The road to **rescue**

A SAD STATES Penn Central train 427, the Boston–Albany remnant of NYC's all-Pullman *New England States* to Chicago, trundles west at Riverside, Mass., on April 11, 1970. PC's bankruptcy two months later prompted the creation of Amtrak the following year.

In the 1960s, the passenger train was in a death spiral, and dragging the nation's largest railroad down with it. Outside the Northeast, the public had largely deserted the trains, but wasn't ready to see them die. The government-sponsored solution—Amtrak—was a product of cold economics, romantic sentiment, calculated deceit, and enlightened leadership

By Don Phillips

Millions of Senate speeches have been given over the years and, thankfully, have been quickly forgotten. But on May 20, 1962, Sen. Claiborne Pell (Dem., Rhode Island) gave a speech that now, almost 50 years later, is remembered as the first effective call to arms for a revolution in passenger rail. Pell's words have echoed over the years as the "Megalopolis" speech.

The speech did little by itself, but it lit a fuse. As the years went on, Presidents John F. Kennedy, Lyndon Johnson, and even Richard Nixon adopted (or in Nixon's case, tolerated) Pell's firm belief that passenger rail was the answer to the Northeast's mobility problems. Pell's speech and his 1966 book, *Megalopolis Unbound*, although not a barn-burner of a read, helped lead to his dream of fast Boston–Washington trains. His dream even spread to the rest of the country, which wanted to keep its own trains.

"The answer is to divide the railroad system into a public authority that would carry passengers while the existing private companies would continue their more profitable function of hauling freight," said Pell, who died at age 90 in 2009 after serving six Senate terms (1961–97). That sentence sounds suspiciously like Amtrak, which came into being on May 1, 1971, almost exactly nine years after Pell's speech.

An amazing series of things came together in just the correct order to save passenger railroading, and eventually to strengthen the freight railroad system, too. In fact, as the months progressed, the development of a government-sponsored passenger corporation became more of a way to prevent nationalization of freight railroading than to save the passenger train. If the passenger-train burden could be removed, perhaps the freight railroads—particularly Penn Central, the troubled behemoth of the Northeast—could avoid the disaster of nationalization.

CLASSIC TRAINS collection

VISIONARY **Sen. Claiborne Pell called for a public passenger-train authority in 1962.**

The phantom 'glory years'

But first, let's go back to the mid-1950s. Despite spending millions after World War II on new streamliners, railroads failed to overcome the appeal of the automobile and the airplane. Costs were rising and the passenger count was declining. Managements were unhappy. Unions fought to keep their jobs. The Interstate Commerce Commission blocked as many train discontinuances as possible, and communities fought to keep their trains even if they didn't ride them. Things grew worse day by day.

During the 1960s, more than a dozen Class 1 railroads managed to exit the intercity passenger-train business [see box, page 28]. At the opposite end of the spectrum, almost as many attempted to maintain a high level of service, including the Santa Fe, Union Pacific, Great Northern, Northern Pacific, Burlington, Illinois Central, B&O/C&O, Atlantic Coast Line, and Seaboard. Other Class 1's worked hard to kill trains, notably New York Central, Pennsylvania, Southern Pacific, and Missouri Pacific. NYC even removed two Buffalo–Detroit runs from its timetables and denied they existed even though it was forced to run them. SP was famous for killing dining cars on the *Sunset Limited* in favor of an "automat" vending-machine car.

Some roads that otherwise had a sterling reputation for passenger service could be nasty about killing trains, resorting to legal but decidedly customer-unfriendly tactics. One was "a train to nowhere," wherein railroads would get approval for a train-off from one state but not an adjacent state. The maneuver: end the service at the town nearest the state line. Southern Railway, which ran a handful of trains with class, offers a good example with its Augusta, Ga.–Charlotte, N.C., train. North Carolina and Georgia gave permission to drop it, but South Carolina, home to 95 percent of the route, did not. So Southern cut the train back to a Warrenville–Fort Mill, S.C., stub run. Naturally, no one rode this, so South Carolina was forced to give in.

Another approach was to stop a train in the middle of its run, as soon as the ICC train-off approval was released. On January 9, 1969, Louisville & Nashville stopped Cincinnati–New Orleans train 7, the *Humming Bird*, at Birmingham, Ala., 421 miles short of its destination, and put the 14 passengers on board onto a chartered bus. Editorialized the *Louisville Courier-Journal*, "[Railroads] seem to prefer making their customers angry." At least the *Bird* "landed" in a big city on its last flight. Eight months

Tom Nelligan

Don Heimburger collection

DREAM TRAINS **Railroads spent lavishly on streamliners in the mid- and late 1940s, hoping that World War II passenger traffic levels—and profits—might carry over to the postwar era. This artwork promoted the Rock Island-SP *Golden Rocket*—a train that, tellingly, never ran.**

later, Burlington Route reaped a load of bad publicity when on August 14 it halted its 896-mile Omaha–Billings, Mont., coach-only train 41 at tiny Hemingford, Nebr., in the middle of its run. After a few hours' wait, passengers were bused on to their destinations, but unfortunately for CB&Q, Rep. Glenn Cunningham, a member of the House Commerce Committee, was among the few riders on board, and the Burlington took a political beating. One result: the ICC required railroads to give the public 48 hours notice of discontinuance.

