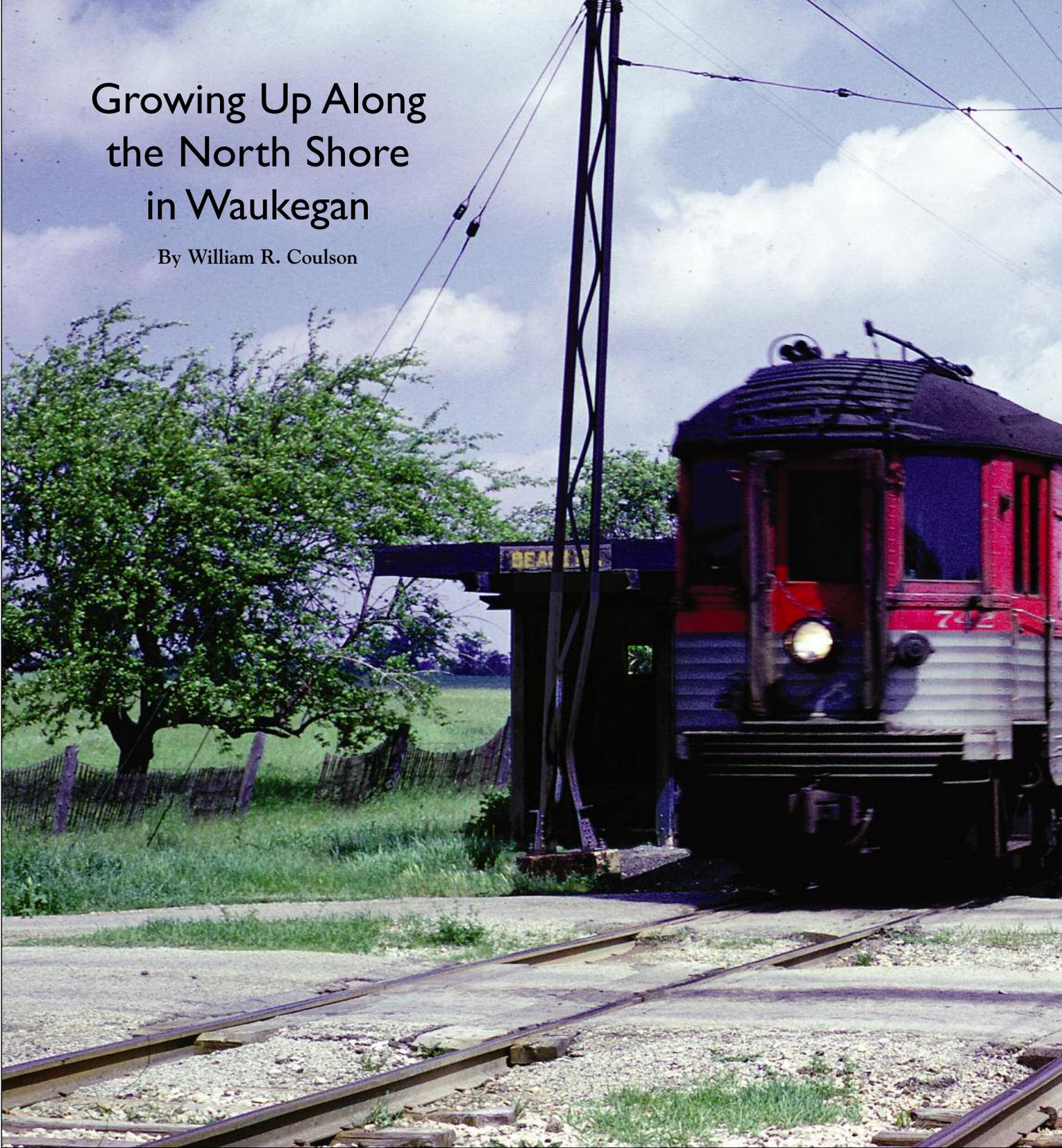


# Growing Up Along the North Shore in Waukegan

By William R. Coulson



▲ This is the North Shore Line that Bill remembers, a well-maintained right-of-way and trains doing 80 mph. On May 30, 1962, this southbound train is crossing Beach Road north of Waukegan. It is hard to believe that in eight months these rails will no longer be in use. While the area has been

