

NOVEMBER 10, 1929.

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## Crash of Stock Market Tests Investment Trust Movement

### SHOULD UNCLE SAM CHANGE HIS STATE LINES?

#### Tribune Offers \$3,500 for Mapping Ideas.

BY ARTHUR EVANS.  
If the United States were to be divided into new commonwealths on a scientific model, where would the boundaries lie?  
What would the map of America look like if remade after a century and a half of history and growth as a nation? In a regrouping based on equality of population, contiguity of metropolitan areas, symmetry of shape and present-day industrial development, would there be more states than forty-eight? Or would there be fewer? Would there perhaps be not more than thirteen?

Mr. Grundy Starts Something.  
Joseph R. Grundy, the Pennsylvania lobbyist, contributed a few ideas impinging on these questions the other day before the senate lobby investigators at Washington. He contended that small and "backward" states of the west and south, which get more from the government in appropriations than they pay into the treasury in taxes, have "entirely too much to say" on the tariff and other policies affecting the great industrial states, which form "the tax reservoir of the country."

Quizzed by the senators, Mr. Grundy said it was a "great misfortune" that each state has two senators. He argued that scenery as much representation in the senate as steel and iron.  
When Senators William E. Borah of Idaho, T. H. Caraway of Arkansas and others interrogated him, Mr. Grundy laid it down that if volume of voice in the senate was in proportion to productive power, population, industry, and national taxes paid, "some of those states which are now most vocal would need amplifiers to make their whispers heard." Pressed to name the "backward" states, he mentioned Idaho, Arkansas, and Montana, and a few others.

An "Economic Tragedy."  
Mr. Grundy termed it an "economic tragedy" that "obstructionist" senators from "backward" states were able to exert so much control over the freshly populated states.  
He suggested it might be appropriate for senators from "backward" states to pipe down. He contended that nine or ten states which contain half the population of the United States ought to have the big say in framing the tariff and other policies affecting industry.  
It all opens an interesting field of speculation.

Origin of the States.  
When the thirteen original colonies were founded the last thing in the mind of their creators was that they would ever become a part of a nation. The other thirty-five states were created by congress, but, in the light of present day development, did our American statesmen do any better as map makers than the foreign kings?

Texas, the largest state, has a gross area of 268,396 square miles. The area of Rhode Island, the smallest state, is only 1,248 square miles.  
New York, the most populous state, has 11,500,000 inhabitants. Nevada, at the tail of the list, has 77,407 people.  
Massachusetts has a population of 478 to the square mile and Rhode Island has 566. Nevada has a population of 0.7 to the square mile, and Wyoming has 2. The average density of population in the 48 states is 35.5 per square mile.

At the time of the first census, in 1790, the population of continental United States was only 3,929,000. In 1928 the census bureau estimated it at 120,000,000.

Center of Population.  
The area of the United States in 1790 was 3,929,000 square miles. Now it is 3,226,770 square miles in continental United States, and outlying possessions, including Alaska, add 718,740 square miles.

