

**SERVICE**  
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**WEATHER**  
Rain today and Saturday, little change in temperature; Max Temp. Thursday 56, Min. 29, river 4 feet, rain .21 inch, south wind.

## SON OF BAUGHN TELLS TALE OF FATAL QUARREL

His Testimony cut Short at Thursday Trial Session, Will Resume Today

Other two who saw Affair Tell Details; Jurors Kept Under Guard

A boy of 12 years sat in the witness chair in circuit court yesterday at close of the first day's testimony in the murder trial of William H. Baughn, charged with slaying to death Roy Robnett, Detroit Legionnaire. The lad, Henley Baughn, is son of the accused man, and one of the state's chief witnesses.

Henley was one of the three witnesses to the fatal stabbing last November 13, and was the fifth witness on the stand yesterday.

Proceeding him were Dr. Fred Thompson of Salem and Dr. C. A. Beauchamp of Stayton, who testified to the wounds suffered by Robnett; Mrs. Olive Shocker, sister of Robnett and who took Henley Baughn into the Robnett home last July where he has since been; and Leonard Noe, who worked for Robnett and lived at the Robnett home. Mrs. Shocker, Noe and Henley Baughn were only witnesses to the episode which ended in Robnett's death and Baughn's arrest.

Henley's approach to the witness box, about 15 minutes before the court adjourned, brought an evident interest to his father, seated across the table some 10 or 12 feet away. The elder Baughn leaned forward in his chair, turned his head directly toward the witness stand and followed each word as the bright-eyed lad gave generally direct answers to the queries of Deputy District Attorney Lyle Page. This was the only time during the day when the man on trial showed any marked interest in proceedings.

The Baughn lad had been on the stand but a few minutes when Judge McManis summarily called the attorneys to his chambers. Only a question or two was asked Henley upon return of the attorneys, giving surmise to an attempt on part of the presiding judge to halt the picture of a boy testifying against his father.

District Attorney Page declared last night that the boy would resume the stand this morning at 9 o'clock.

After sketching his own brief life story, the boy related events at the Robnett home the night Robnett was killed. Conversation had shifted to a bill of sale which Robnett wanted, to get a license for the old car which figured in the quarrel.

"Bill said he'd have to go to Goins for the bill of sale and it would probably cost a dollar or two. Roy said he'd pay the money; then he wouldn't sign it. Bill said he wouldn't sign it. Roy got up out of his chair; Roy got up. Bill said, 'I won't sign it, do you get me? If I wasn't in your house, I'd beat you' or something like that."

At this point the judge interrupted, asked only one or two other questions were asked of the boy before the day was ended at 5 o'clock.

Twice during the afternoon testimony, once by the sister and once by Noe, statements were made that Robnett, after he had been slashed, declared: "He came here to kill me and he did it." Objection to these was sustained.

Mrs. Shocker, after detailing Baughn's visit to her house that night, the attempt of her brother to get him to sign a bill of sale for the car, said she had heard Baughn got mad, and asked her brother to fight. Baughn led the way outside, backing out of the screen door, and struck the first blow, at Robnett's head, as they went through the door. She followed. The men scuffled on the porch a few seconds, then jumped to the ground, falling. She continued:

"Then Roy called, 'Babe, he's knifed me, he's knifed me.' I ran into the house and yelled to Noe... and tried to find something. I picked up a mop and ran to Baughn as he stood at the side and back of Roy, slapping him. I hit Baughn over the head three times... Baughn says 'I'll get you, too.'"

She told of breaking the mop over Baughn's head, of running to the door where Noe stood with a gun, taking the gun from him after ordering him not to shoot, throwing a bottle at Baughn as he retreated from the yard, and then going to Lee Jones' house, nearby for help.

## Committee Whacks \$744,994 From Pay Of State Employees

But Ways and Means Figures Must go to Vote In Senate and House; Woodward Scale Is Modified in Final Program

STATE salary reductions expected to effect a saving of \$744,994 over the 1933-34 biennium budget submitted by Governor Meier were approved last night at a meeting of the joint committee on ways and means.

