

ANSWER TO MADRID

Terms Offered Generous But Final.

MONEY INDEMNITY ASKED

of Porto Rico, One of the Ladrone, and a Coaling Station in the Philippines, and Relinquishment of Cuba Demanded.

Washington, July 30.—The cabinet discussed the president's answer to Spain's peace proposal, and reached a decision to demand the following general conditions:

Absolute surrender of Porto Rico to the United States. Recognition of the independence of Cuba, cession of one of the Ladrone islands as a coaling station, and cession to the United States of at least a coaling station in the Philippines.

The question undecided is what disposition will be made of the Philippines. It can be stated that there is practically no difference of opinion in the cabinet on the retention of the Philippines as a whole, all the members being opposed to our acquisition of these islands.

There has been no decision on the extent to which the government will go in its decision respecting the future of these islands, but it is expected the answer of the president will express the willingness of this government to leave the matter of the future government of the Philippines entirely in the hands of a joint commission, to be appointed by the government and the government of Spain.

The probability is that the United States will insist on certain returns in the government of the Philippines. Our answer will make no mention of money indemnity. Neither will there be any armistice at all. The answer will be in the nature of an ultimatum, and if Spain does not accept it she will fare worse in the future.

CONDITIONS IN HAVANA.

Favorable Report Brought by a German Tourist.

St. Louis, July 30.—August Grupe, one of the foremost merchants of Cuba, who has lived in Havana for 24 years, stopped here today en route to Germany on a visit. In an interview, Mr. Grupe said:

"When I left Havana two weeks ago, the inhabitants were not in the slightest fear that the city would be bombarded. In fact, everything was going on the same as usual. The theaters, dancing halls and business of every character were flourishing, and but for the presence of troops in the city you would never know a war was in progress."

"The blockade at Havana has thus far not proved very effective. The farms around the city furnish all the supplies necessary. The soil is so fertile that crops can be produced in 30 days. There is no scarcity of provisions in Havana, nor has there been any perceptible advance in the price of food. There are 40,000 regular soldiers and 25,000 volunteers in the city."

"About 3,000 men are working night and day strengthening Havana's fortifications, under the personal direction of General Blanco. A few days before I quitted the city, the captain-general told me Havana would be well-nigh impregnable, and that talk of its fall after six months' of bombardment was sheer nonsense."

FRANCE PROTESTS.

Claims the Olinde Rodriguez Was Not a Blockade Runner.

Washington, July 30.—The French embassy has called the attention of the state department to the circumstances connected with the seizure of the French merchant steamship Olinde Rodriguez, and has requested the immediate release of that steamer. The action was taken simultaneously with a protest from the French Trans-Atlantic Steamship Company against the seizure. The state department has submitted all the papers in the case to the department of justice, with a view to getting an opinion on the legal questions involved.

The grounds of the representations of the embassy are that the Rodriguez was engaged in ordinary mercantile pursuits, and has also on board the official mail of the French minister at Port au Prince. It is said that her manifest shows she was not intending to enter a blockaded port.

Situation Is Serious.

New York, July 30.—A dispatch from Colon says: "The position of the Corrucci matter is now extremely serious. Three Italian warships are in front of Cartagena, and the Italian admiral has received orders to bombard the city. Great Britain and the United States are intervening."

Bound for Manila.

San Francisco, Aug. 1.—The third battalion, First South Dakota volunteers, and the Minnesota and Colorado recruits sailed today to join their comrades in the Philippines. The St. Paul will carry the troops to their destination. A fleet of tugs, steamers and launches gathered about the St. Paul and acted as an escort and on shore the wharves were lined with people who waved farewell to the departing troops. The rigging of the transport was filled with the soldiers, and two men, anxious to secure a lofty perch, climbed up to the mastsheads, from which points they waved flags. The soldiers were saluted by steam whistles and bells and the cheers of the soldiers filled the air as they passed down the bay.

Carried Rich Cargo.

Seattle, July 29.—The steamer Humboldt arrived from St. Michaels this afternoon with 122 passengers from Dawson City and about \$1,000,000 in gold dust, and as much more in drafts. This is the estimate of Purser Twigg, who says that it is a very conservative one. About \$600,000 in dust was turned over to him for safekeeping.