The mournful wail woke me up. It was after one a.m. on a freezing, dreary January morning in Waukegan. Two longs, two shorts, two longs. In 1963 the Coulson family lived a stone's throw from the North Shore Line

tracks at Pacific and Western Avenues. The reassuring whistles of southbound trains had soothed this teenager over the years. But this night the echo was different. It was to be the last time the horns ever sounded in Waukegan. I refused to

believe that the adults in the world would let something as cool as the North Shore die that night. There had been deadlines before, but always a last-minute rescue. My Dad, Robert E. Coulson, was an elected State Legislator. He had been Mayor of



developed with homes it is very easy to find this location. The former right-of-way is well marked as the McClory Bike Path and the street just to the east is North Shore Avenue.—Raymond DeGroot photo

Waukegan from 1949 into 1957. Surely he and his colleagues could do something. But the next morning when I strolled through the snow and cold to the deadly still and silent right-of-way, a gut punch struck me that this time it was truly over.

My friends and I had played along the right-of-way as long as I could remember. We knew every gap in the bushes and fencing along Western Avenue. The trains were beautiful — Silverliners, Greenliners, Electroliners — and long freights whose

engines reminded us of grasshoppers with their trolley poles as the antennae. We would hold on tight to the catenary posts as the Electroliner blew by, honking at us as its speed parted our hair. One winter friends built a small snowman right on the tracks.



▲ Virtually every Milwaukee Limited had cars cut northbound or added southbound at the Edison Court station in Waukegan. On May 30, 1962, car 409 is heading northbound to Milwaukee. It has just crossed Glen Flora Avenue, two blocks south of where Bill grew up. Until 1947 the open space at the right was the terminal of the Glen Flora branch of North Shore's Waukegan streetcar system. The box cars are sitting on what was the connecting track with the mainline. Car 409 has an interesting history. Delivered in 1923 as a dining car it was motorized and converted to a coach in 1942. It was only one of two Silverliners with standee windows, the other being former dining car 415 converted to a tavern-lounge car in 1940.—*Raymond DeGroot photo*

◀ The same scene in February 2021.—*Author's photo*

A Silverliner roared through, not slowing down at all, and annihilated our creation.

To walk to Webster Junior High, I crossed the tracks at Glen Flora Avenue. There was a siding where freight cars were often parked, and a green wooden shelter formerly used when local trains stopped there. The right-of-way north of Glen Flora was pretty much open space, which explains why the horns of southbound trains could be heard from far away to the north. South of Glen Flora the line ran through developed Waukegan, and the distant northbound

horns seemed more muffled. We walked home from Webster east on Ridgeland Avenue, which also crossed the right-of-way. Some kid taught us to wrap a dime in foil from a gum wrapper, place this dime in a gap in a rail, and then step on this foil-wrapped dime. This made the bells ring and the street crossing gates go down! Apparently the wrapped dime made a good enough electrical contact across the insulated joint in the track to negate the insulation and lower the gates. We were cured of this hijink one day when a single-car north-

bound train suddenly approached as we performed this magic. The motorman stopped his car, and started yelling at us out his window! We ran away as fast as we could. I wonder to this day if he reported us as delinquents. (Author's note: the statute of limitations has run out long ago on all these events. Each of us kids went on to become solid, law-abiding, productive citizens.)

There was a drainage culvert running under the right-of-way fill north of Sunset Avenue where Blanchard Road now crosses. On dry days we would climb into



▲ Bill talks about how a dime wrapped in a gum wrapper would activate the crossing gates while walking home from high school on Ridgeland Avenue. It is January 20, 1963, the last full day of service and the final run of train 417, cars 740 and 775. Motorman Maury Lustbader and his conductor Bruce Cairns left Chicago on this 1:00 p.m. departure with a 3:03 p.m. arrival in Milwaukee. They have crossed Ridgeland Avenue and are approaching Glen Flora Avenue. —William E. Robertson photo, Eric Bronsky Collection

the culvert. I vividly recall the ensuing thrill when a train lumbered over us. The culvert shook violently, and the noise was deafening. (Remember, this was well before the Smart Phone became every teenager's sole source of entertainment).

We also regularly rode our bikes north along the right-of-way, sometimes all the way to Zion. A favorite viewpoint was at Holdridge Road (now Yorkhouse Road), where we sat under a silo and watched the North Shore trains negotiate the broad curve north of the road. Another spot was at the Beach Road crossing. It was protected by the only wig-wag signal we had ever seen. We loved to watch the signal sway to and fro as the bells chimed their 'ding-ding-ding'. We were easily amused. But the train-watching was wonderful.

