

Stock Collapse Explodes Theories of "Jazz Economists"

MANY OFFER NEW IDEAS ON STATE LINES

\$3,500 Prize Offer Starts Rush.

Chicago and the central states and even the farthest points reached by THE TRIBUNE are redrawing the map of the United States—on paper. With \$3,500 in cash awards as the incentives, men, women, and children have been busy for a week in attempting to design the various states, 1930 model. As the supereconomist might put it, they have suddenly become map-conscious.

The occasion for all this was the announcement in last Sunday's TRIBUNE that \$3,500 would be given for the best maps splitting up the country along scientific lines.

Rewards for Winners.

This is the idea in a nutshell: THE TRIBUNE will reward handsomely those of its readers who, in redrawing the states, outline the most rational boundaries with reference to contiguity of population, equality of size, and symmetry of shape, and who accompany their entries with the best letters explaining their reasons for their state lines and for relocating the national capital, if they think the capital should be moved from Washington. Details as to the prizes and how to go about the job of capturing them are to be found in the rules appearing on this page.

The present map was started a century and a half ago. Is it out of date now? Many persons believe so. In view of latter day industrial developments, should there be a regrouping with reference to metropolitan areas? That has been advocated. With the center of population in Indiana, should the capital be brought westward? Many westerners maintain it should. Should Nevada, with 77,000 people, have the same senatorial representation as New York, with 11,500,000? Many easterners argue it should not. Should those states that produce most of the nation's wealth be given a larger voice in the conduct of the affairs of the nation? Joseph R. Grundy, picturesque lobbyist from Pennsylvania, is not the only one to take that position.

Divided Authority.

These matters are of vital concern to every citizen and taxpayer, and they raise many interesting possibilities—possibilities that should be taken into consideration by the amateur map makers. Taking them up one by one:

Industrially, socially, and commercially, a number of modern metropolitan areas are one city each in interest, but far from that as far as political boundaries go. Chicago, sprawling out into Indiana, reaching toward Wisconsin, New York taking in contiguous territory in New Jersey and Connecticut; Philadelphia, St. Louis, Kansas City, Louisville, and Cincinnati, straddling state lines, are a few examples. How to avoid the divided authority is the problem.

Move the Capital?

Once the mud flats of the Potomac were about the best the country could do by way of a site for its capital. More recently the city of Washington has taken its planning system seriously and is on its way to becoming one of the world's most beautiful capitals. Should all this work be scrapped and the seat of government moved to some point more convenient to the greatest number of citizens? And, if so, where is that point? Chicagoans like to think it is within an hour's flying distance of this city.

As for the senatorial representation: Undoubtedly the present system is unjust to the populous states. On the other hand, if the histories have been read correctly, the framers of the constitution had in mind such a contingency when they provided for the use of checks and balances in the form of representation based on population. In so far as the lower house of congress is concerned, thus, while Nevada has an equal voice with New York in the senate, it has only one representative in the house, as compared with New York's forty-three.

Three Maps Published.

