

WILL PURSUE MALVAR

General Chaffee Prepares to Make Captive of Insurgent Chief.

CAPT. HUTCHINSON HAS A PLACE

Prospective Commander Wants Him For His Military Secretary—New Arrangement in Effect—July 4 to Be Inauguration and General Moving Day.

MANILA, July 3.—General Chaffee is preparing to push Malvar, the insurgent chief of southern Luzon. He has ordered the transfer of the Fifth infantry from northern Luzon to Batangas province. The general has been informed that Malvar's principal headquarters are in a mountain town in northern Tayabas, whose inhabitants are contributing to his support.

General Chaffee's staff appointments are as follows: Adjutant general, Colonel William P. Hall; quartermaster, General Charles F. Humphrey; inspector general, Lieutenant Colonel Joseph P. Sanger; military secretary, Captain Grote Hutcheson, Sixth cavalry.

Thursday, July 4, will be inauguration day for the civil government and moving day for the military headquarters, which will be transferred to the former Spanish headquarters outside the walled city. The place will be occupied exclusively by the civil government. General Chaffee, who assumes command Thursday, will occupy Judge Taft's residence, and Judge Taft will remove to the Malacanang palace.

Bills have been passed establishing a board of health for the Philippines and providing for laboratories in connection therewith. The salary of the health commissioner will be \$16,000.

General Chaffee has not formulated plans for the occupation of the island of Mindoro. General Hughes, at his request, will be permitted to continue in command of the Visaya islands until the Samar campaign is completed. Subsequently, Gen. Davis will continue, temporarily, to be provost marshal at Manila.

The United States cruiser Albany sailed today for the Mediterranean.

Several insurgent officers and 350 bolomen have voluntarily taken the oath of allegiance at Culina, province of Bataan.

Captain Adams, with ten men, scouting in Albay province, has killed ten insurgents and captured a Filipino captain and ten men.

A detachment of the Fourth infantry, scouting on a volcanic island, in Lake Taal, has captured Gonzales, an insurgent leader, his adjutant and several others. Another detachment of the same regiment has had a running engagement at Buteas and destroyed a Filipino stronghold. Sergeant Brown and Privates Rigby and Gatsfield of the coast artillery were wounded.

The English club will give a reception to General MacArthur tonight.

Four American prisoners, who escaped from Calapan, have been recaptured. Six others are reported to be in southern Mindoro.

PIER IS A DEATHTRAP.

Eleven Lives Destroyed When Lightning Bolt Wrecks Structure.

CHICAGO, July 3.—Crowded together in a little zinc-lined shanty, under a north shore pier, ten boys and young men and one old man met instant death by lightning today.

They had left their fish lines and sought shelter from the fierce thunder storm that deluged the northern part of the city about 1 o'clock. Ten minutes later their bodies lay, with twisted and tangled limbs, "like a nest of snakes," as the men who found them said.

There were twelve who sought shelter and just one escaped. Twelve-year-old Willie Anderson was uninjured, but he lay many minutes before he could be drawn out from under the heap of dead bodies.

The dead are all from the families of comparatively poor people and comprised a party of men who were fishing and seeking relief from the heat of the day, joined by a number of boys who had come to wade and swim on the beach.

The Webster County Tragedy.

FORT DODGE, Ia., July 3.—The verdict of the coroner was to the effect that C. A. Guild and Clarence Guild, who were shot to death near Dayton, came to their death from wounds inflicted by a shotgun in the hands of Oliver Bricker.

Body of Pingree Arrives

NEW YORK, July 3.—The body of former Governor Hazen S. Pingree of Michigan arrived yesterday on the steamship Zealandia. With the body came Hazen S. Pingree, Jr., who accompanied his father to England. The body will be taken from the ship tomorrow. Frank Pingree, a brother of the late governor; Mayor William G. Maybury of Detroit and R. G. Solomon of Newark, representing the leather dealers' committee, were at the dock.

GOMEZ TALKS WITH PALMA.

Conference Supposed to Have Dealing Upon Cuban Republic.

NEW YORK, July 2.—General Maximo Gomez has been spending much of his time in conference with Tomas Estrada Palma at the Waldorf-Astoria. Neither would divulge the exact nature of their talk. It is thought General Gomez is here to sound the head of the Cuban junta on the question of his candidacy for the presidency of Cuba. General Gomez, who is himself a presidential possibility, declared recently in favor of Senor Palma. When this subject was mentioned to Estrada Palma last night he said:

"I would rather not discuss the matter. It is too early anyway and the Cubans have not yet made up their minds whom they desire for president." General Gomez will leave the city this morning with Senor Palma for the latter's home at Central Valley, N. Y. He expects to go to Washington tomorrow and call upon President McKinley. Before going to the capital it is possible he will issue a statement covering the object of his trip north and setting forth his views on Cuban affairs.

