

### SPY CARRANZA'S LETTER.

How the Famous Letter Was Obtained in Montreal.

Washington, D. C.—Spain's spy system has sustained a serious blow as the result of the seizure by Secret Service agents of the United States of the famous Carranza letter.

Now that the letter has been made public, the officials do not hesitate to tell as to the manner in which it was obtained.

Every day since the arrival of Du Bose and Carranza in Montreal, Secret Service agents have been in their home, either on the pretense of examining the gas meter, attending to the sewerage or inspecting the water pipe.

One of these men saw Carranza writing, on May 25, a letter which he surmised might contain highly interesting information.

He reported his discovery to Chief Wilkie, who instructed another agent to call at the house the next morning, and that officer, accompanied by a companion, and a woman, was admitted soon after eight o'clock and examined the house with a view to renting it. Lieutenant Carranza was at breakfast at the time.

When inspecting the bedroom the American officer discovered a sealed envelope lying on the dresser. He slipped it into his pocket and left the house, mailing the communication to a fellow detective, who forwarded it to Washington.

On the outside of the envelope were three Canadian stamps, two three-cent and one two-cent stamps. The letter was written in a fine hand, on paper bearing the seal of the former legation in Washington, and was addressed to Senor Gomez, apparently Carranza's uncle.

This is the text of Lieutenant Carranza's letter, as officially made public here to-day:

"Montreal, 20th of May, 1908.  
"Upper Street, 42.  
"To His Excellency Senor Don Jose Gomez I may:

"My Dear Don Jose:

"It was my belief that they would have appointed you to command the Cadiz fleet, and it was my intention to have sent you a telegram asking that you take me with you to meet you in the Antilles, or wherever you might say.

"The election of Senor Camara, I fear, will be fatal, although he may have a good chief of staff. No one could possibly suit him, because he is very capricious, and, besides, he is a hard worker; on the contrary, he is lazy and would pay no attention to the advice of any one.

"I have been left here to receive and send telegrams and to look after the spy service which I have organized or, I had better say, am establishing here, because until a very little while ago I was not permitted to do as I pleased.

"We have had bad luck because they have captured our two best spies, one in Washington, who hanged himself—or else they did it for him—and the other day before yesterday in Tampa.

"The Americans are showing the most extraordinary vigilance.

"I am very much afraid lest they attack Porto Rico by sea and land and put off the attack on Havana. They are not going to do more than try to take the latter, and they think then, if they destroy our fleet, of taking the war into Spain, with Havana already in their power. They have no confidence in their army, but they have in their navy, and they are afraid of our army and of yellow fever, because if the men should begin to die in Cuba there would be a tremendous row, as they are not like our people.

"If the Cadiz squadron is to come to bombard Boston, Portland and Long Island they can do it now, but after a few months it will be too late.

"I think if we are to have any success in this matter it will be through treating for peace by yielding Cuba and having them recognize the debt. If we do not do this soon it will be too late, and we shall lose Cuba and Porto Rico and all that this war has cost us, and, in addition, we shall be charged with the Cuban debt, for which our treasury is responsible. There is no doubt here that we cannot continue this war, in which we have nothing to gain and may lose our three colonies and be ruined for fifty years.

"In the matter of money, there is no patriotism here. Proof is given by the bank, which ought to have bought gold, although at a premium of one hundred per cent, and issued notes against it in the same or a slightly greater quantity. With one hundred and fifty millions it has made thirteen hundred millions.

"This is the moment of the year at which, instead of returning twenty-three or twenty-four per cent, it returns only twelve or fifteen. As regards its buying gold, exchange has gone down, and if in buying four hundred millions it issues five hundred millions, paying six hundred or seven hundred, inasmuch as the State subscribes at the rate of five per cent, this would represent to the bank an interest of about three per cent, and its dividend would have gone down very little.

"Can you imagine your anxiety for Brazil and the rest, an anxiety that we share. Their terrible ships do not go as fast as ours by perhaps two and a half miles. As for the money, they do not count for much; they can be used only to bet on a horse race, and besides, cannot go any and carry very little coal. They have a great business in the whole country."

