

DEFENSE BEGINS ITS CASE TODAY

Testimony for Prosecution Is Ended.

BENNETT TO MAKE MOTIONS

Dismissal of Case Against Williamson May Be Urged.

HAS BUT FEW WITNESSES

Government Introduces Evidence to Show That Williamson and Gesner Were Interested in Timber Claims.

After Special Agent Horace T. Jones had been placed on the stand and identified a map containing the location of the claims alleged to have been obtained by Williamson and Gesner, a map that was introduced so that it can be used for argument, the Government rested its case against Representative Williamson, Dr. Van Gesner and Marion R. Biggs. This morning the three defendants will have their inning.

It is understood that the defense will not place many witnesses on the stand. Judge Bennett stated Tuesday that there would not be over a half a dozen, and while the counsel for the defense has not said that the defendants will take the stand in their own behalf, it is expected that they will. Judge Bennett informed Judge De Haven just before adjournment yesterday afternoon that he had some motions to make, and that he would present them this morning. Perhaps one of these motions will be for dismissal of the charges. District Attorney Heney is anticipating such a move on the part of the defense, and he will undoubtedly have a list of authorities on hand in case such a move is made by counsel for the defense. It may be that Judge Bennett will only ask for the dismissal of the charge against Representative Williamson, for it has been apparent throughout the trial that it is the desire of counsel for the defense to eliminate him from any connection with the alleged conspiracy.

Through only a few witnesses who testified for the Government was Representative Williamson's name connected directly with the alleged deals made by Dr. Gesner. His name was more prominently connected with the case yesterday by the testimony of Jesse E. Hostetter, cashier of French & Co.'s bank of The Dalles. A loan of \$500 had been negotiated from this bank and Mr. Hostetter stated on the stand that Representative Williamson secured the loan, that he signed the note first, and that later it was signed by Dr. Van Gesner. The witness also testified that before the note was returned with the signature of Dr. Gesner, a number of checks which had been drawn against the loan, were cashed.

Mass of Documentary Evidence.

During the trial the Government introduced a mass of documentary evidence. Included in this evidence were a great many letters written by Marion R. Biggs to the Receiver at The Dalles and they covered the entire 45 claims. These letters were a part of the land case records and were identified by J. P. Lucas, who was formerly the Register in the office. District Attorney Heney also introduced a number of Dr. Gesner's personal checks, given in payment for proving up on several of the claims, which, as shown by testimony already offered, were taken up with the intention of conveying them to the firm of Williamson & Gesner. The letters written by Biggs were received at the Land Office during 1903-04. In these letters Biggs inclosed applications for timber claims that have formed the basis of prosecution. There was also checks and drafts for the payment of the fees.

One draft amounting to \$366, dated December 5, 1902, was for the payment for four of the claims at issue and another draft for \$27, inclosed in the same letter, was for other claims. One of Dr. Gesner's personal checks appears for the payment of the claims of R. F. Jones and his wife and two other claims. The remittance was made December 13, 1902, and amounted to \$164. Several days later another of Dr. Gesner's checks was received amounting to \$22, for two more claimants. The Gesner check amounting to \$164, was for the payment of the claim of Henry Hudson and three others who had made filings on timber claims. On January 15, 1903, Biggs admitted \$125 and in the letter he wrote, he said, "Please notify me if anything is wrong, as I do not want to get into the same kind of a scrape that I hear this morning that one of our commissioners is in."

T. M. Baldwin, cashier of the First National Bank at Prineville, was placed on the stand and questioned concerning the private bank account of Dr. Van Gesner and also about the account kept there by the firm of Williamson & Gesner. Baldwin did not make the best witness in the world. He was questioned closely by District Attorney Heney, concerning the Gesner checks and had stated that his bank did not stamp the checks at the time they were paid, nor was there anything to show to whose credit they had gone. This statement caused Judge De Haven to say:

"Do you mean to say that you keep no record of such a transaction?"

"We do not," replied the witness.

"I don't think I would want to deposit any money in your bank," remarked the Court, apparently shocked by the lax business methods of the Prineville banking institution.

