

BID WILL STAND

CONTRACTOR OLIVER HAS CHANCE
TO BUILD CANAL.

FAVORED BY THE PRESIDENT

TENNESSEE MAN HAS MET ALL THE
REQUIREMENTS.

MUST GET NECESSARY HELP

RESPONSIBLE ASSOCIATES ARE
YET TO BE SECURED.

Ten Days Given in Which to Join
Hands With Two Independent
Contractors—Further Bids
Not Desired.

WASHINGTON, Jan. 27.—Following a conference at the white house tonight it was officially announced that the contract for building the Panama canal would be awarded to William D. Oliver, who, with Anson M. Bangs, was the lowest bidder in the recent competition, provided that within the next ten days he associates himself with at least two independent contractors whose skill and experience, combined with his own, shall cover the entire field of the work to be performed under contract.

The official announcement tonight confirms the Associated press' statement of last Friday night. President Roosevelt then took the position that since Mr. Oliver had met all the requirements of the government, it would be unjust to reject his bid of 6.75 per cent for the construction of the canal, or even to require him to submit a new bid for the contract.

Mr. Oliver had informed the president that it was his desire to submit an independent bid for the work, and that when the canal commission officials informed him that it would be necessary to form a partnership with some other financially responsible contractor they even went so far as to suggest that he enter into an agreement with Anson M. Bangs of New York city.

Thought Bangs Satisfactory.

Mr. Oliver said that after receiving this suggestion from Chairman Shonts he visited the war department and was informed that Mr. Bangs would be entirely satisfactory to the government. Mr. Oliver told the president that with this assurance as to the reliability of Mr. Bangs he immediately entered into an agreement with the New York contractor.

Powerful influences were brought to bear on the president and Secretary Taft to reject all bids and advertise for new proposals, but the president insisted that Mr. Oliver should be given a reasonable time in which to make a satisfactory arrangement to substitute some other contractor or group of contractors to take the place of Mr. Bangs. At the white house conference on Saturday night the friends of the MacArthur-Gillespie syndicate argued that the contract figure should be increased to 9 per cent of the total cost of construction and the contract be awarded to Oliver, MacArthur & Gillespie. This suggestion, however, did not meet with the approval of the New York firm, who insisted that they could not undertake the work for less than 12.50 per cent of the total cost, the figure mentioned in their original bid. The president, Secretary Taft and the canal commission officials then decided to award the contract to Mr. Oliver, provided he could make satisfactory arrangements with at least two other financially responsible contractors.

Whole Matter Gone Over.

Secretary Taft and R. R. Rogers, general counsel to the canal commission, were in conference with the president for two hours tonight, and the whole matter was again gone over. At the direction of the president, Mr. Rogers prepared the official statement for the press.

When informed of the statement issued by direction of the president, Mr. Oliver's representatives tonight said: "There is absolutely no doubt of Mr. Oliver being able to fulfill the requirements of the canal commission. There are now at least twenty of the most responsible contractors in the United States who have expressed a willing-

ness to join Mr. Oliver in the work of constructing the canal at the figure mentioned in his original bids. These names will be submitted to President Roosevelt tomorrow with proof of their financial ability. Before entering into another arrangement, Mr. Oliver wants to know positively that the contractor he chooses will be acceptable to the government."

The official statement given out tonight follows:

"As a result of conferences at the white house it was today announced by the Isthmian canal commission that, in view of assurances that had been received from Oliver and capitalists associated with him that Mr. Oliver was prepared to make good his bid to complete the construction of the isthmian canal at a percentage of 6.75, with an organization of contractors and with financial resources in full compliance with the requirements in the invitation for the bid, he will be given permission to do so. Mr. Oliver has been notified that within ten days he will be required to associate with himself two independent contractors whose skill and experience, combined with his own, shall cover the entire field of work to be performed under the contract and to organize a corporation for the express purpose of carrying out the proposed contract with a capital of five million dollars, of which not less than one million five hundred thousand dollars in the form of solvent subscriptions, shall be available for the purpose of carrying out the contract and of which the remaining two million dollars may be devoted to the purpose of procuring a bond, as required by the contract, or after substituting in lieu thereof, in whole or in part and subject to the conditions of the bond, cash or current securities satisfactory to the commission.

Bangs Cannot Participate.

