

CHEERED OUR FLAG.

"Viva los Americanos," Shout Santiago Crowds.

WE OCCUPY MORRO CASTLE.

Add a Gunboat to Our Navy and Seek the Harbor Mines.

Gen. Toral and His Officers Met Our Generals Under the Tree Where the Negotiations Had Been Held—He Formally Surrendered Santiago and Its Strongholds, and Then We Marched into the City—All Hats Were Off When Our Flag Floated Above the Palace and Half the Big Crowd Cheered—The Shouts of Our 20,000 Soldiers on the Hills Heard Through the City—Morro Is a Mass of Ruins—Crowds of Refugees Return to the City, While the Spanish Prisoners Go Into Camp Near Our Army—Good Order in the Town.

Special Cable Dispatch to THE SUN.
SPOKES, July 17.—The surrender of Santiago is now completed, and the American flag floats over the Spanish Governor's palace in the heart of the city and over Morro Castle at the entrance of the harbor. The occupation of the Civil Guards and the Orden Publico's gone, and the swaggering Spanish officers no longer hold the city as though it was their own personal property.

Order is maintained by American soldiers, who go about their work as though it was quite the usual thing for them to patrol the streets of Spanish cities. It is a strange experience to these soldiers from the North to see guard duty in the old Spanish city from which Cortez started on his conquest of Mexico, and to stand in the shadow of the ancient cathedral where he and his fellow conquistadores attended mass just prior to sailing for the land of the Montezumas; but there is nothing in their behavior to indicate that there is anything in the work that is novel to them.

The Americans are in complete possession of the city and all the Government property in it. The Spanish soldiers have given up their arms and are now encamped outside the town. They frequently walk near the American lines and converse with our troops, many of whom, particularly those from the Southwest, speak Spanish with more or less fluency.

Gen. Shafter sent word on Saturday to Gen. Toral, the Spanish commander, that he would take possession of the city at 9 o'clock this (Sunday) morning. He left the camp shortly before that hour, accompanied by Gens. Lawton and Wheeler, Col. Ludlow, Ames and Kent, and eighty other officers. The party walked slowly down the hill to the road leading to Santiago, along which they advanced until they reached the tree outside the walls under which all the negotiations for the surrender of the city had taken place.

As they reached this spot the cannon on every hillside and in the city itself boomed forth a salute of twenty-one guns, which was echoed at Siboney and Aseradero.

The soldiers knew what the salute meant, and cheer upon cheer arose and ran from end to end of the eight miles of the American lines.

A troop of colored cavalry and the Twenty-fifth colored infantry then started to join Gen. Shafter and his party. The Americans waited under the tree for ten minutes, when Gen. Shafter sent word to Gen. Toral that he was ready to take possession of the town.

Gen. Toral, in full uniform, accompanied by 200 Spanish officers, shortly afterward left the city and walked to where the American officers were waiting their coming. When they reached the tree Gen. Shafter and Gen. Toral saluted each other with grave courtesy, and salutes were also exchanged by the other American and Spanish officers. The officers were then introduced to each other. After this little ceremony the two commanding Generals faced each other, and Gen. Toral, speaking in Spanish, said:

TORAL'S FORMAL SURRENDER.

"Through fate I am forced to surrender to Gen. Shafter of the American army the city and the strongholds of the city of Santiago."

Gen. Toral's voice trembled as he spoke the words giving up the town to his victorious enemy. As he finished speaking the Spanish officers presented arms.

Gen. Shafter, in reply, said: "I receive the city in the name of the Government of the United States."

Gen. Toral addressed an order to his officers in Spanish, and they wheeled about, still presenting arms, and Gen. Shafter and the other American officers, with the cavalry and infantry following

them, walked by the Spaniards and passed on into the city.

The soldiers on the American line could see all the proceedings, and as their commander entered the city they again gave voice to cheer after cheer.

