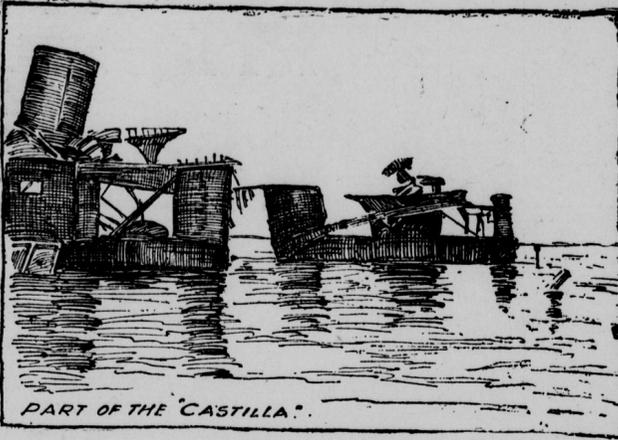
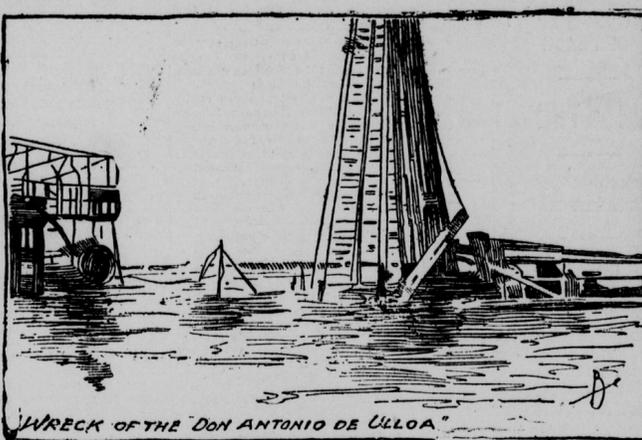


"THE BROKEN AND TWISTED REMAINS"



PART OF THE "CASTILLA"



WRECK OF THE "DON ANTONIO DE ULLOA"



WRECK OF THE "REINA CRISTINA"

A MANILA LETTER

FROM JOHN KNIGHT, THE HERALD'S CORRESPONDENT

DEWEY WAS RELIEVED

BY THE ARRIVAL OF THE FIRST TROOPS

THE BELEAGUERED CITY

Spaniards Encouraged by False Hopes of Camara—The Remains of Montijo's Vessels

(Special Correspondence to The Herald.) MANILA, July 1, via Hongkong, July 5.—The first division of the expedition under Gen. Anderson, consisting of the Australia, City of Peking, City of Sydney, conveyed by the Charleston, reached here at 6 o'clock yesterday afternoon and cast anchor in front of Cavite fortress. The fleet was met at the northeast point of Luzon island by the Baltimore of Admiral Dewey's fleet, which thence acted as an additional convoy to Manila.

Manila is completely blockaded. Dewey is completely master of the situation, but has hailed the arrival of the first installment of troops with evident satisfaction. There are 20,000 Spanish soldiers in the city, and these are held in from the front by our fleet and kept in check in the rear by the insurgents. The Spaniards have thus far proved themselves very poor fighters in all their encounters with the insurgents. The day before yesterday a Spanish colonel made a sally with 2000 soldiers and was driven back by 600 insurgents. The wife of Governor General Augusti was captured a few days ago by the insurgents and is now held by them a prisoner. The insurgents are armed with Mauser rifles. There are six German men-of-war here and their attitude toward the Americans has been decidedly obnoxious. They have shown their friendship for the Spaniards on every occasion. It is reported that they have visited the Spanish officers and given them advice as to the movements of our troops. On the other hand, the attitude of the English toward us is decidedly friendly.

A few days ago the report was brought here that Spain was sending a fleet through the Suez canal. This news has instilled fresh courage to the beleaguered Spaniards in Manila and they have shown renewed energy both in drilling and improving their fortifications. They now have a good many heavy guns mounted and are better prepared to resist attack than they were a few weeks ago. The poor in Manila have already been reduced to dreadful straits.

