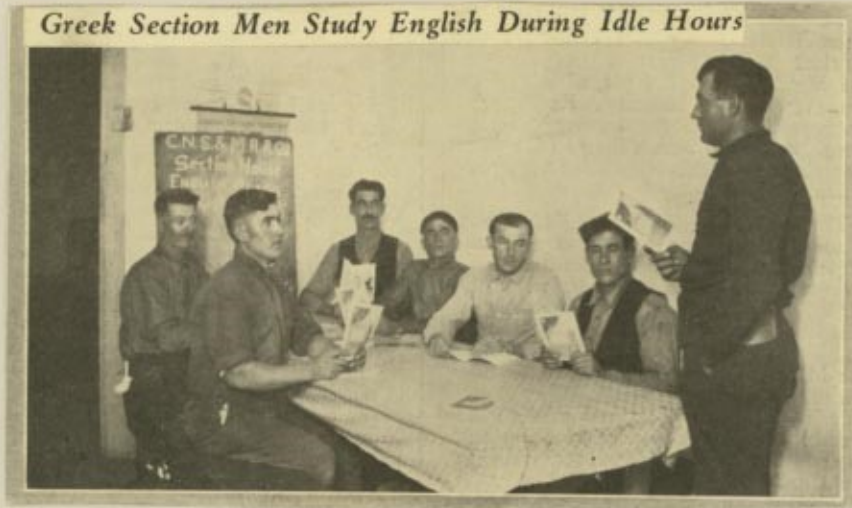
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## AMERICANIZATION WORK

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A great deal has been done by the North Shore Line for its foreign-born employees. These employees are found chiefly among the track laborers. A survey developed the information that many could not read or write English and in most cases they were unable to read and write their own country's language. The large majority were not American citizens and only a small number had declared their intention to become citizens.

*Greek Section Men Study English During Idle Hours*



An experienced man was employed as a Director of Education and Americanization. Evening schools were established in Company buildings.

Classes in English were organized and later a class for foremen. Good progress was made but it was found desirable in the foremen's group to change the name of the group from "Schools" to Foremen's Club".

They elected officers and conducted their meetings, but the original purpose was pursued. Instruction and lectures continued. The turnover in this class of employes decreased greatly, from the time the educational work began. Lessons in American Citizenship were of first importance. The Company made arrangements with the courts in the various cities and the men applied as fast as ready for citizenship papers. This work continued for several years.

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## AWARDS FOR EMPLOYEES' IMPROVEMENT SUGGESTIONS

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The Company plan to encourage service improvement suggestions from employees was a successful activity started in 1924.

A Service Committee was formed. Employees most of whom had contact with passengers and shippers, submitted 810 suggestions in one year. The Service Committee awarded 115 cash prizes totaling \$600. for the suggestions which were found to have real merit.

The Company indirectly benefited in the satisfaction employees displayed thru having the opportunity to express their ideas about service improvement.

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The establishment by the President of the Company of the Britton I. Budd Medal for the Saving of Human Life, which is awarded to any employe who saves a human life at any time or at any place, indicates the interest shown in the Safety Department Work. The sole function of that department is the effort to eliminate hazardous conditions, introduction of safety precautions and instruction of employes in safety measures and in first aid to the injured.

The Medal is awarded to any person in the Company who saves the life of another person, anywhere, at anytime, after January 1, 1926.

This Medal has been awarded since January 1, 1926, to the following North Shore Employes -

<u>Employee</u>	<u>Official Citation</u>	<u>Presented</u>
Lyman A. Dean	Sacrificed his life to save the lives of eighteen passengers in his motor coach Northbrook, Illinois October 25, 1926.	February 24, 1927
Lawrence Bentley	Resuscitation from gas asphyxiation of Julius A. Bandmann and Claude VanLaningham, Lake Bluff, Illinois, October 16, 1927.	February 23, 1928
Emmet McShane	Resuscitation from electrical shock of Orville C. Badger, Fort Sheridan, Illinois, November 28, 1927.	February 23, 1928
John B. Andrews	Resuscitation of Henry Kunz from carbon monoxide gas asphyxiation at North Chicago, Illinois on April 9, 1928	January 22, 1929
John J. Walter	Resuscitation from carbon monoxide gas asphyxiation of George Karpeswicz, Chicago, Illinois January 20, 1930.	February 6, 1930
Earl L. McKay	Rescue of Ewald Krook and Sulo Leino from drowning in Roosevelt Park Lagoon, Waukegan, Illinois, February 19, 1931.	February 16, 1932

Prior to 1926 a life saving medal similar to that shown in illustration was awarded to Employees instrumental in life saving.