Cuts to be sustained by state officials and employees will range from 5 to 50 per cent if the senate and house vote favorably on the ways and means recommendations. The committee's cut-schedule represents a modification from the proposal of Senator Woodward.

Only person affected by the top reduction is Dr. W. J. Kerr, chancellor of higher educational institutions, who receives \$12,000 yearly. The 5 per cent cut will affect all employees getting less than \$100 a month. Percentage reductions on salaries between the extremes uniformly increase with higher pay checks.

The ways and means reduction scale if applied to departmental requests for the current biennium would make a cut of \$1,811,349, according to figures presented.

Reductions in the budget approved by Governor Meier for the state insurance department included approximately \$6000 in salaries and wages, \$1200 in general operating expenses, \$100 for printing reports, and \$350 for capital outlays.

The committee also adopted a report recommending amendments to the existing insurance code which would produce additional biennial revenues estimated at \$356,000.

Recommendations follow: Assessment against domestic (Turn to page 2, col. 7)

## TIMBER YIELD TAX BILL FIGHT LOOMS

Speakers on Both Sides of Question are Heard at Committee Session

Passage of the timber yield tax bill will be one of the most important issues of the 37th legislature, indications pointed at a public hearing of the committee on forestry last night.

A large committee room was completely filled for a lengthy session devoted to consideration of the bill that would in a 10 year period eliminate the ad valorem tax on timber and substitute a 12 1/2 per cent levy charged on the basis of timber value at time of cutting.

George Gerlinger of Dallas declared that elimination of the property tax on timber would cut to one-fourth the present \$3,800,000 yearly levy made against timber lands.

J. Magdalen of Eugene averred that the measure would take a heavy tax burden from the shoulders of the timber industry and shift the load on other taxpayers. He believed that the proposal would result in lessened cutting of timber through holding interests maintaining crops until prices were favorable. This, he said, would add to unemployment.

Speakers for the measure, including Earl Muir and Ralph Martin of Eugene, pointed out that in some counties timber tax delinquencies already amount to 70 per cent and therefore revenue losses would not be felt. Representatives of large timber interests favoring the measure included Dexter Rice of Roseburg, and G. B. McClelland of Portland. Another speaker was John Schroeder of Tillamook county.

## CRAWFORD HEAD OF MILES LINEN FIRM

Henry R. Crawford was elected president of the Miles Linen company at a recent meeting of directors.

Henry R. Crawford was elected president of the Miles Linen company at a recent meeting of directors. Crawford succeeds the late James G. Helzel.

Directors elected at the stockholder's session were Mr. Crawford, Wallace McCamant, F. W. Ashley and Carl E. Nelson. The directors chose Mr. Winsor as vice president, and reelected Mr. McCamant as secretary and C. J. Peters as treasurer.

The Linen Thread company, headed by the Barbour interests of New York, was designated as sales agency for the Miles company.

## Retirement of Teachers at 70 Urged by Board

PORTLAND, Ore., Jan. 19.—(AP)—The school board of the Portland district at a meeting here tonight adopted a resolution by four votes to two calling upon the legislature to amend the teacher tenure law to provide for the retirement of teachers at the age of 65.

The board members voted to exclude the press from its meeting with teachers to discuss the proposed amendments. William J. MacKenzie, school board member, left the meeting in protest.

"If the press, the representatives of the public, are to be excluded from this conference," he declared, "then I go, too."

## Oregon Briefs

**BIG MEETING HELD**  
MEDFORD, Ore., Jan. 19.—A crowd estimated by police at 1,800 gathered at the armory here tonight from various parts of Jackson county at a meeting called by the Medford post of the American Legion to protest against what it described as "vicious propaganda" against county officials.

By a standing vote the participants adopted a resolution endorsing all appointive and elective officers in the county.

The meeting was understood to be an outgrowth of a recent attack on District Attorney George A. Coddington, County Commissioners Ralph Billings and R. A. Nealson and County Clerk George Carter, led by L. A. Banks, editor of the Medford Daily News, who demanded their resignations.