Using the Interstate Commerce Commission's numbers for "solely related" costs—covering only expenses that were clearly passenger-train-related—intercity passenger trains actually made a "profit" until after World War II. In wartime 1944, in fact, railroads made a little over $1 billion using this method, a truly huge sum in those days. Using "solely related and apportioned"

The passenger train's plight

Passenger-miles by mode, in billions, for selected years, 1923–1970

Year	Inter-city rail	Com-muter rail	All rail	Auto	Bus	Air
1923	31.6	6.4	38.0	n.a.	n.a.	n.a.
1929	24.2	6.9	31.1	198	n.a.	n.a.
1936	19.8	4.0	23.8	249	n.a.	n.a.
1941	25.3	4.1	29.4	324	13.5	1.7
1944	90.2	5.3	95.5	181	27.3	2.9
1955	23.7	4.8	28.5	637	21.9	21.3
1967	10.9	4.3	15.2	890	24.9	80.2
1970	6.2	4.6	10.8	1,026	25.3	109.5

Passenger profits (or losses) on U.S. railroads, in millions of dollars

Year	Solely related costs	Solely related and apportioned costs
1923	n.a.	266
1929	n.a.	128
1936	51	(233)
1941	74	(226)
1944	1,036	234
1955	(85)	(637)
1967	(138)	(460)
1970	n.a.	(450)

Wayne Leeman

MAIL MONEY **As passengers deserted the trains, mail became an increasingly important revenue source—until the Post Office Department pulled most mail off the trains in 1967. Nine years before that, workers load MoPac Railway Post Office cars at St. Louis Union Station.**

costs—the ICC's estimate of what a passenger train should pay for costs common to passenger and freight services—the picture was considerably worse. Yes, there were still profits in World War II, but they were smaller. In 1944, for example, the profit using this method was $234 million, and hefty losses smeared every non-war year from 1933 to 1970, the last before Amtrak.

The debate heated up with the famous "Hosmer Report" of 1958. ICC Examiner Howard Hosmer basically concluded that the ICC passenger abandonment procedure no longer made sense. It was irrelevant, he said, to allocate passenger costs, because passenger service had long ceased to cover its variable costs. Air and road competition were the root cause of the decline of the passenger train, Hosmer said, and the passenger deficit could never be reduced by increasing fares or cutting costs. The bottom line seemed to be that saving the passenger train was a hopeless task. Passenger trains would be gone by 1970, Hosmer forecast.

"For more than a century, the railroad passenger coach has occupied an interesting and useful place in American life," Hosmer wrote. "But at the present time the inescapable fact—and certainly to many people an unpleasant one—seems to be that in a decade this time-honored vehicle may take its place in the transportation museum along with the stagecoach, the sidewheeler, and the steam locomotive."

The next year, TRAINS magazine published one of its most-remembered issues, with the cover blurb "Who Shot the Passenger Train?" Editor David P. Morgan's analysis in that April 1959 edition was one of the most thorough independent examinations of the problem, and quite accurate and prescient. "The passenger train is not dying of old age," he wrote. "It was shot in the back."

