

The Skeena Pacific Railway

- A History

Table of Contents

Introduction.....	2
Chapter One - Starting a Railroad	2
Chapter Two - Becoming a RailWay.....	5
Chapter Three - Logging	6
Chapter Four - Common Carrier	7
Chapter Five - Skeena Pacific	8
Chapter Six - Boom and Bust, Not Quite	10
Chapter Seven - The Managing Director	12
Chapter Eight - Coal and Oil and Alaska, Oh My!.....	12
Chapter Nine - Into the Twenty-First	13
The Railway Name and Ownership Table.....	14

Introduction

This is the story of how the first, and now the largest, railway in the NorthWest of British Columbia came to be. The Skeena Pacific Railway has been in existence, more or less, since 1876, on paper at least and under wildly varying conditions.

The NorthWest of British Columbia encompasses the vast area of mountains, valleys, plateaus and plains, rivers, streams, creeks and brooks that range from the port Town of Kitimat to the northern border of the Province of British Columbia. To the west is the port City of Prince Rupert and in the east, the "Northern Capital", Prince George.

If you go to the NorthWest, kicking tufts of grass or pushing aside boulders, you won't find Skeena Pacific Railway tracks. It exists in our backyard, but its history comes from my heart. Read on.....

- An aside.... Many of the events and maybe some of the names in this story are true. If you find a connection to characters, living or dead, it may have been done with the utmost respect, but it's probably just coincidence. But really, if they had just moved differently, Skeena Pacific Railway could exist.....--

Chapter One - Starting a Railroad

It was in 1876, when railways were proving that they were the ultimate in fast, safe and dependable land transportation that our story begins. Only a few years before, the Central Pacific and Union Pacific had closed the gap at Promontory, Utah, giving the United States and its territories a ribbon of steel across its vast landmass. In England and Europe, trains were already moving at more than a mile a minute. Even in Canada, the old colonies were interlinked and British Columbia wanted to join the railway revolution. "If you build it," B.C. said to Canada, "we will join". But some politicians couldn't wait.



C.W.D. Clifford, a promoter and businessman of some repute, approached the government in Victoria, BC, with plans for a railway to open the vast and newly gained resources of the NorthWest which was now part of the fledgling Province of British Columbia. It was only ten years earlier that the mainland and Vancouver's Island had joined together as colonies and only five years before that the joined colonies had become the Province of British Columbia. Playing on emotion, using grand rhetoric and some general plans, he negotiated from the Province a Railway Charter, with extensive land and financial grants attached, for his proposed Pacific, Northern and Omenica Railway. It was planned "to start at tidewater near the village of Kitamaat, thence northward to the Skeena River, northeast to the village of Telkwa, from there to Fort George and Beyond."

Clifford was a very successful promoter but his performance was lacking in the details. The one point that Clifford had to accept to gain the Charter and its grants was the provision upon the start of construction near Kitamaat Village before the end of that year, 1876. It was unexpected but unavoidable given the political circumstances. The Government wanted to show its action and decisiveness with regard to the new NorthWest. However, it didn't necessarily want to give anything away. So the seemingly impossible requirement was set, though not publicly. Clifford now had to move hastily as he had not had time to confirm his capital or his suppliers. He thought approval would take more time, and the Politicians, more money. He was suddenly stuck! All that land and promise of money, and no rail to lay. But if nothing else, Clifford was resourceful.

In desperation he turned to a group of Seattle businessmen already in the railroad business and looking to make a dollar, with an eye for land grants and good business. They had just purchased, with others, the Northern Pacific Railroad and were already lobbying their potential federal government in Washington, D.C., for a more profitable way east across the almost United States to join Washington Territory with those United States. Because they had some confirmed contracts, they were complete with rail and equipment on hand, when Clifford came, hat in hand. These far-sighted fellows were clever enough to have anticipated Clifford, bargained only to the point that they bought him out and rapidly proceeded with barge, tug and crew to Kitamaat Village. By dint of good luck and an unseasonably mild early-winter, their crews were able to get ashore, across the bay and northwest of Kitamaat Village. Now the site of the Municipality of Kitimat, the seasoned constructors, with help from local people, knocked down trees, scratched away



some dirt and lay the first mile of track, all before the close of December, 1876. The Kitimat River Valley boasted its own rail line on rough-hewn ties and 30 pound rail, and it was enough to secure the Charter. But with Seattle at the helm, it was no longer the Pacific, Northern and Omenica Railway. The name was changed to the Kitamaat and Omenica Railroad. The Village was honoured but the Province was not impressed. With that little rail-line, a flatcar and whistling-kettle locomotive, the Province was on the hook for land grants and mileage subsidies potentially worth a King's ransom!