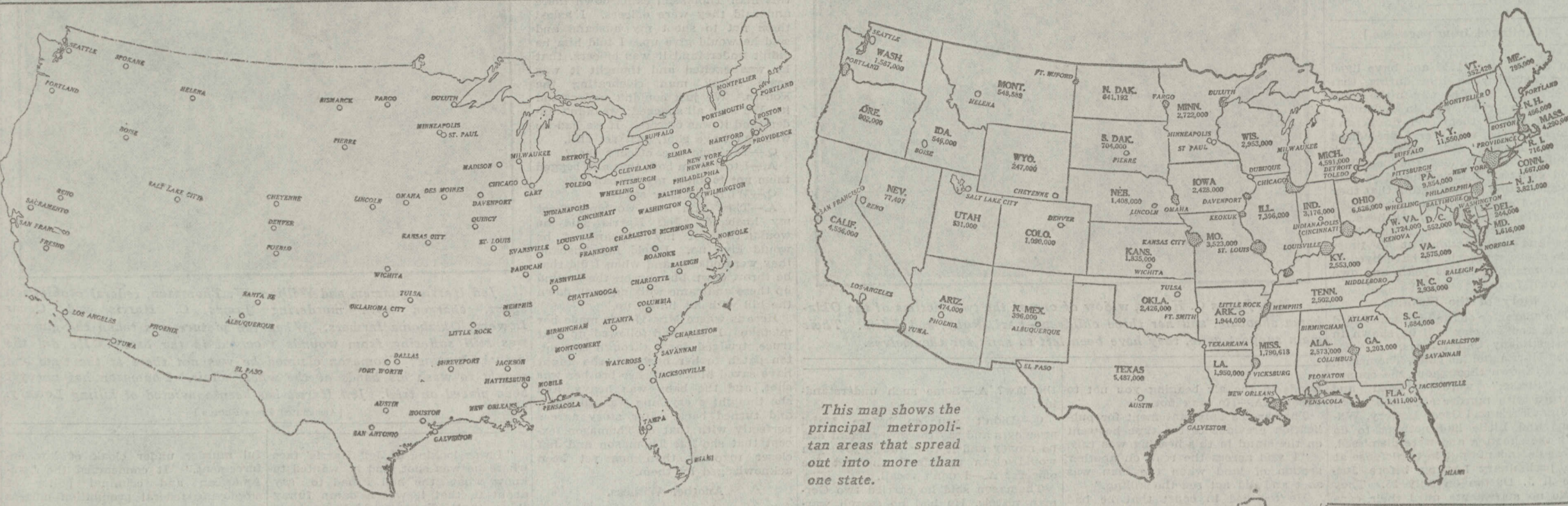
In view of that fact, was or was not Mr. Grundy on the right track when, in suggesting that the "backward" states of the west and south take a back seat in national affairs, he pointed out that South Carolina has only 14,000 votes in its last senatorial election—not enough votes to elect an alderman in any one of a number of wards in Chicago or New York?

It is for the map makers to decide. For the consensus convenience there are published herewith three maps, one showing some of the larger cities, but no state boundaries; one showing the principal metropolitan areas that spread out into more than one state, and the third showing one way the states might be rearranged. The third is, of course, only a sample, and is not to be used in the contest.

THOSE 'BACKWARD' STATES

BY ARTHUR SEARS HENNING.
Chicago Tribune Press Service.
Washington, D. C., Nov. 16.—[Special.]—Twenty-two "backward" states,

REALIGN BORDERS AND WIN TRIBUNE CASH AWARDS



This map shows the principal metropolitan areas that spread out into more than one state.

Here is a map of the United States, with some of the larger cities indicated, for guidance in rearranging state boundaries. See the accompanying story for details of The Tribune's \$3,500 prize contest for rearrangement of the present state boundaries.

according to the classification enunciated by Joseph R. Grundy, millionaire Pennsylvania tariff lobbyist, pay less than 4 per cent of the income taxes, corporation taxes, and other internal revenue of the federal government. The other 25 states pay more than 96 per cent.

As to just what makes a backward state backward, there is a variety of opinion.

When Mr. Grundy named eight states which he dubbed "backward" because they contribute a negligible fraction of the federal revenue, he precipitated a controversy which is still reverberating on Capitol Hill.

Other yardsticks for measuring the backwardness of states were promptly unleashed and brandished in and about the senate. There appeared lists of states placed in the backward class by high percentage of illiteracy, by low percentage of church membership, by the number of miles of the prohibition law, and by numerous other tests.

The Cash Register Test.

Mr. Grundy frankly applied the cash register test. A state that pays virtually nothing toward the national upkeep, he averred, should not be allowed the same power in fashioning the protective tariff foundation of American prosperity as a great industrial state which contributes conspicuously to that prosperity and foots a large proportion of the expense of government. That two such states should have the same voice in the senate on tariff legislation Mr. Grundy regards a travesty on government.

The eight states Mr. Grundy put in the backward class are Arizona, Arkansas, Idaho, Georgia, Mississippi, Montana, North Dakota and South Dakota. These states contributed about 1 per cent of the \$2,939,054,375 internal revenue of the government for the fiscal year of 1929. The state of Illinois alone paid eight times as much as these eight states together toward the expense of the government.

The List Grows.