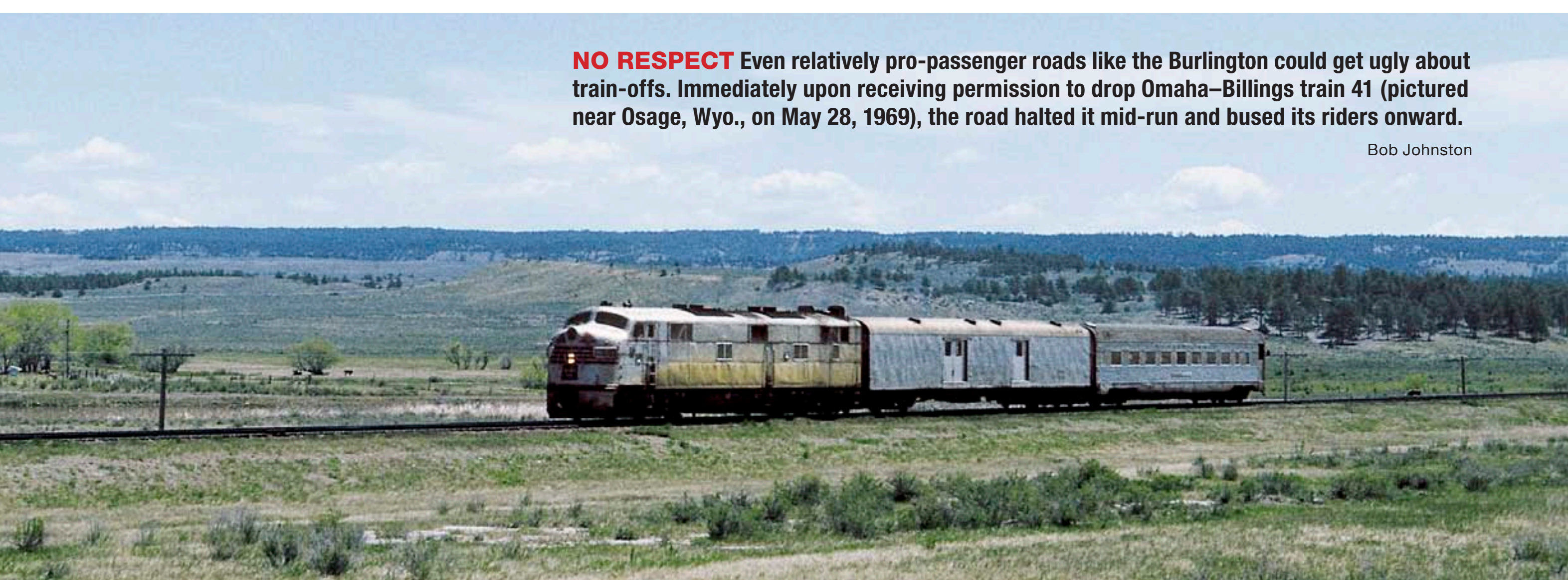
"Ironically, most of the people who want the trains are strangling them," he continued. "Not deliberately, not in collusion. Nevertheless, that is what they are doing."

Morgan concluded: "Man has yet to invent an overland passenger mode of transport with the train's unique combination of speed, safety, comfort, dependability, and economy. Yet the passenger train is a museum candidate today. Its native profitability had been frustrated by archaic regulation, obsolete labor contracts, unequal taxation, and publicly sponsored competition. Moreover, an essentially wholesale or industrial breed of management has been unable to afford the passenger train the retail-minded direction which it requires. Consequently, the passenger train is not merely passing from the American scene; it is threatening in some areas to take railroad solvency with it. A crisis now exists. Nothing less than bold, realistic, statesmanlike action can preserve the institution."

JFK, LBJ, and PRR+NYC

In 1962, as the debate simmered, Pell began his campaign with a conversation with President Kennedy. As a native of Massachusetts, Kennedy was intrigued by Pell's ideas and in May 1963 established a White House task force to recommend a coordinated program of road, rail, and air service between Boston, New York, and Washington. The study was completed just days before Kennedy's assassination in November.

The idea might have ended there but for another quirk of political history. The study was just another of numerous documents that seem destined to sit on the shelf and gather dust, but Pell was a politically savvy man as well as a



NO RESPECT **Even relatively pro-passenger roads like the Burlington could get ugly about train-offs. Immediately upon receiving permission to drop Omaha–Billings train 41 (pictured near Osage, Wyo., on May 28, 1969), the road halted it mid-run and bused its riders onward.**

Bob Johnston

Ken Kraemer

SNOW JOB **A Penn Central Buffalo–Harrisburg freight heads south at Holland, N.Y., in February 1970. This winter was hard on the already-shaky giant, but PC's huge passenger losses were a year-round burden.**

dreamer. He knew that the new president, Johnson, had a solid political base in the South and West but was weak in the East. If "LBJ" was to compete in the election of 1964, he would need to do something to energize voters in the East and New England. Johnson not only bought the idea but also became quite serious about setting up a mechanism to be certain it happened.

In June 1964, about five months before the election, Johnson revived the Kennedy study. Johnson ordered more detailed studies, and in August, he formed the Northeast Corridor Project. After the new Congress convened in early 1965, the re-elected LBJ proposed legislation to authorize $20 million the first year and $35 million each year thereafter for the project. As with almost everything the skillful politician Johnson asked for in those days, Congress passed the bill. Johnson signed the legislation on September 30, 1965.

Something else was brewing in 1965, however. The Pennsylvania and the New York Central were seeking a merger. Few outside a handful of top railroad officials knew how dire the financial condition of the two giants had become, especially PRR. Inside, Pennsy Chairman Stuart Saunders understood clearly that the two roads were in serious condition and that things were getting worse. NYC Chairman Alfred E. Perlman was leery of joining with PRR, but he saw no alternative, especially with other mergers sweeping the industry.