"RAMON CARRANZA."

### SUMMARY OF THE NEWS.

Lieut. Carranza, the writer of the letter which proved that he was the head of a Spanish spy system on this continent, and Senor Du Bose, were arrested in Montreal yesterday at the instance of Chief Detective Kellert, of that city, on a charge of causing his arrest on a false accusation in that he purloined the letter.

Owing to the inadequacy of the water supply at Camp Alger an official board of inspectors has recommended that no more troops be sent there until it is improved. A correspondent who made a tour of the camp found that there was a great lack of equipments.

The Spanish people are deceived by their Government into believing that the act which made captive at Santiago Spain's only effective fleet is proof that the Spaniards are more than a match for the Cubans and Americans combined.

Latest information from Havana is that the Spaniards are amused at our aimable warfare. They do not consider it serious and are eager to fight. There is great and increasing scarcity of food.

Secretary Long authorized Admiral Sampson by cable to negotiate for the exchange of Lieut. Hobson and his men, and cabled a list of Spanish prisoners from which selection is to be made by Admiral Cervera.

Gen. Miles has reported that the regulars who will invest Santiago have embarked at Tampa and Mobile and are now on the way to Key West to meet the warships which will convey them to Cuba.

A correspondent with the fleet off Santiago, after inspecting the Merrimac wreck, says that she lies in the channel with her upper works showing above water.

A Cadiz correspondent cables from Gibraltar that Camara's fleet has never left Cadiz, and that Spanish officials say it is held through fear of revolution.

John Wanamaker announces that Major-Gen. George R. Snowden will be colonel and himself lieutenant colonel of the regiment he is organizing.

President McKinley will ask Congress to vote thanks to Lieut. Hobson. He may be made a commander.

Representative Hartman introduced in Congress a resolution granting medals to Lieut. Hobson and his men Ceylon and the Straits Settlement Hayti and the Dutch West Indies have declared their neutrality.

Sampson's fleet shelled the Sanitago forts Friday night, it is said, and ripped the Cristobal Colon.

There are more than a score of Indians among Roosevelt's "Rough Riders."

Port-au-Prince reports that American soldiers have landed near Santiago.

Orders assigning the various brigadier-generals were issued.

Cape Haytien reported heavy firing off Santiago yesterday.

### Admiral Dewey's Report.

Washington, June 7.—This bulletin was posted at the Navy Department this afternoon:

"Dewey reports that the insurgents have been actively engaged within the province of Cavite. They have won several victories, and have taken prisoners about 1,800 men and 50 officers of the Spanish troops not native. The arsenal of Cavite has been prepared for occupation by United States troops on arrival of transports."

### The Alliance Puts to Sea.

Norfolk, Va. The training ship Alliance passed Old Point outward bound at 4 o'clock this afternoon.

### FROM ACROSS THE SEA.

A London correspondent cables a translation of the passages of Senor Castelar's article in the Petite Revue Internationale for which Spanish Royalists want him prosecuted for treason. Castelar charges the Queen Regent with violating Spain's constitution by unwarrantably meddling in affairs of state, the conduct of which belongs to a responsible ministry.

London.—The Madrid correspondent of the Telegraph reports: "Gen. Weyler has arrived at Santander, on the Bay of Biscay, where he had an ovation. Thousands greeted him at every railway station on the way, but the demonstration was particularly strong at Santander."

London.—"According to private notices from Cadiz, the preparation for active service of the Spanish cruiser Carlos V., the battleship Pola and the auxiliary cruisers Patriota and Rapido is proceeding slowly, and these vessels are not yet nearly ready to proceed to sea.

Paris.—It is learned that large quantities of ammunition are being sent across the Pyrenees into Spain. The French authorities are not seeking to prevent this, and many French and Belgian firms are engaging in the profitable traffic.

Madrid.—Reports received from several sources say that an American warship cruising off the Spanish coast closely scrutinized the British steamer Laguna on May 16, but finally allowed her to proceed.