## EDUCATIONAL WORK

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In addition to the Americanization work among foreign-born employes, the Company gave assistance to employes who were more advanced students, encouraging continuation of their education, especially in business principles governing rail-road operation.

The Company's Educational Director had these matters in charge, and in 1926 reported that forty-two employes attended evening college classes on transportation subjects.

One-half the tuition of such students was refunded to the employe when his course was finished.

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## EMPLOYES MUTUAL BENEFIT ASSOCIATION

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**E. E. FOLDVARY,**  
**Secretary**  
**E. M. B. A.**

The Employees Mutual Benefit Association of the North Shore Line, was formed in the year 1920. Members of this Association receive a sick benefit of \$15.00 a week and a death benefit of \$300. Each member pays \$1.00 a month and the Company contributes 50¢ a month for each membership toward the support of the Association. There were 500 members in the year 1920. This Association is and has been an important factor in fostering friendly relations between management and employees. In 1921 the membership increased 50%, in 1922 - 75%, in 1924 there were 1025 members out of 1350 employees eligible. The Association paid in 1924, sick, accident and death benefits amounting to \$14,172.78.

In 1928, the Association paid out benefits amounting to \$21,257.

In 1929, the membership was 65% of all employees and benefits to the amount of \$20,801.16, were paid.

In 1930 the membership was 72% of the employees. Benefits paid amounted to \$24,097.58.

The total number of employees who are members of the Association and the total benefits paid each year are as follows -

<u>Year</u>	<u>Number of Members</u>	<u>Amount of Benefits Paid</u>
1930	1,246	\$ 24,097.58
1931	1,250	14,659.21
1932	1,125	15,010.75
1933	1,104	11,908.25
1934	1,123	15,782.55
1935	1,120	16,459.19
1936	1,140	20,234.80
1937	1,141	17,507.05
1/1/38 to 6/30/38	1,135	<u>8,640.00</u>

Total paid to employees and  
their beneficiaries \$144,299.38

## GROUP INSURANCE

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Employees were first benefited with North Shore Line group insurance in the year 1925. Policies for \$1000. life insurance and \$1000. additional in case of dismemberment or death from accidental cause were taken out by the Company in the Metropolitan Life Insurance Co. for each employee.

In 1925 it was made possible for employees to take out \$1000. additional insurance.

This insurance is in addition to that provided by the Employees Mutual Benefit Association. The Company pays part of the Group Insurance premium.

The total amount of the insurance policy of the Company covering the employees, varies from year to year, but is usually about \$2,800,000. Claims paid to employees under the group insurance have been in one year as high as \$54,216.

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INTERURBAN  
EMPLOYEES' INVESTMENT FUND

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In 1929, at the peak of our prosperous period of the '20s, when large fortunes were being made in stocks and other investments, the employees of the Chicago North Shore and Milwaukee Railroad Company, the Chicago, Aurora and Elgin Railroad Company, and the Metropolitan Motor Coach Company, requested that the officers of their companies organize a mutual investment trust, principally for the purpose of capital appreciation.

Accordingly, there was organized on July 26, 1929, a savings fund known as the Interurban Railroad Employees' Investment Fund No.1, to which the employees of the transportation companies mentioned were permitted to subscribe. The maximum subscription allowed, was 200 units for cash at \$50. a unit, total \$10,000. On the installment plan, only 100 units might be purchased at \$50. a unit, total \$5,000. The installment units were paid for monthly at the rate of \$1.00 a unit, and the payment was made through deduction from the pay check of the subscriber. The subscriber authorized the Auditor of his Company to make the deduction. When the subscription closed, 71% of all those eligible had subscribed.