For the past two weeks horseflesh has been at a premium within the city. The bay presents an inspiring sight. Scattered around within a short distance of our fleet are to be seen the broken and twisted remains of half a dozen of Admiral Montijo's vessels which were sunk by Dewey. Our ships are now lined up in the form of a semi-circle around Cavite and the transports are anchored within the line. The barracks at Cavite are large enough to quarter 5000 men comfortably and our forces expect to go into camp there today or tomorrow.

JOHN KNIGHT, Knight of the voyage from Honolulu to Manila and of the serio-comic capture of Guam, the principal island of the Ladrones, will be published in next Sunday's Herald.

President Palma of the Cuban Junta Working for the Release of His Countrymen

NEW YORK, Aug. 3.—The World this morning prints the following: President McKinley will soon be asked to include among the provisions upon which peace will be established, one that will contain the freeing of all Cubans imprisoned by that country for offenses which may be classed as political.

A CANADIAN'S PLAINT Accuses American Railway Men of Bulldozing

CHICAGO, Aug. 3.—Traffic Manager McNicoll of the Canadian Pacific Railway concluded his direct statement before the Interstate Commerce Commission today in regard to the rate war between the Canadian Pacific Railway and the American lines. Mr. McNicoll, in his closing remarks, told of his efforts to restore peace with the American companies and how his efforts were frustrated by the refusal of the companies to discuss the question of differentials. He understood that the American lines had refused to accept suggestions and had said that the Canadian Pacific must agree to all their terms. Mr. McNicoll said that he did not take any notice of these remarks, as Mr. Eustis did not represent the American people. He denied that the interstate traffic enjoyed by the Canadian Pacific amounted to \$5,000,000. While there were no statistics for passenger traffic, the freight traffic amounted only to \$1,300,000 a year. On the other hand the Canadian Pacific, he said, bought supplies from the United States to the amount of \$3,000,000 yearly.

INSURGENT VICTORY

A Dynamite Gun Used on the Spanish Troops

KEY WEST, Fla., Aug. 3.—Captain Del Valle Ignacio of the insurgent forces was brought here this morning by the gunboat Helena, which took him aboard near Tunos Do Caso, on the south coast of Cuba, on July 25. He reported that on July 9th General Miguel Gomez (under whom he served in the Sancti Spiritu district of the province of Santa Clara) attacked the town of Gibara (not Gibara) with 500 men, and after two hours' fighting compelled the Spaniards to raise the white flag. Three dynamite shells from the Syme-Dudley gun, he said, tore big holes in the walls of the town, killed nine Spaniards and wounded twelve. One hundred and sixteen prisoners were taken and the town is held by the Cubans. The Cuban loss was one killed and three wounded. When Captain Ignacio left General Gomez was making plans to attack the trocha and restore communication between the Eastern and Western provinces. The Helena, which has been on blockade duty for nearly a month, sank a number of harbor tugs and lighters at Castida last week and sent one little tug, the Manato, which surrendered in preference to being sunk, to Guantanamo Bay.

Going to Porto Rico

WASHINGTON, Aug. 3.—The First Ohio Cavalry now at Tampa will form a part of the next expedition to be sent to the assistance of General Miles in Porto Rico.

INSURGENT PRISONERS

SPANISH DUNGEONS SHOULD BE EMPTIED

President Palma of the Cuban Junta Working for the Release of His Countrymen

NEW YORK, Aug. 3.—The World this morning prints the following: President McKinley will soon be asked to include among the provisions upon which peace will be established, one that will contain the freeing of all Cubans imprisoned by that country for offenses which may be classed as political. In all the Spanish penal colonies, Cuba and the like, there are about 500 Cubans who have been captured during the last three years. The horrors of these prisoners have been described lately, and it has been said that the punishment meted out to these men is altogether out of keeping with their crimes. The effort will be made by Thomas Estrada Palma, the President of the Cuban Junta. In fact, he has already instituted an agitation to that end, and he will not give up until his object has been accomplished. Friends of his are now at work in the capital with this purpose in view and they will soon be in communication with the officials.