## Japanese Force Begins Cleanup In Jehol Sector

TOKYO, Jan. 20.—Friday.—(AP)—The Japanese army has begun what is called preliminary clearing operations in southern Fengtien province on the Jehol border by concentrating a large force, mostly cavalrymen, at Chupin.

The cavalry brigade which occupied Chupin was a pass in the great wall of China 14 miles north of Shanhaiwan and nearby Yunkanpo, has been going northward along the border since January 15, dispersing irregular bands en route.

## Officials All Endorsed Murder Charge Unproven Snow Routed, More Due Home Loan Chief Named

one time to restore order when some 2,000 men, eager for employment, tried to crowd into the registration office that could hold only about 100.

**LAUGHLIN ACQUITTED**  
PORTLAND, Ore., Jan. 19.—(AP)—Lloyd B. Laughlin, 44, of Portland, was acquitted by a jury in circuit court here tonight on a charge of first degree murder in connection with the fatal shooting November 4 of Karn Singh, Hindu. The jury was out five hours and 30 minutes.

Singh was shot while he was in the apartment of Laughlin's estranged wife, Mildred Laughlin, 24, of Portland.

**STEWART SELECTED**  
PORTLAND, Ore., Jan. 19.—(AP)—Charles H. Stewart, executive vice president of the Portland Trust & Savings bank, was elected executive vice president and manager of the 11th district Federal Home Loan bank district of Portland at a meeting of the board of directors here last Monday. L. H. Hoffman of Portland, president of the Portland Institution announced today. The selection had to be confirmed by the central office in Washington, D. C., before directors here were at liberty to disclose the result.

Hoffman said his selection as president, also at the Monday meeting, was confirmed by Washington at the same time.

## STATE FINANCE POLICIES TOPIC AT MEET HERE

Integrity of Oregon, Issue With Securities men; Would Lift Debt

Would Stimulate Payments Of Taxes, Possibly by Raising Penalties

Precautions aimed at preserving the financial integrity of the state and promoting conditions inviting to outside capital were formulated by the legislative committee of the Oregon council of the National Securities association which met at the chamber of commerce here yesterday. Fifty-six business and banking leaders from most of the counties north of Douglas attended. Pointing to heavy bonded indebtedness, decreasing tax-paying capacity of the people, and the state deficit, the preamble to the committee's general resolutions declared that "it is the paramount duty of our people to remedy these conditions in order to preserve the financial integrity of Oregon" and her subdivisions. Remedies urged by resolution include:

Would Stimulate Payment of Taxes  
Levies sufficient to meet bond payments and interest charges. Laws to stimulate tax payments, either by restoring the heavier penalty on delinquent taxes, or providing cash discount for prompt payment.

No new bond issues until tax-paying bodies can demonstrate capacity to pay commitments already incurred.

Drastic temporary retrenchment in governmental charges by dropping of all agencies that can be dispensed with "during this crisis."

Turning to highway department finances and considering the \$3,500,000 in bonds maturing within the next 14 months, the committee advocated:

Imposition of charges on commercial vehicles "sufficient to pay the interest and amortization on investment that has been and will be incurred by the state in widening the paved or "Turn to page 2, col. 1)

## In Court Again Over Slayings



Above, Jack Halloran, wealthy Phoenix, Ariz., lumberman, on trial in that city as an accessory in the slaying of Hedvig Samuelson and Agnes LeRoi. Below, Mrs. Winnie Ruth Judd, sentenced to hang for Mrs. LeRoi's murder, who is a witness against Halloran.

## WINNIE REFUSES TO ANSWER QUESTIONS

Packing of Bodies, Letters To Husband Topics she Will not Discuss

PHOENIX, Ariz., Jan. 19.—(AP)—Condemned to hang in the "trunk murder" case, slender young Winnie Ruth Judd stood on self-asserted constitutional rights today to halt her cross-examination as the state's principal witness against John J. "Jack" Halloran, wealthy lumberman, accused as an accessory in the case.

She refused to tell of the packing of the bodies of Mrs. Agnes LeRoi and Hedvig Samuelson in trunks and suitcases, before they were sent as baggage from Phoenix to Los Angeles.

