

WILLIAMS AFTER CITY BANK AGAIN

Comptroller Asks for Data on Loan Upon Boston and Maine Stock.

THINKS LAW VIOLATED

Vanderlip Declares That the Banking Act Was Strictly Observed.

LOAN WAS DISTRIBUTED

William Rockefeller and Lewis Cass Ledyard Summoned in New Haven Inquiry.

WASHINGTON, May 8.—The Treasury Department has taken a hand in the investigation by the Interstate Commerce Commission into the financial management of the New Haven railroad under the old management.

John Skelton Williams, Comptroller of the Currency, asked Solicitor Joseph W. Folk of the commission to-day to send him a transcript of the testimony taken yesterday and also a certified copy of a check used in the acquisition of Boston and Maine stock by John L. Billard, head of the Billard Company. It was through the acquisition that Mr. Billard made more than \$2,700,000 without the expenditure of a cent of his own money.

Billard testified yesterday that the National City Bank of New York had loaned more than \$11,000,000 in this transaction on 109,985 shares of Boston and Maine stock. Comptroller Williams intends to ascertain whether or not this large loan constituted a violation of the national banking act by the National City Bank.

Mr. Williams's purpose. It is understood that he will seek to show that under the law the bank at that time should not have loaned more than \$5,000,000 to single individuals. This is not the first time Mr. Williams has displayed a disposition to question transactions by the National City Bank.

It was recalled to-night that when he was Assistant Secretary of the Treasury he instituted an inquiry into a loan to Chicago street railway, interests on similar grounds. Nothing ever came from the inquiry.

The testimony of Mr. Billard yesterday showed that the New England Navigation Company, which sold the Boston and Maine stock to him, furnished part of the money for the purchase of Mr. Billard's preferred note. The balance of more than \$11,000,000 was borrowed on the Boston and Maine stock as collateral from the National City Bank.

The check which Comptroller Williams requested was for \$11,161,138, dated October 5, 1909, and drawn on the Farmers Loan and Trust Company of New York in favor of the National City Bank. The check was used in talking up the Billard note when Mr. Billard resold the Boston and Maine stock at an advance of about fifteen points to the New England Navigation Company. The check was signed by H. M. Koehrsperger, vice-president of the New Haven system, and by A. S. May, treasurer.

William Rockefeller summoned. Solicitor Folk announced to-day that he has summoned as witnesses for Wednesday next William Rockefeller, Lewis Cass Ledyard and Mr. Milner. These three attended the board of directors meeting in October, 1909, at which the "contract" entered into between Mr. Billard and the purchase of 109,985 shares of the Boston and Maine stock was approved and at which it was decided that Mr. Billard should receive "reasonable compensation" and actual expenses for his services.

According to Mr. Billard's sworn testimony yesterday he received more than \$2,700,000. Billard when confronted with these minutes indicated they were false.

Mr. Folk has also summoned George F. Baker, who at that time was a member of the board of directors of the New Haven, although he was not present at the meeting in question.

Timothy Byrnes, until January 1 last vice-president of the New Haven, and Edward D. Robbins, until about the same time general counsel of the New Haven, and Samuel C. Morehouse have been summoned to testify on Monday.

Mr. Tuesday's ex-President Mellen will take the stand, and it is hoped by the commission to obtain important disclosures from him.

Testimony was put in the record to-day showing that on January 1, 1913, Mr. Mellen entered into a contract with the Billard Company under the terms of which the New Haven turned over to the Billard Company the parlor and sleeping car equipment and received in exchange a contract which netted about \$400,000 a year. Arnold C. Hanson, examiner of the commission, produced this contract, which he said came from the files of the New Haven road. It showed that under the terms of this contract the New Haven agreed to something like \$200,000 a year in profits.

What the Books Showed

Mr. Hanson said that the books of the New Haven showed that in 1912 the New Haven had a net investment of \$3,350,491 in sleeping and parlor car equipment, from which it obtained net revenue of \$927,275 per annum, or 27 per cent. In 1913 this investment, Mr. Hanson said, was \$5,299,150, the net revenue \$901,129, or 27 per cent. Under the terms of the contract, Mr. Hanson said, this equipment was turned over to the Billard Company and the latter pays approximately \$400,000 to the New Haven therefor.

Solicitor Folk said that Mr. Mellen

would be asked to explain this contract when he took the stand.

Birdsey Chase of Hartford, Conn., testified that he was treasurer of the Metropolitan Steamship Company of Maine and succeeded Grover C. Richards, the youth who signed \$5,000,000 checks without knowing what they were.

