Leaders Discuss Defence Problems.
Signed articles by Secretary of War Garrison, Secretary of the Navy Daniels and others in THE SUN to-morrow.
An exhaustive treatment of the nation's needs.

The Sun.

THE WEATHER FORECAST.
Unsettled to-day and to-morrow; probably local showers to-day.
Highest temperature yesterday, 66; lowest, 59.
Details of weather, marine reports on page 11.

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SEVEN NATIONS IN PEACE PLEA TO MEXICANS

U. S. and A B C Powers to Reach People Through Governors.

HOW TO GET RID OF CARRANZA A PUZZLE

Conferees to Meet in New York—Gen. Scott Sent on Mission to Border.

WASHINGTON, Aug. 6.—Having agreed that a final peremptory summons shall be sent to representatives of all political groups in Mexico to unite for the establishment of a stable Government the Pan-American conference adjourned late this afternoon for a recess of several days. The conference will reassemble in New York, probably some time next week.

The appeal to the Mexicans will be sent not only by the United States, but by the six Governments whose representatives conferred with Secretary Lansing and Paul Fuller, the Administration's unofficial adviser on Mexico. It will be addressed not only to the leaders of the principal warring factions, but also to the Governors of the twenty-seven Mexican States.

The purpose is to make the summons for cooperation one that will reach the entire Mexican people, as nearly as possible, for their action and decision, rather than putting the question solely before the factional military chieftains.

The Mexicans will be asked, in the name of humanity, and for the salvation of Mexico, to act so as to bring to an end the terrible conditions which in four years have disrupted their country.

Further considerations of the problem in Mexico will be undertaken by the conferees without waiting for responses to this appeal. New York was decided on for the next session, it was said today, to avoid the intense heat of Washington.

Question of Financing.

The forthcoming removal of the conferences to New York at once emphasized the fact that when the United States has thrown its support to some group in Mexico, as is now anticipated, the question of finances will become even more imperative than that of military strength.

It is understood that the aid of American financial interests will be involved in support of whatever group of Mexicans is ultimately selected to receive the backing of the United States. It is expected that during the sittings in New York the financial powers will be sounded on this phase of the problem before the consulting Governments.

Rumors of a split among the conferees first as between the United States representatives and the Latin Americans themselves were circulated to-day, but later were discredited.

It is a fact, however, that though the two days sessions of the conference were harmonious throughout and were conducted with all present in substantial agreement thus far, the deliberations have not brought the participants very far from the original starting point, namely, a unanimous conviction that something must be done to restore a stable government in Mexico. The only step fully determined upon is that the factional leaders in Mexico shall be given a last opportunity to get together and choose for themselves a new government to be supported by all.

This conclusion was reached in substance yesterday, and to-day's meeting was taken up chiefly with a discussion of what may be done if the final summons is not heeded by all the factions. In other words, the conference found themselves up against the blunt fact that Carranza undoubtedly will decline to meet with Villa, Zapata and others merely as a factional leader and that it will therefore be necessary to take some alternative action to bring about the common desire in spite of Carranza.

Issue of the Conference.

This question is now the issue before the conferees and discussion of it is to be the main purpose of the next meeting.

It developed to-day there is a difference of opinion among the conferees as to what action would be most suitable to meet the seemingly inevitable fact of Carranza's refusal to cooperate. The discussion to-day was maintained on such an informal basis that there was no occasion for any disagreement, but it did develop that the conferees had varying views as to how the expected contingency should be handled.

It is agreed that some faction or group other than that of Carranza must receive unlimited support, but just how this should be done or how the other factions may best be consolidated for such purposes is still an open question.

Meantime the situation was marked to-day by desperate efforts on the part of the Carranzistas to present their chief and his government in the most favorable light. Realizing that among the conferees at the State Department there is no one whom they may regard as an advocate of their cause, Carranza's counsel and agents were busy, both here and in Vera Cruz, in putting forth information calculated to prove that Carranza has a government in almost undisputed control of the greater part of Mexico; that he is organizing efficient relief measures and administration in Mexico city, and that it is only a question of a short time before he will have brought all Mexico to a state of peace under his beneficent rule.

The other interesting development of the day in Washington was the sending of Major-Gen. Hugh L. Scott, Chief of Staff of the Army, to the Mexican border. He will endeavor to restore to its original status the agreement he effected last winter between Villa and Carranza leaders for the neutralization of Naco and other border towns.