AMERICA INVADING CANADA.

Capital from the United States is Buying Up the Dominion.

LONDON, July 2.—J. Henry Bourassa, member of the Dominion parliament and some years director of La Revue Canadienne, has arrived in London for a holiday. Interviewed by a reporter for the Daily News he referred among other matters to the way American capital is invading Canada. "American capital," he said, "is spreading around the lakes, up the rivers and along the railroad systems. It is breaking down the barrier between Canada and the United States. The Americans are not conquering us, but they are buying us. When this is accomplished it will only need a slight political difference with the home government and the annexation movement, now dead, will revive."

"Then you will have to look not to the half Americanized business men of Canada, but to us French Canadians, who have saved Canada for you more than once and may have to save it again, unless you hopelessly alienate us."

Spanish Claims Considered.

WASHINGTON, D. C., July 3.—The Spanish treaty claims commission held a session today and heard argument on the question of taking testimony in Cuba or other foreign territories. Several attorneys presented arguments on the subject, but no decision was reached.

The motion filed by the attorney for the government to dismiss the case growing out of the sinking of the Maine for want of jurisdiction was called up, but in the absence of Mr. Fuller, who prepared the motion on behalf of the government, the case went over, subject to call.

Buying Missouri Lead Fields.

NEW YORK, July 3.—The Herald says: With the passage of a check for almost \$1,000,000 from the Morton Trust company of this city to the Union Trust company of St. Louis, the first definite step on the part of the Union Lead and Oil company toward the acquisition of title of all purchasable Missouri lead fields has been taken. More changes of titles for large amounts are expected soon.

Damage at Fort Crook.

FORT CROOK, Neb., July 3.—A windstorm verging close upon a cyclone passed over this section yesterday about 4 o'clock doing considerable damage. The depot building was unroofed, a section of which was carried fully 200 feet distant. It was scattered in fragments for an entire block. Lightning struck a telegraph pole near which a soldier was passing, riddling the pole into splinters. The soldier was not hurt.

Wrecked at Rock Springs.

SALT LAKE CITY, Utah, July 3.—A special to the News from Cheyenne, Wyo., says: Eastbound Atlantic express No. 6 on the Union Pacific ran into the rear end of a freight train at Rock Springs last night. Between fifteen and twenty persons, all but two of the passengers on the east-bound train, were slightly injured. Traffic was delayed for nearly fourteen hours.

New Revenue District.

WASHINGTON, D. C., July 3.—The new revenue collection district embracing North and South Dakota was established with Herman Ellermann as collector. The office is located at Aberdeen, S. D.

Fight on Plan of Settlement.

GUTHRIE, O. T., July 3.—The government's proposed lottery plan of settlement of the Kiowa and Comanche country is to be contested by settlers who expect to take claims when the country is opened. The plan of contest is the legality of the drawing scheme. Among those who will be leading plaintiffs is Lewis N. Hornbeck of Minco, I. T., who has been a government surveyor. He has retained counsel to make his case.

PROTEST AGAINST TAX

South Carolina Makes Demand for Return of the Same.

A MATTER OF MUCH IMPORTANCE

A Brief Filed With the Commissioner of Internal Revenue on Behalf of the State—A Case That Will Be Watched With Unusual Interest.

WASHINGTON, D. C., July 2.—The state of South Carolina, acting through the governor and attorney general, has instituted proceedings before the commissioner of internal revenue to test the question whether the state can be legally required to take out special tax stamps on wholesale and retail liquor dealers under the state dispensary laws and has made a demand upon the commissioner for a refund of all such taxes hitherto paid, amounting to \$4,916, while the sum is not large, it is realized that the principle at issue is great and far-reaching in importance.