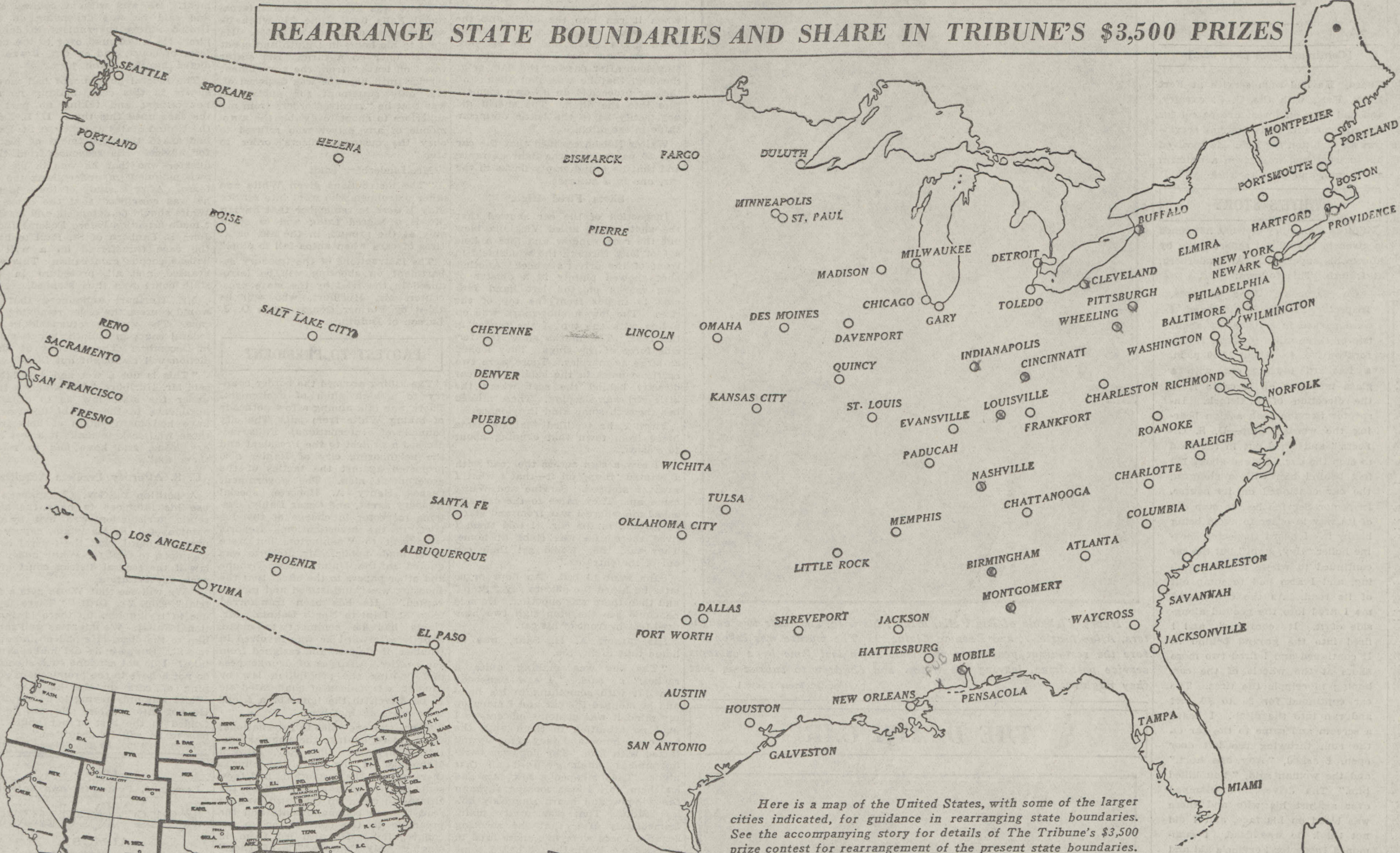
In the 1790 census population was lumped on the Atlantic seaboard. The United States comprised substantially the territory between the Atlantic and the Mississippi, except Florida. Virginia ranked first in population; now it stands twelfth.

Now the area of the United States, with outlying possessions, is four times as large. The people have spread out, and the fastest growth is in mid-continent. Westward the center of population keeps moving.

Westward, Ho!  
In 1790 the population center was 23 miles east of Baltimore. By 1870 it had shifted westward to Cincinnati, O. For the better part of a century the center has been inside Indiana, and in 1920 it was just west of Whitehall in the Hoosier state.

The geographic center of continental United States, outside of Alaska, is in Smith county, Kansas, near the town of Lebanon.

Territory and Population.  
If one draws a line down the map through the middle of Michigan from the Straits of Mackinac south to Apalachicola, Fla., one-half of the population lives east of this line and the other half lives west. Similarly, a parallel of latitude passing just north of Springfield, Ill., evenly divides the population so that as many people live north of the line as south.  
In 1920, 74,000,000 of the population lived east of the Mississippi and 32,



A sample map, showing one way the state boundaries might be rearranged.