This agreement has been ruthlessly violated in the last ten days at Nogales and elsewhere, and it is hoped by the Administration that Gen. Scott, by mediatory efforts, will be able to restore the original status quo.

It was said authoritatively that Gen.

Continued on Third Page.

CARRANZA TELLS WHY HE REFUSES TO STEP ASIDE

WASHINGTON, Aug. 6.—THE SUN *presents herewith an authorized statement by Gen. Carranza on the proposal to have him step aside and unite with other Mexican leaders on a compromise candidate for provisional President of Mexico, as is to be suggested by the conference between Secretary Lansing and the representatives of the six Latin American republics. The statement of Carranza's views has been laid before Secretary Lansing. Here it is:*

All these suggestions about a new and impartial man to take my place to call the elections emanate from the enemies of the revolution or from people who do not understand the situation. They assume that after the military work is completed all that is left is to call the election.

All the reactionary elements would like to have it that way. If they could induce us to step into this trap they would have a more complete victory over the revolution than if they had prevailed in the field.

Vital Work to Come.

You must not overlook the fact that the important, the vital work of the revolution remains to be done after our armies are in undisputed control. It is then that we will promulgate the great reforms on our programme in respect to equal and just taxation, homesteads for the people, popular education for the masses and others.

These reforms must be promulgated—as "war measures"—by military decree in the first instance by the chief of the revolutionary forces. This is our programme, and this is the only way by which the people of Mexico have ever obtained any substantial reforms.

This done, the election for Congress will be called, and when the newly elected Congress convenes, then, as I stated in my proclamation, I will submit to it for its approval, modification or rejection all the laws which have been decreed by me as military chief.

The Congress will probably approve these reforms in substance. The revolution will then be at an end. The Congress will be the chief power of the nation and government under the Constitution will immediately be resumed.

Will Render His Account.

In my proclamation I said: "The national Congress having been convened the First Chief of the revolution will render an account to it of the use which he has made of the faculties with which he has been invested. He will very specifically submit for its consideration the reforms decreed and put into effect during the struggle so that Congress may ratify, amend or add to them, and also such reforms as were enacted before the constitutional order was restored may be elevated to the rank of constitutional precepts."

Thus the reforms of the revolution will be translated into law. If the same course had been followed by Madero, Mexico would have peace and order at this time. The Congress will then order the Presidential election under the operation of the Constitution, which will then be in full force by its own vigor.

Now you can understand the speciousness of these urgent pleas of the reactionaries that a member of the old Madero Government be agreed upon to take my place. If this were done he would assume the executive power under the Constitution in form at least, and if he did he could only act under the Constitution.

Delay of Reforms.

He could not decree laws to carry out the reforms of the revolution, and the reactionaries would have the whole reform programme defeated, or at least deferred to the uncertain or dilatory action of future Congresses, as was the case with the Madero movement. No, we must keep this work in our hands until completed, whatever happens.

In respect to all other matters we are not unyielding. Any citizen of Mexico who in good faith has a suggestion to make for the welfare of the country I and others concerned in the Government will gladly hear and confer with him.

There has been no time when Villa or the commanders acting under him could not have obtained a conference with Obregon or our other commanders in a military way. We are ready to confer with any Mexican element for the welfare of our common country, but we must not yield or throw to the winds the victory which now enables us to realize aims of the revolution.

ALIMONY CHASE ENDS IN FOOTBALL TACKLE

E. B. Parsons, Secretary of Late Frederick Townsend Martin, Arrested.

Trapped when he went to his wife's apartments to propose an agreement and chased half a block and tackled in true football fashion by Deputy Sheriff Louis Zeitner when he tried to avoid service of a court order on him, Ernest Bryham Parsons, magazine writer and former secretary to the late Frederick Townsend Martin, was arrested last night and taken to Ludlow street jail for alleged failure to pay his wife back alimony amounting to about $140.

Parsons, it seems, had written to his wife, who got a divorce and an order for $10 a week alimony last November, begging for a reconciliation. He has been unable to pay the weekly instalments to his wife ever since the divorce, he declares, and last June had it cut to $3 a week. He went to her home at 345 West Fifty-eighth street at 8:30 o'clock and there found Deputy Sheriff Louis Zeitner with a court order issued by a Justice of the Supreme Court and Israel Siegel, his wife's lawyer. When Zeitner served the order Parsons denied his identity, refused the service and made a break for the street. He ran to Eighth avenue with the trio at his heels.

