

## Paul B. Kelly

<b>Kelly Logging (Ochoco)</b>	<b>1938-1941</b>
<b>Kelly Lumber Company</b>	<b>1941-1945</b>
<b>Kelly Shell Oil</b>	<b>1940-1950<sup>1</sup></b>
<b>Kelly Development Co.</b>	<b>1953-1953<sup>2</sup></b>

Few timbermen enjoyed the respect earned by Paul B. Kelly. Kelly was tough; he had high standards and insisted that anyone that worked for him met those standards. He took care of his employees; he cared for the forest. Throughout his career Paul Kelly conducted his logging operations as if the forest itself were his partner. This care that Kelly exercised in the woods was born when Kelly was but a young man—more mature boy, really. No environmentalists forced Kelly to adopt the logging practices he used; he saw them as necessary to preserve the forest.

Paul was born near Seattle, Washington in 1886. By age 16 he was a gypo logger with a team of men backing him up. As a high school dropout, Paul had to educate himself and he did this informally. Much of his education was what is now called “on the job training.” Whatever approach Paul took to his education, it worked. He was not only an expert logger but also an expert engineer—a natural engineer, some called him.

Success came early to Paul B. Kelly. Some innate set of skills equipped Paul to out-bid competitors and he always had logging jobs awaiting his attention. Although Paul was many times the low bidder on logging jobs, his work was always superior.

Paul’s work in the woods took him east. By 1917, at age 31, Paul found himself in eastern Washington. Somewhere along the line, Paul met

Lucile McKay<sup>3</sup>, and in 1917 they married.<sup>4</sup> Lucile was from a well-to-do family and her parents didn’t much approve of this logger. Lucile, an independent soul, knew better: Paul was the man for her.

The newlyweds traveled to Washington, D.C. for their honeymoon. In Washington, Paul enlisted in the U.S. Army; he knew he could help win the war (that would have been World War I). Don’t imagine that Paul was running out on his newly acquired wife. The decision for Paul to join the war had been discussed well before the marriage and wife Lucile supported Paul’s decision. Throughout their life together, Paul and Lucile were business partners first, spouses second.

The Army put Paul on a ship headed for Europe. The ship was fatally torpedoed in the Irish Sea. It was night and it was cold. The ship sank slowly and Paul was one of the survivors that was rescued by a U.S. Navy destroyer. With a war raging, the Army didn’t give Paul much time for recovery. From England, where the survivors had been taken, Paul was sent to the south of France, where he joined the 20<sup>th</sup> Engineers where he was put in charge of a logging operation—a natural assignment.

After a year and a half, Paul was a free man and he returned to Washington and Lucile. By 1920 the Kellys were living in Metaline Falls,

1. Not exact dates; have not been able to determine.

2. The development company was formed for the express purpose of building the road but Kelly did not live out the year; his wife continued with the business for many years.

3. This is the way Mrs. Paul Kelly spelled her name.

4. For a time, the Kellys lived in Metaline Falls, Washington, on the Pend Oreille River. The river flows north into Canada where Paul was working. He use to ride logs northward to get back to work from Metaline Falls. This story was told to me by his daughter, Jean Zell, and many others. I have no doubt that it is true.

Washington. It was here that the Kellys introduced their only child, daughter Jean, to the world of man.

By 1935 the Kelly family was living in Lewiston, Idaho. Paul's logging operations took him away from Lewiston, but he returned home for most weekends.

The years of the mid-1930s to early 1940s were expansion years for the timber industry. The end of the war brought a building boom and a demand for more timber. The nation's economy was booming and timber was a hot commodity. To add fuel to the economic fire was the receding memory of the Great Depression.

As Paul worked away in Idaho, the timber industry had discovered the virgin pine forests of central and eastern Oregon. Although major timber companies had begun buying timberland in the area as early as the turn of the century, the lack of transportation facilities kept the sawmills at bay. By 1911 the railroad had come as far south as Bend and that began an influx of timber giants: Shevlin-Hixon and Brooks-Scanlon.

The railroad bypassed Crook County. The story of this bypass and the response from the City of Prineville are well documented elsewhere (see especially *Rails to the Ochoco Country: The City of Prineville Railway*; John F. Due and Frances Juris, Golden West Books, San Marino, California, 1968), but by 1916 Prineville had a railroad connection with the mainline north of Redmond. Without the railroad in Prineville the influx of major sawmills into Crook County would have been much slower.

