

HOLDEMAN, HENRY C.

INTERVIEW #7520
GRAND RIVER DAM

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Interview with Henry C. Holderman
R. F. D. #3, Vinita, Oklahoma.
Interviewer, James R.
Carselovey, September 15, 1937

THE GRAND RIVER DAM.

When I was a small boy my parents lived in the Indian Territory, near the Kansas line. I was six years old when my father hauled lumber from the Spavinaw Hills. to Chetopa, Kansas, with an ox team. I sometimes accompanied him on these trips, and while at the water mill at Spavinaw, I would sit under the mill and watch the water turn the wheel and run the machinery.

For several years the most of my play-time was spent in building dams in the little prairie branches near our place, and in building mills.

When I was about sixteen years old, I rode horse-back to the Grand River, and then rode down to the mouth of the river, looking for a place to build a dam.

About the year of 1896, I interested my older brother, Bert T. Holderman, who was studying

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engineering, at Spaulding's Commercial College, at Kansas City, Missouri, and he secured two of his class-mates, and we built a little house-boat, and loaded our camping and engineering equipment in it, and floated down the river, and surveyed every place which looked as though it were a possible site for a dam. We went to the mouth of the river, and at that time decided, that the point which is now called the Pensasola Dam Site, was the only point on the river, on which it would be practicable to build a large dam.

About thirty-two years ago I became connected with Mr. S. M. Porter (now deceased) of Caney, Kansas, in the promotion of a railroad from Caney, Kansas, to Memphis, Tennessee. I was placed in charge of the field work, and the survey, with Mr. A. C. Titus as chief engineer. During this time I interested Mr. Porter and his associates in the dam project, and we made a portion of the survey for irrigation at that time.

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In 1911, I organized the Grand River Power and Electric Company, composed of myself, as president; E. L. Stegall, a banker of Strang, and my wife, Maude A. Holderman, as incorporators.

I then took the matter up with Mr. J. F. Robinson, of Miami, ^{Oklahoma} who was very much interested, but who decided that it was too big a proposition for him to handle.

About that time Mr. C. H. Fenstermacher, then of Muskogee, tried to interest Muskogee business men, and we employed a man by the name of Gunther, of the Muskogee Electric Company, who made a survey and report for the Muskogee people.

In 1920, through the assistance of Mr. T. L. Rippey, Mr. Royal D. Salisbury, an engineer of Denver, Colorado, became interested. A new company was formed, consisting of myself, T. L. Rippey, C. H. Fenstermacher, W. B. Collins and Royal D. Salisbury.

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This company made a complete survey, and first took the proposition up with Chicago capitalists. They were interested, but wanted to make a gigantic "watered stock" selling scheme of it, which we refused to do.

Finally in 1920, Hugh Cooper, another engineer, took hold of the project, and through him the National City Bank, of New York, became interested, so that they agreed to issue and sell bonds to finance the project.

The report made by the engineers disclosed that the dam could be erected, transmission lines put up, and electricity generated for consumption at a total cost of \$22,000,000, which would mean about .008 per kilowatt an hour.

The New York bank had everything ready to start work on selling the bond issues. The men who constituted the Northeast Oklahoma Hydro-electric Company were called in, and then learned that a

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bond issue of \$40,000,000 was planned. Salisbury recommended that we refuse to accept the offer on those terms, as it would place the cost of generation too high, and we turned the offer down.

We then started all over again, to interest other financiers. Sherman Rogers was approached, and he agreed to build the dam for \$38,000,000, with a Montreal, Canada, bank to do the financing, which would again place the cost of producing electricity at a prohibitive price.

Again the project was turned down by its originators, and they went to Jim Robinson, of Miami, Oklahoma, who died at the very time he had the project assured, and once more we were back at the beginning.

Wash Hudson, of Tulsa, was interested in the project, but it gradually edged into the power of the Utilities, and the Insull Utilities, of Chicago, appropriated money for its construction and then Insull crashed.

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About the year 1923, I took into partnership a promoter from Canada by the name of D. W. Althouse, and all of the assets of the Grand River Hydro-electric Company were sold to Althouse and myself. We made a contract with the Traylor, Dewey Construction Company to build the dam. We also employed an engineer, G. G. Rodenhamel, and together with the engineers for the construction company, made a complete new survey of the entire project.

Althouse went to Chicago and Montreal to secure the money for construction purposes, but without success.

I then organized a new corporation, called the Oklahoma Hydro-electric Company, with Tracy Wilkerson, Abram Stanfield and M. E. Schul as incorporators. Later, Miss E. M. Wildman was taken into the corporation.