The Governor's palace is situated in the centre of the city, fronting the Plaza de Armas, at the other end of which stands the cathedral. Gen. Shafter immediately proceeded to the palace, where a crowd numbering 8,000 persons had gathered. The Civil Governor, Leonardo Ross; Mayor Gabriel Ferrer, Chief of Police Gutierrez and fifty minor city officials were waiting in the plaza. As the Americans entered the little park, for such the Plaza de Armas is, they were subjected to running comment by the spectators, most of whom were Spanish. There were present, however, some English and French residents of the city. There was some cheering by American sympathizers, which was objected to by the Spaniards, with the result that there were several fist fights in the crowd, but the trouble was quelled almost as soon as it began.

After the Americans had arrived at the palace the Archbishop of Santiago, Fray [Brother] José de Sturres de Ismañ y Crespo, the most powerful ecclesiastic in Cuba, accompanied by ten priests, came on the scene, gravely saluted Gen. Shafter and entered into conversation with him.

TURNING OVER THE CITY.

Prior to the formal ceremony of handing over the city to the Americans a lunch was served at the palace. The only Cuban present at any of the ceremonies was Gen. Joaquín Castillo and one of his aides, who were the personal guests of Gen. Shafter. The reason that no Cuban participated in the ceremony was that Gen. Calixto García did not like to enter the city while it was still under the rule of such enemies to the Cuban cause as the Santiago officials had been.

Very little time was occupied at the luncheon. Just before noon Lieut. Miley, carrying an American flag, went to the top of the palace. Gen. Shafter and the other Americans, followed by the Spanish military officers and officials, went into the Plaza, where the American cavalry and infantry were drawn up. Lieut. Miley with two other officers bent the flag to the halyards attached to the palace flag-staff.

When Admiral Cervera's fleet arrived at Santiago the Civil Governor gave a great public banquet. At that time he had put up on the front of the building letters two feet deep, made of gas pipe, which read, "Viva Don Alfonso XIII." These were illuminated at night. The letters were still there. They stood out black but distinct, immediately under the staff where Lieut. Miley was ready to float the Stars and Stripes. As the great bell in the tower of the cathedral gave the first stroke of 12 o'clock Lieut. Miley ran the flag up to the top of the staff and broke it out, its folds spreading to the southwest breeze.

CHEERS FROM THE PEOPLE.

By this time every house around the Plaza was jammed with people, and as many were in the square as could crowd themselves into it. As the flag floated to the breeze all hats were removed by the spectators, and the soldiers presented arms. As the last stroke of the hour tolled out a military band played the Star Spangled Banner, which was followed by three cheers for the red, white, and blue. The soldiers cheered, and they were joined by more than half of the people, who yelled "Viva los Americanos." The crowd was composed of half starved looking wretches, whose appearance told more plainly than words the sufferings they had undergone since the beginning of the siege. They all seemed grateful that the Americans were in possession of the city, evidently anticipating that their days of hunger and misery were over.

As the American flag floated over the city Capt. Capron's battery, at the right centre of the American line, fired a national salute. As the guns thundered our 20,000 men, from the Third Regiment, on the left of the line, to the Eighth Regiment, far off on the El Cobre road on the west, yelled, cheered, roared, threw their hats into the air and jumped up and down.

By following with the ear the salvos of cheering, one got an idea of how completely Santiago and the Spanish army were hemmed in. Our soldiers stood on the crests of the trenches, which they had won at the cost of so many lives, as far as the eye could reach.

The hills were alive with men dancing with joy. The regimental flags at the centre, waving in the gentle breeze, lent color to the sombre uniforms of the army. The rough riders were the most conspicuous of all the troops. The First Illinois Volunteer Regiment started to cheer them, when Private Hughes of the rough riders called for three cheers for Col. Roosevelt. The response was electric, and a mighty roar went up. Col. Roosevelt, in response, called for cheers for the army, and they were given with right hearty good will. The cheering was heard in the city.