Williamson's Nephew Testifies.

Ernest Starr, a nephew of Representative Williamson, was called by the Government, and told of having taken up a timber claim. He is still in the employ of Williamson & Gesner. Starr stated on the stand that he had paid the cost of filing himself and that he had taken up the claim with the intention of selling it to Dr. Gesner. Judge Bennett, on cross-examination, failed to shake the testimony of the young man. He tried to get the witness to admit that he had at one time thought of buying an interest in the firm, but Starr denied this. Further questioning by counsel for the defense only seemed to strengthen the Government's case. Several witnesses were placed on the stand for the purpose of showing that many of those who had taken up the 45 claims, could not have done so without first having borrowed money in advance on the claims. Among those who testified to this was W. A. Bell, County Attorney.

C. E. S. Wood, a local attorney, who represents the Willamette Valley Cascade Wagon Road company, testified to having leased to the firm of Williamson & Gesner several odd sections of land. Between these odd sections many of the claims taken up by some of the claimants lay. Miss Margie Glaze, was the only witness of the day who knew nothing. She had a very bad memory. That she was keeping back what she knew was so apparent that she was permitted to go after a brief examination.

PROSECUTION ENDS ITS CASE

Much Testimony Is Introduced From Witnesses Who Took Up Claims.

The last day of the prosecution in the case of the United States against Williamson, Gesner and Biggs in the Federal Court opened yesterday morning. The Government's case was presented by the testimony of Ernest Starr, a nephew of the defendant, Williamson, and had lived in Prineville and visited him several times during his life. In 1902 he had been working for the firm of Williamson & Gesner, and had suggested to him that he take a timber claim. The witness testified that Gesner had asked him if he had proved up on it. Starr had filed up and had told him he could get \$500 for it when he had proved up on it. Starr had filed up and had told him he could get \$500 for it when he had proved up on it. Starr had filed up and had told him he could get \$500 for it when he had proved up on it.

At this time, did you intend to deed the land to Williamson and Gesner as soon as you got title? Mr. Heney asked the witness, and he stated that such had been the intention.

On the cross-examination the witness proved to be the first one who had remembered any trouble between the cattle and the sheepmen, though on reconsideration he did not remember for a moment that there had been a deadline in the forested country. He had been there in 1902 or whether it was there before that he did not know.

"When have you seen Neuhausen?" "I have seen him several times," answered the witness. "Did he have a typewritten statement for you to swear to?" "Yes, sir."

Told to Tell the Truth.

"Didn't he tell you he wanted you to swear to the statement?" inquired Mr. Bennett. "No, sir; he told me to tell the truth," answered the witness.

"Didn't he tell you that the statement was the truth and that he wanted you to swear to it?" "No, sir," answered the witness.

"You testified before the grand jury in February. You remembered then, didn't you?" "No, sir, I didn't remember at that time," answered the witness.

"You told me yesterday afternoon that you didn't remember at that time," answered the witness.

"You have not told to him except casually," "No, sir."

Much Documentary Evidence.

J. P. Lucas, the ex-register of the land office at The Dalles, was the next witness called. He had been in office in 1902, and had retired April 1, 1903. The witness had a great deal of correspondence with Biggs during the time he had been in the office, and was familiar with his handwriting. Mr. Heney then began the introduction of the documentary evidence of the case, which filled the greater part of the day.

MURAVIEFF OUT AS PEACE ENVOY

Czar Decides to Send Witte to Washington in His Place.

CHANGE ASSURES PEACE

Protests Reluctantly Heeded, but Czar May Change Again—Witte Favors Lasting Peace and Alliance With Japan.

ST. PETERSBURG, July 12.—(222 A. M.)—M. Muravieff has resigned his position as chief peace plenipotentiary. It may be regarded as practically certain that he will be replaced by M. Witte, president of the Committee of Ministers, who all along has been considered the Russian statesman pre-eminently qualified to undertake the difficult task of negotiating peace with Japan.