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This corporation purchased 712 acres of land, covering the big dam site. now known as the Pensacola Dam Site. I sold all of the assets of the Grand River Hydro-electric Company. to this company for 50% of the company stock.

Jointly, with the members of the Grand River Hydro-electric Company, we made a deal. with J. F. Robinson, of Miami, Oklahoma, to promote and finance the construction of the large dam. Mr. Robinson made a new survey, with Victor H. Cochran, of Tulsa, as his chief engineer, and had a deal made with financial people. that after he had spent \$3,000,000 on construction, they would purchase a bond issue for the balance of the money. But Mr. Robinson's health failed, and he was unable to proceed with his contract.

Mr. Robinson called a meeting of all parties interested, and asked permission to turn everything

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over to Wash Hudson, of Tulsa, which permission was granted.

Wash Hudson organized a new company, known as the Grand-Hydro, and made a contract with the Grand River Hydro-electric Company giving them \$100,000 for their interests. He also made a contract with me for an interest in the project, as further compensation.

Mr. Hudson's company employed the Fargo Engineering Company, of Jackson, Michigan, which made a complete survey of the entire stream, and located and drilled out four dam sites, but for some reason this company failed to finance and quit, which left the Oklahoma Hydro Electric Company as the only corporation holding any lands or rights on the stream.

In 1935, Mr. S. D. Williams, of Los Angeles, California, took an option from the Oklahoma Hydro-Electric Company, and made a contract with members

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of the old Grand River Hydro Electric Company, and proceeded to check all old surveys, ^{They} made a complete air-plane survey, took and tested soil samples from two million acres of land, and approved the entire proposition, of a large hydro-electric development and of a two million acre irrigation plan.

Williams then took the matter up with financial interests in the West who expressed themselves as willing to finance the entire project, provided Mr. Williams could secure the co-operation of the State and Federal Governments but owing to the fact that the Federal Government was contemplating constructing this dam themselves, Mr. Williams failed to secure any co-operation.

During this entire period of about 40 years, surveys have been made by myself, and party first, then by the following engineers, 2nd, C. E. Bennett; 3rd, W. K. Palmer; 4th, Plummer C. Darrow; 5th,

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E. H. Gunther; 6th, Royal D. Salisbury; 7th, G. C. Rodenamel; 8th, George Stein; 9th, Victor Cochran; 10th, Jim Bisch; 11th, Fargo Engineering Company; 12th, S. D. Williams; 13th, the United States Government.

I have been connected with all of these surveys, except the last, and I bore all of the expense of five of them, and my portion of the expense of all the rest, except two.

I have also prospected for minerals for manufacturing purposes, over an area as far out in every direction as the electricity from this plant could be used profitably. I have located 52 different kinds of minerals, which will be developed if this cheap power is ever utilized.

There has been spent by myself, friends and associates, on this project, close to one million dollars. I would like to mention two outstanding men of the entire organization -- Royal D. Salisbury, of Denver, Colorado, who has worked incessantly for

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seventeen years, who gave up all of his other business and everything he had, even to mortgaging his home.

A. C. Peace, of Vinita, furnished me the first money that I ever secured from anyone and has furnished all the money he could, whenever it was needed, since that time. Although he is now very poor, he does not hesitate to give every cent he can when I need money for traveling expenses on this project.

GRAND RIVER DAM AUTHORITY CREATED.

In the years that followed, the proposal was made that the Federal Government finance the dam as a combined electrification and flood control project. A bill was passed in the Oklahoma State Legislature, creating the Grand River Authority and giving it power to issue \$15,000,000 worth of self-liquidating revenue bonds, in order that they could take advantage of any appropriation the Federal Government might offer.

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Members of the authority at present are Ray McNaughton, of Miami, Oklahoma, chairman; Owen D. Butler, of Grove, secretary; R. P. Colley, Tulsa; Ed Lightner, Claremore; Earl Ward, Pryor; Guy Krouse and M. Duncan, of Muskogee; Ollin Perkins, Henryetta; and George Schaefer, Vinita.

In August, 1935, the PWA office at Oklahoma City turned the project down with the recommendation that a survey of the river and site be made. Representative Wesley E. Disney, of Tulsa, went to President Roosevelt and asked him to order the War Department to make the survey, out of flood control appropriations. This was approved and the engineers went to work, out of Vinita, in November, 1936, on a \$125,000 appropriation.

\$300,000,000 EARMARKED FOR PWA.

A total of three hundred million dollars was earmarked for the PWA when the huge one billion five hundred million dollar relief bill was passed

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in 1935, and Senator Elmer Thomas, of Oklahoma, had the amount increased to \$359,000,000 to take care of the Grand River Dam project and another dam to be erected by an Authority in Montana.