"Is it not just and fair that this should be done?" said President Palma. "Here is a war won with the help of the Cubans. Thousands of prisoners have been taken by the American army and they are not to be kept, but are to be sent back to Spain. This is magnanimous on the part of America, but would it not be a good thing to make this a vehicle for the liberation of the Cubans who have been imprisoned since the war began?"

"I think this would be a most laudable plan and I do not think it will be necessary to do much urging. I think it will commend itself to any thinking man that the Cubans who are in prison for the very thing for which the Americans have gone to war should be free, now that Spain has been defeated, and that they are not to be kept, but are to be sent back to Spain. This is magnanimous on the part of America, but would it not be a good thing to make this a vehicle for the liberation of the Cubans who have been imprisoned since the war began?"

"This brings me to a consideration of the terms imposed on Spain by the United States. I feel they are most generous and in my opinion this government has taken itself to the highest altitude in demanding so little. It virtually asks from Spain as follows: 'Give us Cuba for the Cubans; give us Porto Rico for ourselves, and the Philippines to make any use of that may hereafter be determined.'"

"And when you come to look at it, what do these demands already mean? It is simply saying: 'Give us what we already have, because we won it from you.'"

"I do not know of any other nation which would have been so generous or that would not have taken everything it could. 'The Cubans never kept any prisoners of war. When any of the enemy were captured they were treated as kindly as possible and were sent back to the Spanish ranks if they wanted to go. We have never had any whom we could exchange for our own comrades who were in prison.'"

"You have read of the cruelty attributed to the Cubans—that wantonly beheaded many of the Spanish prisoners recently taken. What is your opinion of these stories?"

"I do not believe there is a word of truth in them. No Cuban would be so low as to mistreat a prisoner of war, much less behead him. Mind you, this is only my opinion. I have had no advice on that score from the seat of war, but I am willing to stake my reputation that no Cuban soldier ever demeaned himself by taking such advantage of a man who was unable

to defend himself. That would not be warfare; it would be murder.

"Recurring to the liberation of Cuban political prisoners, I will at once begin the agitation to have them exchanged for some of the prisoners captured by the Americans."

WILLIAM'S RESCRIPT

He Pays a Tribute to Bismarck's Great Achievements

BERLIN, Aug. 3.—An extra addition of the official Reichsanzeiger just published contains an imperial rescript addressed to the Imperial Chancellor, Prince Hohenlohe, and dated Friedrichsruhe, August 2. It says: "With my high allies, with the whole German people, I stand mourning at the death of the first Chancellor of the German Empire, Prince Otto von Bismarck, Duke of Lauenburg. We who witnessed his splendid labors, who looked up to him with admiration as the master of statecraft, the fearless fighter in war and peace, as the most devoted son of the fatherland and as the most faithful servant of the Emperor and kind, are deeply affected by the death of the man whom God, the Lord, fashioned as his instrument to achieve the realization of the undying aspiration of the Germans for unity and greatness."

"This is not the moment to enumerate all the achievements of the great man who has gone to his rest, or to refer to all the cares he bore for the Emperor and the Empire, and all the successes he won. They are too mighty and too manifold. History alone can do them justice and will engrave them all on brazen tablets. 'I am, however, impelled to give expression before the whole world to the universal sorrow and grateful admiration which today animates the whole nation and in the name of the nation to vow that what he, the great Chancellor, under William the Great created, I will maintain and develop, and if need be, defend with blood and treasure. In this may God help me. 'I intrust you to make this rescript to the public.'"

