

HISTORY OF THE GRAND RIVER DAM

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## Introduction

In presenting this Thesis covering the History of the Grand River Dam, the writer has attempted to cover every angle of interest from the early history of the project, when it existed only as a dream, to its appearance and possibilities when it is completed.

As the story of the Grand River Dam is unfolded, the writer hopes the readers will be able to visualize the many years of heart-breaking work and effort that have been put forth by the hundreds of people who have dreamed of this great enterprise for Northeast Oklahoma, and who have backed their dreams with years of work and thousands of dollars in gathering data and presenting it to different interests which had the necessary finances to build it.

In line with its national policy of developing water power, the federal government was quick to see the natural possibilities for a hydro-electric plant on the Grand River; and with the PWA set up as a financial agent, the government joined hands with the State of Oklahoma in building this self-liquidating power project.

Eldon L. Jackson



## Table of Contents

## Page

I.	Early History of the Dam.	
A.	First twenty-five years of the pre-fulfillment era of the dam.	
1.	Henry Holderman and the origin of the project- - - - -	1.
2.	Holderman's interview with H. L. Ickes- - - - -	2.
3.	Surveying the Grand River for a possible dam-site - - - - -	3.
B.	New forces become interested.	
1.	Approval of the dam by David Lloyd George - - - - -	4.
2.	A new company in 1920 formed- - - - -	4.
3.	J. F. Robinson, Miami financier, and the dam- - - - -	5.
4.	Holderman's importance as decided by Frank Baily and Jack Rorschach- - - - -	6.
C.	Congressmen W. E. Disney's arguments before the House for the Project.	
1.	The paramount question of power - - - - -	8.
2.	The TVA pointing the future course of action- - - - -	8.
3.	Studies made by the government to determine the cost of electric energy to the consumer - - - - -	9.
4.	Facts discovered by the Federal Power Commission- - - - -	9.
5.	Estimated cost of the dam by the army engineers - - - - -	11.
6.	The need of a new program for electrification - - - - -	12.
7.	Comparison of the cost of electricity in the Grand River Dam area and the TVA district - - - - -	12.
8.	The need of making farm life more attractive- - - - -	12.
9.	Disney shows that the Grand River project would serve an area very rich in natural resources - - - - -	13.
10.	The effects of cheaper rates- - - - -	14.
D.	Mr. Disney's activities in behalf of the project.	
1.	Passed the project twice through the House of Representa- tives - - - - -	15.
2.	Appointment of the Arkansas Basin Committee - - - - -	15.
3.	Economic survey made of the project - - - - -	16.
4.	Prepared the Grand River Dam Authority Bill - - - - -	16.
E.	Authorization process of the Grand River Dam.	
1.	Congress passes an act declaring a policy of national flood control - - - - -	17.
2.	Contract between states providing for flood control - - - - -	17.
F.	Captain Clay of the Army and Disney.	
1.	Clay's wish for Disney to file application for the dam with the army engineers - - - - -	18.
2.	Disney's reaction - - - - -	18.
3.	General Markham's letter to Disney- - - - -	18.
G.	Credit belonging to other organizations.	
1.	Grand Hydro Company - - - - -	21.
2.	Oklahoma Hydro Electric Corporation - - - - -	21.
3.	Credit to prominent citizens of surrounding towns - - - - -	21.

	Page
H. Oklahoma State Legislature passes the GRDA Act.	
1. The GRDA as proclaimed by Senate Bill No. 395- - - - -	22.
2. The bill passed in 1935- - - - -	22.
I. T. P. Gore's presentation of the efforts of the Senate and of the House toward the project.	
1. A resolution memorating to the President the matter of the dam- - - - -	23.
2. Pointing out that the Congress of the United States recognizes the economic necessity of flood control- - - - -	23.
3. Resolution by the Senate of the state of Oklahoma- - - - -	24.
4. President urged to bring about the approval of the GRDA project by the PWA - - - - -	24.
J. Problems of the GRDA.	
1. The Kirkpatrick Amendment- - - - -	25.
2. Fight for the dam encumbered by the Ohio and Mississippi river floods in the winter of 1937 - - - - -	27.
K. Public forum opened by army engineers.	
1. Investigation made anew of the project - - - - -	27.
2. Four points favorable to the construction of the dam - - -	28.
L. President Roosevelt and the project.	
1. Roosevelt expresses approval of the project in 1936 - - -	28.
2. Final approval by the President for a \$20,000,000 allocation for the project- - - - -	28.
II. Carrying the Project Through.	
A. The result produced by the approval of the GRDA by the President.	
1. Contemplations of town-sites- - - - -	30.
2. Anticipation of the boom to follow - - - - -	30.
3. The on-rush of tourists- - - - -	30.
4. Proposition of new highways- - - - -	30.
B. January 1, 1938 set aside as the date to commence work.	
1. Bonds to be issued in denominations of \$1,000- - - - -	31.
2. McNaughton's opinion as to the acceptance of the offer - - -	31.
3. Jack Rorschach temporarily appointed as general counselor- - - - -	31.
4. PWA offer accepted - - - - -	31.
5. R. L. Davidson selected as the general counselor - - - - -	31.
6. By-laws adopted and modeled after those of Buchanan dam- - -	31.
C. Selection of other GRDA officials.	
1. Colonel Eugene Reybold considered as general manager - - -	31.
2. R. V. L. Wright selected as the general manager- - - - -	31.
3. W. R. Holway named chief engineer for the project- - - - -	33.
D. Work of the State Highway Commission.	
1. Surveying parties sent into area to plan roads to the dam- - -	33.
2. Six possible routes to be considered- - - - -	33.
E. Work of Holderman again.	
1. Leads movement in booster program- - - - -	33.
2. Grand River Irrigation Project, Incorporated - - - - -	34.
F. Immediate problems of the GRDA.	
1. To select a bank as trustee for the GRDA - - - - -	34.
2. To test the validity of the state statute providing for the GRDA- - - - -	34.



G.	Holway's second progress report.	
1.	Field parties had completed surveys around the dam-site- -	37.
2.	Mapping of the reservoir area in process- - - - -	37.
3.	Arrangements made for preliminary drilling - - - - -	37.
H.	Procedure of the Test Suit in Craig County District Court.	
1.	Opening the way for the suit by issuance of the bonds- - -	38.
2.	Action filed by William Sheldon- - - - -	38.
3.	Sheldon's attorney, Smith, attacks GRDA on constitutional grounds- - - - -	39.
4.	Davidson, Rorschach, and Williamson defends the GRDA - - -	39.
5.	Arguments propounded by Sheldon- - - - -	39.
6.	The desire of the GRDA - - - - -	39.
7.	GRDA declared constitutional by Judge N. B. Johnson- - -	40.
8.	C. B. Cochran intervenes in behalf of Sheldon- - - - -	41.
9.	Judge Johnson denies Cochran's intervention- - - - -	42.
10.	W. R. Holway testifies in behalf of GRDA- - - - -	42.
11.	Johnson's final statement- - - - -	43.
12.	Legality of the GRDA announced by the Supreme court, February 1, 1938- - - - -	46.
I.	Secretary Ickes authorizes a \$65,000 advance to GRDA.	
1.	Work was to start Feb. 1, instead of Jan. 1, because of the test suit delay- - - - -	45.
2.	Two spillways and core drilling to be commenced- - - - -	46.
a.	Contract for east spillway went to M.E. Gillioz for \$43,500.	
b.	Sprague and Henwood receives the core drilling contract for \$34,675- - - - -	46.
J.	Additional Contracts.	
1.	Relocation of six miles of K. O. & G. railroad - - - - -	47.
2.	Contract for clearing of timber and shrubbery - - - - -	47.
3.	Contract for the main dam- - - - -	47.
K.	Organization of labor.	
1.	Joe Shaughnessy, president of State Federation of Labor, submits a minimum wage scale for the GRDA- - - - -	47.
2.	E. G. Burk, director of Oklahoma State Employment service, in charge of registration bureau at Vinita, Oklahoma - - -	47.
L.	The land-purchasing problem.	
1.	Wright asks support of land owners in asking "fair prices" -	48.
2.	\$1,250,000 to be used for the purchase of land- - - - -	48.
M.	GRDA and further solutions.	
1.	Tom Harrill Jr. selected as manager of GRDA in Vinita- - -	48.
2.	Contract let for the printing of \$12,500,000 in bonds- - -	48.
3.	GRDA must be operated under a commission licence- - - - -	48.
N.	Trouble between Wright and the GRDA.	
1.	Wright accused of being opposed to Oklahomans for key positions- - - - -	49.
2.	Wright's statements to the Associated Press- - - - -	49.
3.	Solution adopted - - - - -	49.
4.	Telegram of Secretary Ickes to the GRDA- - - - -	50.
5.	Letter from Ickes to Wright- - - - -	50.
O.	Wright's action upon the support of Ickes.	
1.	J. W. Newmen of TVA appointed as land purchasing agent - -	51.
2.	G. E. Hansen appointed as auditor- - - - -	51.



P.	Board approves K. O. & G. railroad to the dam-site.	
1.	Contract given to Leo J. Sanders for \$149,700- - - - -	52.
2.	Sanders is to complete the contract within ninety days -	52.
Q.	Following Contracts.	
1.	Bid on powerline from U. S. highway 66 to dam-site given to the B. & M. construction company- - - - -	52.
2.	Contract for the main dam awarded to the Massman and Company for \$9,322,960- - - - -	54.
3.	Contract five, consisting of four 20,000 horsepower hydraulic turbines, went to the Allis Chambers Company for \$659,650- - - - -	54.
4.	Contract six, the furnishing of five generators, was submitted to the Westinghouse Electric manufacturing Company at \$679,110- - - - -	54.
R.	Land buying policy of the GRDA made public.	
1.	GRDA sought to acquire title to all lands within the Grand River Dam area- - - - -	54.
2.	Full authority was delegated to Wright in management of the land buying department- - - - -	55.
3.	The policy adopted advocated a fair price to land owners-	55.
4.	The first tract of land bought from Joe Atterbury for \$5,060- - - - -	56.
S.	Work on the project in progress.	
1.	Core drilling job completed in August- - - - -	57.
2.	Massman Company commences to stem flow of east side of the river to start work on the main dam- - - - -	58.
T.	Strike on the Massman work.	
1.	Worker's demand for a fully union job- - - - -	58.
2.	Strikers barricade railroad to shut off supplies - - - -	58.
3.	They insist that Oklahomans be given jobs first- - - - -	58.
4.	Strike abated next day by new employees- - - - -	58.
U.	A political issue springs up.	
1.	Senator Thomas states next congress may replace GRDA - -	59.
2.	Thomas concludes that this would be fatal to the project-	59.
V.	Following difficulties of the GRDA.	
1.	Preparation of suit against the Grand Hydro Inc. for the right to the dam-site- - - - -	59.
2.	The discovery of numerous unmarked graves in GRDA area -	59.
W.	Proposal of a second hydro-electric dam at Markam's Ferry.	
1.	The purpose to take advantage of water storage of the Grand River dam- - - - -	61.
2.	Ickes would approve of the dam if operated under the plan of the Bonneville dam- - - - -	61.
3.	In January definite disapproval of dam at Markham's F. -	61.
X.	New Bills to reorganize the GRDA.	
1.	Bill sponsored by Representative G. Kirkpatrick- - - - -	62.
2.	Lincoln Battenfield's bill to create a new board - - - -	62.
3.	Opposition by Pat Murphy- - - - -	62.
4.	The viewpoint of Governor Phillip on the board - - - - -	63.
5.	Icke's reaction- - - - -	63.
6.	Bill passed by the Senate- - - - -	63.
Y.	GRDA dissatisfied with prices on the land - - - - -	63.
1.	Jury trials asked to determine the amount to be paid- -	63.
2.	Court decision on the land of E. C. Thompson- - - - -	64.
3.	Court decision on the land of M. F. Graham- - - - -	64.

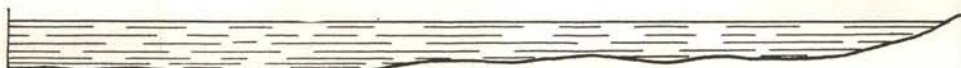
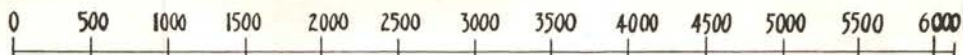
	Page
Z. The school district problem within the GRDA area- - - - -	65.
1. Flooding of portions of their taxable area- - - - -	65.
2. Inability of school district to transport transfer student	65.
ZZ. Shortage of funds.	
1. Only \$184,000 on hand to pay bills totaling \$1,000,000- -	65.
2. Plea of GRDA at Washington for PWA officials to purchase \$2,000,000 worth of bonds- - - - -	65.
3. PWA agrees to purchase the first of the bonds - - - - -	65.
4. Flooding of the Grand River reservoir now seemed possible by January 1, 1940- - - - -	65.
III. Benefits to be derived from the Dam.	
A. Changes made in northeast Oklahoma due to the construction of the dam- - - - -	67.
1. Change made in the value of land- - - - -	67.
2. The building of new homes- - - - -	67.
3. The various northeast towns affected- - - - -	67.
4. The development of the new towns, Disney and Langley- - -	68.
B. Electric power to be available.	
1. The allotment of the Rural Electrification Administra- tion- - - - -	69.
2. The building of 279 miles of electric lines to serve 833 consumer farms- - - - -	69.
C. Other purposes of the Grand River dam.	
1. To act as a restraining dam thus becoming a unit in flood control- - - - -	69.
2. To give spiritual value to human life - - - - -	70.
3. To make for political contentment - - - - -	71.
4. As a measure of national defense- - - - -	72.
5. Possibilities in case of war- - - - -	72.
6. The proposed plan of Mike Silva- - - - -	72.
D. Recreational facilities provided by the dam.	
1. Plans made for a state park- - - - -	72.
2. As a fisherman's paradise- - - - -	73.
3. As a spot for sail boating, motor boating and canoeing- -	73.
E. What the large lake formed by the dam will do for the State.	
1. It will keep thousands of dollars within the state by Oklahomans staying here each year- - - - -	74.
2. It will bring thousands of dollars into the state by out of state tourists each year- - - - -	74.
3. It will be a self-liquidating project- - - - -	74.
4. It will furnish water for the repressuring oil wells- - -	75.
5. Its water may be used to irrigate a million acres of land-	75.
6. It may become a source of water supply for Oklahoma City-	75.
7. It will make for easier living- - - - -	75.
IV. Bibliography- - - - -	76.
V. Appendix- - - - -	78.





# THE GRAND RIVER DAM

AS COMPARED WITH THE WORLDS LARGEST DAMS



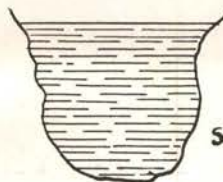
**GRAND RIVER DAM** **GRAND RIVER, OKLAHOMA**  
LENGTH 6100 FEET (LONGEST MULTIPLE-ARCH DAM IN THE WORLD)  
WIDTH AT BASE 200 FEET HEIGHT 147 FEET  
SURFACE LEVEL BACKWATER 60 MI.

**MUSCLE SCHOALS DAM**  
LENGTH 4300 FEET

**TENNESSEE RIVER**  
HEIGHT 142 FEET

**GRAND COULEE DAM**  
LENGTH 4300 FEET  
WIDTH AT BASE 500 FT.

**COLUMBIA RIVER, WASH.**  
HEIGHT (COMPLETE DAM) 550 FEET  
SURFACE LEVEL BACKWATER 15 MI.



**BOULDER DAM**  
**COLORADO RIVER**  
LENGTH 1180 FEET  
HEIGHT 730 FEET  
SURFACE LEVEL BACKWATER 115 MI.



**ROOSEVELT DAM**  
**SALT RIVER, ARIZ.**  
LENGTH 1080 FT.  
HEIGHT 280 FT.

**DNEIPER RIVER DAM**  
LENGTH 2500 FEET

**RUSSIA**  
HEIGHT 200 FEET

HINTON





## History of the Grand River Dam

### Chapter I

Countless dreams have faded in the attempt to visualize a great project in northeast Oklahoma. These dreams are now becoming a reality. Connected with these dreams, hopes, and aspirations were many heartaches and disappointments. The first twenty-five years of the pre-fulfillment era of the Grand River Dam was indeed a stormy one and one that was filled with trials and frustration.

Henry Holderman, a pioneer resident of the vicinity of Vinita, Oklahoma, was the first important individual to figure prominently<sup>1</sup> in the history of the Grand River Dam.

Holderman, when asked concerning the early origin of the dam, stated:

I got the idea for the dam when I was six years old. I used to come down to a sawmill on the river with my father, who hauled the timber down there from around Oswego, Kansas. It took us ten days to make the round trip. It was when I was on one of these trips and down at the saw mill watching the saw, operating by power generated by the river, cut the timber, that I got the idea for the present Grand River Dam. I asked the sawmill operator how much power could be generated by a dam placed further up the river. From that time on I have never dismissed the possibilities of a dam placed on the Grand River from my mind.<sup>2</sup>

Holderman, however, was not interested in the project from the standpoint of the purpose for which it is being built. Irri-

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<sup>1</sup>R. P. Matthews. "The March of Empire," The Grand River Dam, 8.

<sup>2</sup>Henry L. Holderman. Reminiscence.

igation of a large area of Northeast Oklahoma has always been and is now his dream.

Mr. Holderman stated that he had been In Africa working there for the Kimberly interests. While there he built of logs a dam almost as large as the present Grand River dam will be. After having made much money, he came back to Oklahoma forty-one years ago primarily for the purpose of promoting a dam across the Grand River.

Holderman asserted:

I expect that my associates and I have spent \$750,000, and that of my own money I have spent \$135,000. They all say I am a 'nut' and 'crazy' and I guess I am, to spend my entire life, my fortune, and my efforts, and then not to realize anything from them.<sup>3</sup>

His wife begrudgingly declared, "They wouldn't even give him a job, a job that amounted to anything, nor even pay any attention to him."<sup>4</sup>

Going many times to Washinton to interview President Roosevelt and Harold L. Ickes, Federal Administrator of Public Works, Holderman has time and time again tried to convince them of the value the dam would be for irrigation purposes.

Holderman declared:

If the government would but build the dam five feet higher than they are planning to, it would be high enough to carry out the irrigation program that I have planned. Over two million, and fifty thousand acres could be successfully irrigated and made to produce or grow any of the fruit or vegetables now grown in California.<sup>5</sup>

But Mr. Ickes told Holderman that over-production is the very thing that the United States government has been trying to

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<sup>3</sup>Holderman, op. cit. Oct., 1938.