Directly in front of Reisenweber's estaurant Deputy Sheriff Zeitner brought him down. The fall quelled Parson's spirit, for Zeitner weighs 238 pounds, while Parsons tips the scales at 140. The handcuffs were put on him and he was taken to Ludlow street jail and initiated into the "Alimony Club." He afterward admitted his identity, but said that he had not thought the deputy could run so fast for his weight.

The scuffle in front of the restaurant brought out a crowd of diners who looked on wonderingly.

DAVENPORT TO JOIN G. O. P.

Ex-Senator Says Barnes Can't Be Ousted Without Progressives' Aid.

ALBANY, Aug. 6.—Ex-Senator Frederick M. Davenport, who headed the Progressive State ticket last year, announced to-night that he will enroll as a Republican this fall. He said in part:

"In New York the outstanding issue is the continuing in control of Barnes and his backers. All that Progressives have ever said and more has been recently proved before the Syracuse jury and out of the mouth of that distinguished Republican expert, Elihu Root, in the Constitutional Convention, who said that the Government of the State for years has been on a plane with that of Venezuela.

"The decent Republicans are hopeless in their fight to oust Mr. Barnes from his national committeeship and his grip on the machine unless the Progressives who were formerly Republicans enroll again to aid in the accomplishment of so patriotic and fundamental a purpose.

"And my judgment is that the great majority of Progressives will do precisely that thing this year in the belief that the Syracuse trial will make New York a great battle ground of political principle in 1916."

CAN'T DRAW MONEY FOR HIS $30,000,000 BRIDE

Rigid Trust Agreement Made by Late Father of Mrs. Howard Spaulding, Jr.

CHICAGO, Aug. 6.—Although Howard Spaulding, Jr., has taken to himself a $30,000,000 bride, he cannot collect one cent of her income—even if she should give him a written order for it or make out an assignment in his favor. It is so nominated in the bond. He may, however, come into possession of the entire estate through the last will and testament of his wife.

Such are the provisions of the trust agreement entered into by John H. Barker, the wealthy car manufacturer, and the First Trust and Savings Bank of Chicago on December 1, 1910, three days before Mr. Barker's death. The bank is the second party to the agreement. It is as president of the bank, it appears, that James B. Forgan became the guardian of the daughter, Catherine, who now is Mrs. Howard Spaulding, Jr.

It is declared to be as clear as language can make it that Mr. Barker intended that his daughter should have the bulk of his vast estate and threw about the trust every possible safeguard to insure payment to her. No limitation of any kind is placed on the disposition of the property after it passes into her possession.

Valued at $30,000,000 at the time the trust agreement was made, it is estimated the estate will have reached $40,000,000 when Mrs. Spaulding becomes 26 years old—seven years hence. At 5 per cent. the annual income will be $2,000,000, and Mrs. Spaulding then will be entitled to it all, except the small amount required to pay annuities established by her father.

The trust deed was found yesterday among the inheritance tax papers of the estate in the Probate Court here. Unsuccessful searches had been made among the files in Laporte, Ind., and in Petoskey, Mich., where the Barker homes are.

HOME HIS CUSSING CASTLE.

No Legal Limit on a Man Under His Vine and Fig Tree.

Any man has a blanked dashed right to do all the blanked dashed cussin' he wants to do in his own blanked dashed home. Plain or even fancy profanity may properly be included among the comforts of home and nobody can do a blanked dashed thing to stop it.

Anyway, that was the ruling and interpretation of law made yesterday by Magistrate Fitch in the Jamaica police court, when Mrs. May E. Amato of Annahurst, near Hook Creek, Jamaica Bay, had William Autenreith arrested for swearing he wouldn't move from a house he had rented from her husband until he got blanked dashed ready, dash him!

But the Magistrate said no—that one's legal rights gave one an inalienable privilege to burst into sublimated conversation if one kept off the street or out of public places. The Magistrate added that it all depended on whether a wife would stand for such dashed conduct. So Mr. Autenreith went free.

MISS DAVIS ACCUSED OF NEGLECTING DUTY

Prison Board Also Urges Retirement of Warden Patrick Hayes.

TOO HARSH, IS CHARGE

Commission Finds Indifference to Welfare of Prisoners at Penitentiary.