Spanish Prisoners Paid Off.

Portsmouth, N. H., July 30.—The Spanish prisoners confined at Seavey's island were paid off by the Spanish government today, the money being received from Admiral Cervera, at Annapolis, the men receiving from \$4 to \$10 in American currency.

PANIC IN SANTIAGO.

Business Demoralized by the Uncertainty of the Future.

Santiago de Cuba, Aug. 1.—A panicky feeling prevails in business circles here, owing to a fear that the Americans will turn the city over to the Cubans for self-government. No confidence exists, owing to the uncertainty of the future. Orders that were given during the first days of the American occupation have been countermanded by cable. European merchandise on through bills of lading via New York has been ordered unshipped and sold in New York, even at a sacrifice.

The same feeling extends to the Cuban merchants themselves, who seem to have lost faith in the ability of their own people to control affairs. The rebels demand independence, but the better classes, the merchants and landowners, dread such a possibility, and fervently hope that the United States will retain the reins of government in the island, as the only guarantee of stability or prosperity.

Senor Julian Cendoja, agent of the Ward line of steamers, says that a hundred Spanish merchants have applied for cabin and baggage room on the return trip of the steamer Philadelphia, which is expected today, and they will leave the city unless there is some assurance from the American government that it intends to control the administration of public affairs in Cuba.

This is the question uppermost in everybody's mind. Spanish, foreigners and natives are all alike anxious for a definite expression from Washington of the policy of the United States with regard to Cuba, and until the expression is made, no resumption of trade or commerce can be expected in Santiago, where today both are in a demoralized and chaotic state.

APPEAL TO THE PRESIDENT.

Filipinos in Europe Ask Us Not to Abandon Them.

London, Aug. 1.—Natives of the Philippine islands and British subjects who have interests there are alarmed by the reports that the peace terms include the return of the islands to Spain. As a result they have held a meeting here, and after consultation with the Filipinos in France and Belgium, have cabled to President McKinley and to Senator Davis, chairman of the senate foreign relations committee. The message to President McKinley is as follows:

"The Filipinos resident in Europe pray you not to abandon the Philippine islands for the sake of peace with Spain. Our loyalty and trust in the honor of America entitle us to your consideration and support. To hand over our country again to Spain is contrary to the humanitarian proceedings of your noble nation, and the wish of all classes. Civilization, trade and all will be lost if Spanish authority is re-established in any form."

The message to Senator Davis says: "A castiron agreement, binding Spain to form a government satisfactory to the inhabitants, is preposterous. To retain her sovereignty means deception, oppression and bigotry. We place our rights in your hands, and pray you to induce the president and senate not to abandon in the hour of peace a people who, trusting in American honor, fought for their common interests."

FATAL SAN FRANCISCO FIRE.

Five Persons Were Killed and Many Injured.

San Francisco, Aug. 1.—A fire, which broke out shortly after midnight in a three story frame building at 118 Oregon street, caused the loss of five lives and badly burned five persons, one of whom is not expected to survive. The dead are:

Kate Connelly, William White, Frank Kelly, George Hansen, C. A. Holmes.

The injured are: Mrs. Manuel Silva, badly burned and probably fatally injured internally; John King, burned on side and right arm; Chris Christensen, burned on arms, face and head; Pat Donohue, burned on arms, face, chest and back; Edward M. Kenny, burned on arms, back, neck and thigh.

The building was a cheap lodging-house, and most of the inmates were longshoremen and people who work along the water front. Being of wood, the structure burned like tinder, and the victims were nearly all suffocated. The property loss is not over \$2,000.

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REJOICING IN HAWAII

News of Annexation Has Reached the Islands.

PEOPLE WILD WITH DELIGHT

Official Programme Arranged for the Flag-Raising—The Effect on Existing Laws—News Brought by the Coptic—Pandemonium Reigned.

