HAWAIIAN SUGAR PLANTERS’ ASSOCIATION

PLANTATION ARCHIVES

Register of the

Olaa Sugar Company
Olaa, Hawaii

1897 – 1991

Accession: #84-10
287 cubic feet
February 1992

Processed By
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Patricia M. Ogburn
Puna Sugar Company, Ltd. was originally known as Olaa Sugar Company, Ltd. The name was changed to “Puna” in June of 1960 in hope that it might turn the tide of bad luck that had plagued the company since its inception.

Olaa Sugar Company was located on the Island of Hawaii just nine miles from Hilo on the road to Volcano and the National Park. The plantation fields extended for ten miles along both sides of this highway as well as in the Pahoa and Kapoho areas of the Puna District. The elevation of the land ranged from sea level to 2,200 feet. The area was in the wet belt of Hawaii amid forests of fern trees and ohia with an average monthly rainfall of 18-30 inches. Finding varieties of cane that would thrive on forest soil in a cloudy district at various elevations was a major problem.

In 1899, B.F. Dillingham, Lorrin A. Thurston, Alfred W. Carter, Samuel M. Damon, and Wm. H. Shipman pooled their resources and started what they believed would become Hawaii’s largest and most prosperous sugar plantation. Their original plan was that Olaa would be instrumental in bringing about the Americanization of Hawaii by fostering a homeowning class of small farmers who would grow cane for the mill. The venture was planned as a demonstration of a plantation as small farming enterprise in which a large portion of the crop would be cared for by laborers on shares. L.A. Thurston believed that Hawaii’s future prosperity depended in the long run on the production of crops by small independent farmers who owned or leased the land they cultivated. The corporation would operate the mill and assure a market for produce. The promoters predicted that Olaa would become the banner plantation for all Hawaii. This was a radical departure from the ideas of the old plantation system, which opposed both independent cane growers and diversification.

On May 3, 1899, the Olaa Sugar Company was incorporated. With a $5,000,000 investment, the promoters purchased 16,000 acres in fee simple land and nearly 7,000 acres in long leasehold from W.H. Shipman. They also purchased 90% of the stock in the adjacent Puna Plantation, adding another 11,000 acres to the holdings. Olaa Sugar Company began as one of Hawaii’s largest sugar plantations with much of its acreage covered in trees.

The task of setting up the plantation was enormous. Before 1900, coffee was the chief agricultural crop in the area. Over 6,000 acres of coffee trees were owned by approximately 200 independent coffee planters and 6 incorporated companies. The coffee trees were uprooted to make way for cane. Ohia forests had to be cleared, field rock piled, land plowed by mules of dug up by hand with a pick, quarters for laborers and staff had to be built, the mill constructed, and the first cane planted.
On July 1, 1899, active operations began under the management of Frank B. McStockeer. In his first report, he stated, “As soon as the planting of the main crop begins, which will be about the month of March [1900], arrangements will be made by which a large portion of the crop will be cared for by laborers on shares.” From this early start of “share planting,” the company branched out into the leasing of land to individuals to raise cane and to making contracts to purchase cane from persons who owned or leased their own land. In most cases, the company carried the financial burden for the planter until he was paid for his cane and then recovered the advances made. Other independent cane farmers lived in their own homes, used their own work animals and tools, and supplied their own fertilizers.

In 1900, a twelve-roller, 2,000 ton mill was erected at Olaa. The mill was planned for a 60,000-ton crop and was of a size to accommodate future expansion. Everything was planned for a large-scale production, unlike most sugar companies, which expanded as the output increased.

The cane from the adjacent plantation, the Puna Plantation, was ground at the Olaa mill. Puna Plantation Company, established in the late 1890s, was taken over by Olaa Sugar Company in 1905.

A succession of experiments molded the history of Olaa Sugar Company. Because of heavy rains, numerous cane varieties were tried out. Lahaina cane was abandoned early because of being particularly susceptible to root diseases due to moisture. New varieties were constantly being planted. The weather was also conducive to the growth of weeds. An experiment in paper mulching was started in 1916. The object of the paper mulch was to suppress the weed growth and keep the soil warm. But it also reduced labor costs for hoeing by 50% and provided an extra application of fertilizer.

