

# Disbanding the tribe

The men who had made Santa Fe's passenger trains among the best in the nation took care to protect the legacy of the famous fleet of *Chiefs*

By John W. Barriger IV



Fred G. Gurley



Ernest S. Marsh



John S. Reed

Three photos, Santa Fe

**B**y the 1950s, the Santa Fe Railway was among the leaders—many would say *the leader*—of North American rail passenger service. The premier members of the fleet were three Chicago–Los Angeles trains—the all-bedroom, extra-fare *Super Chief*; the all-coach, extra-fare *El Capitan*; and the *Chief*—plus the *San Francisco Chief* and the *Texas Chief*. These were backed up by a host of limiteds and locals on main and branch lines that required a 38-page entry in the 1954 *Official Guide*. The top trans-continental trains were equipped with immaculately maintained stainless-steel cars pulled by diesels dressed in the famous Warbonnet livery. Most of this equipment had been acquired during the 1944–57 presidency of Fred G. Gurley, who was deeply committed to continuing his road's long tradition of

sterling passenger service. Under his leadership, the road acquired more than 600 cars, including 48 revolutionary double-deck “Hi-Level” coaches, diners, and lounges developed with the Budd Co. for the *El Capitan*.

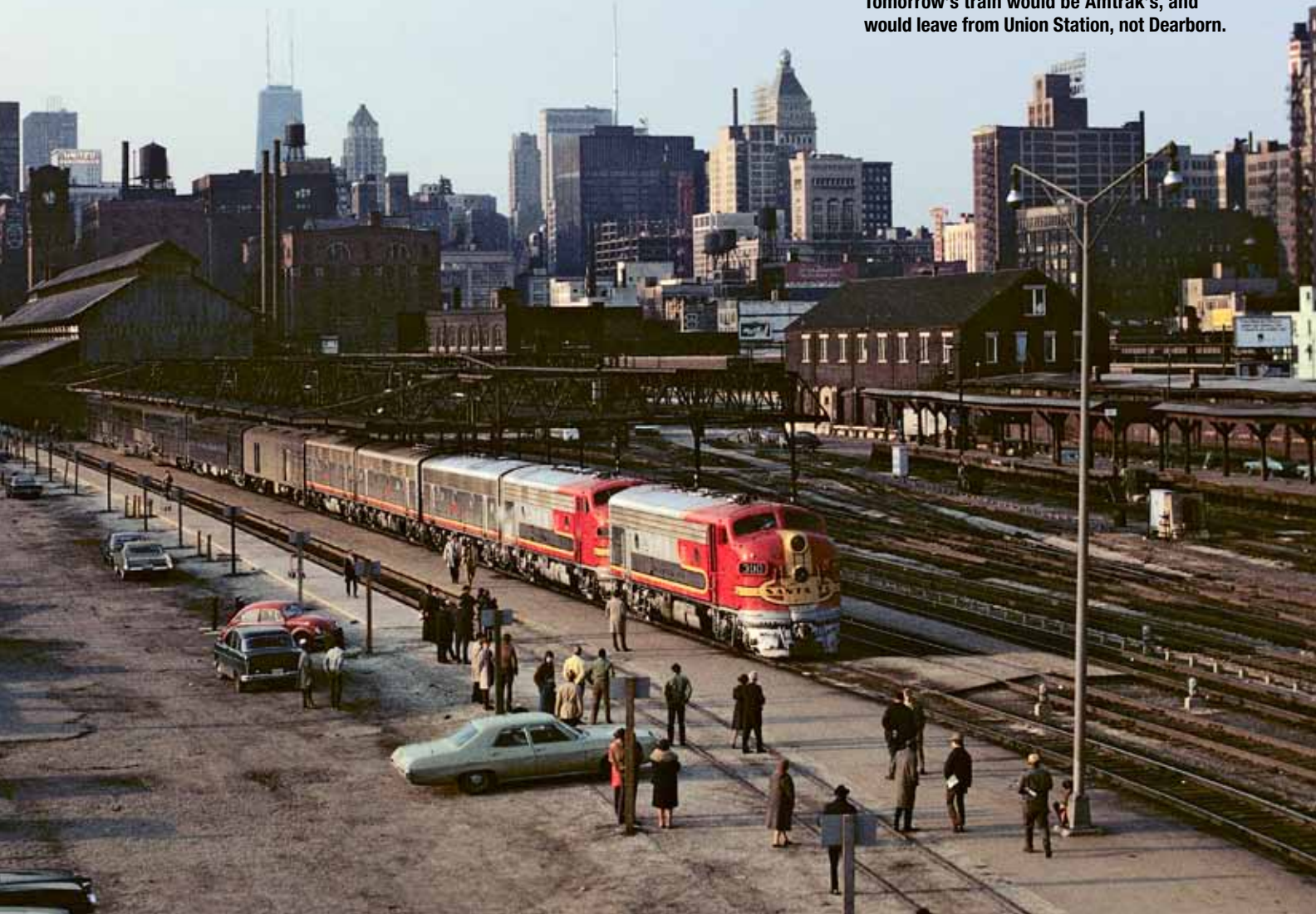
In the mid-1960s, when many railroads were doing all they could to exit the passenger business, Gurley's successor Ernest S. Marsh kept the faith. Though Marsh discontinued many marginal or money-losing runs, he upheld the quality of the top trains. The