The one question involved is whether the internal revenue laws of the United States apply to the dispensary system of South Carolina so as to entitle the collector to demand the payment of these taxes. The entire dispensary system of South Carolina is managed by a board of commissioners, consisting of three persons selected by the state legislature, with Columbia as its headquarters. This state dispensary distributes the supplies to the country dispensaries and they in turn are managed by county dispensaries or agents, all being under the board of state commissioners. Under the law no liquor can be sold at night nor drunk on the premises of the dispensary. The liquors are sold as the property of the state and the profits accrue to the state. The salaries of all the officials of the dispensaries are fixed by law and do not depend on the amount of their sales. In the brief filed with the commissioner of internal revenue on behalf of the state it is contended that there is no good law of the United States authorizing the collection of internal revenue taxes which, even implicitly, authorizes the imposition of a tax against a state or its instrumentalities of government and that such an act containing any provisions taxing the instrumentalities of the state government would be to that extent unconstitutional. It is contended further that the property of a state and the means and instrumentalities employed by it to carry its laws into operation cannot be taxed by the federal government and an opinion of the late Judge Cooley in this question is quoted.

If the internal revenue laws of the United States require the agents of the state and county dispensaries of South Carolina to put a tax into the United States before being permitted to exercise the duties of their office it is contended that the law is unconstitutional and void in this particular because the tax which it imposes is purely and simply a tax upon the instrumentalities by which the state, through its laws, seeks to minimize the evils of the liquor traffic within its borders. The federal government, it is held, cannot constitutionally interfere with the laws by requiring a special tax stamp to be paid by its officials as a condition precedent to the exercise of their duties.

Commissioner Yerkes has the claim for refund of taxes by the state of South Carolina under consideration, but has rendered no opinion yet. While it is true that this dispensary system may be designated as a state agency, and its maintenance upheld as constitutional under the police power resident in all sovereignties, yet the commissioner is not inclined to the opinion that it is such a necessary state agency or such a needful function of the state government as will exempt it from taxation.

Giocomo Is Not in Peril.

WASHINGTON, D. C., July 2.—At the request of the Italian charge d'affaires, the state department has used its good offices to protect from violence Dr. Giocomo, an Italian residing in Wyoming. Giocomo is accused by the local authorities of an offense against a woman. He was arrested and brought before a local judge, who showed a purpose to release the accused on bail. This brought out much local clamor and there were fears that the accused would be lynched. This led to the application by the Italian authorities in Washington.

Mexico Supplied by Omaha.

WASHINGTON, July 2.—A recent stringency in Mexico's money market, caused by the heavy exportation of Mexican silver, has been relieved to a considerable extent, according to a dispatch received at the state department. Before the opening of the great refinery at Monterey it was necessary to ship all the bullion to the United States to be refined and but little of it came back to Mexico. Now this is an unnecessary procedure.

TREASURY HAS A SURPLUS.

Government Receipts for the Year Exceed Expenditures.

WASHINGTON, D. C., July 2.—The government receipts and expenditures for the fiscal year ending today will show an excess of receipts over disbursements of approximately \$76,000,000. This is only about \$4,000,000 below the estimate made by congress at the beginning of the last session in December, 1900, at which time the secretary estimated that the receipts from customs would be about \$245,000,000.

The final figures, which will be issued next Monday, will probably fall short of this amount by about \$6,000,000. The receipts from internal revenue sources were estimated last December at \$300,000,000, while the final figures will show over \$307,000,000. The receipts from miscellaneous sources were estimated at \$34,600,000. These will also show a considerable increase. The expenditures for the year will be \$7,500,000 in excess of the estimate. During the fiscal year 1900 the surplus revenues amounted to nearly \$24,000,000, while the surplus of the present year will reach \$76,000,000, and possibly a still higher figure.

In view of the fact that the revenue reduction bill passed at the last session of congress will go into operation at the beginning of the fiscal year, next Monday, the treasury officials estimate that the loss from this source will be about \$40,000,000. It is not expected, however, that the net reduction from this source will reach that amount, as the officials look forward to a year of even greater prosperity than the one just closing. If this expectation is realized the officials believe that the revenues from internal sources will be not greater than \$30,000,000 below the figures of the present year. It is also confidently expected that the receipts from customs will materially increase during the coming twelve months, so that, notwithstanding the reduction made in the last revenue bill, the total receipts from all sources may even reach or exceed those of the fiscal year of 1901.

WHAT IS "MIXED FLOUR?"

Commissioner Yerkes Gives His Definition of It.

WASHINGTON, D. C., July 2.—Commissioner of Internal Revenue Yerkes, in a decision promulgated today, gives his definition of the words "mixed flour," as contained in the act of March 2, 1901, which went into effect July 1.

He rules that the mixed flour subject to tax is food product resulting from the grinding or mixing together of wheat, or wheat flour, as the principal constituent in quantity (of the whole mixture) with any other grain, or the product of any other grain, or other material, except such material not exceeding 5 per cent in quantity, and not the product of any grain, as is commonly used for baking purposes, provided that when the product of any other grain, or wheat flour, with any other grain, or the product of any other grain, of which wheat or wheat flour is not the principal constituent as provided in the foregoing definition, is intended for sale, or is sold, or offered for sale, as wheat flour, such products shall be held to be mixed flour within the meaning of the act.