ACCIDENT OR SUICIDE

A Strange Mystery Perplexes Lodi People

STOCKTON, Cal., Aug. 3.—Circumstances indicate that the man who was drowned in the Mokelumne River near Lodi might before last committed suicide. All the parties that saw the drowning man say the fellow told them he could not swim, and though repeatedly warned he ventured into the hole, using a small piece of board to buoy him up. When in the center he suddenly let go of the board and disappeared beneath the surface. As the water at this time of the year is hardly cold enough to give a man cramps, it is believed by some that the man purposely loosened his hold on the plank to commit suicide. A thorough search of his clothing revealed not the slightest thing that would give a clue to his identity. As it would hardly be supposed that a man would be without some piece of paper, a letter, an envelope or something of the kind on his person, it is believed that he destroyed all such evidence before coming to the river. He was evidently a user of tobacco, as a small French briar pipe, some smoking tobacco and a piece of chewing tobacco were found in his pockets. The remains are still unidentified, but last night a dispatch was sent to Rabbi Blok at Portland, Oregon, at which place he told the boys he had a brother. Up to 10 o'clock today no word had been received from there. He weighed about 150 pounds, had a smooth face and curly, reddish-brown hair, and was about 22 years of age.

Lightweights Matched

BUFFALO, Aug. 3.—Karl Lawford, the light-weight, and Frank Erne have been matched to box twenty-five rounds before the Olympic Athletic Club of Buffalo on the night of the Corbett-McCoy contest. The papers, which have been signed, fix the weight at 133 pounds for 9 o'clock in the morning of that day. The men are guaranteed \$300, or 50 per cent of the gate receipts.

LESS THAN ESTIMATE

PROBABLE COST OF THE NICARAGUA CANAL

A Material Change in the Prospect in the Last Six Months—Some Interesting Facts

CHICAGO, Aug. 3.—Lyman E. Cooley, the well-known civil engineer, after a visit East and a conference in New York with representatives of the Maritime Canal Company, owners of all the rights and concessions along the proposed route of the Nicaragua canal, believes the government of the United States will construct the great water way in preference to letting the contract to separate companies or corporations. Mr. Cooley says that on this point the completion of the Nicaragua canal matter has been changed perceptibly since last winter, when he, with a party of engineers, looked over the ground of the enterprise. On being shown a dispatch from Washington that Admiral Walker of the Canal Commission had received a number of reports indicating that the cost would be much less than heretofore estimated, Mr. Cooley presented a list of recent discoveries which he believes are responsible for Admiral Walker's opinions. The gist of these are: Six miles of dredging in the lower end of Lake Nicaragua. Non-existence of rock in San Juan river to Toro Rapids. Good foundation for immense dam at Ochoa. Favorable conditions for embankments at San Francisco basin. New site for a dam at Tanbor Grande. According to the estimate of the formulator, a saving of several million dollars is reported in these items.

The expense incurred by the government in war, and the rapidly developing indications that the Nicaragua Canal cannot be constructed more cheaply than at first imagined but ought to be built by Uncle Sam himself are conspiring, he intimated, to assure the waterway connection between the Atlantic and Pacific within a few years. "President McKinley," said Mr. Cooley, "and many of the leading members of Congress now appreciate more than ever before the supreme importance of the canal to our country. Senator Morgan said to me not long ago that the annexation of Hawaii practically clears up the question of the immediate necessity of the Nicaragua Canal. It is a question, however, whether or not Congress will be able to pass the proposed laws or take the proper action at the short session in the fall, to enable the work to be begun at an early date."

"The construction of the waterway will not be a tremendous undertaking, though it may take several years to complete it. The Maritime Canal Company asks for \$11,500,000 from the government to relinquish all of its rights and concessions. The company, it is understood, will take seven million dollars in the stock of a new company that the government might form and \$4,500,000 from the government to validate its bonds. The company bought out all the concessions of the old Nicaragua Association, which is said to have expended something like \$5,000,000. The Maritime Canal Company was then organized and it has spent \$2,000,000 in Nicaragua on the canal undertaking, but had to quit work. The company is perfectly right when it says that no private corporation could be expected to take up the canal project now since Congress has put its hand in the matter, and when there is a strong likelihood of the government building the ditch itself. "It is not definitely known that the commission will be ready with its report during the short session of Congress. A report may be submitted and may cause a vast

difference of views as to what course should be pursued. Senator Morgan and all other canal advocates appreciate these things but the manifest broadening of the scope of our national policy of late has impressed everyone so strongly that none can see any obstacle large enough to prevent the construction of what will be an invaluable holding and possession of the United States in time of peace and in time of war."