Johnson had no idea that the two railroads were in such straits, but he apparently did see that Saunders was anxious for the merger. The $35 million a year authorized for the Corridor project was a small amount compared to the need, so the new fast-train projects were funded mostly by the Pennsy and the equally frail New Haven Railroad (which sought inclusion in the merged PRR-NYC). It was a cheap price to pay, the railroads thought, with the wolf at the door. The carriers needed Johnson's good will.

Saunders, in his zeal to save the railroad, agreed to almost anything Johnson wanted. He did not protest the ICC order to include the New Haven in the merger. He OK'd union demands to give all employees no-layoff jobs until they retired and also to rehire 5,000 laid-off workers. Such panicky agreements doomed the merger even before it was approved.

Meanwhile, the transportation functions of the federal government were rapidly changing. The Department of Transportation was formed on April 1, 1967. Until then, transportation matters were handled by the Commerce Department. Within the Transportation Department was the Office of High-Speed Ground Transportation in the Federal Railroad Administration. This office was set up to plan, analyze, and test possible high-speed solutions in the Boston–Washington corridor.

It was the job of the railroads, however, to plan and order the equipment. For operations south of New York, the Pennsylvania bought a fleet of multiple-unit electric cars—the *Metroliners*. The New Haven bought two United Aircraft Turbotrains.

Saunders was more than ready to use the *Metroliners* as his sacrificial offering to gain his merger. Within two weeks of Johnson's signing of the Northeast Corridor legislation, PRR sent government-approved specifications for the new cars to the builders. Saunders announced that the Corridor would be upgraded to 125-mph speeds and he confidently predicted 150-mph speeds within five years. Those trains would operate at a profit, he asserted.

Metroliner success story

Pennsy ordered 50 cars from Budd, with a further 11 added later; Westinghouse and GE supplied the electrical equipment. Even before the first delivery, there was trouble. For one thing, a major change was made to the design after the initial plans. Originally the *Metroliners* were to have lightweight, inside-frame trucks. But PRR mechanical department officials grew nervous about that—they didn't think such trucks would survive the harsh rail climate at high speeds. They wanted heavy, outside-frame trucks, and the government approved the change. This added 30 tons of weight to each car, which in turn necessitated more powerful traction motors. In the rush to get the cars in service, the effects of all the changes were not thoroughly tested.

Steve Ditmeyer, whose railroad career spans decades, joined the project in June 1968. Working in the rail systems group of the Office of High Speed Ground Transportation, he oversaw the contractors who were developing preliminary engineering and cost estimates. Ditmeyer said he and other engineers realized early on that there were major flaws in the program, but it was too late to do much about them. He and others worked to mitigate the problems, but they were not totally successful.

A major issue was ride quality. Ditmeyer said NASA engineers measured the vibrations. In non-engineering terms, they were enough to give most people a headache. "We knew there were bad dynamics," Ditmeyer said. "The cars were exhausting to ride." It turned out the vibration came from the heavy trucks, from transformers, and from carbody bending. The *Metroliners*

It was vital to remove the passenger burden before railroading began to go bankrupt.

T. H. Desnoyers; Krambles-Peterson Archive

also often swayed and bounced like a cork, sometimes throwing people against seats as they walked through.

Despite all this, the *Metroliners* were a howling success. The first revenue runs took place on January 16, 1969, to rave reviews by riders and the press. The flaws were simply ignored. Besides, from the railroads' perspective, the program had accomplished its purpose. After a long battle before the ICC and in the courts, the Penn Central merger was consummated on February 1, 1968. Just as importantly for the Amtrak story, the *Metroliners* were a successful example of federal support for passenger rail service.

Throughout this period, railroading was in a nosedive. Lou Thompson, then an FRA official who later supervised a government project to upgrade the Northeast Corridor beginning in 1978, noted that freight railroads had no interest in passengers and that by 1970, passenger deficits were draining $470 million a year from the carriers. "The challenge was, thus, to rescue freight railroads from passenger deficits, and to rescue passenger service from freight management," Thompson said in a 2003 speech at Toulouse University. The passenger-train nosedive became a free fall in 1967 when the Post Office Department removed almost all mail carriage from passenger trains, a major source of revenue.

PRECEDENT The Northeast Corridor Project of the 1960s set the stage for further federal support of passenger trains. Though flawed, the New York–Washington *Metroliners* (above, at Seabrook, Md., in January '71) were a big hit; Turbotrains (right, at Pine Orchard, Conn.) worked New York–Boston.

It was vital that a way be found to remove the burden of the passenger train before railroading began to go bankrupt. But events overtook the effort.