Senator Thomas in June, 1937, introduced an amendment to the PWA bill to broaden its powers, so as to include phases of the Grand River Dam project in doubt of approval. The bill has remained static so far, awaiting completion of the survey. Two final steps remain before the matter of the Grand River Dam is settled -- the approval by E. H. Burley, budget director for the PWA, whose approval is a routine requirement and who has given every indication that he will approve the bill. Then it will be up to the President of the United States. His approval or rejection will be final.

The United States proposes to side with the Grand River Authority in building the Pensacola Dam for two reasons, flood control and hydro-electric

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power. Irrigation may be a third phase, but it is yet undeveloped.

FLOOD CONTROL PHASE.

Eight and a quarter million of dollars of the proposed \$20,914,000 project would be given by the Federal Government in an out-right grant as flood control expense. Engineers have calculated that the Pensacola Dam would reclaim about 100,000 acres of rich bottom land on the lower Arkansas, in addition to providing numerous smaller benefits on the up-river streams and creeks, which periodically flood the adjacent lands. It would enable man to lower the flood stage of the Mississippi at New Orleans a foot or more.

From the FWA would come \$12,643,000 as hydro-electric expense. Forty-five per cent of this would be in a direct grant. The Grand River Dam Authority would borrow the remaining 55 per cent, by issuing

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\$6,974,750 of bonds, paying 4 per cent interest.

MAGNITUDE NOT GRASPED.

Few persons realize the magnitude of the Grand River project. It would rank about sixth in the United States in scope of operations. The 150 to 169 feet of concrete would bring Pensacola Dam to more than twice the height of the Bagnell Dam on the Osage River in Missouri, which creates the

lake of the Ozarks. Cement would be poured 600 feet thick at the base of the dam tapering to eighty feet in thickness at the top.

Stretching 6,150 feet from bank to bank, the Pensacola Dam would be three times as long as the Bagnell Dam and the lake's 1,300 miles of shore line would enable it to slide over the Lake of the Ozarks. The latter lake, however, nearly 150 miles long, far surpasses in length the Oklahoma project, with its 57 miles length. At its widest

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point west of Grove, the lake would not exceed eight miles in width.

Engineers have estimated that Pensacola alone would produce from 60,000 to 65,000 kilowatts of electricity daily, or enough to supply ninety cities the size of Miami, Oklahoma, with power for industrial and domestic use. The annual capacity would be available to any city, or community, within a 200 mile radius.

During construction it would exceed in size any dam whose erection has ever been attempted in this part of the country. A total of 7,431,410 man hours of common labor would be used. About 2,500 men would be employed in this phase alone for nearly three years.

The work of buying up and clearing off the 59,000 acres of land to be condemned would be in itself an immense task. Five miles of railroad on the Frisco would have to be raised on stilts

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at the expense of the Authority. About 4,000 individual tracts of land in Mayes, Delaware and Ottawa counties would have to be cleared. Highway 59, through Grove would probably have to be re-routed, possibly via the new roadway, that would go over the dam itself.

NOTE:

From the Tulsa World, a daily newspaper published at Tulsa, Oklahoma, of about the date of this manuscript, we quote:

Most folks think of the Grand River dam area in terms of industrial and agricultural prosperity.

But to the Oklahoma State Archeological society this section is rich with relics of the state's mysterious past which must be unearthed before the flood waters seal them forever from posterity.

In this important race with time, the society will launch an archeological survey of the entire area to locate the numerous sites of the ancient mound builders and bluff dwellers, it was learned here Saturday night.

"Aerial Photographs to expedite locations will be made," Dr. Forrest E. Clements, University of Oklahoma archaeologist, declared here Saturday. "Then the ground studies will be made to select the type sites which appear to offer the most relics."

Doctor Clements indicated that it would usually take at least a year and one-half but with members rushing the survey and employing time-savers, they hope to be through in six months. The society last year launched a project

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to make a survey of the entire state but are just now concentrating efforts on the dam area because of the short time.

"There must be several hundred sites in the whole area," Doctor Clements predicted. "But, of course, we would only select a part of those for archaeological excavations. That is possibly the greatest archaeological center in the entire state and society members feel that it is imperative that excavations precede the flooding of the area."

With the government getting title to the lands for the dam project, the expense of obtaining digging rights would thus be obviated. In some instances of private ownership there is some difficulty in getting rights for archaeological excavations.

We believe the above is an interesting part of the Project Mr. Holderman has so graphically outlined. Ed.

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