To be subject to the act as mixed flour, therefore, the blended product must either contain 50 per centum of wheat flour, or if it contains a less percentage of wheat flour, it must be intended for sale or to be sold or offered for sale as wheat flour, and not as mixed flour.

NEBRASKA CROP PROMISING.

Corn Belt Receives Report from This and Adjacent States.

CHICAGO, July 2.—Crop reports for the month of June received by the Corn Belt, the publication of the Burlington road, cover the principal grain districts of the middle west, and the majority of them declare that the prospects for the coming harvest are bright. The estimates of the Corn Belt are made up from the reports of something over 900 correspondents in Nebraska, Iowa, northern Kansas, northern Missouri and northeastern Colorado. The great majority of these declare that the prospect for the crop is that it will be very heavy, the estimates for winter wheat are good, spring wheat is good, while the outlook for oats is only fair. In some districts the majority of the reports say that the prospect is poor. The rye crop will be heavy.

SOLDIERS HOMEWARD BOUND.

Big Rush from San Francisco Will Begin Soon.

SAN FRANCISCO, July 2.—It is the intention of the military authorities to muster out all the remaining regiments at the Presidio at once, when it is expected there will be a big rush of soldiers for points east, south and north. The Southern Pacific ticket office expects to sell the largest number of overland tickets ever sold in its history in one day.

FIFTY THOUSAND OUT

Strike of the Steel Workers Involves the Hoop Trust.

UNION MEN ARE TO WALK OUT.

Even the Open Shops Are No Longer to Contain Them—Some Mills Looked for Action—To Others It Comes as a Surprise.

PITTSBURG, July 1.—President T. J. Shaffer of the Amalgamated Association of Iron and Tin Workers will this morning issue an order calling out all union employees of the various mills of the American Steel Hoop company, known as the hoop trust. It is estimated that 15,000 men will be subject to the call, which, in connection with the big strike of the American Sheet Steel company ordered by President Shaffer on Saturday, will affect 50,000 men.

President Shaffer said tonight: "The impression that only the mills of the American Sheet Steel company are affected by the decision of Saturday is a mistake. The workmen of all mills in the American Steel Hoop company are interested and will be officially notified this morning that the scale has not been signed and that they will quit work. The to the well organized mills this notice will be no surprise for the men who have watched the situation carefully, but what is known as open mills where union men have been allowed to work side by side with the non-union is where we have to move. Union men must walk out of these open mills in the hoop trust."

"The open mills to be notified are one at Hollidaysburg, Pa., three at Pittsburg and one at Monessen. The organized mills which will close on our call are the Upper and Lower mills at Youngstown, O.; Pomeroy, O.; Sharon, Pa.; Girard, Pa.; Warren, Pa.; Greenville, Pa. This, I believe, will bring the number of men affected up to 50,000. It is a matter of regret that the issue has been forced, but it now looks as though it will be a fight to the death."

Continuing, Mr. Shaffer said: "The Amalgamated association is not unprepared for it. We have not had a general strike for many years, and in that time we have not been idle. We have funds and will use them. Right here I want to correct an impression which has been given out that no benefits will be paid strikers until two months have elapsed. The Amalgamated association will begin at once to take care of its people."

Mr. Shaffer concluded his talk by saying: "I will say now what I said to Mr. Smith, general manager of the steel company in the conference. I said if it is to be a strike we will make it one to be remembered. The officials now dealing with us have but little idea of the extent to which this strike will go, once it is on."

CUBAN ELECTORAL LAW.

Constitutional Convention to Discuss It This Week.

HAVANA, July 1.—During the coming week the constitutional convention will discuss the electoral law. The project submitted by the commission provides only for the election of congressmen, governors, state representatives, mayors and councilmen. No agreement has been reached as to whether the president and senators shall be chosen by popular vote.

The discussion of the electoral law will probably open up an argument by the conservatives against a federal republic with many provincial officers as entailing heavy expenditures. The conservatives will oppose granting absolute autonomy to the provinces and municipalities. An effort will be made to change the constitution and to invest the central government with appointive and veto power.

Universal suffrage seems to be a popular movement, but the general opinion is that it will be impossible to get the congress to change the form of voting.

Governor General Wood is improving, but his physicians advise him to desist from public duties for some time. He received the cabinet secretaries yesterday and today.