The "eight backward states" and the internal revenue collections from each in 1929 follow:

Arizona	2,398,878
Arkansas	3,673,315
Idaho	10,939,618
Georgia	14,053,919
Mississippi	2,516,169
Montana	4,427,782
North Dakota	709,885
South Dakota	837,704

Total\$29,709,270

On the cash register basis adopted by Mr. Grundy there are fourteen other states, each of which paid less internal revenue than Georgia, the largest contributor of the eight he classed as backward. The additional candidates for the backward class and the revenue collected from each follow:

Alabama	\$ 8,153,579
Colorado	11,538,231
Iowa	13,430,691
Maine	8,858,373
Nebraska	6,179,660
Nevada	1,140,501
New Hampshire	3,978,305
New Mexico	965,354
Oregon	6,185,311
South Carolina	3,857,326
Utah	3,568,168
Vermont	2,363,739
Washington	14,020,287
Wyoming	1,166,890

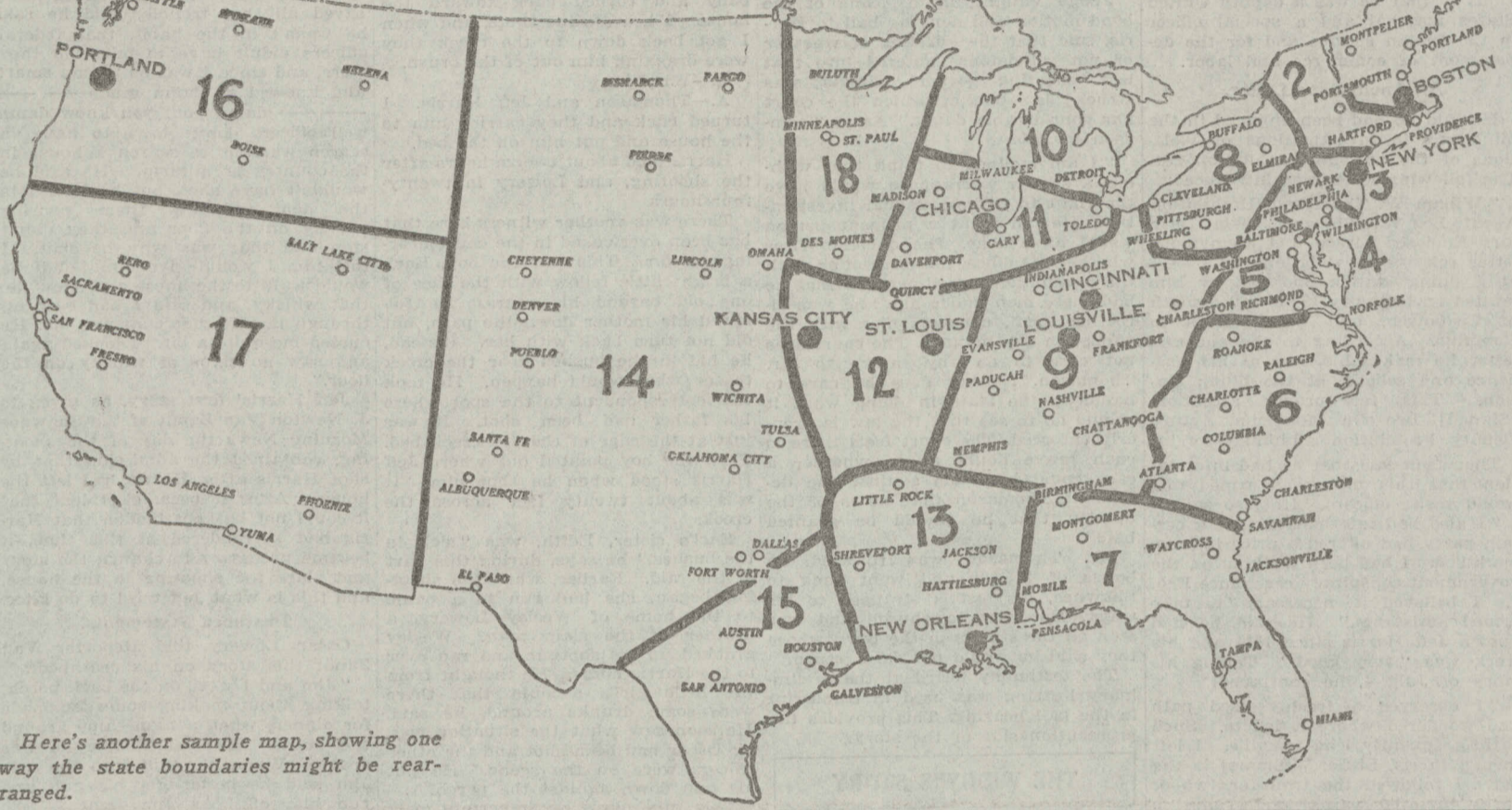
Total\$85,937,658

Fourteen Pay 3 Per Cent.