Though the Emperor on two previous occasions has flatly declined to accept M. Witte, he has now indicated his readiness to make the appointment. The commission, however, will not be actually signed until Foreign Minister Lomaxoff, who throughout has been M. Witte's warm supporter, has had an audience with the Emperor. To that extent only the matter may be regarded as settled, nothing being certain in Russia, as a prominent diplomat remarked last night, until the Emperor's signature has been affixed.

Witte Favors Alliance With Japan.

M. Witte's selection undoubtedly will be hailed as a practical assurance of peace. While it would be a mistake to denounce him a "peace-at-any-price" man, M. Witte earnestly believes that the struggle should be ended, and should be succeeded by an understanding between Russia and Japan which would insure peace in the Far East for half a century. Indeed, he is personally believed to be in favor of a Russo-Japanese alliance.

The conduct of negotiations by M. Witte, it is felt by the peace party here, would inspire instant confidence in Japan. The only handicap under which M. Witte labors is his lack of familiarity with the English language, as the only foreign language he speaks are German and French.

Muravieff Admits Unfitness.

M. Muravieff's retirement, ostensibly owing to reasons of ill-health, is, in reality, due to the fact that the Emperor became convinced that the negotiations might be jeopardized if he went to Washington. M. Muravieff himself, upon consideration, quite frankly recognized his lack of diplomatic training and his want of acquaintance with the questions involved, and with equal frankness expressed satisfaction that he had been relieved.

FIERCE ATTACK ON MURAVIEFF

Czar Influenced by Vigorous Attacks on His Peace Envoy.

ST. PETERSBURG, July 12.—Strong influences have been brought to bear on Emperor Nicholas to induce him to replace M. Muravieff as peace plenipotentiary, although the ambassador has taken passage on the steamer Kaiser Wilhelm der Grosse, which will sail from Cherbourg July 25. According to reports the Emperor is wavering, if he has not already been convinced of the fact that his choice was unwise.

The Russian newspapers whose criticism compelled M. Muravieff to relinquish the portfolio of justice have attacked him with great savagery, as being utterly unqualified to conduct such important negotiations, and the Foreign Office has all along been supposed to share this view.

The newspaper criticism of the Emperor's suppression of M. Muravieff under the belief that his conduct of the negotiations would be sure to lead to untoward complications, if not to the complete wreck of the hopes of peace. The members of this party profess to believe today that they have won a victory, and that, while M. Witte will not head the Washington mission, M. Pokotiloff, Russian Minister to China, M. Witte's right-hand man, will. They say the Emperor's attitude was apparent on Monday when he received M. Muravieff and remarked that he did not believe his health would stand the strain of going to Washington, and the imperial intimation was of such a character as not to be disregarded.

Morover, according to a usually reliable authority, the Emperor, when he received Foreign Minister Lomaxoff in audience yesterday, declined to approve the instructions prepared for M. Muravieff's guidance, and during the evening it was equally significant that the Foreign Minister made it a point to tell a foreign ambassador who called that M. Muravieff's health was not good. The newspaper criticism of M. Muravieff's fitness for the post may result in a duel between M. Skaalkovsky, of the Novoe Vremya, and Prince Oukhtomsky, editor of the Russkoye Slovo. The former has not been sparing in his attacks on M. Muravieff, and yesterday Prince Oukhtomsky took M. Skaalkovsky personally to task in the Viedomosti, whereupon M. Skaalkovsky assailed Prince Oukhtomsky in a fashion the Prince can hardly overlook. He says in so many words that Prince Oukhtomsky is a fool, but recalls Victor Hugo's observation, "While every man has a right to be a fool, he should not abuse the right."

leged subsidies which he receives from the government, saying: "If I am not Prince Oukhtomsky, nobody grieves for me. I have no securities, subsidies or interests in railroads and fantastic Mongolian gold mines which compel me out of gratitude to compose servile panegyrics."