She would not divulge the contents of two or more letters written to her husband, Dr. William C. Judd, as she prepared to flee from Phoenix.

Her testimony already had been challenged in its entirety. In a motion by Halloran's counsel to have it stricken on grounds that she is not a voluntary witness, is unable to comprehend the oath, "willfully is concealing" (Turn to page 2, col. 5)

## FILIBUSTER BROKEN BUT CLOTURE FAILS

WASHINGTON, Jan. 19.—(AP)—The senate broke the back of the filibuster against the Glass bank bill today, but left smarting wounds in democratic ranks that may give the Roosevelt administration plenty of worry.

It rejected 58 to 30 a motion by Democratic Leader Robinson to invoke the rigid cloture rule limiting debate and then entertained the packed galleries with a torrid democratic row that quelled only when a Republican—Borah of Idaho—put through an unanimous consent request to do what cloture would have done—restrict discussion.

The upshot of it all was that the senate tonight was coasting smoothly along toward votes on a score of amendments to the banking reform measure of the veteran Carter Glass, Virginia democrat, but with slim prospects it will be sent to the White House this session.

## Olympia Solons Invite Salem's To Fish Parley

OLYMPIA, Wash., Jan. 19.—(AP)—The Washington legislature today invited the Oregon legislature to send a committee to Olympia to meet with legislators here for a discussion of fishing regulations on the Columbia river.

The house completed action on the matter by passing a resolution fathered by Sen. Fred Norman. The last conference was held two years ago in Portland.

## Carter Guilty; Leniency Asked

SEATTLE, Jan. 19.—(AP)—A conviction of first degree murder, accompanied by a recommendation that the death penalty should not be imposed—the second such ending to a murder trial here within five days—tonight ended the trial of Richard Carter, 30-year-old youth accused of slaying his foster mother.

## SCHLESINGER CASE PROBE IS ORDERED

PORTLAND, Ore., Jan. 19.—(AP)—An investigation into the disappearance of Lee Schlesinger, prominent Portland merchant and sportsman, will be launched immediately by Sheriff R. E. Critt of Clark county, Wash., he announced today.

The sheriff said he was positive that Schlesinger was not in his automobile when it plunged into the open bay at the foot of a Vancouver, Wash., dock December 28 where it was found the day following in 18 feet of water.

"I know the currents of the Columbia river like a book," the sheriff declared. "I have known many to go into the river in the vicinity of the sand dock at the foot of Reserve street, and the body was in every case recovered within a radius of 50 feet of the dock."

"Furthermore I am convinced that Schlesinger did not drive his machine over the edge of the dock by accident, and by facts I have discovered, I believe suicide out of the question."

## The Day in Washington

By the Associated Press  
President-elect Roosevelt held conferences with democratic leaders, Secretary Stimson and others.

Senate broke filibuster against Glass banking bill by adopting unanimous consent request to limit debate after defeating cloture proposal.

House adopted resolution to permit President Hoover to place an embargo on exportation of arms.

Democratic controlled house ways and means committee decided to consider proposals for eliminating double taxation by state and federal governments before new revenue legislation in special session.

## MEIER-HOLMAN SCRAP DROPPED BY LAW MAKERS

Governor Silent on Refusal Of Investigation of Board of Control

Senate Adjures Officials To put Aside Personal Peeves for Present

Any further attempts to investigate a "reign of terror" in affairs of the state board of control rest on the initiative of State Treasurer Rufus C. Holman.

When informed that opinion of the house and senate Thursday was contrary to legislative investigation of the control board, Governor Meier declared he had no statement to make as to further action.

"What remains to be done is up to the treasurer," he said.

Oregon's legislators have no desire to become embroiled in difficulties of the board, it definitely developed after reading of reports of both houses' committees on resolutions. Each committee's recommendation that no action be taken was adopted.

Request for an examination into activities of the high state board resulted Tuesday after a wordy altercation between Governor Meier and Holman. The verbal battle began in reference to a list of legislative "suggestions" Holman had circulated among lawmakers. With other advice, the treasurer recommended investigation into a terrorist reign and "secretiveness" in connection with the board. Upshot of the meeting was that the governor, treasurer and state secretary unanimously voted to have themselves investigated by the legislature.