Charles F. Linsley of Meriden was also put on the stand and testified that he held five shares of the stock of the Billard Company; that he knew nothing of its transactions. He admitted he was a "dummy director." He said he had been a lifelong friend of Mr. Mellen and went into the company at Mr. Mellen's request.

VANDERLIP DEFENDS LOAN.

City Bank's President Says the Law Was Observed.

Frank A. Vanderlip, president of the National City Bank, said last night that the transaction into which the Comptroller of the Currency purposes to inquire was a perfectly simple arrangement such as is often made when large loans are negotiated. He said that the law had not been violated in any way.

"Had Mr. Williams made inquiry of us," he said, "we would have explained the transaction and would have shown him that we did not exceed the \$5,000,000 fixed by law as the maximum loan to an individual. The loan was distributed among a number of banks and trust companies and they shared in it. I do not remember offhand just how many banks there were, but there were a number."

"A participation was made before the loan was made and the money came to us. It was a perfectly simple transaction and usual where large loans are to be made."

WIFE OF DOM MANOEL MAY LEAVE HIM AGAIN

Prince Wilhelm Will Take His Daughter Back Home. It Is Reported.

Special Cable Despatch to The Sun.

LONDON, May 9.—It was announced late that Prince Wilhelm of Hohenzollern and his son, Prince Friedrich Victor, the father and brother of Princess Augustine Victoria, wife of Manoel, ex-King of Portugal, will arrive in England on May 11 and will spend a few weeks with the former King and his bride.

The Daily Express this morning prints a despatch from Berlin which says the father is coming to England for the purpose of taking his daughter home for a long stay. The reason is not given.

The marriage of Dom Manoel and Princess Augustine Victoria, which was solemnized at Sigmaringen on September 4 last, has apparently not been a happy one. The public was surprised on September 25, three weeks after their marriage and while they were supposed to be yet on their honeymoon, to learn that the bride was in a Munich hospital.

There were all sorts of rumors in circulation regarding her illness and the Princess herself was quoted as saying that she would never live with her husband again.

ONLY TWO TAKE RESERVE JOBS.

Wheeler Probably Will Decline, but Harding May Accept.

WASHINGTON, May 8.—President Wilson has received formal acceptance from only two of the five men to whom he offered positions on the Federal reserve board. The men who have accepted are Paul M. Warburg of New York and Adolph C. Miller of San Francisco.

It is indicated from Birmingham that W. P. G. Harding is preparing to divest himself of business interests there so as to make his acceptance practicable. Richard Olney of Boston has declined.

According to reports from Chicago it is probable that Harry A. Wheeler, whom President Wilson selected to represent the Middle West on the board, also will decline.

MOTOR TRUCK KILLS BROKER.

A. L. House Hit After Falling From Street Car Step.

Albert L. House, 42 years old, a broker of 25 West Seventy-third street, died in the New York Hospital last night from injuries received yesterday afternoon when an automobile struck him at Nineteenth street and Fourth avenue as he missed his step in trying to board a street car.

A southbound Fourth avenue car had stopped at Nineteenth street and several persons, among whom was Mr. House, were standing ready to get on. One man who saw the accident says Mr. House was behind the other passengers and that when he placed his foot on the step he slipped and fell. While still prone a big motor truck came along and hit him a glancing blow on the head. Nicholas Callabala, the driver, of 180 South street, brought the truck to a stop a few feet beyond the place of the accident.

At the time it was not thought that Mr. House's injuries were serious, but in the late afternoon he collapsed and died at 8:30 o'clock last night. No arrests were made, as the accident was believed to have been unavoidable.

Mr. House leaves a wife and a brother, Dr. Wallace B. House of 135 West Seventy-eighth street.

STEAMERS RUSH WITH ARMS.

German Ships Bound for Mexico to Be Watched by Fleet.

WASHINGTON, May 9 (Saturday).—This bulletin was given out at the Navy Department at midnight:

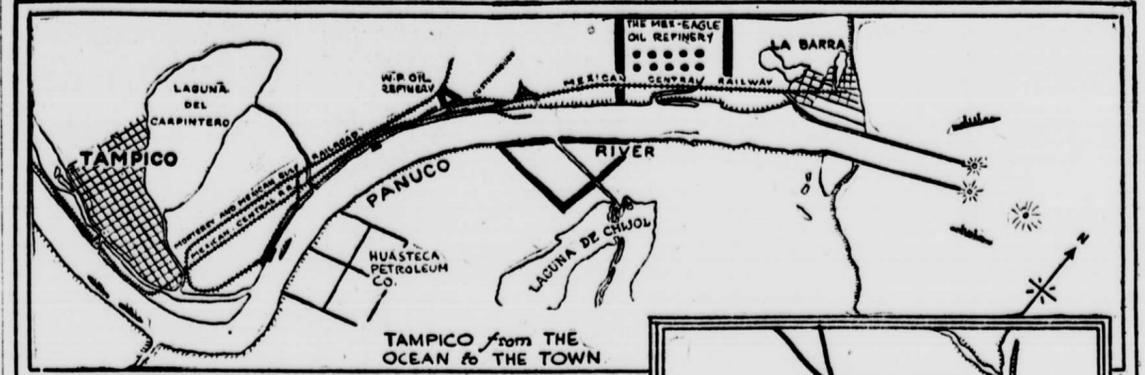
"On Wednesday the Navy Department was notified by the State Department that they had received information that the steamer Kronprinzessin Cecilie had sailed from the place of the accident on April 17, with consignments of arms.

"The acting Secretary of the Navy at once telegraphed Admiral Badger to keep a watch for these steamers and to report at once if he could locate them.

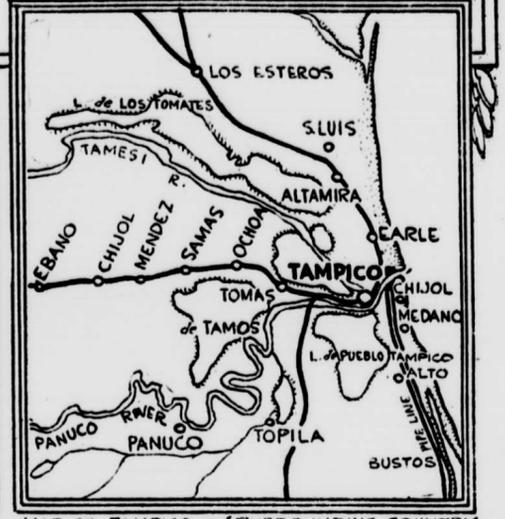
"On Thursday morning Admiral Badger wired that the Kronprinzessin Cecilie was then due in Puerto Mexico. On Thursday evening he wired that she would arrive Friday. The Bavaria is not due at Puerto Mexico for about two weeks."

23.00—WASHINGTON EXCURSIONS—23.00 Sunday, May 10, 24, June 7. Pennsylvania Railroad, Lv. Pennsylvania Station 12:20 A. M.

OUTSKIRTS OF TAMPICO ARE UNDER HEAVY FIRE FROM REBEL ARTILLERY



SCENE ON THE WATER FRONT.



MAP OF TAMPICO and SURROUNDING COUNTRY.

Constitutionalist Forces Are Fast Closing In on the City From Three Sides.

By FRED K. WILSON.

Special Correspondent of THE SUN.

TAMPICO, May 6, by mail to Galveston, May 8.—After two days of heavy artillery duel the Constitutionalist have approached so near Tampico that their shells are dropping into the outskirts of the city. They are advancing slowly, for the Federals are fighting them for every inch from the west, north and south.

The Federals apparently have fallen back from their outer fortifications, but have not yet reached their strongest defensive works, which are on the edge of the city.

There are no Americans or other foreigners in Tampico now. The small boats and launches of the warships made their last excursion up the Panuco River to the city on Wednesday and brought away with them every foreigner they could find, including all the consuls. All are now safe on board the war vessels and merchant vessels anchored safely in the outer harbor eight or nine miles out of range.

We know nothing of the progress of the battle except as it is judged by the naval experts who listen to the distant detonations of the cannon. Occasionally their glasses pick out an exploding shell striking in the remote districts, and from that they judge that the rebels are steadily drawing nearer.

Others Unable to Leave.

The great anxiety felt by foreigners here is as to the fate of the Americans and other foreigners who were reported hemmed in fifty or sixty miles up the Panuco River. Some of those who arrived here give the number of these foreigners as 100.

A fleet of small boats which returned from a trip of rescue up the river on Wednesday said they had been unable to find a single foreigner anywhere. The anxiety is due to the fear that these Americans and others have either been slain or have been driven further into the interior. There is no particular fear of ill treatment from the Mexican Federals or the regular Constitutionalist forces, but from the bandits who prey and murder in the trail of the larger forces.

Boats manned by Mexicans who came out to the fleet to-day report that the city is quiet and the Federals in complete control. They are confident, it is said, that they will win at the last stand, where they will bring everything they have into action. Their heaviest guns will be used then and their rapid fire guns will come into action.