The Rules

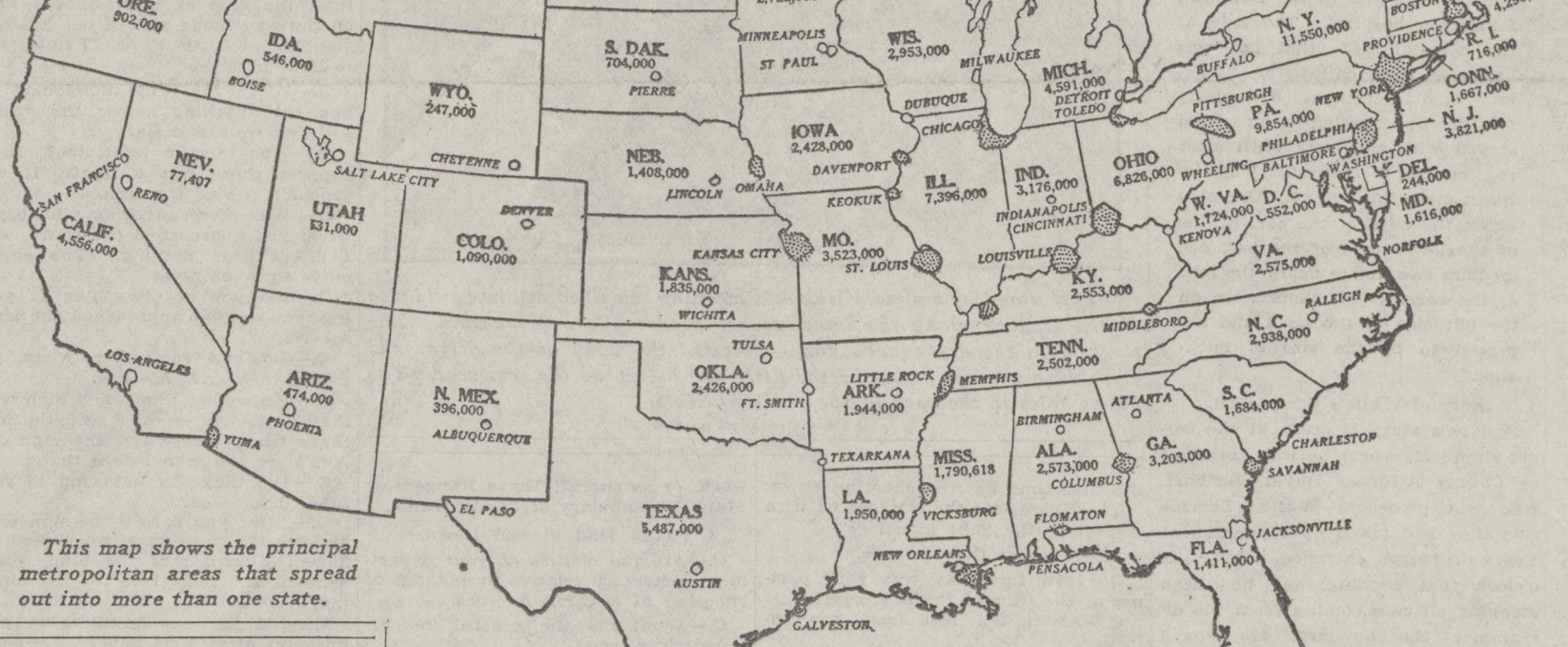
1. This offer is open to all readers of THE CHICAGO TRIBUNE except employees of THE TRIBUNE and their families.
2. Each entry must consist of a map of the United States indicating the new state boundary lines suggested by the entrant.
3. A letter must be sent with each map giving the entrant's reason 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 November 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 Sunday 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

5. 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 December 19.
6. All entries must be sent by first class mail addressed: "Maps," THE CHICAGO TRIBUNE, Postoffice Box 1539, Chicago, Illinois. Entries with insufficient postage will be returned by the Postoffice Department.
7. 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.

000,000 lived in the 22 states west of the Mississippi. The nineteen largest states in area are west of the river. West of the river is more than two-thirds of the land, but less than one-third of the people.  
When the states were carved out on their present lines, the phenomenon of the modern metropolitan districts was unknown. In the early days of transportation the towns were on the water. Rivers were natural boundary lines for states. So were mountains. New transportation in a sequence of steam roads, trolley lines, hard roads and automobiles, modern business, and industrial growth faced the bountifulness of political lines big cities sprawled over the border.  
Industrially, socially, commercially, these metropolitan areas are each one big city with one interest. But they are carved up into different governmental jurisdictions and split among



### Case No. 7 in Truths About Dry Killings

BY PHILIP KINSLEY.

Duluth, Minn., Nov. 9.—[Special.] Emmett J. White, 24 years old, one of the newest recruits in the United States customs service patrol on the Canadian border, made a nervous mistake on the night of June 8 last and the riot shotgun which a paternal government had put in his hands to use in stopping suspected liquor smugglers shot a few inches too high.  
The result is a fatherless home in Big Falls, Minn., and a little girl who said when school began this fall: "I don't know what I will do now without papa to help me in my work."  
Uncle Sam's policy of prohibition enforcement along this border is to go on trial when this case is heard in the federal court in Duluth this winter. White has been indicted by the state of Minnesota for second degree murder, but the federal government has had the trial transferred to its own courts.