<sup>4</sup>Mrs. H. L. Holderman. Reminiscence.

<sup>5</sup>Holderman, op. cit.

curtail.

Ickes proclaimed:

We have passed acts causing the plowing under of cotton, acts to prevent enormous wheat production, and acts to do away with the surplusage of meat. In all, one hundred and eight laws have been passed to help fight the depression and bring about prosperity.

Holderman in turn argued:

If you would pass only one law, a law to plug up the holes that permit people to hoard their money, a law that would place a twenty-five percent tax on all idle money, the depression would soon be over. There would then be enough money in circulation to put the idle to work and if those idle had money they would soon buy all the United States could produce in the way of food. There are more people in the United States, and less production, than we had before the time of the depression, which is proof enough that we need all that can be produced.

Irrigation of the land of Northeast Oklahoma would permit the people in this area to produce sufficient amount as to enable them to pay for the electricity that the dam will generate. Irrigation is what the people need first, for if they are not able to produce they will not be able to buy. At present the people are too poor to afford lights in their home. They can't even buy the necessities of life let alone the luxuries, and electricity is a luxury.<sup>7</sup>

Immediately after his trip to Africa, he built a boat and put it on the Grand River, and with a crew of men surveyed every possible place for a dam primarily for his own satisfaction. It was as early as 1899 that he decided that the present site would be the proper place to build a huge dam.

He backed this belief with his private fortune, as has been stated. Today the fortune is gone and the project is being carried.

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<sup>6</sup>Holderman, op. cit.

<sup>7</sup>Ibid.



on with new faces in the picture and a different generation at the helm than the first who gazed with speculative eyes upon the possibilities of the Grand River.<sup>8</sup>

With the passing of the idea from Holderman others took it up. Some derided it as visionary, and Representative Wesley E. Disney came back with the retort before Congress that all great feats of history were regarded with the same attitude.<sup>9</sup> Of course in other quarters it was hailed as a practical project; but nevertheless many bitter words were flung; friendships were broken; political ambitions were smashed; and others were built.

After Holderman, David Lloyd George, England's famed premier, who once approved the dam and agreed to underwrite it, came to the fore.<sup>10</sup> But the World War intruded and smashed his action.

In 1920 a new company was formed to push the project and keep it alive. Officials were Holderman, T. L. Rippey, Royal D. Salisbury, C. H. Fenstermacher, W. C. Collins, A. C. Peace and F. F. Farbro. Salisbury, an engineer of renown living at Denver, Colorado, almost went down in history as successfully completing the dam. Chicago financiers were interested but eventually decided against acting when it was learned that they planned on issuing \$40,000,000 in bonds to cover the estimated \$20,000,000 needed for the completed structure.

The next figure to enter the picture was J. F. Robinson, Miami financier.<sup>11</sup>

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<sup>8</sup>Matthews, loc. cit., 8.

<sup>9</sup>Congressional Record, 74 Cong., 2 sess., 8904.

<sup>10</sup>Matthews, loc. cit., 8.

<sup>11</sup>Ibid.

Mr. Burkhalter, an undertaker at Vinita, Oklahoma, and a close friend of Senator Jack Rorshach, knew much information concerning Robinson's interest in the dam. Burkhalter stated:

Jim Robinson of Miami planned to build the dam to help the lead and zinc industry of the Tri-state area in Northeastern Oklahoma. He owned much of this land and planned to build about a \$14,000,000 smelter and a \$20,000,000 dam. He spoke to Ben Lyons of Michigan about helping finance the project. Lyons knew a man by the name of Black of the St. Louis Cardinals who was supposed to be an engineer. Black said he was not much of a practical engineer, but he did invest money in engineering projects. He knew of a fellow named Hunt who was an expert engineer and who could be of great help to them.

Robinson and his associates immediately set to work surveying the river and dam-site, and spent about \$75,000 in doing so. Robinson was quite set on building the dam and emphatically stated that he was going to see the project to a finish. But his health began to fail and his doctor advised him to see his lawyer and the undertaker. Realizing his failing health he made contact with others to take over the work he had started. He was asked what he was going to do with the electricity after he produced it. As to this question Robinson could only answer that it was for the purpose of industry.

The possibilities then for the use of electricity were not so great as they are at present. After turning this question over in his mind, Robinson finally decided to go down to the Central Light and Power Company whose main division is located at Sand Springs, Oklahoma and offer to sell the plans and charts for the Grand River Dam to this Company for four and a half million dollars.<sup>12</sup>

Robinson died and the negotiations were not completed, and  
<sup>13</sup>  
 thus the dream was unfulfilled. The work of Robinson thus culminated at his death which occurred about 1928. Also about this time Wall Street went broke, and therefore there were not any big

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<sup>12</sup>Mr. Burkhalter. Reminiscence.

<sup>13</sup>Matthew, loc. cit., 8.

financiers ready to back the project. The depression struck and the dam was forgotten.

Here again the importance of Holderman came up. Even though he had been accused by some, of using the promotion of the dam as a racket to fill his own pockets, he did, according to Burkhalter, "keep the project before the public constantly, bringing it up to the people time and time again, and explaining its usefulness to

the country."<sup>14</sup> Frank Baily and Jack Rorschach played an important part in the project at this point. Burkhalter stated:

Holderman kept the idea before the people, so Rorschach and Baily said why not get behind the project and boost it over. They also knew that the government had this big pile of money to turn loose somewhere so they endeavored to get it directed to finance the dam. They knew too, that the feasibility of the dam from an economic, commercial and social standpoint had been proved by the work of Robinson and his associates.<sup>15</sup>

The great ball was now once again started toward building the Grand River Dam.

Consideration of the dam by the federal government was started by E. B. Howard, former congressman of the first district of Oklahoma. His successor, Congressman W. E. Disney, gave his undivided attention and time to the work of getting the approval of the President for the huge project.<sup>16</sup>

Arguments presented by Congressman Disney before the House for the Grand River Dam in Northeast Oklahoma were advanced in this manner:

Mr. Speaker, through the last two sessions of Congress

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<sup>14</sup>Burkhalter. Reminiscence.

<sup>15</sup>Ibid.

<sup>16</sup>Matthews, loc. cit., 9.



the question of the development of hydro-electric projects by the Federal Government has been constantly before this body. Many of the opponents of the present administration group the power question with the other emergency measures fostered by the New Deal. In reality the Federal Government's interest in power long antedated the depression, and, in my opinion, power will be a paramount question before this body long after the passing of the present emergency.<sup>17</sup>

Mr. Disney further substantiated his arguments by stating that the federal government had the Muscle Shoals Dam on its hands with two courses of action from which to choose. Muscle Shoals could either be turned over to private interests to be exploited at the expense of an abused public or the government could operate it. Since the government acted wisely and justly, the decisive factor was that the entire Tennessee Valley Authority had its beginning. This decision blazed the trail for the Grand River Dam.

Much has been done since that beginning to point the future course of action. The federal government and the state government have made engineering, economic, and financial studies to determine what electric energy now costs the consumer; to what extent people in all areas have access to electric energy; and at what price electric energy is available to the farmers and dwellers in cities and towns.

Under the authority of Congress the Federal Power Commission had various agencies of the government acquire data on the undeveloped hydro-electric power sites in the nation. Under the

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<sup>17</sup>Congressional Record, 74 Cong., 2 sess., 8898.

direction of the National Resources Board nationally known engineers presented plans for a long-range development of power resources and have set out in detail the method by which may be developed a grid system hooking up the power systems of the country in a manner comparable to that now in effect in England.

Representative Disney stated that a survey continuing over several years made by the New York State Power Authority tells how much electric energy costs the people of New York State, both in the cities and in the country, and what it should cost them.<sup>18</sup> Also, back of the Tennessee Valley Authority there is already sufficient history for it to serve as a guide in comparing the activities of private interests with those of the government.

All the pertinent data relative to the financial structures of all the power companies in the United States has been acquired by the Federal Power Commission.

A number of outstanding facts have been developed by a study of the numerous reports.

First. The electric industry is owned by a few great power systems. These systems usually monopolize great areas, consequently there is little or no competition. These power companies are often referred to as the Power Trust. Most of them are controlled in Wall Street.

Second. These power companies have already obtained control of nearly all of the valuable hydro-electric power sites in the United States.

Third. Almost all of these power companies have inflated their assets, issued stock on the inflated values, and have sold this stock to an unsuspecting public or have issued it to insiders for promotion purposes or at reduced prices.

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<sup>18</sup>Op. cit., 8899.

Fourth. On the average the power companies are charging the public at least twice what the charges should be. This is done in order to maintain a dividends on their greatly watered stock issues.

Fifth. In the United States less than 10 percent of the farms are served with electricity. In Holland practically 100 percent are served with electricity, and in Germany 90 percent. The percentage of farms electrified in the United States is the lowest in any first-class nation in the world.

Sixth. The power companies have made little effort to develop rural electrification. This is probably due to the fact that in order to make rural electricity successful it would be necessary to revise their entire rate structure, since it is impossible for farmers to pay prices comparable to city rates.

Seventh. It has been demonstrated in the power industry that consumption of electricity increases almost in direct ratio as the price decreases.<sup>19</sup>

The nation should not continue its surrender to the power trust in the light of the facts given. Millions of dollars worth of watered stock has been sold to the public; thus one can see the corporate policies of these great companies have been corrupt, and that the consumer is made to carry the burden in the form of unreasonable charges for electricity. Both their economic and moral policies are bad.

The power industry has been negligent of its duties in comparison with the telephone company which has never failed to supply service to any area or any community in the United States except in the most extremely isolated areas.

The power industry has failed in its duty to the American

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<sup>19</sup>op. cit., 8899. In many places in the United States this rule has been demonstrated. A similar illustration is in the railroad business. When, under orders of the Interstate Commerce Commission, the Baltimore & Ohio Railroad reduced its passenger rates from 3.6 cents per mile to 2 cents, immediately the number of passengers increased almost twice as much. Ibid.



public. Mr. Disney feels that the electric companies should go along with modern trends since we face a program of farm electrification and need a policy of reasonable and just rates for electricity.

The fact that there are companies that cannot, because of unsound financial structure; or will not because they fail to recognize their public duty, join in a program of electrical advancement should not stand in the way of intelligent sound progress in that line. Farms should not go without electricity and the public be charged exorbitant rates because the present management of these companies is unprogressive.

Coming to the issue of the whole affair, it is seen that the government has let the valuable hydro-electric power sites fall into the hands of the Power Trusts.

Mr. Disney made the determined statement that he would do all in his power to keep the remaining valuable hydro-electric power sites that are not controlled by the Power Trust from falling into its hands. He stated:

They belong to the people; they must be kept for the people; and they must be developed for the people.... Within the confines of my district lies a valuable hydro-electric power site yet undeveloped. There are only three such undeveloped power sites lying within a vast area extending from the Mississippi River to the Rocky Mountains and from the Rio Grande to the Canadian border. This project is located on the Grand River in northeastern Oklahoma and is known as the Grand River power project.<sup>20</sup>

The project is sound from an engineering standpoint as it

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<sup>20</sup>Congressional Record, 74 Cong., 2 sess., 8899.

bears the approval of United States Army engineers, and also the approval of a number of nationally known engineering firms. The dam site is ideal and will be located near Pensacola. This Dam will create a vast reservoir, valuable for flood control as well as for power. The first unit is proposed to be a 60,000 kilowatt installation. A cost of \$13,300,000 or an average of \$166.00 per horsepower has been the estimate of the army engineers. They have also estimated that the power generated would cost around four mills per kilowatt-hour.

The area which has been designated by the Federal Power Commission as District Number 33 is almost identical with the area which would be served by the Grand River project. Only forty-five percent of the people in this district are now served with electricity, and much of this capacity of the large companies is obsolete, and since many of the plants are steam operated and old in design, deterioration will increase rapidly. Thus one can see the need for the hydro-electric power the Grand River Dam will furnish. An additional capacity of 33,165 kilowatts has been estimated to be needed to supply the increased demand; 11,957 kilowatts of this will be needed for displacing the municipal generating systems. By 1943 there should be a capacity of 105,133 kilowatts because of the increase due to the lowering of rates plus the increase required for municipal systems providing the outcome of the project. There will be also an increased demand brought about by extensive rural electrification and also by an

increase in demand brought about because of the location of new industries in the areas to be served by this project.

Only five percent of the farms in the area of the Grand River Dam are electrified at present. Sixteen to eighteen cents are charged per kilowatt-hour for this electricity. These prices are unreasonable as forty kilowatt-hours purchased from the Tennessee Valley Authority cost only \$1.20. In Oklahoma forty kilowatt-hours costs from \$6.40 to \$7.20.

Disney brings out the fact that we must make our farmers happy and contented if we are to have prosperous farmers. Thus one sees the need of electricity and modern facilities on the farm to make farm life appealing to the younger generation.

It is unreasonable to expect educated young people to attach themselves to the land in rural communities unless the ordinary comforts of civilization are made available to them. As the older generation passes on it should be the desire of the Nation that our farms be taken over by young people properly trained in the usage and preservation of our soil since two-thirds of our farm lands have been seriously damaged by improper farming.

Therefore farms must be made as attractive as possible, and the power of rural electrification will help immensely. Not only will electric lights be available with the development of rural electrification, but it will be possible to have electric washers, electric refrigerators, radios, and countless other articles wherever electricity might be used. Also by eliminating the atmosphere of drudgery and oppression, a more satisfactory democracy will



result, which will exclude the fear of communism, fascism or nazism.

Because of the uncertainty of the Grand River development, an economic report has given consideration to the development of new industries in this area. The Grand River project would serve an area richest in natural resources in the world. This is clearly seen as shown by Mr. Disney:

The State of Oklahoma is second in mineral wealth due to its vast oil deposits. It is second in cotton production, occasionally yielding this honor to Georgia. It is first in the production of zinc. It is seventh in the production of agricultural products and fourteenth in the amount of Federal income tax paid. Yet the State of Oklahoma was the fourth highest in the United States in the percentage of its population on the Federal relief rolls. The State has always been without the manufacturing industries which its natural resources warrant due to the absence of three of the essentials for industrial development--cheap transportation, cheap money, and cheap power. It has the resources, the labor, the climate, and the water. Producing practically the same amount of cotton that Georgia produces..... Much of Oklahoma's oil is shipped out of the State for refining, most of its zinc is shipped out of the State for treatment, much of its wheat is shipped out of the State for milling, and its cattle are shipped to Kansas City and Chicago for slaughter. The hides are tanned in the East and the shoes are made there.

The money earned by our great store of resources does not find its way into the hands of Oklahoma workers. It finds its way into the hands of the workers of the manufacturing east. This condition can never be remedied until we industrialize our State, and this can never be done until we have cheap power. Cheap power, and cheap power alone, converted the Carolinas and Georgia from a poverty-stricken condition to a prosperous condition. The same thing can and must be done in Oklahoma and the adjoining States. Industry does not lead cheap power--it follows it.<sup>21</sup>

Much above the average for the entire United States are the

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<sup>21</sup>Congressional Record, 74 Cong., 2 sess., 8899.

rates in effect in District Number 33. The average consumption of electricity for 1922 was 298 kilowatt hours per customer in the territory of the Tennessee Electric Power Company. In this same area in 1934 the average kilowatt consumption was 774 kilowatts per hour, but the rate had been reduced to 4.13 cents per hour in comparison to 9.07 in 1922. To the domestic consumer this illustrates the effect of cheaper rates. Also because of the contract between the people of Tupelo, Mississippi, and the Tennessee Valley Authority the domestic consumption doubled within a year.

The facts brought out by the following comparison cannot be ignored. In Tupelo, Mississippi, which is served by the Tennessee Valley Authority, 100 kilowatt-hours per customer costs \$2.50. In Tulsa 100 kilowatt-hours per domestic customer costs \$4.75 as brought out by the Federal Power Commission reports of January 1, 1935. In Oklahoma City the cost is \$4.60 per 100 kilowatt-hours; Muskogee, \$4.91; Bartlesville, \$4.25; Pawhuska, \$7.50; and Miami, \$6.02.<sup>21</sup>

In Oklahoma only twenty-seven percent of the homes have electric refrigeration, according to the Federal Power Commission reports. Sixty-eight percent have electric refrigeration in Lubbock, Texas, with the same rate, forty-seven percent of the homes have electrical refrigeration.

Congressman Disney concluded his speech with determined state-

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<sup>21</sup>op. cit., 8901.

ments:

There is no reason why the people of Oklahoma and the adjoining States should not receive the same benefits and advantages as the people who live in Mississippi, Alabama, Tennessee, and those other areas where hydro-electric developments have made cheap rates possible. If these valuable power sites fall into the hands of the Power Trust, the old system will continue. We, the people, now own these power sites and the Government must continue its control of them. It must establish rates as low as the costs of production will permit and if those companies with inflated assets suffer, the blame lies with them and them alone. Government projects will force such companies to lower their rates to a just point and eventually write from their books those false values created for exploitation purposes and which never should have been created.

The Grand River project is one of the best in America from both engineering and economic standpoints and its construction logically follows the Tennessee Valley Authority development. It is the next unit westward in the great grid system so urgently recommended by the National Resources Committee.

Under authority of H. R. 8455, the War Department is authorized to continue surveys and make studies on the feasibility of this project. As the people's representative from Oklahoma in the Halls of Congress, I will not rest until there is legislation authorizing the construction of this project.<sup>22</sup>

The following is a summarized statement of Mr. Disney's activities in behalf of the Grand River project. He has passed the project twice through the House of Representatives. In 1933 he spent four months in Washington after the session of congress was over and got the Arkansas Basin Committee appointed. He introduced several bills for a Grand River authority similar

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<sup>22</sup>op. cit., 8902.



to the Tennessee Valley Authority. He interviewed the president several times, and Secretary Ickes many times. He got the president to order an economic survey of the Grand River project. He prepared the Grand River authority bill, sent it to the legislature for introduction, and got Governor Marland to intercede with the President on behalf of the project. He interviewed Senator Norris, Dr. Morris I Cook of R. E. A., the Army Engineers, and spent two additional months in Washington in 1935 doing everything possible in its behalf. No man could have devoted more time and energy to this project than Mr. Disney did.