The Fund at the beginning was administered by five trustees, Britton I. Budd, R. Floyd Clinch, Charles E. Thompson, John H. Gulick and Bernard J. Fallon. It was the duty of the Trustees to invest the funds in securities for the purpose of appreciation of principal, as well as for income.

The Fund was maintained until August 1, 1932. The Railroad Companies were then in Receiverships and the Fund was terminated as of that date, August 1, 1932.

A second fund was formed, known as Investment Fund No.2. The No.1 Fund subscribers were privileged to transfer their interest in that fund to the No.2 Fund, as described in the Trustees letter to subscribers, dated August 8, 1932. No new subscribers were accepted in the No. 2 Fund, the participation being limited to those who had subscribed to the No. 1 Fund. The employees' confidence in the management of the Fund was shown in the fact that practically all the subscribers to the No. 1 Fund transferred their interest to the No.2 Fund, although the No. 1 Fund had shown a loss. Those few who withdrew altogether were paid the cash value of the units at August 1, 1932, which was \$24.57 for each fully paid unit and \$8.57 for each installment unit.

The subscribers to Fund No.2 on the installment plan, paid 20 cents a unit monthly. This was just 1/5th of the original monthly payment agreed to on May 17, 1932, when the No. 1 Fund termination date was extended to July 29, 1939.

Investment Fund No.2 is dated August 8, 1932, and will be terminated July 29, 1939, the date the No. 1 Fund would have terminated.

In the No. 2 Fund, there were 5,719 units subscribed by employees of this Company, 3,052 units subscribed by the employees of the Chicago Aurora and Elgin Railroad and 106 units subscribed by the employees of the Metropolitan Motor Coach Company. The total capital subscription at the time of the reorganization into Fund No. 2, was 8,777 units at \$50. each, \$443,850.

The present trustees of the Fund are, Colonel Albert A. Sprague, Bernard J. Fallon, Charles E. Thompson, Thomas J. Kavanagh and A. J. Kjellquist. The two latter trustees are members of Division 300 of the Amalgamated Association of Street and Electric Railway and Motor Coach Employees of America.

The Fund has made a profit in each year up to and including the year ended December 31, 1937.

The Trust Agreement, dated July 20, 1936, was amended to permit payment of dividends before the expiration of the trust. The unit dividends which have been paid to each subscriber were -

\$7.00 dividend on September 15, 1936

3.50 dividend on December 24, 1936

1.00 dividend on December 23, 1937

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\$11.50 - Total dividends paid

The remaining value of each unit on June 30, 1938, was \$25.80.

The depreciation suffered in the first months of 1938 is rapidly being made up, and it is expected that before the close of the year 1938, a profit will be shown for Fund No. 2.

## MEDICAL SERVICE

The Company's Medical Department is maintained to attend to the physical well being of the employes. Frequent examinations are made of the physical condition of employes to detect any unsatisfactory health condition before it becomes serious. The right physical condition of railroad employes is of the greatest importance to our customers.

Sanitary inspection of the Company's properties are made at frequent intervals. The First Aid Equipment at various locations along the road is inspected often to be sure it is ready for emergencies.

The Medical Department has rendered service to employes in as many as 11,394 cases in one year.

Systematic education in first aid work is an activity of the Medical Department. Employes are trained to be able to give help in any kind of emergency. Classes in the training were large and diplomas were given. There have been a number of actual instances of life saving.