Penn Central falls apart

Merger proved not to be the salvation of the PRR and NYC, and Penn Central was deteriorating fast. Saunders did everything he could to hide the true seriousness of the situation. He cut back sharply on maintenance. Badly needed investments were halted. Amazingly, PC also paid a dividend in 1968 that amounted to 63 percent of the company's net income, apparently as an expensive way to cover the truth. The 20,000-mile railroad's losses escalated from $250,000 a day to $500,000, and by the time 1970 dawned, losses had ballooned to $1 million a day.

Penn Central was imploding, yet no one outside the company knew it. Some mid-level government people were leery, but members of Congress and senior government officials were not even suspicious. Their power to suspend skepticism was amazing. PC's internal scams and external audits simply did not reveal in clear terms what was really happening to the largest railroad in the nation.

Tom Nelligan

As if all this wasn't bad enough, the weather turned against PC in early 1970, and the economy entered a recession. It wasn't just any old winter. Trains were abandoned by crews seeking shelter. Sometimes in the whiteout conditions, they weren't even sure where they had left their trains. In one case a whole train was hidden by snowdrifts; management trainees went out in snowshoes with long probing rods looking for it. PC was almost out of cash, and there was little hope Saunders could not keep the railroad's looming disaster secret much longer. Yet he tried.

Rush Loving, in his excellent 2006 book *The Men Who Loved Trains*, gives a fascinating and detailed description of Saunders' house of cards. Step by step, suspicions grew, but Saunders and his finance man, David Bevan, enveloped Penn Central in a fog of paper assets and funny money, shifting assets from one company to another to make the core company appear solid.

In the end, word leaked to Wall Street that Penn Central was finished. There was a run on its stock. Saunders and other top officials were fired. On Sunday morning, June 21, 1970, just 873 days after the railroad was formed, PC attorneys visited Judge C. William Craft Jr. at his home and filed bankruptcy papers.

Early departures

Class 1 railroads that exited intercity passenger service during the 1960s

MINNEAPOLS & ST. LOUIS, July 1960
MAINE CENTRAL, Sept. 1960
LEHIGH VALLEY, Feb. 1961
FLORIDA EAST COAST, Jan. 1963*
MISSOURI-KANSAS-TEXAS, June 1965
CHICAGO GREAT WESTERN, Sept. 1965
BOSTON & MAINE, Sept. 1966
CENTRAL VERMONT, Sept. 1966
SOO LINE, March 1967**
MONON, Sept. 1967
ST. LOUIS-SAN FRANCISCO, Dec. 1967
KANSAS CITY SOUTHERN, Nov. 1969
TEXAS & PACIFIC, Dec. 1969
ERIE LACKAWANNA, Jan. 1970
WESTERN PACIFIC, March 1970

*FEC strike shifted trains to Seaboard; FEC operated two state-ordered intrastate trains Aug. 2, 1965–July 31, 1968.
**Soo Line-CP *Winnipeger*, St. Paul–Winnipeg; Soo provided only crews for Milwaukee Road's *Copper Country Limited*, Champion–Calumet, Mich., until its discontinuance May 8, 1968.

Joseph H. Hunter

Some of the saviors

Despite the PC bankruptcy, the railroad's Northeast Corridor passenger operations, led by the *Metroliners*, continued to be heavily patronized—Pell's vision of megalopolis mobility was becoming reality. Federal plans to somehow save the passenger train as a means of travel—as distinct from saving the railroads *from* the passenger train—moved ahead with enthusiasm in Congress if not in the Nixon White House.

But one core fact is central to saving the passenger train: The public, en masse, wanted it. How do we know that? The first solid clue appeared in late 1969 and 1970 when masses of letters arrived on Capitol Hill demanding that Congress save the trains. Surprisingly, it was not an organized letter-writing campaign—congressional offices can always see through those. The pro-passenger-train letters that showered Congress were clearly individual efforts, and turned out to be the largest spontaneous congressional mailing in history, to that date. Congress was moved, and Congress listened.

Ditmeyer said almost every letter boiled down to "save my train." He remembered one particularly honest one: "I feel about my passenger train the way I feel about my church. I don't use either of them, but heaven help anyone who tries to take them away from me."

A lot of dedicated people stepped onto the passenger-train stage in the late 1960s. In addition to Ditmeyer and Lou Thompson, another railfan named Jim McClellan entered the scene. McClellan had worked for New York Central until Penn Central management dumped many forward-thinking ex-NYC marketing officers after the merger. By 1968, he was at the new Federal Railroad Administration and in a position to strongly influence the future of the passenger train.

McClellan, now writing a series of books on his history with the railroads, described a period when some of the best and the brightest people came to government to work on the railroad crisis, including John A. Volpe, former Massachusetts governor and then U.S. Transportation Secretary. Bill Loftus, an officer with a union representing locomotive firemen, came to the FRA to help save railroading and stayed on for years to help restructure the industry.