Other lasting memories include Waukegan's ancient, wooden Edison Court depot on the south side of Washington Street. Old Ray Atterbery owned the drugstore adjoining the depot, where you could get a newspaper or a bite to eat. A spectacular sight was when two trains — a northbound and a southbound — would meet



▲ Looking southeast from Ridgeland Avenue in February 2021.—Author's photo

there at the station. North Shore service was so frequent that this occurred often. We boarded trains to Chicago which originated at Waukegan on a third track west of the main lines. Without air conditioning, we'd open the window and lean our elbows and faces out to watch the passing scenery

as the train hustled down the Skokie Valley (try doing this today). The soothing 'chukka-chukka' of the air compressors still resonates in my brain.

On the "L" loop in Chicago, we stared down to the busy streets below and wondered if the train could topple over and

► When walking west from his home this was Bill's view of the right-of-way. This open space still exists now as seen here in 2020. He had to move quickly when he heard the deep bass monotone of the Electroliner's horn.—*Author's photo*



▼ On October 4, 1958, this northbound Electroliner is approaching Holdridge Road a short distance north of Glen Flora. In 2021 this is now York House Road.—*William E. Robertson photo, Eric Bronsky Collection*



fall. It looked dangerous. I distinctly recall once boarding a Shore Line train in Chicago with my mother. The route was slower and took much longer, but it was the next North Shore train that stopped where we were waiting. I remember being amazed at the slow street running down Greenleaf Avenue in Wilmette. The Shore Line then ended at 10th Street,

North Chicago. We took a cab home from there. The Shore Line quit in 1955, so I was very young, but I do remember it.

So, what happened to my North Shore Railroad? I had a front row seat to view its operation, and a front row seat to view its demise. After years in receivership, and booms and (mostly) busts, the railroad was reorganized again in 1953. North Shore's

president J. H. M. Clinch announced that the stockholders had approved management's recommendation to form a Delaware holding company named "Chicago North Shore Systems, Inc." To diversify, about \$5 million in railroad assets were used to fund this new company, including about \$1.2 million in cash. The company used these assets to acquire inter-

ests in uranium mining, vanadium mining, oil, electronics, bus lines, and other ventures. The North Shore Line became one of several wholly owned subsidiaries, controlled by this holding company. This was all quite legal. Holding companies are a common business strategy to diversify business risk across a portfolio of companies in different industries. Since the railroad emerged from bankruptcy in 1948 there was a net operating loss from railway operations on an annual basis. Following the reorganization, the first significant railroad action was to petition to abandon the largely redundant Shore Line Route. There was little organized opposition, and the Shore Line's last run was in July of 1955.

In 1956 the holding company name was changed to "The Susquehanna Corporation" to disassociate itself from the railroad. In 1957 the company sold the Wilmington Gas Company of Los Angeles, which it had acquired in 1954, for a \$1.3 million profit. This kind of activity gained the attention of a notorious venture capitalist named J. Patrick Lannan (nicknamed 'The Kid Glove Raider' by the media). While diversification of risk is appropriate, intentionally killing a business for a corporate tax benefit is questionable, especially a business that serves the public interest. In the case of the North Shore Line the loss of rail service and 700 jobs had a negative impact on many communities.

By April 1958, Lannan controlled enough Susquehanna stock to be elected a Director. In October he was named CEO and President. Lannan was also the Board Chair of The Milwaukee Road, which stood to profit from the demise of the competing North Shore. Two other Susquehanna Directors also sat on The Milwaukee Road Board, including Arthur Wirtz. Lannan installed Harold Mason as the railroad's President, firing Charles Leonard.

Two months after Lannan became a Director, on June 28, 1958, the North Shore Line petitioned the Interstate Commerce Commission to abandon its entire railroad. It argued that it was hemorrhaging money, lacked capital funds, could never be profitable, and had insufficient resources to even get through 1958. This was war. Commuters and elected officials began to organize and plan strategies to save the line.

The battlefield certainly favored the railroad's abandonment. By 1958 the ICC,



▲ We are looking south across Washington Street at the Edison Court station. This station was named for a neighborhood street just to the east of the right-of-way that ran north for a few blocks from Washington Street. This was to distinguish this station from the Shore Line Route's terminal in downtown Waukegan.—Waukegan News-Sun photo, Courtesy of the Waukegan Historical Society