ALBANY, Aug. 6.—The retirement of Warden Patrick Hayes of the Blackwell's Island penitentiary is recommended by the State Prison Commission as a result of the recent investigation of that institution.

Regarding Katharine B. Davis, Commissioner of Corrections, the report finds she "is directly responsible for the administration of the New York penitentiary at Blackwell's Island and has shown at this institution neglect of sanitary precautions and indifference to the physical, mental and moral welfare of the prisoners." There is no recommendation that Commissioner Davis be removed.

Henry Solomon, the president of the State Prison Commission, and Richard M. Hurd, Sarah L. Davenport, Leon C. Weinstock and James T. Murphy, four of the six other commissioners, agree with the findings of the commission and so does Commissioner Frank E. Wade, except that he does not believe that Commissioner Davis is responsible for the faults of administration, "as appears by her testimony at the investigation."

Commends the Warden.

Commissioner Rudolph F. Diedling agrees generally with the report, but commends Warden Hayes as a capable prison official and insists he should not be removed. Commissioner Diedling says the defects in management "are attributable to Commissioner Davis rather than to the warden, as the institution is under the direct administration of the Commissioner, who has sufficient power to correct all abuses, such power extending to the right of removal of all officials, including the warden."

In its investigation the commission did not lay stress upon the bad physical conditions existing at the penitentiary except as a basis for recommending amelioration by changes in administration in view of the prospective removal of the penitentiary.

The administration of the penitentiary is "too severe, harsh and repressive," in the opinion of the prison commission, and this is the main reason why the retirement of Warden Hayes is recommended.

"Over 1,000 prisoners are confined two in a cell, with only buckets for toilet purposes, and with an air space of about 180 cubic feet, which is a grave menace to health," finds the commission, which recommends that doubling up in a single cell be done away with by the use of cots in the corridors. This would end the doubling up of healthy prisoners with those having tuberculosis and contagious diseases, which the commission found common among the prisoners.

The separation of tubercular and other diseased prisoners while eating and working also is recommended and the transfer to Hart's or Riker's Island of tubercular prisoners, those not transferred to be kept in cells and to be supplied with a special diet.

"Prison guards on various occasions have struck prisoners with clubs and with their fists," says the report, "and on two occasions a hose of about fifty pound pressure was played upon prisoners who were making a disturbance in their cells."

Too Much Confinement.

All prisoners are confined in cells about fourteen hours every working day, thirty-six over Sundays and holidays and sixty hours when a holiday immediately precedes or follows a Sunday, except for meals and attendance at religious services. They also are confined in the cells from one hour to one hour and a half each working day after the noon meal. The commission recommends that they be allowed in the corridors or in an exercise yard after the noon meal and that visiting hours be changed to Saturday afternoon and Sunday.

The commission recommends that the "cooler" prisoners be allowed half a loaf of bread twice a day instead of two slices, and all the water they desire, and that they be allowed to wash and exercise in the punishment corridor. The commission also recommends that confinement in the cooler be limited to five days and that loss of privileges and of commutation be graded in accordance with the offence, and points out that "the aim of punishment should not be to break the spirit of the prisoners."

"The administration of the penitentiary should realize that its full duty is not done where prisoners are simply kept from escaping and live the usual routine prison life," says the commission, "but that systematic and sympathetic efforts should be made for the physical, mental and moral improvement of the prisoners to the end that they may issue from the penitentiary better men."

The commission recommends that prisoners be supplied with night shirts, sheets and underclothing, and that they be permitted to receive daily newspapers, buy toilet articles and have family photographs and pictures "of a proper character" in their cells.

At present no indoor recreation is allowed, except at occasional concerts, and it is recommended that the school be better developed and technical and higher instruction be provided, possibly by inmate teachers; that entertainments of an educational and reformative character be provided during occasional evenings and that prisoners be allowed to play musical instruments in their cells.

MISS DAVIS SILENT.

Commissioner Katharine B. Davis refused last night to make any answer to the criticisms of the State Prison Commission.

"After I have seen and read the report in full I will probably say something, but until then I won't discuss it at all," she said. She declined to see copies of the Albany despatches, preferring to wait until the printed report is sent to her.

Warden Hayes of Blackwell's Island is now on his vacation and ignorance of his present whereabouts was professed at his office.

