ton and an effort was made to exert pressure upon the Government to support embargo legislation. Statements were issued showing the extent of munitions exportations to Great Britain in June and in the same month an argument was filed with the Federal Reserve Board by ex-Congressman Fowler, general counsel for the organization, holding the rediscount of commercial paper based on munitions exports to be a violation of neutrality. The arguments embodied a blast against the Morgan firm for its part in the buying of war munitions.

The board refused to give Fowler a hearing on his appeal in a curt communication.

Samuel Gompers, president of the American Federation of Labor, repudiated the council in the name of organized labor and some of its officers began to resign. Representative Buchanan himself finally retired from the presidency and little has been heard of it since.

Attacks by President Gompers and rumors which got afloat as to the source from which its war bags were filled helped to disrupt it. By September its activities seemed to have subsided.

The council at one period had progressed so far that it succeeded in getting Grange officers to meet with it in Washington, but the Grange people kicked over the traces when they heard of some of the resolutions that the council wanted to father.

$150,000 FUND CHARGED.

Used by Council to Stop Manufacture of Munitions.

In spite of the reticence of Federal officials in this city on the expected Grand Jury investigation of the relations between the National Peace Council and German agents it was said yesterday that the investigation will aim to show that Teuton representatives in this country furnished $150,000 to the council, or some of its members, to promote the pro-German propaganda and to prevent the manufacture of arms and ammunition here for the Allies.

Members of the council in this city yesterday insistently denied that any member of the council had received any such funds and asserted that the council's efforts had been to prevent this country's becoming embroiled in the European strife and to try to bring about peace. They denied that other than legitimate means had been used to further their objects and offered as evidence that no German money had been received the alleged fact that the Chicago office of the council was threatened with abandonment several times because of lack of funds and that several of the officers went without compensation.

On the other hand, it was said that the Grand Jury which has been investigating German activity has already heard evidence leading up to an inquiry into the operations and methods of the Peace Council. Some of this evidence concerns the strike of longshoremen last June when talk was rife of a nationwide series of strikes of longshoremen and workers in munitions plants with a view to tying up the munitions industry completely.

This evidence was to the effect that approximately $1,000,000 was laid out for the strike of thousands of longshoremen, who were to walk out for five weeks at a salary of $10 a week. It was thought by those fostering the strike that at that time, a critical one for England and France, a five weeks tieup would so completely confuse the whole situation that an indefinite walkout would not be necessary. As a matter of fact, the strike leaders hastily called off their forces when they found the Federal authorities were hot on their trail.

This was one part of the munitions tieup plans said to have been fathered by Austrian Consul-General von Nuber. Another part of the evidence already before the Grand Jury and also relating to labor activity was to the effect that automobiles intended for shipment to the Allies were damaged, their axles sawed, then puttyed and painted over so that when they were operated they would break down.

Former Congressman Robert Fowler of Illinois, who is general counsel for the National Peace Council, was at the Hotel Knickerbocker yesterday when THE SUN informed him of the reported Grand Jury investigation of the organization. Mr. Fowler added his denial to that of the treasurer, Ernest Boehm, who said that a special meeting of the National Peace Council would be called to investigate the matter. Mr. Boehm said he would communicate immediately with President Jacob C. Taylor of East Orange. Another to deny the charges to be placed before the Grand Jury was Charles A. Oberwager, counsel for the council, who said the council still owed him for attorney's fees.

"As far as the National Peace Council is concerned," said Mr. Fowler, "not one member has received any German money for any purpose whatsoever. The council was formed for two purposes, one to prevent this country from getting into the war and the other to try to bring about peace. And this threat of an investigation is largely to intimidate and weaken the forces of labor. The war between the persons who are trying with all their force and power to turn this country over to the military and those who want peace will go on no matter what happens."

Boehm recalled the fact that William F. Kramer of the International Brotherhood of Blacksmiths of Chicago, an officer of the council, had written to him as treasurer for funds to pay the rent of the council's Chicago office and that he, Boehm, replied he was without funds. Boehm insisted that if there had been any part of $150,000 around he would have seen it.

ACTIVITY IN CHICAGO.

Buchanan, Straube and Kramer Leaders in Council.

CHICAGO, Dec. 5.—An attempt was made to organize a Chicago branch of the National Labor Peace Council last summer, according to John Fitzpatrick, president of the Chicago Federation of Labor. He said to-day that Congressman Buchanan, L. P. Straube and William F. Kramer were the three Chicagoans identified with the movement here.

"As far as I can remember," said Mr. Fitzpatrick, "a letter was sent out some time last summer to all labor organizations in Chicago asking them to attend a meeting at the Briggs House to discuss the best means to further the interests of peace in Europe.