▲ Waukegan Express trains to Chicago and cars added to Milwaukee Limiteds originated on this track next to the mainline. It was depressed enough to provide level boarding from the inbound platform. Waukegan passengers would immediately board the "add" when they arrived at the station. After the train from Milwaukee discharged passengers it pulled south clear of the switch and a hostler brought the "add" forward to make the coupling. This took only a minute to accomplish. Then the train departed for Chicago.—Greer Nielson photo

given new powers by Congress, was regularly permitting private railroads to eliminate unprofitable passenger routes. President Eisenhower's Interstate Highway System was abuilding, using public funds to

satiate America's post-war love affair with the automobile and subsidize the trucking industry. Public funds were also being used to construct and expand airports and the air traffic control system. National policy

seemed to favor killing the passenger train altogether. Most commuter rail was operated by the private railroads without subsidy. The Chicago Aurora and Elgin Interurban had ceased all passenger service in 1957 over the helpless objections of its riders. Locally, only the Chicago Transit Authority represented public ownership of mass transit. The CTA was formed under a 1945 Act of the Illinois Legislature and issued bonds to acquire a mix of private rail and bus lines. Operating revenues were used first for bond repayment, so the CTA had to slash its system expenses so dramatically that by 1960 over a quarter of its inherited system had been eliminated. Initially there was no operating subsidy for the CTA. There was no existing statutory mechanism by which public subsidies could operate commuter rail.

The legendary and heroic efforts of the undaunted Roy Roadcap of Lake Forest and the North Shore Commuters Association to prevent the line's demise were well-documented in the *First & Fastest* Summer 2019 issue. "My Grandfather Fought to Save the North Shore Line," by Tom Roadcap, was based on Grandmother Florence Roadcap's personal archives. Mayors, legislators, and other public officials readily supported Mr. Roadcap's crusade. From my Dad's personal papers and contemporary newspaper accounts, this aspect of the fight can also be reconstructed.

Just after the abandonment petition was filed in July of 1958 various public officials agreed to meet in Milwaukee to strategize and coordinate the opposition. My Dad rode the North Shore from Waukegan to this meeting. I recall our whole family standing at Pacific and Western Avenues to wave and cheer him on as his Silverliner raced north. At the meeting, Dad posed the question, "How many of us rode the train here today?" Of the dozen men in the

**Motion by Robert Coulson, 1031 Pacific Avenue, Waukegan, Ill., owner of 115 shares of the corporation,**

**That the officers and directors of the Corporation be urged to separate the ownership of the Corporation from the ownership of the Chicago, North Shore and Milwaukee Railroad ownership by a spin-off or stock distribution of shares of the Railroad to the shareholders of the Corporation.**

**Arguments for the motion:**

- 1. It will permit the development of a separate market for the shares of the Railroad corporation. This in turn will permit the commuters, users and dependent industries and communities to acquire ownership or control of the Railroad Corporation.**
- 2. This will allow development of a customer-owned Railroad, or a railroad co-operative, whose beneficial shares can be placed in an irrevocable voting trust for non-profit use of the railroad by its communities.**
- 3. This in turn would open the door to tax relief, public subsidy and other special benefits without introducing government ownership; and might keep the Railroad operating.**
- 4. The motion would remove from the shareholders in Susquehanna the responsibility and consequent opprobrium which otherwise attach to the abandonment of the Railroad.**

**Arguments against the motion:**

- 1. It would deprive shareholders in the Corporation from the possible profits to be derived from the abandonment of the Railroad and the sale of its right of way.**

▲ Author's collection.

room, he was the only one. "This, fellas, is the problem," he mused. It was just too easy and convenient back then to drive to Milwaukee. The men then discussed what needed to be done at the Legislative level, both in Illinois and in Wisconsin.

The CTA was asked to submit a plan to operate the North Shore Railroad. Its full report can be found at *First & Fastest* Autumn/Winter 1988. Mayor Daley publicly supported keeping the North Shore running, and he ran the CTA. CTA pointed out first that it had no authority to operate outside the State of Illinois, so it studied running the line up to Waukegan only. It would replace the Mundelein branch with buses, and the freight business would end. CTA would operate the railroad, but only if there was no initial cost to the CTA, another agency owned and maintained the railroad, and CTA was reimbursed for any operating deficits.

In those days the Illinois Legislature met regularly only in odd-numbered years.

During the Spring 1959 Session two bills were passed to try to help save the North Shore and the CA&E, which ran only freight service by then. The first new law permitted the diversion of motor fuel taxes for purposes other than roadbuilding. The highway construction lobby vigorously opposed this, of course, and were able to get language into the bill limiting such transfers to those specifically approved by voters at a referendum. But it was a start. The second law permitted counties to form transit districts by referendum and to raise taxes to subsidize mass transit. DuPage County soon proposed such a district, but its voters rejected any such new taxation. This was not going to be easy.