To continue with his argument Mr. Disney brings out the vigorous comment that,

Scuffers and malicious tongues have always been at work when big matters were involved. Nehemiah of old refused to "come down from the wall." DeWitt Clinton's Erie Canal had the same type of "bladder blasts" aimed at it and at him.

I assure you, fellow citizens, that it is not an easy matter to get \$16,000,000 for a project. Passamaquoddy in Maine, the Florida ship canal, and many others failed. It takes time, patience, and energy to get these big things done.

The answer of the President to my importunities for an allotment for this project was that he had been criticized for ordering the Grand Coulee, Passamaquoddy, and the Florida ship canal without congressional authorization, and he felt that he was taking too great a responsibility without Congress' approval. Secretary Ickes took the same attitude.

It is my judgment that this project will finally be built, and that the foundation has been laid by

the work I have done. It cannot be built in a day, and malice and misinformation will not help--those two errors never assisted anywhere, any place, any time.<sup>23</sup>

The mere authorization process of the Grand River Dam was an immense job. There had to be an act passed by Congress declaring a policy of national flood control and investigations provided so as to include watersheds and soil erosion. Contracts between the States respecting flood control had to be provided for. Additional provisions are made for control investigations, in order that the studies may embrace run-offs and water retardation, and soil erosion, under the supervision of the Department of Agriculture. A uniform policy for local contribution had to be announced.<sup>24</sup>

When Mr. Disney was simply trying to authorize the bill for the project he was accused of laying down the complete policy.

He stated, "Mr Speaker, this bill is simply an authorization bill--not an appropriation resolution. It authorizes this project."<sup>25</sup>

The army engineers had simply looked at the project at the time. The money was yet to be appropriated. The work yet to be done.<sup>26</sup>

Many arguments were brought forth before the Grand River Authority Bill was passed. The argument was that the construction of new reservoirs in this area would not only prevent trouble from dust but also from flood. This argument was strengthened

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<sup>23</sup>op. cit., 8904.

<sup>24</sup>Ibid., 8857.

<sup>25</sup>Ibid., 8860.

<sup>26</sup>Ibid., 8861.

by the existence of levees on the lower Mississippi river. The dam would also contribute something to controlling the flood waters on the lower Mississippi river.<sup>27</sup> As to any opposition from local interests, they ought to furnish any right-of-way for the purpose of the dam because there is a direct local benefit. The Grand River project is in agreement with the President's program for rural electrification since it has enormous hydro-electric potentiality.<sup>28</sup>

Mr. Disney used every available argument to support his stand for the project.<sup>29</sup>

Captain Clay of the army engineers wanted Mr. Disney to file with them an application for the dam. But Disney could not see any value to be derived from this. They had no money with which to build this project; and since Secretary Ickes was the one who had the money, it would have been a futile gesture to file an application with the army engineers. The money was in the hands of the PWA, not the Army.

Congressman Disney then wrote a letter to General Markham, Captain Clay's superior. This is General Markham's reply:

War Department,  
Office of the Chief of Engineers,  
Washington, June 18, 1936

Hon. Wesley E. Disney,  
House of Representative, Washington, D. C.  
My Dear Mr. Disney: I have your letter of June 15, 1936, enclosing a copy of a newspaper clipping repro-

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<sup>27</sup>Congressional Record, 74 Cong., 2 sess., 8859.

<sup>28</sup>Ibid., 8861-62.

<sup>29</sup>The Congressional Record, showed that on the 22d day of August, 1935, the flood-control bill (H.R. 8455) contained the Grand River project; and it was placed there as a result of his efforts.



ducing a letter from my office to Mr. R. L. Lunsford, president, First National Bank, Cleveland, Okla., advising him with respect to the status of proposed construction on a dam on the Grand River, Okla., for the development of hydro-electric power.

Mr. Lunsford, in a telegram to the President, referred to this Department for consideration, urged speedy and favorable action on the Grand River Dam proposal, pointing out its value for the development of hydro-electric power and for flood-control purposes.

His telegram was one of a number received in this Department shortly after the Works Progress Administration program had been placed under way, which were understood to urge a direct Federal grant for the Grand River project. During the period in which this project was receiving the active consideration of this Department, representatives of the area, accompanied on several occasions by you, were in frequent contact with my office in connection with the submission of an application for an allocation of funds from the emergency relief appropriation applications for a 100 percent grant from the Federal Government, if submitted to the National Emergency Council, would be referred to this office for report, but that such report would have to be unfavorable to the inclusion of the work in the relief program in view of the man-year cost limitations which had been established for that program. They were also advised that the work would appear to more nearly come under the provisions of the loan-and-grant clause of the Emergency Relief Appropriation Act, and in such event an application for the loan and grant should be submitted to the Federal Emergency Administration of Public Works. This office is advised by the Administration of Public Works that an application for the construction of this project under the loan-and-grant provisions of the emergency relief appropriation was received on August 26, 1935.

I am, of course, familiar with your continued interest in the Grand River project and your efforts, not only to secure an allocation of funds from the several emergency appropriations but also to secure its inclusion in the general flood-control legislation recently adopted by Congress. The Grand River project was included in the general bill as originally passed by the House of Representa-

tives. When this bill was receiving consideration by the Committee on Commerce of the United States Senate, I was called on to testify with respect to the several projects maintained therein. In my testimony I pointed out that the primary purpose of this project was the development of hydro-electric power and that flood control was an incidental feature, according to the records available to my office. I understand that the Commerce Committee, in reporting the bill to the Senate, adhered to a fixed policy of including therein only projects primarily designed for flood-purposes. The committee recognized the importance of the Grand River project as a proposed hydro-electric development by authorizing a further study to determine the possibility of developing a market for such power as could be produced.

I trust that his letter fully explains the status of the Grand River project before this Department and shall be pleased to furnish any additional information desired.

Very truly yours,  
 E. M. Markham. 30  
Major General, Chief of Engineers.

This letter cleared up Mr. Disney's mind as to how he stood with the United States engineers and pleased him in that the letter is a complete rebuttal of the misstatements in an attack made upon him. His activity in behalf of the Grand River Dam and his vote for the administration's utility holding company bill aroused the violent opposition of the utilities. Mr. Disney stated that back of this article would be found utility influence, utility money, or utility approval. "They know they have not a Chinaman's chance of defeating me in the primary, but their design obviously is to do everything possible in the primary so as to attempt my defeat."<sup>31</sup>

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<sup>30</sup>Congressional Record, 74 Cong. 2 sess., 8905.

<sup>31</sup>Ibid., 8904.

By this it can be seen how Congressman Wesley E. Disney carried the brunt of the Grand River fight. But right along with him and even previously, as has been stated, other organizations had come and gone. For instance the Grand Hydro Company and Holderman's newest company, the Oklahoma Hydro Electric Corporation, played an enormous part in keeping the public mindful of the Grand River dam project.<sup>32</sup> Also scores of individuals were constantly ready and trying to promote the dam. Prominent citizens of Miami, Vinita, Ketchum, and Pryor, just to mention a few of the towns vitally interested in the project are to be credited with aiding in the promotion of the huge undertaking. Any one of these public-minded citizens could add countless pages in the narrating of the early trials in seeing this project go through.<sup>33</sup>

To the late J. Howard Langley of Pryor, first chairman of the Grand River Dam Authority, must go much of the credit for the final approval of the project by the federal government. Appointed as one of the first members of the board, Mr. Langley served as chairman until his death only a few months after the President gave his final approval. His efforts put forth at a time when the possibilities of obtaining the dam were at the lowest ebb probably did more toward making it a reality than any one other thing.

From the following extract from a radio address in 1935 can be seen the foresight of the great pioneer Pryor lawyer:

When the Grand River Dam is completed and is pouring

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<sup>32</sup>Holderman. Reminiscence.

<sup>33</sup>Burkhalter, Reminiscence.



its floods of light and power across the dales and dells of the 125,000 miles surrounding it, our cotton can be delivered from field to factory by wagon, truck, wheelbarrow, or by hand to the retailer's shelf; and my cotton socks need no longer take that 2000 mile trek to Providence, R. I., Lawrence, Mass., or elsewhere, in order to get themselves processed.

And just so too with our many other raw materials: oil, lead, zinc, bauxite, timber, cowhides, and the like. We need not ship them all over Christendom to get them processed and returned to us with some more freight charges.

And incidentally while the processing is being done at home we can sell our surplus butter and eggs, turnips and tomatoes, and the Lord only knows what else to the processors. And the latter will enjoy fresh eats, lots of sunshine and out-of-doors recreation, on streams and lakes and close to nature, that they have never known before. And they will be better satisfied then they are now, and love their country better than they do now. Is the undertaking worth the effort? Emphatically, YES! <sup>34</sup>

When in 1935 the Oklahoma State Legislature passed an Act creating the Grand River Dam Authority all the early efforts, attempts, and struggles were superseded in the picture. <sup>35</sup>

The Grand River Dam Authority as proclaimed by Senate Bill No. 395:

An act creating a Conservation and Reclamation District to be known as Grand River Dam Authority in accordance with and by the authority set forth in Section 31, of Article 2, of the Constitution of the State of Oklahoma, and to be a governmental agency, body politic and corporate without power to mortgage of incumber any of its property or to alienate any of its property necessary to its business or to levy taxes or assessments, or to pledge the credit of the State; fixing the boundaries thereof: conferring thereon certain powers, rights, privileges, and functions, including the power to control, store, preserve, use,

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<sup>34</sup>Olin Perkins, "J. Howard Langley and the Grand River Dam." The Grand River Dam, 14.

<sup>35</sup>Matthews, loc. cit., 9.

distribute and sell the water of the Grand River and its tributaries, to develop, generate, distribute, and sell water power and electric energy, to acquire property by condemnation or otherwise create and issue its negotiable bonds for cash, property, or refunding purposes on stated terms and conditions, and in connection therewith to pledge all or any part of its revenues; vesting the powers of the District in a Board of Directors and prescribing the manner of their appointment and their duties; providing for the appointment of officers and their qualifications, agents, and employees; providing for the fiscal management of the district; preserving existing water rights to the extent provided; prescribing all necessary details; providing that if any provision of this Act shall be held to be invalid, the validity of the other provisions thereof shall not be affected.<sup>36</sup>

Mr. Gore's presentation of the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on Commerce shows the efforts of the Senate and the House of Representatives toward securing the authorization of the project:

Senate Concurrent Resolution 2 (By Rorschach, Commons, Bushyhead, Curnutt, Johnson, Brodus, of the Senate; and Bailey, Johnson, Martin, Reed, of the House of Representatives)

A resolution memorializing His Excellency Franklin D. Roosevelt, President of the United States of America, on the matter of the development and construction of a certain dam more generally known as the "Pensacola Dam" on Grand River, located between the towns of Pensacola and Ketchum, in northeastern Oklahoma.

Whereas the Congress of the United States recognizes the economic necessity for the comprehensive control of the Mississippi River and all of its tributaries as a means of prevention of destructive floods and of development of the Mississippi River system, and passed a law known as the "Flood Control Act of the Public Works Administration and the engineers of the

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<sup>36</sup>Sessions Laws of 1935, (C. W. Eaton, ed., Harlow Publishing Co., Oklahoma City) 350.

The Grand River Dam Authority is given in toto in the Appendix and is taken from Session Laws, ibid. This may also be found in the Oklahoma Statutes.

War Department of the United States of America have recently had occasion to make an extensive survey and investigation of certain project located on Grand River in northeastern Oklahoma,... and as a result of such survey and investigation have classified such project as a No. A project, requiring an expenditure of approximately \$14,000,000; and

Whereas said project has not only been classified as feasible and a practical project, but as a project necessary for the proper flood control and one necessary and proper to prevent soil erosion and waste; and

Whereas at the time the present agency of soil erosion alone is costing the landowners in the Grand River Valley Basin millions of dollars a year; and

Whereas the building of this project would aid materially in the present national recovery program; and

Whereas it has been determined by competent authority that said dam, when built, can be used in the manufacture of cheap electric energy for power and lighting purposes and would also aid the national-administration program materially to reduce the present cost of electrical energy for power and light; Now, therefore, be it

Resolved by the Senate of the State of Oklahoma  
(the House of Representatives concurring therein):

Section 1. The President of the United States of America be, and hereby is, requested and urged to use his good influence to bring about the approval of said project by the Public Works Administration and the appropriation of the necessary funds to complete the construction of said project at the earliest possible moment; be it further

Resolved, That a copy of this resolution be forwarded to His Excellency Franklin D. Roosevelt, President of the United States of America, and Hon. Harold L. Ickes, Secretary of the Interior of the United States of America; be it further

Resolved, That copy of this resolution be transmitted to the United States Senators and Congressmen representing the State of Oklahoma.

Passed by the senate this the 10th day of January, 1935.



Passed by the House of Representatives this the  
10th day of January, 1935.

Jack L. Rorschach,  
Acting President of the Senate.

Leon C. Phillips, 37  
Speaker of the House of Representatives.

Ray McNaughton, Miami; Owen L. Butler, Grove; George Schaeffer, Vinita; Olin Perkins, Henryetta; M. Duncan, Muskogee; Guy Crouse, Wagoner; Earl Ward, Pryor, and E. L. Lighter, Claremore; were the board members appointed to administer the Act of the  
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Grand River Dam Authority.

After the Grand River Dam Authority was established it still had many obstacles to hurdle. The Fifteenth Legislature creating the Grand River Dam Authority had an amendment in the act that did the promotion of the Grand River Dam little good. This amendment was the Kirkpatrick Amendment, taking its name from a member of the House who offered it. This act provided that "nothing in this Act shall be construed as authorizing the district, and it shall not be authorized, to build distributing lines or to engage in the retail marketing of the hydro-electric power developed." <sup>39</sup> However this amendment was struck from the act. Even though it did remove the threat of competition for supplying service to cities and towns within the district, it caused the federal government to withhold the expected assistance and consequently no progress on the project was made. As has been

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<sup>37</sup>Congressional Record, 74 Cong., 1 sess., 1206-10.

<sup>38</sup>J. P. Thompson, Tahlequah was appointed as the successor of Lightner who resigned from the board. Matthews, loc. cit., 9.

<sup>39</sup>Harlow's Weekly, (Oklahoma City) LVII, 3. Dec. 12, 1936.



# BOARD OF DIRECTORS of the GRAND RIVER DAM AUTHORITY



**RAY McNAUGHTON**  
Chairman  
MIAMI



**GEO. W. SCHAEFER**  
Vice-Chairman  
VINITA



**OWEN L. BUTLER**  
Secretary-Treasurer  
GROVE



**M. DUNCAN**  
MUSKOGEE



**R. P. COLLEY**  
TULSA



**J. P. THOMPSON**  
TAHLEQUAH



**EARL WARD**  
PRYOR



**GUY CROUSE**  
WAGONER



**OLIN PERKINS**  
HENRYETTA





stated, the district includes the counties of Adair, Cherokee, Craig, Delaware, Mayes, Muskogee, Nowata, Ottawa, Rogers, Tulsa, Wagoner, Sequoyah, Osage, Washington, McIntosh, Creek, and Okmulgee. Most of the activity for the removal of the amendment was brought forth by the counties of Adair, Delaware, Mayes, Craig, and Wagoner where construction of the dam would be expected to produce immediate benefits. The light and power interests were naturally charged with obstructing the plan to do away with the amendment as well as all elements which are not sympathetic with attempts to expand public operation in competition with industry that is privately owned.<sup>40</sup>

Following the striking out of the Kirkpatrick Amendment it was found with the Oklahoma delegation at Washington that Congressman Wesley Disney proposed to introduce a bill calling for appropriations of \$16,000,000 for a hydro-electric dam at the Pensacola site on Grand River in northeast Oklahoma. At this same time preliminary surveys by army engineers were being made under an allocation of \$30,000 made by the President.<sup>41</sup> The surveys had a vital bearing for the future of the project and especially on the Disney appropriation bill which was held up until the survey was completed and the feasibility of the dam accepted by the authorities.<sup>42</sup>

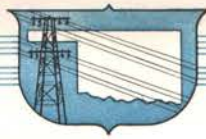
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<sup>40</sup>Harlow's Weekly, (Dec. 12, 1936) LVII, 3.

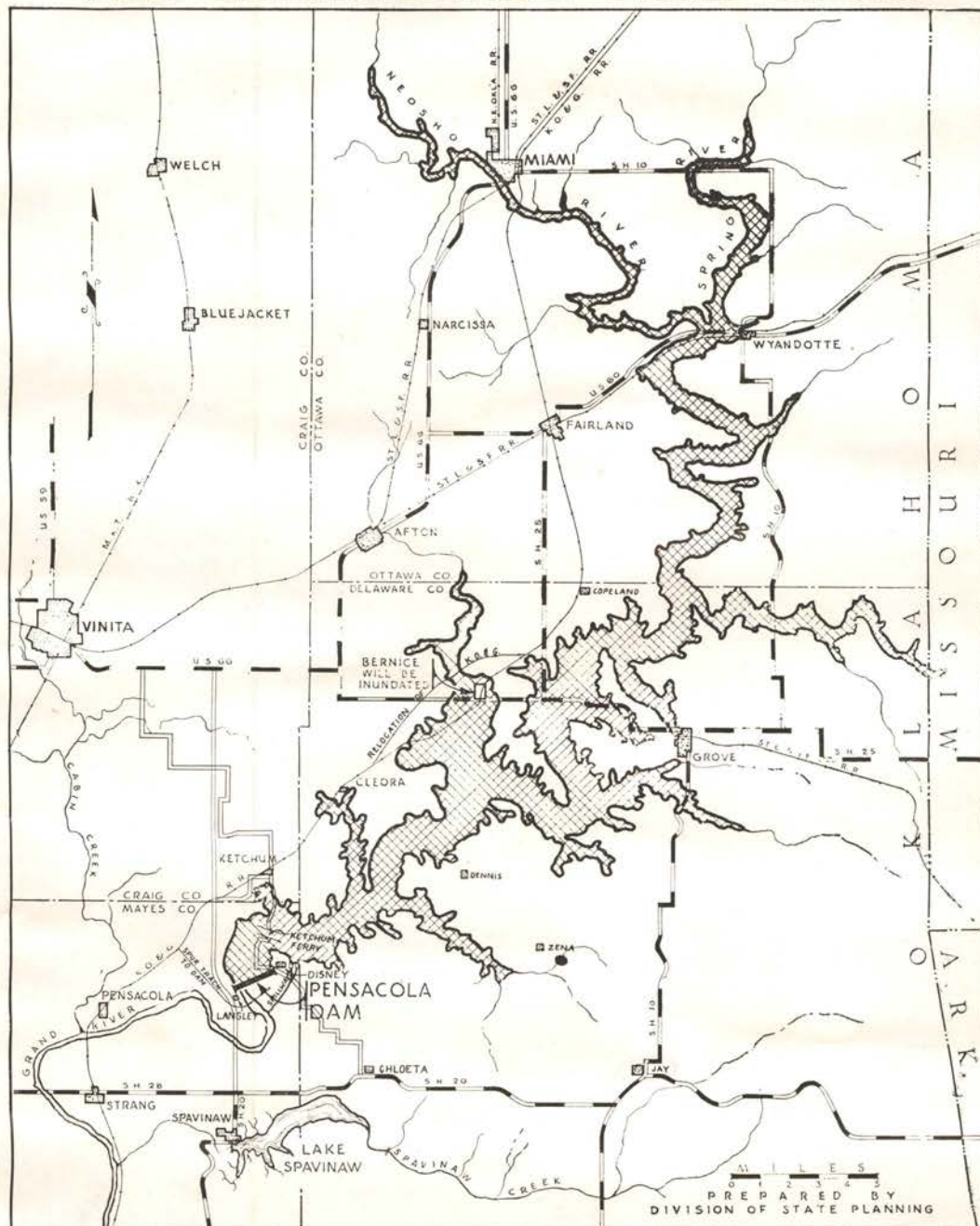
<sup>41</sup>Under this \$30,000 allocation the survey was to be confined to establishing the proposed shoreline in order to establish how much water a dam could provide. The engineering crew consisted of twenty men.