850 MORE MARINES ORDERED TO HAYTI

Cruiser Tennessee Will Act as Transport and Strengthen Caperton's Fleet.

U. S. CONTROL EXTENDED

U. S. May Take Steps to Put Off Election of President on Sunday.

WASHINGTON, Aug. 6.—At the request of Rear Admiral Caperton, commanding the American forces operating in Hayti, 850 additional marines will be sent to Port au Prince at once. This will make a total of 1,500 marines in Hayti.

This force will leave early next week from Philadelphia under command of Col. L. W. T. Waller, one of the most experienced and able officers of the Marine Corps. They will go on the armored cruiser Tennessee, which is now coaling at New York. It is likely that the Tennessee will remain in Haytian waters some time, as Admiral Caperton must split his force into several detachments and needs a number of vessels for transports and to observe the situation in various coast cities of Hayti.

Rear Admiral Caperton's latest report says that there has been no further disturbance in any of the zones of American control. Yesterday, on news of an outbreak at Gonaives, one of the principal ports of Hayti, the Admiral sent the tug Osceola to the scene with a small detachment.

The forces on the Osceola will be landed to protect the custom house at Gonaives, if necessary. It is expected that this port will be taken over just as Port au Prince and Cape Haytien have been occupied by the American forces.

While Admiral Caperton is rapidly strengthening his hold on the situation, it was indicated to-day that the time is approaching when the Administration at Washington must give him some instructions as to policy on the political side of the problem.

It has been announced in Port au Prince that the Haytian Congress will meet on Sunday to elect a President. It is not at all certain that the Administration will consider it desirable that a new President be chosen just at this time, and it is possible that it will decide that steps be taken to postpone this action by the Haytians.

It is felt that pending a decision as to the Washington programme it would be rather unfortunate for the Haytians to be permitted to proceed too far toward the organization of a new Government. Decision in this matter waits on instructions from the President.

Admiral Caperton reported to-day that his peace commissioners are returning from Cape Haytien on the collier Jason. Dr. Bobo, the rebel leader, and Bouamand, another leader, are with the commission, as Admiral Caperton instructed. Gen. Blot, the rival leader, has fled to Santo Domingo. Sixteen sisters of the Order of St. Josephine are also being given passage on the Jason to Port au Prince.

At Port au Prince the American forces have occupied all the forts overlooking the city and also the Haytian barracks. No resistance was encountered in making these occupations. Considerable quantities of ammunition were discovered in Fort National. These supplies have been taken over by the American forces.

Col. Cole, commanding the marine detachment, has been given full charge of the military situation ashore, while Capt. Beach of the Washington is in full charge of all matters pertaining to civil administration. Capt. Beach has already proved himself a master hand, Admiral Caperton reports, in dealing with the Haytians.

FIGHTING IN HAYTI.

U. S. Forces Seize Port Office and National Palace.

PORT AU PRINCE, Hayti, Aug. 6.—In skirmishes over possession of the office of the port, the National Palace and the Haytian gunboat Pacifique to-day American marines opened fire and killed one Haytian.

The National Palace and the office of the port were the last places held by Haytians, and these are now in possession of the Americans.

The President of the Senate in the name of the nation cabled to-day Solon Menos, Haytian Minister to the United States, a new protest against the American occupation. The diplomatic body and consular agents have been notified that Col. Eli K. Cole, U. S. M. C., commander of the American expeditionary forces, is charged with the maintenance of order and the safeguarding of life and property.

The American battleship Connecticut has landed men at Cape Haytian. The American authorities have taken control, and American marines are disarming the people. Revolutionists have been ordered not to enter the city limits.

Acting upon orders from the American authorities 800 revolutionary soldiers to-day sailed from Cape Haytian to Port au Prince on the despatch boat Nord Alexis. The forces still faithful to the late President Guillaume have taken refuge at Eveche.

HARRY ELIAS FOUND.

Brewer's Son Returned to "Health Farm"; $100 Reward Paid.

BABYLON, L. I., Aug. 6.—Harry Elias, the nineteen-year-old son of the late Henry Elias, a wealthy brewer of New York city, who disappeared during the storm of Tuesday night from a "health farm" here, was found last night at Sayville.

His shabby appearance attracted attention. When he begged a cigarette from a man near the railroad station several persons standing on the platform identified him from pictures published in newspapers.

