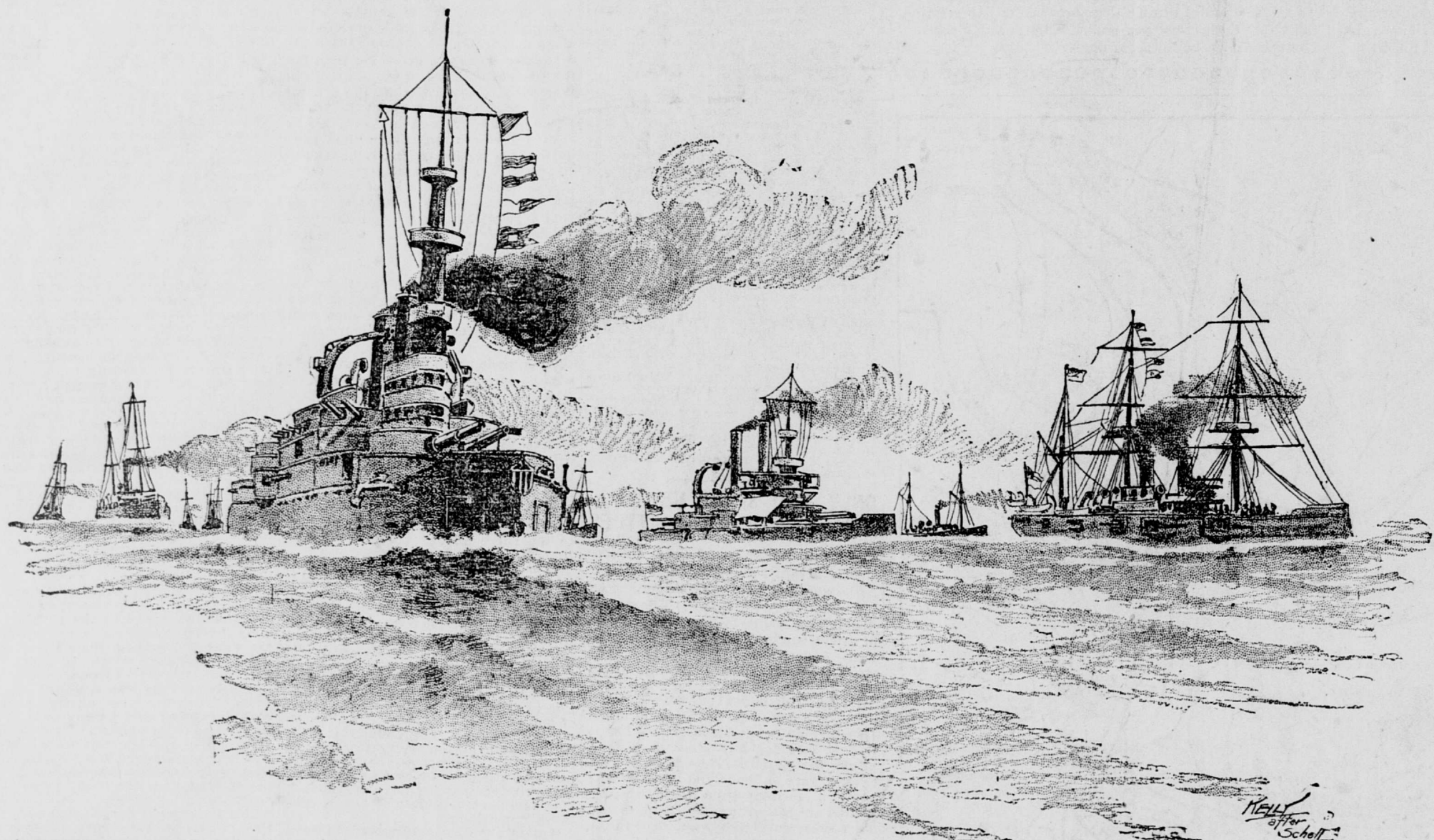


SPANIARDS THOUGHT TO BE SNEAKING AWAY FROM THE CITY OF SANTIAGO



Yosemite Scindia
Yankee Dixie Oregon Abarenda Iowa Alexander Newark

AS COMMODORE WATSON'S SQUADRON WILL APPEAR EN ROUTE TO SPAIN.