A Vienna correspondent cables that he is assured that the Austrian Foreign Ministry has had no hint of any effort by the Spanish Ambassador at Paris to persuade European powers to intervene.

Madrid.—The Mint will begin tomorrow to coin a million silver pesetas daily.

### HOT FIGHTING AT MANILA.

Insurgents Kill 400 in Battle, and Take 1,800 of Them Prisoners.

### ARE NEAR THE TOWN.

They Are Now Holding as Prisoners the Governors of Cavite and Batangas.

A Hong Kong Prediction That the City Will Fall into Dewey's Hands Before the Arrival of Our Troops. The Spanish Captain-General Wishes to Surrender Manila to Our Admiral, but Was Dissuaded by His Officers.

Hong Kong, June 7.—Advice received here from Manila show that the insurgents are gradually surrounding the city. They attacked the Spaniards at San Francisco de Malabak on May 31, and the fighting has been continuous since.

The vessels released from the Pasig River will be utilized for housing the foreign residents of Manila on the arrival of the American troops.

It is said that the insurgents have captured and are holding as prisoners the Governors of the provinces of Cavite and Batangas.

A spy who is in the employ of the Americans says that Capt. Gen. August wanted to surrender to Admiral Dewey, but his officers opposed such action and persuaded him to make a further resistance.

Refugees are arriving at Cavite from all directions. When the despatch left Manila on Thursday the insurgents were besieging 200 Spaniards in the old Cavite church.

The British gunboat Swift, which has arrived here, reports that the insurgents have cut the railroads in the neighborhood of Manila. The insurgents were only four miles from the city.



RICHARD PEARSON HOBSON, Young Hero Who Sank the Merrimac.

One Spanish regiment has mutilated and shot some of the officers. It is reported that the insurgents have captured and tortured a number of Spanish priests.

The British residents remain in Manila. Some of the other foreigners have taken refuge on the foreign ships in the bay.

The foreigners at Cavite are occupying buildings that will be needed by the American troops when they arrive.

During a pitched battle on May 31 a number of native auxiliaries deserted the Spaniards and joined the insurgents. In this battle the Spaniards lost 400 killed and wounded.

Another severe engagement took place on May 31, and the Spaniards were defeated with heavy loss.

The insurgents are very active in preventing food from reaching Manila. Admiral Dewey is not assisting the insurgents, but the Spaniards are losing arms, ammunition and field pieces daily through the persistent insurgent attacks.

The natives are flocking to Aguinaldo, who, on the whole, is conducting his campaign humanely.

London, June 7. A despatch to the Standard from Hong Kong says that judging from the tenor of the latest news from Manila the belief is warranted that the city will fall into Admiral Dewey's hands before the United States troops arrive there.

### Two Royal Decrees.

London.—Two royal decrees announced to-day are of equal interest. In the first Emperor William gives strict instructions that the Court "their sermons to fifteen minutes."

The other comes from the King of Spain, and is as follows:

"My minister, Tchanpleirex, is from this day relieved of his functions, and all his orders and marks of rank are withdrawn. Furthermore, his beard shall be shaved. Lastly, seven days after this operation he shall be charged with supplying hay to the sacred elephants, and shall be employed at this task to the day of his death."

### Artillery Drill at West Point.

West Point, N. Y.—The drill before the Board of Visitors to-day was given at 5 p. m. by the cadet light battery. It was particularly interesting, since the battery is constituted just like those that are being sent to Santiago de Cuba. The various maneuvers called forth great applause from the spectators.

### Maryland Naval Boys Rebellious.

Norfolk, Va.—Some members of the Maryland naval reserve aboard the auxiliary cruiser Dixie, rebelled yesterday and threatened to desert. To-day a company's guard of soldiers of the First Maryland Regiment has patrolled the pier.

### SPAIN'S PEOPLE FOR PEACE.

Ex-Minister Moret Says That Even the Soldiers Are Tired of the War.