After cheering the flag on the palace the soldiers in the city cheered Gen. Shafter. The ceremony of taking over the city

being completed, Gen. Shafter and his officers left for the American camp. Soldiers were assigned to patrol duty in the city.

LAUNCHES ENTER THE HARBOR.

Meantime the navy had determined to take part in the ceremonies of surrender. Admiral Sampson had received requests for permission to enter the harbor from every small boat in the fleet. He, however, refused permission to all on account of the danger from submarine mines, but he permitted launches to go in.

Three of them entered, feeling their way along up into the harbor past the wreck of the Spanish cruiser Reina Mercedes, with which the Spaniards had tried to block the harbor; past the Merrimac, which Lieut. Hobson had almost succeeded in sinking across the channel, and up into the bay, at the head of which Santiago lies. They arrived in time to take part in the final cheering. They found the army already in possession of everything.

The only war vessel in the harbor was the small gunboat Alvarez, which mounts a modern four-inch gun forward and a machine gun aft. The Spaniards requested that the American flag be not raised on her until all her crew had left her.

Lieut. Marble, who was in command of the launches, gave his consent to this, and the Spaniards ran the boat up to the dock, where they disembarked. Lieut. Marble then ran up a new American flag on the vessel, and a ship of war was added to our navy.

Lieut. Marble also took possession of the other vessels in the harbor. One of them was a big steamer named Reina de los Angeles. She had been used to transport troops by the Spaniards. The other vessels were two tugs, four lighters, twelve schooners, and a number of small boats. The American flag was raised on all of them.

Lieut. Marble started with the gunboat for the sea. He took with him two Spanish officers who had to do with the harbor mines. On the way down he told them of the destruction of the Spanish fleet at Manila. They said that the Spanish official reports declared that Admiral Montojo had won a glorious victory there. If the soldiers in Santiago had known of the Spanish defeat they would not have fought the Americans.

WE MOVE INTO MORRO.

Before the gunboat reached the sea the men on our ships saw American infantrymen and cavalry on the hills at Morro Castle and the side batteries. They knew then that the surrender was complete, and they cheered heartily. The ships moved up close under Morro Castle, and it was then seen what awful havoc the guns of our ships had wrought. The Morro was literally a pile of ruins. It was smashed everywhere, and the rock of which it was built had been crumbled into dust.

Houses on the hill had been torn to pieces. There were a dozen holes in the lighthouse on the Morro. The building around the semaphores had been completely destroyed. There was a battery to the east which had mounted six guns, all but two of which were wrecked.

The hill itself had been torn up by the exploding shells. This battery was protected by barrels of sand. The reason that the Spaniards had shot too high in replying to our fire was that some of the sand barrels in front of the guns were so high that it was necessary to greatly elevate the guns in order to shoot over them. Of the guns in the battery four were modern and two ancient. The western battery was in the same condition.

Several of the guns were dismantled and the earth was all torn up. The sandbags used to protect the guns were ripped open in many places. Not a gun was seen on Smith's Cay. The battery there was apparently uninjured.

Inside the harbor entrance some tremendous holes were seen that were evidently made by the guns of the Teasvins. The first close inspection of the wrecks at the entrance revealed that the Reina Mercedes does not block the channel.

She has two 12-inch holes in her side, showing that she was sunk by the Texas or some other of our ships and not by the Spaniards.

While the ships were inspecting the entrance Lieut. Marble arrived on the captured gunboat. He had a great reception from all the ships.

EXPLODING THE MINES.

The Spanish officers volunteered to help remove or explode the mines in the harbor. They said that there were six dangerous ones, and that four had been exploded against the Merrimac.

There were also some contact mines to the right of the Merrimac going in. The officers said that the mines to the left of the Merrimac had been removed to let Admiral Cervera's fleet out.

Lieut. Capehart, with some other officers, was sent in at 2 o'clock to explode the mines.

All this time the Red Cross ship State of Texas was lying near, demanding to be sent in. Admiral Sampson refused, however, to let them in, despite their impatience.

seen on the western battery. A few minutes later a Cuban flag was raised at that point.