WEAK REPLY TO FIRE OF AMERICANS

Shafter Believes Toral's Forces Are Rapidly Retreating.

Fearful Havoc Wrought by the Guns of the Besiegers on the Hills and on Warships.

WITH THE AMERICAN ARMY BEFORE SANTIAGO, Sunday, July 10, by the Call-Herald dispatch-boat Somers N. Smith, to Port Antonio, Jamaica, Monday, July 11.—To-day's attack on Santiago began with a premature volley from the rifle pits. No one then waited for the battery signal. Within thirty seconds, over a distance of five miles, the batteries belched a hail of shells. There was a sharp reply of Mauser bullets for five minutes, but this soon died away and the Spanish trenches were silent. Our guns pounded on. In twenty minutes we had finished and, the Rough Riders were cheering in the trenches. Either the Spaniards have moved out of the city, leaving a few men to cover their retreat, or they have withdrawn into the city and are waiting behind barricades. This means a street to street fight or a continuation of the bombardment. Our dynamite gun hit one of the enemy's big guns fairly under the lip and threw it thirty feet in the air. This caused cheering in the camp of the Rough Riders.

RICHARD HARDING DAVIS.

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WITH GENERAL SHAFER'S ARMY, BEFORE SANTIAGO, Sunday night, 10 o'clock, by The Call-Herald dispatch-boat Somers N. Smith, to Port Antonio, Jamaica, Monday, July 11.—Major General Shafter believes that the main body of the Spanish army has abandoned Santiago, and that it is now fleeing to the west ward. It is the expectation as I write this dispatch that the American army will be in full possession of the city by noon tomorrow. A joint attack by the army and navy was made upon the city late this afternoon, and much destruction must have been wrought by the American guns on land and sea. To this attack the Spaniards made only a feeble reply. Our loss was insignificant. No really earnest attempt to reduce Santiago was made to-day. It was the plan merely to give the Spaniards an idea of what they might expect when the American land and sea forces made their final attack in the morning.

During to-day's firing, however, the dynamite gun did great damage in the city as did the shells fired from the fleet from a position off Aguadores. There is little question in the minds of the officers of the American army that General Toral's troops evacuated the city, while the Spanish commander was parleying with General Shafter over the terms of surrender. This belief is strengthened by reports from Aguadores, which place has been abandoned by the Spaniards. Bands of Cuban soldiers report that the enemy before evacuating the coast town placed timbers over their intrenchments to represent guns. In my dispatches the fact that the Spanish commander has authorized his men to loot Santiago was mentioned.

SPAIN'S CABINET HAS TENDERED ITS RESIGNATION TO THE QUEEN REGENT

Negotiations May Soon Be Commenced to Terminate the War—Alleged Conditions of Peace Demanded by the United States.

LONDON, July 12.—The Madrid correspondent of the Times telegraphing Monday says: Senor Sagasta went to the palace to-day and tendered his resignation and that of the Cabinet. It is said that he advised the Queen Regent to appoint a new Cabinet, largely consisting of the military element, which would not necessarily mean the adoption of a warlike policy, but probably the reverse. It is generally expected that the resignation will be accepted, but the result may possibly be merely a partial reconstruction of the Cabinet. The Ministers are now in council, and Senor Sagasta has doubtless communicated to them an account of his audience with the Queen Regent.

MADRID, July 11.—It is asserted that the United States makes the following demands as conditions of peace:

First—The possessions of Cuba and Porto Rico with a port in the Canaries.

Second—An indemnity of \$248,000,000 (about \$240,000,000).

Third—The retention of the Philippines as a guarantee of the payment of the indemnity.

These terms are regarded as impossible.