"At the time of the organization of the Peace Council Congressman Buchanan, Straube and Kramer held offices in it, but if I remember correctly Congressman Buchanan resigned some time ago.

"I attended two meetings and I don't believe there were more than a dozen people present altogether. One thing I am sure of and that is the movement to organize a local council fell through. That is the last I heard of it until I received a communication from Washington asking me to attend a meeting of the council there, but I did not go."

Attempts to find Straube to-day were unavailing. Mrs. Straube said her husband was in San Francisco. Mr. Straube, who is one of the officers of the council, was prominently identified with the Stereotypers Union in Chicago for many years.

Patrick H. O'Donnell, president of the Irish Fellowship Club, who has been prominent in the pro-German peace society movement, said he had not been identified with the Labor Peace Council.

"Our work was purely local," said Mr. O'Donnell. "We took up our own collections to defray our slight expenses, and had nothing to do with Buchanan and his associates. We were acting entirely on principle."

Coincident with the departure to-day for New York of C. H. Canode, the Chicago printer, wanted as a witness before the Federal Grand Jury in the investigation of the Peace Council, it was admitted by local Federal officials that several other Chicagoans besides those already named would be asked to appear before the New York Grand Jury.

Canode took an early train for the East in response to the subpœna served on him. According to a guarded statement made by Canode, he is in possession of information that will be somewhat sensational. He refused to say just what it was.

NO U. S. WARSHIP WILL BRING GERMAN ATTACHES

Washington Officials to Refuse if Request Is Made—Vigorous Campaign Against Plotters Will Go On—Berlin Reply Expected To-day.

WASHINGTON, Dec. 5.—The situation that has grown out of the demand by the United States for the recall of Capts. Boy-Ed and Von Papen of the German embassy staff was at a standstill to-day, waiting on a reply from the Berlin authorities. The German Ambassador had received no instructions from Berlin, but it is expected he will know by to-morrow what course to pursue.

While it will be necesary for Germany to acquiesce in the request of this Government, it became evident to-day that Germany intends to insist on a statement of the grounds upon which this Government has acted and also upon safe conduct for the successors to the two recalled attaches.

It was made clear to-day that Washington officials will not think of granting the request which Germany is ready to make, namely that the United States send a cruiser to Germany to bring over the successors of Boy-Ed and Von Papen.

United States officials expressed more or less amazement over the proposal, but nevertheless it is certain that such a request is likely to be made of this Government if the Allies refuse to permit the new attaches to make the journey from Germany unmolested.

To Push Plot Campaign.

It is becoming more apparent daily now that the President and his Cabinet have determined upon a vigorous campaign to suppress all activities of a hyphenated character in this country. The recalling of Boy-Ed and Von Papen was only the first step in this movement.

The conviction of the Hamburg-American line officials will be followed by other important court proceedings, and the strong arm of the Federal Government will reach out in every direction to crush the unlawful movements and activities that have been gathering force for many months.

TO BE GERMAN SECRET.

Prediction That Charges Against Boy-Ed Will Be Suppressed.

Agents of the Government who have been most active in collecting the evidence upon which was based the demand for the recall of Capt. Boy-Ed and Capt. von Papen, the German naval and military attaches, do not believe that the reasons actuating the United States in this case will ever be made public. It is felt here that after their departure from this country no action will be taken by Germany to have the actual charges against the diplomatic officials made known.

Meanwhile officials of the Department of Justice are busy preparing reports of other evidence and documents gathered throughout the country upon which will be based demands for the recall of many other Teuton agents in America. It is confidently stated that Boy-Ed and Von Papen will not be alone in their departure.

The activity of the Federal investigators has been so extensive that Washington officials have not received reports of all the evidence that has been collected about pro-Teuton movements in all parts of the United States. The conviction and sentence of the officials of the Hamburg-American Line is regarded as only the beginning of the prosecution of offenders against the neutrality of the country. Other arrests are expected to follow in due course upon the Grand Jury inquiries into Teuton activity.

In connection with the case of the Hamburg-American Line officials, it was learned yesterday that one of the reports which have been forwarded to the State Department and to the Department of Justice deals with an incident which occurred after the indictment of the steamship company officers last March. It will be recalled that soon after their indictment affidavits were produced tending to show that British and French agents in New York city and vicinity had offended in like manner by supplying warships off Sandy Hook.

These affidavits were obtained by a private detective agency from tugboat and lighter captains. Temporary headquarters were opened at a Battery hotel for this purpose. The Federal secret service agents in the report which has been sent to Washington assert that they have established that $25,000 was appropriated by certain German officials in this country to obtain these affidavits in order to bolster up a case against the Allies such as had been made out against the Germans before the Federal Grand Jury. The affidavit makers swore that they carried supplies to allied warships outside the three mile limit.