A wig-wag flag on the New York worked for half an hour and then the Cuban flag was hauled down. The Brooklyn then sent a party of marines ashore.

THE RED CROSS STEAMER GOES IN.

The Spanish gunboat, which had re-entered the harbor, came out again at 5 o'clock, and word was signalled to Miss Clara Barton, on the State of Texas, that she could go into the harbor.

The steamer started in with a Cuban pilot on the bridge, and it was followed by the despatch boats. There was not time to go all the way to the city before dark.

Long before this the soldiers had restored order in the city. From 12 o'clock on there was a continuous stream of refugees crowding back over all the roads to their homes, while streams of Spanish soldiers were crowding out of the town. Gen. Shafter assigned to the latter places near our lines. They did not observe much order as they marched from the city. As they reached the rifle pits they stacked their rifles and went into camp.

They spent the time in good-natured chaffing with our men and eating the hardtack which the Americans gave them. The exact number of rifles turned in was not known when the despatch boat left.

Gen. Linares and Gen. Toral were not in the city when our flag was hoisted. They stayed in houses outside the town.

Gen. Shafter has ordered that our troops change their camp to-morrow and go into camp on the ridges and mountain peaks, where the country is far more healthy.

There is much comment upon the absence of Cuban flags in any part of the ceremonies attending the surrender, when so many of them are seen around the military camps.

Gen. Shafter told Gen. Garcia that he would leave all civil Spanish officials in office until the Spanish soldiers were all sent away.

He did not know how long this would take. The Cubans are considerably dissatisfied with Gen. Shafter's decision, but their discontent will soon blow over.

Gen. Linares and Gen. Toral will remain out of the city until a transport is ready for them to go aboard.

The refugees from the city found on their return that all their houses had been looted by the Spanish troops.

There is no news as yet of the intention of the Government at Washington regarding the disposition of the troops here. Gen. Shafter says positively that none of the men ashore will go to Porto Rico.

Gen. Miles spent all the day on board the Yale and declined to receive any visitors.

It is reported that the First Illinois and the Thirty-fourth Michigan Volunteers will start for home late in the week.

The doctors are doing their best to induce the authorities to send all the troops possible north again to get them out of this climate and give them a chance to recuperate.

They say that if the troops are sent north there will be very few cases of sickness, while if they stay here there will be very many.

Since the surrender of the city the men are satisfied to either go or stay.

Commodore Watson is still at Guantanamo awaiting orders. He is ready to start at any time.

WE BOMBARD MANZANILLO.

Havana Announces That Seven of Our Warships Are Engaged There.

Special Cable Dispatch to THE SUN.

HAVANA, July 18, via London.—Seven American warships began to bombard Manzanillo, on the south coast, west of Santiago, this morning. Three steamers of the Menendez line were struck by shells and caught fire.

The gunboats at Manzanillo left the port to attack the Americans, but went ashore. The result of the bombardment is not known.

The guns aboard the steamers at Manzanillo were landed and used in the defence against the American bombardment.

The gunboats Delgado and Pareja were burned.

Captain-General Blanco has telegraphed a congratulatory message to the commander at Manzanillo and has ordered him to resist to the last.

YOSEMITE LEAVES ST. THOMAS.

The Government Wouldn't Let Her Tow Out a Coal-Laden Schooner.

Special Cable Dispatch to THE SUN.

ST. THOMAS, Danish West Indies, July 18.—The American auxiliary cruiser Yosemite sailed hence at noon to-day, having on board provisions sufficient to last four months.

She had received orders from Washington to tow to Guantanamo an American coal-laden schooner that was chartered here at the outbreak of the war, but the Government refused to grant clearance papers to any but United States vessels.

THREATENS GREAT BRITAIN.

Santo Domingo Sends an Armed Force to Great Inagua to Demand Gen. Jimenez.

Special Cable Dispatch to THE SUN.