Santa Fe received 24 more Hi-Level coaches from Budd in 1964 and 10 FP45 diesels from Electro-Motive in '67; they would be the road's last new passenger equipment acquisitions.

John S. Reed, another staunchly pro-passenger Santa Fe man, assumed the presidency in 1966—just before the bottom fell out. Revenues for the first 8 months of 1967 plummeted by 17.3 percent; that fall, the Post Office pulled nearly all mail off the nation's passenger trains. For the Santa Fe, this meant a loss of \$35 million in annual income, a sum Reed termed “the backbone of our passenger trains.” He announced that the road would seek to discontinue all service except for the *Super Chief* and *El Capitan* (which ran as a combined train except for during busy travel periods), the *San Francisco Chief*, the *Texas Chief*, and a handful of L.A.–San Diego trains. The Santa Fe was reluctantly coming to the conclusion that the

**Mourners gather around the last Santa Fe Super Chief/El Capitan to depart Chicago. Tomorrow's train would be Amtrak's, and would leave from Union Station, not Dearborn.**



Harold A. Edmonson

day of long-distance business travel by train, as well as most recreational train travel, was coming to an end.

**D**uring the winter of 1970–71, Ernest Marsh, who was then Chairman, and President John Reed directed me as head of Staff Studies & Planning to make a thorough study of Santa Fe's passenger operations to determine whether or not we should join Amtrak. I presented our conclusions at the April board meeting in our Chicago headquarters. I estimated that by 1972 our annual passenger losses would reach \$70 million—which was about our total annual income in those days. By contrast, I calculated the cost for us to join Amtrak would be more than \$30 million—a substantial sum, to be sure, but a one-time payment that would relieve us of hundreds of millions in future deficits. My recommendation was for Santa Fe to join Amtrak.

Present at that meeting was Fred Gurley, whose improvements to the Santa Fe during the 1940s and '50s were legendary. In addition to his support of passenger service, he was responsible for dieselization, much double-tracking, curve and grade reductions, heavier rail, longer sidings, and centralized traffic control. By then Gurley was retired, but retained a position as an honorary director. In this capacity, he attended meetings, asked questions, and gave opinions, but could not vote.

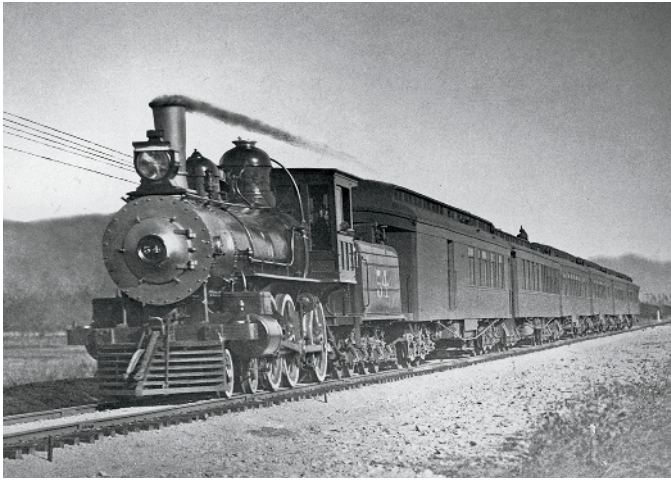
At that meeting, Gurley asked the most in-depth questions and really led the discussion until it came time to vote. The board voted in favor of Santa Fe becoming a member of Amtrak. Afterwards, Gurley asked me if I would come to his apartment for lunch sometime to discuss my recommendations further.