Houses Too Busy With Other Problems  
The house resolutions committee presented two reasons for not acting on the board's request. First was cited the limited time the legislature will be in session. Secondly, "many other weighty matters demand the full attention of the house." Reduction of taxes and unemployment relief were specifically mentioned.

The senate regretted that the control board had seen fit to appeal to the legislature for settlement (Turn to page 2, col. 5)

## FINANCIAL CHAOS TALK DENIED; NO WARRANT ISSUES

Governor After Conference With Highway Commissioners Reassures Public; Road Funds Will be Loaned but This Decision Previously Withheld due to Lack of Accurate Picture of Situation, Says Scott

Daily Check on Needs Will be Kept so Money may be Used to Best Advantage; Veterans' aid Loan Will Suffice Until Monday; Crisis Declared Largely Matter Of Bookkeeping, Adequate sum Available

THE conclusion of this meeting is that Oregon will not go on a warrant basis. We are not in a 'reign of terror' or chaotic condition."

Such was the statement made last night by Governor Meier at the conclusion of an extraordinary conference of the board of control, state highway commission and other officials called to consider the state's financial status.

The meeting was organized by Chairman Leslie Scott of the highway commission to "reassure the public of the state's credit status and to paint a true condition of finances." Inspiration for the gathering was State Treasurer Holman's prediction Wednesday that Oregon probably would be on a warrant basis within 10 days.

Holman's statement, made after a conference of the treasurer and highway officials relative to floating of a short-term loan from road funds, did not convey a true picture of the highway commission's attitude, Scott said.

Aid Withheld Till True Status Known  
"Our purpose," Scott declared, "is not immediately promising to loan funds to the state was to gain time for determination of a true picture of Oregon's financial setup. The conference with the treasurer did not give all information needed."

"First we had to learn what amount of funds would be required. Second, we wanted to know when a loan could be repaid."

Figures of the state treasurer called for a short-term loan of \$700,000 from the highway funds Scott said. According to bookkeeping of the secretary of state's office, the amount needed was but \$500,000. A reconciliation in figures was required in the interests of sound financing.

Officials who attended the dramatic meeting were the governor, Holman and his chief deputy, Fred Paulus, and State Secretary Hoss. Chairman of the legislative joint committee on ways and means, Senator and Representative Allen, were present. Others were Highway Engineer R. H. Baldock and Commissioners Scott, Washburne and Aldrich.

Cash Is Sufficient  
The next Monday developments of the session included:

1. The revelation that Oregon could squeeze along on a cash basis until Monday by virtue of \$150,000 asked from veterans' state loan fund.
2. Beginning next week, a daily check on finances will be reported between the state treasurer and highway commission to use road funds to best advantage.
3. Funds that possibly could be used in an emergency to stave off I. O. U.'s amount to several times the approximate \$500,000 immediately required.
4. Highway engineers are devising a graph system of keeping a check on state expenditures and revenues over an extended period that "a child could understand at a glance."
5. The governor and state highway commission within the next few days, will issue a detailed statement on condition of the state's treasury.

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## RETURN OF FEDERAL GAS TAX IS WANTED

Senate Committee Favors Asking Federal aid For Road Upkeep

The senate committee on roads and highways probably will report in favor of having the national congress memorialized by Oregon's legislature on two matters that would aid state highway finances, it developed yesterday.

Members favored asking congress for return to the states of the present one-cent tax on gasoline. Such fuel taxes, it was pointed out, originated in Oregon and were considered a special source of state revenue not to be taken over by federal collectors.

Another tentative memorial would ask that the congress be asked to enact legislation to give states greater power in determining spending of federal aid funds. Authorization to use federal aid for highway maintenance was another point favored by the highway group.

The senate road body, it developed, is seriously considering introduction of legislation that would call for a \$5 automobile license fee with one cent additional to the state gasoline tax. A tax of 10 cents a gallon on lubricating oil favored by Joe Dunne, chairman.

Sentiment of members appeared to be against issuing of automobile licenses to persons less than 16 years, the present minimum.