The Department of Justice agents have been investigating for some time a young man, at present unidentified, who is connected with a prominent German company manufacturing high explosives containers. He has made several trips to Europe and has been trailed to the office of a German diplomatic agent in this city. Both have been shadowed. The Federal investigators also obtained some interesting facts from Gustav Stahl, the Lusitania affidavit signer, now in Atlanta penitentiary, about the operations of a force of detectives under Capt. Paul Koenig, chief of the Hamburg-American Line detectives and reputed head of the German secret service in this country.

LAUGHS AT INQUIRY.

Chicago Man Says Lack of Funds Closed Office.

CHICAGO, Ill., Dec. 5.—Gottlieb F. Hummel, an official of the Teutonic Sons of America, said to-day:

"The first I heard about this investigation was in the newspapers this morning. I am surprised that there should be an investigation at all. Certainly the German Government was not supplying these people with funds. I am close enough to the inside to know that. In fact, L. P. Straube, an officer of the National Peace Council, told me several days ago that he was having hard work getting people to subscribe money for the organization, and had to close up offices in Chicago because he didn't have money.

"The whole investigation can accomplish nothing. The German Government spent $500,000 in this country to fit out coal and supplies for ships. The Allies are doing the same thing under cover of law. The money was spent in this country, nobody was being harmed in any way, yet this ship investigation is started against the Germans. The Germans are too good citizens to blow up ships and foment strikes. I wish that the Italians were in the same boat with the Germans. Do you think that if Italy's enemies were being supplied with munitions of war the Italians would allow it? They would not allow a single ship to leave New York or any munitions to leave the country. They would blow up the munitions factories."

GOMPERS RETICENT.

Government Is Working in Case, Says Labor Leader.

MILWAUKEE, Wis., Dec. 5.—"It is not a question I will at any time discuss for a newspaper," declared Samuel Gompers to-night, when after a banquet attended by the Governor, local Judges, politicians and labor leaders he was asked what he knows of the Labor Peace Council, which is reported to be working to stop munition manufacture for foreign Governments.

"The Government has now taken up my charges of some months ago, is investigating the matter officially and I cannot, and would not if I could, talk of the affair any longer."

Asked what he knew of William F. Kramer's connection with the movement he declared, "I positively will not discuss the relation of any other man to this problem. I have already discussed my own attitude all I care to."

GERMANS ARMING AFRICANS.

Also Said to Be Inciting Them to Holy War on Christians.

Special Cable Despatch to THE SUN.

CAPE TOWN, via London, Dec. 5.—Gen. Smuts, Minister of Defence of the Union of South Africa, in a speech delivered to-day said that the response to the call for recruits for the expedition against German East Africa exceeded expectations. Not only had the force originally proposed been enrolled, but this would be increased to provide against contingencies.

Gen. Smuts warned his hearers of the dangers to the Union arising from the arming of the barbarians of central Africa and preaching Mohammedanism to them, which, he said, was being done with the assistance of Germany. German agents, he said, were circulating the Turkish Sultan's proclamation of a holy war against Christians.

ALLIES' SUGAR SHIP ON FIRE FOUR TIMES

Flames Start Mysteriously in Hold of the Tyringham in Erie Basin.

Four fires started yesterday in hold No. 4 of the steamship Tyningham, lying in the Erie Basin and loading sugar for an English port. The fires were similar to that which occurred on the steamship Euterpe on November 3, on which sugar was also being loaded for the Allies.

Late last night, several hours after the first fire had been extinguished, Capt. David Jones telephoned to Police Headquarters and asked to have two detectives sent to the ship. When Detectives Walsh and Meallie arrived he showed them where three other fires had started in the sugar and had been extinguished by the crew.

Capt. Jones was eating dinner with the mate when the alarm of fire was raised by some laborers who were loading the sugar into hold No. 4 from the barge Anna G. Lee. It was quickly extinguished, with a loss estimated at $2,000. Later the three others broke out. The fires will not interfere with the sailing of the ship, as there was no damage to the hull.

The Tyningham is owned by Griffiths, Lewis & Co. of Cardiff, Wales, and is in the service of the British Admiralty. The shipping agent here is C. W. Bowning, who said last night that she was to carry about 5,000 tons of sugar. The ship got in Saturday from Bermuda and had already taken on about 6,000 bags when the mysterious fire occurred.

Capt. Tunney of the bomb squad and Fire Marshal Brophy made an examination of the hold after the first fire and will continue the work to-day.

CRIPPLED LINER IN DANGER.

Minnesota, Said to Be Damaged by Spies, Helpless in Pacific.