PARIS, July 18.—Dr. Botancas, the agent of the Cuban revolutionary party, has received a cable despatch saying that an armed force of the Republic of Santo Domingo has landed on the island of Great Inagua and is trying by threats to compel the British authorities to surrender the political refugee Jimenez, whose extradition Santo Domingo has for a long time vainly demanded.

DEWEY TO THE GERMANS.

HIS SALUTARY CORRESPONDENCE WITH ADMIRAL DIDDRICH.

He Is Also Said to Have Fired a Shot at the Irene—Dewey Says the Situation Has Improved—Gen. Anderson Preparing for the Coming Brigades—His Troops Already Going Into Camp South of Manila—Our Men Are Reconnoitering Behind the City to the North—More Inaugural Success—Aguinaldo's Overtures to the Spanish.

Special Cable Dispatch to THE SUN.

CAVITE, July 14, via Hong Kong, July 18.—In conversation to-day with the correspondent of THE SUN, Admiral Dewey said that the situation with reference to the actions of the German warships in the harbor here had much improved, and that it was now the most satisfactory since the annoyances began.

After the incident at Subig Bay, where the German cruiser Irene is said to have refused to allow the insurgents to attack the Spaniards on Isla Grande, a situation that was changed immediately upon the arrival there of the United States warships Concord and Raleigh, some correspondence took place between Admiral Dewey and Admiral Diederich, the German commander, the result of which has been a better understanding.

The Germans deny that they interfered with the insurgents. They say that they refused to answer insurgent signals while the insurgent flag flew from a Philippine vessel.

Gen. Anderson is making preparations for the arrival of the other American brigades, which are expected here shortly. He has caused the country immediately south of Manila to be examined to learn if it is suitable for an encampment. To-morrow he will send a battalion of California troops, under Col. Dubois, to camp above Paranaque, in order that they may gain experience in field life and be near enough to the Spaniards to hear some shooting. It is likely that more troops will join them when the next expedition arrives.

The insurgents had a hard fight south of Manila on the night of July 10. They succeeded in driving the Spaniards into their last trench before Malate, which is the last outpost to the southward of Manila.

A party of Gen. Anderson's men started to-day to reconnoitre behind Manila, moving around from the south to the north.

MANILA, July 13, via Hong Kong, July 18.—Aguinaldo's Secretary Legarda, accompanied by a prominent loyal native named Blanco, who is a prisoner on parole, visited Captain-General Augustin and urged him to agree to an honorable surrender.

They pointed out the difficulty of restraining 50,000 natives who were eager to enter the city. They declared that if the Spaniards did not yield the besiegers would be compelled to bombard and storm the place, when the slaughter would probably be unparalleled in history, the excitement of battle making it impossible for the attackers to discriminate.

Legarda proposed that the Spaniards and natives agree to become reconciled under a republic, and then jointly endeavor to persuade the Americans to abandon operations here and appeal to the powers to recognize the independence of the islands.

Gen. Augustin answered that he must fight to the end, however hopeless the prospect might be. It is doubtful whether Aguinaldo shared any real hope on the interview, but the adoption of his proposal would obviously have immensely furthered his aims.

As it is, he finds it increasingly difficult to capture the town or to make an impression upon the fortifications. His sweeping successes in the outskirts have largely been aided by treachery. The nature of the country, too, has favored the methods of the native skirmishers.

Aguinaldo is now shipping artillery from Malabon, which is a tedious and difficult task. The natives inside the city are getting impatient, and are beginning to waver in their loyalty to Aguinaldo.

They received a concerted signal to prepare for assault a fortnight ago, but the final signal has not yet been given.

Admiral Dewey is tightening the blockade, fearing that his generosity in allowing neutrals to visit Cavite and Malabon and to send and receive mails may be regarded as invalidating the blockade.

The mail privileges have been surreptitiously employed to convey Spanish despatches. He has threatened to station warships opposite the city.

The Spanish officers declare that if the ships come within range they will certainly fire upon them regardless of consequences.