"He Was Told to Shoot."  
"We are going to try every one but that boy," said George Heisey, first assistant United States attorney at St. Paul, who will have charge of White's defense.  
"He was new on the force and never fired that gun before and did not know its spread. Uncle Sam put that gun in his hands and sent him out at night on a dark road. He was told to shoot and he tried to shoot low. What else could be expected?"  
The killing of Gus Henry Virkkula, Big Falls restaurant proprietor, presents a situation almost identical with the killing of Jacob Hanson of Niagara Falls. The jury in that case acquitted Glenn Jennings, the coast guard killer, because it was contended that he did not intend to kill Hanson. There is no evidence to show that White intended to kill Virkkula.

It was a mistake, that is all, but a mistake which the state says had in it the element of criminal negligence. Jurors cannot comprehend this theory of second degree murder. They will see in this case a fine looking, tender hearted boy, of good family and record, and they will hear much of the boodlegger proclivities of his victim. They will be asked to blame the system, if they wish, but not this unfortunate agent. Riot guns were taken away from the patrol on June 18, and that is likely to be the only tangible result of this tragedy.

#### Child Has Narrow Escape.

Out of a set of facts such as is found here the dregs will find some to emphasize something else. It is apparent that Virkkula's record as a convicted bootlegger will be brought into the case, although White did not know who was in the car when he shot. It might have been any one. The slugs from his gun came within a few inches of a 9 year old girl who was sleeping on the back seat of the car.  
There is little conflict of testimony in this case, and practically all the evidential facts are known now. The main fact is that a United States customs patrolman, operating 27 miles from the border, stopping automobiles indiscriminately, shot and killed a citizen who was not trying to smuggle liquor and who was not known to the agent, under circumstances which make self-defense an impossible plea.

There is not a great deal of rum running along this part of the border. There are only two highways to watch, and all cars are stopped at the bridge which leads from International Falls into Canada. The citizens on one side of Rainy river find it necessary to drink secretly, in speakeasies, while on the other side there is a government liquor store and parlors where nine per cent beer is legally dispensed. All around these towns are forests and brush. It is easier to set up a still in the woods on the American side than it is to try to carry liquor through these woods. There are

many Finnish-Americans in this part of Minnesota and they like hard liquor. The problem has been a difficult one, and this killing has not contributed in any way to its solution.

#### VIKKULA'S HISTORY

Virkkula was 38 years old and the father of two girls, Bernice Elaine, 9 and Alice Marie, 7. He was the son of Henry Virkkula, a farmer, and was born in Michigan. The family took up a homestead near Orr, Minn. Young Gust or Henry, went to school in Everett and as a young man roamed around the United States a good deal. He was in the contracting business in New York, in oil and mines in the west, attended a business college in Oakland, Cal., but finally came back to the old community and married a Finnish girl. Two years ago he had a rooming house in Duluth. Later he was part owner of the City hotel in International Falls, where his father and mother now live. He sold this and started a small lunch counter business in Big Falls. He was not well and was not making much money. He had applied for odd jobs around town and intended this winter to go into the logging business.

Last winter, when funds were low and he was ill, Virkkula made the mistake of selling a little moonshine. The sheriff's deputies picked him up with thirty others, and he was fined \$100 and costs by Judge J. H. Brown in the International Falls court on Dec. 13. The costs were \$4. This was under the name of H. Virkkula. In Big Falls he is known as Gus Virkkula. It seems that even this was not a sufficient corrective, for the government attorneys state they will show that the prohibition department had a new case against Virkkula and was just about to make a raid on his place when he was killed.  
A Quiet, Home Man.  
Virkkula was not known as a drinker. He was not a turbulent fellow, but a quiet citizen. He was close to his

wife and two girls. They were always around together. On this particular trip which ended in his death, he and his family had been to Duluth for two days, doing a little visiting and shopping, had stopped at Eveleth, where he paid his dues in the Odd Fellows, and then had gone to Lake Kabetogama, where he had arranged to take a cottage for a week's vacation beginning the following Monday.

