

HOW THE BIG FIGHT COMMENCED

General Shafter's Report on Beginning of the Action.

The Commander-in-Chief Tells of His Move on Northeast Portion of Santiago.

WASHINGTON, July 1.—Secretary Alger received the following dispatch from General Shafter, dated at 9:45 a. m. today:

CAMP AT SEVILLA, Cuba, July 1.—Action now going on, but firing light and desultory. The fight was begun on the right, near Caney, by Lawton's division. He will move on the northeast portion of the town of Santiago. Will keep you continually advised of progress. SHAFTER. Major-General Commanding.

Secretary Alger directed Adjutant General Corbin to notify the President at once of the text of General Shafter's message, and it was done immediately. The President will be kept continuously advised of all news.

As the Secretary started to the Cabinet meeting he spoke with satisfaction of the fact that sufficient time had elapsed to permit General Shafter to get his army well concentrated at the front and thrown into good battle formation. The Secretary felt that our forces were on the aggressive, and that the mere fact that the action was now going on showed that Shafter had bided his time and was ready to strike his blow. Word had come prior to the Shafter dispatch showing that the artillery, which had been brought to the front, was well placed.

General Miles, commanding the army, received a copy of the dispatch soon after it arrived. He had anticipated it, for only a few hours before a dispatch came to him from General Breckinridge, inspector general of the army, stating that the spirit of the troops was high and that they were eager and expectant of action.

General Miles also received another dispatch sent quite early this morning from Shafter's headquarters, saying that the big military balloon was now high in the air and was giving opportunity for observation over a great sweep of country. This in itself was of incalculable value to our troops. Brave reconnaissances had been made, but these were of little value compared to what could be seen from the balloon a mile or more in the air, commanding a radius of observation of from twenty to forty miles with powerful telescopes.

This was the first actual use of the balloon by the American army in the present war, and General Shafter set much store on the information they would give as to the exact location of all the Spanish forces, their points of concentration, the definite location of Cervera's warships in the harbor and possibly the progress of the Spanish reinforcements.

After the first announcement of Shafter was bulletined, the time dragged wearily with nothing from the field to answer the intense anxiety to which every one was wrought.

According to General Shafter's report the attack on Santiago

was begun by the Second Division of the Fifth Army Corps. This division consists of three brigades, made up as follows:

First Brigade, commanded by Colonel J. J. Van Horn, Eighth United States Infantry; Twenty-second United States Infantry and the Second Massachusetts Infantry.

Second Brigade, commanding officer unknown, but supposed to be Colonel Bates, First United States Infantry and Twenty-fifth United States Infantry.

Third Brigade, commanded by Brigadier General A. R. Chaffee, Seventh United States Infantry; Twelfth United States Infantry and Seventeenth United States Infantry.