The consensus of opinion is that American action will be deferred until September, when the weather will be cooler and drier.

There are occasional skirmishes in the outskirts of the city, which, however, do not affect the situation.

The flour supply of the city is practically exhausted, but there is plenty of rice and buffalo meat.

HONO KONG, July 18.—The German warship Cormoran has arrived here, bringing seven Somali sailors who formerly served on the Spanish warship Isla de Mindanao, three Germans and an Englishman.

The Cormoran left Manila on Friday last. The position was then unchanged. She reports that the American cruiser Boston sailed on Wednesday for Cape Egano to meet the second expedition from San Francisco.

LONDON, July 18.—In reply to a question regarding the rumor that the British Consul at Manila, when he arranged for the safety of the British subjects in the city, had failed to inform the poorer classes, Mr. Curzon said in the House of Commons to-day that a report of the matter would be demanded from the Consul. In the meantime, he said, the Consul had been advised to be careful to give full publicity to notices intended for the guidance of British subjects.

A despatch to the Daily Mail from Hong Kong says on the authority of Mr. Wildman, the American Consul, that as the German warship Irene was passing Mariveles the other day the United States de-

spatch boat Hugh McCulloch was sent by Admiral Dewey to ask her to stop.

The Irene refused to comply with the request, whereupon a shell was fired at her and a boat was sent to watch her.

Admiral Diederich protested against this action, and insisted that the German ships were entitled to enter the harbor without being searched.

Admiral Dewey, however, declined to recognize such a right. It is reported that Admiral Diederich asked Capt. Chichester of the British warship Immortalite what he would do if the Germans interfered with an American bombardment of Manila. Capt. Chichester replied that only Admiral Dewey and himself knew what action he would take.

SPAIN'S DILEMMA.

Captain-General Chinchilla Tells of the Perils That Beset Her.

Special Cable Dispatch to THE SUN.

LONDON, July 18.—A Madrid despatch gives an interview with Captain-General Chinchilla, in the course of which he said:

"We are taking the Via Dolorosa, from which we can only escape by facing considerable dangers. No matter what we do there is no uncertainty that complications will not arise.

"Should peace be signed the malcontents will affirm that the conditions are dishonorable and will take advantage of the opportunity to stir up if not revolution, at least demonstrations, of which it is impossible to foresee either the extent or result.

"On the other hand, if hostilities with the United States are continued, the Americans will carry out their project of bombarding the Spanish coast. It is possible that in less than a fortnight their fleet may be at Cadix.

"Certainly we are prepared for such a visitation, but we can only prevent a landing in Spain, whereas the shelling of our ports would be a terrible disaster.

The interviewer recalled that it was said that Europe would oppose a bombardment of the Spanish coast cities.

Gen. Chinchilla replied: "A great deal is said, but nothing is ever done. We are in our present painful situation precisely because when the war began we believed every rumor that was not adroit.

"Spain must reckon on nobody because nobody is disposed to come to her help. I am thoroughly convinced that Europe would not stir though the Americans were to land in Spain and march as conquerors through the streets of Madrid.

"I believe that peace negotiations are far advanced, but are not proceeding smoothly. The American conditions are not acceptable, and it is so that a successful conclusion seems to me to be far off unless the intermediary powers succeed in overcoming the difficulties.

The interviewer interposed: "Which are the intermediary powers?"

Gen. Chinchilla replied: "I understand that Great Britain, in an unofficial way, is representing the United States behind the scenes, as it were, and that Austria is acting similarly for Spain.

"This statement does not effect my opinion that Spain is unable to count on the friendship of Great Britain.

"She hopes to be rewarded with a bite out of the cake, such as the creation of a port at Tarifa or an extension of territory at Gibraltar.

"Great Britain does nothing for Spain. Austria has consented to defend Spain's interests owing to the relationship between the Queen Regent and Emperor Francis Joseph.

"I repeat that these intermediaries are acting unofficially and are in no way bound. They may withdraw at any moment, as they have done, and the situation in the barracks is very much divided.