LEAVING CAMP MERRITT

Regiments to Go to the Presidio Very Soon

SAN FRANCISCO, Aug. 3.—The First Tennessee will not move to the Presidio before Monday. It was the intention to move today, but the water pipes at the camp site on the reservation will not be in working order this week. For that reason the moving has been postponed. The Twentieth Kansas will move Friday.

Lieutenant Deford of the Twentieth Kansas has been appointed Adjutant of the regiment. Recently he retired temporarily from the position to go with his company on drill. Private A. B. Colby, a recruit for the Second Oregon, is missing. He is a son of A. B. Colby of Portland, a prominent hotel proprietor. Young Colby's tent mates believe that he went aboard the steamship St. Paul last week and sailed to Manila as a stowaway. Lieutenant H. M. Merriam, son of Major-General Merriam, has been assigned to General King's staff in the place of Lieutenant Conrad Babcock, now en route to Manila.

HERO HOBSON

He Undergoes an Ovation While at Atlanta

ATLANTA, Ga., Aug. 2.—Lieut. Richard Pearson Hobson, accompanied by his mother, arrived in Atlanta this morning and was the hero of the day. His stay in this city was one continuous ovation. This evening at the Women's club rooms Lieut. Hobson delivered a short lecture for the benefit of a fund to aid Georgia soldiers in the field. In a modest, straightforward manner he told of his adventure on the Merrimac in Santiago harbor and he spoke also of the trials of the American soldiers in their campaign against Santiago. The lieutenant told his audience that the sinking of the Merrimac was the greatest defeat that it was merely an evidence that the men of the American navy stood ready to answer any call of duty. Later tonight the young lieutenant and his mother were given a reception at the governor's mansion, where they were greeted by fully 3000 persons. At midnight the lieutenant and his mother departed for New York.

LIPTON'S BOAT

He Will Have a New One Built at Once

LONDON, Aug. 3.—Sir Thomas Lipton, the challenger of the America's cup, has instructed William Fife, at Fairlie, to design a yacht to be built by Harland & Wolff, the shipbuilders of Belfast. The Yacht Racing Association meets this week, when a delegation from the Ulster Yacht Club will attend and settle the matters connected with the challenge, so far as this side of the water is concerned. Secretary Kelley of the Ulster Yacht Club, will accompany Mr. Charles Russell, Sir Lipton's representative to New York, should the challenge be accepted by the New York Yacht Club.

Charged With Larceny

SAN JOSE, Cal., Aug. 3.—Antone Armetta, an extensive wholesale dealer and grower of fruit and wines, was arrested today on complaint of J. C. Martin, charging grand larceny. Martin says that he held a mortgage on 200 gallons of wine valued at \$300 belonging to Armetta and which Armetta had in his possession. Armetta ignored the mortgage and on September 1st sold the wine. Armetta was released on \$5000 bonds pending arraignment.

SHOOKUP PHILADELPHIA

HOT WEATHER FOLLOWED BY AN ELECTRICAL STORM

One Man Drowned in His Cellar—Over Five Inches of Rain Fell in Less Than Two Hours

PHILADELPHIA, Aug. 3.—The excessive heat of the last few weeks culminated today in one of the most terrific electrical storms that has ever visited this city. The rainfall was the heaviest in the history of the local weather bureau. In one hour and three-quarters five and four-tenths inches of rain fell. The heaviest previous fall was five and one-fifth inches in twenty-four hours, about twelve years ago. There was an almost continuous flash of lightning and many flagpoles and buildings, in nearly every section of the city, were struck, causing several small fires and doing great damage. Telegraph and telephone service throughout the city was practically at a standstill for several hours. The cellars and first floors of hundreds of business blocks and dwellings were flooded. In the basements of the City Hall and post-office the water rose to such a depth that three under the boiler were extinguished. The basements of Gimbel Brothers and Wanamaker's, two of the largest department stores in the city, were flooded and heavy damage has been done. It is said a big fire is raging at the Point Breeze Oil Works in the extreme lower end of the city, caused by the lightning. Three alarms have been sent.