These fourteen states contributed less than 3 per cent of the internal revenue. Illinois paid almost three times as much as these thirteen put together. Illinois alone paid nearly 3 per cent of the revenue, New York 28 per cent, and Pennsylvania a little less than 8 per cent.

Mr. Grundy's eight backward states and the fourteen others contributed a total of \$114,746,928, or less than half of the \$238,227,764 collected from Illinois, and less than 4 per cent of the total receipts from the entire country. The other twenty-six states furnished more than 96 per cent of the internal revenue.

Delaware alone, from which \$30,309,628 was collected, paid more than Mr. Grundy's eight backward states combined, and Massachusetts alone, paying \$115,519,620, contributed more than twice as much as the eight backward states.



Here's another sample map, showing one way the state boundaries might be rearranged.

The Truth About the Dry Killings

No. 8: The Case of 2 Farmers in Oklahoma

Since this story was written Jeff Harris was tried and convicted of first degree manslaughter in District state court at Chandler, Okla. He was sentenced to serve 50 years in the state penitentiary.

BY PHILIP KINSLEY.

The Fourth of July 1929, is marked in red letters in the history of prohibition warfare in Pottawatomie county, Oklahoma.

Two farmers of that county, world war veterans with excellent records, church members and good citizens, were shot and killed on this day by a federal prohibition posseman.

Evidence given at a state court hearing and in an inquiry before a federal judge strongly indicated that both men were shot while they were unarmed, their hands uplifted, begging for mercy.

The federal government took the unusual course of abandoning this prohibition killer to a private defense and leaving him to the mercy of the state court. The federal judge who heard the evidence for the defense expressed "considerable doubt" as to the self-defense plea of the killer, and denied him bail. The federal prohibition officer in charge of this raiding party gave evidence upon which the state relied for conviction of the posseman who admitted the shooting.

Split in Defense.

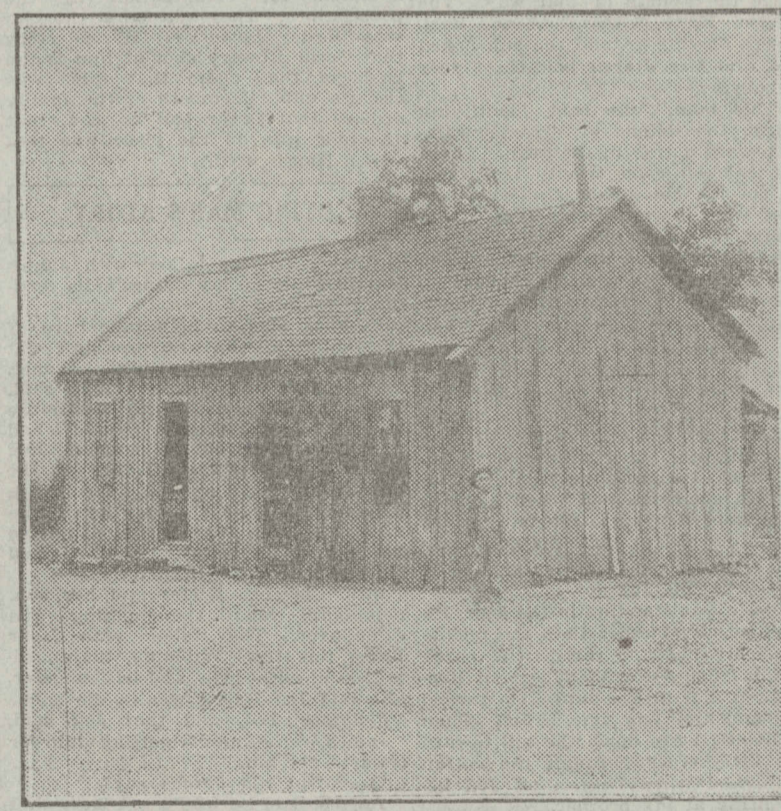
James C. Harris, 35 years old, and Oscar Lowery, his brother-in-law, 34 years old, were the victims of this independence day tragedy.

Jeff Harris, a gunman who bore no commission from the United States government, and who claimed he acted under federal authority, is the man who killed them.

William W. [Snake] Thomason, federal prohibition agent for the county who had collected money from churches and Sunday schools in the district to aid him in his law enforcement efforts, told a story which tended to prove that James Harris was shot after he had thrown his gun away and was coming forward in surrender. The evidence showed that Lowery had no gun.