POLITICAL SOIL PREPARED FOR PEACE

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MADRID, July 11.—The papers which state that peace negotiations are actually going on are not strictly correct. The actual condition of affairs is being diligently prepared in view of the solution which may bring about peace. The word "peace" is written in big letters at the head of the leading articles in the principal newspapers. The Government wishes peace deeply, and is intensely anxious to know what terms the United States are willing to grant. If America sees the way to anything like terms which may save Spanish honor the war is at an end. If, on the contrary, the terms are harsh and sweeping, that is, if the American jingoists dictate terms, their conferees here will inevitably come on top with their programme of war. If the moderates in America gain the day the moderates here will predominate.

Premier Sagasta, on leaving the council this morning, in answer to a question, said that the moment had not come for discussing terms of peace, but I have the best authority for the statement that the Government is in accord that such time will be ripe when the impending fall of Santiago or the surrender of Manila has taken place—in fact, any further disaster which brings home to the nation and the army the hopelessness of further resistance against the unlimited resources brought to bear by the United States. Sagasta is an out and out patriot, and, according to the words of one of his Cabinet, has to take into consideration not only the dignity of the army which has fought so heroically, but also the future of a large body of Cuban volunteers, far outnumbering the rebels, who gave their services to the mother country and who cannot be left to the mercy of the insurgents.

It is said to be possible that Austria might be a mediating power. The Government knows from inquiries made that the spirit of the people in the country is favorable to peace, and the parties of the war would quickly be reduced. In the army the sentiment is universally in favor of a continuation of hostilities. Within four days the Ministers have placed their resignations in the hands of Sagasta, who has held them over.

WORK MAPPED OUT FOR WATSON'S EASTERN FLEET

First of All It Must Destroy the Remnant of the Spanish Navy.

NEW YORK, July 11.—The Herald's Washington correspondent telegraphs: All chance of interception of Camara's fleet in the Mediterranean by the Eastern squadron has disappeared as the result of the departure from Port Said to-day of the Spanish men-of-war. The longer Santiago holds out the longer Commodore Watson's command will remain in Cuban waters. The authorities, however, are making every effort to get the fleet ready to sail by the latter part of the week.

The Naval War Board was in communication with Commodore and Rear Admiral Sampson last night regarding the supplies needed by the Eastern squadron and the plan it will follow on its cruise. It is understood the correspondence which has passed related to an increase of Commodore Watson's squadron. The department will determine within the next few days whether it will be politic or not to increase the force, but naval officers in Washington strongly recommend that the fleet be made more imposing and stronger, so that it may without any possibility of failure destroy Admiral Camara's squadron without injury to itself. The need of protected cruisers such as the New Orleans, Minneapolis and Columbia is especially pointed out. These ships, the officers say, would be especially useful in overhauling and destroying the swift Patriota and Rapido, formerly the Normannia and Columbia of the Hamburg-American line, which can run away from any of the ships now attached to the Eastern squadron.

An official with whom I talked told me that the squadron would be kept off the Spanish coast indefinitely if need be. Its first work will be to destroy the remnant of the Spanish navy now under the command of Admiral Camara, and, when this has been accomplished, to cripple the Spanish merchant marine, to destroy ships now under construction at Ferrol, Carthagena and Cadiz, and, if necessary, to bombard coast cities.

Admiral Camara's destination, according to information received by the State Department to-day, is Carthagena.

A dispatch from the American consular agent at Port Said announced that the battle-ship Pelayo, the last of the Spanish men-of-war at Port Said, left that port this morning and joined the remainder of the fleet outside the harbor, and proceeded on its way to Carthagena. The officials also received word of the departure of torpedo-boats from Messina, Sicily, on their way to the same port. It is expected Camara's

fleet will occupy eight days in making the voyage and will arrive at Carthagena on Tuesday of next week. It will be impossible for Commodore Watson to reach Spain before the early part of August.

In accordance with the department's instructions the Yankee has taken on board 350 tons of ammunition for the Oregon, and the Massachusetts is under orders to proceed to Hampton Roads, where she will await the coaling of the colliers now at Norfolk. Thursday is fixed by the department as the date of sailing of this portion of the fleet.

PORT SAID, July 11.—The remainder of Admiral Camara's fleet has sailed for Spain.