Ten days later I was at Gurley's apartment in a Mies van der Rohe–designed building overlooking Lake Michigan.

He questioned me for more than two hours, and I thoroughly enjoyed telling him in detail about our investigations. He was particularly interested in the disposition of the Santa Fe's passenger cars because of his personal involvement in their design and purchase.

I told Gurley that we would be selling the equipment in the next few months. My preliminary discussions indicated that Amtrak had a strong desire to purchase the 72 Hi-Level cars and our 14 full-length dome cars. However, the new corporation was not interested in our old heavyweight cars, or in our lightweights that were equipped with steam-activated air conditioning.

Most of the Santa Fe's low-level cars used steam-activated a/c. This system, which employed a complex, steam-ejector-induced vacuum, was well suited for trains that cycled between needing cooling and needing heat two or three times during a single trip—as ours



Three images, Santa Fe

**Santa Fe's rich passenger heritage included the all-Pullman *California Limited*, launched in 1892 (above left); the *Super Chief's* Turquoise Room private dining area (above); and the innovative 1956 Hi-Level cars, which inspired Amtrak's Superliners 20 years later.**

our passenger cars, which numbered more than 500 at the time.

The first meeting was brief and not productive. Amtrak's representative, a consultant from the engineering firm Louis T. Klauder Associates of Philadelphia, offered \$1.5 million for the Hi-Level fleet and the full-length dome-lounges—86 cars in all. He confirmed that Amtrak did not want any heavy-weight cars or any lightweight cars with steam-activated air-conditioning systems. There was no real negotiation.

Meanwhile, the cars were not sitting idle. Amtrak was using them every day, and not just on our lines. This arrangement could not continue indefinitely—Amtrak needed to acquire the cars and take responsibility for them.

Marsh and Reed were furious with the unreasonably low offer, so they directed me to undertake a worldwide investigation of standard-gauge passenger railroads to learn if any would be interested in purchasing our equipment. Before the end of the business day, I'd called or wired several overseas carriers that might have an interest. Also, I called Gene Garfield of the new Auto-Train Corp., who had already contacted us about buying cars for his planned passenger-and-auto service between northern Virginia and Florida. Garfield flew to Chicago the next day and over lunch at the Union League Club made an offer of \$120,000 each for 10 full domes, plus steam-generator cars and other equipment totaling \$1.4 million.

According to Santa Fe's agreement to join Amtrak, we could negotiate contracts to sell our cars to others, but Amtrak had a right for a limited number of

often did on their Chicago-California runs. The apparatus required a high degree of maintenance, which was routinely provided as long as the cars stayed on Santa Fe rails. But, when cars strayed off-line, failures occurred because other mechanical departments did not have the required knowledge or parts. Amtrak wanted to avoid nonstandard or high-maintenance equipment.

We went on to other subjects until it was time for me to leave. As I was saying "good-bye," Gurley commented that he had wondered about the decision to use steam-ejector air conditioning. "That decision was mine," he said, "and you have confirmed what I have long suspected, that it was a bad decision."

Amtrak did buy all of the steam-ejector-equipped cars, had a great deal of trouble with them (except when on the

Santa Fe), and eventually re-equipped most with standard mechanical a/c packages. But in spite of that "bad decision," I believe Fred Gurley was a giant among his peers during his active years and is one of the half dozen most effective leaders of any railroad.