London, June 7. The Morning Post, in a second edition, publishes a despatch from Madrid giving an interview with Senor Moret. Senor Moret said:

"The Government does not know where it is going. Nobody in Spain can say what will be the outcome of the situation, which is far graver than is generally confessed.

"The ship of state is drifting helplessly on the current of events. Nothing is done or attempted to be done to control events. The cabinet is no longer solid, despite its reconstruction."

"We remain the countrymen of Don Quixote. It was known that we were not prepared for hostilities, yet we accepted war with incredible light-headedness, though the only outcome could be complete ruin and that we should be lowered still further, if possible, in the eyes of other nations.

"I was attacked in the most outrageous manner because I declared that a peaceful arrangement was preferable to a rupture. Within a few days the journals have started a campaign in favor of peace and this is making progress with the populace."

"I am thoroughly convinced that if a plebiscite was taken throughout Spain on the question of peace or war, peace would be voted almost unanimously, even by the soldiers, who mainly disapprove of the war."

Senor Moret denounced the attacks on the Queen Regent, who, he declared, never hampered the Ministers. She only worked in the interests of the country.

Asked whether there was any possibility of the emetics of the regency successfully intriguing for its overthrow, Senor Moret said:

"It would be an immense misfortune for Spain but who can foretell what will happen tomorrow in a country without guidance, with a foreign war on its hands, and in daily fears of new internal complications."

"Parliament is divided; differences exist in the cabinet, and the affairs of the country are in complete disorder."

### We Want a Guarantee of Indemnity Before Havana Falls.

Washington, June 7. The decision of the Administration to send a military expedition to Porto Rico prior to the general invasion of Cuba is attributed largely to the influence of Secretary of State Day.

In Mr. Day's opinion the capture of Porto Rico should be taken as soon as possible and certainly before the general Cuban invasion began.

Gen. Miles was the principal advocate of this project, and he was joined by Mr. Day, who added diplomatic reasons to those advanced by the military establishment why the capture of San Juan was more necessary just now than the capture of Havana.

The gist of Mr. Day's argument was that the capture of Havana would probably be followed by intervention by European Powers or peace proposals by Spain.

He maintained that this virtual ending of the war might come at any time after Havana falls, thus leaving Porto Rico still in Spanish possession.

It is understood that Mr. Day maintained that the capture of Porto Rico should come before the subjugation of Havana as a reversal of this programme would leave the United States with meagre means of compelling Spain to pay indemnity or to insure payment for the cost of the war.

The advocates of the Porto Rican invasion won the day, and the Secretary of State deserves much of the credit.

### Sampson's Report on the Merrimac.

Washington, D. C.—The Navy Department to three o'clock today received the following despatch:

"Male, Hayti, June 4. Succeeded in sinking Merrimac in channel of Santiago at 4 a. m., June 3. This was carried out most gallantly under the command of Naval Constructor Hobson and seven men. By a flag of truce from the Spanish Admiral, Cervera, sent in recognition of their bravery, I am informed all are prisoners of war, two slightly wounded. Request authority to approve exchange, if possible, between these and the prisoners at Atlanta. Six of the Spanish squadron in the harbor of Santiago unable to avoid being captured or destroyed. SAMPSON."

### Kentucky's Mountain Cavalrymen Ready.

Lexington, Ky.—Kentucky's two cavalry companies were commissioned this afternoon by Gov. Bradley. They will leave to-morrow afternoon for Chickamauga. They are made up of mountain men, and in addressing them Gov. Bradley bade them remember that we are not waging war against helpless women and children, and declared he knew the mountain people and knew that they would do the State honor no matter where assigned for duty.

### Spain's 4 per Cent. Bonds Advanced.

Spanish 4 per cent. bonds advanced 1/2 to 3/4 in London yesterday on heavy buying for Paris account, accompanied by reports that Spain is preparing to ask for intervention and peace, as well as a rumor that arrangements have been made to pay the next coupon upon the bonds.

### Spain's Popular Loan.

Madrid.—The official Gazette publishes a royal decree authorizing the issue of an internal loan of 1,000,000,000 pesetas at 4 per cent.

