

ANSWER TO CADET TAYLOR

Bee Publishing Company Files Its Reply in Libel Suit.

BASIS THE DEFENSE RESTS ON Publication Alleged Admitted and Truth and Good Motives Set Up to Justify Special Privilege.

(Continued from First Page.)

City of Omaha and throughout the State of Nebraska, and to some extent in the City of Washington, D. C., a certain article of and concerning said plaintiff of which a copy is hereto attached, marked "Exhibit 1," which said article was read and commented upon by a large number of readers of said Daily Herald, and the charges contained in said article became a subject of general talk, comment and notoriety, and thereafter the said article was given great additional notoriety and publicity by reason of the commencement of a libel suit by said plaintiff against the Herald Publishing Company, in the District court of Douglas County to recover the sum of \$50,000, alleged damages to said plaintiff by reason of the publication of said article; that said action was subsequently dismissed by said plaintiff at the costs of said plaintiff which dismissal caused great and additional notoriety, comment and publicity of the charges contained in said article so published, and by reason of the publicity, notoriety and comment caused as above stated, and the dismissal of said libel suit it became and was ever since has been a matter of general knowledge and the common and general belief of a large number of people in Nebraska and in Washington, D. C., and the public generally that the said charges and statements of and concerning said plaintiff so as aforesaid published in said Daily Herald were true.

Truth of Charges. The said defendant further alleges that the certain charge of and concerning said plaintiff published as aforesaid in said article in said Daily Herald, relating to the control and administration of the government printing office became and was a subject and matter of investigation by the Congress of the United States and a report of said investigation known as House Document No. 1290 of the 1st Session of the 59th Congress of the United States was made and published and became a part of the public records of said Congress and the public libraries of the United States and such investigation and report showed that said charges were well founded and true and great notoriety of said charges and the truth thereof by reason of said investigation was given to the public and a great many persons and the public generally in Washington, D. C., and in Nebraska and throughout the United States knew of the same and believed said charges to be true.

And with reference to the said publication of said article in said Daily Herald and with reference to said investigation known as House Document No. 1290 of the 1st Session of the 59th Congress of the United States and by reason of said knowledge, comment and notoriety of the same and the belief as herein set forth in the truth of said charges and the truth of said report, the defendant herein alleges that no injury or damage was or could be caused or occasioned to said plaintiff by the publication of said special telegram by this defendant, and that he was not injured and could not be damaged by any charge or statement contained or set forth in said special telegram of what was so generally rumored, published and generally believed to be true of and concerning him.

Refers to Exhibits.

This defendant further answering said petition, alleges that prior to the publication of said special telegram, to-wit, in the month of February, 1909, there was published in the said Omaha Daily Herald, and in the Omaha Evening News, newspapers of general circulation in the City of Omaha and throughout the State of Nebraska and to some extent in the City of Washington, D. C., certain articles of and concerning said plaintiff of which copies are hereto attached marked respectively, "Exhibit 2," "Exhibit 3," "Exhibit 4" and "Exhibit 5," which said articles and each thereof, at and immediately following the time of publishing the same were read and commented upon by a large number of the readers of said newspapers and the charges contained in said articles became the subject of general talk, comment and notoriety in said City of Omaha and throughout the State of Nebraska and to some extent in the City of Washington, D. C., and by reason of the publicity, notoriety and comment of said articles and the charges therein contained, set forth in said articles and each thereof, and ever since have been a matter of general knowledge and the common and general belief of a large number of people in Nebraska and in Washington, D. C., and the public generally that the said charges and statements of and concerning said plaintiff so as aforesaid published in said newspapers were true.

And in that behalf the said defendant further alleges, that by reason of the publication of said charges in said newspapers in February, 1909, and by reason of said knowledge, comment and notoriety of the same and the belief as herein set forth in the truth of said charges and the defendant herein alleges that no injury or damage was or could be caused or occasioned to said plaintiff by the publication of said special telegram by this defendant, and that he was not injured and could not be damaged by any charge or statement contained or set forth in said special telegram of what was so generally rumored, published and generally believed to be true of and concerning him.