<sup>42</sup>Harlow's Weekly, (Jan. 16, 1938) 6.





# THE GRAND RIVER LAKE AREA



The huge lake to be formed by the dam will lie principally in Delaware county, with the dam and part of the lake in Mayes county. Craig and Ottawa counties will contribute the balance of the land. The town of Bernice, in Delaware county, will be covered by water. About seven miles of the K. O. & G. railroad

will have to be re-routed, and about five miles of the Frisco tracks will have to be raised. A new highway from Vinita to the dam site has already been surveyed. State Highway No. 20 through Bernice to Grove will be abandoned. New roads from Ketchum, Jay, Grove and other towns are being built to dam site.



HISTORY OF THE GRAND RIVER DAM



The fight for the dam was encumbered by the ravages of the Ohio and Mississippi Rivers in the winter of 1937. Since the funds of the federal government that were to be spent on flood control must then go for relief and flood control, other flood control and water conservation projects had to be shoved aside for the present. In spite of these floods the then largest proposed Oklahoma project of a \$17,000,000 hydro-electric and flood control dam at Pensacola was given a favorable report by the national resources committee. Also the army engineers were at work on survey data compiled by field forces. At this time Congressman W. Disney turned to this National Resources Committee that must pass upon the project before it received presidential approval what he considers an additional argument in favor of the proposed expenditure. It is the fact that \$7,500,000 will be expended by the operators of stripper wells in the Chelsea-Nowata-Delaware oil fields for water over a period of thirty-two years. Since the local water supply is not sufficient, the dam would solve this problem.<sup>43</sup>

A public forum opened by army engineers headed by Colonel Earnest Reynold which began anew the investigation of the proposed Grand River project was scheduled for Vinita, Oklahoma, on June 7. The first hearing consisted of the laying down before the engineers a petition containing 1,000 names, all of the signers being residents of Delaware County. Four points favorable to construction of the dam were cited by the petition:

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<sup>43</sup>Harlow's Weekly, (Feb. 20, 1937) 12.



1. It is an ideal area for both flood control and soil erosion prevention.
2. The area involved is made up of a large number of small farm tracts of 10, 20, and 40 acres, each of which is capable of being used in extensive truck farming and a "live-at-home" program among families in need of assistance.
3. Rural electrification may follow as one of the benefits and serve a vast field in eastern Oklahoma.
4. It will increase the amount of raw labor for a period of 18 months or two years and also justify the state of Oklahoma in building new roads and repairing old ones to serve areas badly in need of the same.<sup>44</sup>

In July of 1937, President Roosevelt indicated that he favored the building of the dam as was brought out in the Miami Daily News Record which stated that Senator Thomas along with Lee and Disney had conferred at the White House. These men said that the President had authorized them to say the matter looked hopeful after emerging from a conference with him. The President had previously expressed the approval of the project in an impromptu talk from the back of a special train at Vinita while returning from the Texas Centennial in 1936.<sup>45</sup>

But final approval of the dam did not come until September 16, 1937, when Representative Wesley Disney announced that President Roosevelt had approved a \$20,000,000 PWA allocation for construction of the Grand River dam hydro-electric project in northeast Oklahoma. The President, PWA, and the budget bureau approved a \$11,563,000 loan and a \$8,437,000 grant.<sup>46</sup>

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<sup>44</sup>Harlow's Weekly, (June 12, 1937) 3.

<sup>45</sup>July 26, 1937, 1.

<sup>46</sup>Miami Daily News Record, (Miami, Oklahoma, Sept. 16, 1937) 1.

After having three times been close to an actuality only to fade into disappointments as sources failed, the Grand River Dam became a prospective reality. Thus the forty year old myth was beginning to come true. Since 1897 possibilities of Grand River had been expounded and then in 1937 the dream of hundreds began to formulate itself into an actuality.

## Chapter II

### Carrying the Project Through

Since the early struggles toward commencing the dam have been written as well as the approval by Franklin D. Roosevelt, President of the United States, it might be well to follow the project through as far as possible.

As soon as it was made known there would actually be a dam located only sixteen miles southeast of Vinita, the people began<sup>1</sup> contemplating setting off a town-site<sup>2</sup> and building roads there.

Land speculators, investors, and business men who sought a new location, made their way to the Grand River Valley. They had anticipated the boom that would follow the proposed building of a \$20,000,000 hydro-electric project.

Tourists by the thousands joined in the rush that brought new prosperity to a dozen small cities and towns as citizens became fully aware of the possibilities of irrigation, cheap power, and the recreational attractions that the dam would supply.

The first big proposition was highways to the project. The next was homes for the new population and business houses for the industries that would follow.<sup>3</sup>

January 1, 1938 was the day set aside by Ray McNaughton, chairman of the Grand River Dam authority, to begin work on the dam. This information was received from the federal administrator of public works, Harold L. Ickes, the previous October.<sup>4</sup>

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<sup>1</sup>Miami Daily News Record, (Miami, Okla., Oct. 8, 1937) 1.

<sup>2</sup>Ibid., (Miami, Okla., Oct. 11, 1937) 1.

<sup>3</sup>Harlow's Weekly, (Oklahoma City, Okla., Oct. 2, 1937) 15.

<sup>4</sup>Miami Daily News Record, (Oct. 15, 1937) 1.



The offer stated that an acceptance or rejection must be made within ten days. The \$20,000,000 offer included \$11,563,000 as the amount of the loan and \$8,437,000 as the amount of the grant.<sup>5</sup> Bonds were to be issued in denominations of \$1,000, and each were to be dated October 1, 1937. They were to designate interest at four percent semi-annually, payable in April and October.

McNaughton stated, "It is my opinion of course, that the PWA's offer will be accepted."<sup>6</sup>

At this time Senator Jack Rorschach of Vinita was temporarily appointed as general counselor. He was the only GRDA officer to be selected then.

A few days later the PWA offer of \$20,000,000 was accepted and signed copies of the contract were dispatched to the PWA in Washington, D. C.

At the conclusion of an all-day session, the GRDA announced the selection of R. L. Davidson, Tulsa attorney, as its general counselor and Senator Jack Rorschach as associate counselor.

By-laws under which the Authority would conduct business were adopted. They were modeled after those used for the Buchanan dam at Austin, Texas. The Authority then announced when it would review applicants for the place of project engineer and for that of general manager.<sup>7</sup>

It was understood that Colonel Eugene Reybold of the United States army, whose engineering staff worked out preliminary surveys,

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<sup>5</sup>Tulsa World, (Tulsa, Okla., Oct. 12, 1937) 1.

<sup>6</sup>Ibid., (Oct. 17, 1937) 1.

<sup>7</sup>Ibid., (Oct. 18, 1937) 1.

would be considered for the all important post of general manager.<sup>8</sup>

Among other applications made for the managerial post were those of Cyrus S. Avery and William Holden, both of Tulsa; George Huey, acting PWA director at Oklahoma City; R. C. Dohe, manager of the municipal light plant at Tahlequah; Alexander Allaire of Little Rock, Arkansas, PWA administrator of Kentucky;<sup>9</sup> and J. B. French of Washington, D. C.

In all there were some fifteen applicants for the position, and these were soon reduced at each meeting of the Authority, first to eleven and then to seven and finally it appeared almost certain that the post would fall between two Oklahomans, George Huey or R. C. Dohe. It was the desire of H. L. Ickes, however, that R. V. Wright of California should be selected. The Authority, not wishing to go against the wish of the federal administrator of public works, finally selected Wright to be the Grand River Dam general manager.<sup>10</sup>

For chief engineer, W. R. Holway of Tulsa and J. C. Haizo of Chicago were under consideration.<sup>11</sup>

Three engineering companies were considered for the project: the Fargo Engineering Company of Jackson, Michigan; Burns and McDonnell of Kansas City; and Holway and Neuffer of Tulsa.<sup>12</sup>

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<sup>8</sup>Harlow's Weekly, op. cit., 15.

<sup>9</sup>Miami Daily News Record, (Oct. 26, 1937) 1.

<sup>10</sup>Tulsa World, (Nov. 23, 1937) 1.

<sup>11</sup>Harlow's, op. cit., 15.

<sup>12</sup>Tulsa World, (Oct. 23, 1937) 1.



William Rea Holway, the engineer who designed and built the Spavinaw dam for the city of Tulsa, was named the chief engineer. Holway assured members of the Authority that engineering work would be started at once and that actual construction work, as specified by the PWA in its contract, would be under way by January 1, 1938.

In connection with the Holway-Neuffer contract, the Authority stated that the engineering firm, from its five percent fee of the \$12,000,000 loan, must pay the salaries of approximately forty engineers, inspectors, surveyors, consultants, and office force for a period of approximately two and a half years.

In the meanwhile the State Highway Commission ordered surveying parties, that were sent into the area, to plan a surfaced road to the dam-site. They were to report to the Commission on six different routes, one each from Miami, Ketchum, Pryor, Grove, Spavinaw, and Vinita. Two roads, State highway 10 and U. S. 60 suffered considerable loss of mileage by inundation.

To promote business in the Grand River Dam area, a booster organization was formed. Representatives of all towns in the area participated. Henry Holderman, who, as previously stated, was the father of the idea of damming the Grand River, was the leader in the new movement.

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<sup>13</sup>Miami Daily News Record, (Oct. 22, 1937) 1.

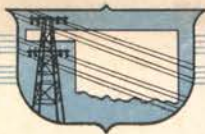
<sup>14</sup>Tulsa World, (Oct. 23, 1937) 1.

<sup>15</sup>Miami Daily News Record, (Nov. 19, 1937) 1.

<sup>16</sup>Harlow's Weekly, (Oct. 23, 1937) 4.

<sup>17</sup>Ibid., 5.





## ADMINISTRATIVE OFFICERS



**R. V. L. WRIGHT**  
General Manager



**W. R. HOLWAY**  
Engineer



**R. L. DAVIDSON**  
Chief Counsel



**J. W. NEWMAN**  
Head Land Dept.



**GEO. D. HANSEN**  
Chief Auditor



**H. C. NEUFFER**  
Engineer



**TOM HARRILL, Jr.**  
Office Manager



Holderman also brought to notice irrigation possibilities as a result of construction of the Grand River dam. A charter was issued for the Grand River Irrigation Project, Incorporation. The capital authorized was \$100,000; but the plans to be carried out would involve the expenditure of \$10,000,000.<sup>18</sup> The plans included a ditch 176 miles long to the Arkansas River west of Tulsa following a 750 foot contour line, and such laterals as would be necessary to serve all applicants who would comply with requirements.<sup>19</sup> It was estimated that 2,500,000 acres would be benefited.

McNaughton stated that as soon as the manager for the project was selected, the Authority would ask for fifteen percent of the total undertaking cost, or for \$1,300,000.<sup>20</sup> The application was to be forwarded to H. L. Ickes.

The First National Bank at Miami, Oklahoma, was selected to serve as trustee for the Dam authority, as was stated by the bank president, Roy I. Willis.<sup>21</sup> He said:

The bank will send a representative within a few days to contact the Public Works Administration to complete the agreement relative to handling the allocation of funds to the Grand River Dam Authority.<sup>22</sup>

The next thing in order was a test of the validity of the state statute providing for the Grand River Dam Authority in

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<sup>18</sup>Harlow's Weekly, (Oct. 30, 1937) 2.

<sup>19</sup>Henry L. Holderman. Reminiscence.

<sup>20</sup>Miami Daily News Record, (Oct. 28, 1937) 1.

<sup>21</sup>Ibid., (Oct. 29, 1937) 1.

<sup>22</sup>Ibid.



order to clear the way for federal cooperation.<sup>23</sup> The decision to seek an early supreme court hearing came after Chairman McNaughton said that Secretary H. L. Ickes informed them that no portion of the PWA grant would be advanced until the Oklahoma<sup>24</sup> supreme court held the state authority act valid.

Court action was brought in the name of a taxpayer and owner of land which was to be affected by the building of the dam. The suit sought to enjoin the state attorney-general, Mac Q. Williamson, from approving the GRDA bonds, the state auditor from registering the bonds, and the Authority from disposing of them. This plan of litigation was decided upon by Davidson and William-<sup>25</sup>son. Governor Marland told the delegation it was pursuing the<sup>26</sup> right course in seeking speedy court action.

While this was being carried out a new town named Disney was laid out near the east end of the dam-site and a survey was in progress for a railroad to be built from Southwest City, Missouri to Jay, Oklahoma. Hauling of material for the dam and other construction resulting from the project was expected to justify the building of this branch. A truck line permit to operate freight trucks between Tulsa and the dam was also asked for. The K. O. & G. railroad built a spur to the west end<sup>27</sup> of the dam where the new town of Langely later sprang up.

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<sup>23</sup>Harlow's Weekly, (Nov. 13, 1937) 3.

<sup>24</sup>Miami Daily News Record, (Nov. 9, 1937) 1.

<sup>25</sup>Tulsa World, (Nov. 12, 1937) 1.

<sup>26</sup>Miami Daily News Record, (Nov. 10, 1937) 1.

<sup>27</sup>Harlow's Weekly, (Nov. 13, 1936) 3.



Holway's second progress report of November, 1937 stated that field parties had completed their surveys around the dam-site. Three draftsmen were working with the United States army engineers office at Little Rock, Arkansas on mapping the reservoir area. The office force under the direction of Victor Cochrane was busy on a preliminary design, on investigations, and on hydrographic studies of the Grand River. Also various methods of flood control were studied. Arrangements were made with George Provine of Miami to do preliminary drilling. His rig had been working since November 8, drilling a site for a proposed spillway in the saddle in the east side of the dam-site. He was then to start drilling in the valley to determine the exact location of the axis of the dam. Additions to the staff at that time included Eugene Woods of Tulsa and Barry Dibble, consulting engineer for the United States reclamation service. <sup>28</sup>

The PWA officials in Washington requested that the GRDA name an alternate bank. Early in October the GRDA designated the First National Bank at Miami as its official depository. Banks which were proposed before the Board as alternates were the First National Bank and Trust Company of Tulsa and the First National Bank and Trust Company of Oklahoma City.

Notice that the Miami bank had met PWA requirements was given the Board in a telegram late in November. Approval of the depository meant that the Authority could pass a resolution for

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<sup>28</sup>Tulsa World, (Nov. 23, 1937) 1.

the issuing of \$12,000,000 worth of bonds. That would be the act on which a property owner might go into a Craig county district court to file a friendly suit which would lead to a supreme court test of the constitutionality of the legislative act setting up the Authority.<sup>29</sup>

With the selection of Wright as GRDA manager, the Board had disposed of their most trying problem--one which they had been working on for seven weeks. With this out of the way and the approval of the Miami bank as depository, Davidson and Rorschach were now ready to proceed with the test suit in Craig county district court.<sup>30</sup>

At Tulsa, R. L. Davidson said he had been notified the friendly case against the Authority would be filed, "as soon as the resolution authorizing issuance of the bonds is passed."<sup>31</sup>

The authority opened the way late in November for the court test by adopting a resolution authorizing immediate issuance of four percent revenue bonds of \$11,563,000 to be spread over a thirty-five year period.<sup>31</sup>

The action was filed by William Sheldon, as an owner of property the project would affect as an "accomodation" to the GRDA in order to settle all legal questions involved in the construction of the \$20,000,000 hydro-electric project.

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<sup>29</sup>Miami Daily News Record, (Nov. 26, 1937) 1.

<sup>30</sup>Tulsa World, (Nov. 23, 1937) 1.

<sup>31</sup>Miami Daily News Record, (Nov. 28, 1937) 1.

Sheldon's petition filed by J. Keith Smith, Jay attorney, attacked the GRDA on constitutional grounds and contended it had no authority to enter into a contract with the PWA for the erection of the dam and the construction of the hydro project.

The GRDA was defended by Davidson, Rorschach, and William-<sup>32</sup>son. They stated that the case would be appealed from district court to the state supreme court to complete the test.<sup>33</sup>

The petition contended the act set up a monopoly, created a district for the levying of indebtedness exceeding the \$400,000 maximum permitted without the voter's consent, created a debt without providing a means of reducing it, and improperly provided for issuance of bonds without submission to the voters.<sup>34</sup>

Sheldon contended he would be injured by the construction because forty acres of his land would be inundated by the impounded waters. In his argument that the law was unconstitutional, Sheldon declared:

The state would be attempting to engage in the power business; it would create a monopoly; property would be exempted from taxation; and that the law would deny legal voters of the affected counties the power of action in the administration of the district government.<sup>35</sup>

The GRDA asked the court to find:

1. That the 1935 and 1937 amendments creating the Grand River Dam Authority are valid and constitutional.

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<sup>32</sup>Tulsa World, (Dec. 4, 1937) 1.

<sup>33</sup>Tulsa Tribune, (Tulsa, Okla., Nov. 26, 1937) 1.

<sup>34</sup>Miami Daily News Record, (Nov. 28, 1937) 1.