Sheriff Holmes took him in his automobile to Babylon. His mother, Mrs. Katherine Elias, had been informed by telephone that her son had been found. When he arrived he told his mother that he had had a good time. He said he enjoyed his eighteen mile walk through the fields. The $100 reward offered for young Elias's return to the "health farm" was paid over to Sheriff Holmes.

Britain Is Likely to Buy All U. S. Export Cotton

Government Is Giving Favorable Attention to Scheme in Effort to Safeguard American Interests and Those of European Neutrals.

PRODUCT IS ESSENTIAL IN MODERN WAR

Special Cable Despatch to THE SUN.

LONDON, Aug. 6.—Although no official confirmation can be obtained until the situation has developed further THE SUN correspondent is able to state upon the highest authority that the suggestion that Great Britain and the Allies purchase all American cotton available for export is being favorably considered by the British Government. Inquiries made in the best informed quarters show beyond doubt that of all the solutions proposed with regard to the cotton problem this is in the present circumstances the most likely to be put into effect.

The situation is to-day admittedly so complicated that British Ministers refuse to commit themselves, but an unimpeachable authority on the cotton question, especially as it affects international law, tells the correspondent of THE SUN that the attitude of the British Government may be summed up in this way:

"The fundamental point to remember is that it is of vital importance to this country to keep cotton out of Germany and Austria, for it seems to us as much a part of ammunition for the enemy as does gun cotton. It is quite true that cotton can be put to many peaceful uses, but some of the greatest authorities have shown that cotton is as essential in modern warfare as guns.

Essential War Munition.

"Therefore we are bound, if it is lawfully possible, to keep cotton from Germany and Austria. We are firmly convinced that we are entitled upon the broad principles of international law to regard it as an essential war munition. Once that is admitted the question as to how to do it really is only a question of the method.

"A good deal may be said for and against contraband policy, but fundamentally whatever plan is adopted we cannot avoid a certain amount of injury to neutral interests, however desirous we are of meeting the views of neutral Governments.

"Once an agreement is reached between the American interests and ourselves we shall be only too anxious to adopt a method and conditions which would inflict the least injury upon American interests."

The above statement, coming as it does from a most trustworthy source, is of utmost importance in that it shows that the British Government, while adhering to the contention that it has the legal right to prevent cotton from reaching England's enemy, admits the American point of view, that the real difficulty is the method to be employed in keeping the cotton supply from reaching Germany.

To Avoid Neutral Injury.

THE SUN'S correspondent is in a position to state definitely that the main reason why no action has been taken in the matter, despite the loud outcry for making cotton contraband, is the desire of the British Ministers to avoid as far as possible injury to neutral interests.

The obstacle is the immediate adoption of a plan to purchase the American supply. It is the desire of the British authorities to avoid placing further burdens on the European neutrals.

Holland and Scandinavia need American cotton and will be greatly handicapped if the entire export supply goes to the Allies. The question is: Can Great Britain and the United States reach an agreement that will be satisfactory both to the Allies and to the other neutrals and at the same time meet the requirements of American business and financial interests?

"Spectator" Approves Scheme.

The *Spectator* supports the suggestion of the *Times* with regard to the possible purchase of the American cotton export supply. It says that the cost is not prohibitive and would do much to prevent friction not only with the United States but also with the smaller neutral countries.

The *Nation*, another weekly journal, advocates making cotton contraband and the taking of measures to stabilize prices. Any other course, the paper suggests, might be risky, while the stopping of the enemy's cotton would justify financial risks. The *Nation* opposes the suggestion of putting Germany's neutral neighbors on rations and declares that the present British method is the wrong way to achieve the right end.

ALL COTTON FOR NATION.

German Canvass of Supply to Include Even Underwear.

Special Correspondence to THE SUN.

BERLIN, via Amsterdam, July 20.—The official Wolff Telegraph Bureau announced to-day that about the end of July the army administration will order a nationwide canvass of the German cotton supply.

The canvass will include a complete inventory of cotton underwear.

DYNAMITE FOUND ON STEAMSHIP ARABIC

Explosive Was Concealed on Board Before She Left This Port.

Two days before the White Star steamship Arabic sailed from this port for Liverpool on July 28, searchers of the liner found hidden in a room on deck B two sticks of dynamite in what Inspector Owen Eagan described as an "advanced state of deterioration and therefore easily explosible. The dynamite was destroyed in the city's laboratory. The inspector said it was so dangerous that it might have been exploded by the jar of a closing door.