Exhibit 1.

From the Omaha Herald, Oct. 25, 1908. "A TRIPLE PRISONER."

"The Omaha Republican has of late a good deal to say about democratic methods. It has taken special pains to disseminate charges of corruption against the democratic candidates and especially the candidate for governor. While these charges are untrue and impossible, it may not be amiss to consider whether they come, to look behind the newspaper and discover the individual who prompts them and who may be held responsible for them and whose character gives color to them. The Republican is largely owned and is said to be wholly controlled by Cadet Taylor. It is proper to inquire, who is Cadet Taylor? What kind of a man is he?"

"It happens that the answers to these questions is found in the sworn testimony of intelligent and expert men, in whom the utmost reliance can be placed. Years ago an open, hearty, generous and unassuming man, known and esteemed by every editor, publisher and printer in the northwest, was appointed public printer. When he went to Washington he took with him and made his chief clerk this creature, Cadet Taylor. How Taylor wormed his way into the confidence of Sheriff R. R. Rountree will always be a mystery. But he did so. He had practical control of the government printing office under the administration of Rountree and he made it a nest of thieves and a hotbed of robbery. It is not necessary to recapitulate the evidence which shows that he pocketed thousands of stolen dollars by collusion with those who furnished supplies to the government. It will

perhaps, be sufficient to allege to the fact that he traced home to him and which he can by no falsehood or evasion throw on some one else.

"He had private work done in the government printing office by government workmen, who used government materials, and converted the same to his own use. He had volumes of Harper's Monthly, St. Nicholas and other like publications bound in expensive style and took them to his own private library. He had at the time 25 large and expensive volumes bound for himself, contrary to law and in defiance of the plainest principles of common honesty. He had the head and other material for the Omaha Republican made in the public printing office, at government expense, for which he never paid a cent. He made a pretended sale of a molding press to E. P. Donnell & Co., Chicago, at a merely nominal price and conveyed it to Omaha as 'household goods' and it is now, or was until recently, in use in the Republican office. Donnell & Co. disclaim any knowledge of the matter.

"Cadet Taylor took ninety volumes of the Congressional Record from the public printing library, tore out of them all leaves containing reference to John A. Logan, and destroyed the mutilated volumes. To detail his petty thefts and peculations would be too tedious to bring to the attention of the reader. Suffice it to say that he apparently stole everything he thought he could safely lay his hands on.

"But this sort of thing was not the worst. When the book of the dead and lamented John A. Logan was ready for the press this infamous creature, Cadet Taylor, it is asserted by those who ought to know, went to the widow and demanded a half interest in the venture of his publication. He asserted that he had written it bodily and threatened her with exposure to that effect. His brother, Beach Taylor, had been Logan's private secretary. Under these threats Mrs. Logan yielded and gave to this creature, Cadet Taylor, a half interest in the book as a property. So far as he knows he never contributed the scratch of a pen or the value of a cent to its production. He simply blackmailed and robbed the widow of John A. Logan out of thousands of dollars at the very moment when a man whom his paper now vilifies and maligns was pushing through Congress a measure designed to relieve her financial distress.

"The career of Cadet Taylor in Nebraska is familiar to all. He has been personally and through his paper a bully, a blackmailer, an extortionist and a criminal beggar by turns. He is known by his daily conduct to be one of the most despicable characters that ever prostrated the human shape to the habitation and use of a brute. As a thief, blackmailer and scoundrel he stands without a peer in the present repute and past history of a state in which that style of creature is alleged to have flourished with considerable luxuriance. That he is a liar and a sneak goes without saying as necessary to the round completeness of his general character.