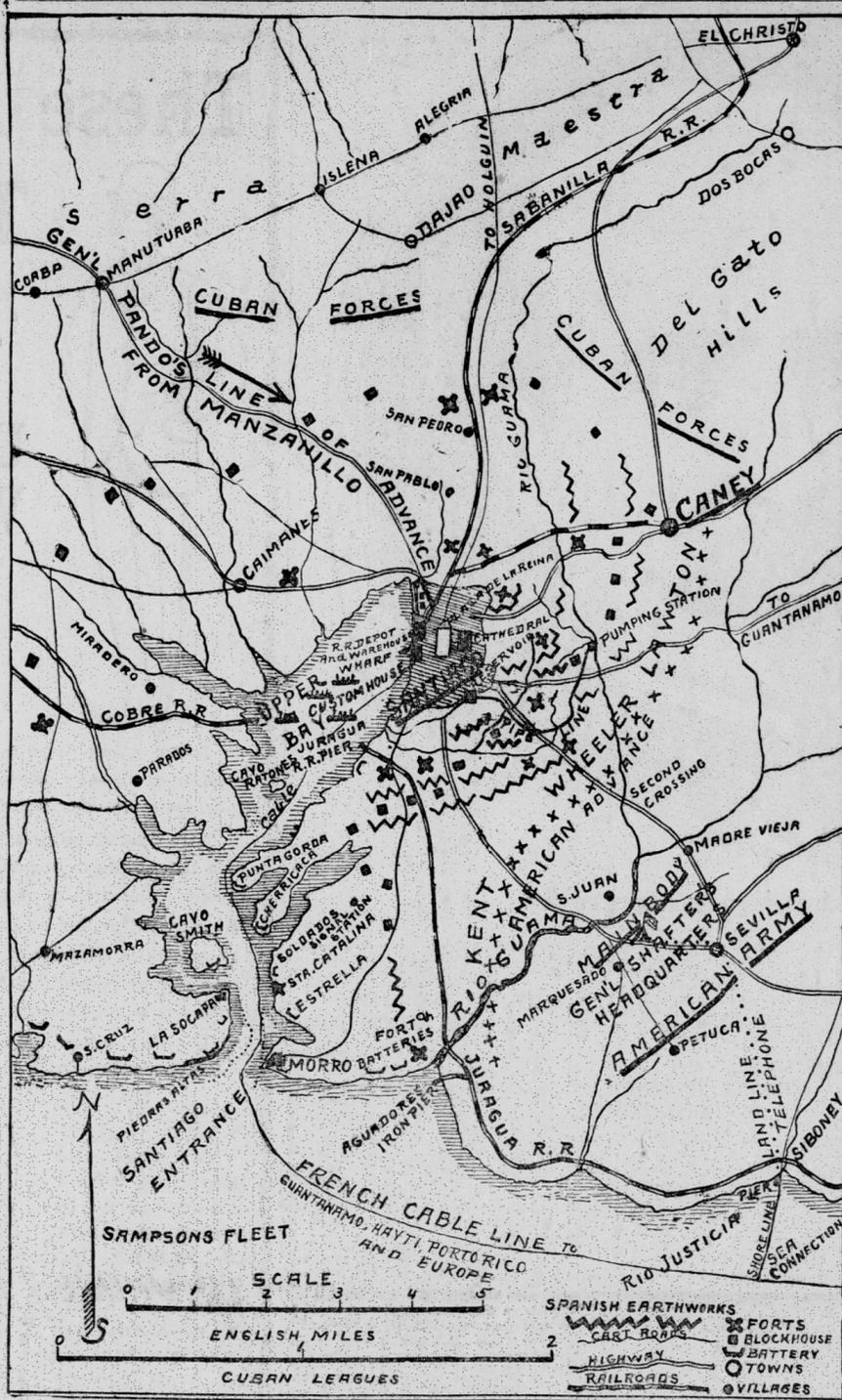
Thus it appears that the division which opened the hostilities of the day is composed entirely of regular troops, seasoned and experienced in battle, with the exception of the Second Massachusetts Volunteer Infantry, which is regarded as one of the best volunteer organizations of the army.

General Lawton, who was chosen for the important and responsible duty of opening the battle by the capture of Caney and the interception of Spanish reinforcements now nearing Santiago, is described as a good fighter and a soldier of exceptional ability. He served in the Union army, having entered as sergeant of Company E, Ninth Indiana Volunteer Infantry, in April, 1861, and being successively promoted through merit on the field of battle to first lieutenant of the Thirtieth Indiana Infantry in August, 1861; to captain in May, 1862, and to lieutenant colonel in 1864. In March, 1865, he was brevetted colonel for gallant and meritorious services during the war. He entered the regular establishment in July, 1866, as second lieutenant of the Forty-first Infantry, colored, and remained with that branch of the army until January, 1871, when he was transferred to the Fourth Cavalry, with which he remained until September, 1888, when he was appointed inspector general, with the rank of major. He was subsequently promoted to the rank of lieutenant colonel and held that rank until the opening of the war with Spain, when the President appointed him brigadier general of volunteers and assigned him to the command of a division of the Fifth Army Corps, commanded by General Shafter.

