

“What they want is our industrial organization, our transportation and communication networks, and our banking system—in working order. Their job is made much easier if the complete control of the country is centered in Washington. All they have to do is take over Washington. This is how they took Czechoslovakia and acquired a superb industrial complex in going condition.

“The Communist assault on the United States would be made much more difficult if sovereignty were vested in fifty distinct political organizations. If we really admitted that we’re at war, if we really wanted to take steps to protect ourselves, we would not allow the power of this country to pile up in Washington where the stakes are winner-take-all.

“The constitutional integrity of the states is our best defense. That is why the Communists, at home and abroad, have made it an important objective to destroy our States’ rights. One of the duties of conservatism is to restore States’ rights. And the best way to begin is to drain off this reservoir of unlimited money power that has collected in the federal bureaucracy as a result of the Sixteenth Amendment...

“Conservatism must begin the restoration of the American Republic by knocking the Sixteenth Amendment right out of the Constitution. Faint hearts will say it’s impossible, but faint hearts thought the American Revolution was impossible too...

“This is the first step toward saving the American Republic, and it is the proud honor of conservatives and the high duty of American patriots to take this step and make it stick.”

## **Alfred E. Perlman: Railroading’s Future**

*Alfred E. Perlman was president of the New York Central System when he addressed The Economic Club of Chicago on May 15, 1962 on “new frontiers” in railroading.*

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“The second industrial revolution is already underway, with social, economic and scientific implications that will make the first industrial revolution seem insignificant. The tools of this new revolution are the automated machine and the computer. The science governing their use has been labeled cybernation... Today we have an entirely new and breathtaking concept of automation. It goes far beyond the mere replacement of manual labor by machines. It envisions not only the replacement of manual labor by the machine but also startling phases of decision making. Thus, manufacturing processes, for the first time, are beginning to respond to this new automation, although for years we have had mechanization in the production industries.

“Let me describe briefly what we have already done toward cybernation in the railroad industry and what we hope to do in the future. Like many other industries, we are using data processing machines to replace routine, repetitive clerical work. In addition, we have automatic machine tools, which perform their work faster and more efficiently without human intervention. We have maintenance of way equipment, which performs many laborious, complicated and delicate operations automatically. We are, in short, like most of industry, automating simple control functions that require only low-level human judgment.

“Our electronic classification yards are one of the best examples of advanced cybernation at work in the railroad industry. For example, when a freight

train leaves Toledo, its consist is electronically stored in a memory system at Elkhart, 100 miles away. When the train leaves Elkhart, it is pushed over a hump. When a freight car rolls down the hump, an analog computer goes to work to control the car's speed. The computer takes into account the car's weight, the kind of bearings, the condition of the lubricant in the journals, the direction and velocity of the wind, on which track the car must come to rest, how many curves it must go around to get there, and how far down that track it will be going before encountering another car. In the time it takes the car to move 150 feet down the incline, the computer has calculated the precise speed the car must leave the hump track in order to roll to its classification track and couple safely with the next car.

"Metal shoes, operated by electronic instructions from the computer, press against the car's wheels to retard it to the correct speed. A radar-scanning device between the rails determines when the car has been brought down to the calculated speed and then releases the retarders. All the while, the electronic memory system is opening and closing switches to route the car automatically to the proper track...

"...With cybernation, we can create crewless trains, capable of operating with greater frequency and efficiency than anything we have today. Our switching yards will be more automatic than the ones just described. We shall have entirely automated cargo transfer at loading and trans-shipment points. We shall have automatically activated weighing devices. We shall have computer-controlled locomotive dispatching and freight car distribution, which will insure that the right cars are at the right place at precisely the right time...

"The social implications of advanced automation must also be considered in our forward planning. We are, in a sense, asking ourselves if we will allow inanimate mechanics to significantly affect social organizations of all types, and to take part in the decision-making activities and management of our government and business enterprises. But

regardless of these very serious problems, constant change is the order of the universe. And our quest for scientific achievement must continue. The benefits to be derived are many fold...

"We also visualize the integration of railroads with other modes of transportation. We are developing and have already adopted new types of containers...which are usable in trucks, ships and planes. Since they permit standardized handling and remain unopened during transit, they are an important step toward our goal of automated transportation.

"Unfortunately, present laws and regulations forbid us from fully capitalizing on the benefits of integration and diversification. Today we are the only country in the world that does not permit integrated transportation. We are not permitted to operate airlines or water carriers, for example. Nor can we operate our own trucks beyond certain key points...

"All of us, in our thinking, must break through the same barriers already penetrated by science and technology. It is paradoxical that, in an age when a man can orbit the earth in a fully automated vehicle, we must still have two men in a diesel locomotive fully guided by tracks and electronically controlled. We have to do this, not because the engine can't be fully automated, but because our life has been stratified by outmoded laws, regulations and labor policies... But labor, business and government must realize that the second industrial revolution will bring great and significant changes to all. No one will be immune from its effects.

"If we are to create a new age of abundance and strength, labor must be willing to acquire the new skills required by the new revolution and to accept this new technology as an aid to a higher standard of living, government must use understanding and intelligence in employing controls, regulations and aids, and management must be aware of the widespread consequences of its decisions. It must be willing to use the products of science and technology, but it must utilize them wisely, with full

understanding of their social implications and share their benefits understandingly with their employees, their owners and their customers.”

**David Rockefeller:  
The U.S. Role in Latin America**

*David Rockefeller was president of Chase Manhattan Bank when he addressed The Economic Club of Chicago on April 23, 1963 on the Alliance for Progress, the international economic development program in Latin America.*

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“Nowhere is the miasma of misconception more prevalent than in the case of the Alliance for Progress, the primary instrument of our Latin American policy. Tonight, I should like to examine four basic misconceptions

about the Alliance and our role in it, and suggest some changes that seem essential if we are to quicken the pace of economic development.

“The first misconception is that the Alliance is just a United States giveaway program.

“The fact is that the Alliance is, essentially and profoundly, a joint enterprise between ourselves and 19 Latin American countries. Both we and they have agreed to undertake major commitments to help Latin America achieve broad social and economic goals within a framework of freedom and democracy...

“A second misconception is that the Alliance to date has been a complete failure.

“The fact is that there have been a number of encouraging signs of progress...

“Total investment came hearteningly close to the target, an achievement even the most sanguine

supporters of the Alliance scarcely dared hope for so early in the program...

“At the same time, most U.S.-financed companies have continued to expand their operations in Latin America...

“A third popular misconception about the Alliance is that the social reforms it proposes can be effected quickly.

“The fact is that land and tax reforms represent a wrenching readjustment of the very foundations of national wealth and power. As Walter Lippmann put it recently: ‘Progressive reform is, in its very nature, a long and slow process, a matter of long years with meager results to show in the beginning...’

“Still another problem that defies quick and easy solution is population control...

“Unquestionably, population growth has proved a far more formidable problem in terms of human welfare than had been anticipated. A great deal more study must be devoted to the relationships between population factors and general development problems...

“A fourth misconception about the Alliance is that government planning and government-to-government aid can do the entire development job alone.

“The fact is that if the Alliance is to succeed, it must build on the present private-enterprise base which generates some 80 percent of Latin America’s income. This point was recognized in the Charter of the Alliance, and was forcefully expressed in the recent Report on Foreign Aid by a panel of distinguished private citizens headed by General Lucius Clay. The report said: ‘It is the private sector, operating with the cooperation of a vital and democratic labor movement and enlightened management on the basis of essential government services and sensible policies, which will make the greatest contribution to rapid economic growth and over-all development...’