But sawmills came. First Pine Product Corporation in 1935 then Alexander-Yawkey Lumber Company in 1938, followed quickly by Ochoco Timber Company's sawmill (later, about 1945, a separate company named Ochoco Lumber Company). It was news of this later company that found its way into the Kelly household.<sup>5</sup>

When Ochoco Timber Company decided that the only way they could salvage their company they were on the verge of bankruptcy—that story is told elsewhere in this book—was to start their own sawmill, they began looking for equipment. Through the industry grapevine they heard of a sawmill in Sandpoint, Idaho, that had closed and the equipment was for sale. The manner in which Ochoco Timber Company heard of Paul B. Kelly (or the other way around) is not known, but somehow they got together and Paul became Ochoco's first logging contractor.

In 1938 Paul and his family made an exploratory trip to Prineville to look over the Ochoco operation. They stayed in the Ochoco Inn. One morning daughter Jean was awakened to a terrible racket coming in her open window. Also coming in the open window was a storm of dust. At the window Jean saw the source of the dust and the racket. A large band of sheep was being driven down Third Street. The band must have been headed for the railroad stock yards.

Dirt streets and roaming sheep did not keep Paul from accepting the job at Ochoco. Lucky Jean did escape: the Kelly's sent Jean to boarding school and Jean's only experiences in Prineville (and the surrounding woods) were on visits home from school.

Although Paul's loggers and their families lived in logging camps in the Ochoco Mountains, Paul built a house for his family in town. The Kelly's occupied this home (at times only sporadically) until Paul's death in December 1953.

By 1941 Paul saw that his greatest opportunity was as a mill owner-operator rather than just a logger. He formed the Paul B. Kelly Lumber Company and built a modern sawmill south of Mitchell on West Branch Creek. Little remains of the site today but there is sufficient evidence to suggest that this was a major operation. The site included three major areas: (1) the sawmill; (2) the bachelor's area, including cookhouse, dining hall, and bunkhouses; (3) family housing area.

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5. At the time Paul learned about opportunities in central Oregon he was working in Cascade, Idaho, where he knew Joe Dion. Joe told Paul of the coming of the big sawmills to Prineville. Mr. Dion, together with his partner, helped build the Shevlin-Hixon sawmill in Bend. (Information provided by William Hill, Joe Dion's nephew, in a telephone conversation, March 3, 2000.)

The only remnants of the sawmill are some cement foundations (which in themselves suggest a large-sized operation), the mill pond—which still contains water but is mostly silted in, and some distance from the location of the main plant, huge piles of sawdust and trim-ends. The mill area sits very near West Branch Bridge Creek; the other areas are higher up the mountain.

The middle area, both in elevation and distance, was the bachelor's area. Paul, using his engineering skills, created large terraced areas on which were built the cookhouse, dining hall, and bachelors' sleeping quarters—bunkhouses. One building that remains is a 4-hole outhouse, now occupied by the infamous pack rats so prevalent in this area. No photographs have been located of the middle area buildings and no "bachelors" that worked at the mill have been found.

The family housing area still contains significant evidence of life in the Kelly camp. There were something like 30 families living here. The company built the houses and the workers rented them (at very low rent even for the times). This writer visited the site in the spring of 1998 and again in the spring of 1999. Recent logging operations have damaged some of the remaining structures but it is still obvious that quite a town existed.

Paul's sawmill operation was short lived, lasting only four years. Paul, before starting his operation, determined that he would purchase only private timber. By 1945 he had logged all of the private timber he could acquire. Paul's sawmill sat on private land not owned by Paul. Paul sold his mill equipment and moved on to other pursuits. The *Central Oregonian* for October 10, 1946 reported:

**Sale of the Paul B. Kelly sawmill to the Valley Tie and Lumber company of Orofino, Idaho, was accounted this week. The mill, located near the summit of the Ochoco mountains east of Prineville, has been idle nearly three years.**

**The mill is to be dismantled and moved to a new site at Kamiah, Idaho. E.R. Fruin of Spokane is the contractor in charge of the work of moving the mill and Dewey Miller, formerly of Prineville, will have charge of the reconstruction of the plant at Kamiah.**

Shortly after Kelly started his sawmill operation, sometime before July 1940, he built an Atlantic Richfield service station east of town on Ochoco Highway (the station is now an Cross Street Station, 2005). In July of 1940, Ken Kirby was hired to run the newly acquired Shell Oil Bulk Distribution Plant. At that time, Morris Lyons was managing the service station part of the operation. Some time around 1947 Kelly decided to combine management positions and Ken Kirby found himself supervising both the bulk plant and the service station. Later in 1947, Ken quit; the combined jobs was more than he wanted to handle. Pete Allen became the new manager.<sup>6</sup> Paul's primary motivation for this venture was to support his own trucking fleet: logging, lumber, and support vehicles.