### HOBSON'S HEROIC DEED.

After Touching Off a Torpedo the Crew Fled on a Raft but were captured.

### PRISONERS IN MORRO.

Spanish Admiral, Filled with Admiration at Their Daring, Offers to Exchange Them.

Assistant Naval Constructor and His Comrades Ran the Collier Merrimac Into the Harbor and Sank Her. Captain Oviedo, Cervera's Chief of Staff Sent to Sampson with the Information. Cervera Must Sink His Vessels or Surrender.

Cape Haytien, Hayti.—More particulars were received here to-day about the sinking of the collier Merrimac. In addition to those I cabled you last night.

The Merrimac entered the harbor of Santiago de Cuba early in the morning and was sunk by her own crew. Assistant Naval Constructor Hobson who was in charge of her, exploded a torpedo, and she went down almost immediately. The eight men who were on her jumped on a raft and were made prisoners.



Great admiration was expressed by the Spanish officers at the daring deed. Admiral Cervera communicated with the American squadron and offered to exchange the prisoners, but the result is not known here.

Rear Admiral Sampson decided to close the narrow harbor entrance of Santiago de Cuba, by sinking the collier Merrimac loaded with coal in the channel. He called for volunteers to go to almost certain death, and four thousand men offered themselves.

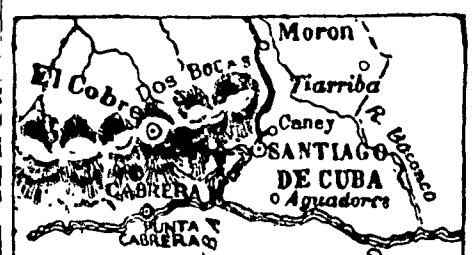
Lieutenant Hobson and six men were chosen, and, early Friday morning, the Merrimac, under her own steam, entered the channel under a terrible Spanish fire. The vessel was riddled with projectiles, but she anchored and swung around.

Lieutenant Hobson then set off an internal torpedo, with an electric attachment, there was an explosion, the Merrimac sank, the channel was closed, and, apparently, Admiral Cervera will be unable to escape.

Names of the heroes: Assistant Naval Constructor R. P. Hobson, George Charrette, Oscar Belgran, John Kelly, Daniel Montague, J. E. Murphy and John J. Phillips.

Lieutenant Hobson appears to have carried out his plan to the smallest detail, except as regards the method of escape. The whaleboat in which the crew were to attempt to escape was either blown up or shot to pieces, for Lieutenant Hobson and his men drifted ashore on an old catamaran which was slung over the ship's side, at the last moment, as an extra precaution.

Upon reaching shore the men were taken prisoners and sent to Santiago city under guard. Later they were taken to Morro Castle, where they now are.



The Spanish Admiral, under a flag of truce, sent word to the American Admiral that he offered to exchange the prisoners, adding that, in the meanwhile, Hobson and his party would be treated with the greatest kindness. Captain Oviedo, Admiral Cervera's chief of staff, who boarded the New York under a flag of truce, did not give further details of the capture.

The bravery of the Americans evidently excited as much admiration among the Spaniards as it did among the men of the American fleet. The prisoners will be perfectly safe, and will probably be well treated while they remain in Morro Castle.

The fleet is wild with delight over the termination of the most daring expedition since the destruction of the Confederate ironclad Albemarle by Lieutenant Cushing.

At quarters on the New York last evening Chaplain Royce, praying before the bareheaded crew on deck, thanked God for having preserved Lieutenant Hobson and the men under him. Last night Chaplain Royce invoked God's protection, but then believed it impossible that his prayer could be granted.

There are now only two courses open to the Spanish commander, who for weeks kept the United States guessing as to his intentions and whereabouts. He must ultimately either sink his ships or surrender them to the Americans. It is scarcely believed that he will be willing to do the latter. The chances are that when he finds himself attacked by land and sea, as now seems to be the plan, he will blow up his ships to prevent them from falling into the hands of his enemy.

### OUR SHIPS ATTACK.

Sampson's Fleet Engages the Defences of Santiago de Cuba.