Unfortunately, Clifford didn't fair so well in the deal. He had talked his way into and out of a northern railway, all in less than a year. But those four businessmen weren't all greedy, Charles William Digby Clifford was left with sufficient seed-money to become a well-respected merchant at Inverness, on the Skeena River, who never moved again without "getting his ducks in a row".

Of course, now that their grand Northwest BC plan was started, our Seattle friends won a major contract to be involved with the construction of the Northern Pacific Railroad, and their previously adequate resources were now stretched beyond even their limits. The mile of track at Kitamaat mouldered while they lobbied and promoted for more capital and land. By 1879, they had talked their way into more land, free of course, and a new grandiose plan for the Kitamaat and Omenica Railroad had been hatched. The K&O RR was to become the bridge route from the proposed Canadian Northern Railway in Fort George to the new Port of Kitimat. There were only a few problems, not the least of which was the fact that, as yet, neither the Canadian Northern Railway nor the Port of Kitimat existed.

It took until 1892 for K&O RR to proceed another four miles. The line was used to harvest timber which was then shipped from a deep-water wharf in Kitimat. The investors had their capital set elsewhere, and still the Canadian Northern was still only being talked about. New problems had arisen. In the intervening time, the politicians in eastern Canada had boldly underwritten a new road west, the Canadian Pacific Railway. The "Bridge Route" looked uncertain, but there were still land and capital grants attached to the railway charter that had not yet expired. And then, in 1893, was the Great Stock Crash. Recession followed, prices for everything tumbled and the railway looked to be doomed.

Chapter Two - Becoming a RailWay

In the black days of 1897, before the gold rush north, our Seattle friends were forced to dispose of the Kitamaat and Omenica Railroad. It was bought, lock stock and charter by a land and timber company. It had become a logging railway, with a new sawmill to feed. Reflecting its new, British Columbia ownership, the name had changed from RailRoad to RailWay. Kitamaat was also re-spelled so that it could be found by Bankers on a map. Government maps showed only the Kitimat River so the railway became the Kitimat and Omenica Railway. It looked good on the letterhead for when the New Westminster owners were trying to borrow money.

October, 1903 saw the official incorporation of the Grand Trunk Pacific Railway. It made legal the nearly 12 months of work already completed in eastern Canada. The Kitimat and Omenica Railway brass had been deep in negotiations with the GTP. The "Bridge Route" might yet be alive, but the GTP insisted it wanted its own rail line to its own port on the Pacific at an as-yet-unnamed site on the north coast, three sailing days closer to the Orient than CPR's new terminal at Vancouver.

One major problem existed for the GTP. It seems that poor old C.W.D. Clifford had been more of a negotiator than first thought. His land grants were much like those given to much larger railroads. Huge! By choosing his route carefully, the land to be owned once rails were laid, extended for fifteen miles on either side of the right-of-way. Clifford's surveyed route went straight up the middle of the Kitimat, Skeena and Bulkley Valleys. If you wanted to get from Prince George to the Pacific, it would have to be on Kitimat and Omenica Charter land. Another strange oversight came to light, some civil servant, either believing that the original 'one year to build' clause would force the deal to be killed or just through the haste of the deal, had not written any end date to the land and capital grants. If ever the rail was laid in a Section, the government support was there, in perpetuity! The land had to be held by the Crown in right of the Kitimat and Omenica Railway Charter.

There was no other way. From Fort George to Littleton (now Terrace), the GTP took a 99 year lease on the land they needed to build to the coast. They also agreed to running rights and a buyout agreement for the K&O R, should their rails ever join. But they thumbed their nose at Kitimat and built to their destiny on the outer coast. The port was eventually named Prince Rupert.