"Satisfactory assurances not having been received that the financial standing of Mr. Anson M. Bangs met the requirements of the invitation, by direction of the president he has been rejected as a participant in the bid filed by Messrs. Oliver and Bangs.

"The privilege has been extended to Messrs. MacArthur & Gillespie, the only remaining bidders whose bid has been deemed worthy of consideration, to either withdraw their pending bid, or to allow it to abide by the result of Mr. Oliver's efforts to make good his bond as herein outlined, then to be considered upon its merits. The other bids have been rejected because informal and in the case of the highest excessive as well.

"The foregoing action is taken in conformity with the expressed wish of both Mr. Oliver and the MacArthur-Gillespie syndicate, that the contract should be let without a rebidding, and in view of the further statements of the spokesmen of the MacArthur-Gillespie company to the president that if the commission could close the contract with a satisfactory and responsible association of contractors at a rate as low as that proposed by Mr. Oliver, it should feel at liberty, so far as they were concerned, to do so."

Mr. Oliver resides at Knoxville, Tenn.

POLITICAL

Oklahoma will have little use for a legislature, but great need for courts if the constitution now under construction is finally adopted with all the detail proposed by the convention. This is in harmony with the action of most of our newer states, the constitution makers in most cases having shown an unwillingness to trust to the wisdom of future lawmakers by cramming masses of details into the constitution. The Oklahoma delegates are considering going the length of adopting a flower emblem by constitutional provision, an act of legislation that has been left to the school children of most states. This tendency prevails despite the fact that the evils against which states and the country struggle in vain are usually entrenched behind almost immovable constitutional provisions.

President Roosevelt has begged congress to provide for a more centralized authority and responsibility in constructing the canal by cutting down the canal commission to three members. In the hope that this might be done several vacancies have been left on the present commission, but congress has not approved the change. The president gains one point, notwithstanding, by combining the offices of chief engineer and chairman of the commission in Chief Engineer Stevens. This may explain his readiness to dispense with Mr. Shonts. Secretary Taft makes a further announcement indicating other ways to kill a cat. The four vacancies on the commission are to be filled by heads of bureaus already employed on the canal, a device that practically reduces the commission to three as the president desires while nominally leaving it seven in accordance with the

Twenty dollars for every man, woman and child, approximately a hundred dollars a family, about one-sixth

the income of the average family, goes out in taxes, according to figures made public by the census bureau. The figures are for the year 1902. In that year the nation, the states, counties, cities and other political divisions spent the enormous sum of \$1,773,959,369 and collected in revenue \$1,778,352,930. This is about twice the money either our oil king or our lumber king is reputed to be worth. The relations of the amounts spent by the different political divisions are instructive. The nation spent \$617,530,137, a little more than a third of the total. All of the states together collected and spent less than one-third as much as the national government, their total, including territories being \$185,764,202. The expenditures by all the county governments was a few thousand dollars more than by the state governments. Municipal expenses were the item next to the national expense in volume, cities of over 8,000 people having expended over half a billion dollars, more than all the states and counties together. About two-thirds of the revenues of the states counties and cities were derived from a general property tax.

These figures are commended especially to the average person who takes no interest in public affairs. He may not be aware that in his lack of interest he is permitting sixteen per cent of his income on the average to be spent for him without his consent or advice. Of course he pays no such amount for his tax receipt, for about two-thirds of his tax is paid indirectly.

Two states have witnessed this winter the vitality and efficacy of the pass. The Montana senate threw an anti-pass bill out without ceremony. Montana is a big state and walking is bad there. Better that the railroads should participate with the copper barons in running the state than that any legislator should pay to ride those stony distances. In New Hampshire where the republican platform promised an anti-pass law, thanks to the work of Winston Churchill, 127 republican members voted against the pass and 103 voted for it. Only thirty-seven democrats voted against the pass, while seventy-two voted for it; a difference great enough to defeat the bill. Although this was to be the year of the passing of the pass no state legislature has yet had strength enough to detach itself from that ancient seducer. A few more giant explosions of public opinion on this question will yet be needed.

Under present postal regulations the lowest rate of postage on any class of mail, excepting the free carrying of weekly newspapers to subscribers within the county of publication, is one cent a pound. This rate is charged for the distribution of all periodical publications coming under the head of second class mail, which is defined by the law of 1879 as follows: "Mailable matter of the second class shall embrace all newspapers and other periodical publications which are issued at stated intervals, and as frequently as four times a year."