### TWO SPANISH SHIPS SUNK.

One Report Has It So, and one of Our Ships Damaged—Five Thousand Troops Landed.

The Admiral's Purpose Was to Destroy the Entrance Forts, Blow Up the Merrimac, Sank the Bay and Engage Cervera's Squadron—Batteries on the Sea Front Were Attacked—It Is Said He Entered the Harbor and Sank Two Spanish Ships.

Port au Prince, Hayti, June 7.—Advices received here to-day show that the bombardment at Santiago de Cuba was resumed this morning by the American fleet.

It is said that the Americans succeeded in forcing the harbor, having first destroyed the wreck of the Merrimac, which they sank on Friday morning to prevent the escape of the Spanish squadron.

After entering the harbor they engaged the Spanish warships, and after a hot fight sank two of them. It is reported that one of the American vessels was damaged, but this cannot be confirmed.

An American military expedition, consisting of 5,000 troops which recently left Key West, has been landed at Punta Gorda. The expedition is said to be thoroughly equipped with siege guns, which will be employed in the reduction of Santiago.

The landing party comprised three regiments of infantry, three batteries of artillery and a battalion of engineers.

The men landed under the protection of the warships. They got ashore expeditiously and without serious opposition.

There are now seventeen American vessels off Santiago.

The United States auxiliary cruiser St. Louis, which is acting as a despatch boat for Admiral Sampson, has arrived at Mole St. Nicholas.

### War Cost Us \$600,000,000 a Year.

Washington. The House Committee on Appropriations has reported an Urgency Deficiency bill carrying \$17,845,000, embodying many of the items for the Cuban, Philippine and Porto Rico campaigns submitted yesterday by Secretary Alger.

Questioned by Chairman Dingley, of the Ways and Means Committee, Mr. Cannon, in explanation of the Urgency Deficiency bill, said \$600,000,000 would be a safe and conservative estimate of the cost of war for a year if it lasted that long.

The bill incorporates the more urgent of the war estimates submitted to the House yesterday by Secretary Alger, whose explanation of which called forth the significant official letter transmitted therewith. It also includes an emergency appropriation of \$10,000,000 for the navy.

The House finally passed the Urgency Deficiency Bill.

### Gibraltar Hears That Camara Has Sailed.

Gibraltar. It is announced here that the Spanish Cadiz squadron has sailed, but the date of its sailing was not mentioned, nor was the destination of the war ships given.

### Newark Won't Be Ready Before June 15.

NORFOLK, Va., June 1.—It was stated to-day that the repairs to the cruiser Newark would not be completed before June 15 and that, although work upon her is being rushed.

### THE MARKETS.

#### Produce.

Wheat—June.....	\$1.18	@	\$1.20
July.....	95 1/2	@	95 3/4
Corn—June.....	32 1/2	@	32 3/4
July.....	30 1/2	@	30 3/4

#### CREAM AND MILK.

The average daily receipts of milk and cream at the different railroad distributing points in and near New York for the week have been as follows: Fluid milk, 27,638 cans; condensed milk, 207 cans; cream, 603 cans.

The Exchange price is 2 1/4 cents a quart net to the shipper.

#### BUTTER.

Creamery—West, extras.....	@	16
Firsts.....	@	16 1/2
State Dairy, extra.....	@	15
Factory, Fresh, firsts.....	@	14 1/2
Small.....	@	7

#### CHEESE.

State—Full cream, new, large 7 @	7 1/2
Small.....	7 @ 8

#### VEGETABLES.

Potatoes, # bbl.....	2 50 @ 3 00
Onions, white, # bbl.....	2 00 @ 4 00

#### LIVE POULTRY.

Fowls, # lb.....	@ 9
Chickens, # lb.....	@ 9
Turkeys, # lb.....	@ 10
Ducks, # pair.....	@ 80
Geese, # pair.....	75 @ 125
Figs, # pair.....	25 @ 50

#### DRESSED POULTRY.

Turkeys, # lb.....	@
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