The Kitimat and Omenica Railway suffered. There was a great political furor over the land grants. The dispute was taken to the Supreme Court where it was decided that while the land grants did indeed go with the Charter, to own the land outright, Kitimat and Omenica had to own the track. Kitimat and Omenica just didn't have the capital to fund building the line, with its five tunnels and a major crossing of the Skeena River. And the GTP kept calling in favours to forestall the availability of financing to the little sawmill railway. On top of that, knowing the K&O Railway was stuck, the GTP would only negotiate a modest lease payment in a take-it-or-leave-it deal. When the lease was settled, the Kitimat and Omenica still owned only the land on which it stood, six miles from tidewater to Mount Elizabeth in the Kitimat Valley. All the other land granted with the Charter would remain in Crown Title until such time as the Supreme Court requirements were met. The little railway had been out-politicked and bypassed.

When the GTP drove its last spike in 1916, K&O Railway had six miles of permanent track.

In 1922, when the bankrupt GTP was the last to be dragged into Canadian National Railways, K&O Railway had six miles of permanent track, and no timber land for the sawmill.

Chapter Three - Logging

In 1924, the struggling mill and railway was sold to four young businessmen from what would become the village of Terrace. They had logging rights in the Valley and needed the mill, and port facility. The addition of the railway was a nice touch, if it still would work. It might be better than the horses and new motor trucks they had originally planned to use. To let their bankers know that changes had been made, the railway was renamed to become the Skeena and Kitimat Railway.

An almost-new Shay and an aging Climax were brought in to join the little 0-4-0- tender loco that had been around since 1921 (Porter, 1917) and temporary trackage came and went in the timber land owned by the four partners as logging progressed. The mainline slowly extended up the Kitimat Valley, now nearly eighteen miles, with feeders climbing into the timber for harvesting. The accountant was much surprised one Wednesday afternoon in 1928 to receive a

large cheque from the Provincial Government and the deeds to fourteen hundred square miles of heavily-timbered land. It seems the railway had entered the next Charter Section!

The Company seemed to be set. More land and some capital, oh joy! Then the stock market crashed in 1929 and the value of timber and the ability to borrow both disappeared. Bankruptcy loomed, but the partners struggled on. For the Company, they had a survivor's agreement and in 1933, there were only three.

Chapter Four - Common Carrier

For a nearly a decade, the partners held out against fallen prices, fallen trestles and worn out equipment. War in Europe seemed inevitable and while war is hell, it's good for the economy.

It turned out that the war was a greater blessing to the NorthWest than any could have guessed. By 1942, the Americans had been dragged into what was now a world conflict. The west coast of Canada was surely an imminent target for those armies and navies that were dominating the Pacific. It must only be a matter of time before the West Coast would be attacked. Canada's Ministry of Defence determined that an air base should be established near Terrace, as it was inland from both Prince Rupert and Kitimat and should be a defensible position. What if Prince Rupert should be taken? There needed to be an alternate route to the Pacific in the North. A rail line to Kitimat! Do you see where this is going? Enter the Skeena and Kitimat Railway. With Federal government loans and guarantees, the former logging railway was suddenly thrust into common carrier revenue service. The rail line was pushed into the Village of Terrace, crossing the Skeena River on a curving, steel bridge. While the tracks were interconnected, Canadian National didn't want their yard clogged with S&K equipment. A small yard was established on the west side of the Kalum River and running rights on CN tracks negotiated to get access across the Kalum River Bridge. They needed cars, locomotives, personnel and permits. Locomotives were ordered, cars were scrounged from across North America, and people were hard to find, too. The permits came easily by comparison. The Railway burst onto the public utilities scene. Connected to the Canadian National Railway at Terrace, with the stiffest opposing grade of any Canadian railway, it lifted its way over the "Big Hill" southbound from Terrace to Lakelse and on to Kitimat. Forty-two road miles,



numerous trestles, a pair of major bridges and a secretive armoured train carrying eight inch naval guns and an unusual locomotive that looked like a boxcar and growled.