<sup>35</sup>Ibid., (Dec. 10, 1937) 2.



2. The Grand River Dam Authority is a public corporation and government agency created by the Legislature and with "all the rights, powers and authority conferred upon it by acts of the Legislature," including power to issue bonds, to enter into a contract with PWA and to construct a dam and hydro-electric plant on the Grand river.

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3. The petition of the plaintiff be denied.

On December 4, the state legislative act creating the GRDA was held constitutional by Judge N. B. Johnson of Claremore, in the Craig county district court. This was the first legal decision handed down in regard to its validity.<sup>37</sup> Thus Shelton's<sup>38</sup> application against construction of the dam was denied.

Judge Johnson, who was fully cognizant of the necessity of expediting action to clarify the involved and legal problem surrounding the GRDA, denied the motion of the Seneca Coal and Coke company of Miami to intervene in the action.

Motion for a new trial by Shelton's attorney was as promptly overruled.

R. L. Davidson, who had hopes of a rapid hearing was somewhat perplexed when C. B. Cochran, Oklahoma City, attorney, appeared in court and sought to intervene for the coal company which owned property in Ottawa county.

Cochran agreed to join in the issues in Sheldon's suit. He,

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<sup>36</sup>Miami Daily News Record, (Dec. 10, 1937) 2.

<sup>37</sup>Tulsa World, (Dec. 5, 1937) 1.

<sup>38</sup>Miami Daily News Record, (Dec. 10, 1937) 1.

however, told the court that certain issues in the Sheldon action had been overlooked by the plaintiff. For this reason he wanted to intervene.

This case involves a great public project. The allocation of money for this project has already been made by the United States government. The issues have already been made up between plaintiff and defendant. We don't want every Tom, Dick, and Harry to come in here and slow up the proceeding when all the issues have already been raised. I understand there may be other intervenors. This means opening doors to unnecessary delays.

If attorneys are interested in this litigation they can appear as friends of the court. Every question can be briefed and argued before the supreme court because that is where it is going to anyhow. <sup>39</sup>

Cochran said neither he nor his client intended to delay the project. He said, "If I don't intervene here the supreme court will not listen to me later, since it will only pass on matters already presented to the district court here." <sup>40</sup>

Davidson said if Cochran wanted to institute a new and separate court action, the GRDA would meet it in any court in Oklahoma. "We want to get this case to the supreme court as soon as possible," he said. <sup>41</sup>

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<sup>39</sup>Tulsa World, (Dec. 5, 1937) 1.

<sup>40</sup>Ibid., 5.

<sup>41</sup>Ibid.

Judge Johnson denied the motion for intervention without comment.

Davidson and Smith then filed a stipulation agreeing that all the pleadings in this case would be considered and accepted<sup>42</sup> as evidence.

The only witness to testify was W. R. Holway. He said his preliminary field and office investigations showed him that 42, 500 acres would be inundated at the power pool level of the proposed lake and 54,000 acres at the flood level.

Other statistics he gave the court included:

The capacity of the lake at power pool level would be 1,680,000 acre feet and at flood level, 2,000,000 acre feet and the capacity of the power plant would be 60,000 kilowatts installed and capable of producing 20,000,000 kilowatt hours annually; the lake would have approximately 1,000 miles of shoreline; and the normal level of the lake would be 745 feet above sea level.

In Holway's opinion any portion of Oklahoma could get lower electricity rates from the GRDA than the present price consumers pay. In testifying concerning the recreational features of the proposed lake, the engineer stated that the provisions of the act, specified that the lake must be kept open to the public free of<sup>43</sup> charge.

When Smith opened his argument following this testimony, he explained to the court that he brought the action as a friend

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<sup>42</sup>Tulsa World, (Dec. 5. 1937) 6.

<sup>43</sup>Ibid., 6.



and supporter of the project, but wanted to expedite its construction by an early ruling on legal problems connected with the project.

The two important angles of Smith's argument referred to the proposed indebtedness of the project and whether or not the legislative act was a general or special law.<sup>44</sup>

The GRDA law was local in application, but general in form. Because it dealt with flood control, power, recreation, irrigation, and its interests were open to everyone in Oklahoma. "This is of state wide importance," Davidson argued.<sup>45</sup>

This argument was amplified by Mac Q Williamson and R. C. Cobb, his assistant. Williamson and C. C. Childers, state auditor, were co-defendants in this action with members of the GRDA.<sup>46</sup>

In ruling on this case, Judge Johnson said:

When the state legislature created the GRDA, it evidently had in mind the proper place to locate this project and wherever it would be located it naturally would benefit citizens of that locality more than others generally. To determine whether or not the law was general or special one should study the operations of its affects.

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<sup>44</sup>Davidson cited the supreme court decision in the Oklahoma A. & M. dormitory bond case to show that neither the college action nor the proposed GRDA issue would be considered in excess of the statutory financial limitations, because these bonds issued would be for a self-liquidating project.

Cochran argued: "There is a difference between a college dormitory or a toll bridge where the customers are already provided, and a plan into which you pour \$20,000,000 without having any customers.

<sup>45</sup>Tulsa World, (Dec. 5, 1937) 6.

<sup>46</sup>Harlow's Weekly, (Jan. 8, 1938) 3.

To my mind this question and that of indebtedness are the two most serious in this case. From the authorities presented here on the question of indebtedness, if I understand this proposition correctly, the bonds will be paid from revenue derived from the project and while the act defines the GRDA to a certain area, and defines these counties, it does not place any indebtedness on these counties.

In the matter of flood control and power the project would be of general benefit and interest to all the people of this state.<sup>47</sup>

By the close of 1937 the state supreme court had not yet passed on the validity of the legislative act creating the GRDA which caused progress of the project to virtually be at a standstill.

This fact was accepted by the authority when they passed a resolution asking for a small advance grant from the PWA for engineering and administrative expenses. Should Secretary Ickes allow the advance it was then probable that he would grant another request of R. V. L. Wright asking for an extension of the work deadline.

It will be remembered that the original grant specified that actual construction work must have started by January 1. In view of the impending appeal of the test suit, the Authority<sup>48</sup> sought to delay this work deadline by at least thirty days.

In spite of the fact that the validity of the GRDA had not been approved or determined, Holway and Neuffer began plans and specifications for the first two excavating jobs; spillway

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<sup>47</sup>Tulsa World, (Dec. 5, 1937) 6.

<sup>48</sup>Ibid., (Dec. 7, 1937) 1.

and core boring for foundation.

Attorneys for the Grand River Dam Authority in Oklahoma City cited thirty-four decisions of various state supreme courts in an effort to prove the law authorizing the \$20,000,000 project was valid.

The brief of the case:

The state does not have one penny of money invested in this project, none of its property is contributed and the project is acquired entirely out of funds made available under the loan and grant agreement with the United States government.<sup>50</sup>

The Supreme court of the United States unanimously ruled that the PWA was within its rights to grant money to hydro-electric projects.<sup>51</sup>

Following this, Secretary Ickes authorized a \$65,000 advance to the GRDA to start the preliminary work on the dam.<sup>52</sup> Up to this time nobody had received a cent for salary, expenses, or material. The nine members had claims for expenses and salaries against the advanced grant.<sup>53</sup><sup>54</sup>

By the beginning of February, 1938, crews were ready to start to work, although the state supreme court was still considering the

<sup>49</sup>Olin Perkins. "Chronology of the Grand River Dam", The Grand River Dam. 15.

<sup>50</sup>Miami Daily News Record, (Jan. 3, 1938) 1.

<sup>51</sup>Perkins, op. cit., 15. The constitutionality of this was challenged by the Alabama Power Company. The supreme court's decision upheld the circuit court holding that private power companies had no right to challenge the action of the government in making proposed loans and grants. Miami Daily News Record, (Jan. 3, 1938)

<sup>52</sup>Miami Daily News Record, (Jan. 3, 1938) 1.

<sup>53</sup>Ibid., (Jan. 5, 1938) 1.

<sup>54</sup>Ibid., (Jan. 13, 1938) 1.



case. Five bidders were considered by the board on two projects. They were M. E. Gillioz, Missouri; List and Clark, Kansas City; R. D. Aldrich and Company, Kansas City; Sprague and Henwood, Scranton Pennsylvania; and E. L. Longyear and Company, of Minnesota. Construction involved included two spillways and core drilling on the actual damsite. The next work then was the relocation of the K. O. & G. railroad in the vicinity of Bernice, Oklahoma where it would be inundated for a portion of five or six miles.<sup>55</sup>

February 2, 1938, the state supreme court decided that the act and amendment under which the GRDA was created was legal by a vote of seven to two.<sup>56</sup> The momentous news that the state supreme court had upheld the Grand River Dam Authority act produced the biggest newspaper story in northeast Oklahoma since President Roosevelt approved the dam in September.<sup>57</sup><sup>58</sup>

The authority immediately approved the first two construction acts for the project. In quick order they granted these contracts:

For excavation of the east spillway to M. E. Gillioz, who was the low bidder among twenty-five. His bid was \$43,500 on a job which the engineer estimated to be \$90,000.

For core drilling on the rock saddle which was to form the eastern spillway, Sprague and Henwood received the job at a bid of \$34,675. This job was estimated to cost \$40,000.

The Authority then stated that additional contracts would

<sup>55</sup>The Pryor Jeffersonian, (Pryor, Okla., Feb. 3, 1938) 1.

<sup>56</sup>Perkins, op. cit., 15.

<sup>57</sup>The Pryor Jeffersonian, (Feb. 3, 1938) 1.

<sup>58</sup>Tulsa World, (Feb. 2, 1938) 1.

not be let until financing of the project was completed.

R. L. Davidson pointed out that land purchases could not proceed until bond money was available. The land upon which the work began was temporarily deeded to the GRDA by the Grand -Hydro Incorporation of Tulsa, a firm which owned the greater portion of the dam-site.

Chief Engineer Holway stated that additional contracts probably would be advertised for in this order:

First: Relocation of six miles of the K. O. & G. railroad and the construction of a four mile spur-line to the dam-site.

Second: Depending upon the rapidity of land purchases, complete clearance of shrubbery and timber from all land to be inundated.

Third: Contracts on the main dam. Tentative studies placed<sup>59</sup> the engineer's estimate at \$8,000,000.

Joe Shaughnessy, president of the State Federation of Labor, conferred with Wright and submitted a minimum wage scale for eastern Oklahoma in the trades involved in the dam's construction. This was to be used as a future guide in issuing calls for bids on the work.

In the meanwhile, State Labor Commissioner Pat Murphy organized machinery through which workers for the project would be chosen.

Edward G. Burke, director of the Oklahoma State Employment

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<sup>59</sup>Miami Daily News Record, (Feb. 2, 1938) 1.

Service, after consulting with the Board, stated that all labor must clear through the registration bureau in his office at Vinita. Unemployed, however, could register in their county and their names could be forwarded to the Vinita office. At least one city in each county of the GRDA district was to be designated as a registration center for unemployed.<sup>61</sup>

One of the largest immediate problems, then, that loomed before Wright was the purchase of land. He asked support of landowners in asking "fair prices" for the acreage that the Grand River dam waters would inundate. The project manager said, "good feelings on the completion of the dam may depend largely upon the dealings between the GRDA and the landowners." He stressed that the authority did not want to institute any condemnation proceedings and yet he hoped to acquire land at fair prices. \$1,250,000 was to be used for the purchase of land to be inundated by water.<sup>63</sup>

During the middle of February the GRDA selected Tom Harill Jr., Tulsa, as manager of the GRDA in Vinita and let a contract to the E. A. Wright Company, Philadelphia, for the printing of \$12,500,000 in bonds for the project. Also at this time the GRDA was notified it would get a power license. The Federal Power Commission ruled that the project would affect interstate commerce--navigable stages of the Arkansas river to which Grand river is a tributary--and ruled that the GRDA must construct and operate the plant under a commission.

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<sup>60</sup>Miami Daily News Record, (Feb. 2, 1938) 2.

<sup>61</sup>Burkes, "Labor! Labor!" The Grand River Dam, 14.

<sup>62</sup>Miami Daily News Record, (Feb. 3, 1938) 1.

<sup>63</sup>Ibid.



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license.

About the close of the month a dispute arose over the authority of Wright and the board composing the GRDA regarding the power of each to appoint men to responsible positions on the project. Wright said members of the board misunderstood him when they said he opposed employment of Oklahomans for key positions.<sup>65</sup> This trouble between Wright and the Authority had been brewing for some time.<sup>66</sup>

Wright told the Associated Press:

I would like to correct one point. Public statements indicate I have objected to employing Oklahomans. That is not true. My one interest is to build the job efficiently and in the time allowed. To do this I must have qualified people to assist me. My intention is to employ Oklahomans as far as possible, but only where they are the best qualified persons, all factors including experience considered.<sup>67</sup>

A resolution finally was adopted providing that Wright submit his recommendations of future appointees to the Board for approval or rejection. The Board in turn agreed not to employ any personnel without consulting the general manager.<sup>68</sup>

The Tulsa Tribune predicted that in the next GRDA meeting a showdown as to the party having the legal authority to fill positions would come about.<sup>69</sup>

Then GRDA later learned that it was advisory only. This was made known by Harold L. Ickes who informed the Board in no uncer-

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<sup>64</sup>Miami Daily News Record, (Feb. 13, 1938) 1.

<sup>65</sup>Ibid., (Feb. 28, 1938) 1.

<sup>66</sup>Harlow's Weekly, (Mar. 2, 1938) 3.

<sup>67</sup>Miami Daily News Record, (Feb. 28, 1938) 1.

<sup>68</sup>Harlow's Weekly, (Mar. 12, 1938) 3.

<sup>69</sup>(Feb. 28, 1938) 1.

tain terms. In a telegram submitted to the Board, Secretary Ickes said:

Subject to an opinion from our general counsel to whom I have referred the matter, my personal opinion is that under our contract with the GRDA board, the general manager must be satisfactory to the administrator. You are satisfactory as general manager.

My understanding further is that the general manager is to have charge of the general construction and this necessarily carries with it the authority to employ and discharge personnel. A general manager could not be held responsible for the successful operation and completion of his project unless he has full authority in the matter referred to.

It was not my intention and I do not believe it was the intention of the Board to appoint a general manager who would merely be a "front" while others, over whom he had no authority to control to take charge of the project. I intend to insist on a full observance on the right of the government in this matter. You are at liberty to show this telegram to the Board.<sup>70</sup>

Secretary Ickes thoroughly approved of the stand Wright had taken when he said he would only hire Oklahomans when they were the best qualified for the job. Ickes followed his telegram with a letter which he authorized Wright to make public.

Ickes' letter in part:

The board apparently intends to make appointments on a patronage basis, and restrict such appointments to local men. I will call your attention to the fact that of the \$20,000,000,... not one cent is being furnished by the state of Oklahoma or the residents of the districts. The entire amount is being paid out of the treasury -- and more than \$8,000,000 as a gift.... You, however, as general manager of the authority do have the authority (and under terms of our agreement

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<sup>70</sup>Harlow's Weekly, (Mar. 19, 1938) 3.

must have the authority) to see that the primary consideration in making appointments shall be the qualifications of the persons for the position to which he is appointed. My confidence that you would carry out this responsibility was an important factor in my approval of your appointment. I may add that I concur heartily in your refusal to allow considerations of local prejudice to affect your judgment in the selection or approval of personnel.

I have given instructions that no further funds are to be disbursed until the authority indicates both the intention and the desire to comply to the letter with the terms of our offer. In this connection, I wish to call to your attention the necessity for prompt action if the authority is to meet the requirements of the offer as to starting and completing the project.<sup>71</sup>

Wright followed his announcement of Ickes' support by putting through the appointment of John W. Newmen of the Tennessee Valley Authority as land purchasing agent and George E. Hansen, head of the accountant division of the United States Treasury Account office in Oklahoma City, as auditor.<sup>72</sup> The general manager previously had declared that only two auditors in Oklahoma could meet his requirements for the job. He said the auditor<sup>73</sup> must be a CPA with municipal and PWA accounting experience.

Pending settlement of the dispute between Wright and the GRDA was an advance grant of \$226,000.

"The rift is healed to the satisfaction of both sides," stated Owen L. Butler, GRDA secretary. We now have a good working agreement."

Wright then briefly stated that he would report this compromise

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<sup>71</sup>Harlow Weekly, (Mar. 19, 1938) 3.

<sup>72</sup>Perkins, "Chronology of the Grand River Dam", The Grand River Dam. 15.

<sup>73</sup>Harlow's Weekly, (Mar. 19, 1938) 3.

<sup>74</sup>Miami Daily News Record, (Mar. 11, 1938) 1.



to the PWA officials in Washington so the advanced grant would have  
<sup>75</sup>  
 no further delay.

Smooth sailing seemed to be in store for the project. The  
 chief engineer declared that they were working on a fast schedule  
 and intended to complete the project by January 1, 1940, the time  
<sup>76</sup>  
 when the contractors must have finished their work.

Late in March the Board approved the engineer's plans for a  
 four-mile spur track from the K. O. & G. railroad to the damsite  
<sup>77</sup>  
 and a construction bridge across the river.

The contract for this task was given to Leo J. Sanders, who  
 submitted the bid of \$149,700. This bid was \$20,000 under the  
 bid of M. E. Gillioz and \$130,000 under the highest bid which was  
 submitted by Otto W. Knutson of Kansas City.

The GRDA officials said that Sanders would be allowed ninety  
 days to complete the construction and a penalty of \$200.00 daily  
 would be invoked in the event Sanders failed to complete his con-  
 tract within the specified time.

This contract was the largest contract let up to that time  
<sup>78</sup>  
 on the \$20,000,000 project and would employ one hundred men.

The next bids the GRDA received were those on the power line  
 from U. S. Highway 66 to the east end of the dam-site. The lowest  
 bid of \$36,512.86 was that of the B. & M. construction company of  
<sup>79</sup>  
 Oklahoma City. There were fourteen bids in all.

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<sup>75</sup>Miami Daily News Record, (Mar. 11, 1938) 1.

<sup>76</sup>Ibid., (Mar. 16, 1938) 1.

<sup>77</sup>Perkins, op. cit., 15.

<sup>78</sup>Miami Daily News Record, (Apr. 20, 1938) 1.

Fred C. Berger, superintendent of electrical construction for the B. & M. Company, said approximately forty men would be employed on this project. This was to be completed by July 11.