Several people near the top of the Transportation Department spent a lot of time on railroad issues. "Paul Cherrington, who ran the policy office, came from Harvard," McClellan wrote. "Hardly a true believer, he did see that [passenger] trains might be useful in some markets. Cherrington's right-hand man on passenger issues, Bob Gallamore, was a closet railfan and at least sympathetic to passenger trains. At the Federal Railroad Administration, the new administrator, Reg Whitman, was not hostile to passenger trains; his prior company, the Great Northern, ran some of the finest trains in the country."

Gallamore acknowledged that he went to work at DOT as "a love-of-trains thing as opposed to economics." Top transportation officials bought the idea of Amtrak as a way to get the passenger train off the back of freight railroads and to "put it in the hands of professional marketers to see if something's not worth saving." Besides, Congress and the unions were "running amok" with ideas that would be much more expensive than an Amtrak-type solution.

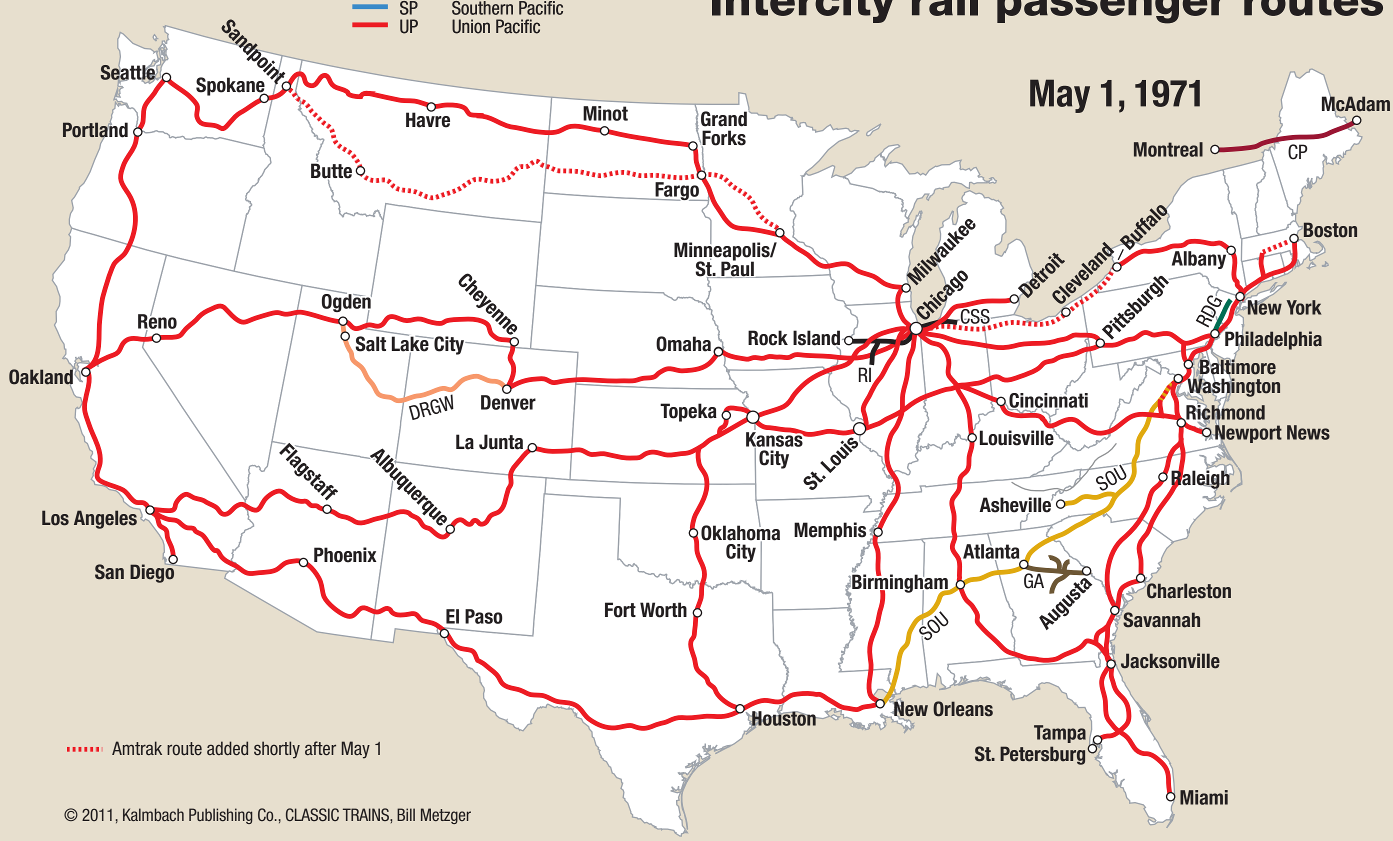
McClellan said one of the most necessary decisions in forming Amtrak—and also the greatest mistake—was to call it a for-profit corporation. "We did not put all the cards on the table," McClellan said in an interview. "We bent the truth. That's politics."