**A**mtrak had already purchased cars from nine other passenger-carrying railroads by the time it contacted the Santa Fe in early summer 1971. We were last because we had the most cars and we had the best cars and both Amtrak and Santa Fe knew it. Chairman Marsh and President Reed directed company attorney Richard Knowlton and me to handle the negotiations. Marsh commented that we should hold out for \$33 million, which was the ICC depreciated book value of



Robert P. Schmidt

days to purchase the cars at the negotiated price. Amtrak did not act, so the cars went to Auto-Train, which began operations in late 1971. More importantly for us, this sale established a market value for Santa Fe passenger cars.

Nothing further happened for a month. Then, at the beginning of August, just as I was leaving with my wife and children for a two-week vacation at a rented cottage on Cape Cod, Amtrak's consultant called. He said it was very important for me to be in Washington the next day to receive an offer and to negotiate final details. Amtrak's brass had instructed him to get the purchase of equipment done.

I flew to Washington while my family drove from Chicago to Cape Cod. At the meeting early the next morning, the consultant offered \$3 million for the 72 Hi-Levels. I was furious. I left in a huff, but not before telling him, "You have dragged me here away from my family and made an offer that is so ridiculously low that I am not even going to report it to my bosses." Of course, I did report the offer immediately.

On the last day of my vacation, Amtrak's consultant called me at Cape Cod to ask what I thought it would take to settle the purchase of the Santa Fe cars. I said I really didn't know, but after witnessing Marsh and Reed's reactions to his initial offer of \$1.5 million I did not think there was any purpose in my taking back an offer for less than \$10 million. The consultant said he would see if

he could make such an offer and would call me on my return to Chicago.

Reed and Marsh did agree to the \$10 million price, but they wanted a number of conditions to be included in the final contract. Reed insisted that Amtrak clear our property of everything having to do with Santa Fe's passenger operations. *All* passenger cars were to be included in the sale, except for about 25 retained by us for business-train and other uses. Amtrak had to take possession of the heavyweight fleet (most of which was in storage), all wrecked cars (useful for spare parts), spare wheels and trucks, commissary items, and more. Santa Fe kept as mementos one of the medallions from the Turquoise Room of a *Super Chief* dome car and a few other items. Finally, Reed agreed to let Amtrak use the names *Super Chief*, *Texas Chief*, and *El Capitan*—as long as the trains were operated according to standards that satisfied the Santa Fe.

**S**anta Fe's annual report for 1971 records that the railroad paid \$21 million to join Amtrak (one half of the previous two years' losses) and that the passenger equipment was sold for \$12.3 million, resulting in a write-off of \$30.7 million. Amtrak never used the heavyweight cars it got from us, but it did take onto its books 441 of our lightweight coaches, sleepers, lounges, diners, and baggage cars. This amounted to more than one-third of Amtrak's initial fleet of 1,190 cars.

**With Hi-Level coaches, diner, and lounge ahead of the low-level sleepers, Amtrak's *Super/El Cap* descends Cajon Pass behind an ATSF F45 and two SDP40F's in December '73.**

Amtrak continued to operate the *Super Chief*, *El Capitan*, *Texas Chief*, and *San Diegans*. At first, standards stayed high: The trains for the most part kept their well-maintained Santa Fe cars, and the operating and on-board-service crews were still Santa Fe employees. Amtrak continued the practice of running the *Super Chief* and *El Capitan* as one train with two diners: a deluxe low-level diner and Turquoise Room dome car for sleeping-car passengers and a Hi-Level diner for the coach passengers. Reed accepted this arrangement. However, when Amtrak eliminated the *Super Chief* diner and provided only the coach diner for both sleeper and coach passengers, Reed withdrew the right for Amtrak to use the *Super Chief* name.

For the railroad's bookkeepers and Wall Street investors, Santa Fe passenger service ended on May 1, 1971. For most of us in the company, though, Santa Fe's proud tradition of premier passenger service ended three years later when the *Super Chief* name rolled into history. ■

● **More on our website**

Read two messages from Santa Fe presidents: Fred Gurley on the Hi-Levels (1956) and John Reed on the impact of the loss of mail contracts (1967) at [www.ClassicTrainsMag.com](http://www.ClassicTrainsMag.com)