MESSINA, Sicily, July 11.—The Spanish torpedo-boats sailed for home to-day.

BRITISH CONSUL TELLS WHY HE LEFT HAVANA

Says His Term Has About Expired and His Departure Is Not Due to the War Situation.

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KINGSTON, Jamaica, July 11.—Sir Alexander Gollan, British Consul to Havana, was asked to-day why he left Havana.

"My term in the consular service has almost expired," he replied, "and that is the reason for my departure from Havana. I have been there eight years, and now am going home to enjoy myself. I have not been recalled, nor is my departure due to conditions in Havana."

"I will say the stories of starvation in the Cuban capital are much exaggerated. Of course, privations and want always exist among the lower classes, and these conditions are intensified by the blockade, but the situation is not as serious as I have seen it reported to be, although hundreds are dying of starvation."

ADMIRAL DEWEY AND VICE ADMIRAL SCHLEY

Suggestion of the New York Herald Finds Hearty Indorsement From All Quarters.

NEW YORK, July 11.—From all parts of the country come prompt and hearty indorsements of the Herald's suggestion that the grades of admiral and vice admiral in the navy should be revived, and that Dewey should be made admiral and Schley vice admiral. Tribute is universally paid to the splendid work of these two officers in the destruction of Spain's fleet, and all agree that the highest possible award should be given to them.

FALSE RUMORS ABOUT OVERTURES FOR PEACE

Dispatches From Madrid Calculated to Sound the Disposition of Uncle Sam.

NEW YORK, July 11.—The Washington correspondent of the Herald telegraphs: There is no foundation for the report from Madrid that the United States has made demands from Spain as to conditions for peace, contemplating the cession of Cuba and Porto Rico, with a port in the Canaries, the payment of indemnity of \$248,000,000 and retention of the Philippines as guarantee of payment of the indemnity.

This was the report sent out from Madrid last night. I was informed by a member of the Cabinet to-night that this Government had made no proposition whatever, either directly or indirectly, concerning peace, nor has any proposition been received from Spain, either directly or indirectly.

The only basis for hope of the administration that Spain will soon sue for peace is the conviction that all classes in Spain are rapidly being convinced of the hopelessness of continuing the struggle. This conviction is based on the tone of the Spanish papers and on

information received through press dispatches from Madrid and other sources of the sentiment of many leading men in Spain.

The report from Madrid that Senor Sagasta's Ministry has resigned is believed here to make the prospects for early peace more favorable. It is thought probable that Senor Sagasta has stepped out of the way to make room for a Cabinet which will negotiate for cessation of hostilities and that the dispatch from Madrid purporting to give demands made by the United States was inspired for the purpose of feeling the temper of the United States by seeing how such terms would be considered here.

BOMBARDMENT OF THE WARSHIPS

Many Shells Fall Into the Bay, but One Causes a Big Explosion in Santiago.

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OFF SANTIAGO DE CUBA, via Playa del Este, July 11.—At 9:30 o'clock this morning after several range-finding shots over the ridge protecting Santiago from the sea the United

States cruiser Newark opened fire into the city with her 8-inch guns.

The signal corps officers stationed on top of the ridge reported the effect of the shots.

The New York, Brooklyn and Indiana participated in the firing at intervals of five minutes.

The bombardment lasted for two hours, when General Shafter reported that the shells were mostly falling in the bay and doing but little damage. The last shot, however, struck a prominent church in the heart of the city, which was heavily stored with powder and ammunition, causing a tremendous explosion. The extent of the damage is not yet known.

When the warships ceased firing and before General Shafter had begun a land attack, a flag of truce was seen coming from the city.

The object of this was not known to-day at noon. At 2 o'clock this afternoon the auxiliary cruiser Yale, with General Nelson A. Miles, and the United States protected cruiser Columbia arrived.

Rear Admiral Sampson visited General Miles immediately on his arrival, and then the Yale went to Siboney. General Miles and his personal staff landed in a pouring rain.



SENOR SAGASTA, Who Has Tendered His Resignation as Premier of Spain.