In any industry, keeping secrets is hard. So with the timber industry. By the early 1950s Paul had heard about a large tract, something in the neighborhood of 24,000 acres—a billion board feet of redwood, Douglas fir, and sugar pine timber being auctioned off in northern California.

After a number of trips to the area north of Santa Rosa, Paul decided that he wanted that timber. There were two obstacles: first, the purchase price must be paid in cash.<sup>7</sup> Twenty-four thousand acres of any land goes for a large chunk of change but prime, virgin redwood timber brings an even higher price. Paul could not muster the cash on his own so he contacted someone he trusted and who would have the cash to participate in the deal. That someone was Lee Evans. Together they had enough to meet the sale price,

6. Try as I might, I have been unable to learn any additional details about the operation of this business.

7. The sale was a foreclosure auction.

each buying 12,000 acres. While they worked together to pull off this deal, Paul and Lee were never officially partners.

The second problem with the timber tract was one of accessibility. There were no roads into the land. Not only were there no roads but also there was no access; no right-of-way—the sale area was completely land-locked. Then there was the problem of rough terrain. It had long been said that no road could be built to the area because of the terrain.

Paul loved solving problems and the terrain problem was right down his alley. It took a lot of dealing to acquire the rights-of-way but Paul didn't wait to start construction. Although Paul's road-building efforts are not directly related to the timber industry in parts of central and eastern Oregon, it is a tale worth telling, and since it hasn't been documented before, except in newspaper stories, it is told here, albeit briefly. The Kelly Road, "the road that couldn't be built," was probably Paul B. Kelly's greatest achievement. Paul did not live to see the completion of the road; he died the Christmas of 1953 while he and Lucile were visiting Prineville.

Paul suffered from a bad heart. It had plagued him all of his life and even drove him into the hospital on occasion, but it never slowed his work until it killed him at age 67. Paul's death did not stop work on Kelly Road. Lucile took care of funeral arrangements, sold the Prineville house and went back to Santa Rosa and finished Kelly Road. Here is the story of "the road that couldn't be built."

By August of 1953 construction of the road was underway. The Santa Rosa (California) *Press Democrat*, on August 6<sup>th</sup> gave this report:

**Lumber Bonanza Near Cloverdale**

By MICHAEL DEMAREST, Staff Writer

**CLOVERDALE** - In the rugged foothills southwest of Cloverdale, men and machines today were bulldozing a road that will reap a new bonanza for the Redwood Empire.

The bonanza is timber—an estimated billion feet of virgin redwood, douglas fir and sugar pine in a vast area whose inaccessibility has padlocked it for a century against exploitation.

This huge hoard of unharvested lumber will be brought out on a 30-foot-wide road that will run from a railhead 2 miles south of Cloverdale, across Highway 101, and plunge 25 miles into the heartland, ending in the Soda Springs area.

**BRANCH ROADS** will curve off into the timberlands—southeast above Annapolis; northwest; and north into Mendocino County.

A group of Portland lumbermen headed by James Laier has already formed a syndicate, the Cloverdale Timber Co., to haul out a substantial portion of the lumber to a mill it intends to build beside the Northwestern Pacific Railroad.<sup>8</sup>

Industry spokesmen talk of the road in terms of a "long-range operation" which will bring income to the Cloverdale area for at least 50 years.

The road that will tap this treasure is being built by Paul B. Kelly, a 65-year-old former Oregon logger and lumber operator who came out of retirement to realize a dream of many years.

Mr. Kelly, who has a reputation as a man "who knows every good tract of timber from British Columbia to San Francisco," had long cast an envious eye on this massive stand between Cloverdale and the coast, north of Annapolis.

Last year, he heard that the Claude Lindsey tract—containing 500 million feet of first-growth timber—was for sale.