SAN DIEGO, Cal., Dec. 5.—The crippled Great Northern freight ship Minnesota, with three of her men in the brig accused of crippling her machinery to prevent delivery of her cargo to the Allies, is helpless in a heavy sea twenty-five miles southwest of Coronado Island.

A meagre radio report asking for help was received here.

ST. PAUL, Dec. 5.—Louis W. Hill, chairman of directors of the Great Northern, said that British secret service men in Seattle informed him that at least one man is being held in irons aboard the Minnesota, accused of damaging her machinery to such an extent as to necessitate the abandonment of her trip to London.

WARNS FRENCH ON LOAN TALK.

Financial Expert Shows Danger of Inflated Estimates.

Special Cable Despatch to THE SUN.

PARIS, Dec. 5.—The *Journal des Debats's* financial editor in an article to-day reverts to the danger of allowing exaggerated estimates to be made regarding the result of the latest French war loan. He sees no reason to change the estimate he made on November 28 of ten billion francs, which, he says, would be a reasonable and highly satisfactory result.

"It is a mistake," says the writer, "to compare the present with the second loan issued in 1872 for the liberation of the country, when three and a half billion francs was demanded and forty-three and a half billion was offered. The subscribers then, knowing that the offers must be reduced, tendered the greatest possible sums to insure them of their allotment, whereas now the entire sum is offered and accepted out of purely patriotic motives.

ITALY'S PARLIAMENT UPHOLDS SALANDRA

Premier in Address Says Country Was Forced Into War to Escape Ruin.

THREAT ON CENSORSHIP.

Special Cable Despatch to THE SUN.

ROME, Dec. 5.—The Italian Parliament gave a vote of confidence to the Salandra Ministry last night, the vote standing 405 in favor of the Government to 48 against it. The dissenting votes were cast by the official Socialists, including a son-in-law of ex-Premier Giolitti, who has been opposed to the war with Austria from the first.

The vote was taken after a debate which was closed with a speech by Premier Salandra in which he reiterated his conviction that Italy and her allies would be victorious in the war.

"Everybody now realizes that war was inevitable," he said, "since without war Italy would have been ruined and would have lost her dignity and honor. Italy insists on her predominance in the Adriatic, irrespective of the rights of other peoples entitled to an outlet by that sea."

In reply to questions put by several deputies the Premier refused to give out any information of a military character and explained the necessity for the censorship, which he threatened to enforce and to increase in severity if "underhanded attempts were made to discourage the country by means of a press campaign."

Salandra concluded his speech, amid enthusiastic applause, by praising the Socialists "who have patriotically united with the rest of the Italian people in the civil mobilization needed in the war."

No operations of importance were reported from any of the Italian fronts to-day. The official statement issued by the War Office says:

Outside of artillery duels and skirmishing between small contingents there is nothing worth recording.

TEXT OF ITALY'S PLEDGE.

British Press Bureau Makes Allies' New Agreement Public.

Special Cable Despatch to THE SUN.

LONDON, Dec. 5.—The official press bureau made public to-day the text of the document in which Italy agrees with her allies not to conclude a separate peace. The agreement is signed by Sir Edward Grey, the British Foreign Secretary; M. Paul Cambon, the French Ambassador; Marchese Imperiali, the Italian Ambassador, K. Inouye, the Japanese Ambassador and Count von Benckendorff, the Russian Ambassador.

The text is as follows:

The Italian Government, having decided to accede to the agreement between the British, French and Russian Governments signed in London on September 5, 1914, which was acceded to by the Japanese Government on October 19, 1915, the undersigned, being duly authorized thereto by the respective Governments, declare as follows:

The British, French, Italian, Japanese and Russian Governments mutually engage not to conclude peace separately during the present war. The five Governments agree that when the terms of peace come to be discussed no one of the Allies will demand conditions of peace without previous agreement with each of the other allies.

Done in London, this thirtieth day of November, 1915.

E. GREY,
PAUL CAMBON,
IMPERIALI,
K. INOUYE,
BENCKENDORFF.

NO GAINS, SAYS VIENNA.

Italian Attacks Repulsed, With Brisker Tyrolean Firing.

Special Cable Despatch to THE SUN.

VIENNA, via Amsterdam and London, Dec. 5.—The official statement issued here to-day regarding the Italian front says:

The activity of the Italians on the Isonzo was confined to gunfire. Isolated attacks near Oslavia were repulsed.

On the Tyrolean front the enemy artillery fire against the fortified region of Lardaro was more brisk.

REFUSED KAISER AID.

Austrian Emperor Declined to Lend Austrian Troops.

