

Lieut. Commander Everett reported to Capt. Taylor of the battleship and the latter put a prize crew on board the flagship. They then proceeded to the flagship, where a formal report was made and Rear-Admiral Sampson ordered Lieut. Commander Everett to convey the prize to Key West.

The Panama is of about 2,800 tons burden and her passengers were mainly Spanish refugees fleeing from New York and other points in the United States to Havana. Capt. Quevedo was grief-stricken and greatly humiliated because of the capture. The passengers declare they knew nothing of the blockade and that when they saw the searchlight of the Mangrove, they thought it was the light of a Spanish man-of-war. The first shot changed their joy to apprehension, the second and third created a panic. The women ran screaming for shelter from the enemy's guns and the captain locked himself sullenly in his cabin.

The Panama carries a valuable cargo of general merchandise, including a large quantity of corn. Much of it was meant to provision the Spaniards in Cuba, and the cargo, with the ship itself, undoubtedly makes the richest prize thus far taken. Under the regulations, however, the battleship Indiana will share in the prize money, as she was in sight when the capture was made.

This makes five steamers thus far captured, in addition to a number of schooners and small craft. The entire fleet have been on the lookout for the Panama for several days, as she was due at Havana yesterday or today.

Chicago, April 27.—A special to the Times-Herald from Washington says:

Secretary Long of the navy department declares Havana will not be bombarded until serious danger from the Spanish fleet is eliminated.

He says the United States cannot afford to risk the loss of a warship until the armadas are destroyed or are no longer a menace to be greatly feared.

It might be an easy matter to silence the guns of Morro castle and the neighboring shore batteries, but in the conflict American ships might be crippled beyond easy repair. The navy of the United States has a long coast line to defend, which compels a scattering of its vessels, and it labors under the additional disadvantage of not knowing the objective point of the enemy's fleet. The American navy is not so strong but that the loss of a single ship might prove fatal in a naval engagement.

There is no additional consideration that when the troops have been landed in Cuba there must be a fleet able to keep the line of supplies open and to co-operate in the reduction of Spanish strongholds. It is a common habit to deplete the power of Spain, but naval officers say it is a mistake in the case of the armadas. A chance shot or two might weaken the American squadron just enough to give the enemy a victory in the expected sea fight, and the navy department will not take that chance.

The secret service of the department has sent word that Spanish ships were to sail to this side and it is thought possible that the armada which left Cadiz several days ago may be on the way across the Atlantic. The fleet at Cape Verde Islands will also move in order to obey the neutrality laws of Portugal, and that also may cross to this side.

Naval officers and government officials generally are anxious for a chance to test the merits of the two navies. They are confident of a victory for the American ships, and the sooner the sea fight comes, the better it will please them. With the danger from the Spanish armadas removed or minimized the taking of Cuba would be a comparatively easy matter and the

eyes of Americans are turned across the sea for movements of the enemy's fleet. It is estimated in naval circles that plans have been made for the union of the squadrons of Admiral Sampson and Commodore Schley, if the Spanish should attempt to mass their offensive power in the hope of catching either one of the squadrons unawares to be destroyed before the arrival of reinforcements.

It is thought fleet cruisers will be sent out as scouts as soon as news is received of a movement of the armadas to cross the Atlantic, and it is surmised that is what the Columbia and the Minneapolis are doing now.

The tactics of the Spaniards are a mystery, but it is suspected they make an attempt to bombard some of the big cities on the North Atlantic coast. It is possible that is the mission of the Pelayo and her consorts, and it is believed the American cruisers are scouting the ocean to intercept them. If they should be discovered approaching the United States, the scout would scud back to the nearest port and send a message to the flying squadron. The American navy is thus tied up to some extent until the enemy shows his hand.

Preparations are going on for the movement of a force of regulars into Cuba as soon as possible. It is rumored that the force may be 15,000 instead of 5,000. The object is to establish a base of operations, open communication with Gen. Gomez, and feed as many of the reconcentrados as can be reached.