The strength of the Federal fortifications means that from the land side the only possible chance for the Constitutionalist is to take the city by a grand assault or a siege. If they had a navy they could capture the city very quickly, but as it is they will have to resist a powerful artillery defense and the loss of life will be tremendous.

The city at present is falling back on staple food as the Constitutionalist have shut off all fresh food supplies

Vigorous Action Taken Yesterday by U. S. in Mexican Situation

Yesterday's developments, indicating a radical change in the attitude of the Government toward the Mexican situation, were as follows: Steamers were chartered by the United States in the ports of Baltimore, Boston and Galveston, presumably to be used as army transports. Inquiries, it is said, were made by the War Department regarding the number of militia troops available in various States. This, however, was denied by Secretary Garrison. Two more warships were added to Admiral Winslow's special squadron, which is being held in readiness for the blockade and seizure of Mexican ports. The first volunteer nurses admitted to the ranks of the Red Cross were accepted yesterday.

from the land side and none comes in from the Gulf. There is plenty of water, but there is danger of an epidemic.

The wildest rumors concerning the situation in the oil fields fly about the fleet of war vessels and merchant ships. It is said from Federal sources that the rebels are burning oil derricks and crude oil in enormous quantities, ravaging all the countryside. No confirmation can be obtained for this, as no foreigner is allowed to land at Tampico and all business is suspended.

An attempt of the Federals to make Tampico absolutely safe from the gulf at night has just been defeated by Lieut. Allan Shannon Farquhar and ten men of the United States naval tender Dixie. They have just captured a Mexican schooner which was sent up from Tuxpan by the Federals to destroy the lighthouse on Lobos Island. The schooner came up yesterday and

WINSLOW'S SQUADRON MADE READY FOR BLOCKADE AND SEIZURE OF MEXICAN PORTS

to death at Zacatecas, has arrived at Puerto Mexico with 600 other American refugees from Mexico city. The special trains made the journey without incident. The refugees will go direct to New Orleans on the Esperanza and will not stop at Vera Cruz.

The Spanish and other foreign business men of Vera Cruz are frankly and openly pleased with the way the United States is administering the municipal affairs. This has been true for more than a week. Now even the Mexican newspapers are beginning to allow nice things to be said of the American administration. They admit the city is being cleaned up in every way, that the general health is improving, that police conditions are better than they ever have been and that all departments of the Government are being administered in a businesslike way. They cannot help admitting that business is better than it has been in years. Some of the local editors say privately they would go even further, but they are afraid of what might happen hereafter, when the Americans have gone away.

Gen. Funston's municipal force has gone right to work. They are collecting back taxes and seeing that all customs are collected. The force is yet by no means adequate, but with the arrival of additional troops the General in command will be able to detach more officers for the work.

The refugees are beginning to believe that there will not be so much trouble at present and some of them, taking advantage of the quiet at Mexico city, have gone to the capital to clean up the loose ends of business suddenly dropped.

Preparations are completed for putting the "snipers" on trial next week. The five South Americans who were caught will go on trial first. It is not thought they will be compelled to pay the extreme penalty for murder, but their cases will be settled in a manner which will prevent them from collecting damages from the United States through their own countries hereafter.

Dr. Edward Ryan, the American physician who was arrested and condemned

United States Sailors Prevent the Federals From Destroying Lighthouse in Harbor.

alled about the light, which is situated on a rocky coral reef, and then anchored.

Immediately thereafter Lieut. Farquhar and ten men, all heavily armed, boarded the schooner. The Mexicans made no resistance and allowed their schooner to be towed in to the fleet, where it was searched. It was discovered that the schooner and its crew had come to take off the lighting apparatus, the keeper and the machinery to run it.

Heavy fighting is reported at Tampico. The rebels have reached the outskirts of the city and great damage has been caused by their gunfire.

Six hundred and thirty-four refugees sailed from Puerto Mexico for Vera Cruz.

A report that Secretary Garrison asked the Governors of New York, Pennsylvania and Ohio by long distance telephone how soon the militia of their States could be mobilized was denied at Washington. General evidence is, however, placed in the report.

U. S. SOLDIER REPORTED EXECUTED BY MEXICANS

Private Parks, Who Went Outside of Vera Cruz Lines Found Murdered.

By E. de L. SLEVIN.

Special Correspondent of THE SUN.

Vera Cruz, May 8.—The body of Private Parks, orderly to Lieut.-Col. Taggart of the outpost guard was found late to-day between Tejeria and the American end of the railroad line. He had been shot to death, many bullet wounds being found in his body.