Thomason, who was held with Jeff Harris for trial on a charge of murder brought by the state, separated his defense from that of Jeff Harris and the federal government did all it could to help him. He had tried to wash his hands of the affair, and the court had expressed a doubt as to whether a

THE HEAD OF THE HOUSE



Now that his father is dead, the burden of becoming the breadwinner for the family falls on the shoulders of 7 year old Earl Harris. You see him in front of the Harris home near Tecumseh, Okla.

murder case could be made against him.

In the face of these facts there grew up a broad division of sentiment in the oil fields over these killings, a development complicated by other things, it is true, and in which the federal government found itself on one side, allied with the church and law enforcement group, and the state on the other side, pictured in league with bootleggers and vice and wide corruption. These killings were but an incident in the war, and the prosecution was handicapped by being under fire on another sector held by the federal prohibition forces. The American Legion and the ministerial alliance took opposing sides in this case.

SETTING OF THE CASE

In order to get the proper perspective it is necessary to go back to 1926, when the southern oil fields began to boom and new towns sprang up on the prairies. The crowds and the money and the freedom attracted federal rangers and crooks, and the problem of law enforcement became an acute one. This was particularly true of prohibition. The oil towns

of gunmen wherever he went. Jeff Harris was a man who would shoot whenever Thomason told him to shoot.

It was in the course of his wandering around the county with this posse, made up of Jeff Harris, J. W. Williams, and Tom Little, that he blundered into this Harris-Lowery killing scrape. A close mouthed man, he said nothing for a long time except that he was not at the scene of the shooting and knew nothing of it.

The legal status of Jeff Harris and the other possemen was not at first determined. In prison, two weeks after the killing, Thomason received a letter from Prohibition Commissioner Doran in Washington, giving him instructions as to circumstances under which he was and was not authorized to deputize and arm citizens. It was considered in court that it was against public policy to make this letter public. The prohibition commissioner in Oklahoma City, Bee De Monbrun, had never heard of Thomason's assistants, he testified, and said that an officer had no right to deputize and arm such men except in emergencies.

FACTS OF THE CASE

The facts are that Harris, Williams and Little, armed with rifles and pistols, were merely told by Thomason, were sent into the district last winter and collected evidence upon which sixty complaints for conspiracy to violate the national prohibition law were made. The government will have at least 100 men in the net when the cases go to trial. County and state officials are involved. The trail of graft and corruption is said to have led from constables to high state officials, and even a few federals were caught.

Price on Thomason's Head.

Thomason, a trusted federal officer for a quarter of a century, was sent into this nest on Feb. 1 last. His activities were noted, and he became so unpopular that he, claims, a price was put upon his head and his life was in constant danger. He boasts that he never killed a man in his life, but he carried with him a heavily armed

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Harris and Lowery lived on adjoining farms three miles south of Tecumseh, in a country of blackjack timber, where they raised cotton and corn enough to support their families. They had about fifteen acres each.

Harris was a corporal in the United States army. He enlisted Sept. 21, 1917, and was assigned to the 32nd ammunition train, company E. He was discharged at Camp Shelby, Miss., March 22, 1919. His character as certified by his commanding officer, Lieut. Charles J. Kowalski, as "excellent," often being on special duty in the battle zones. He served in France and England.

Oscar L. Lowery was a private, first class. He enlisted on Oct. 3, 1917, and was assigned to company I, 33rd Infantry. He embarked for France May 8, 1918, and was returned on Nov. 9, 1918. He was gassed and wounded in the right thigh at the battle of Chateau Thierry on July 18, and spent five months in a government hospital. He was given a certificate of disability when he was discharged, and was receiving \$10 a month from the government when he was killed.

Legion Would Aid Widows.

W. J. Lehn, special agent who investigated this case for the prohibition department, left the impression with Shawnee American Legion men that his department would recommend

THE RULES

1. This offer is open to all readers of THE CHICAGO TRIBUNE except employees of The Tribune and their families.
2. Each entry must consist of a map of the United States indicating the new state boundary lines suggested by the entrant.
3. A letter must be sent with each map giving the entrant's reason for the new state boundary lines suggested and stating the location suggested for the nation's capital.
4. Five entries will be published in THE CHICAGO SUNDAY TRIBUNE each Sunday for five weeks, starting Nov. 24. For each entry published THE CHICAGO TRIBUNE will pay \$100.00 in cash. All entries, whether published or not, will be eligible for the grand prizes.