June 3, was set aside for the opening of bids on the main dam of the Grand river project. The authority at its regular meeting approved May 19, May 26, and June 2, as dates for advertising for bids. The Board also passed a resolution providing all bidders should use the same basis in figuring on one-half million tons of rock to be used in construction.

Two weeks later Butler received a long distance telephone call from Wright authorizing him to release for publication the legal notice calling for the submission of bids; bids on the main contract of the dam, powerhouse, and equipment. These bids were to be opened and publicly read June 17.

In the meanwhile the Board received 12,560 bonds, each representing \$1,000. Five men had to sign them. They were Butler, McNaughton, Schaefer, Williamson, and Childers.

The releasing of this fund made possible much activity which had been curtailed. Members of the land department could then begin appraising and obtaining land for the authority. Butler made a rapid estimate that the GRDA still had at least one hundred contracts to award.

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<sup>80</sup>Miami Daily News Record, (April 20, 1938) 1.

<sup>81</sup>Perkins, op. cit.

<sup>82</sup>Miami Daily News Record, (May 17, 1938) 1.

<sup>83</sup>Pryor Jeffersonian, (June 9, 1938) 1.

<sup>84</sup>Miami Daily News Record, (June 15, 1938) 1.

The Massman and Company, contractors of Kansas City, was designated as the lowest bidder on the most important contract ever to be awarded by the Authority. Of the nine bids submitted \$9,322,960 was the lowest and that of the highest, \$12,705,675. The bid of the Massman company was approximately \$16,000 below the engineer's estimated cost of construction.<sup>85</sup> All bids were to be sent to the Public Works Administration in Washington for approval.<sup>86</sup>

The Authority also opened sealed bids on two other big projects, contracts five and six.

Lowest bid on contract six, the furnishing of five generators, was submitted by the Westinghouse Electric Manufacturing Company of East Pittsburgh, Pennsylvania at \$679,110.<sup>87</sup>

On contract five, which consisted of four 20,000 horsepower hydraulic turbines with governors, the Allis-Chambers Company of West Alice, Wisconsin received the contract with a bid of \$659,650.<sup>88</sup> Through each turbine will pass 800,000 gallons of water per minute.

The three bids on contract five, six, and seven totaled \$10,651,720.<sup>89</sup>

Toward the last of June the land buying policy of the Grand River Dam Authority was made public. Under its own terms, GRDA sought to acquire title in fee simple to all lands encompassed by the contour line of altitude 750, from the dam-site near Disney north to the south line of township twenty-seven in Ottawa County.

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<sup>85</sup>Harlow's Weekly, (June 25, 1938) 3.

<sup>86</sup>Tulsa Tribune, (June 15, 1938) 1.

<sup>87</sup>Miami Daily News Record, (June 17, 1938) 1.

<sup>88</sup>Olin Perkins. "Converting Water Power into Kilowatts", The Grand River Dam.

<sup>89</sup>Pryor Jeffersonian, (June 23, 1938) 1.



The line drawn was one and a half miles north of Fairland, Oklahoma, west of the Neosho river. East of the Neosho river, the limit was the boundary line between Wyandotte and Seneca reserve.

Approximately 46,000 acres are in the area. Purchase of the land constituted the second largest single expenditure.

Full authority was delegated to Wright in the management of the land buying department. The policy adopted advocated a fair price to land-owners based on all elements of value. Due to the natural variance in price between tracts of lands in the basin, no arbitrary valuation on an over-all basis was set by the Board. Each parcel of land was appraised and considered separately. Once this was done, GRDA definitely was not to raise the offer and was to stand prepared to institute condemnations proceedings on the basis of evidence furnished by the appraisers that a fair price had been  
<sup>90</sup> offered.

One of the board members, Guy Crouse, was named as an intermediary on the project. His responsibility was to keep the GRDA  
<sup>91</sup> informed as to relations between the labor and the contractors.

A rural electrification board composed of Wright and Schaefer, vice-chairman of the authority, was selected next. The purpose was for the consideration of plans for an extensive selling campaign, seeking outlets for the consumption of the 200,000,000 kilowatt-hours the hydro-electric project was to produce. This included a survey of people and the number of municipal plants that the GRDA power would serve. It also intended to determine the classes of natural resources in that section with a view of

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<sup>90</sup> Miami Daily News Record, (June 24, 1938) 1.

<sup>91</sup> Ibid., (July 5, 1938) 1.



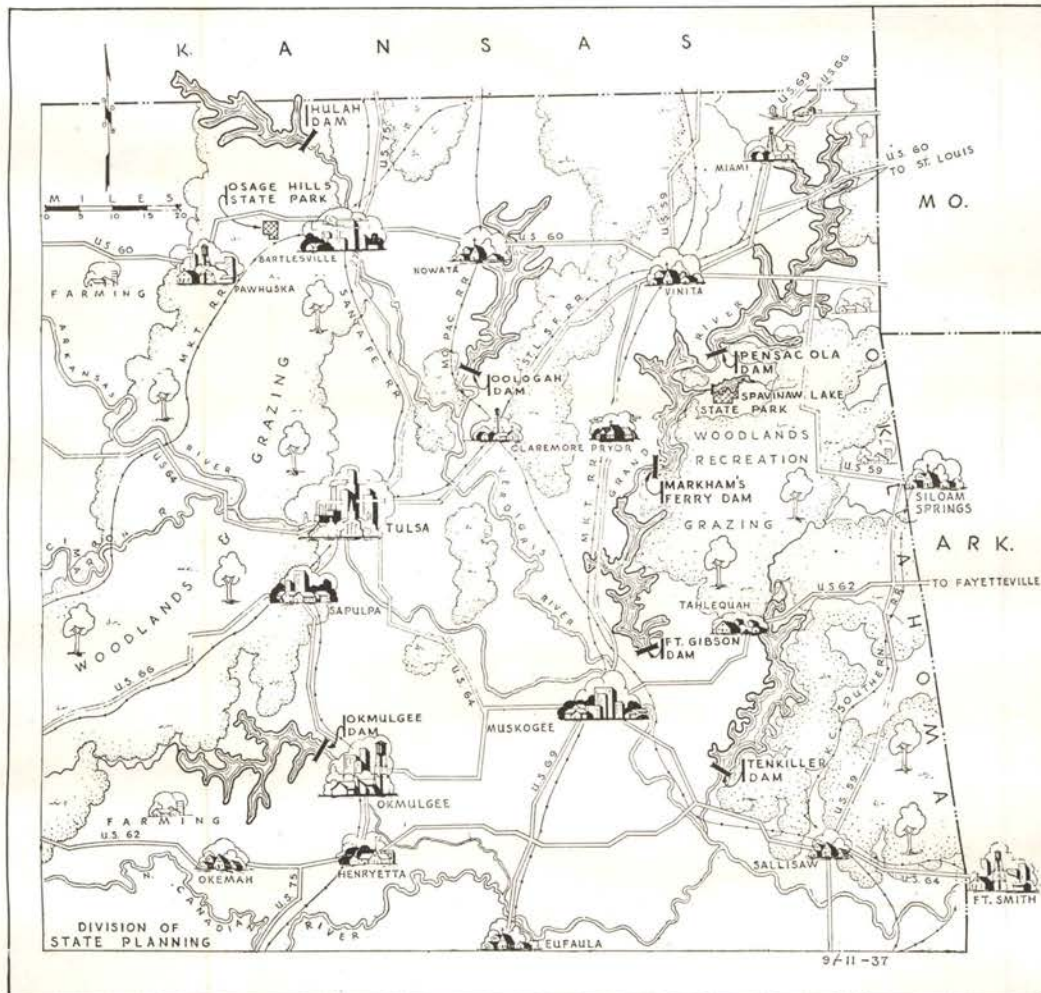
## Navigation of the Arkansas River (Cont'd)

With cheap power, cheap natural gas, cheap coal, and cheap oil, northeastern Oklahoma has the fuels for industry; with many minerals and agricultural products, we have the materials for industry; with water transportation we would have the freight

rates for industry; with a growing southwest, we will have the markets for industry.

Which will it be: greater opportunity or a good joke?

## The Grand River Dam District



The fourteen counties comprising the Grand River Dam District, located in the northeast corner of the state, are Adair, Cherokee, Craig, Creek, Delaware, Mayes, Muskogee, Nowata, McIntosh, Ottawa, Sequoyah, Tulsa and Wagoner.

Besides the Pensacola Dam, which is now under construction, this map shows the proposed dams at Markham's Ferry and Ft. Gibson on the Grand River, and the Oologah and Hula dams on the Verdigris River.





interesting industry in the Grand River dam area.<sup>92</sup> E. E. Carnes, representative of the REA at Washington informed Schaefer that the rural-electrification set-up planned to service all northeast Oklahoma from power generated at the Grand River dam.<sup>93</sup>

The Massman Construction Company, when it foresaw that it would be slowed up in its work asked for more time for the building of the dam and power house. Massman's request set forth that the company was handicapped by the lack of bridge facilities across the river and by the incompleted electric transmission line that was to convey energy to their equipment. It also pointed out that Massman and Company had not been given rights of way into the dam-site and that the land rights to the site of the dam had not been provided.<sup>94</sup>

An unexpected development thus arose with the realization that title to the dam-site was still held by the Hydro Electric Incorporation, rather than by the GRDA.<sup>95.</sup>

Massman could not begin operations on land that did not belong to the GRDA, and the GRDA could not force the start of work until the land was bought. This was all averted, however, when the Grand Hydro Incorporation granted the GRDA entry to its lands.<sup>96</sup>

It was Lyons of this incorporation that donated the necessary

<sup>92</sup>Miami Daily News Record, July 15, 1938) 1.

<sup>93</sup>Ibid., (Aug. 16, 1938) 1.

<sup>94</sup>Ibid., (July 29, 1938) 1.

<sup>95</sup>Harlow's Weekly, (Aug. 6, 1938) 7.

<sup>96</sup>Mayes County Democrat, (Pryor, Okla., Aug. 4, 1938) 1. Grand Hydro Inc., which owned the dam-site was organized in 1930 as a private project by Wash Hudson, Tulsa attorney, Ben F. Lyons, of Chicago, and the late J. Howard Langley of Pryor. Incorporators of the project at that time dreamed of the Grand River dam as a private undertaking.



land for excavation for the east spillway of the dam. At that time he told members of the authority that he "had a friendly feeling for the Grand River project, that it was more than a financial venture with him and that he wanted to see it completed.<sup>97</sup>

The GRDA now began to close deals on the land that would eventually be flooded by the completion of the dam. Payment of \$5,060 for the first tract of land went to Joe Atterbury for his 91.8 acre farm near Bernice, Oklahoma.<sup>98</sup> The field appraisal staff worked on about forty tracts of land each week.

The first major contract for the construction of the project was finished in August well ahead of schedule. Sprague and Henwood of Pennsylvania finished their \$34,675 core-drilling contract with the same crew of men that began work for them in February. The core-drilling firm drilled about 7,000 feet of test holes on the spillway, each hole ranging from forty to one hundred and seventy feet in depth. J. A. Jackson, superintendent of the firm, said that in his opinion the base of the dam would rest on solid rock, on the basis of the many test holes he drilled.<sup>99</sup>

It was time now for Massman to go to work. Consequently he began, as his first step to stem the flow of the 470 foot river, to place in order thirty-foot steel sheet pilings, interlocked as to form a barrier behind which workman could work on the dam itself. The river was diverted in two parts. The first part was taken on the Disney side of the river. The piling was set

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<sup>97</sup>Harlow's Weekly, (Aug. 6, 1938) 1.

<sup>98</sup>Miami Daily News Record, (Aug. 9, 1938) 1.

<sup>99</sup>Ibid., (Aug. 10, 1938) 1.

and the portion of the one hundred and fifty foot high dam on the down stream side was built after the protecting coffer dam was pumped out.<sup>100</sup>

Late in September an unexpected strike of union workers occurred which threatened to tie up the entire project unless the Massman Construction company acceded to the demand for a fully union job.

The strike called by the union of operating engineers, American Federation of Labor affiliates, halted the excavation sub-contract of the Sammons-Robbertson Company. The shutdown affected all steam shovel operators of the Huntington, West Virginia, firm and quickly spread to other employees in a sympathy strike. A total of approximately 225 men were affected. Strikers barricaded the construction railroad in an effort to cut off supplies to the project.<sup>101</sup>

Objectives of the striking workmen were divided. In addition to their demand for a closed shop, the unionists insisted that Oklahoma men be given jobs first.

Strike leaders were emphatic in their claims that PWA regulations governing wage scales were violated. Specifically, they named two phases of the work; the cofferdam and the laying of a pipeline. The work, they said, was being done by common labor when it should have been done by skilled workmen.<sup>102</sup>

However, the next day, work was resumed on the Grand River

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<sup>100</sup>Miami Daily News Record, (Aug. 14, 1938) 1.

<sup>101</sup>Harlow's Weekly, (Oct. 1, 1938) 2.

<sup>102</sup>Miami Daily News Record, (Sept. 26, 1938) 1.

dam. An order was filed by the Massman Construction company for sufficient men to replace the union ex-employees, who were not to be reinstated.

Eight sheriff's deputies were ordered to the dam-site by Sheriff Walter Panter of Pryor. They were to supplement Investigators Dee Watters and Dave McConnell, who were sent into the strike area by Governor E. W. Marland. <sup>103</sup> Thus it was known by no uncertain terms that the GRDA would not tolerate difficulties between workmen. <sup>104</sup>

A political issue came up next with regard to the GRDA. Senator Elmer Thomas stated that the next Congress might replace the GRDA with a federal controlled Arkansas Valley Authority patterned after the famed Tennessee Valley Authority. <sup>105</sup>

This statement aroused considerable political opposition in northeastern Oklahoma and caused the Miami newspaper to go into the project's legislative future with the Senator <sup>106</sup> who finally stated that any attempt to make a "political football of the GRDA would be fatal to the project." <sup>107</sup>

Negotiations with Ben Lyons for purchase of the site on which the dam was built failed. Consequently Davidson was instructed to prepare suit for condemnation of the 395 acre dam-site and for 1,700 additional acres owned by the company. The

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<sup>103</sup>Miami Daily News Record, (Sept. 27, 1938) 1.

<sup>104</sup>Harlow's Weekly, (Sept. 24, 1938) 3.

<sup>105</sup>Mayes County Democrat, (Nov. 3, 1938) 1.

<sup>106</sup>Miami Daily News Record, (Nov. 3, 1938) 1.

<sup>107</sup>Harlow's Weekly, (Nov. 5, 1938) 4. Grand Hydro placed a price of \$343,000 on its 395 acre dam-site and 1,705 additional acres. Two PWA appraisers placed a value of \$193,000 on the Grand Hydro holding. \$78,000 for the agricultural values and \$115,000 as the value of the damsite. Miami Daily News Record, (Feb. 1, 1938).



condemnation proceedings were necessary as the GRDA could not under a rule of the PWA, make payment to the general contractor of the dam until clear title to the dam-site was obtained. 108

Another land question which arose to plague members of the Authority was the discovery of numerous unmarked graves in the area and the knowledge that between 1,000 and 1,200 others would have to be removed. Plans at the time called for the establishment of two large cemeteries to receive the bodies, one to be on the west side of the lake and the other one on the east side. 109

In line with the past policies of the Board it was assumed that this work would be let by contract to some undertaking firm which would handle this delicate matter in a matter that would please the relatives.

In spite of this being a delicate and serious affair, many stories arose about the moving of the bodies. R. P. Matthews, farm editor for the Tulsa World, related one of the stories:

Some one it seems..., started the report that the GRDA was searching for men of fearless mind to disinter all graves in the land to be submerged by the Grand river lake and accompany those remains to a quarantine camp for a period of thirteen months for which the Board was prepared to pay at the rate of \$1.25 per hour for eight hour shifts. ... it was feared the exposure of said bodies would cause a lot of epidemics to spring up and depopulate the state. The rumor had it that from 100 to 500 men would be necessary. 110

The Board was later informed that 3,337 graves had been located in the area which would be inundated by waters backed

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108 Harlow' Weekly, (Nov. 12, 1938) 4.

109 Ibid.

110 Olin Perkins. "Fanciful Fictional Fanfare", The Grand River Dam.

111

up by the dam.

A proposed second hydro-electric dam at Markham's Ferry had been planned for sometime for the purpose of taking advantage of the water storage of the Grand River dam. However, PWA approval of the project was unavailable. If built it would generate 120,000,000 kilowatts yearly at low cost.

112

Interior Secretary Ickes told Senator Lee and members of the Authority that he would favor construction of additional dams as a part of the project, one at Markham's Ferry and another at Ft. Gibson, if the system would be operated under the plan of the Bonneville dam on the Columbia River. The Bonneville project was to be owned and operated by the government; the power produced to be sold.

113

In agreeing to support the project, Ickes stated that he would not agree to the expenditure of public funds unless the law safeguarded against control of the sale of electricity from passing into the hands of the governor.

114

Early in January definite disapproval of the GRDA's amended application of a \$7,272,727 loan and grant with which to build a secondary dam at Markham's Ferry was made known by H. A. Gray, assistant PWA administrator.

This action was based upon an earlier agreement between the agency and the GRDA which specified that the latter would ask

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111 Miami Daily News Record, (Jan. 21, 1939) 1.

112 Harlow's Weekly, (Nov. 26, 1938) 4.

113 Ibid., (May 6, 1939) 5.

114 Ibid., (May 13, 1939) 4.

for no further funds for the project.

Board member, however, considered a separate application for  
115  
the project.

Also at this time, Representative Glade Kirkpatrick introduced a bill to reduce the size of the GRDA.

In the meantime, Ray McNaughton, chairman of the GRDA whose term expired January 1, was reappointed for a six year term by  
116  
Mac Q. Williamson.

The next month two bills to reorganize the dam authority were set for public hearing before the House committee on departmental regulations. The bill sponsored by Kirkpatrick proposed to reduce the Board to five members appointed and removable by the governor.

Lincoln Battenfield of Mayes county was the author of the other bill, which was to create a new board of three members, one each appointed by the governor, the attorney-general; and the commissioner of labor. His plan would also reduce in half  
117  
their salaries. Pat Murphy was opposed to a clause in both bills which would take three appointments from his hands. He said organized labor would be disappointed if they had no representative on the board.  
118

Governor Phillips view point on the board at a special called meeting of northeastern Oklahoma legislators:

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115 Miami Daily News Record, (Jan. 3, 1939) 1.