Without that claim, he said, Amtrak would never have existed. "Neither the White House nor the more conservative members of Congress were going to sign off on an entity that was set up to be a perpetual ward of the state." Passenger losses then would burden the railroads for years longer, with potentially serious results for freight. Passenger trains were mostly irrelevant by the 1960s, McClellan said, but the downfall of freight railroading would have been a disaster for the country.

Of course, the "for profit" claim has come back to haunt Amtrak throughout

One core fact is central to saving the passenger train: The public wanted it.

Before and after Amtrak
Intercity rail passenger routes



Top: Karl Zimmermann; left, R. T. Sharp; above, Illinois Central

FAREWELL, FRIENDS **Varying degrees of ceremony attended the final runs of April 30. Norfolk & Western put ex-Nickel Plate 2-8-4 No. 759 on the *Pocahontas* (top, climbing Blue Ridge). UP hung an "Adios" tailsign on the *City of Los Angeles* (eastbound at Summit, Calif.). Someone at New Orleans chalked "LAST RUN" on the *Panama Limited*'s Illinois Central E8.**

Railroads eligible to join Amtrak

(Subsidiaries listed under parents)

Atchison, Topeka & Santa Fe
Baltimore & Ohio
Burlington Northern
Chesapeake & Ohio
Chicago & North Western^
Chicago, Milwaukee, St. Paul & Pacific
Chicago, Rock Island & Pacific*
Chicago South Shore & South Bend*
Delaware & Hudson^
Denver & Rio Grande Western*
Georgia Railroad*
Grand Trunk Western^
Gulf, Mobile & Ohio
Illinois Central
Louisville & Nashville
Missouri Pacific
Norfolk & Western^
Penn Central
Reading*
Richmond, Fredericksburg & Potomac
Seaboard Coast Line
Southern*
  Central of Georgia^
Southern Pacific
  Northwestern Pacific^
Union Pacific

***=Railroads that did not join Amtrak [see page 64]**
^=Railroads that joined but operated no Amtrak trains beginning May 1, 1971

its 40-year history. To this day, conservatives call Amtrak a failure because it's not making a profit. McClellan said he thinks many of these politicians have no concept of the true reality of passenger trains in 1970 and how they were saved. However, he said, "I did not think the losses would be where they are."

In any case, Amtrak was conceived in sin—political sin, anyway—and has paid for it since.

Intrigue and throat-cutting

The final battle to pass Amtrak legislation was filled with intrigue and political throat-cutting. What was supposedly the White House plan to save the passenger train went to Congress on January 18, 1970. The plan contained a $40 million grant to allow a new semi-public entity, the National Railroad Passenger Corp. (NRPC, or "Railpax"), to be established to take over intercity passenger service.

To the great surprise of Volpe and the department, White House Press Secretary Ron Ziegler announced the next day that Railpax was the "least likely" plan to be approved by the administration. Volpe disputed Ziegler, and a rare public debate raged for a while. Then there was silence. The Senate Commerce Committee decided to call the White House's bluff. It approved a much larger $435 million subsidy bill on March 12. Still, the White House stonewalled Congress, and the Railpax bill remained closeted within the Nixon administration.

The Senate delayed action for a while, then decided to move ahead with the committee bill. Or did it really decide that? A funny thing happened on the night of April 30, 1970. Ditmeyer says that the Railpax bill, which had never been formally submitted to Congress, mysteriously made its way there from the Transportation Department. The delivery was totally unofficial, never officially approved by the White House, and if anyone knows who delivered it, they're not talking to this day.

The next day, May 1, 1970, Sens. Vance Hartke (Dem.-Indiana) and Winston Prouty (Rep.-Vermont), introduced the Railpax bill as a substitute for the committee bill. There was almost no debate, and their bill quickly passed, 78 to 3. Under the pressure of the PC bankruptcy, and the dire condition of several other Northeast railroads, the House passed a similar bill on October 14, and the Senate quickly approved a few House amendments. Nixon was under great pressure from some of his staff to veto it, but his fear of having to nationalize some or all of the freight railroads led him to sign it on October 30.

More on our website
See more photos of pre-Amtrak last runs on PC, Santa Fe, D&H, MoPac, UP, and other roads at www.ClassicTrainsMag.com

Amtrak

Ken Douglas; J. David Ingles collection

DAY ONE Despite court challenges and a name change (from "Railpax") just 12 days earlier, Amtrak began as scheduled on May 1, 1971. That day, Passenger Service Rep (and ex-SCL hostess) Patty Saunders posed with the first system timetable, while PC E8 4316 and coach 1589 wore unique liveries for display in New York; 4316 is seen with train 362 on August 7.