The Cabinet was in session for almost two hours to-day, but took no important action. The session was mainly occupied with a discussion of the news from Santiago. General Shafter's dispatch was read aloud before the members of the Cabinet. The Associated Press dispatches were also read verbatim to the Cabinet. There was a general feeling of gratification shown at the co-operation rendered by Admiral Sampson's fleet. Careful plans to this end were made in a general way some time ago, though leaving to Sampson the widest discretion.

The Cabinet also devoted some time to questions connected with the operation of the war revenue bill.

After the Cabinet meeting



Map Showing the Situation About Santiago and the Position of the Several Divisions of the American Army on Friday Morning When the Fighting Began.

Secretary Long said that the fleet under Sampson was co-operating to the fullest extent with the land forces, and that he expected great results. He suggested that there were two conditions certain in the Santiago situation. "One is," he said, "we will win, and the other that it will come about after hard fighting, but fighting will tell. Of this we are certain."

RED CROSS FLAGS EXHIBITED BY THE TRICKY SPANIARDS

Copyrighted, 1898, by the Associated Press. GENERAL KENT'S HEADQUARTERS, near Aguadores, June 30, by Associated Press dispatch boat Wanda, via Kingston, July 1.—The Spaniards in the front of General Kent's line have adopted a new method of preventing him from firing on their works. They have strung out at frequent intervals Red Cross flags, the line being directly in view of their entrenchments. The object of this, it is thought at General Kent's headquarters, is to prevent the Americans from firing in that direction, or if the Red Cross is ignored, to spread the idea that the American commanders are violating the rules of civilized warfare in firing upon the hospitals.

CERVERA DISOBEYED BLANCO'S ORDER TO LEAVE SANTIAGO

LONDON, July 1.—The Pall Mall Gazette's correspondent at Madrid telegraphs from that city that coldness exists between Captain General Blanco and Admiral Cervera, adding that Blanco ordered Cervera to leave Santiago de Cuba, and that the admiral replied that he would be glad to leave, but that his guns were dismounted, he was without coal and the American admiral was waiting outside for him.

TRANSPORTS WILL SAIL BACK AT ONCE FOR REINFORCEMENTS

WASHINGTON, July 1.—In reply to a message asking General Shafter how many troopships could be sent back to Tampa in order that re-enforcements might be sent him, Adjutant General Corbin late to-night received the following: "Colonel Humphreys has been ordered to return as many transports as possible at once."

Deaths From the Heat. CHICAGO, July 1.—There were two deaths, those of Louis Gill and Christian Kahler, and sixteen prostrations from the heat in the past twenty-four hours. Three of the prostrated are in a serious condition.

Hospital Field Practice and Astor's Mountain Battery in half tone with to-day's News Letter.

DISSENSIONS IN THE CAMP OF THE INSURGENTS

Aguinaldo Causes the Arrest of Armacho and Five Natives.

Dewey Will Make No Further Demonstrations Until After the Arrival of the Transports.

Special cable to The Call and the New York Herald. Copyrighted, 1898, by James Gordon Bennett.

MANILA BAY, July 2 (via Hongkong and Paris, July 1).—Serious dissension has already broken out among the rebel leaders. General Aguinaldo sent General Mascardo yesterday to arrest Isabella Armacho and five other natives whom he suspected of conspiracy against his authority. They have been thrown into prison and their friends fear they will be taken to Old Cavite and shot to-day.

Armacho, who was Home Secretary in Aguinaldo's Cabinet in 1895, remained as a hostage when General de Rivera pacified the island last winter. Aguinaldo went to Hongkong and received the first installment of peace money, \$400,000. He cabled to Armacho, who then ordered the natives to lay down their arms. There was trouble over the second installment of \$200,000, and a lawsuit was begun at Hongkong for the possession of this money last April. Armacho claiming he had not received his share. Finally Aguinaldo gave Armacho \$100,000 and the latter recently bought 3000 rifles, which were to have been shipped from Hongkong to Cavite in the steamer Pasig. This vessel was seized by the British authorities about two weeks ago for violating the neutrality laws.