116 Ibid., (Jan. 13, 1939) 1.

117 Ibid., (Feb. 17, 1939) 1.



At the meeting, I told them it was my only intention to get a board not vitally interested in hiring themselves on the payroll, and get in there and get the title to the dam-site before it was completed.

There has been a lot of talk that I am seeking to build up a political machine to use for my own purposes. I told them if the bill was passed and I was given the power to appoint the GRDA directorate I would reappoint five of the present members.<sup>118</sup>

I plan to appoint the fifth member from one of the fourteen affected counties and expect them to get along without hiring themselves at a big salary.

When it gets to be a public scandal up there, its time for us to act.

The board spends its time quarreling among themselves to see who is going to get on the payroll....<sup>119</sup>

Ickes told the Board that the present set-up where all members are to be appointed by the governor could be made a "political football".<sup>120</sup>

The bill, however, passed the Senate, with an amendment giving the governor power to appoint all five members of a reorganized authority.<sup>121</sup>

Early in February, Judge W. M. Thomas disclosed in open court plans to expedite settlement of condemnation proceedings brought by the Grand River Dam Authority against county land owners.<sup>122</sup>

The GRDA was dissatisfied with the prices on land that court appointed appraisers placed on tracks owned by E. C. Thompson

<sup>118</sup>Four of these were McNaughton, Ward, Colley, and Duncan.

<sup>119</sup>Miami Daily News Record, (Mar. 19, 1939) 1.

<sup>120</sup>Harlow's Weekly, (May 13, 1939) 4.

<sup>121</sup>Miami Daily News Record, (Mar. 7, 1939) 1.

<sup>122</sup>Ibid., (Feb. 5, 1939) 1.

and M. F. Graham. Jury trials were asked by the GRDA to deter-  
mine the amount it would pay for the property. <sup>123</sup>

Davidson's petition said the appraiser's figures in each  
instance were too high. <sup>124</sup>

Wright, disturbed at mounting land costs warned that the  
situation would cause withdrawal of federal funds from the pro-  
ject. He pointed out that the board was restricted to a \$20,000,000  
outlay for the entire project and that he was required by Wash-  
ington to periodically certify completion of the job within that  
figure. <sup>125</sup>

Late the next month the district court decided that the GRDA  
should pay Thompson \$6,650. <sup>126</sup>

The next day the district court jurors held that Graham was  
entitled to \$9,500 for his land. <sup>127</sup>

Altogether options of 12,079 acres then had been signed by  
the owners of land in the Grand river basin which entails a pur-  
chase price of \$641,264.81, or \$53.17 per acre. <sup>128</sup>

The next problem to be considered that confronted the GRDA

<sup>123</sup>The Thompson land of 28.48 acres and the Garman area of  
143 acres were located in the Wyandotte vicinity. Appraisers  
fixed the value of the Thompson land at \$8,000. Also jury  
commissioners decided \$15,750 would be a fair estimate on the  
Garman land.

<sup>124</sup>Miami Daily News Record, (Mar. 3, 1939) 1.

<sup>125</sup>Ibid., (Mar. 5, 1939) 1.

<sup>126</sup>That figure was set in the event the use of U. S. highway  
60 was not denied to Thompson. If the highway was blocked by the  
lake waters, GRDA must then give him an additional \$1,000. Miami  
Daily News Record, (Mar. 24, 1939) 1.

<sup>127</sup>Ibid., (Mar. 26, 1939) 1.

<sup>128</sup>Ibid., (Mar. 19, 1939) 1.

was inundated school districts which would suffer from the  
 129  
 waters caused by the project.

Briefly the school districts were confronted with these problems:

1. The flooding of portions of their taxable area, with consequent shouldering of school burdens by the reduced acreage; specifically, the increased prorata liability on remaining residents regarding outstanding indebtedness.

2. Inability of school districts completely surrounded by waters to transport their transfer students to areas where schools are available.<sup>130</sup>

The GRDA had at this point been running short of funds for  
 131  
 some time. An inventory of finances was taken which found that the GRDA only had \$184,000 on hand with bills of approximately \$1,000,000 to meet. It also developed that the PWA had advanced \$3,605,000 of the \$8,347,000 grant and that no more grant money would be available until the project was seventy percent finished.

All five members of the Authority went to Washington and there they presented a plea to PWA officials to purchase at least \$2,000,000 of the \$12,500,000 in bonds with which to  
 132  
 supplement the grant for financing the project.

During the conference at Washington, GRDA officials certified to PWA that the project be built without asking funds in excess  
 133  
 of the \$20,000,000.

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<sup>129</sup>Miami Daily News Record, (Mar. 9, 1939) 1.

<sup>130</sup>Ibid., (Mar. 9, 1939) 1.

<sup>131</sup>Ibid., (May 2, 1939) 1.

<sup>132</sup>Harlow's Weekly, (May 6, 1939) 5.

<sup>133</sup>Miami Daily News Record, (May 2, 1939) 1.



On the basis of that assurance, PWA agreed to purchase the first of the bonds or \$2,000,000 of them in order that project obligations then due could be promptly met and work continued. 134

Many sincerely believe that the work would be completed by July 1, 1939. The unforeseen problems that arose such as labor disputes, trouble over the purchasing of land, and the lack of sufficient funds from time to time curtailed construction considerably.

The next information as to its completion came from Chief Engineer Holway who stated that the flooding of the Grand river reservoir would be possible by January 1, 1940 provided sufficient land was bought and deforested before then. 135

Estimates at the very beginning were from eighteen months to three years. But what really mattered was that the long bitter fight for recognition was ended.

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134Tulsa World, (May 17, 1939) 1.

135Miami Daily News Record, (May 21, 1939) 1.

### Chapter III

#### Benefits to be derived from the Dam.

To calculate the benefits of the Grand River Dam project solely from the standpoint of dollars and cents is to miss the main objective. Of course it spells a tremendous commercial advancement for the whole state as well as for northeastern Oklahoma; but in the long run its spiritual values are the more to be desired.<sup>1</sup>

Citizens of northeast Oklahoma have been interested in the building of the dam since 1895. They have worked for it, spent fortunes, and devoted time and labor for its realization. Not very many realized the changed conditions it would bring to that part of the state.<sup>2</sup>

The expenditure of the project allotment in the area was of great value to the state while the construction of the dam was going on.<sup>3</sup>

Probably one of the first changes to be made was the change in the value of land near the damsite. From cheap almost worthless land, it suddenly emerged into valuable townsite lots ranging from \$30.00 to \$1500.00.<sup>4</sup>

Building of the Grand River dam meant new life to a number

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<sup>1</sup>Wesley E. Disney. "What the Grand River Dam means to Northeastern Oklahoma", The Grand River Dam., 25.

<sup>2</sup>John Devine. "Alls Well on the Grand River Job", Daily Oklahoman, (Oklahoma City, Sept. 25, 1938) 4F.

<sup>3</sup>Disney, op. cit.

<sup>4</sup>Devine, op. cit.

of cities and communities in that area. Vinita enjoyed the lion's share of the glory, as headquarters for the activity were there. Twenty new homes were completed in Vinita within a few months after the dam was started.<sup>5</sup>

Other surrounding towns benefited greatly also. Miami, at the north end of the big lake received much of the play. Pryor, near the southeastern end sprung into new action. Pensacola, near the dam site became a more important town as well as Grove<sup>6</sup> and Jay on the eastern bank and Ketchum on the western bank.

By April, after the dam had been started in January, town boosters could show vistors twenty-five buildings under construction and a dozen more which had just been completed.<sup>7</sup>

The towns of Disney and Langley sprang up almost overnight. Disney was named in honor of Wesley E. Disney, the congressman who spent much time and effort in promoting the possibilities of the dam. The town of Disney is virtually on an island and has been designated as the "Venice of the Southwest".<sup>8</sup> Langley was named after the first chairman of the Grand River Dam Authority, J. Howard Langley, who deserves much of the credit for the final approval of the project by the federal government.

Representative Disney was notified in July that two additional postoffices were to be established in Oklahoma. The new towns to be

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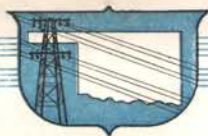
<sup>5</sup>Harlow's Weekly, (Mar. 26, 1938) 2.

<sup>6</sup>Devine, op. cit.

<sup>7</sup>Harlow's Weekly, (Apr. 16, 1938) 4.

<sup>8</sup>Olin Perkins, "The Future Venice of the Southwest", The Grand River Dam., 41





## The Grand River Dam Brings Activity to Area



### DISNEY—AT THE AGE OF TEN DAYS



Wesley E. Disney

The question of whether the building of the Grand River Dam will bring prosperity to the area surrounding it may be partially answered by visiting the towns—new and old established ones—most closely adjacent to the project.

The above picture shows a view of Disney when it was only ten days old. Carved out of the wilderness, a broad street is now lined with business houses of every description and it now makes a claim to a population of almost 1,000 people. These people have placed their faith in the Grand River Dam and have invested their money in lots and buildings, creating an entirely new town on the very banks of what will be the Grand River Lake.

Other towns have been established and established towns have had growing pains. Langley is a new town on the west bank of the river at the west terminus of the dam. Ketchum, less than four miles from the dam, has many new additions and lots of new buildings.

Pensacola, a few miles down the river from the dam, is expanding and building. Schools have already felt the increased attendance from the many families that are moving into the area, and only a visit to this district will convince the most skeptical that there is "activity in the Grand River Dam area."



given the postoffices were Disney and Langley.<sup>9</sup>

When the dam was built, northeast Oklahoma enjoyed another phase of her natural resources. It made available for public use the extraction of electric power.<sup>10</sup> As a result the area should enjoy lower electric rates both from public utilities and from municipalities distributing power bought from the Grand River dam.<sup>11</sup>

Early in February, 1939, the Rural Electrification Administration allotted \$375,000 to the Northeast Oklahoma Electric cooperative. This was for the building of 279 miles of electric transmission lines which would serve 833 consumer farms. The line was to serve Ottawa, Delaware, Craig, and Mayes counties, and was to begin south of Pryor and extend to a point north of Miami. At that time, plans for another 125 mile line had been outlined and a customer survey made. The proposed new line was to be made up of a number of extensions to the approved line.<sup>12</sup>

The purpose of the Grand River dam is to regulate the flow of the river so that water power may be made to serve in producing electrical power. It acts as a restraining dam to hold the water back, which is a unit in flood control so that high water may not spread destruction in the territory below it.<sup>13</sup>

This is not all the dam will do. The human values which accrue are of transcendent importance as compared with the above values. Lower electric rates mean more of the good things of

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<sup>9</sup>Harlow's Weekly, (July 16, 1938) 3.

<sup>10</sup>Wright, op. cit.

<sup>11</sup>Disney, op. cit.

<sup>12</sup>Miami Daily News Record, (Feb. 2, 1939) 1.



life to the average family. Rural electrification is a boon to the present and the oncoming generations which cannot be measured in dollars. The realization that the government built the dam in the interest and for the benefit of the people in northeast Oklahoma also makes for political contentment.<sup>14</sup>

The first large power dam in the United States was started at Muscle Shoals during the World War to manufacture munitions for its army and navy. Despite a determined attitude on the part of the people of America for peace, war is always a possibility.

Located in the heart of America, safe from invading warships and almost beyond the possibility of attack by enemy planes, the Grand River Dam could play an important part in national defense in case of war. This possibility was discussed in a radio speech in 1935 by the late J. Howard Langley, first chairman of the GRDA.<sup>15</sup> He said:

And finally may I suggest, that much as we dislike to think of it, this old world does go on a blood letting and throat cutting rampage about every so often. And never did the war clouds hang heavier than right now. There is riotous competition in military preparations the world over. Uncle Sam is not loved anywhere except here and sometimes he doubts whether we love him.

We may be living in a Fool's paradise.

We think we are great; and we are. But the pages of history are fertile with instances where greatness was humbled, almost in a day.

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<sup>14</sup>Disney, op. cit.

<sup>15</sup>Olin Perkins. "National Defense and the Grand River Dam", The Grand River Dam., 36.



That occurred in the year 490 B. C. on the Marathon plains in Europe when 10,000 Athenians plus 1,000 Plataeans drove more than 100,000 Asiatic war lords into the Aegean....

Time need not be taken in trying to paint the picture of the advantages of a super-power plant, and almost inexhaustible supplies of raw material including the lead that plays so important a part in war, all huddled and cuddled up together in the very heart of our Uncle Sam's domains.

And with the enemy fleet, submarine, surface marine and aerial forces blasting the daylights out of us on our coasts, Atlantic, Pacific and Gulf; and with land and air forces marching in across the Canadian border on the north, and the Mexican border on the south; What, impossible you say? No danger? It can't be done? How do we know it can't?

Darius the great Persian king didn't think it could be done on the Marathon plains, but it was done.

George the III, upon whose domains the sun never sets, didn't think it could be done in 1776, but it was done, through a trail of blood from Bunker Hill to Yorktown.<sup>16</sup>

Other residents of the area have dreams of the construction by the government of a string of armament plants between Pittsburg Kansas, and Okmulgee, Oklahoma.

Chief exponent of the plan is Mike Silva, who, in explanation of this proposed program has told numerous chambers of commerce in northeast Oklahoma that:

The Grand River dam provides an ideal location for such projects. Cheap power is available; there are plenty of needed materials right here in the state; labor conditions are far better than in the east and along the coast where most plants are located.

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<sup>16</sup>Perkins, op. cit.

Also, plants located here would be practically immune from any aerial attack. The day has arrived when we must consider air raids as a part of modern warfare. Test flights made during the past year have proved that air raids extending from other countries to our shores are not just an idle dream but can be a reality in case of war. The farther inland our plants are located, the easier it will be to protect them.<sup>17</sup>

The recreational facilities of the great lake will bring happiness to the thousands of families and individuals who do not have the means to make extended vacation trips.<sup>18</sup>

It is rather hard for those who have never been on the coast or near large lakes to visualize a body of water with 1,300 miles of shoreline such as will be impounded by the Grand River dam; or to visualize a lake of 50,000 acres.

Extensive plans were made for a great state park. Wildlife conservationists studied its possibilities. The Oklahoma Game Association proposed that some of the major peninsulas formed by this body of water be developed as an area for propagating desirable wildlife, particularly deer, turkey and quail.

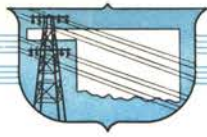
They believed that a game proof fence at the base of the peninsula could be made proof against the major predatory animals which prey upon wild life. A broad expanse of water on the other three sides would not only prevent game animals and game birds straying from their refuge, but would also protect them against predatory animals. The Game Association also hoped to see certain areas designated as sanctuaries for migratory fowls.<sup>19</sup>

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<sup>18</sup>Disney, op. cit.

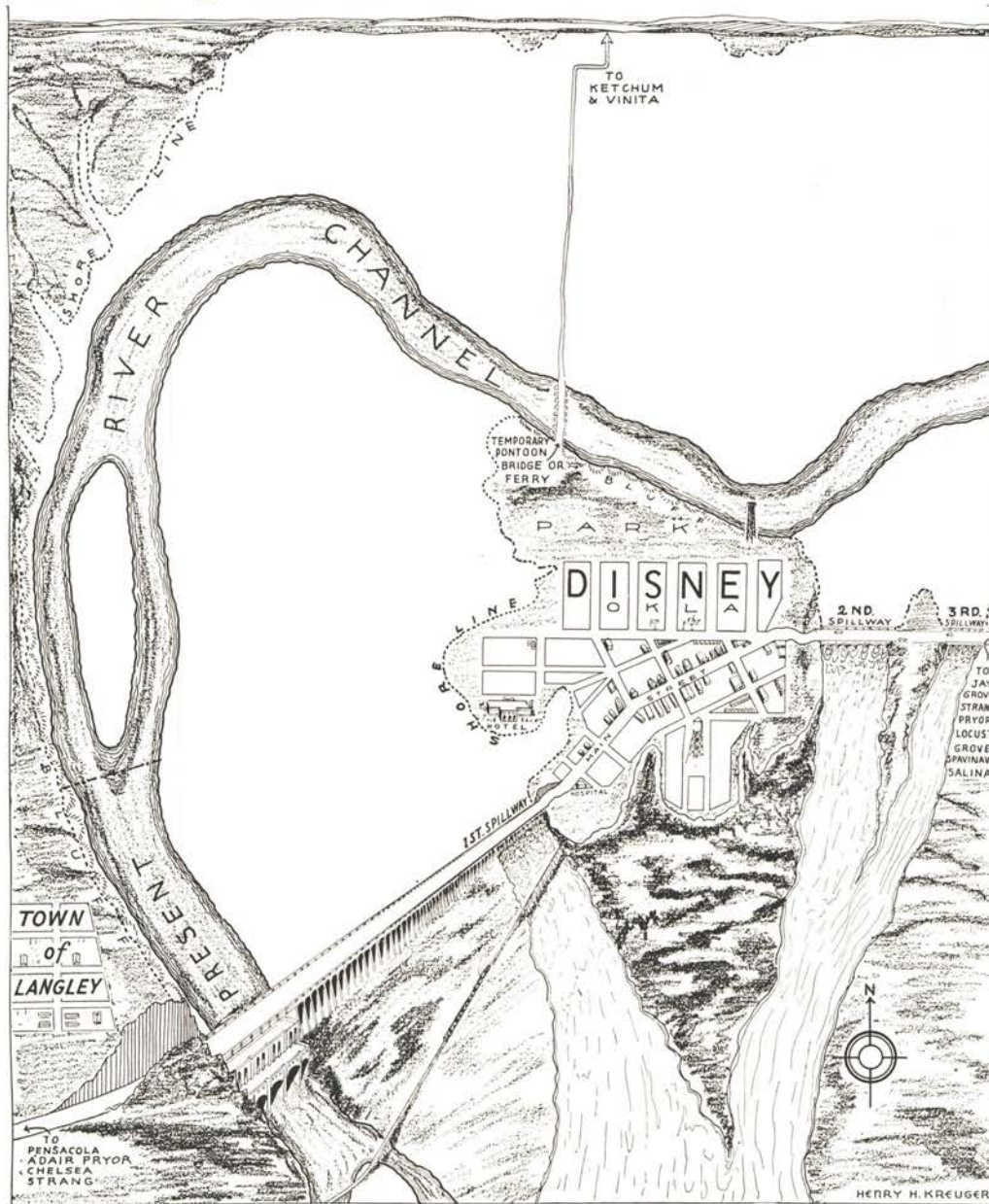
<sup>19</sup>Ray C. Weems. "Oklahoma Outdoorsmen Get a Break", The Grand River Dam., 29.