Among its provisions, the law set a target of May 1, 1971, for NRPC to begin operations, and imposed a moratorium on train-offs before that date. The rail passenger network would remain frozen for six months.

But the battle wasn't over. Under the law, the Transportation Department had to designate new passenger-train routes. The White House ordered Volpe to select the Northeast Corridor and a handful of long-distance routes, which angered Congress. Volpe was forced to add several routes, and apparently was happy to do so. On January 28, 1971, Volpe announced the final routes, adding five that were not in his original plan. No specific stops or exact routes were announced until later—Volpe didn't want to reveal Railpax's plans before the railroads signed up.

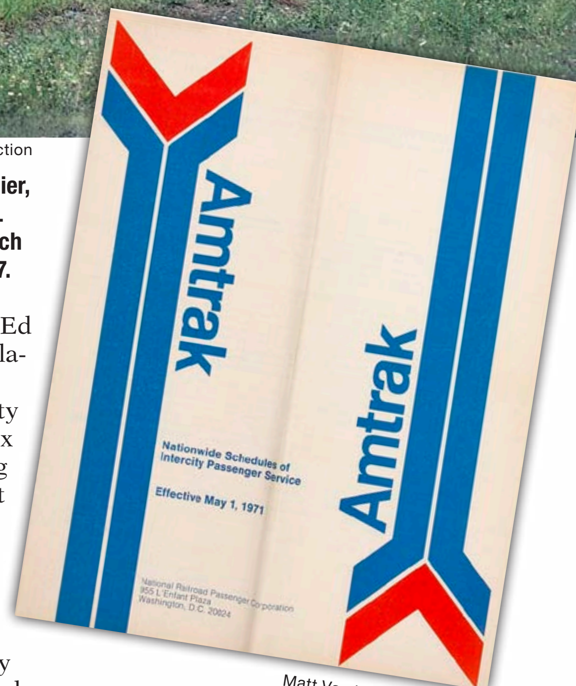
Shortly after Nixon signed the legislation, he named a board of incorporators to establish exact routes and make other basic decisions including negotiating operating contracts with the railroads before the NRPC takeover. With the aid of consultants and staff detailed from the DOT and FRA, they examined such issues as on-line population, ridership information, losses from current trains, and track condition. The detailed staff included McClellan and Ed Edel, who went on to head public relations at Amtrak for many years.

Amtrak was conceived in political sin, and has paid for it ever since.

Railroads still operating intercity passenger trains could join Railpax with cash or rolling stock according to one of three formulas: 50 percent of the road's passenger deficit for 1969; 100 percent of the avoidable loss for passenger operations in 1969; or 200 percent of the avoidable losses of service operated in 1969 between points to be served by the basic NRPC system. Member roads would get Railpax common stock. The contract that was eventually worked out called for NRPC to pay the roads for the actual cost of furnishing service plus reasonable terminal costs plus 5 percent.

Most important, Railpax achieved something the railroads never could—total freedom from regulation. NRPC could add or drop service and change fares at will, with one exception: it had to maintain service on all the "basic routes" until July 1, 1973. Volpe announced those exact basic routes and stops on March 22, 1971.

Much activity took place in the final month. On April 1, discontinuance notices were posted for the trains not included in Railpax. Of about 259 intercity train pairs then running in the U.S., 110 would be cut. On April 16, final contracts were signed between the government and 20 of the 26 railroads eligible to join [see box on facing page]. On the 19th, the NRPC's marketing name was shifted from Railpax to Amtrak, for "*Am*erican, *tr*avel, and tr*ack*." On April 22, word leaked that Roger Lewis would be Amtrak's first president. A former chief executive of defense contractor General Dynamics, Lewis had no experience in the rail travel field, a reflection of the Nixon administration's ambivalence toward Amtrak.



Matt Van Hattem collection

On April 28, a flurry of last-minute efforts to delay or kill Amtrak broke out in Congress, led by Senate Democratic Leader Mike Mansfield of Montana and Democratic Sen. Warren Magnuson of Washington. The next day, April 29, the Senate Commerce Committee rejected the Mansfield-Magnuson proposal. Magnuson refused to give up, holding the Senate in session into the night of April 30 in an unsuccessful effort to ram through his legislation.

Numerous lawsuits were filed in the last two weeks of April by labor groups, the National Association of Railroad Passengers, and others. After efforts by dissatisfied members of Congress to delay the startup of Amtrak were pushed aside, and after a favorable last-minute court ruling on April 30, Amtrak began operations at 12:01 a.m. on May 1, 1971.