San Francisco, July 29.—The steamship Mariposa, from Auckland, Sydney, Apia and Honolulu, arrived today. The Mariposa left Sydney July 4, and left Auckland the 9th. She arrived at Honolulu the 20th, and left the 21st, July 25, about 4 P. M., the Mariposa sighted the transport steamer City of Rio de Janeiro. The two vessels hove to and a small boat from the transport carried a bag of mail to the Mariposa. The boat's crew reported all well on board the Rio. The troops on board the transport are mostly from South Dakota. The Mariposa brings the following advices:

The steamship Coptic arrived on the 13th inst., with news that the United States senate had passed the Newlands resolution making Hawaii part of the United States. On the city front and in the city proper the people were wild with enthusiasm. Steam whistles were turned loose, and men shouted and cheered until they could do so no longer. There was a general hand-shaking and congratulations everywhere.

As soon as the news was received up town the fire whistle was turned on, the whistles of factories, mills and steamers in the harbor were turned loose, and pandemonium reigned. Fireworks were set off in the midst of the noise, and hundreds of guns were fired on the grounds of the executive building. At the same time the Hawaiian band started out, and marched through the streets to the wharf, playing American patriotic airs. An immense procession was formed and a march made to the executive building.

President Dole reached the wharf as the steamer tied up. Captain Zealby, of the Coptic, was presented with a silver cup by the citizens of Honolulu for bringing the glad news. The presentation took place on the deck of the Coptic. The cup is a massive one, handsomely engraved.

The committee of the Annexation Club and the executive council have held sessions daily and have arranged the official programme of exercises subject of course to any changes that Admiral Miller may suggest. In the morning, there will be a combined naval and military parade, consisting of men from the warships and the full strength of the national guard.

After parading the principal streets, the procession will move to the government building, where President Dole, the cabinet, Admiral Miller and staff, Minister Sewall, Consul-General Haywood and others will be grouped. The literary exercises will first take place, together with the singing of patriotic American airs. President Dole will then deliver an address and Hawaii Pon will be sung and a salute of 21 guns fired as the Hawaiian flag is lowered.

The audience will then sing the "Star Spangled Banner" to the music of the band, when Admiral Miller will hoist the Stars and Stripes, which will be saluted by 21 guns. If President McKinley sends a proclamation, it will be read by Admiral Miller previous to the hoisting of Old Glory. Minister Sewall, Consul-General Haywood and others will deliver short addresses and the ceremonies will close with the presentation by President Dole of an American flag to the Hawaiian National Guard. The flag is the original silk one used by the Boston's battalion in 1893 when the warship was here. In the evening there will be a grand display of fireworks and the government buildings will be illuminated on a magnificent scale. A banquet will be tendered Admiral Miller and a ball will follow at the opera house.

The citizens have subscribed \$15,000 for the day's celebration and the most important event in the history of the islands will be celebrated with a magnificence worthy of the occasion. Steamers to the other islands have already spread the news of annexation and scenes occurred similar to the one in Honolulu. Preparations were at once made in all the towns to officially celebrate the raising of the Stars and Stripes by Admiral Miller in this city.

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IN BETTER AIR.

Shafter's Army Will Be Brought Back—A Fine Camp Site Secured.

Washington, July 30.—Secretary Alger is deeply concerned over the welfare of the gallant troops under Shafter's command, now encamped on the outskirts of Santiago. The health report shows a surprisingly large number of cases of sickness, but army surgeons authorize the statement that these figures are misleading in a certain sense, and that the situation may not be nearly so bad as they would seem to indicate. The slightest ailment of the most temporary nature suffices to place a soldier's name on the sick reports, which, in their present shape, would not distinguish between such a case and one of mortal illness. The inference is that many of these cases in Shafter's camp are of a trivial nature, but go to swell its grand total of sick and wounded.

Notwithstanding this mitigating fact, Secretary Alger is going to remove the soldiers at the earliest opportunity to more healthful clime. The surgeon-general, under the direction of the secretary, a few days ago, inspected a tract of land adjoining Montauk Point, Long Island, belonging to the Long Island Railroad Company, which has been offered to the government as suitable for a large encampment. The tract is three miles square, contains an abundance of fresh water, a considerable lake, a hill 10 feet in height, and many other sanitary advantages, including salt water bathing.