"And this is a faintly drawn picture of the man who seeks to lead the respectable journalism of the republic in Nebraska, and in this describing him, The Herald simply essays to turn a dim and insufficient light upon the only man in many thousands who know that he has had the hardihood to vilify and slander John A. McShane. Reveling today in the fruits of thievery and knavery, he resides outside the penitentiary simply by the mistaken grace of those who duty it was to arrest and punish him."

Exhibit 2.

From The Bee, February 3, 1909: CADET TAYLOR'S BAD RECORD.

Career of the Bank Wrecker Nominated for Collector of Customs.

RELATIONS WITH BOLLN AND BARTLEY.

History of the Notorious Bubble Bank and Other Discreditable Transactions for Which Taylor is to Be Now Rewarded.

"The announcement of the nomination of Cadet Taylor to be surveyor of customs at the port of Omaha, although rumored for some time, has proved a surprise to everybody familiar with his unsavory record and questionable standing in the community. The selection of a notorious bank wrecker for this responsible position naturally recalls the many disreputable affairs with which he has been connected since he came to Omaha.

"Cadet Taylor was projected into this city shortly after the advent of Grover Cleveland to the presidency, by whom he was dislodged from a lucrative position in the government printing office at Washington. Taylor had been made chief clerk of the government printing office under S. P. Rounds, who had been appointed public printer through the influence of the Illinois delegation in congress, from which state Taylor also hailed.

Government Printing Office Jobs.

"At the expiration of his term as public printer the late Mr. Rounds acquired the defunct Omaha Republican and brought Cadet Taylor to Omaha with him to assist in the management of that paper. During the closing years of its bushwhacking career Cadet Taylor operated as its manager until he succeeded in unloading the wrecked institution upon the unfortunate parties whose hands it went to pieces in 1891. While still in control of the paper Taylor was exposed in his shady methods in a most scathing arraignment in the editorial columns of the Omaha Herald, then owned by Hon. John A. McShane. In this article the results of the congressional investigation into the office of Public Printer Rounds were made public, disclosing the fact that Taylor as chief clerk had used the government office and material for private work, sold valuable machinery as old junk and wantonly destroyed public property without excuse. Taylor, to vindicate himself, brought suit with a great flourish of trumpets for \$50,000 damages to his injured reputation, but as soon as the attorneys for the defense began to take depositions substantiating the charges he dismissed the suit at his own cost.

Bills the Court Out of Costs.

"An interesting feature of the case is the fact that the sheriff's fee bill for \$2.25 was returned August 5, 1894, without execution, as after diligent search no goods and chattels of lands and tenements of the within named Cadet Taylor are found in Douglas county, Nebraska. The testimony taken in the congressional investigation so damaging to Mr. Taylor's reputation may be found in house document report 1,300, Fifty-ninth congress, first session.

"After unloading his tattered newspaper Taylor instituted a number of fraudulent capitalistic into forming a bank for Mrs. M. M. Taylor. The bank was incorporated under the state laws in the year 1890, under the title of the Globe Loan and Trust company, and later evolved a savings department under the name of the Globe Savings bank. As its chief factitious Taylor was constantly devising ingenious schemes to gull the public through this bank for the pecuniary benefit of himself and his associates.

Works School Children for Pennies.

"One of the most successful grafts was worked upon the school children in the public schools. Taylor procured through the Board of Education, permission to in-

stitute branches of his savings bank in the different school buildings in which poor children could deposit their pennies, which were collected periodically by agents of the bank. Once within Taylor's grasp the school children's pennies were practically beyond recovery of their owners. When the children tried to draw out their deposits, no matter how small the amount, they were notified that the bank would take advantage of the sixty-day rule and that they could not have their money without the full notice permitted by law. An exposure of these questionable methods by The Bee brought a speedy close to the plan of public school children's deposits and brought the Taylor bank sharply to time in the early part of 1892.

Profits by Bolln Embellishment.