Of course, the name had to be changed. The partners, only two now, decided S & K would be the timber company and its resources, while a new Skeena and Pacific Railway, inheriting all rights of S & K Railway, should be formed as the common carrier.

The railway company prospered and the logging and lumber went well too.

Then the war ended. No invasion, no more American troops, and they closed the airbase. Terrace returned to "sleepy hollow" with a thousand or so people and a new vehicle road to Prince Rupert. Kitimat went back to little more than a hundred, mostly S & K employees for the sawmill and S&PR employees for shops. They had very few passenger miles and hardly anything else. The heavyweight passenger cars were sealed, except the observation, which became a personal car for the company president.

By 1947 they were almost back to just logging and log movement. The tri-weekly passenger service ran from Kitimat to Terrace and return often propelled by the little 0-4-0. The partners had each been running their "divisions". There had been no more grant-lands and no more "free" money. The timber rights and land had been fairly dealt between the partners' operations and now each was concerned that the other may soon cause a head-over-heels tumble to bankruptcy for both of them. So the Company split, the two partners happily agreeing on who should take what. Happily, because one was a railfan. Now he had his own rail empire, independence and a twinkle in his eye. All this and a new company, Skeena Pacific Consolidated and a name change for the railway to the Skeena Pacific Railway.

Chapter Five - Skeena Pacific

The other surprise of 1947 was the arrival of the last two, 2-8-2 Mikado locomotives from Baldwin. Ordered as part of the war contract for motive power, these were the last delivered from a batch of seven. The company looked for

buyers, but no one wanted USRA Mikes, even at wholesale prices. They were almost immediately capped and placed carefully in storage. They may be needed one day.

It was eighteen months later when Alcan, the Aluminum Company of Canada, decided that Kemano, a remote dot on the map in the Coast Mountains, would become the site of a major hydro-electric power generating station and that Kitimat would be the site of a new aluminum smelter. The town-site would be home to 50,000 people. There was no road to Kitimat, only a railway.

Skeena Pacific Railway.

Negotiations with Alcan were started as to rates, routes and who would do what for whom, especially in the new smelter site. Skeena Pacific held most of the waterfront due to the land grants and also had a small dock. Negotiations were intense, far-reaching, but mostly friendly. While pouring over documents one Thursday afternoon, the Alcan Montreal lawyer asked, "Do you have the deeds for your land up the Skeena Valley?"

"Uh, what land?"

"It's written into the Court ruling , here....' The Supreme Court has decided that while the land grants indeed go with the Charter, to own the land outright, Kitamaat and Omenica has to own or operate the track."

"Yes, and..."

"Your lease agreement with Canadian National's predecessor, the Grand Trunk Pacific states you have operating rights to Prince George, should your tracks ever join."

"You mean....."

"Yes, that happened in, uh , March, 1943, at Terrace. If this is correct, you own nearly every town between here and Prince George, to say nothing of the land in between, and have done so since March, 1943."

No one remembers quite what happened next, but with the help of Alcan and their battery of lawyers, a deal was struck with the Province of British Columbia. A land and cash swap was arranged, and little Skeena Pacific Railway was rich beyond its wildest imagination. It was also very, very busy. Of course the owner played fair and awarded his former partner the logging rights.

For the next five years, the lines were worked to capacity. Sidings and extensions grew, especially in Kitimat. Five of the original seven Mikados were returned to service, three out of the mothballed condition in which they had been held since 1947, when the last new, wartime ordered Mikes had shown up from

Baldwin's shops. It wasn't unusual to see brand-new EMD F7's or Alco FA1's from Canadian National being worked into Kitimat, with newly-trained SPR crews in the cab. With leadership that loved trains, and showed support to every part of the small system, crews and gangs rose to the best in efficiency and pride. Though worked hard, every piece of equipment was well-maintained, even sparkled. Trackage was firm and groomed. No time was lost to unscheduled maintenance.