The daring act of Lieut. John C. Fremont and a party from the torpedo boat Porter in landing under the guns of Matanzas Sunday night was hailed with much satisfaction. A report is current that Lieut. Fremont landed a pilot who has conducted a number of filibustering expeditions and that this pilot was dispatched with messages to Gomez.

It is not probable the American land force will engage in an aggressive campaign against the Spaniards for some time. It will be equipped, however, to withstand siege in case the blockade squadron should be called away to meet the enemy's fleets and to that end will doubtless throw up breastworks or construct fortifications of some sort.

An official high in the war department is authority for the statement that the volunteers called for will be held in their state encampments indefinitely, to be organized and hardened.

A plan has been proposed to gather them in great camps at Washington, Richmond, Atlanta or Chickamauga, but it was declared today that these troops would not be moved to such camps for weeks.

The volunteers can be trained in their own states as well as anywhere else, it was explained, and thousands of mothers and wives will be relieved of much anxiety. It is argued there is no need of making the service more trying than the situation demands. The United States is on the defensive and must await the action of the enemy's fleets, because the American navy has not a sufficient preponderance of strength to warrant the taking of chances. It was intimated in the same quarter that the volunteers might not get a chance at Cuba until after the rainy season.

New York, April 27.—A passenger on the steamer Saratoga that has just arrived from Havana, who refused to allow his name to be used, as it might injure his business in Havana, said last night:

"I have covered the island many times during the rebellion, and must say that the insurgents are putting up a magnificent fight. If the United States desires to make its campaign in

Cuba successful, it will have to co-operate with the insurgents. It would not be necessary for the United States to send a large force into Cuba, as such a thing would be dangerous at this season of the year. The Spaniards are now relying on the climate to kill off American troops that are landed on the island more than they are on their own force of arms. What the Spaniards would most dread would be the co-operation of the American forces with the insurgents. If the United States would seize one of the small ports, say in the province of Santiago de Cuba, on the north coast, and there establish a base of supplies, they would be making a good move. These small ports are practically unprotected, and could be taken easily. After they were captured it would be necessary to land artillery to defend the place. Calixto Garcia, of the Cuban army, is in the vicinity, and soon communication could be opened with him. If he was supplied with sufficient arms and ammunition he could push on through the other provinces, carrying all before him. He could do this with his own forces and the Cubans who are not now fighting by reason of lack of arms and ammunition.

They could then push forward into the province of Puerto Principe, and from there meet Gen. Gomez and join forces with him in Santa Clara province. While this was being done, another small port on the south side should be taken as a base of supplies. If a port like Trinidad was taken, railroad communication could be opened up with the interior. This plan would not take three weeks to carry out, and then the united Cuban army would move on Havana. I am confident that at least 100,000 Cubans would be in the army if they had the arms and ammunition.

"This plan that I have outlined would not necessitate the sending of a large number of United States troops into the island, as all that would be needed would be a sufficient number of artillerymen to protect the base of supplies, and they would work in conjunction with the naval vessels, which would protect them from an attack at sea. Havana could then be captured with the assistance of the balance of the American fleet. With Havana taken, the war will come to an abrupt end."

New York, April 28.—A dispatch via Key West from a correspondent of the Herald who was a witness of the bombardment of Matanzas by the American ships, says:

Admiral Sampson this afternoon bombarded, silenced and pretty well destroyed the Spanish batteries in position and in course of construction at the entrance of the harbor of Matanzas.

He did it with the flagship New York, the monitor Puritan and the cruiser Cincinnati.

Not one of the American ships was struck, the Spanish gunnery being wild.

There is as yet no means of knowing the number of dead and wounded on the Spanish side. It must be considerable.

While the New York, Puritan and Cincinnati were reconnoitering in force for the purpose of locating and destroying the formidable defenses being constructed, the flagship was fired on by the batteries on Point Rubalcava and Point Maya, guarding the entrance to the harbor.

The New York replied, firing her forward 8-inch gun on the port side. She steamed boldly in between the batteries and soon blazed away with both broadsides at them.

The Puritan steamed in behind the New York and engaged the fortifications on Point Maya, while the New York went to starboard close up to the land and poured her shells into Point Rubalcava.

The Cincinnati, which had remained