"In the meanwhile Taylor had been constantly mixing in politics until finally in the fall of 1894 he secured an election to the city council from the Eighth ward upon the republican ticket. As councilman a new opening appeared for profitable financing. Henry Bolln was then treasurer of the city and became the ready accomplice of Taylor. Although the bank was never a city depository, Taylor previously had an account with the Globe bank, in which he had made unlawful deposits of the public funds. The account had been opened July 12, 1892, when \$10,000 of the public money was placed there to accommodate Taylor and draw interest for the private purse of the treasurer. This deposit reached its maximum December 31, 1892, when it stood at \$15,000. It was gradually reduced from time to time until January 1, 1893, when there was only \$28.25 of the city money in the possession of Taylor's bank. On that date Cadet Taylor took his seat in the city council, and just three days later the emboldened city treasurer had placed an additional deposit of \$2,000 with the bank. One week later Taylor was made chairman of the finance committee, with especial oversight over the city money. In deference to this additional prestige another block of \$2,000 was illegally deposited in his bank February 7, and not a dollar was drawn out until after the embellishment of the treasurer was discovered.

Has a Line Out with Bartley.

"Naturally Taylor was one of the councilmen who made strenuous efforts to have Bolln retained in office after his defection, notwithstanding his admission of guilt, and not until after Treasurer Dumont was inaugurated as his successor was Taylor compelled to disgorge the last cent of the funds unlawfully deposited in his bank. Taylor set up the claim at the time that the \$6,000 and more found in his bank when Bolln was deposed was school money which Bolln had deposited in the bank for the city. But the records of the city treasurer's office disclosed the fact that there was no money whatever in the school fund, which had been completely exhausted, and that the money in Taylor's bank was not only city money embellished by Bolln, but should have been known to be such by Taylor as chairman of the finance committee.

To bolster up his Globe bank Taylor had

had his institution made a state depository by filing a straw bond, with himself and other officers of the bank as sureties. His close connection with the late emboldened city treasurer, Bartley, Taylor did procure a deposit of the state funds in the sum of \$12,000, which, with interest, aggregating \$12,862.54, is to this day held in the suspended account of the state treasury, a total loss to the taxpayers.

Blue Job of Bank Wrecking.

"In June, 1900, the Globe Loan and Trust company's bank went into bankruptcy, with large liabilities, including \$7,000 of poor people's deposits and practically no assets. The cash on hand when it closed its doors had completely disappeared. Taking advantage of a law newly enacted, permitting insolvent banks to retain the assets under certain conditions without a receivership, Taylor filed another straw bond with the state officers, signed by himself and other officers of the failed bank, by which he retained possession of not only the bank's assets, but also of its books, records and papers. To this day, although nearly three years have elapsed since its insolvency was declared, no visible effort has been made to pay off the creditors, nor is it known that any depositor has received back a cent of his money.

"Notwithstanding all these questionable transactions, Cadet Taylor audaciously presented himself in the fall of 1900 for renomination on the republican ticket for the city council. Beaten at the republican primaries in his own ward by Thomas Crocker, at present register of deeds, Taylor sought revenge by running as an independent candidate against the republican nominee with the idea that he might thus elect the democratic candidate. As was to have been expected, he was snuffed under at the polls and Crocker, the republican nominee, was emphatically endorsed by the people of the ward.

Fraudulent Loan Transactions.

"Since his exit from the council Taylor has been pretending to do a real estate and loan business as a remnant of his broken bank. He has had his hands kept full chiefly dodging or straightening out fraudulent transactions growing out of the bank's business with which he has been connected for years past. Only a few weeks ago the nominal president of the bank, who had been used by Taylor as an intermediary, was arrested on the charge of embezzlement of trust funds collected in the name of the trust company. While the prosecution failed, it was not before Taylor had made strenuous efforts to keep

all mention of it out of the newspapers. A large number of lawyers and law firms throughout the city have similar claims in their hands for collection at the present time. In most instances they represent city warrants and other investments which have been forwarded to the Taylor concern for collection and which have been cashed by its managers, but not accounted for. In some cases Taylor has even requested that the money represented by the warrants could not be collected, when the records in the city treasurer's office showed that they had been presented, paid and receipted for by Taylor or people connected with his bank. In others he collected money on mortgage payments without issuing his warrants, or even for whom he was acting as agent, and he has been repeatedly brought to an accounting only by threats of criminal prosecution.