Pier Superintendent Wright admitted yesterday that the dynamite had been found as reported by the police. It is believed the man who put the explosive in the ship had the hope of blowing up a large cargo of munitions and incidentally several Americans who were passengers. Among the munitions were 4,000 cases of cartridges, thousands of unloaded shells, 106 automobiles and fifty-nine aeroplanes.

The Arabic arrived yesterday afternoon at Liverpool in shipshape and with all hands well.

AGED EMPEROR AGAIN ILL.

Francis Joseph Has Severe Chill—Heir Called From Front.

Special Cable Despatch to THE SUN.

VIENNA, via Amsterdam, Aug. 6.—Emperor Francis Joseph, after a very severe chill, is confined to his bed at the Castle of Schoenbrunn. Archduke Charles Francis Joseph, heir to the throne, has been called from the front. The condition of the Emperor is not alarming and the physicians do not think they are warranted in issuing bulletins.

RUSHING GERMANS WEST.

90,000 Men Daily to Be Rushed to the Western Front.

Special Cable Despatch to THE SUN.

LONDON, Aug. 6.—The *Daily Mail's* Copenhagen correspondent learns from Berlin that as a consequence of the fall of Warsaw, Germany is preparing to remove 90,000 men daily from the eastern to the western front.

About a million men will be thus transferred within a few weeks, he says, says.

BET ON PEACE BY 1917.

20 to 1 That War Will End Within Two Years.

Special Cable Despatch to THE SUN.

LONDON, Aug. 6.—Considerable business was done in London to-day in insuring with reference to peace. Four guineas per cent. and later five guineas were charged to cover total loss in the event that peace is not declared between Great Britain and Germany by September 30, 1917.

Recent quotations on Lloyd's insurance policies regarding the end of the war were as follows:

For peace by August 31, 1915, 90 guineas per cent.; for peace by January 31, 1916, 45 guineas per cent., and for peace by December 31, 1916, only 5 guineas per cent.

GREECE AGAINST ANY CESSION TO BULGARIA

Premier Says Territory Won Will Be Held No Matter What Entente Powers Offer.

Special Cable Despatch to THE SUN.

LONDON, Aug. 6.—A news agency despatch form Athens received to-night summarizes the present political attitude of Greece as expressed in interviews with national leaders, including Premier Gounaris. It says that the position of Greece is characterized by a benevolent neutrality toward the Quadruple Entente, determined upon the loyal fulfilment of every obligation toward Serbia, with whom Greece is now allied.

This can never be consistent with the cession of any Greek territory to Bulgaria, either in consideration of Bulgaria fighting with the Allies or of territory in Asia Minor being granted to Greece. Popular sentiment has never sanctioned the ceding of territory won in the Balkan wars, which were wars of liberation. The Entente might demand that Greece participate in the war with her army or her fleet, but that she sacrifice the liberty of a portion of her subjects is an idea the Greek Government cannot possibly entertain.

Greece's policy of neutrality is the only one the Government feels must be maintained unless future developments should necessitate a change in the interests of Hellenism as a whole.

ENTENTE PROPOSED.

Allies' Ministers Make Representations Through Serbia.

NISH, Aug. 6.—Collective representations have been made to Nikola Pashitch, the Serbian Premier, by the Ministers of Great Britain, Russia, France and Italy with a view to bringing about a Balkan agreement by which Bulgaria, Rumania and Greece would enter the war on the side of the Allies.

The Ministers' representations are described as "of the friendliest character" in an official communication issued here to-day, which adds that they were made "in the hope of avoiding friction between the Balkan States and establishing an entente between them, thus bringing nearer the final success of the Allies."

WANT SERBIA TO YIELD.

Allies Seek to Gain Territory for Bulgaria.

Special Cable Despatch to THE SUN.

LONDON, Aug. 7.—The *Daily Mail* interprets the entente representation to Serbia as directed to persuading Serbia to cede to Bulgaria that part of Macedonia mainly peopled by Bulgarians. This is Bulgaria's chief demand preliminary to joining the Allies.

COPPER IN GERMAN SPOILS.

Large Quantities Seized at Lodz by Invading Army.

Special Cable Despatch to THE SUN.