The next lowest rate is that on the same matter mailed by others than the publisher, of one cent for each four ounces. Miscellaneous printed matter is charged twice as much, while all other matter, including merchandise, pays a cent an ounce. It was to ascertain what part the low rate to newspapers played in the annual postal deficit that a joint committee of congress was provided last year. This committee was made up of Senators Penrose, Clay and Carter, and of Representatives Overstreet, Gardner and Moon. A hearing was held at which a great range of opinion was expressed, from that of Mr. Madden, fourth assistant postmaster general, who wanted to quadruple the rate paid by all newspapers, to the numerous persons and organizations that recommended a parcels post and reasonable pay to the railroads for carrying mail as a means of making the postoffice self sustaining.

In its report the committee steers a middle course. It recommends measures aimed to deprive of the second class rates periodicals run primarily as advertising mediums, or as mediums for the dissemination of fiction published periodically to escape the expense incident to printing and disseminating books. In other words, it aims to restrict the privilege of the cent a pound rate to periodicals engaged mainly in disseminating news and discussion of current matters. This was the original intention of the lawmakers. It is thought that such restriction will put second class mail on a paying basis, since the vast majority of real newspapers require to be carried but a short distance. The other source of deficit, free rural delivery, may be made self sustaining by a general parcels post or by the strictly localized parcels post now under consideration in congress. If the rates charged by the railroads are then reduced to about the same level as the rates they charge the express companies, the postoffice department would, it seems, be able to run at a profit, not only without increasing its rates, but after actually decreasing

them in the case of local merchandise rates.

No president the United States is likely ever to have would be seriously suspected of jugglery in dealing out so important a contract as that for the building of the Panama canal. Presidents that the country has had and may have again might, however, be incapable of coping successfully with the powerful influences that work beneath the surface in such matters. The Oliver-Bangs bid proposed to do the work for a profit of six and three-fourths per cent of the cost of the work. The next best responsible bid was that of the MacArthur-Gillespie syndicate which proposed a profit of twelve and a half per cent, practically twice that of the other bidders. The discovery that Bangs was behind with government contracts already let to him, with the additional consideration that his name is connected with his brother-in-law, Gaynor, of the famous "Greene and Gaynor conspiracy" case, made it inadvisable to admit him to so heavy a contract. This necessitated rearrangements, and led to the "powerful influences" which the dispatches say were brought to bear on the president and Secretary Taft to get them to reject all bids and advertise for new ones. We note among other things that Senator Penrose called at the white house in company with one of the defeated bidders. "Powerful influences" were unavailing to prevent giving Oliver a chance to take in another partner in place of Bangs and unless "powerful influences" queer him in his efforts in this direction the canal will be built on a six per cent margin. President Roosevelt's power of resistance to pressure is fortunately commensurate with his honesty of intention.

Children in the public schools today will without much doubt live to tell incredulous grandchildren of a time before they were born when legislatures met and plotted and fought and trafficked for weeks over the election of a United States senator. The two contests now under way in New Jersey and Rhode Island may not be the last of their kind, but as being probably among the very last instances of a dying disgrace they deserve particular attention. In New Jersey, where the contest is not purely a commercial one, the situation is typical. Senator Dryden, backed by all the special interests of the state, his own being the greatest of these, finds eight legislators of his own, the dominant party, refusing to vote for him. This leaves him without a majority. There are enough and more of the minority party under control of the Dryden interests to make his election sure, but it would be more dangerous to the interests involved to make this open display of bi-party control than it would be to have Dryden defeated. They must at all hazards keep the voting public thinking that the battle of the two parties in that state is not a sham battle; otherwise they could not keep the voters pigeon holed. The Dryden hopes then lay in winning five of the eight insurgents of his own party. But these eight men seem not to have revolted for sinister purposes, and no inducements have thus far availed to turn them. Perhaps the fact that their constituents are taking a deep interest in their course has some effect. As common in such cases, the outcome is likely to be the defeat of Dryden and the election of some one of his choosing.

DIED FROM NATURAL CAUSES.

ST. LOUIS, Jan. 29.—The coroner's inquest today over the body of W. P. Pife, the Denver mining broker, who dropped dead at the St James hotel Sunday, developed that death was caused by fatty degeneration of the heart. The remains are held at an undertaker's establishment pending word from relatives concerning final disposition.

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