MAY COOL HOMES IN SUMMER

Hungarian Engineer Has Designed Evaporation Scheme to Regulate Temperature.

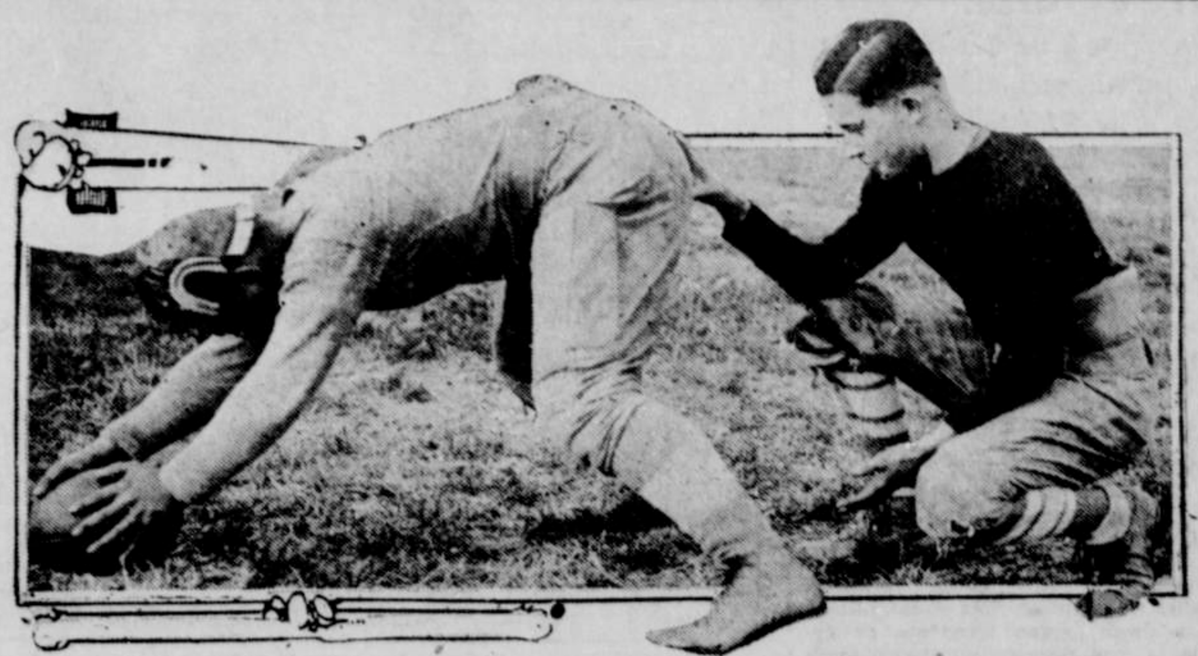
Americans may soon be living in "ice houses."

The houses will not be the kind in which ice is stored, but a new type of dwelling designed by Leopold Pollak, an engineer and constructor, of Budapest, Hungary. He is contemplating building a house manufacturing plant in Philadelphia so that the public will have a place to escape the sweltering heat without trekking shoreward or northward.

Mr. Pollak said that the houses will be made of infusorial earth and covered with porous bricks. In appearance they will be similar to those used by the natives of South America, who use "monkey jugs," or water bottles made of pottery, to cool their homes.

The South American natives place in each corner of a room a water jug, and in a few moments the room is cooled by evaporation. Mr. Pollak does not go into detail about his new plan, but states that he can regulate the cooling of a house in summer in a similar manner as that of heating the same building in winter. He said he can make a home as cool as an ice cellar on the hottest day in the year at a cost of approximately 10 cents a day.—Philadelphia Public Ledger.

TWO MEMBERS OF HILL MILITARY ACADEMY TEAM WHO WILL PLAY TILLAMOOK NOV. 4.



Harold Dooly (center) Vernon Webb (quarter of H. M. A.

RAILROAD PLAN TO GET RATES DOWN

Propose to Reduce Wages and Return All Saving By Reduction in Charges.

FULL TEXT OF PROPOSAL

Statement by Thomas DeWitt Cuyler, Chairman of the Association of Railway Executives, on the Situation.

Following a meeting in Chicago, October 14, 1921, of the presidents of nearly all the leading railroads in the country, Mr. Thomas DeWitt Cuyler, chairman of the Association of Railway Executives, made the following statement:

At a meeting of the Association of Railway Executives today, it was determined by the railroads of the United States, to seek to bring about a reduction in rates, and as a means to that end to seek a reduction in present railroad wages which have compelled maintenance of the present rates.

An application will be made immediately to the United States railroad labor board for a reduction in wages of train service employees sufficient to remove the remainder of the increases made by the labor board's decision of July 20, 1920 (which would involve a further reduction of approximately ten per cent), and for a reduction in the wages of all other classes of railroad labor to the going rate for such labor in several territories where the carriers operate.

To Reduce Rates as Wages Go Down.

The foregoing action is upon the understanding that concurrently with such reduction in wages the benefit of the reduction thus obtained shall, with the concurrence of the interstate commerce commission, be passed on to the public in the reduction of existing railroad rates, except in so far as this reduction shall have been made in the meantime.