The complete prize list is as follows:

WEEKLY PRIZES:	
5 prizes of \$100.00 each every 5th day for 5 weeks. Total.....	\$2,500.00
GRAND PRIZES:	
1st Grand Prize.....	\$ 500.00
2d Grand Prize.....	300.00
3d Grand Prize.....	200.00
Total.....	\$3,500.00

All entries received before 6:00 P. M. Thursday of each week will be considered for the weekly awards of that week. No entries will be accepted after Dec. 19.

All entries must be sent by first class mail addressed: "Maps," THE CHICAGO TRIBUNE, Post Office Box 1539, Chicago, Illinois. Entries with insufficient postage will be returned by the postoffice department.

The judges will be a committee of eminent scholars appointed by THE CHICAGO TRIBUNE. Their decision will be final. In case of ties duplicate awards will be paid.

Gain Many Converts.

The optimistic views of these economists were also shared by many bankers and investors. Many wealthy persons bought pivotal issues at ascending prices on the ground these blue chip stocks had more buying power than the average group on the ground that the prices were merely discounting future earning power.

Investment Trusts Overestimated.

Bankers agree that the importance of the investment trust movement was vastly overemphasized. With a total capital of approximately \$3,000,000,000 more than two-thirds of which was invested in securities, the trusts were a relatively insignificant factor in comparison with the total value of stock exchange securities, which amounted to more than \$85,000,000,000 at the beginning of October.

What the Neighbors Say.

From J. M. Jett and Alice Jett: "We, J. M. Jett and Mrs. Alice Jett, state that we are husband and wife and lived about two miles from where Oscar Lowery and James Harris lived during their life. We are farmers, and we attended the Northview church, the same church these boys attended. James Harris was in the Bible class taught by Mrs. Alice Jett, who signs this statement, and we have known Oscar Lowery for about 12 years and James Harris for the past 5 or 6 years. We have never heard it suggested that either of them were engaged in the trafficking in intoxicating liquors. Since Oscar Lowery returned from the army in 1918, we have never heard of him even taking a drink, and we have never known of James Harris taking a drink in his lifetime. James Harris was particularly and energetically opposed to the use of intoxicating liquor. James Harris was active in church work and Oscar Lowery attended quite regularly. They were well thought of and considered as two of the best citizens of the community."

A. W. Gear, county commissioner, and ten other neighbors signed similar resolutions. F. X. Kieffer signs the following: "I, F. X. Kieffer, have known Oscar Lowery about 12 years, and have lived neighbors with him during that time except when he was in the army and in the hospital. I have known [Continued on page two.]

NEW WEALTH OF U. S. FAILS AS PANACEA

High Prices and Low Yields Vanish.

[Chicago Tribune Press Service.] New York, Nov. 16.—Wall street's financiers were looking back reminiscently this week at the large number of new economic theories, advanced during the bull markets of recent years, which are now held to have been exploded by the sweeping decline of the last month. These theories, which sought to account for high levels of stock prices and relatively low yields on the ground that the nation was entering a new financial era, were advanced by a group which the bankers have recently labeled "jazz economists."

Commenting on the collapse of the theories of this group, several bankers have declared that the appearance of this "new era" school of economists this year was one of the most significant danger signals to men who had seen panics come and go during the last thirty years.

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How They Argued.

The basic thesis of the school during 1929 was that stock prices had entered a new holding zone from which major reactions were unlikely. In support of this theory, the economists pointed to the vast buying resources of millions of investors who had entered the market and to the large funds, investment trusts or other institutions which would be placed in common stocks after a reaction of ten or fifteen points.

It was alleged by this group that panics had been rendered impossible by the creation of the federal reserve system and that major reactions were rendered unlikely by the fact that there was no apparent inflation of commodities.

Since the basic industries of the country were expanding their operations steadily, these economists predicted a fairly steady rise for several years at least in the quotations of pivotal issues. The high prices of these issues, and the fact that many stocks were selling at figures from 30 to 50 times earnings, were defended by this group on the ground that the prices were merely discounting future earning power.

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The optimistic views of these economists were also shared by many bankers and investors. Many wealthy persons bought pivotal issues at ascending prices on the ground these blue chip stocks had more buying power than the average group on the ground that the prices were merely discounting future earning power.

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Change in Public Utilities.

The effects of the market decline on the public utility industry will not be important except as a passing factor, according to leading executives, although from the standpoint of ownership the passing of the storm clouds will reveal important changes. It is generally admitted that millions of