Parks disappeared three days ago, apparently crazed with the heat. He then stole his own horse and led the thousand of Col. Taggart. An attempt was made to intercept him, but he eluded the outpost guard and disappeared around a sand hill.

A Mexican railroad laborer formerly in the employ of J. B. Tanner, railroad roadmaster now working for the Government, came to the outpost early this morning and told his former boss that he had seen two executions of Americans this week. One was a man wearing a khaki suit on Tuesday night and the second was an American soldier in uniform last night. In both cases the men were taken out on the mountain side by a file of soldiers and shot.

Gen. Funston immediately ordered an investigation and sent officers out to the end of the American line to inquire about the soldier. The Mexican soldier professed entire ignorance about him, saying they had neither seen nor heard of him.

Tanner declared that his informant was reliable and the officers pursued an independent investigation only to find out that there were two American horses held at Tejeria on box cars all ready to go into the interior. This was reported to Gen. Funston and a very sharp message was sent out to the Mexican lines. This resulted in the discovery of the body by Mexicans who reported it to the outpost and soldiers went out and found it.

It is not believed that Parks met his death at the place his body was found. Gen. Funston does not believe that Gen. Maass knows anything of the murder or that he would countenance the act.

I returned to-night from the marine outpost at the pumping station on the Inter-oceanic Railroad, where it was known that a band of forty marauders were sighted there and three-quarter miles away slaughtering cattle for meat.

Plan of Action Withheld. Apparently the only way in which the United States can prevent these large consignments of artillery guns and ammunition from falling into the hands of Huerta will be through seizing them after they are loaded or through the aid of the German Government itself.

Ways and means of dealing with this situation were considered by United States officials tonight, but no plan of action was announced. The United States finds its hands almost completely

U. S. MAY SEIZE ANOTHER PORT ON EAST COAST

Action Considered to Stop Ammunition Sent to Puerto Mexico.

GERMAN SHIPS BRING MORE ARMS TO HUERTA

Washington Officials Say Seizure Would Mean Declaration of War.

GOVERNMENT CHARTERS SIX MORE TRANSPORTS

American Forces in Mexico or on Vessels Near By May Number 50,000.

DICTATOR SENDS PROTEST

Intimates That He May Withdraw From A B C Mediation Proceedings.

Warlike preparations were rushed by the Washington Government yesterday following the announcement that two German steamers were on their way to Puerto Mexico with shipments of munitions of war for Huerta.

The seizure of that port is being considered, but officials are of the opinion that this would amount to a declaration of war.

Six transports were chartered by the War Department and will be used to rush troops south.

Admiral Winslow's special squadron has been augmented and made ready for the blockade and seizure of ports.

Heavy fighting is reported at Tampico. The rebels have reached the outskirts of the city and great damage has been caused by their gunfire.

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A report that Secretary Garrison asked the Governors of New York, Pennsylvania and Ohio by long distance telephone how soon the militia of their States could be mobilized was denied at Washington. General evidence is, however, placed in the report.

WAR PREPARATIONS RUSHED.

Seizure of Puerto Mexico Now Being Considered by U. S.

WASHINGTON, May 8.—Developments to-day indicated that the United States is rapidly losing hope of any settlement of the Mexican situation through mediation.

Upon the receipt of a warning from Huerta that he might feel obliged to withdraw from the mediation proceedings the War Department began to rush arrangements for the movement of more troops to Vera Cruz at a moment's notice.

Six new transports were chartered for the purpose of moving two more brigades from Galveston in the event of an emergency. This was announced by Secretary of War Garrison to-night. No orders have yet been issued for an aggressive move, but the imminence of such a development is clearly indicated by to-day's activities.

The receipt of Huerta's warning note and rumors of the probable downfall of his Government are the chief factors that have spurred the United States to renewed warlike preparations.

Asked to these come the dispatching news tonight that two German merchant vessels are approaching Puerto Mexico on the Gulf coast with large quantities of arms and ammunition consigned to Huerta forces. These vessels are the Kronprinzessin Cecilie and the Bavaria.

Admiral Badger reported later that the Kronprinzessin Cecilie had arrived. The Washington Government was deeply perturbed over the news of these latest shipments of munitions of war. Secretary of the Navy Daniels immediately took steps to have Admiral Badger at Vera Cruz ascertain if possible the character of the cargoes and other details.

Apparently the only way in which the United States can prevent these large consignments of artillery guns and ammunition from falling into the hands of Huerta will be through seizing them after they are loaded or through the aid of the German Government itself.

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