Bryan in Washington.

WASHINGTON, D. C., July 1.—Hon. W. J. Bryan arrived in this city this morning from Philadelphia and spent a quiet day with friends. Tonight he went by boat to Newport News, Va., where tomorrow he is to deliver an address before an educational institution.

English Drouth Broken.

LONDON, July 1.—The long-continued drouth in Great Britain has been broken. Violent thunderstorms occurred Saturday night, accompanied by torrential rains and lightning, which caused much havoc. Many parts of the continent have been suffering from heat waves. In Portugal much damage has been done by floods and hailstorms. According to a dispatch to the Daily Press from Oporto twenty persons were drowned.

UNITED STATES IS FIFTH.

Trade With Switzerland and Exports of Manufactured Goods Increasing.

WASHINGTON, July 1.—One of the most interesting extracts from the volume entitled "Commercial Relations of the United States for 1900" was made public Saturday by Frederick Emory, chief of the bureau of foreign commerce, dealing with United States trade in Switzerland. Consul Gifford, stationed at Basel, says Switzerland's trade figures are especially noteworthy as showing that this diminutive republic, about half as large as the state of Maine and which would be swallowed up in big Texas, is commercially the most highly developed part of the world. Not even industrious Holland or Belgium, says the consul, can display the astonishing figures of \$130 of foreign commerce for every unit of its population of barely 3,000,000 reached by Switzerland. These remarkable results have been attained by a country without seaports, without coal or iron—in fact, without any considerable quantity of raw material for the manufactures it has to sell.

According to Consul Morgan at Aarau, Switzerland is almost wholly dependent on the outside world for its well-being, 30 per cent of its entire imports consisting of foodstuffs and over 40 per cent being raw material, which is re-exported in the shape of manufactured goods.

BIG HARVESTS OF GRAIN.

Wheat Greater Than Ever, Corn Good and Weather Satisfactory.

LINCOLN, Neb., July 1.—"I can say positively that the prospects for big harvests of grain in this state were never better than they are at present. The wheat crop will probably be the largest in the history of the state. Corn in practically all parts of the state is in good condition, but a trifle late in growth. Territory in the immediate vicinity of Lincoln has been dry recently, but all other sections of the state have had good rains and I was unable to find any corn that had been killed by drouth."

This reassuring information was given by Charles T. Neal, a grain dealer of Lincoln, who had just returned from an extensive trip over the state. He visited nearly all of the grain growing counties and gathered opinions relative to grain from the best posted men in each community, besides making personal investigations.

"In some sections corn has been delayed by lack of moisture, but the damage has not been extensive," continued Mr. Neal. "Just at this time corn does not need much rain and unless the dry season is protracted and accompanied by hot winds the cereal will get along well without a great deal of moisture."

DEFENDS RUSSIA'S POLICY.

Journal of Commerce Attacks Duty on British Paraffine.

ST. PETERSBURG, July 1.—Confirming statements already telegraphed to the Associated Press, the Journal of Commerce and Industry, representing the Russian ministry of finance, explains Russia's attitude toward the American duty against British paraffine manufactured from Russian naphtha. The article declares that Secretary Gage's measure was "manifestly designed as a reprisal," adding that this position is strengthened by the fact that article 626 had never previously been so construed. It asserts also that Mr. Gage did not mention Rumanian naphtha, which is likewise imported into Great Britain.

The contention, therefore, is that Russia's answer in raising the duties on bicycles and rosin is justified.

Suffering from Hot Winds.

KANSAS CITY, Mo., July 1.—Kansas and Missouri are suffering from hot winds that threaten great damage to corn. Atchison, Kan., reports the greatest drouth in northeastern Kansas since 1860, a warm wind having blown, reports 150 degree weather, with many fields in south Dickinson county ruined. A Mexico, Mo., dispatch says the thermometer in that part of the state registered 101 yesterday and today and if rain does not come soon the farmers will have to put their stock on the market immediately to save it.

Czarevitch Betrothed.

LONDON, July 1.—"It is reported in St. Petersburg," says a dispatch to the Chronicle, "that the czarevitch is betrothed to Princess Cecil, granddaughter of the late Grand Duke Mecklenburg-Schwerin."

Insists on Open Shop.

WASHINGTON, July 1.—The conference between representatives of the employees of the National Cash Register company of Dayton, O., and the company was not entirely satisfactory. The machinists were granted what they asked, nine hours' work at the pay hitherto prevailing, but the polishers, buffers and glass moulders will have to fight for what they demand. There was but little discussion over the demand of machinists.