This was on Saturday. The Virkkulas reached International Falls about 9 o'clock that evening and called on their cousin, Victor Johnson. They were asked to stay all night, but refused. They would not even wait for supper, which Mrs. Johnson wanted to give them. They were in a hurry to get home. Mrs. Virkkula had some washing to do and lots of things to get ready for the trip to the lake.  
"Let's go home," said the children. They left at 9:45. The girls were tired. Bernice went to sleep on the back seat. The smaller girl slipped to the floor of the car and slumbered on blankets and sweaters. Mrs. Virkkula rode in front with her husband. As for his physical condition, it is said of him that he was deaf and had trouble with his eyes, which may account in part for what happened. The car he drove was a 1924 Packard, touring style, with winter top, a hard car to steer and with the lights in poor condition.

#### Setting for the Killing.

At Littlefork, Virkkula stopped to light a cigarette, and then went on to his fate.  
This fate awaited him two miles on, in the form of two customs patrolmen who had set up a watch on the highway for automobiles carrying liquor. These men were White and Emil V. Servino, a former school teacher who had been in the service for eight months in 1927 and since April 1, last. White had been indicted on May 1 after passing high in the civil service examination. He had been married that same week. His home is in Duluth, where he is a member of the 125th field artillery of the National

### GROUPS SENSE BREAK EARLY AND LIQUIDATE

#### Use Cash Reserves to Buy Later.

[Chicago Tribune Press Service.]  
New York, Nov. 9.—Wall street's fall bear market has transformed 1929 from the most successful year in the history of investment trust movement to the most trying one, according to executives of the trusts.  
While many trusts admit that the recurring bear attacks have wiped out large unrealized profits on their investments and have substituted huge unrealized losses, particularly on the "blue chip" stocks, their executives contend that the break has proved the wisdom of many policies to which the well managed trusts have scrupulously adhered.  
One of the practices which has been upheld by the break is that of preserving large cash positions with a view to taking advantage of buying opportunities which might present themselves. While there are many divergent policies among trust executives on the question of how large a cash reserve is advisable at any given time, practically every well managed trust had accumulated a fairly large cash position, ranging from 10 to 60 per cent of its total assets, before the decline assumed the proportions of a panic at the end of October.

Invest Half of Reserves.  
The total cash reserves of the trusts at that time were variously estimated at from \$500,000,000 to \$750,000,000. During the last fortnight the trusts are estimated to have utilized one-half of this total, or about \$300,000,000, in the purchase of stocks, many of which were selling at the lowest levels of the year.  
While many investment trust stockholders have indicated that they have been disappointed in the failure of the managements to liquidate before the break, the trust executives contend that in general they sold a larger proportion of their holdings than most private investors did. They assert their statistical bureaus and economists provided them with sufficient warnings of the approaching collapse to enable them to sell stocks at the higher levels of September and early October.

The decline in the security markets is held by defenders of the general management investment trust to have demonstrated the wisdom of allowing executives of the trust to determine when to buy and when to sell stocks. Opponents of this practice, the supporters of the fixed trust, have contended that an investment company should retain its original investments and avoid trying to forecast market trends.

Debate Policies of Trusts.  
Executives of the general management trusts, on the contrary, who are allowed great leeway in buying and selling stocks, contend that the break has given them an opportunity to purchase some stocks at much lower prices, as reflected in the "averages" since Nov. 1, has been little short of remarkable. On Oct. 31 the averages on domestic bonds stood at the low price for the year to date, at 84.16, and since that time they recovered well above 86.

Investors Return to Bonds.  
While new bond financing during the last fortnight has been practically nil, except for a few scattered offerings of municipals, investors who have taken severe losses in the stock market have turned to the bond markets in large numbers, not so much with a view to recouping a portion of their losses as to obtain permanent employment of their funds. The result has been one of the most active bond markets that the stock exchange has witnessed in recent years.  
The demand for tax-exempt securities during the last few days has been exceptionally brisk. Even with the inauguration of three hour trading periods on the stock exchange, the turnover in Liberty and United States treasury obligations has exceeded the average totals for full five hour trading days of earlier in the year.

Savings Banks Enter Market.  
Savings banks were called on to pay out large sums to their depositors to protect their bond holdings, but during the last few days there has been particularly heavy buying of legal issues in the bond list, especially railroad issues. This buying has more than offset the heavy selling of convertible bonds, which naturally have been weak in sympathy with stocks.  
It is scarcely possible to forecast when the offering of new bond issues will be resumed on a large scale, as bankers are not inclined to force the issue unduly at this time. But the sentiment in banking circles is that

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