In 1919, Olaa Sugar Company had the distinction of operating the first bagasse paper mill in the Territory and the only one of its kind in the United States at that time. The mill was erected alongside the sugar factory where bagasse was converted into mulching paper. C.F. Eckart, manager, originated the idea. The mill produced enough paper daily to cover 9 to 11 acres, with about 1,600 lbs. of paper per acre. The paper was used over the young ratoons, which pierced their way through to the light, while the weeds died. This asphalt-saturated paper used at Olaa became a forerunner of mulch paper developed for use in Hawaii’s pineapple industry. Eventually the paper mill was dismantled, but mulching was still used for weed control.

The cane was transported to the mill by fluming and by railroad. Although Olaa Sugar Company had 72 miles of flumes, it had no dependable water source for their operation. The railroad was relied upon for delivery of 60% of the cane. In addition to its own standard gauge 35 miles of railway track, the company ran cars over the Consolidated Railway tracks to bring its cane in from more distant fields. The history of Olaa Sugar Company is closely connected with the southern branches of the Hawaii Consolidated Railway Co. because they were interdependent from the start. The cane fields were in
four widely separated areas cut off from each other by stretches of barren lava. The railroad was therefore vital to the plantation, which in turn helped support the railroad. When a tidal wave on April 1, 194 destroyed much of the Hawaii Consolidated Railway Company’s tracks, it ceased operations. The plantation was then forced to convert to trucks in order to transport sugar and molasses to the Hilo wharf.

Fortunately, under the management of Wm. L.S. Williams, a major road-building program had been started in 1939 for the purpose of eliminating the portable track. He started the plantation on its way to modernization by laying a network of 500 miles of roads for hauling cane. Since 1948, all the cane hauling has been by truck.

By the end of 1947, Olaa Sugar Company owed its agents, American Factors, Ltd., $2,000,000. Sugar prices, the tariff, rationing, epidemics of leafhoppers and armyworms, and volcanic eruptions had taken their toll on company profits. Manager C.E. Burns surmised that the only way for the plantation to stay alive was to mechanize harvesting operations. Because of the rocky and uneven condition of the land, Olaa was one of the last sugar companies to eliminate handcutting of cane. This conversion to mechanical harvesting was a turning point in cost reduction in the fields, but became a problem in the mill as a result of all the trash and rocks coming in with the cane. Cane cleaners were installed but the conventional cleaners could not remove the fine volcanic cinders. Olaa Sugar Company solved the grit problem with an ingenious flotation tank.

Another problem, which resulted when mechanical harvesting went into effect, was a need to layoff laborers. Manager Burns worked out an equitable schedule of layoffs. The first severance pay and repatriation formulas, which were later to serve as patterns for the sugar and pineapple industries, were agreed to. In addition, both management and union members located new jobs in the Islands for most of those who were laid off. As a result, the transition from hand to mechanical harvesting was achieved without labor grievances.

Attention to employee welfare was demonstrated by Olaa Sugar Company in the housing program, free medical attention, and recreational facilities. Manager A.J. Watt modernized the housing by building new family units and relocating outlying houses scattered about the plantation into nine main villages. They became miniature towns with running water, electric lights, schools, churches, stores, clubhouses, theaters, parks and ball fields. The plantation roads radiated from these nine camps to cover the cane areas where the men worked. The 1930 plantation census noted a total of 5,999 men, women and children residing in 1,098 houses at Olaa.

In spite of Olaa Sugar Company’s efforts to reduce operating costs, the plantation was still in debt. In 1953, a minority stockholders’ suit was brought against American Factors, Ltd. The suit alleged that the plantation company paid” excessive” commissions to AMFAC and insufficient dividends to stockholders. By this time Olaa Sugar Co. was over $4.1 million in debt to the agency and possible liquidation of the company was being considered. After six years of litigation, the suit was finally dismissed by the court.
in 1959. In the wake of statehood, it was decided that the company would take advantage
of the land boom and sell some of its fee simple land. By this time, the plantation had
accumulated 35,700 acres of which 22,000 were used by Olaa and the remainder by
independent planters. They also offered employees the opportunity to purchase their
houses.

On March 28, 1960, a name change from Olaa Sugar Company, Ltd. to Puna Sugar
Company, Ltd. was voted on at a stockholders meeting. Apparently, the directors felt
“Olaa” was jinxed and that a name change might erase the failures of the past. With a
new name and the monies accrued from land sales, the company did make a comeback
and by 1963 had the best year ever with a 36% profit gain. In 1966, Puna Sugar
Company was free of debt for the first time in its history. The reduction in the cost of
operations and the improvements in the field and mill were regarded throughout the
industry as a major accomplishment. American Factors offered to buy out the minority
shareholders and by 1969 Puna Sugar Company was a wholly owned AMFAC
subsidiary.