Aguinaldo's partisans suspect Armacho caused the seizure. To allay these suspicions Armacho came to Cavite from Hongkong in the Zafiro the day before yesterday and was arrested at daybreak yesterday. One of Armacho's friends, Sandico, escaped capture and claimed a safe asylum from United States Consul Williams, who took him aboard the transport Naushan. He will go to Hongkong, where he will be set ashore. Mr. Williams is said to be using his influence to prevent the execution of Armacho. Sandico later returned to Aguinaldo's headquarters and all the leading insurgents are trying to patch up the trouble between Aguinaldo and Armacho. Whether the latter will be

she takes arms for Manila. The health of our squadron continues good.

DEWEY WAITING FOR THE TRANSPORTS

Germany's Marines Will Be Requested to Leave When Manila Is Captured.

NEW YORK, July 1.—The Washington correspondent of the Herald telegraphs: Rear Admiral Dewey cabled to the Navy Department to-day that the situation in Manila is still unchanged. The dispatch was dated June 27. At the time it was sent the transports, with 2500 troops on board had not yet arrived. Neither had the cruiser Charleston been sighted.

Much to the gratification of the authorities Rear Admiral Dewey reported that the insurgents had taken no offensive action against Manila. This is especially pleasing, as it shows that General Aguinaldo is still complying with the wishes of Admiral Dewey and will make no offensive move against Manila until the transports and the Charleston arrive.

The troops will be landed at Cavite, and when they have recuperated from their long voyage they will be moved forward to the insurgent lines. The American warships will take up their position in front of the city and its surrender will be demanded. Failure to comply with the demand will result in operations which it is believed will result in the capture of the city without much loss.

It is not proposed to fire indiscriminately on the town. The points to be shelled are those occupied by the Spanish troops. The authorities do not expect that foreign marines are to be landed, but if they should be they will be invited to leave as soon as the city is in the possession of the Americans. Rear Admiral Dewey will inform the German commander-in-chief and the senior officers of other naval forces that the 2500 Americans at his disposal are sufficient to preserve order in the city, and that retention of marines on shore is unnecessary. It is said in administration circles that such a statement will undoubtedly result in the withdrawal of marines. Assurance from Rear Admiral Dewey that the Americans can preserve order the other warships will undoubtedly withdraw their forces. In the face of such an example Vice Admiral Diedrichs will have no excuse for ordering the German forces to remain in the city.

DEWEY HAS MADE NO OFFICIAL PLEDGES

Carefully Avoided Committing the Government to Any Line of Action.

WASHINGTON, July 1.—While not prolix in his utterances, Admiral Dewey loses no opportunity to keep the Navy Department informed of the state of affairs at Manila. A dispatch came from him to-day, dated Cavite, June 27. He had many other matters of interest to communicate, but they were not of a character that could be properly made public at this stage. For one thing it can be stated that Admiral Dewey has been particular to avoid committing his Government to any particular line of action respecting the future of the Philippines or to do anything that would embarrass General Merritt in framing a policy to meet the needs of the case when he arrives. He has made no official pledges to the insurgent leader, although he has not hesitated to openly praise his good politics and his accomplishments.

GERMANY RECOGNIZES OUR AUTHORITY

Admiral Diedrichs Rejects the Proposition of a Neutral Government.

BERLIN, July 1.—The following dispatch has been received from Hongkong: According to trustworthy intelligence from Manila the Spanish Governor General had, a few days ago, at his own request, a meeting with Admiral Diedrichs, commander of the German naval forces in the Far East, in order to propose, on behalf of the Spanish Government, that Manila should be handed into the provisional charge of a neutral commander. The proposal was rejected by Admiral Diedrichs, in view of the American blockade.

TO CONVEY LATEST NEWS TO DEWEY

Consul Wildman Charters a Steamer, but Rough Weather Prevents Its Departure.