"The young officers, of course, are partisans of a war à l'outrance, which is altogether to their credit.

"They possess ardor and dash, for their envy allows them to be carried away with admirable patriotic enthusiasm.

"Their older comrades who reflect and consider the situation in all its aspects are naturally less hot headed.

"They know the difficulties and study them and are more circumspect. The rank and file are well disciplined. They say nothing but sweet orders and are ready to obey blindly whether they are told to go to Cuba, the Philippines, or the coast of the Peninsula. They take evil days with the good with superb stoicism, never reemitting, never complaining.

"The Spanish soldiers are an honor to the country. Meanwhile negotiations are going on very laboriously. I hope they will succeed. However, I am not over-optimistic.

"There is another black spot on the horizon—the possible refusal of the Cortes to ratify the terms as agreed by the Government.

"Then the imbroglio would indeed be complete. Probably within a few days if the negotiations are unsuccessful the resignation of Prime Minister Sagasta will be officially announced. In that case a new Cabinet is ready."

"The principal members would be Duke Almodovar de Rio, Rodrigo, Rios and Gamazo, while Gen. Martinez Campos would be Captain-General of Madrid.

"The new Cabinet would be liberal and would be a government of liquidation. Altogether the future is obscure.

"The clouds over our unfortunate country are dense. The terrible question is when and how the storm is going to break."

The interview was a success, and the absence of any reference to Santiago suggests that it was prior to the surrender of that city.

THE WAR LOAN BONDS.

Subscriptions Still Coming In—Those of \$500 and Less Will Reach \$100,000,000.

WASHINGTON, July 18.—Subscriptions to the war loan bonds are still coming in, despite the fact that Secretary Gage's circular inviting proposals fixed 3 P. M. of the 14th inst. as the close of the period within which they would be received. In that case a new Cabinet is ready. The principal members would be Duke Almodovan de Rio, Rodrigo, Rios and Gamazo, while Gen. Martinez Campos would be Captain-General of Madrid.

DECLARING FOR PEACE.

25 CHAMBERS OF COMMERCE IN SPAIN SAY THEY WANT IT.

They Represent Coast Towns, but the Inland Cities Have Not Declared Either Way—Some Cabinet Members Say the Cuban Blockade Cannot Be Broken and Now Is the Time to Seek Peace—The Capitulation of Santiago Officially Announced—New Orleans Sinks the Antonio Lopez.

Special Cable Dispatch to THE SUN.

MADRID, July 18.—The President of the Madrid Chamber of Commerce has received twenty-five declarations in favor of peace from Chambers of Commerce representing coast districts. None of the Chambers of inland cities has declared either way.

The loss of the steamer Santo Domingo, which was destroyed by the Americans while attempting to carry provisions and supplies to Captain-General Blanco, has confirmed certain members of the Cabinet in their belief that now is the opportune time to seek peace, as the loss of the steamer shows the hopelessness of attempting to run the blockade.

The expression attributed to Gen. Wolsley, the Commander-in-Chief of the British Army, that he hoped the Americans would not meet with even a temporary reverse in their war with Spain, coupled with the fact that he has joined the Anglo-American Association, is resented here as unbefitting the commander of the army of a neutral power and as opposed to the traditional good taste of British army officers. It is suggested that Spain retaliate by refusing the customary indulgence to the British garrison at Gibraltar to play polo, golf, etc., on Spanish territory. It is not likely that the suggestion will be adopted.

Among the Carlist rumors is one asserting that sixty Carlists have risen at Barco de Val de Oras. The Guardia Civil is unable to cope with the rebels. Reinforcements will be sent if the report proves true. The rising is apparently an independent movement, and was not instigated by the Carlist headquarters.

The marine commandant at San Juan, Porto Rico, has cabled to Gen. Corra, Minister of War, that an American cruiser of the New Orleans type has fired upon and burned the Spanish Transatlantic line steamer Antonio Lopez.