ROME, Dec. 5.—The *Tribuna* quotes a neutral diplomat interviewed by its Lugano correspondent as saying that Emperor Francis Joseph refused the Kaiser's request for Austrian cooperation in the proposed expedition against Egypt at the recent conference of the two Emperors in Vienna. The Austrian ruler, the diplomatist asserts, told the Kaiser that Austria needed all her available forces to defend her own western frontiers against Italy.

The *Tribuna's* informant says the Kaiser endeavored to dissuade Emperor Francis Joseph from continuing his peace efforts in conjunction with King Alfonso of Spain.

The internal situation in the Dual Monarchy is described by the diplomatist as grave. As a result of Slav propaganda against the "progressive Germanization" of the country, many Austro-Hungarian regiments are said to have mutinied.

CASTLE QUITS STAGE FOR WAR.

Dancer Will Take Aviation Lessons and Join British Forces.

BOSTON, Dec. 5.—At the conclusion of the engagement here last night of "Watch Your Step" Vernon Castle announced that he had severed his connection with the company and was leaving the stage.

He will go to California to take further instruction in aviation, after which he purposes to join the British flying forces now engaged in the war.

Mrs. Castle will remain with the company and two men have been engaged to take her husband's place, one to dance with her and the other to play his character part.

Mr. Castle gave souvenirs to every member of the company and was heartily cheered.

ARREST MOSCOW ELECTORS.

Police Said to Have Seized Workmen's Representatives.

BERLIN, by wireless to Sayville, L. I., Dec. 5.—An item given out for publication to-day by the Overseas News Agency says:

"The Moscow police have arrested part of the Electoral College delegated by the Russian workmen for choosing representatives to the War Industry Board.

"At night military patrols maintain order in the parts of Moscow inhabited by working classes."

WAR OPENS NEW FIELDS FOR U. S. TRADE IN ITALY

F. S. Nitti, Former Minister of Commerce, Tells of Opportunities.

CHANCES FOR BANKS

Post-Bellum Demand for Labor Expected to Check Emigration.

F. S. Nitti.

Special Correspondence to THE SUN.

ROME, Nov. 18.—"I am very glad to express my opinions for a newspaper in a democratic country," said F. S. Nitti, formerly Minister of Commerce and Agriculture, professor of law at the University of Naples, Member of Parliament and one of Italy's prominent economists, when asked for an interview.

"You very probably want to know whether Italy will continue this war to the bitter end," he continued, "and whether there is any likelihood of a separate peace. A separate peace is absolutely impossible. You can say in America that we shall hang on to the very end along with the peoples who are fighting for their civil and political independence. It ought to be known in America that this war has been a necessity for us and that it cannot end otherwise than with a victory. Germany aimed at European hegemony when in August, 1914, she threw herself against unarmed and neutral people and attacked France and Russia without any reason and even without any pretext. What would have happened if Germany had not met with any resistance? And what would have been the situation in America had Germany become the mistress of Europe with ideas and instincts of harsh conquest and domination?

What Teuton Victory Would Mean.

"I am certain of our victory owing to moral and material reasons. We represent the spirit of independence and liberty against German oppression. On our side are the most morally and politically progressive peoples, because progress does not only consist in material wealth but in the conquests of the spirit and in the development of the sentiment of liberty. Just think of the horror of Europe if Germany were to prevail. All the forces of the past, reaction and brutality are on Germany's side. Her victory would mean the victory of Austria, Turkey and Bulgaria. England, France, Italy and Belgium have been the cradles of liberty. New democracies have sprung from us and live with our ideas and our lives. Find me a single democracy outside of Europe that sides with Germany!

"And what is Austria? Ten nationalities forced into a union under the most autocratic system in modern civilization. And Turkey? A country of massacres and violence in the hands of a gang of murderers, the Young Turks. And what are Germany's assets after fifteen months of war? She has sacrificed two small peoples, morally two great peoples, the Belgians and the Serbians, and she still holds the territory she occupied by surprise. On the sea Germany could not wage war except with submarines insidiously. The Germans have shown their cruelty in Belgium. The Turks, wiser disciples in cruelty, again started to destroy the Armenians.

"Germany's victory. What would it mean? Europe would have to submit to the Teutonic feudal militarism. Reactionary Austria would increase in territory and power. Turkey, mistress of the East, would set up in Asia and in Africa the old Moslem ferocity that the Anglo-Saxon race vanquished. And then your turn will come. A democratic civilization like that of the United States is incompatible with a predominant German spirit.

Sea Mastery Already Won.

"Fortunately this is only a dream. Germany will inevitably be defeated. We must win also owing to material reasons. The war is fought on land and sea. On sea it has already been won by the Quadruple Entente. On land Germany had some notable successes on the eastern and southeastern fronts, but such successes are a sign of her weakness. The more she widens her front the greater her weakness. I think that it is premature to make any forecasts, but in a year the situation of Germany will be most serious. The only way for the Allies to insure victory is to set aside any idea of peace and organize for a very long war.