Chapter Six - Boom and Bust, Not Quite

And then the monopoly was lost. The highway between Terrace and Kitimat was completed in 1956 and cars and trucks started carrying the railway's freight. Still, carloads were headed to and from the new community, but the great hustle and bustle was dwindling. Whether needed or not, no crew lost seniority, no one lost a job. Everyone was family and the Company could afford to carry the load. In fact, it diversified, using its new found resources.

Although aging, the owner of this private railway company remained a steadfast railfan. Even as line after line withdrew theirs, steam locomotives were still to be found on Skeena Pacific. Nothing was held against the new diesel-electric equipment, it was heavily invested and then most were leased out to other North American roads. The steamers were well-maintained and regularly hauled their share of revenue freight. All converted to burn oil, except the little 0-4-0 Porter, they shared fuel with their newer brethren.

New investments for the future of the Northwest were looked into. A line running north from Terrace to a little community called Dee's Lake was surveyed and freight tonnage assessed. But it was too soon, logging was still the only viable industry and people were few and far between. This didn't stop the company from quietly speculating in real estate, to buy a right-of-way.

Columbia Cellulose, the timber giant whose new pulp and paper mill in Prince Rupert demanded more pulp wood to chew, wanted to continue their rubber-tired timber hauls to the Log reload at Kalum, where Canadian National, on SPR land, took the carloads the 100 miles to Kaien Island. They weren't interested in a shorter road haul in favour of a more economical rail route. Skeena Pacific Consolidated kept its hand in the Northwest. Timber was cruised, mineral values prospected and all the while, investments were made in real estate, technology, plastics and trains.



The next "boom" occurred when another pulp and paper manufacturer decided Kitimat would be a good place to invest. 1962 saw Eurocan Pulp and Paper, with vast timber resources to the southwest of Kitimat, needing Skeena Pacific for the heavy haul of equipment and supplies. Like Alcan before it, there was a rush that settled to steady carloads.

It's now 1965 and many of the EMD F units were traded for brand new '40' series locomotives, their 645 series prime-movers bringing a new sound to the valley. Many more are purchased and then leased into the North American market. A railroader always believes that railroads are a good investment. (And you always thought that "S P Lease" meant those big yellow and grey guys in the south!) Expansion of log-haul service was extended into Hazelton and then Smithers, using the running rights on CN tracks. To save resources, CN sold the log bunks to Skeena Pacific and all logging hauls from Smithers to Prince Rupert and Kitimat became the company's sole domain.

The long logging road haul from Nass Camp, 80 miles north of Skeena Pacific's Kalum Yards presented the next opportunity. Using the surveys made in the late 50's, with cooperation from the Nishga people, and using the already purchased right-of way, Skeena Pacific contracted with Columbia Cellulose for the pulpwood haul from Dragon Lake, north of Nass. Not without difficulty, the rail line up the Kalum Valley and into the Nass Valley was built, all with private funds, to terminate at Meziadin. While not hugely prosperous, the line was solidly laid and became home to a way-freight and mixed passenger service as well.

Canadian National was hard pressed to justify its operations west of Prince George because it was hauling little tonnage over track that was costing them lease payments and maintenance and would gladly have quit if not for government and regulation. The opportunity was seized in 1969 when, in a mutually proud announcement, the goldfish ate the whale and Skeena Pacific Railway exercised its original agreement rights and bought all the rail line west of Prince George right through to Prince Rupert. It already owned the right-of-way but the lease income was lost and maintenance would be the Company's problem. CN management smugly went to the bank to bolster their southern operations, believing they had just unloaded their albatross. Skeena Pacific knew otherwise.

Chapter Seven - The Managing Director

Late in 1972, another change occurred. The Managing Director (President) and Owner, being the same person, had decided to step from under the mantle of responsibility. After working so long and so hard, he just wanted to retire and watch his system from the comfort of his private train. He would never sell his pride and joy, but there were limits. He was, after all, a well-worn 72 years old. He named his successor, as he had the right to do as the sole owner of the northwest empire. The young man, only 24, shared the old man's love of trains and had proven his knowledge, foresight and business acumen. He had talked the Old Man into buying out CN's western trackage, straining even SP's not inconsequential financial resources. But he knew it wasn't a gamble, it was sound management.