The necessary orders to equip this as a camping ground will go forward immediately, and every advantage will be taken of the experience gained in the formation of the great camps at Chickamauga and Camp Alger, to make the conditions as comfortable as possible for the battle-scarred veterans in Shafter's army.

The time for their removal is left to General Shafter, the only limitation placed upon him being that he shall not delay the homeward sailing of his troops beyond the moment when it shall be safe for them to leave Santiago, having regard to the fever conditions.

Meanwhile, details are being made of troops to supply the force that shall garrison Santiago so long as it shall be found necessary to continue troops there. This force will be made up almost altogether of immunes.

General Shafter's daily bulletin, as posted by the war department, follows: Total sick, 4,122; total fever, 3,103; new cases fever, 822; cases fever returned to duty, 542; deaths, Private J. H. Farrell, company H, Ninth Massachusetts volunteers, at Siboney, yellow fever; Corporal Thomas Rollston, company D, Twenty-fourth infantry, Siboney, yellow fever; Private William H. Byers, company D, Seventeenth infantry, cerebral apoplexy.

SHAFTER, Major-General.

Assignment of War Loan Bonds.

Washington, July 30.—The treasury department today issued the following statement authorizing the assignment of the new bonds:

"In order to save vexatious embarrassment to large subscribers to the war-loan bonds—meaning by this subscribers for more than \$500—the department has arranged to recognize transfers of notices of allotments, so that persons receiving notice of the amount allotted to them will be in a position to realize on them in case of necessity substantially as readily as if they were in possession of the bonds allotted to them. This has seemed to be the duty of the treasury department in view of the unavoidable delay in placing the actual bonds in the hands of the larger subscribers."

The Pacific Cable.

San Francisco, July 30.—The Evening Post, in an article published today, says that the United States will soon be connected by cable with her newly acquired Pacific possession, and the cable will connect the United States from this city with Hawaii, the Ladrone, the Philippines and Hong Kong. The paper says that most of the surveys have been made, and that the contract for the laying of the cable has already been let, and that, according to the terms of the contract, the work must be completed within six months. The price to be paid is stated to be \$10,000,000.

Our Exhibit at Paris.

Washington, July 30.—Ferdinand Peck, of Chicago, the newly appointed United States commissioner-general to the Paris exposition, was at the White House today and had a long conference with the president, who suggested that the representation of this government should be conducted on a broad, generous plan. The president agreed that there should be an additional appropriation of \$400,000 for the expenses of our representation there, the present appropriation for the purpose being \$650,000. Mr. Peck thinks an assistant commissioner-general will be appointed in a few days.

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WEEKLY MARKET LETTER.

[Reported by Downing, Hopkins & Co., Inc., Board of Trade Brokers, 711 to 714 Chamber of Commerce Building, Portland, Oregon.]

The wheat trade has dropped into a condition where no one except scalpers and a few professional traders, exporters, and elevator people are touching it. There is a promise of carrying charges in the near future, and as elevator people have no stock, they are commencing to buy the daily arrivals. Millers are buying a little, and exporters who have made good sales abroad for near shipments are also competing for the arrivals. The big speculators are mostly on the short side. They sell whenever the market has an upturn, and their offerings are sufficient to prevent bulges of material length. On the breaks of 1 to 2 cents they covered part of their line, taking their profits, only to put the wheat out again at the same price to possibly a shade better. They are working on the crop report. Their advices from the Northwest are favorable. A private statistician estimates the spring crop wheat at 800,000,000 bushels. Placing the winter wheat yield at 400,000,000 bushels, it would make an aggregate crop of spring and winter of 700,000,000 bushels. This is the largest on record. Conservative people place the crop at 600,000,000 bushel, and the government figures made the yield 615,000,000 bushels, or 39,000,000 bushel less than a month ago. Statistician Snow makes the spring wheat acreage 18,000,000 acres, which exceeds that of the government. The acreage of the department of agriculture this year is nearer the actual seeding than at any time in its history, and possibly when the final report is made it will show that the crop is about as reported, as it is able to get nearer the correct figures than ever before.