"Italy will stick to her post without any weakness. I am not aware of the military reasons that prevented Italy from sending troops to far distant fighting centres. What is certain is that Italy is now fighting on Austrian territory and that the main effort of the enemies will be against Italy as soon as their Balkan enterprise allows them. It is well that Italy should be in a position to victoriously resist any onslaught. There is no doubt of our power of resistance. Italy is animated not only with enthusiasm but with a conviction of victory. The soldiers are admirably doing their duty. Not only do the reservists rush to the colors willingly, but many who are exempted from military service beg to be allowed to go to the front."

When asked about the effects of the war in Italy, Signor Nitti replied:

"Of course the war is painful. All who are at war suffer, some give up their lives, others their wealth. Germany suffers more than us, and nobody can deny that war demands great sacrifices. Still the economic damage of the war is often exaggerated. Only what the armies destroy is actually lost. In Belgium, East Prussia, Poland, Galicia, northeastern France and in the Balkans wealth has been destroyed. Factories, fields and inhabited areas have ceased to exist, but where there has not been an invasion of the enemy, social capital has remained untouched and production has neither ceased nor diminished.

Economy in Italy.

"Besides, in time of war consumption diminishes. All try to consume less and a great deal of wealth is economized that otherwise would have been consumed. Never have Italian banks had the amount of money deposited they have now. Italians are saving money, but they hesitate to invest in new enterprises and as a result production suffers. The internal conditions of Italy are, however, good despite a bad harvest, which has caused more damage than the war. It is true that Italy has not got the economic resources of England and France, but then the war costs less in Italy than in other countries, because the Italian soldier is frugal; and then the war is being fought beyond our frontiers, but not far away. Perhaps it is owing to the fact that the war will last long that Italy has not carried the war into other countries."

"And what will happen after the war? What commerical regroupings will take place and how will Italian emigration be influenced?" Signor Nitti was asked.

"There will be a great change after the war," he answered. "There are at least ten States that will have no commercial relations between them. Germany dreams of supremacy over the sea. Emperor William always affirmed that Germany's future lies on the sea. Yet things by sea have gone very badly for Germany despite her infamous system, and her submarines are now useless in British waters. Germany wanted commercial supremacy and instead she lost all she had gained. During the year preceding the war, in 1913, Germany exported her maximum, 10,096,000,000 marks worth. Her greatest exportation was with the countries with which she is now at war, namely, 1,438,000,000 to England, 800,000,000 to Russia, 790,000,000 to France, 394,000,000 to Italy and 551,000,000 to Belgium.

"Germany considered trade chiefly as a means for political expansion and domination. Behind the merchants was the Government and her merchants were spies, political agents and intriguers. Germans remain united even abroad. They are convinced of being able to influence even the Government of a great country like yours.

"German Influence in U. S."

"When Italy was not at war with Germany we heard Germans of authority say that the United States could not move against Germany, as Germany had the means of influencing the American Government. You know the Austro-German standard of morality. You know that even Ambassadors resorted to every possible intrigue. The Germans say that their Emperor is invested with sovereign rights even over the United States and that no action is possible on your part against Germany. All this is naturally absurd, but yet they believe it and the Germans assumed the same attitude toward other countries. I have heard prominent German personages say that Germany needed the northeastern departments of France for their mineral wealth.

"The United States can take Germany's place. In Italy there is a justified marked prejudice against foreign capital. The only country against which no prejudice is possible is the United States. Americans who come to Italy will always be cordially welcomed. They represent commerce and industries without any political aims and they can develop a splendid trade. In many branches of industry for which Italy needs foreign supplies Americans can replace Germans. And then Italy, which relatively to its territory is the richest country of Europe in water power, must electrify her railroads and utilize her waters.

"These are great industrial enterprises and extensive trades which Italy would gladly see in American hands. We would be glad as well if American banks and institutions of credit sprang up in Italy. Neither rivalry nor political opposition would be possible and democratic and free America cannot but be welcomed with sympathy.

"As regards American trade with Italy it would essentially consist of raw materials: oil, tobacco, paraffin, cotton, cereals, copper, salted meats, &c. Up to the present industrial products have been sent to Italy by Germany, for instance, woollens, worked leathers, railroad cars, silversmith works, copper utensils, bronzes, &c. Colors and dyes were exclusively bought from Germany. German exports to Italy exceeded those from the United States ten times as regards iron and wrought steel, five times as regards pig iron, steam boilers and machinery, and ten times as regards optical instruments, tanned skins, &c.

Emigration to Fall Off.