# DISNEY

THE FUTURE "VENICE"  
of the Southwest



When the lake is formed by the Grand River Dam Disney will be virtually on an island with a breath-taking vista of the lake sweeping out in all directions. It will be one of the Southwest's best resorts. When folks visit the dam they will also visit Disney.

Lots are selling fast. Come and select yours now.

DISNEY TOWNSITE CO.—C. D. Armstrong, Mgr.





HISTORY OF THE GRAND RIVER DAM

The lake before it was ever started was predicted to be a fisherman's paradise within a few years after the dam would be completed.<sup>20</sup>

Grand River and its tributaries already are well stocked with game fish. State or federal operated fisheries could be installed in the immediate vicinity to add hundreds of thousands of bass, crappie, channel cat, blue gill, and other popular fish to the lake annually.<sup>21</sup>

Dr. M. M. Ellis of Missouri University outlined a method of water purification and told how suitable plant life could be introduced in the lake which would reduce any high rate of fish mortality, before a group of Isaak Walton leaguers at Disney.

Representative Disney pledged his aid as well as did Representative Wilburn Cartwright. Disney interviewed W. C. Henderson of the Biological survey who volunteered to help direct operations and also Charles Jackson, head of the Bureau of Fisheries, who offered his co-operation by writing to the State Game Warden, K. D. Turner, to seek a state appropriation for fish hatcheries in that area.<sup>22</sup>

Besides fishing the Grand River Dam lake was indicated as being a wonderful spot for sail boating, motor boating, and canoeing.

In the future it will bring hundreds of thousands of dollars

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<sup>20</sup>Harlow's Weekly, (Sept. 18, 1937) 5.

<sup>21</sup>Weems, op. cit.

<sup>22</sup>Miami Daily News Record, (Mar. 29, 1939) 1.

annually into the state to be spent here by those residents of other states who will come for their week-end recreation and summer vacations. It will keep other hundreds of thousands of Oklahoma dollars within the state, which, in times past, have been spent elsewhere by Oklahomans who were forced to go beyond Oklahoma's environs to obtain the hunting, boating, and fishing which<sup>23</sup> the Grand River Dam lake will provide.

The far reaching social, industrial, and economic effects of the \$20,000,000 project are valueless. It has brought a new<sup>24</sup> frontier and a new era of prosperity to northeast Oklahoma.

The dam and hydro-electric project will never be a taxable charge on the counties within the district. The government granted \$8,000,000 outright to the project and lent the GRDA another \$12,000,000. The portion of the total cost that was loaned the GRDA is to be paid from profits accruing from the project itself. It is specifically provided that neither the state nor any company nor municipality shall be liable for any portion of the fund. The project should pay for itself in thirty-three years or by 1972, and when paid for will be owned by the State and managed by the State Authority under the direction of the chief executive and state legislature.

The army engineers estimated that the Grand River Dam would produce \$1,050,000 a year from the sale of power and \$8,000,000

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<sup>23</sup>Weems, op. cit.

<sup>24</sup>Thompson, op. cit.



in eighteen years from the sale of water for repressuring oil wells. The water may be used to irrigate between a million and two million acres of land and may in the future become a source of water supply for Oklahoma City.

25

Thus this Grand River Dam will make life better in Oklahoma. It will provide power for more production and easier living, control of the destroying floods, and beauty and space for rest and recreation.

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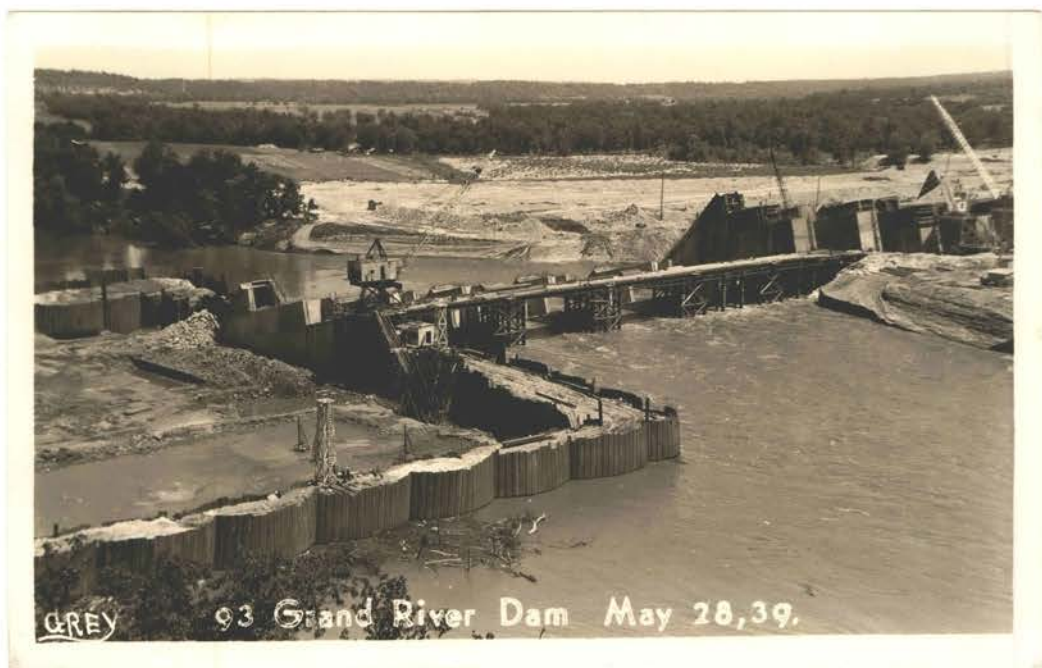
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GREY 93 Grand River Dam May 28, 39.

HISTORY OF THE GRAND RIVER DAM

## Appendix

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

Section 1. GRAND RIVER DAM AUTHORITY.

There is hereby created within the State of Oklahoma a conservation and reclamation district to be known as "Grand River Dam Authority" (hereinafter called the District), and consisting of that part of the State Of Oklahoma which is included within the boundaries of the Counties of Adair, Cherokee, Craig, Delaware, Mayes, Muskogee, Nowata, Ottawa, Rogers, Tulsa, Wagoner, Sequoyah, Osage, Washington, McIntosh, Creek and Okmulgee. Such District shall be, and is hereby, declared to be a governmental agency and body politic and corporate, with the powers of government and with the authority to exercise the rights, privileges, and functions hereinafter specified, including the control, storing, preservation, and distribution of the waters of the Grand River and its tributaries for irrigation, power and other useful purposes, the reclamation and irrigation of arid, semi-arid, and other lands needing irrigation, and the conservation and development of the forests, water and hydro-electric power of the State of Oklahoma.

(a) Nothing in this Act or in any other Act or law contained, however, shall be construed as authorizing the District to levy or collect taxes or assessments, or to create any indebtedness payable out of taxes or assessments, or in any manner to pledge the credit of the State of Oklahoma, or any subdivision thereof.

(b) Nothing in this Act shall be construed as authorizing the District, and it shall not be authorized, to build distributing lines or to engage in the retail marketing of the hydro-electric power developed. Provided further that the hydro-electric power can be sold at the turbines for wholesale purposes only and then only to distributing concerns: provided, that no such concern shall be connected, in any way, with or controlled, or owned by the District.



## SECTION 2 POWERS, RIGHTS AND PRIVILEGES.

The District shall have and is hereby authorized to exercise the following powers, rights and privileges:

(a) Ton control, store and preserve, within the boundaries of the District, the water of the Grand River and its tributaries for any useful purpose, and to use, distribute and sell the same within the boundaries of the District;

(b) To develop and generate water power and electric energy within the boundaries of the District;

(c) To prevent or aid in the prevention of damage to person or property from the waters of the Grand River and its tributaries;

(d) To forest and reforest and to aid in the foresting and reforesting of the water shed area of the Grand River and its tributaries and to prevent and to aid in the prevention of soil erosion and floods within said water shed area;

(e) To acquire by purchase, lease, gift, or in any other manner, and to maintain, use and operate any and all property of any Kind, real, personal, or mixed, or any interest therein, within or without the boundaries of the District, necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred upon it by this Act;

(f) To acquire by condemnation any and all property of any Kind, real, personal, or mixed, or any interest therein within or without the boundaries of the District necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act, in the manner provided by general law with respect to condemnation;

(g) Subject to the provision of this Act from time to time sell or other wise dispose of any property of any Kind, real, personal, or mixed, or any interest therein, which shall not be necessary to the carrying on of the business of the District;

(h) To overflow and inundate any public lands and public property and to require the relocation of roads and highways in the manner and to the extent necessary to carry out the purposes of this Act; Provided, that said District shall be liable in damages to the State of Oklahoma and /or any subdivision thereof for any injury occasioned or expense incurred by reason thereof.

(i) To construct, extend, improve, maintain, and reconstruct, to cause to be constructed, extended, improved, maintained, and reconstructed, and to use and operate any and all facilities of any kind necessary or convenient to the exercise of such powers, rights, privileges and functions;

(j) To sue and to be sued in its corporate name;

(k) To adopt, use and alter a corporate seal;

(l) To make by-laws for the management and regulation of its affairs;

(m) To appoint officers, agents, and employees, to prescribe their duties and to fix their compensation;

(n) To make contracts and to execute instruments necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act;

(o) To borrow money for its corporate purposes and, without limitation of the generality of the foregoing to borrow money and accept grants from the United States of America, or from any corporation or agency created or designated by the United States of America, and, in connection with any such loan or grant, to enter into such agreements as the United States of America or such corporation or agency may require; and to make and issue its negotiable bonds for moneys borrowed, in the manner and to the extent provided in Section 10.

(p) To do any and all other acts or things necessary or convenient to the exercise of the powers, rights, privileges or functions conferred upon it by this Act or any other Act or law. Provided said District shall be liable for all damage caused by said District, its agents, servants, and employees in creating, constructing, maintaining or operating said District to any corporation, partnership, person or individual whose property, either real or personal, within or without said District, has been damaged and said damages may be determined by appropriate action in the same manner as provided by law under the conservancy act of the State of Oklahoma.

### SECTION 3. BOARD OF DIRECTORS.

The powers, rights, privileges, and functions of the District shall be exercised by a Board of nine directors (herein called the Board), all of whom shall be residents of and free hold property tax payers in the District; provided that not more than one of such directors shall be residents of the same county. Three of the directors shall be appointed by the Governor, three by the Attorney General, and three by the Commissioner of Labor of the State of Oklahoma.

### SECTION 4. SECRETARY..RECORDS..GENERAL MANAGER..TREASURER..EMPLOYEES.

The board shall select a secretary who shall keep true and complete records of all proceedings of the Board. Until the appointment of a secretary, or in the event of his absence or inability to act, a secretary pro tem, shall be selected by the Board. The Board shall also select a general manager, who shall be the chief executive officer of the District, and a treasurer, who may also hold the office of Secretary. All such officers shall have such powers and duties, shall hold office for such term and be subject to removal in such manner as may be provided in the compensation of such officers.

### SECTION 5. FISCAL MANAGEMENT.

The monies of the District shall be disbursed only on check, drafts, orders, or other instruments signed by such persons as shall be authorized to sign the same by the by-laws or resolution concurred in by not less than five directors. The general manager, the treasurer and all other officers, agents, and employees of the District who shall be charged with the collection, custody or payment of any funds of the District shall give bond conditioned on the faithful performance of their duties and an accounting for all funds and property of the District coming into their respective hands, each of a which bonds shall be in form and amount and with a surety (which shall be a surety company authorized to do business in the State of Oklahoma), approved by the Board, and the premiums on such bonds shall be paid by the District and charged as an operating expense.



SECTION 6. DOMICILE OF DISTRICT..ACCOUNTS AND RECORDS.

The domicile of the District shall be in the City of Vinita, County of Craig, where the District shall maintain its principal office, in charge of its general manager, until otherwise designated by the affirmative vote of five Directors. The District shall be caused to be complete and accurate accounts conforming to approved methods of bookkeeping. Said accounts and all contracts, documents, and records of the District shall be kept at said principal office. Said accounts and contracts shall be open to public inspection at all reasonable times.

SECTION 7. OFFICERS OR EMPLOYEES..INTEREST IN CONTRACTS PROHIBITED.

No director, officer, agent, or employee of the District shall be directly or indirectly interested in any contract for the purchase of any property or construction of any work by or for the District, and if any such person shall be or become interested in any such contract, he shall be guilty of a felony and on conviction thereof shall be subject to a fine in an amount not exceeding Ten Thousand (\$10,000) Dollars or to confinement in the county jail for not less than one year nor more than ten years, or both.

SECTION 8. RATES AND CHARGES..FEES.

The Board shall establish and collect rates and other charges for the sale or use of water, water connections, power, electric energy or other services sold, furnished, or supplied by the District which fees and charges shall be reasonable and nondiscriminatory and sufficient to produce revenue adequate;

(a) To pay all expenses necessary to the operation and maintenance of the properties and facilities of the District;

(b) To pay the interest on and principal of all bonds issued under this Act when and as the same shall become due and payable;

(c) To pay all sinking fund and/or reserve fund payments agreed to be made in respect of any such bonds, and payable out of such revenues, when and as the same shall become due and payable; and

(d) To fulfill the terms of any agreements made with the holders of such bonds and/or with any person in their behalf. Out of the revenues which may be received in excess of those required for the purposes specified in subparagraphs (a), (b), (c), and (d) above, the Board shall establish a reasonable depreciation and emergency fund, and retire (by purchase and cancellation or redemption) bonds issued under this Act that the rates and charges of the District shall not be in excess of what may be necessary to fulfill the obligations imposed upon it by this Act.

#### SECTION 9. DISCHARGE OF LIABILITIES..BONDS.

Any and every indebtedness, liability, or obligation of the District, for the payment of money, however entered into or incurred, and whether arising from contract, implied contract, or otherwise, shall be payable solely (1) out of the revenues received by the District in respect of its properties, subject to any prior lien thereon conferred by an resolution or resolutions theretofore adopted as in this Act provided, authorizing the issuance of bonds or (2), if the Board shall so determine, out of the proceeds of sale by the District of bonds payable solely from such revenues.

#### SECTION 10. BOND ISSUE AUTHORIZED..ACTIONS ON BONDS.

The District shall have power and is hereby authorized to issue from time to time, bonds as herein authorized, for any corporate purpose, not to exceed Fifteen Million (\$15,000,000) Dollars in aggregate principal amount. Any additional amount of bonds must be authorized by an Act of the Legislature. Such bonds may either be (1) sold for cash, at public or private sale, at such price or prices as the Board shall determine, provided that the interest cost of the money received therefor, computed to maturity in accordance with standard bond tables in general use by banks and insurance companies, shall not exceed six per centum per annum, or (2) may be issued on such terms as the Board shall determine

in exchange for property of any kind, real, personal, or mixed, or any interest therein which the Board shall deem necessary or convenient for any such corporate purpose, or (3) may be issued in exchange for like principal amounts of other obligations of the District, matured or unmatured.

SECTION 11. BONDS NEGOTIABLE INSTRUMENTS.

All bonds issued by the District pursuant to the provisions of this Act shall constitute negotiable instruments within the meaning of The Negotiable Instruments Law.

SECTION 12. CONTRACTS WITH FEDERAL AGENCIES.

The District may, but without intending by this provision to limit any powers of the District as granted to it by this Act, enter into and carry out such contract, or establish or comply with such rules and regulations concerning labor and materials and other related matters in connection with any project or projects as may be requested by the United States of America, or any corporation or agency created, designated or established thereby, which may assist in the financing of any such project or projects as the District may deem desirable or as may be requested by the United States of America, or any corporation or agency created, designated or established thereby, which may assist in the financing of any such project or projects. The District shall have the authority to request engineering aid of the Corps of Engineers of the United States Army, the Federal Power Commission, or any other Federal agency, in the designing and construction of any project authorized under the terms of this Act and use such aid, if and when offered, and to pay any reasonable cost therefor.

SECTION 13. DISTRICT MAY PURCHASE BONDS.

The District shall have power out of any funds available therefor to purchase any bonds issued by it at a price not exceeding the redemption price applicable at the time of such purchase, or if such bonds shall not be redeemable, at a price not exceeding the principal amount thereof plus accrued interest. All bonds so purchased shall be cancelled and no bonds shall ever be issued in lieu thereof.



#### SECTION 14. ENCUMBRANCES PROHIBITED.

Nothing in this Act shall be construed as authorizing the District and it shall not be authorized to mortgage or otherwise encumber any of its property of any kind, real, personal, or mixed, or any interest therein, or to acquire any such property or interest subject to a mortgage or conditional sale, provided that this section shall not be construed as preventing the pledging of the revenues of the District as here in authorized.

....

All property of the District shall be at all times exempted from forced sale, and nothing in this Act contained shall be at all times exempted from forced sale, and nothing in this Act contained shall authorize the sale of any of the property of the District under any judgment rendered in any suit, and such sales are hereby prohibited and forbidden.

#### SECTION 15. PUBLIC USE OF LANDS..ATTORNEY GENERAL.

The District shall not prevent free public use of its lands for recreation purposes and for hunting and fishing except at such points where, in the opinion of the Directors, such use would interfere with the proper conduct of the business.

All public rights of way now traversing the areas to be flooded by the impounded waters shall remain open as a way of free public passage to and from the lakes created, and no charge shall ever be made to the public for right to engage in hunting, fishing, boating, or swimming thereon.

#### SECTION 16. BONDS EXEMPT FROM TAXATION.

All bonds and the interest thereon issued pursuant to the provisions of this Act shall be exempt from taxation (except inheritance taxes) by the State of Oklahoma or by any municipal corporation, county or other political subdivision or taxing district of the State.

#### SECTION 17. BONDS AUTHORIZED.

This Act without reference to other statutes of the State of Oklahoma shall constitute full authority for the authorization and issuance of bonds.

#### SECTION 18. CONSTRUCTION OF ACT.

This act and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

#### SECTION 19. SAME

If any provision of this Act or the application thereof to any person or circumstance shall be held to be invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 20. CITATION OF ACT.

This Act may be cited as the Grand River Dam Authority Act.

SECTION 21. EXPIRATION DATE.

The terms of this Act, and the authority herein created shall expire on the 1st day of July, 1937, unless some part of the project set forth herein has been commenced by said date, otherwise to be in full force and effect.

Approved April 26, 1935.