AMSTERDAM, Aug. 6.—It is reported that the Germans have seized great quantities of copper at Lodz, which they are sending to Konigsberg. Lodz is regarded as the Pittsburg of Poland, and since its occupation by the Germans they have been working its mills and factories with Polish and German workmen.

TEUTON ARMY SPRINGS TRAP ON IVANGOROD

Pontoons, Floated Down Vistula at Night, Used to Effect Envelopment.

NOVO GEORGIEVSK READY FOR SIEGE

Great Fortress to Northwest of Warsaw Seems to Be Invested.

RUSSIANS CAN STILL USE MAIN RAILWAYS

Kovno Evacuated in Face of German Advance, Copenhagen Hears.

Special Cable Despatch to THE SUN.

LONDON, Aug. 6.—Ivangorod, the Vistula fortress protecting Warsaw from the south, has fallen to the Austro-Germans, but the main bodies of the Russian armies have eluded the net of the invaders.

Von Buelow, Von Gallwitz and Field Marshal von Hindenburg himself in the north have not yet reached the Warsaw-Petrograd railway, which would have cut off the retreat, and Von Mackensen and the Archduke Joseph Ferdinand in the south could not get up to the Moscow line in time.

While the Germans are in Warsaw they are not yet undisputed masters of all the near by territory. The great fortress of Novo Georgievsk, only nineteen miles northeast of the city, at the confluence of the Vistula and the Narew, still holds out and is preparing for a siege. Lomza, Ossowiec and Serock, at the junction of the Bug and the Narew, still stand. The capture of these fortified points will take large forces of artillery and men and will require time.

The *Daily Mail* correspondent at Copenhagen learns from Berlin that the Russians are busily preparing for the evacuation of Kovno, to the south of which Gen. von Buelow's army is driving toward the east. It is said that the Governor has already removed his offices and the staff to Novo Alexandrovsk, while the branch of the Imperial Bank has been removed to Wilna.

During the week, the despatch continues, the whole population has been leaving Kovno. The removal of the wounded is progressing rapidly.

Despatches from Berlin say that the army of the Crown Prince Leopold found the city and forts of Warsaw intact, while the Russians had succeeded in removing all guns and munitions from the Alexander citadel and they had carried away all its stores.

There is an undercurrent of dissatisfaction in the rejoicing in Germany over the fact that so few prisoners and so little loot have fallen into the hands of their armies. This is only the popular feeling. Military experts do not appear to agree with it. The forts of Ivangorod, on the other hand, appear to have been destroyed by the Russians before they retreated.

Leopold to Be Governor.

Prince Leopold of Bavaria, to whose army was accorded the relatively easy task of the actual occupation, will become the military Governor, it is said. In reference to him the German news agencies say to-day that while the rulers of the Allies are felicitating each other, this veteran of the war of 1866 and 1870 is in the field.

The new incident of the war to-day is the capture of Ivangorod, which was expected. A wireless despatch from Berlin to-night says that Gen. von Woyrsch won the city by a very shrewd strategem. He massed his troops and pontoon bridge material and trains opposite Novo Alexandria on the Vistula. This town is to the south of Ivangorod, but as the Vistula flows to the north they were to travel with the current.

The demonstration at Novo Alexandria caused the Russians to throw their best troops and reserves into the latter town to defend it. Whereupon at night twenty heavy pontoon trains, all covered with straw and loaded down with troops, floated down the stream. At Ivangorod the engineers speedily threw their pontoon bridges across the river and the bulk of the troops, who had marched down stream, rushed across on four bridges and encircled the town, cutting off the railway to Warsaw.

There was no hope for the town thereafter, for, according to Petrograd despatches, its brick forts could not hope to withstand a bombardment from the modern giant guns. It is not stated whether many Russians were captured, but it is asserted that all food and munitions had been moved out of the town during the days immediately preceding the attack.

Investment Indicated.

The German operations of the last twenty-four hours with the exception of those at Ivangorod have shown nothing significant. The operations in Courland continue, with the Germans still moving toward Dvinsk, and Riga preparing for the worst. The investment of Novo Georgievsk is indicated in the operations of the northern forces, but there is no word that the Petrograd railway is yet cut. The statement says:

In Courland, in the vicinity of Popel, northeast of Poniwessi, and near Kowarsk and Kurkle, northeast of Wilkomierz, cavalry fighting took place, and went in our favor.

On the Narew front, south of Lomza, in spite of stubborn resist-