To get access to Susquehanna's meetings and documents, my Dad bought 115 shares of its stock. In early 1959 he introduced a resolution for the annual meeting which called for a spin-off of stock of the North Shore Railway subsidiary. This, he argued, would permit the development of a sepa-

# CHICAGO NORTH SHORE AND MILWAUKEE RAILWAY

HIGHWOOD, ILLINOIS • IDlewood 2-0500

HAROLD G. MASON.  
PRESIDENT

June 2, 1959

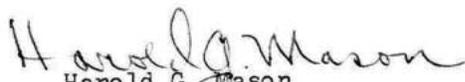
Mr. Robert Coulson  
1031 Pacific Avenue  
Waukegan, Illinois

Dear Mr. Coulson:

I have been requested to inform you that your suggestion concerning a spin-off or stock distribution of shares of Chicago North Shore and Milwaukee Railway to the shareholders of The Susquehanna Corporation was discussed and considered by the Board of Directors of The Susquehanna Corporation and that it was the consensus of opinion that such action would be impractical and not in the corporate interest.

Thanking you for your interest in the matter.

Very truly yours,

  
Harold G. Mason  
President

HGM:eb

one year, with a 23% fare increase and whatever cost savings could be achieved. Clearly the ICC perceived that the management was not really trying.

Indeed, the North Shore received many expert cost-cutting ideas. These included the elimination of the poorly patronized shuttles between Lake Bluff and Mundelein, closing the Kenosha Tower, cutting some daily round trips between Chicago and Milwaukee, and ending the shuttle buses transporting employees to the Highwood offices. The CTA recommended that the fare structure be simplified, one-man crews utilized, and stations at Harmswood, Highmoor, and Sheridan Elms be closed. Cities opposing the road's closure could be publicly asked to abate some of the \$100,000 in property taxes the railroad paid each year.

The cumulative impact of these and other cuts would surely have made a big dent in the operating deficits. But the North Shore did not even consider any of these potential savings. Equally telling, the Susquehanna-controlled

▲ Author's collection.

rate market for the railroad shares, permitting the public and commuters to try to acquire the road that way. Susquehanna would also be released from the 'consequent opprobrium which otherwise attaches to the abandonment of the railroad,' he wrote. But Susquehanna felt no such shame. The company had been bragging to its shareholders about the huge tax benefits — up to \$20 million — to be gained from the abandonment.

On June 2, 1959, Harold Mason, Susquehanna's hand-picked railroad president, wrote a snarky letter to my Dad dismissing the idea, as "not in the corporate interest." He addressed my Dad as "Mr. Coulson," rather than as "Representative

Coulson." The railroad didn't even buy new stationery for Mr. Mason. He had been 'Executive Vice President' but the words 'Executive Vice' were blacked out on his letterhead. Poor old North Shore.

But in 1959 the State of Illinois offered the railroad \$2.2 million for the abandoned Shore Line right-of-way. This money would have supported the line for many years, but likely would have doomed the abandonment effort. The owners rejected the offer.

The ICC moved glacially on the abandonment petition. After hearings and legal briefs, on May 9, 1960, the ICC overruled its hearing officer and directed the North Shore to continue operations for

railway opposed the ICC-ordered fare increase — something no legitimate business would do. In November of 1960 the taxpayer-financed Northwest Expressway opened, and North Shore ridership fell 10% to about 12,000 each day. State legislation was needed. For the Spring 1961 legislative session, Mayor Daley, Governor Otto Kerner, and the Lake County Legislators supported a bill permitting Cook and Lake Counties to utilize a real estate transfer tax and a one cent per gallon gas tax to pay for a CTA-operated North Shore Line to Waukegan. With the support of the Lake County Regional Planning Commission, my father co-sponsored a bill to let counties create transit districts quick-



▲ For young people riding the “L” in Chicago could be a scary proposition, especially when crossing the Chicago River. The bridges shook under the weight of the trains as they crossed the gap between the two bridge sections. In July 1961 this inbound Skokie Valley train from Waukegan or Mundelein is crossing over Wacker Drive at Wells Street.—Kenneth Spengler photo



▲ North Shore’s operating timetable contained no top speed limits only speed restriction. It was especially rich in speed restrictions on the “L” and Shore Line Route. Bill speaks of the slow ride on his Shore Line Route trip. From the Loop to Wilson Avenue trains could not operate in parallel positions on the controller and only 45 mph was permitted beyond Wilson to Howard Street. Northbound crossing Linden Avenue and at all intersections in both directions while on Greenleaf Avenue speed was restricted to 8 mph with 15 mph between the intersections. Stations and stops were roughly one-half mile apart from Wilmette to Waukegan. On July 9, 1955, this northbound train is trundling west on Greenleaf Avenue. In 16 days, these rails will be silent. Our photographer lived near this segment of Greenleaf.—William E. Robertson photo, Eric Bronsky Collection

ly without a referendum, and to impose taxes to cover debt service and new equipment. State Rep. Jack Bairstow, the other legislator from Waukegan, held committee hearings at which Lannan insisted that the

railroad “can’t survive,” and President Mason testified that the infrastructure was “beyond the point of repair.”