The managements have decided upon this course in view of their realization of the fact that the wheels of industrial activity have been closed down to a point which brings depression and distress to the entire public, and that something must be done to start them again in operation. The situation which confronts the railroads is extremely critical. The railroads in 1920 realized a net railway operating income of about $62,000,000, upon a property investment of over $19,000,000,000, and even this amount of sixty-two millions included back mail pay for prior years received from the government of approximately $64,000,000, thus showing, when the operations of that year alone are considered, an actual deficit before making any allowance for either interest or dividends.

The year ended in serious depression in all branches of industry, and in marked reductions of the market demand for and the prices of basic commodities, resulting in a very serious falling off in the volume of traffic.

Roads Forced to Defer Maintenance.

In this situation, a policy of the most rigid economy and of postponing and cutting to the bone the upkeep of the properties was adopted by the railroads. This was at the price of neglecting and for the time, deferring work which must hereafter and in the near future be done and paid for. This is illustrated by the fact that, as of September 15, 1921, over 16 per cent or 374,431 in number, of the freight cars of the carriers were in bad order and needing repairs, as against a normal of bad order cars of not more than 160,000, as is further illustrated by the deferred and inadequate maintenance of other equipment and of roadway and structures.

Even under those conditions, and with this large bill charged up against the future—which must soon be provided for and paid if the carriers are to perform, successfully, their transportation duties—the result of operations for the first eight months of this year, the latest available figures, has been at a rate of net railway operating income, before providing for interest or dividends, amounting to only 2.6 per cent per annum on the valuation of the carrier properties made by the interstate commerce commission in the recent rate case, an amount not sufficient to pay the interest on their outstanding bonds.

Roads Earnings Far Below Reasonable Returns.

It is manifest from this showing, that the rate of return of 5½ or 6 per cent for the first two years after March 1, 1920, fixed in the transportation act as a minimum reasonable return upon railroad investment, has not been even approximated, much less reached; and that the present high rates accordingly are not due to any statutory guarantee of earnings for there is no such guarantee.

In analyzing the expenses which have largely brought about this situation, it becomes evident that by far the largest contributing cause is the labor cost.

Today the railroads pay out to labor approximately 60 cents on the dollar they receive for tranportation services, whereas in 1916, 40 cents on the dollar went to labor.

On the first day of January, 1917, when the government took charge of wages through the Adamson act, the labor cost of the railroads had not exceeded the sum of about $1,468,000,000 annually. In 1920, when governmental authority made the last wage increase, the labor cost of the railroads was about $3,698,000,000 annually, or, if continued throughout the year instead of for the eight months during which the wage increases were in effect the labor cost, on an annual basis, would have been largely in excess of $3,900,000.

An increase, since the government took charge of railroad wages in the Adamson act, of approximately $2,450,000,000 annually.

In the light of these figures, it is manifest that the recent reduction of wages authorized by the labor board, estimated at from 10 to 12 per cent, in no sense meets or solves the problem of labor costs and in no way makes it possible for the railroads to afford a reduction in their revenues.

Thousands of Rates Already Reduced.

Indeed, during the past year there have been between four and five thousand individual reductions in freight rates. On some railroads the reductions in rates have amounted to more than the reductions in wages so far made, and on many other railroads the reductions in wages allowed no net return on operations, but merely provided against the further accumulation of a deficit.

The point is often made that agriculture and other industries are also suffering the same immediate difficulties as the railroads, why, therefore, do not the railroads take their medicine like anybody else? The answer lies in several facts:

1.—The railroads were not permitted, as were other industries, to make charges during the years of prosperity, making possible the accumulation of a surplus to tide them over the present extreme adversity. According to the reports of the interstate commerce commission, the rate of return on property investment of the railroads of the United States for the past several years has been follows:

RATE OF RETURN EARNED BY THE RAILROADS OF THE UNITED STATES ON THEIR PROPERTY INVESTMENT:

1912	4.84%
1913	5.15%
1914	4.17%
1915	4.20%
1916 (Fiscal Year)	5.90%
1916 (Calendar Year)	6.16%
1917	5.26%
1918	3.51%
1919	2.46%
1920	0.32%

It will thus be noted that during the years when other industries were making very large profits, when the prices of farm products and the wages of labor were soaring to unheard of heights, the earnings upon railroad investment in the United States were held within very narrow limits and that they have during the past four years progressively declined.

The Roads Handicapped More Than Other Business.

2.—The railroads are responsible to the public for providing adequate transportation. Their charges are limited by public authority, and they are in very large respects (notably for labor) compelled to spend money on a basis fixed by public authority. The margin within which they are permitted to earn a return upon their investment or to offer inducements to attract new capital for extensions and betterments is extremely limited. However much the railroads might desire, therefore, to reduce their charges in times of depression, it will be perceived that the limitations surrounding their action do not permit them to give effect to broad and elastic policies which might very properly govern other lines of business not thus restricted.

It has been urged upon the railroads that a reduction in rates will stimulate traffic and that increased traffic will protect the carriers from the loss incident to a reduction in rates. The railroad managements cannot disguise from themselves that this suggestion is merely conjectural and that an adverse result of the experiment would be disastrous not only to the railroads, but to the public, whose supreme need is adequate transportation. Consequently the railroad management cannot feel justified in placing these instrumentalities, so essential to the public welfare, at the hazard of such an experiment based solely upon such a conjecture.

Farmers Especially Need Lower Rates.

It is evident, however, that existing transportation charges bear in many cases a disproportionate rela-