**MR. KELLY** bought the tract with Lee Evans, of Evans Forest Products, and divided the holdings. Each retains about 12,000 acres.

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8. James Laier's son, also named James, has been in communications with me and we have exchanged a lot of information. If ever I should write how Kelly Road was built, that information will find the light of day.

Where many lumbermen might have been content to “sit on” the timber until the day someone else might build a road to harvest it, Mr. Kelly went to work immediately to map out his road.

By Jeep and on foot, he traced what he decided would be a feasible route. Even more arduous was the subsequent task persuading more than 25 property owners along the way to sell him the land for his road.

The Sonoma County Abstract Bureau insured title for the final link of the road last week, and a construction crew headed by Roland Moore, a former Kelly employee, went into the hills Monday with bulldozers and caterpillar tractors.

Between 15 and 20 men will be working on the road, which will cost at least \$400,000 to build. Land acquisition and surveys alone cost an additional \$300,000.

IT WILL BE a fenced road when completed (in about a year), over which lumber from other vast holdings adjoining the Evans and Kelly tracts may be hauled at toll rates.

Some of these other tracts have never been logged, because of their inaccessibility.

Lumber from some sections has been hauled out by devious, dangerous county roads to small mills on the coast or inland.

Tolls, says Mrs. Kelly, who is managing her husband's Santa Rosa office at 525 Mendocino Ave., will be “flexible.”

Mr. Kelly's bonanza road will underpass beneath Rockpile Rd. and overpass above Highway 101 at the Ray Smith planing mill. At no point will truckers have to drive over adverse grades of more than 6 per cent.

IT IS BEING BUILT by a corporation formed for the purpose, the Kelly Development Co., of which Mr. Kelly is president and majority stockholder.

Mr. Kelly has already sold a large portion of his timber, but intends to retain a sizable tract athwart [sic] the Sonoma-Mendocino County line as a “nest-egg.”

“When my husband retired in 1945, we thought we'd go to Jamaica and enjoy the rest of our lives,” says blonde, soft-spoken Mrs. Kelly.

“Now it looks as if we won't need those tickets.”

The industry magazine, *The Timberman*, (p. 152-153) dated October 1953, gave additional details on the road and the timber that would become accessible because of the road:

### Veteran Logger Opens Large, Volume of Timber

VETERAN logger Paul B. Kelly is busy opening a new frontier for the industry. Up to 1½ billion board feet of timber will be made accessible by a high speed, 30-mile logging road he is building in northern Sonoma County, Calif. An unusual feature of this “frontier” is that the timber is only 100 miles from San Francisco. A mill will be built at the terminus of the road, south of Cloverdale.

Twenty years ago, George M. Cornwall, founder of THE TIMBERMAN, noted in the December, 1933 issue that Kelly was a versatile logger, who located his own roads and developed special logging equipment. He had been around logging operations for close to 30 years at that time.

After half a century at every type of logging done in the West, Kelly is still building roads and developing equipment. He tried to retire once, but just couldn't keep away from the woods.

About three years ago, Kelly and Lee Evans, formerly of Prineville, Ore., bought 24,000 acres of timber in Sonoma County from the Claude T. Lindsey Co. of San Francisco. Kelly's half of the area supports 270 million feet. Of this, 60% is redwood, 34% is fir and 6% is sugar pine. The timber on the tract runs 25,000 feet per acre.

Roads have been Kelly's first interest. With a Jeep and on foot, he personally sought the best route to the railhead, south of Cloverdale. It took two years to locate

and acquire the rights-of-way. Surveys and land acquisitions for the road cost \$300,000.

Kelly said that the purchase of the rights-of-way was the most difficult part of the project. High prices were demanded for low value land, and a variety of chores were given, him, such as removal of stumps and the improvement of roads off the right-of-way. He was hospitalized with a heart attack during the negotiations and Mrs. Kelly carried on the work during his illness. She supervises the office and has been a full business partner with Kelly for the past 36 years.

Rights-of-way were acquired to take the main road to within about five miles of the Pacific Ocean at Gualala, Calif. Its highest point will be 1900 feet elevation. The timber is on land ranging from 300 to 1000 feet high.

Although the road runs through some steep country, it is located so that curves are gentle and maximum adverse grade is 6%. There will not be more than two miles of 5 to 6% adverse grade. Maximum favorable grade is 10%. The surface of the road is 30 feet wide. It will be possible to haul logs 100 feet long.