CTA, the Commuters Association, and many Legislators disagreed with these dire

assessments. A bill was also introduced to define holding companies such as Susquehanna as ‘public utilities’ if they owned 10% or more of a traditional public utility. Then all of its assets would be considered in assessing the proposed abandonment, not just those of its railroad subsidiary. This would have encouraged Susquehanna to sell its railroad. Another bill would forbid conflicts of interest by Board Members of public utilities (were you listening, Mr. Lannan?).

The Legislative process, then and now, often seems chaotic and arbitrary. In 1961 Downstater were disproportionately represented in the Legislature. This was before the one-man-one-vote constitutional standard brought in more Chicago-area representation. And Downstater “had no dog in this fight,” as the colorful House Speaker (then the corrupt Paul Powell) put it. On top of this factor, powerful groups opposed all this legislation. The roadbuilders, petroleum interests, automakers, anti-taxers, and competing railroads worked against its passage. The C&NW actively supported the North Shore abandonment. And the Milwaukee Road’s Board of Directors, remember, was chaired by the ubiquitous Mr. Lannan. So, none of these bills passed. Roy Roadcap

► What became the North Shore Line started as a streetcar line from the near north side of Waukegan to what is now Martin Luther King Jr. Drive (22nd Street) and Sheridan Road in North Chicago, a point just north of North Chicago Junction. The franchise to operate on the streets of Waukegan expired in November 1947. Faced with considerable financial demands from the city, the railroad decided to replace the streetcars with buses and cut back the Shore Line to 10th Street, the city limits between North Chicago and Waukegan. On July 4, 1955, car 158 is laying over at 10th Street. The public timetable listed this location as 10th Street Waukegan. Note the sign above the door to the station building that occupies the former right-of-way. Yes, the station is in Waukegan; however, car 158 is in North Chicago. The operating timetable listed this station as Tenth Street because at 18th Street there was a station named North Chicago. There was also a stop at 14th Street that served the original location of Abbott Laboratories. In history, their office hours were based on the North Shore and C&NW train schedules.—William E. Robertson photo, Eric Bronsky photo



► Freight trains that passed Bill's home were typically headed for Racine and sometimes went as far as Harrison Street, Milwaukee. South of the Racine station was the interchange with The Milwaukee Road and just north of Racine was a large quarry. Motor 458 has crossed the state line and is approaching Kenosha on October 4, 1958.—William E. Robertson photo, Eric Bronsky Collection



and the *Waukegan News-Sun* praised the efforts of Reps. Bairstow and Coulson, and hoped for passage of their proposals at the next legislative session. But it was now too late. There would be no Legislative rescue of the North Shore.

In February 1961, three months before the one-year trial period ordered by the ICC elapsed on May 8, the railroad renewed its abandonment request, claiming that they could not make payroll through May (the railroad was 'borrowing' from its wealthy parent Susquehanna). When the Legislative session ended in June the railroad was still running. It filed yet another petition for abandonment. More hearings, more briefs. The North Shore soldiered on for another year. For 1961 the railroad reported an operating loss of \$303,000. Susquehanna reported for that year record revenues of \$26 million and a net profit of \$1.6 million.

Then on May 18, 1962, the ICC permitted full abandonment effective June 22. The ICC acknowledged that the parent company (Susquehanna) would benefit financially from abandonment. The ICC also ruled, however, that the North Shore must sell to any responsible party willing to operate the railroad, for at least its salvage value — set by the railroad at \$6.2 million (about \$52 million in today's dollars). There wasn't much time to find a buyer with the money.

At this point the Chairman of the Lake County Regional Planning Commission and my father signed a letter to the Illinois Commerce Commission and the federal ICC with yet another proposal. A trustee, to be named by the Commission and approved by the railroad, would be appointed by the Circuit Court to take title to the railroad. Susquehanna would get its tax loss and be rid of its money-los-

ing subsidiary. The trustee would operate the railroad for a short period after which it would transfer title to a new owner (such as the Commuters Association) who wanted to run it and could by then apply for forthcoming state and federal funding programs. It was a creative solution. Of course, Susquehanna summarily rejected the idea.