AMFAC launched an expansion program by converting to the diffusion method of cane
processing and by installing a modern steam generating facility. A $4.5 million power
plant was built at Puna, which used bagasse and trash fuel to generate 15,000 kilowatts of
electricity. Hilo Electrical Light Co. contracted to purchase 12,500 kilowatts.

The 1980’s brought bleak prospects to the company once again. The sugar industry
could not longer depend on government subsidies or tax breaks. High fructose corn
syrup, a low cost substitute, and artificial sweeteners were hurting the sugar market. On
January 7, 1982, AMFAC announced that it would be shutting down Puna Sugar
Company.

The chore of closing down was phased out over a two-year period. It involved
negotiating leases and contracts, disposing of equipment, and the most difficult of all,
working out employee layoffs. Once again in an unprecedented move, AMFAC included
in the severance package a gift of five acres of land for each employee. They also
donated $2 million towards improvement costs of the land and offered to help locate
other agricultural related jobs for the employees, it they desired. The last worker was
gone by December 1, 1984. The entire sugar mill was sold to Fiji Sugar Corporation,
Ltd. in 1988 and Hawaiian Electric Light Company took over the power plant.

The plantation was an experiment from the very beginning. It was a product of the
annexation boomtime and reflected the ideals of the men who founded it. Throughout its
history Puna Sugar Company demonstrated a commitment to exploring new and
innovative agricultural methods and to the men who made them possible. The company
set precedents, which are still in effect in the industry today.
MANAGERS

Frank B. McStockeer 1899 – 1904
John Watt 1905 – 1913
Charles F. Eckart 1914 – 1921
Alexander James Watt 1922 – 2/1938
Wm. (Billy) L.S. Williams 2/1938 – 1950
Caleb (Frank) E.S. Burns Jr. 1951 – 2/1957
Lefty Kawazoe 1983
Gordon Norbriga 1983 – 1984

AGENTS

Alexander and Baldwin 1899 – 1900
B.F. Dillingham & Co. 1901
Bishop and Company 1906 – 1919
American Factors, Ltd. 1919 – 1984
Puna Sugar Company

Accession #84-10
287 cubic feet

HSPA PLANTATION ARCHIVES

Olaa Sugar Company

Scope and Content Note

UNPROCESSED RECORDS
After preliminary sorting in the container in mid-June 1990, the Puna Sugar Company records, 200 boxes and 150 volumes, were fumigated and brought into the Plantation Archives. In November of 1991, the remaining Puna Sugar Company records on the Big Island were brought over to HSPA. Another 40 boxes and 42 volumes were added to the Puna Sugar Company material. By February 1991, the material was completely processed, the finding aids were written, and researchers were using the collection.

Olaa Sugar Company changed its name to Puna Sugar Company in 1960, therefore the majority of records collected from the Puna Sugar Company by HSPA in 1981, were records generated by the Olaa Sugar Company.

PROCESSED RECORDS
The Olaa Sugar Company records are organized into the following Series or major categories:

Corporate Records
Manager’s Personal File
Correspondence
Cultivation Contracts
Financial Records
Personnel and Payroll
Production Records
Miscellaneous Records
Other Company Records

CORPORATE RECORDS
MANAGER’S PERSONAL FILE

1902-1955. This series consists largely of correspondence to and from Mr. W.L.S. Williams, arranged alphabetically by subject, i.e. Applications, Bank of Hawaii, Carpenter Work and so on.

CORRESPONDENCE

1899-1984. The Correspondence Series is divided into several sub-series: Alexander & Baldwin, Amfac, B.F. Dillingham, Bishop & Co., General Correspondence, HSPA, Miscellaneous, and Sundry Letters. The first four sub-series constitutes agency correspondence. The Alexander & Baldwin, B.F. Dillingham, and Bishop & Co. correspondence (Boxes 1 to 7) was removed from letterbooks by the archivists.