The Associated Press is informed by friends of M. Muravieff that the Ambassador fully recognizes the difficulty and thanklessness of the role of negotiating a treaty of peace under the circumstances and that he would welcome relief from the disagreeable duty. It is also said that M. Muravieff really is not in good health. Nevertheless, the friends of the Ambassador expressed the opinion that he probably will go to Washington.

BONDS ARE OVERSUBSCRIBED

Host of Americans Eager to Lend Money to Japan.

NEW YORK, July 12.—The subscription list for the Japanese loan was closed by Kuhn, Loeb & Co., the National City Bank and the National Bank of Commerce, and agents throughout the country at the close of business today. The bankers had announced that the list, which was opened yesterday, would be closed on July 12. The applications were so heavy, however, from all over the country that it was seen that the \$50,000,000 of bonds allotted to the United States had been heavily oversubscribed and it was decided to limit the taking of subscriptions to a single day.

Following the precedent of the former Japanese loan, every effort will be made to discriminate between speculative and investment applications and subscribers for small amounts will probably receive the full allotment. In the case of the large subscribers, it is probable that the allotments will not exceed 20 or 25 per cent of the amount of the applications. It may be a week or ten days before the allotments are completed. The new bonds were traded in on the curb at 88 and 87 1/2. The issue price is 87 1/2. The amount of the New York subscription was not made known.

PHILADELPHIA, July 12.—Philadelphia's subscriptions to the new Japanese loan, were closed by Kuhn, Loeb & Co., the National City Bank and the National Bank of Commerce and their agents throughout the country at the close of business today. The amount of the Philadelphia subscription was not made known.

BERLIN, July 12.—The German allotment of \$50,000,000 of the Japanese loan of \$50,000,000 was over-subscribed ten times.

WILL FIND THE NORTH POLE

PEARY TO SAIL IN THE ROOSEVELT THIS WEEK.

Last \$35,000 Necessary for Expedition Is Raised—Will Start Finally From Cape Breton.

NEW YORK, July 12.—With \$35,000 subscribed today toward his expedition to reach the north pole, Robert E. Peary announces that he will sail this week for the north. Commander Peary's new Arctic ship, the Roosevelt, has been waiting several days for supplies, which could not be bought on account of a lack of funds. The polar expedition, which has been in preparation since October 13, 1901, has cost \$130,000, including today's subscriptions. The entire amount has been given by American business men to the Peary Arctic Club, whose members are anxious that none but Americans have a hand in this polar expedition. Morris K. Jessup, president of the club, subscribed \$25,000 today, and Thomas H. Hubbard gave \$10,000.

In announcing that the ship is at last ready, Commander Peary today made public for the first time a donation of \$50,000 given by George Crocker in January last. The \$50,000 received today will be expended, Mr. Peary said, for hand-picked coal and other scientific instruments. His party is complete, with the exception of a surgeon. Mr. Peary will probably sail with the expedition.

From here the Roosevelt will proceed to Sydney, Cape Breton, where the New York crew will go up the ship to a picked crew, which is already waiting on the Erik, a coal ship, which will accompany the Roosevelt to latitude 73. The Erik will then return south, bringing Mr. Peary with her.

ARCTIC EXPLORER WHO WILL TRY AGAIN TO REACH THE NORTH POLE.



COMMANDER ROBERT E. PEARY.

with five trunk lines. Much of the stock was held abroad. Thus, when more funds were necessary, it was impossible to secure the co-operation of the widely-scattered foreign stockholders, though several members of the company, myself for one, were willing to agree to any scheme to restore the enterprise to a profitable basis. "If the Equitable will join as an individual like the other creditors in taking the company out of the hands of the receiver and reorganizing it, there will be no loss to the Equitable. The loan was made in ordinary course on application by the manager of the Improvement company. It was granted after examination by the officers of the Equitable charged with that duty. I had absolutely nothing to do with it."

DEPEW IS CALLED A TAINTED MAN

Yale Alumni Start Campaign to Drive Him From University Corporation.

SHOULD PAY THE PENALTY

Insist on His Resignation, and Demand for Re-Election Is Assured—He Explains His Land Deal.