"Among the numerous pending claims, involving fraud perpetrated upon clients by Cadet Taylor as manager of the defunct Globe Loan and Trust company, are the following:

"National Bank of Commerce, New London, Conn., \$2,250; warrants collected and not remitted for. Claim now in the hands of Edgar Morsman, attorney.

"J. H. Kendall, Watertown, Mass., a claim of \$2,000 for rents and city warrants collected and not remitted. Claim in the hands of McCoy & Oimsted, attorneys, Omaha.

"First National Bank of Barnstons, O., claim for \$1,000; school warrants collected and not remitted for.

"Randolph Savings bank, Randolph, Vt., can get nothing out of Taylor, nor the proceeds. Amount not stated."

Exhibit 3.

From The Bee, February 3, 1909: CROOKED DEALS BY TAYLOR.

Makes a Good Thing Out of a Building and Loan Association.

MONEY IS TAKEN IN BUT NEVER PAID OUT.

Peculiar Banking Methods Employed by the Man Who is Nominated for Surveyor of Customs of the Omaha Port.

"The publication in The Bee of the facts disclosing the disreputable record of Cadet Taylor, the newly nominated surveyor of customs, has brought out a host of additional transactions in which the Taylor bank was used to absorb other people's money.

"One of the ingenious schemes devised by Taylor for feeding the public which was overlooked was the Mechanics' Savings, Loan and Building association, which he organized about the end of 1894. This association got out a beautiful prospectus, the officers of which, however, were simply officers or employees of the Taylor bank. The association issued certificates of membership by which the holders agreed to pay to the secretary, who was Cadet Taylor, \$1.50 per share each month, for which they were to have the privilege of securing loans under stated conditions. Among others, James Gilbert of this city subscribed for five shares and secured his certificate of stock and paid in his money at the rate of \$7.50 a month from June, 1900, to April, 1901, receiving receipts from Cadet Taylor as secretary. When he inquired why no meeting of stockholders or directors was ever held he found that the directors disclaimed all connection and he was quietly informed that the association had no money. He discovered that the officers of the bank, outside of the Taylors, were to all intents and purposes fictitious. The money collected by the Mechanics' Savings, Loan and Building association, which probably amounted to thousands of dollars, was supposed to have been paid by Cadet Taylor as secretary to Cadet Taylor as manager of the bank and swallowed up with the other assets when it went into liquidation.

Same Old Game.

"The Newton case, which was referred to, seems to have been a game of the same kind. S. S. Newton of Milwaukee, Wis., had several mortgages in the hands of the Globe Loan and Trust company for collection. Although they had reported that they had been unable to collect anything on the securities it was discovered that between \$30 and \$50 belonging to Mr. Newton had been gathered in. Repeated efforts to secure the money having failed, Newton swore out a warrant for criminal prosecution of the president of the bank, who had received for the money. Upon trial at the police court receipt of the money was admitted, but the defense set forth that the money had been collected by the Globe Loan and Trust company and not by its officers individually, and that the Globe Loan and Trust company had taken the money and turned it over to the Globe Savings bank, in which it was deposited at the time of the failure, and where it is still credited on the books, with possibility of repayment to its owner. Upon this showing Judge Gordon released the prisoner.

"The case of the National Bank of Commerce of New London, Conn., which has already gone into the district court, being found on docket 63, page 29, represents city warrants collected and not remitted for. Judgment was rendered in favor of the National Bank of Commerce for nearly \$1,500. The warrants were presented by Cadet Taylor in person and the check made payable to him. The check is now in the

(Continued on Eighth Page.)

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