## WILD GALES HOWL, LIVES ENDANGERED

LOS ANGELES, Jan. 19.—(AP)—While gales howled, the skies opened up today and spilled abnormal torrents of water on semi-arid southern California, endangering lives and shipping.

The downpour was congealed into snow as it descended upon the mountain areas and depths upward of five feet were measured at some places tonight.

Fifteen families in the Canoga Park district near here were removed from danger of a miniature flood, which for a time threatened 30 families.

Police rescued a Mexican family of five from the roof of the small house, which had been swept off its foundations and carried on the current.

Two battleships and a destroyer of the United States navy took the open bay from Los Angeles harbor, San Pedro, to ride out a roaring gale.

## GUN VICTIM DIES

PORTLAND, Ore., Jan. 19.—(AP)—Henry James Cunningham, 26, Portland druggist, died in a hospital here today from a gunshot wound inflicted accidentally by his friend, Alfred Hennagin, 25, of Portland.

## Ream Files for New Trial; to Be Heard Today

DALLAS, Jan. 19.—L. H. Ream, slated to be sentenced today on moral charge, instead filed motion for a new trial, and this will be heard Friday morning at 9:30 o'clock. If the motion is not allowed, he will be sentenced tomorrow.

Judge Brands of Hillsboro was in town today to hear the case of Winlaw vs. Delaney, a suit to collect attorney's fees.

## State Group to Protect Mortgages is Selected

Meeting at the Salem chamber of commerce Thursday the organization committee of the body formed last week to aid in protection of farmers and others from unwarranted mortgage foreclosures completed the appointment of a state-wide committee. This committee will be called in session at an early date. The officers of the association were instructed to appoint five persons in each county to serve as a county committee. Later five district meetings will be held over the state for the county committees to attend. Methods of procedure will then be outlined.

Those selected for the state committee are: O. M. Plummer, president Pacific International Livestock exposition, Portland; chairman; L. R. Brethaupt, economist, extension service, Corvallis, secretary; Ray W. Gill, Portland, master state grange; L. H. McBee, Dallas, Oregon Farmers union; Mr. Reter, Medford, Oregon Horticultural society; Fred Phillips, Baker, Oregon Wool-growers association; Herman Oliver, John Day, Oregon cattle and horse raisers association, with C. L. Jamieson, John Day, as his alternate; George Fullenwider, Carlton, Oregon dairymen's association; C. F. Emerson, The Dalles, Eastern Oregon Wheat-growers association, with Mac Hoke of Pendleton alternate; Fred H. Cockell, Oregon Poultrymen's association; Glen B. Marsh, Hood River Oregon Cooperative council; Robert W. Sawyer, Bend, Oregon Reclamation congress with E. A. McCormack, Eugene, alternate; Dean H. Walker, Independence, Oregon Hog-growers association; Eugene Courtney, Woodburn, and Ted Cramer, Portland, Oregon Bankers association; George F. Brice, Portland, Mortgage Bankers association; Paul V. Marie, F. L. Ballard, extension service, Corvallis.

Those in attendance on the committee meeting here Thursday were Messrs. Plummer, Marie, Brethaupt, McBee, Marsh, Fullenwider and Morton Tompkins of Grand Island.

## Legislative Happenings

Conferences between officials result in announcement state will avoid going on warrant basis by obtaining advances from highway funds sufficient to tide over until tax money comes in. Highway commission members further state that highly publicized near-bankruptcy of state is mere matter of bookkeeping, with plenty of money on hand to meet all obligations.

Both houses refuse to become involved in Holman-Meier dispute, adopt recommendations of their resolutions committees not to comply with request for probe of board of control office.

New bills include proposals to change legal rate of interest from 6 to 5 per cent, contract rates from 10 to 8 per cent; truck regulation measure; unified fiscal year.

**TEACHERS WILL OFFICIATE**  
PORTLAND, Ore., Jan. 19.—(AP)—High school teachers will referee high school games in the Portland interscholastic league basketball race because of a \$1 difference in the fee the Oregon Officials' association asks and the fee the principals of the schools are willing to pay.