NEW HAVEN, Conn., July 12.—(Special.)—A vigorous campaign has been started by Yale men against the continuance of the university corporation or board of trustees of Chauncey M. Depew, because of the revelations of his connection with the Equitable Life Assurance Society. Many alumni insist that his resignation be immediately demanded. Others are in favor of letting him serve out his six-year term, which has one year more to run.

On the authority of many of the most prominent graduates of the university, it can now be said that Depew will never be re-elected to the university corporation. All Yale is aroused at the revelations of his financial dealings and the opinion has crystallized here that he is not a proper person to be a member of the university corporation. Colonel Osborn, Yale '89, said tonight: "It is no wonder that the country is indignant with Depew and the whole crowd associated with him, and that the demand has come up that they shall be tried in a court of law and made to pay the penalty. Why should they be shielded in the hour of distress, when men either less fortunate in their environment or altogether unfortunate are paying in every state in the Union the penalties for crimes of relative unimportance? These men have made chicken-stealing almost respectable, and it is because their offense is so much greater that they too should be given a season of meditation and prayer behind prison doors."

"Wean for the present drop tainted money and begin the consideration of tainted men."

DEPEW RISES TO EXPLAIN.

Denies Connection With Loan and Says Company Can Pay Up.

CHICAGO, July 12.—The Daily News correspondent cables an interview with Senator Depew on the Equitable matter in which the latter says that the reports of his "land deal" with the Equitable are greatly exaggerated.

"The reports," said the Senator, "refer to the Depew Improvement Company, which was given my name without my being consulted. The head of the company was Dr. Seward Webb, through whom I became a member after the enterprise had become flourishing, with a settlement near Buffalo in connection with the Peary expedition."

to be ousted from the Equitable are ridiculous. "I have never heard a word of this matter, directly or indirectly, from the Equitable," he went on, "since I placed my resignation in the hands of Paul Morton just before I came abroad. I resigned because I am nearly 73. I have surrendered other retainers, and I had decided to surrender this before my next birthday. I am reducing my business obligations, which have so accumulated as to leave me no leisure for that respect which belongs to a man of 73, no matter how vigorous he may be."

MORTON CUTS ALL SALARIES

Graduated Reduction for All Officers of Equitable Life.

NEW YORK, July 12.—Sweeping reductions in the salaries of various officials and employees of the Equitable Society were announced today by Chairman Morton. The decreases will amount to 20 per cent on all salaries over \$15,000 per annum; 15 per cent on all salaries between \$5000 and \$15,000, both inclusive; and 10 per cent on all salaries above \$2500 and below \$5000.

These changes become operative on August 1 next, and effect a saving of from \$150,000 to \$200,000 a year. In the first or 20 per cent class may be included Chairman and Acting President Morton and Second Vice-President Gago E. Tarbell.

Asked today to make known his salary as chairman of the Equitable Society, Mr. Morton said:

"The question has not yet been decided. It is a matter of further adjustment."

ONLY RESCUED FROM DISASTER

Ryan Denies He and Morton Control Washington Life.

NEW YORK, July 12.—The following statement was given out today by Thomas F. Ryan:

"The reports of my connection with the Washington Life Insurance Company are inaccurate. When the company was on the verge of bankruptcy last December from mismanagement, I joined Governor Morton and others in subscribing the necessary money to put the company in the strong financial position in which it finds itself today. Its business is daily increasing and the policyholders are to be congratulated on Governor Morton's willingness, wholly from a sense of duty and in spite of advanced age, to step in to prevent impending disaster to a company of which he had been a charter member."

Higgins Will Not Change Mind.

ALBANY, N. Y., July 12.—Governor Higgins will not change his mind. (Concluded on Page 2.)

CONTENT'S TODAY'S PAPER

The Weather. YESTERDAY'S—Maximum temperature, 73 deg.; minimum, 53. Precipitation, none. TODAY'S—Fair and slightly warmer. North-westerly winds.

The War in the Far East.

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Sport.

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Pacific Coast.