The Alexander & Baldwin and the Dillingham material contains references to the beginnings of the plantation, i.e. seed cane, the new mill and the railroad. Also included are the Minutes of Directors’ meetings, containing corporate information as well as information about labor contracts and conditions, the plantation store, and the manager’s policies and practices. The Bishop & Co. records of 1907 (Box 3A) demonstrate the policy of providing homestead land to Spanish and Portuguese laborers.

The Amfac Correspondence is arranged by departments. The Merchandise Department material illustrates the range of goods purchased for the plantation and the plantation stores, i.e. machinery and equipment for the factory and fields, railway equipment, livestock, building materials, yard goods, food, and clothing. Rice shortages are well documented.

The Amfac, Plantation Department Correspondence includes daily weather and sugar price data, weekly reports of the manufacture, storage, shipping of sugar and molasses, manager’s annual and bi-monthly reports, lists of mortgage holders and securities held by agents and Bishop Trust Co., as well as cane yields and labor requirements.

The General Correspondence is generally filed alphabetically by subject. The AAA correspondence is a source of names of independent contract planters, acres and production figures. Some planters’ signatures are included.

The Hawaii Consolidated Railway Correspondence documents the relationship between the sugar company and the railroad company, as well as demonstrating the tonnage of sugar and molasses shipped by sea. Sip names and voyages are listed, as are annual estimates of lumber, oil, fertilizer, and animal feed shipped to the plantation.

The Sugar Negotiations Correspondence (Boxes 35-37) contains lists of employees, bango numbers, and job titles for voters in Union ship elections, August 1951. The transcripts and minutes of meetings of negotiating committees from the sugar industry and the ILWU in 1951-1956 are also found in this material.

The Miscellaneous Correspondence contains a sampling of letters of transmittal and acknowledgement, routine letters, and memoranda for record purposes.

The Sundry Letters include numerous job applications and solicitations to supply equipment and livestock to the newly formed plantation in 1899. Correspondence concerned flume rights of way, laborers form Puerto Rico, America, Japan, and China, and contracts between planter and the company. Illustrated manager F.B. McStocker’s business methods, as well as the relationship between the company and the independent
planters. Included in the Sundry Letters in HSPA correspondence concerning Filipino laborers returning to the Philippines, making this good source for laborers’ names. In 1911, the arrangement changed from chronological to alphabetical (PSC20/1).

*NOTE: Various filing systems were used by the plantation office over the years. The original order of the collection was maintained to the best of the archivist’s ability. Folder titles, maintained to the best of the archivists ability. Folder titles, dates and descriptions reflect the plantation’s folder titles or business operations. It was difficult to maintain consistency in the Finding Aid because the same subject matter was filed under different titles depending on the time period. Much of the later material from 1940 to 1980 is arranged by departments or subject; i.e. AMFAC, ENGINEERING DEPT. – 1925-1949 became CORRESPONDENCE, ENGINEERING DEPT. – 1955-1975. Some departments like CORRESPONDENCE, FACTORY – 1949-1984 had a numbered file folder system which was not in either alphabetical or chronological arrangement. It was kept in provenance order. Therefore, it is important for the researcher to thoroughly check all the titles in the Correspondence listing.

CULTIVATION CONTRACTS
1905-1975. The Cultivation Contracts are a good source of planters’ names. The cane growing agreements also include signatures and nationality of planters, as well as legal descriptions of the land involved. Because Olaa Sugar Company employed an exceptionally large number of independent planters, the Cultivation Contracts Series in this record group may include records that would be found in the Personnel and Payroll Series in other record groups.

FINANCIAL RECORDS
1899-1986. The Agents Accounts, 1900-1958, include shipping invoices, bills landing, credit and debit memos, statements, from B.F. Dillingham Company, Bishop & Company, and American Factors. These records illustrate the relationship between the plantation and the agency.

The Cast Receipts (V.20-37) contain receipts for goods and services from companies such as banks, shipping lines, postal service, utilities, agents, and the railway, as well as from individuals, i.e. for land surveys, cutting firewood, and contract planters. Hilo businesses are well represented. Most of the receipts were signed, making these volumes a rich source of signatures written by landowners, planters, contractors, company representatives, and individuals doing business with Olaa Sugar Company between 1906 and 1919. Time tickets in English, Japanese, and Filipino languages are also included. The cash vouchers of even years have been selected for retention.