Roy Roadcap's North Shore Commuters Association had been raising money all this time. They made several substantial offers to buy the railroad during this time. The offers did not meet the railroad's announced salvage value of \$6.2 million, and some involved complex lease arrangements. Here too, Susquehanna rejected every such offer.

Obviously, Susquehanna did not want to sell its allegedly hopeless and money-losing railroad. Susquehanna did not want to try to run its railroad more efficiently. Susquehanna just wanted to kill its railroad. And it did.

As the June 22 abandonment date approached, the ICC at the last minute delayed it to November 2, 1962. The ICC naively hoped that Susquehanna would accept some buyer's offer. The Commuters Association and the State of Illinois appealed the ICC order to the U.S. District Court in Chicago. As the November 2 shutdown date approached; the Court induced the railroad to agree not to close down until the Court ruled, so the November 2 date was vacated too. These many last-minute cancellations of the shutdown dates made some of us kids believe that our railroad would survive forever. But on December 5, 1962, the

District Court affirmed the ICC order for abandonment. The new shutdown date was set for January 21, 1963. There would be no more stays of execution.

Could the North Shore have been saved? Clearly there was no public financing mechanism in the early 1960s to buy and operate the railroad. The ICC order provided the only route to force Susquehanna to sell. Private capital was needed to pay the \$6.2 million in salvage value set by the road, then have the financial wherewithal to maintain and operate the road for several years, perhaps at a loss. But all this would have been a profitable move long term. As the *Chicago Tribune* editors noted at the

time, "\$6.2 million is a bargain," equivalent then to the cost of building one-half mile of expressway. The real estate in and along the 95 miles of right-of-way was worth much, much more. Indeed, in 1964 the CTA paid the railroad \$1.7 million for just five miles of the track from Howard Street to Dempster Street in Skokie. That was 27% of the alleged salvage value.

By 1964 federal transit grants through the National Housing Act were available for demonstration projects. Such a grant financed the CTA's successful 'Skokie Swift' service on the 5 miles of North Shore track. Other federal funding soon became available for transit. By the early 1970s, the

## The Susquehanna Corporation's Trail of Tears (from contemporary newspaper accounts)

In 1953 North Shore Line's management used \$5 million of its assets to fund the diversification strategy of the new holding company called "Chicago North Shore Systems, Inc." In May of 1956 the company name was changed to 'The Susquehanna Corporation.'

In 1958 a Chicago venture capitalist named J. Patrick Lannan ('The Kid Glove Raider') acquired enough stock to be named President and CEO. Lannan was also the Board Chair of the competing Milwaukee Road railway. That year the railroad subsidiary filed for abandonment of the entire line, citing annual losses, lack of capital funds, and insufficient cash to even get through 1958.

In 1960, the Atomic Energy Commission, in a harbinger of worse to come, cited the company for "failing to conduct airborne radioactivity tests" at its uranium properties.

In 1961 when the railroad reported a loss of \$303,000, Susquehanna reported for that year record revenues of \$26 million. Lannan was "recreating" at his Palm Beach mansion at the time, displaying his art collection and reading poetry. Sen. Paul Douglas of Illinois personally asked President Kennedy to intervene to save



▲ On February 22, 1962, car 768 is leading this southbound Milwaukee Limited as it approaches 14th Street, North Chicago on the Skokie Valley Route. Our assumption is that the last car was added at Edison Court. Waukegan Expresses would make flag stops at Belvidere Road, 10th, 14th, 18th and 22nd Streets between Edison Court and North Chicago Junction. There is less than 1,000 feet between the 22nd Street stop and North Chicago Junction.—William E. Robertson photo, Eric Bronsky Collection

the North Shore Line. But Lannan had been a financial advisor to Senator Kennedy, and was a good friend of Joe Kennedy, the President's father. The President did nothing.

In February of 1962 Susquehanna Corp. was enjoined by a Federal Court in Delaware for probable anti-trust violations in the vanadium market. On May 10, 1962, Lannan was awarded the 'Horatio Alger Award' by Rev. Norman Vincent Peale at the Waldorf in New York. That

same day his wife sued him for divorce, alleging that he had abandoned her and their six children in 1959. The resulting \$3 million settlement was then the largest divorce settlement ever in Illinois.

One week later the ICC approved the abandonment of the whole North Shore Railroad.