Special cable to The Call and the New York Herald. Copyrighted, 1898, by James Gordon Bennett.

HONGKONG, July 1.—Consul Wildman chartered a small vessel to carry dispatches to Admiral Dewey informing him that the Spanish fleet was at Port Said, but for three days a gale has prevented her dispatch. The rough weather may explain the non-arrival of the troopships.

As to the Third Call.

WASHINGTON, July 1.—It can be stated positively that the President does not contemplate issuing a third call for volunteers within the next two weeks, at least, as present plans in all probability will preclude its issuance within a fortnight, if then.

Ordered to Philippines.

WASHINGTON, July 1.—Batteries C and M of the Sixth United States Artillery, now on duty at Fort Meyer, Va., have been assigned for duty to the Philippines. They will start on their transatlantic journey next Tuesday.

ADVERTISEMENTS.

SIXTY-FIRST HALF YEARLY REPORT OF

The German Savings and Loan Society,

526 CALIFORNIA STREET, San Francisco, California.

SWORN STATEMENT

Of the condition and value of the assets and liabilities of The German Savings and Loan Society, a corporation doing business at No. 526 California street, in the City and County of San Francisco, State of California, and where said assets are situated, on June 30th, 1898.

ASSETS.	
1—\$5,650,000 United States 4% registered bonds, the value of which is \$5,242,250	
These bonds are kept in a box in the vaults of and rented from the New York Stock Exchange Safe Deposit Company, in New York City.	
1,740,000 Miscellaneous Railroad bonds of the State of California, Cable and Street Railroads, Light and other corporation First Mortgage bonds, the value of which is \$1,815,000	
All of said bonds are kept in the vaults of the corporation.	
\$7,390,000	\$5,650,000
Standing on the books of the corporation at.....	\$7,390,454 58
2—Promissory notes secured by first mortgage on real estate, within this State, the States of Oregon, Washington, Nevada and Utah, in the amount of.....	16,832,837 98
The value of said promissory notes is.....	16,832,837 98
3—Miscellaneous real estate, mortgage bonds, and other corporation stock pledged to the society for the amount of.....	801,509 00
All said notes, bonds and certificates of stock are kept by said corporation in its own vaults.	
4—Bank building and lot, the value of which is.....	155,000 00
5—Other real estate situated in the States of California, Oregon, Washington and Utah, the value of which is.....	1,380,922 31
6—Furniture in the bank office of said corporation.....	1,000 00
7—Cash in United States gold and silver coin, kept by said corporation in its own vaults, the actual value of which is.....	1,423,791 78
Total.....	\$28,542,506 60

LIABILITIES.

1—To Depositors: Said corporation owes deposits amounting to, and the value.....	\$26,486,987 08
2—To stockholders: The amount of capital stock, actually paid up, in gold coin, the value of which is.....	1,000,000 00
The condition of said liability to stockholders is that no part of the amount can be paid to them, or in any way be withdrawn, until all the losses of the corporation, nor until all debtors shall have been paid in full the amount of their deposits and accrued dividends.	
3—To depositors and stockholders:	
a. The amount of the Reserve Fund in gold coin, the value of which is.....	870,000 00
Including the amount of matured but uncollected interest on loans.	
b. The amount of the Contingency Fund, the value of which is.....	65,820 67
The condition of said Funds is that the same have been created for the purpose of additional security to depositors against losses of the State, City and County Taxes assessed by the Government, but not yet payable.....	119,688 87
Total.....	\$28,542,506 60

B. A. BECKER, President of The German Savings and Loan Society.

GEO. TOURNEY, Secretary of The German Savings and Loan Society.

State of California, City and County of San Francisco.—B. A. Becker and George Tournay, being each separately duly sworn, each for himself, said B. A. Becker is President, and that said Geo. Tournay is Secretary of The German Savings and Loan Society, the contents of above mentioned, and that the foregoing statement is true.

B. A. BECKER, G. T. KNOX, Notary Public.

Subscribed and sworn to before me this 1st day of July, 1898.

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