"As regards emigration, for several years to come a falling off is inevitable. In America Italian emigration has not been fairly judged, although one must admit that things have recently improved. After the war there will be an excessive demand for labor in Europe. There are destroyed lands and lost or impoverished industries and Italy will help build them up. Italy has every interest to limit emigration and instead of exporting labor she will export goods. The demand for labor in Europe will be so great that Italian emigration to America will considerably diminish. I hope that trade with America will increase and that American industries and banks will come to Italy and replace the Germans.

"I think that Americans ought not to worry so much about the war. During the first nine months of the present year Italy bought from America $168,000,000 worth of goods and sold only $38,000,000. As a result since payments are effected with difficulty, exchange is very high. If American banks and industries came to Italy now they would benefit to the extent of from 20 to 30 per cent. almost at once, and as the exchange will disappear after the war they will meanwhile prepare the way to replace Germany. Italy will be their stepping stone, as the Swiss trade as well as that of other countries and above all the Mediterranean trade can be developed from Italy. I do not make any suggestion, but merely say that Americans ought to come to Europe, not when the war is over, but now.

"There are two types of civilization at war now in Europe. Anglo-Saxon and Latin civilization, based on free and autonomous democracies, against German civilization, based on the brutal substitution of German culture, civilization and influence to independent societies. We are not only fighting for ourselves but also for America and humanity."

ASQUITH AT ALLIED COUNCIL.

Kitchener, Joffre and Balfour Also Attended Calais Meeting.

Special Cable Despatch to THE SUN.

LONDON, Dec. 5.—Additional details of the allied war council held at Calais yesterday were given in an official statement issued by the press bureau to-day. The statement says:

An important Franco-British conference was held at Calais on Saturday. The British representatives were Premier Asquith, Mr. Balfour, Lord Kitchener, Sir Archibald Murray, chief of the General Staff, and Mr. Clarke of the Foreign Office. The French representatives were Premier Briand, accompanied by M. de Margerie, political director of the Foreign Office; Gen. Gallieni, Minister of War, accompanied by Gen. Grabiant, chief of the General Staff; Admiral Lacaze, Minister of Marine, accompanied by Admiral Jonquieres, chief of the Naval Staff, and Gen. Joffre, accompanied by Major-Gen. Pelle.

The Ministers arrived at Calais at 1 P. M. and lunched together. A conference ensued, lasting from 2:30 to 6 P. M. The deliberations referred to questions of immediate moment. At night the Ministers returned to Paris and London respectively.

ROYAL
Baking Powder
Absolutely Pure
Insures the most delicious and healthful food
Makes Home Baking Easy
NO ALUM—NO PHOSPHATE

FRENCH GUNS SHELL GERMANS AT HETSAS

Teuton Bombardment of Trenches at Le Crassier Double Repulsed.

ATTACK MADE ON ARRAS

Special Cable Despatch to THE SUN.

PARIS, Dec. 5.—The artillery activity on the French and Belgian front, which had been lessened somewhat by the heavy rains, was resumed to-day. The French guns were used effectively against movements of German troops in the Hetsas region and replied to a violent bombardment of the French trenches southwest of Loos.

Trench mortars and mines figured in the day's fighting in the Herbecourt and Tilloloy sectors, between the Somme and the Oise, and in the regions of Frise, the Bois Saint Mard, Tracy-le-Val and Les Eparges.

The Germans bombarded Arras with incendiary shells, but only minor damage was done.

The official communiqué issued by the War Office to-night follows:

In the course of the day the artillery activity has been more intense on both sides.

In Belgium our artillery executed an efficient fire on the trench galleries in the region of Hetsas, where movements of enemy troops had been reported.

In Artois our batteries replied energetically to a violent bombardment of our trenches at Le Crassier Double, southwest of Loos. Some incendiary shells were thrown on Arras without causing great damage.

Between the Somme and the Oise our trench mortars destroyed enemy posts north of Herbecourt and a mitrailleuse shelter protected by a cupola before Tilloloy.

Mine fighting was conducted to our advantage in the region of Frise, at the Bois Saint Mard, to the east of Tracy-le-Val and on the heights of the Meuse, at Les Eparges.

The official communiqué issued this afternoon says:

There is nothing to add to the communiqué issued last night.

JOFFRE TO REMAIN SUPREME.

No New Head to Be Chosen for Armies in the West.

Special Cable Despatch to THE SUN.

PARIS, Dec. 5.—*Le Journal* says that the army committee of the Chamber of Deputies has asked for explanations in connection with the appointment of Gen. Joffre as commander in chief of all the French armies in Europe. Premier Briand informed the committee that the only object of the extension of the Generalissimo's powers was to establish unity in direction and at the same time establish a closer coordination between the command of the armies and the technical councils which are held between the Allies at chief headquarters. The Premier added that the Government had no intention of appointing a successor to Gen. Joffre as commander of the armies on the French front.

