

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."

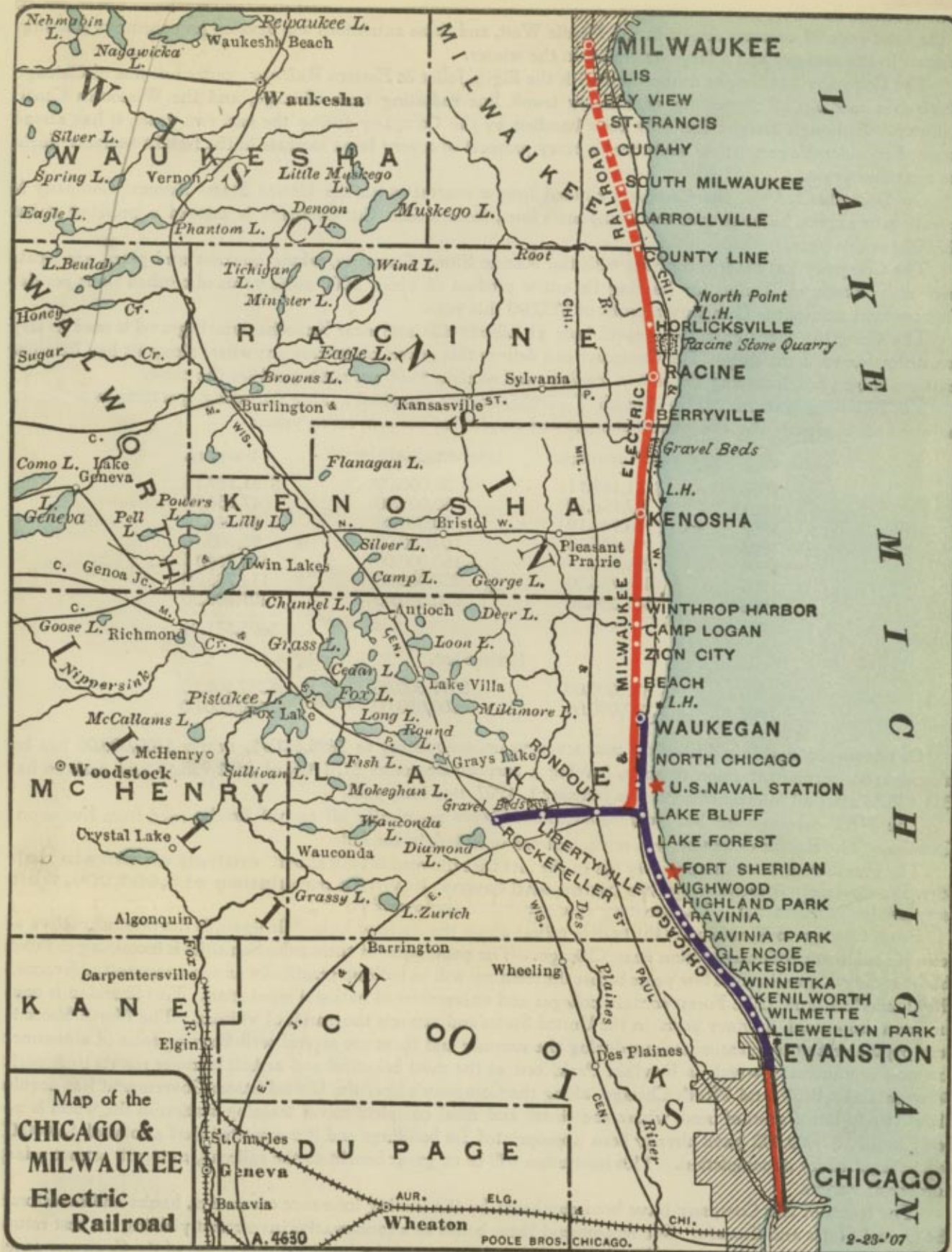


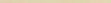

"Looks a Little Like Snow"

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 $\frac{4}{10}$ 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