The street car service was practically at a standstill. Many of the streets were flooded to the depth of two and three feet. The steam roads in this vicinity also suffered severely and nearly all trains up to 2 o'clock were behind their schedule. Peter Schell, aged 25 years, was drowned in the cellar of his home at Twenty-third and Christian streets. He was working in the cellar, removing some of his property when he was caught by a sudden rise in the water. Before he could reach the stairway the water rose to the first floor and he was drowned.

WHEELER'S DIVISION

It Will Return From Santiago to Montauk Point

WASHINGTON, Aug. 3.—When General Shafter's Corps went to Santiago, a force of cavalry numbering about 2000 men and comprising regular troops and a part of the First Volunteer Cavalry (the Rough Riders), was left at Tampa under command of General Coppinger. In addition to these men, most of the horses of the cavalry regiments sent to Cuba were also left at Tampa. This force of cavalry will in a day or two be ordered to Montauk Point, where they will make preparations for the men of General Wheeler's division of cavalry, which has been ordered from Santiago to that point.

SOLDIERS' VOTES

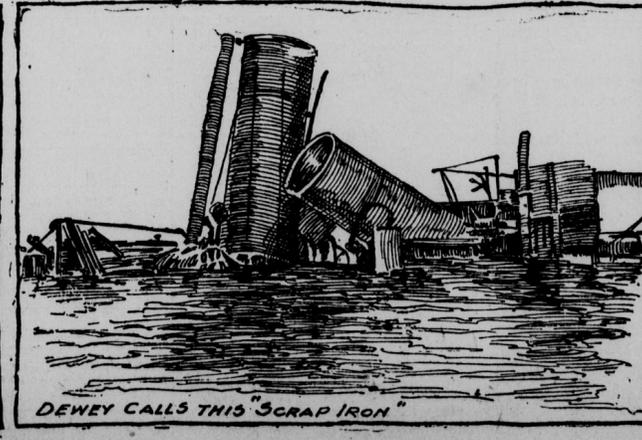
Kansas Politicians Perfect a Plan for Balloting

TOPEKA, Aug. 3.—Secretary of State Bush has completed the plans for securing the votes of the Kansas soldiers now in the field for the November elections. The names of the candidates will be printed on long strips labeled "Populist," "Republican" or "Democrat," as the case may be. To facilitate the voting Secretary Bush announces that facsimiles of all the tickets in the field will be printed in blank form so that they may be posted in the various camps long enough before election so that the soldiers may familiarize themselves with the candidates and give them time to make a campaign.

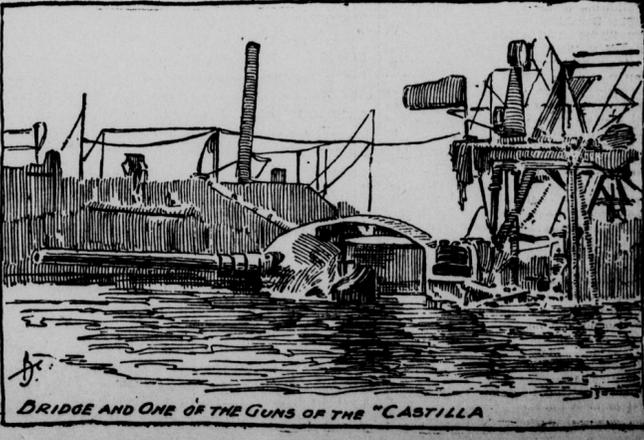
OF HALF A DOZEN OF MONTIJO'S VESSELS"



PART OF THE "CASTILLA"



DEWEY CALLS THIS "SCRAP IRON"



BRIDGE AND ONE OF THE GUNS OF THE "CASTILLA"