The *Petit Parisien* says that the direct responsibilty for the French front, under Gen. Joffre's authority, will be entrusted to an officer whom the Government already has chosen for the post.

The *Journal des Debats* expresses surprise at some of the comments on Gen. Joffre's new nomination "which suggest that at the moment when the Government is wisely extending Gen. Joffre's powers and entrusting him with the direction of the war the supreme authority on the French front is to be withdrawn from him.

"Everything tends more and more to prove that the decisive action which shall give us victory can only occur on the French front," the *Journal des Debats* continues. "Hence the direction of the armies operating there remains the principal task of the Generalissimo. It is easily comprehensible that the Generalissimo feels the need of acquiring the immediate collaboration of some tried and skilled assistant who may be entitled to rank as a major-general of the armies, but the supreme command will remain concentrated in the same hands—those of the commander in chief."

Quiet on Russian Front.

Special Cable Despatch to THE SUN.

PETROGRAD, Dec. 5.—The official communication issued by the War Office to-night says:

Calm prevailed on the western and the Caucasian fronts.

BRITISH MESOPOTAMIA ROUT LAID TO BUNGLE

London "Times," Taking Gloomy View of Campaign, Calls for Explanations.

Special Cable Despatch to THE SUN.

LONDON, Dec. 6 (Monday).—The morning papers refer to the recent reverse of the British forces in Mesopotamia as "a severe and disappointing check." The *Times* does not see any prospect of an early renewal of the advance on Bagdad and believes "much in connection with the reverse requires authoritative explanation."

"Although British reenforcements are believed to be at hand," it continues, "we think the public must make up its mind to wait for a considerable time before the minarets of Bagdad are sighted by the British troops."

The *Times* proceeds to criticise the conduct of the campaign, asking why an attempt was made to capture the city at the end of water communications 600 miles in length with a single division, and upon what military grounds it was decided to exchange the admittedly strong position of Kut-el-Amara for an open and populous city without natural defences and apparently thronged with Turkish troops.

The editorial closes with the statement that "a valuable and cheering campaign has now been badly marred."

TAKE TWO TIGRIS BOATS.

Turks Say That British in Mesopotamia Still Flee.

Special Cable Despatch to THE SUN.

CONSTANTINOPLE, via Berlin and London, Dec. 5.—The Turkish War Office announced to-day that the pursuit of the British force which was defeated at Ctesiphon while trying to reach Bagdad continues, and that the British are retreating in disorder toward Bassorah. It also tells of the capture of a tugboat and a provision and munition ship on the Tigris. The statement says:

We are pursuing the enemy, who is retreating in disorder. We captured a tugboat and a vessel loaded with provisions and material.

TURKS HIT TRANSPORT.

Say They Injured Three Other Ships in Dardanelles.

Special Cable Despatch to THE SUN.

CONSTANTINOPLE, via Berlin and London, Dec. 5.—The following official statement was issued by the Turkish War Office to-day regarding operations on the Dardanelles front:

An enemy transport which was hit by grenades is stranded near Kemik-Liman. A torpedo boat fled. Four of our shells hit an armored vessel firing on Kavak-Koeprue and it fled. A Turkish aeroplane brought down an aeroplane at Sedd-el-Bahr and dropped bombs on and put to flight an armored vessel.

KAISER PLANS GREAT TEUTON TARIFF WALL

Austria Reported in Scheme for Central European Economic System.

Special Cable Despatch to THE SUN.

LONDON, Dec. 6 (Monday).—The *Times* publishes this morning a long article by its Berlin correspondent who calls "a new engine of domination" for the future, the foundations of which the Germans are busily laying.

These foundations, the correspondent says, are the economic absorption of Austria-Hungary by Germany, the creation of an "economic unity" of central European system directed in all the States upon its [illegible] carrying out of this plan is urgent by Germany.

This "Central Europe" [illegible] is to be enclosed by two walls, one from the lower Rhine [illegible] the other from Courland [illegible] Sea, with adequate North [illegible] terranean ports.

"Negotiations are now [illegible] the article continues, "[illegible] already has been blessed [illegible] perors. It will be the [illegible] the forthcoming peace [illegible] the Reichstag. The [illegible] already tabulated by [illegible] mann's book 'Mitteleuropa.'"

Announcement!
Owing to a delay in completing the freezing facilities of the
Biltmore Ice Gardens
it has been necessary to postpone the OPENING UNTIL MONDAY, DEC. 13
OPEN-AIR ICE SKATING AND TEA
The proceeds of opening day and evening will be devoted to the East Side House Settlement