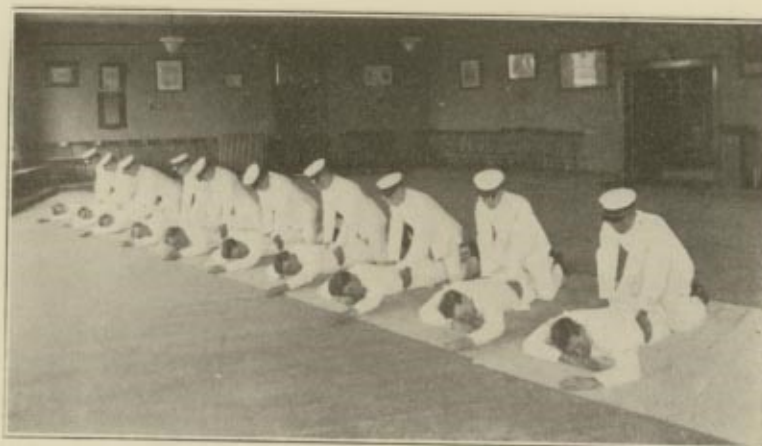
The Company's First Aid Drill Teams were among the best in the country. The Girls' First Aid Team attracted favorable attention.



FIRST AID MEN IN ACTION ON THE JOB



Girls' First Aid Team in Action



First Aid Team Applying Prone Pressure System of Resuscitation

## PENSION OR SERVICE ANNUITY PLAN

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Those who grow old in the service of the North Shore Railroad, are assured a steady income for the remainder of their lives.

That is accomplished thru the Company's Service Annuity Plan established in May 1924. Male employees reaching the age of 65 years and female employees having attained 60 years, provided they have been in service ten years or more, may be retired on a pension.

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## SOCIAL ACTIVITIES

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Athletic sports and social activities are encouraged among employees. Meeting places, commissary service and financial assistance are furnished.

In 1923 the North Shore Line Club was formed to direct social and athletic activities. This club started the publication of the "Highball"- a monthly paper to be devoted to the Club's activities. The Company's Publicity Department took the paper over as the Club was unable to pay the expense of printing, etc.

This employees' publication <sup>was</sup> is the railroad family paper. The North Shore Bulletin contained articles of general interest to residents of communities on the North Shore and was distributed to passengers and stockholders.

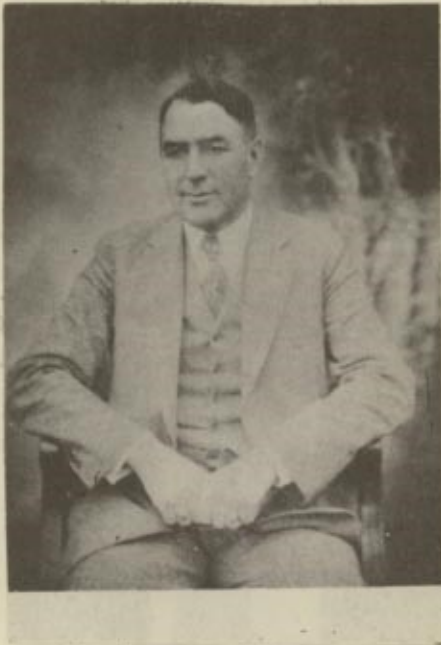
Each year the employees give a Field Day and have one or two theatrical performances. They have a bowling team, a ball team, a Post of the American Legion, a Company Section Group of the American Electric Railway Association, Glee Club, Garden Club and Company Band, also Girl's Service Club, Choral Society, Stringed Orchestra and Amateur Photography Awards.

The Christmas Party, an annual function, was usually attended by 4,000 employees and members of their families.

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## VETERAN EMPLOYES' "TWENTY-FIVE YEAR CLUB"

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Edward A. Nevins

The idea of forming this Club was originated by Edward A. Nevins, Chief Load Despatcher, in the year 1929. The organization was completed March 19, 1931. The purpose of the Club is defined in its by-Laws as follows -

"It is a social organization aiming to promote a helpful and fraternal fellow feeling among its members; to afford an opportunity for the discussion of subjects of mutual interest; to inspire and maintain

a spirit of loyalty, mutual respect and confidence between those engaged in railroad service; to cherish the memories and traditions of past association, and to promote the good name of the Chicago North Shore and Milwaukee Railroad Company."