It is expected that the road will be built to the timber by the end of next summer, a distance of 20 miles from the mill site, two miles south of Cloverdale. The work is being done by the Kelly Development Co., of which Kelly is president and majority stockholder.

A crew of 20 men is under the supervision of Rolland Moore, an experienced road construction man. He was superintendent of the crew which built the Logan Pass Road into Glacier National Park. Kelly's road is expected to cost at least \$400,000. Equipment on the job includes eight Caterpillar tractors, five D8's, two 137's and a D6. There is a 16-yard Carryall, a Caterpillar No. 12 power grader, a Jaeger compressor and a 1¼-yard Northwest shovel. The latter will be used for driving piling. Much of the equipment has been rented from Hulbert & Muffly of Cloverdale.

Three of the Caterpillar D8's have 163-hp engines and U-shaped bulldozer blades. Kelly increased the capacity of the blades by adding steel plate to the top. Each blade is about 18 inches higher in the middle section, and tapers to the ends. With this equipment, Moore said that it is possible to move half again as much earth as with a standard tractor and bulldozer.

Initial work on the road has been in decomposed shale, which is dry and relatively fast working. The slopes are steep near the beginning of the road and the greatest yardage must be moved there. However, the crew has been averaging about 1½ miles of road per week, except for surfacing.

Eventually, 2500 yards of rock and gravel will be put on each mile of road. This will be given a light coating of oil to hold down the dust. There will be two to three miles of heavy rock work on the job. Preco back-rippers are used on the bulldozer blades. Moore said that they greatly increase the efficiency of the equipment in the decomposed shale.

Drainage is provided by U.S. Steel culverts and redwood boxes. The steel is used in diameters up to four feet, with one 60-foot steel culvert six feet in diameter. Some 8x10-foot redwood culverts will be used. There will be six to eight bridges in addition to the steel overpass across U. S. Highway 101. One of the bridges will be 120 feet long and have two piers. Culverts are handled by the Caterpillar D6 equipped with a boom.

In reflecting on the advances made in road construction equipment, Kelly said that he spent all of one summer building three miles of road in northern Washington. That job was done with horses just after World War I, in which he served in the 20th Engineers.

Three men of the road crew construct fence along both sides of the right-of-way. It is planned that the road will be kept entirely closed to the public. A toll house will be constructed near the highway. Kelly will sell timber and maintain the toll road. It will be possible to take out some "inac-

cessible" timber in southern Mendocino County over this road. There will be no limit on the size of the log loads.

James Laier and Norman DeLaittre of Molalla Forest Products Co., Molalla, Ore., have joined with Chester Bates and William Bates of Bates Lumber Co., North



Plains, Ore., to form the Cloverdale Timber Co. They will build a mill at the railhead near Cloverdale and will log some of Kelly's timber. Trucks will be able to make two and three trips per day from the woods, and loads will probably average 15,000 board feet.

It was only two months following the publication of this article that Paul Kelly died in Prineville.

The details of the construction of the Kelly Road must be left for another time; space limits prevent me from telling the complete story here.

Paul B. Kelly, on left, talking with his road construction supervisor, Mr. Moore.

Let me tell you some general facts about the area in which Paul Kelly built his road. Remember: this was an area of 24,000 acres which had never had road access. The cost of building many miles of new road through unfriendly terrain was only two items that resulted in the road being called “The Road That Couldn’t Be Built.” The largest roadblock was lack of rights-of-way. These were needed because the land was not contiguous. Kelly worked harder obtaining these rights than he did on any other phase of the road building. He had help, in the end, from Lee Evans.

On the above map you notice at the right the road appears to pass through a lake. That lake wasn’t there when the road was built; it came down the road far enough that it didn’t interfere with Kelly’s operation but it did impact various attempts to sell to the road. The county didn’t want the road even though there was no other road through that part of the California Coastal Range because logging roads were not built to public highway standards and the county did not have the funds to upgrade the road even though upgrading would have cost less than a new road. There is still no public road connecting the wine country with the coast.



In this photo you can see one reason why the county did want to buy Kelly Road. This overcrossing (Kelly Road passing over Rock Creek Road) was not built to state standards. Kelly was moving logs, not the general public. The road worked well for the purpose for which it was designed.