The Planters Journal Vouchers, Planters Ledgers, and Statements of Payments to Planters are sources of financial information about the independent planters associated with Olaa Sugar Company. These records cover the years 1900-1960 and list the planters on all sections of the plantation. In addition to names, addresses and contract numbers, all charges, credits and payments are documented. The Cane Ledgers include planters names as well as tons of cane harvested and payments made by the company.
The Monthly Statements, 1919-1950, include operating expenses, capital expenditures, abstract of cash, material and supplies, trail balances, resources and liabilities, weather, labor, sugar returns, store reports, and manager’s reports. These Statements provide a concise financial accounting, a list of planters, rainfall and temperature record, and the manager’s report “on general plantation conditions.”

The Controller’s Miscellaneous Files, Long Range Plans and Permanent Improvement Reports, 1971-1982, show the efforts made to keep the company solvent.

Plantation Store Records: because of confusion as to the place of origin of some of the store records, the researcher is advised to consult both the Financial Records Series and the Other Company Series for store information. The keyword “STORE, OLAA” will be found in the database and finding aid for all records associated with the various store branches.

**PERSONNEL AND PAYROLL**

1902-1983. The Payroll Books are divided by sections of the plantation, i.e. Mt. View, Olaa, Pahoa, Kapoho, and contain the names of salaried employees, contractors, and pensioners. The salaried employees include train crews, yardmasters, truck drivers, machinists, lunas, manager’s driver and cook, carpenters, blacksmiths, cane loaders, hospital and mill employees, timekeepers, watchmen, camp police, and the band master. Other employees are listed by bango number, divided by race and sometimes citizenship. Some payroll books include the names of employees to whom store advances have been made.

The Personnel, Planters Agreement, and Pension Cards are a cross reference source to the bongo number of employees and contract laborers.

The Time Book of Laborers, 1941-1948 (PSC103/5) provides an index to correlate bango numbers with employee names. Also noted are occupations, salaries, some quitting dates, and bango number series by race, sex citizenship, and age.

The Labor Agreements (Boxes 64-65) document Filipino workers and include name, place of origin, and signature.

Payroll Check Registers & Summaries, 1977-1983, reflect the decrease in personnel as the company downsized.

Coupled with the salaried and NBU job descriptions, the Puna personnel and payroll records offer good insight into plantation labor practices.

**PRODUCTION RECORDS**

1901-1983. The Production Records document the output of sugar and molasses at Olaa Sugar Company from 1904 to 1960. This Series includes shipping and manufacturing records. Field and harvesting records document cane production. The Sugar Sales Records contain the names of ships carrying sugar between the Islands and to the U.S. Mainland.
MISCELLANEOUS RECORDS

1919-1972. The Daily Logs, 1942-1949, were kept by the manager and the department heads at the request of the agents. Notations were made concerning military and plantation activities including weather, labor shortages, transport and supply problems, and the close association with attorney Carlsmith. PSC50/10 (August 7th) holds a note on the early history of the area. The 1947 daily logs document the process of changing to mechanical harvesting. The Daily Strike Logs, 1946, were kept at the request of the agents to report any activity bearing on the strike situation. Housing records (PSC53/3-54/4) document employee housing including occupants of all plantation dwellings, floor plans, rent and maintenance on each house, and the eventual sale of houses to employees. PSCO-1/1-3 contains the plantation newspaper, Olaa News, from 1943 to 1959. One year, 1947, is missing. Subjects reported include plantation health, birthdays, production, rainfall, legislation, equipment, credit union, job vacancies and promotions, labor union matters, safety, sports, food, retirees, strikes, rats, and land matters. The plantation activities relative to World War II are also covered. Bagasse Delivery records (Box 18/1-8) show the amount of material being delivered to Hawaiian Cane Products, Ltd. for the production of ane. The Minutes of Meetings with Growers (Boxes 138/13-139/2) and Field Maps (Box 139/3-5 & Roll Box 2/1-2) reflect the unique independent grower aspect of Puna Sugar Company.

OTHER COMPANY RECORDS
1897-1960. The other record generating bodies represented in this series are: the hospital, Keaau Land and Planting Co., Puna Sugar Co., Credit Union and the company stores. The hospital records are restricted to preserve patient privacy.

STRENGTHS AND WEAKNESSES OF OLAA SUGAR COMPANY COLLECTION

Correspondence – 1900-1950
Planters Contracts and Agreements – 1920-1950
Financial Records – 1900-1950
Manager’s Personal File – 1930-1950

Weakness: Corporate Records
Puna Sugar Company material