

## 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

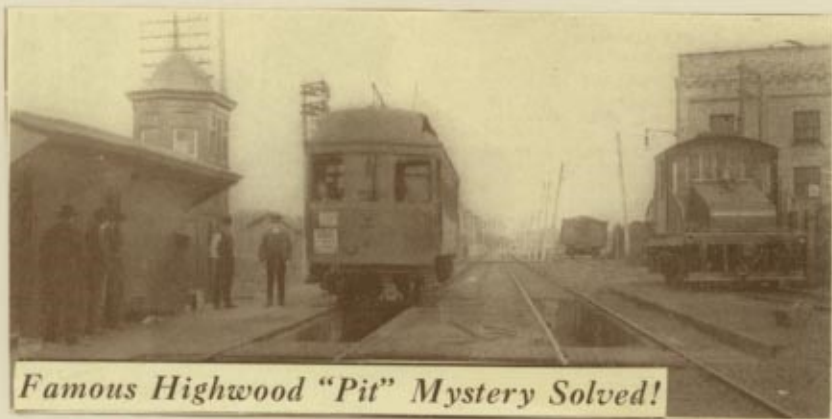
- justified expenditures by reference to extraordinary territory thru which the road was built -



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

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

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, Highwood 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 ~~Company~~ 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 Stiegelman and Motorman John Johnson.