assenger 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

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.

> Notes converted into 6%

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.

> Sinking Fund Bonds Acquired

Preferred

Stock

Concessions

A total of \$93,300 First and Refunding Mortgage 6% Gold Bonds and \$59,000 First and Refunding 53% 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.

> Operation over Northwestern El. RR Co

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.

> Extension Franchises

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 This extension was built under a during 1928. 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.

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 Madison & Rapid Transit Lines and the other at Madison Street and Wabash Avenue on the Loop.

Belmont Ave. Station Wabash Ave.

Extension of City Lines in Coankegan on both Homme from Glen Flora to Greenwood Ave (leankegan) was completed in 1928 under ordinance granted the CUSUM RRCo TEbruary 13,1928; which weludes the right to lay tracks on Water It and County It in the downtown district which work was completed May 10 (Yearle was done some time after hoozuber 1930, as nestion 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.

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

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.

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

"Better Business Campaign"

Speed



For greater protection at grade crossings over its tracks, the North Shore Line installed a new type of automatic electrically-operated safety gate at cross-

ings between Niles Center and Racine.

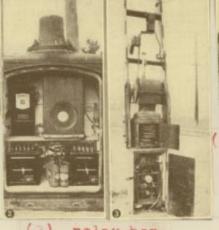
On the Skokie Valley Route the safety gates were installed at Main Street, Niles Center Road, Glenview Road, Willow Road, Dundee Road, Deerfield Road and Deerpath Avenue. Other cities to receive additional protection were Fort Sheridan, Lake Bluff, North Chicago, Waukegan, Zion, Kenosha and Racine.

This gate furnishes as nearly perfect grade crossing protection as human ingenuity had 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



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

- (2) relay box
- (3) Interior of Gate Post



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



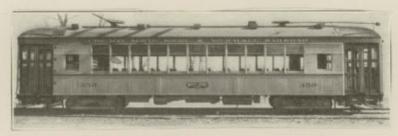


Double grade crossing over the North Shore Line tracks at Kinzie Avenue and Osborne Road, Racine, is one of the finest construction jobs of this kind ever done. Cost approximately \$0,000. Practically all the construction work was done by the Maintenance of Way forces under Supervisor Louis Homan. The 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.