Present prices are about the same as last year, but then farmers did not have a taste of \$1 wheat, and where anxious to sell. Having been treated to a dollar wheat, most of them think that they should have higher prices again. Should the corn crop be materially damaged and sell at high prices, it may help wheat a little, but the outlook is not particularly favorable. The exports for the year ending June 30 were 216,000,000 bushels of flour and wheat, against 145,000,000 bushels the preceding year.

Portland Market.

Wheat—Walla Walla, 60¢@62¢; Valley and Bluestem, 64¢ per bushel. Flour—Best grades, \$3.75; graham, \$3.50; superfine, \$2.25 per barrel. Oats—Choice white, 40¢; choice gray, 38¢ per bushel. Barley—Feed barley, \$21; brewing, \$22 per ton. Millstuffs—Bran, \$15 per ton; middlings, \$21; shorts, \$13. Hay—Timothy, \$11@12; clover, \$10@11; Oregon wild hay, \$9@10 per ton. Eggs—Oregon, 16¢@17¢ per dozen. Butter—Fancy creamery, 35¢@40¢; fair to good, 32¢@34¢; dairy, 25¢@32¢ per roll. Cheese—Oregon full cream, 11¢@12¢; Young America, 12¢.

Poultry—Chickens, mixed, \$4.50 per dozen; hens, \$4.00; springs, \$2.00@3; geese, \$3.00@4.50; ducks, young, \$3@4.00 per dozen; turkeys, live, 10¢@12¢ per pound. Potatoes—Oregon Burbanks, 30¢@35¢ per sack; new potatoes 50¢@55¢. Onions—California red, \$1.25 per sack. Hops—5¢@12¢ per pound for new crop; 1896 crop, 4¢@6¢. Wool—Valley, 10¢@12¢ per pound; Eastern Oregon, 8¢@12¢; mohair, 25¢ per pound. Mutton—Gross, best sheep, wethers and ewes, 3¢@4¢; dressed mutton, 7¢; spring lambs, 9¢ per lb. Hogs—Gross, choice heavy, \$4.75; light and feeders, \$3.00@4.00; dressed, \$5.50@6.50 per 100 pounds. Beef—Gross, top steers, 3.50¢@3.75; cows, \$2.50@3.00; dressed beef, 5¢@6¢ per pound. Veal—Large, 5¢@6¢; small, 7¢@8¢ per pound.

Seattle Market.

Vegetables—Potatoes—Yakimas, \$1 per 100 lbs; natives, \$5@10; California potatoes, \$1.00 per 100 pounds. Beets, per sack, \$1.00; turnips, 75¢; carrots, \$1.00; hothouse lettuce, —; radishes, 12¢. Fruits—California lemons, fancy, \$4.00; choice, \$3.50; seeding oranges, \$1.50@1.75; California navels, fancy, \$3@3.25; choice, \$2.50@2.75; bananas, shipping, \$2.25@2.75 per bunch; strawberries, \$1.50 per crate. Butter—Fancy native creamery, brick, 20¢; ranch, 7¢@12¢; dairy, 12¢@15¢; Iowa, fancy creamery, 20¢. Cheese—Native Washington, 11¢@11½¢; Eastern cheese, 11¢@11½¢. Meats—Choice dressed beef steers, prime, 7¢; cows, prime, 6½¢; mutton, 7¢; pork, 7¢@7½¢; veal, 5¢@5c. Hams—Large, 10¢@11¢; small, 11¢; breakfast bacon, 11½¢. Poultry—Chickens, live, per pound, 13¢; dressed, 16¢; spring chickens, \$2.50@3.75. Fresh Fish—Halibut, 8¢@40¢; steelheads, 7¢@8¢; salmon trout, 9¢@10¢; flounders and sole, 3¢@4¢; herring, 4¢. Oysters—Olympia oysters, per sack, \$3.50, per gallon, solid, \$1.80. Wheat—Feed wheat, \$23. Oats—Choice, per ton, \$26. Corn—Whole, \$25; cracked, \$25; feed meal, \$25. Feed—Chopped feed, \$17@21 per ton; middlings, per ton, \$17; oil cake meal, per ton, \$25. Barley—Rolled or ground, per ton,