In February, 1973, Sekunka-Fording announced a major coal development in the northeast of BC. The coal would be sold to Japan and shipped, via rail to Prince Rupert. Using their new, wholly-owned tracks into Prince George, Skeena Pacific would takeover the trains from BC Rail there and take the haul to Prince Rupert.

CN was livid!

Chapter Eight - Coal and Oil and Alaska, Oh My!

Two years later it was Groundhogs' turn. Groundhog? That was the largest untapped coal reserve in North America. And it's located only 80 miles north of Skeena Pacific's northern railhead at Meziadin.

The expansion would prove rewarding, with Skeena Pacific taking the gamble and extending right into Dee's Lake, where servicing shops and other facilities were soon established. Now Unit trains of coal not only moved from Prince George but also from Dee's Lake, where, due to the huge size of the Groundhog development, the AmCan Coal Company found it to be more economical to operate its coal transfer terminal. SPR had done it again.

Then it wouldn't stop. Environmental considerations had suddenly leapt into the politics of moving Alaskan oil to the "Lower 48", Tankers? Not on our coastline! It proved to be the catalyst for a major meeting of Railway Minds. Alaska Railroad, Canadian National, BC Rail and Burlington Northern put forward a proposal for a



rail link. They'll build a new rail line from Fairbanks, AK to Fort Saint James, BC that will connect the North Slope oil reserves to the production facilities in Washington State, for a fee and healthy government support. Someone looked at the map and asked why Skeena Pacific Railway hadn't been invited. The new rail line could be 500 miles shorter! And for once, the politics went in support of the little railway that could.

By 1986, after heroic construction and not a few squabbles, Dee's Lake became Dee's Junction and started seeing unit trains rumbling into the Edziza Subdivision, headed for Smithers, Prince George, Vancouver and points beyond.

Chapter Nine - Into the Twenty-First

Nearly twenty years later, Skeena Pacific Railway is, today, a major resource mover. Timber, lumber, oil, and coal all move southbound for shipment from Company-owned port facilities in Prince Rupert and Kitimat or for on-shipment to the lines of Canadian National and BC Rail. Northbound traffic provides equipment, industrial materials and the necessities and luxuries that make life happier in the great north west of North America. Equipment from C.N., the B.C.R, the now-Burlington Northern Santa Fe, the Alaska Railroad and even Canadian Pacific can be seen moving on high quality, well-maintained Skeena Pacific tracks, headed by Skeena Pacific locos with the best crews in the west. Skeena Pacific means "Dependable Service"

Skeena Pacific Consolidated is still privately-held by a railfan-owner.

In 1989 Skeena Pacific Railway's founding owner passed away, sleeping in his beloved private car as it thundered southbound behind a magnificent Mikado steam locomotive. When the Old Man's Will was read in the offices of Cranston, Brown and Ardent, it was to no one's surprise that the Managing Director, now 42 years old, was named sole proprietor, with the provisos that he would continue to run all the company as if family, and he could never, ever sell the railway.

That's why, even now, you can find a wildly varying mix of motive power that includes diesel and steam, cars and equipment from all over the west of the continent and a welcome mat that is always extended to Railfans of every gauge.



Skeena Pacific Railway is a wholly-owned subsidiary of the 1:29th Skeena Pacific Consolidated, a Gilham Family-owned enterprise.

The Railway Name and Ownership Table			
Year	Railway Name	Railway Company Owner	Location
1876	Pacific, Northern and Omenica Railway	C.W.D. Clifford,	Victoria, BC
1876	Kitamaat and Omenica Railroad	Northern Pacific Railway Consortium	Seattle & Tacoma, Washington Territory
1897	Kitimat and Omenica Railway	Barker & Baker Land and Timber Company	New Westminster, BC
1924	Skeena and Kitimat Railway	Giggy & Partners Lumber	Terrace, BC
1943	Skeena and Pacific Railway	Giggy & Gilman Resources Company	Terrace, BC
1947	Skeena Pacific Railway	Skeena Pacific Consolidated	Terrace, BC
1998	Skeena Pacific Railway	Skeena Pacific Consolidated	Pitt Meadows, BC