Susquehanna Corporation's own statements to its stockholders, in May 1961 and later, bragged about its huge \$20 million tax benefit from abandonment of the railroad,

Illinois Legislature, with more Chicago-area representation, recognized the necessity to subsidize commuter rail, and the Regional Transportation Authority was born. Federal dollars became available for transit capital use — for new rolling stock, for example. A new North Shore owner, utilizing some of the cost cuts mentioned earlier, would have had to hang on for just a few years before financial help, or a public agency purchase came along. As the suburbs grew and parking costs and gas prices increased, commuting by automobile lost its allure. Ridership would have rebounded. Notably, during all the debate over the railroad's value leading up to abandonment,

there is not one word written about the efficiencies and environmental advantages from the North Shore's electrification. This became very important to people later in the 1960s. With new cars, a fast, double-tracked electric line from Chicago's Loop to Milwaukee through the growing suburbs of both Illinois and Wisconsin likely would have soon put the C&NW and the Milwaukee Road to shame.

But no well-heeled, visionary entrepreneur came forward in 1962. Where were the 1960s versions of dot-com billionaires, the Richard Bransons, the Elon Musks, the Brightline funders, the people who were forward looking, willing to take a risk for

the public good (and ultimately make some money)?

Yes, \$6.2 million (now \$52 million) for a 95-mile right-of-way was indeed a bargain in 1962. And what a financial asset to the public the electric railroad would be today. In 2009 the Mayor of Skokie estimated that extending the Skokie Swift a mere two miles north to Old Orchard would cost over \$100 million. Replacing the abandoned Pacific Electric line 15 miles to Santa Monica cost \$2.5 BILLION. The CTA estimates that its proposed 5.6-mile extension of its electric Red Line south would cost \$2.3 BILLION. Oh, what might have been!



▲ It is the last full day of service, January 20, 1963. Southbound train 416, cars 747, 768 and 761, is about to cross Grand Avenue, Waukegan. Its brakes are applied for the stop at Edison Court. This is the 1:00 p.m. departure from Milwaukee. At the controls is motorman Kenneth E. Brown. His conductor is Robert W. Johnson and Gary M. Filbert is the collector. Local stops north of Edison Court were Grand, Ridgeland, Glen Flora Avenues, Holdridge and Beach Road. All of these locations are now within the corporate limits of Waukegan and surrounded by residential developments.—William E. Robertson photo, Eric Bronsky Collection

and its resulting cash flow improvement. The company rejected numerous offers to buy its money-losing railroad and ignored all suggestions for cost-cutting measures.

In January 1963, its North Shore railroad made its last runs. Estimates are the Susquehanna Corporation realized no less than \$11 million in income tax savings from the abandonment, plus the railroad's salvage value. Over 700 employees lost their jobs. Over the next five years, Susquehanna sold off the rights-of-way piecemeal.

In 1965, Herbert Korholz, released in 1960 from federal prison for bribing a teamsters' official, paid Lannan \$6.45 million for his stock in Susquehanna. The new convicted-felon owner shifted the corporate headquarters from Chicago to Alexandria, Virginia.

In early 1971, the US Securities and Exchange Commission began an investigation into Susquehanna for securities law violation. In 1973 the SEC suspended Susquehanna for one year.

In 1975, Susquehanna sold a uranium mining subsidiary Susquehanna-Western for \$9.7 million.

In 1983, J. Patrick Lannan died. The *Chicago Tribune* wrote that Lannan's stock manipulations made 'latter-day corporate raiders look like Boy Scouts.' His estate was worth over \$100 million. His children, who were left out of the estate sued, and won. One son was quoted as saying, "My father ... kind of thought he was God."

In the 1980s lawsuits were filed by mine workers with cancer caused by exposure to radiation at the company's mines. Six years later the company divested the rest of its mines. Billions of taxpayer dollars were ultimately paid into a fund for all mineworkers affected by uranium mining. The people of South Dakota continue to suffer today from over "4 million tons of radioactive waste" left by Susquehanna.

In 1994 Susquehanna Corporation was absorbed by a French company, which then dissolved it. There is nothing left.

Starting in 1986, the Lannan Foundation started giving \$5 million annually to the 'Los Angeles art scene.' In 1997 it began donating its art collection. The Foundation is now located in Santa Fe, New Mexico. Some of the art now resides at the Chicago Museum of Contemporary Art and the Chicago Art Institute, and Lannan's Poetry Garden now reposes on the Beloit College campus. The next time you visit these locales, North Shore fans, be sure to enjoy this remaining legacy of our favorite, dearly departed railroad!

— William R. Coulson