Sherriff T. D. Taylor, of Umatilla, said to be passing up a private secretary. Page 5. Governor Mead writes sharp letter to Governor Johnson of Minnesota. Page 6. Million-dollar cotton mill may be built at Hood River. Page 6.

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World's Fair.

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ALL KEEN AFTER SCOTT'S MONEY

Crowds of Grafters and Cranks Haunt Hotel of Death Valley Miner.

HE IS TOO CANNY FOR THEM

Bell-Boys Guard His Door Against the Rush and Secretary Answers Sack of Letters From Seekers After Donations.

CHICAGO, July 12.—(Special.)—Lucy Page Gaston, of anti-cigarette fame, was among the callers who sought an audience with Walter Scott, the whirlwind Death Valley mining "wonder," whose mysterious mine and money have puzzled Chicagoans since his arrival from Los Angeles, Cal., yesterday. Miss Gaston informed one of Scott's secretaries that she had come to interest in the "Crossus" in the anti-cigarette movement.

"I am going West and I have come to enlist Mr. Scott's special 'X' my fight against cigarettes," she said. "I am going West and I have come to enlist Mr. Scott's special 'X' my fight against cigarettes," she said. "I am going West and I have come to enlist Mr. Scott's special 'X' my fight against cigarettes," she said.

It was predicted by Mr. Scott's visitors that he would go back to California without going to New York and would be forgotten as quickly as he became notorious, having accomplished what some persons believe was his mission, to serve as an advertisement "bodge" for the road over which he made his run, discounting previous records for Western speed.

During Mr. Scott's absence from the hotel, his dog with its \$1000 collar was stolen. Johann Hoch, bigamist, condemned to die on the gallows July 25, declared today that he was seeking to procure money from Mr. Scott. Hoch said that his messenger to Scott was a woman, but he declined to reveal her identity.

Wants Help to Save Husband.

A woman giving her name as Mrs. L. H. West, who declared that she wanted help in having her husband taken to a hospital for an operation, was cloistered with Mrs. Scott during the miner's absence from the hotel. She said she had been trying to earn money by taking in washing, but feared she would be too long in saving it to do her husband any good.

Scores of workers and promoters were waiting for him to have a chance to take a crack at his horn of plenty. The miner refused to receive them.

Bell-Boys Stand Off Crowd.

With the first call for ice water the crowd, many of whom had been waiting for hours, made a rush for the miner's suite on the second floor of the hotel. At the doorway they were repulsed by two bellboys, whom the miner had put on guard. The bellboy guards were not the only luxuries that the miner indulged in during the day. A special mailbag was necessary for handling his incoming correspondence. The mining Midas took one glance at the letters—more than 300 of them—and reached for the telephone.

"Send me up a private secretary right away," he said. Clerk Arnold arranged for the transfer of one of the clerks from the hotel office to the rooms of the Death Valley plunger. Nearly a hundred letters were marked with special delivery stamps. A majority of them were requests for endorsements and donations.

AMERICAN FLAG IN MUD

ENRAGED CANADIANS TEAR IT DOWN AND TRAMPLE ON IT

LONDON, Ont., July 12.—An American flag was torn down in front of the City Hall tonight and trampled under a hundred feet, as the result of a remark made by an American visitor at the Orangemen's demonstration.

Insult From Visiting Orangeman Sets London, Ontario, in Frenzy of Patriotism.

About 800 Americans came over from Michigan, and during the day carried the Stars and Stripes through the streets without unfavorable comment being elicited. Tonight the Americans gathered in front of a hotel, when some one cried: "To hell with Canada; she never showed us yet."

Instantly the American flag, owned by the Port Huron (Mich.) Lodge, was torn from where it waved in the breeze and was ripped into shreds and trampled under the feet of an angry mob.

Port Huron Orangemen say they did not resent it, as they believed the insult to Canada was uncalculated.

Canal Commissioners Came Home.

PANAMA, July 12.—General Peter Helms and Colonel S. M. Harrod, of the Panama Canal Commission, arrived here today on the steamer Segurana, from New York.