The first officers and executive Committee elected were -

George Merriman	President
Frank May	Vice President
Elmer Brown	Treasurer
E. A. Nevins	Secretary

Executive Committee	C. Huttleston
	Wm. Schultz
	Wm. Ludwig

The Past Presidents of the Club, are

George Merriman	1931
Mort Gilkeson	1932
Joe Simons	1933
Louis Homan	1934
John Gartley	1935
J. S. Hyatt	1936
Clifford Huttleston	1937
William Ives	1938

The Veterans Club edits and publishes the "North Shore Line Veterans Club Bulletin," an annual publication. There have been two issues, January 1937 and January 1938, containing reminiscient narrative of the Railroad and its employees.

The names of the Club members and the dates of employment follow -

Harry Burke	April 23, 1906
Harry Milford	May 1, 1906
Joe Simons	May 12, 1906
P. D. Albright	May 20, 1906
John Johnson	June 10, 1906
John McMahan	June 21, 1906
Hans Jensen	Aug. 1, 1906
Sam Shawcroft	Aug. 18, 1906
Oscar Joyner	July 31, 1906
Paul A. Geisler	Nov. 10, 1906
J. W. Decker	Nov. 26, 1906
S. M. Carroll	Apr. 7, 1907
Bill Ives	June 17, 1907
Chas. Lepke	July 11, 1907
Jas. Radke	Aug. 28, 1907
C. B. Willison	March 2, 1908
Otto Peters	March 15, 1908
Wm. P. Byrne	May 29, 1909
H. Ponko	Aug. 26, 1909
Roman Noski	Sept. 1909
Wallace Smith	Dec. 1909
Wm. H. Burke	Oct. 13, 1909
Sam Murray	Dec. 21, 1909
Mike Nathans	Apr. 1, 1910
Harry R. Ford	March 14, 1910
Geo. Mansfield	April 30, 1910
George Noske	May 8, 1910
C. H. Pettingill	April 10, 1910
Boyd A. Bagley	July 10, 1910
G. S. Ingraham	Nov. 19, 1910
X G. T. Hellmuth	March 23, 1911
L. H. Olinger	April 12, 1911
Aug. Tapp	April 1911
Frank Golden	May 1911
R. E. Pierce	Aug. 10, 1911
Howard Amsden	Feb. 17, 1912
J. B. Thorsen	May 3, 1912
R. L. Hand	9- 2- 1906
A. E. Zell	10- 2- 1912
X Edgar L. Wood	1- 1909

Geo. Merriman	June 1, 1898
Frank Curley	Aug. 8, 1898
Geo. Brean	1898
H. P. Price	Apr. 4, 1899
Nick Williams	May 1899
E. W. Kesler	July 16, 1899
John Gartley	July 24, 1899
Elmer Brown	July 25, 1899
Geo. Glader	1900
Henry Liske	Apr. 5, 1900
Lee Vedder	May 1, 1900
Merle Young	Sept. 1901
Bob Lyon	June 1, 1900
Chas. Brace	May 12, 1902
Ed Nevins	Sept. 1, 1902
Anton Colleen	Apr. 15, 1903
Bill Williams	Apr. 2, 1903
Chas. Lundgren	May 7, 1903
Jess Hyatt	June 1903
Tom Marks	Aug. 5, 1903
Bill Fitzgerald	Oct. 17, 1903
Cliff Huttleston	Mar. 4, 1904
Bill Ludwig	Apr. 11, 1904
Chas. Litchfield	May 18, 1904
Bill Schultz	June 4, 1904
Paul Kerpan	July 1904
Frank May	Aug. 2, 1904
Geo. Grabbe	Sept. 4, 1904
Joe Kehrwald	Sept. 11, 1904
Wm. Marcy	Sept. 1904
Bill Steffen	Oct. 1904
Chas. E. Thompson	Apr. 16, 1905
Louis Homan	May 6, 1905
Geo. Welock	May 1905
Andrew Peterson	Sept. 2, 1905
Bill Hasney	1905
Clarence Robinson	Oct. 8, 1905
A. H. Baker	Dec. 16, 1905
Louis Larsen	Dec. 20, 1905
H. K. Syson	Feb. 6, 1906
Mort Gilkison	Apr. 11, 1906
Tom Russell	Apr. 12, 1906