

to outdo each other in their strength, and their impasse can only result in the necessity for still greater power in a third quarter—in government...

“Those who claim to believe in the collective bargaining process and urge final government authority, must fail to see that such a step in reality means the end of collective bargaining and the acceptance of collective bludgeoning, with the big club in the hands of a power-controlled government...

“I believe our antitrust laws, which were enacted in our early stage of industrial development, need to be modernized and strengthened to cope with new problems created by the functioning of the competitive principles now embodied in national law... To think that we have perfected laws on our statute books to deal with the type of economy that has evolved in the last sixty years is naïve...

“It is all very well to speak smugly of the virtues of competition and to assume that all you have to do is applaud it and be in favor of it. If we believe in competition, we must give it more than lip-service, and actively seek to keep it vigorous and fight the forces that restrain it... During the coming decade, I believe we will either meet the present challenges arising from our past progress by building a new and stronger foundation for economic freedom and well being, or we will fail in this opportunity and cripple our future economic development by expanding the role of government...

“To stop the drift toward overwhelming centralized governments, we need to do three important things. First, we must make certain, by modernized law, that power outside government is dispersed and kept dispersed. Second, we must improve the character of state governments and modernize the smaller governmental units...that were set up on the basis of travel and population distribution in a frontier country. Third, we must revive the participation of the people in both political parties and in control of government...

“In the world, we need to decide just how deeply

we believe in human brotherhood, and just how much of our comfort and time we are willing to give up in its behalf to help others help themselves... I believe America is assigned the great world mission in brotherhood and that its pursuit can gain for us as a people inexpressibly more happiness than the materialism that is threatening to possess our hearts...”

Eddie Rickenbacker: Conservatism Must Face Up to Liberalism

Captain Eddie Rickenbacker was chairman of the board of Eastern Air Lines, Inc. when he addressed The Economic Club of Chicago on April 12, 1961, on States' Rights and the federal income tax.



“The battle lines have been drawn between two irreconcilable views of government. Although the modern liberals derive their name from the Latin word for freedom, their actions and goals have consistently tended to increase the power of the central government. The modern conservatives take individual liberty as their battle cry, and they know that individual liberty is imperiled when the government attains unlimited power...

“Nearly fifty years have passed since Woodrow Wilson said that ‘a concentration of governmental power is what always precedes the death of Human Liberty.’ When Wilson said that in 1912, governmental power was not concentrated in Washington. It was scattered through all the states of the union.

“In 1912 the Congress, the President, and the Courts uniformly respected the Tenth Article of our Bill of Rights, which says, ‘The powers not delegated to the United States by the Constitution, nor

prohibited by it to the states, are reserved to the States respectively, or to the people.’

“Government money means government power, and in 1912, most of the government money belonged to the states, counties, cities and towns. These local governments in 1912 spent more than two-thirds of all taxes collected in the United States, while the federal government controlled and spent less than one-third. Most of the federal revenue came from customs duties and from taxes on liquor and tobacco...

“Back in 1912, the federal government took and spent \$7 for every person in the population. In 1960, it took and spent \$450 for every man, woman, and child in the country. Thus the Federal Government takes and spends today about sixty-five times as much, per person, as it did fifty years ago.

“Of course this disastrous increase in federal taxation has seriously injured every American’s power to spend or save what he has earned. But there is a deeper and more dangerous injury. For government money is government power, and the Federal Government today has sixty-five times as much power to invade the personal liberty of every American citizen as it had in 1912. And it is using that power to an ever-greater degree.

“As a result of this growing federal power, the American citizen now finds himself in almost daily contact with the Federal Government. He is snarled in a jumble of rules and regulations, forms and questionnaires, reports and declarations, estimates and amendments, audits and examinations.

“There are 2,500 federal agencies, and they all think the American citizen has nothing better to do than fill out forms. Whether you are the boss or the hired man, huckster or housewife, farmer or fisherman, doctor, lawyer, merchant, or even a Swedish prizefighter, you find your federal paperwork coming at you from all directions every day of your life.

“And you’d better not ignore it. A small miscalculation, an error of fact, an unfortunate guess about your future earnings, an overdue payment, an incomplete report—and Uncle Sam throws the book at you.

“If you hire people, Uncle Sam forces you to calculate their withholding taxes, forces you to collect those taxes, and forces you to send those taxes to Washington on a strict timetable and with complete legal certifications. Even if your employees are willing and able to do this for themselves, you can’t let them do it.

“This is just a small part of the forced labor that the Federal Government exacts of the people, in a direct violation of the Thirteenth Constitutional Amendment, which protects us against ‘involuntary servitude’...

“But there is another result of the federal tax law that is even more dangerous. Under the Sixteenth, the Income Tax Amendment, which became effective in 1913, ironically, under President Wilson who had been so concerned about government power—under the Sixteenth Amendment the entire gross income of every American is subject to complete federal confiscation. You have your brackets, exemptions, write-offs, and deductions purely by the grace of Congress. You do not have these protections as a matter of right...

“Finally, the tax law has undermined the Tenth Amendment, which reserves to the states or the people the powers not delegated to the Federal Government. When the Federal Government has seized, through the tax law, virtually complete power, then there is no power to be reserved to the states and the people...

“The Communists want to take over this country, and they’d have a tough time of it if they had to infiltrate and subvert fifty sovereign states. That might lead to battles in the streets, and the Communists are not interested in acquiring possession of a pile of rubble.

“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.



“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