

Over the years, Joseph Gilchrist had numerous partners, including his cousin, Frank W. Gilchrist, of Alpena, and also John W. Moore and J. H. Bartow, of Cleveland. Nevertheless, it was J. C. Gilchrist who was the driving force behind the fleet and the eventual incorporation of the Gilchrist Transportation Company. He also orchestrated the second major expansion of the fleet, in the years around the turn of the century when steel shipbuilding was coming into its own around the lakes.

In fact, the fleet had built to its order seven major "classes" of similar but ever-larger steel-hulled bulk freighters, relying on the financing which Joseph Gilchrist was able to arrange quite easily in those boom times. This extensive construction programme made the Gilchrist Transportation Company into the number two U.S.-flag fleet on the Great Lakes, second in size only to the Pittsburgh Steamship Company, but it also was one of the major causes of the eventual failure of the company.

Just when the Gilchrist fleet was working hard to pay off the cost of the construction of the twenty-seven vessels that were built in such a few short years, the business panic of 1907 struck the lake shipping industry, and cargoes became very scarce indeed. In its struggle for survival, the Gilchrist fleet might well have weathered the financial storm had the dynamic leadership of Joseph C. Gilchrist continued, but during that very same year, the fleet's manager suffered a severe and completely debilitating stroke. He never recovered his health, and although J. C. Gilchrist lived until 1919, he never again was able to take any active part in the operation of his own company.

As a consequence of the illness of J. C. Gilchrist, a new board of directors took office and F. M. Osborne, of Cleveland, was chosen as the new president of the Gilchrist Transportation Company. Osborne, however, was much involved with his own coal interests, and the normal operations of the fleet were left to J. C. Gilchrist's two sons, Joseph A. and John D., as well as to Frank W. Gilchrist's son, Frank W., Jr. Assisting them were Capt. J. L. Weeks, who served as marine superintendent, and James D. Mitchell, chief engineer. Things did not go well, however, and the directors decided that the company's survival depended upon new and more vigorous management being secured. Accordingly, they appointed S. P. Shane, a former railroad man, as general manager of the Gilchrist Transportation Company.

With Shane at the helm, the fleet struggled on, but conditions were such that the company never could regain its previous stature. Only a portion of the large fleet of wood and steel ships saw any service during this period, and the company was unable to recover to the point where it could fulfill its very onerous financial obligations. Refinancing plans were considered, but the major shareholders were not able to agree on a suitable course of action, and the refinancing never was completed, leaving the fleet with a crushing debt load.

Late in 1909, it appeared that the situation was getting completely out of hand, and accordingly the company's vice-president, Frank W. Gilchrist, who was one of the largest shareholders, applied for a receivership. On January 17, 1910, the court appointed as receivers S. P. Shane and General George A. Garretson, who was president of the Bank of Commerce, and for whom one of the fleet's larger steamers earlier had been named in recognition of his financial assistance during the expansion years.

The officers of the Gilchrist Transportation Company hoped that the receivership would be temporary and that the fleet could be reorganized while it continued operations under Shane's management. Still, no concrete agreement amongst the shareholders could be reached, however, and on April 29, 1912, Judge William L. Day appointed Captains John Mitchell, Denis Sullivan and A. G. Smith as appraisers of the fleet's ships.

In August of 1912, acting under order of the District Court of the United States, Eastern Division of the Northern District of Ohio, Garretson and