

## Chapter 5

### **SUGAR INDUSTRY**

Sugar cane was one of the crops that Hawaiians traditionally took with them when they set off for new lands. So, the cultivation of sugar was nothing new to Hawai'i. The first large scale commercial sugar plantation was started in 1835 on the island of Kaua'i. This was a 1,000 acre plantation on land leased from the king. However, the cultivation of sugar cane under-went a dramatic transformation beginning in the 1850's. Ironically, the California gold rush of 1848 was one of the driving factors for this new industry. It was quicker and cheaper to ship agricultural products, including sugar, from Hawai'i than the eastern seaboard of the U.S. at this time. The potential agricultural prowess of California was not a factor as, who wanted to be a farmer when there were such riches to be made as a prospector?

The first problem that was faced in creating a major agricultural presence in the islands was the lack of land. Almost all of the land in Hawai'i at this time was occupied by the ali'i, and few Hawaiians were interested in becoming large scale export farmers. The missionaries owned some small holdings that they had been granted over the years. The only other haoles with any land had married into royal families, such as John Parker who founded the huge cattle ranch on Hawai'i. Pressure had been placed on the monarchy to sell land for many years but, was steadfastly resisted. If you recall from earlier discussions, the monarchy owned all of the land with ali'i only having historical use to the lands that they occupied.

This was all to change with the Great Mahele of 1848. From their first arrival Americans had been pressuring the monarchy to become more democratic. Since the time of Kamehameha leases and simple use of land was granted to westerners for service rendered to the kingdom. However, they were never given a title or deed to the land. The new constitution of 1840 had also loosened up restrictions on land use and leasing but the ancient system of the monarchy possessing title was not changed until Kamehameha III, issued the Great Mahele. Under this system one-third of the land was retained by the monarchy, called crown lands, one-third would be available to the ali'i, and one-third would be available to commoners. With this ownership came the right to buy and sell the land. The ali'i had the opportunity to buy the land that they were already occupying under the old feudal system. They could pay this tax by

relinquishing some of their holdings back to the monarchy. They were free to do as they chose with their remaining land.

The case with commoners was different. They had to fill out a few forms and pay a very reasonable tax called a kuleana to obtain title to a small three-acre tract of land. It should be kept in mind that, with the long growing season and fertile soil, it is possible to grow enough food to feed your family in comfort on this amount of land. The goal of this policy was to make Hawai`i a land of small farmers. Unfortunately, few commoners went to the trouble to register their land and in fact many didn't have the money to pay the tax. It should be noted that, as with other indigenous people like American Indians, the concept of land ownership was foreign to their frame of reference. They used the land to meet their needs but had no interest in holding a deed to it.

Land was opened up for sale to foreigners in 1850. To the Westerners, with their quest for land ownership, this was a golden opportunity. Within a period of 30 years Westerners owned 80% of the private land, rendering the Hawaiians basically a landless people. This is part of the reason for the popularity of the present sovereignty movement. But that is another story to be told later in this book.

Many of the descendants of the American missionaries went into business. After the decline of the whaling industry they became active supplying the machinery and general supplies that were needed by the sugar plantations. This naturally led to their involvement in the shipping industry. In an island nation the importance of shipping is paramount to any business activity. The raw sugar needed to be reined and Californian Claus Spreckels bought up a high percentage of the crop for refinement in his mills. In a short time, he was even growing his own sugar on Maui. The missionary descendants soon became involved in banking so that they would have the financial resources to tie it all together. As the poorly managed sugar plantations fell into debt, they would be taken over by these trading companies. Some plantations were even muscled out of business by high shipping rates and high interest loans. These holding companies would make money even in years when the sugar prices were down, which was not unusual. The most powerful of these companies came to be known as the "Big Five". The Big Five were Castle and Cooke, C. Brewer, Alexander and Baldwin, Theo Davies & Co., and American Factors (Am Fac). The 19<sup>th</sup> century headquarters of these giants of finance can still be visited in downtown Honolulu.

The Big Five were all linked together by intertwining boards of directors. This made them a virtual monopoly that could not be challenged. They were the

primary force behind the Great Mahele and its main beneficiary. Since they had long standing roots in the community, they came to be the trusted advisors of the monarchy. The monarchs clearly needed counsel in dealing with business relations with outside interest and the members of the Big Five were only too willing to provide this service, which of course also served to give them the inside track in all business ventures.

A number of constitutions were drafted by the monarchy to deal with their changing relationships with both the commoners and foreign influences. A constant pressure was exerted to force the government in the direction of a representative democracy. A two-chamber legislature was formed that contained elements of both the British parliament and the US Congress. This was fitting as the influence of these two countries was the dominant outside pressure on the monarchy. Kamehameha leaned strongly toward the British. His successors swayed to one direction then another, but the omnipresent influence of the missionaries and their descendants, who were largely educated in America, could leave little doubt as to which power would ultimately prevail.

A good example of American influence in the islands would be the American Reciprocity Act of 1874. In return for allowing Hawaiian sugar to be imported duty free the United States got the use of Pearl Harbor as a naval base. This agreement gave Hawaiian sugar a very competitive price position in the States and gave the U.S. Navy perhaps the finest harbor facility in the Pacific Ocean. The ties were only to grow closer as commerce weaved the two countries into a complex trade network with financial benefits for both.

Let us now examine the labor needs of the sugar industry. Both sugar and pineapple, which began to be grown commercially in the late 1800's, are labor intensive crops. In addition to requiring intensive hand labor both crops require physically demanding work in a hot climate. Needless to say, there were few people eager to take these jobs. As you would expect the Hawaiian people were the first labor source to be tried. The Islanders did not like working in the cane fields and were accustomed to a more laid-back lifestyle. They were able to feed and shelter themselves without working the regimented shifts required by the plantations.

The first outside labor force to be imported were Chinese coolies brought to the islands in 1852. They were hired directly from China on five-year contracts. They were provided living quarters and limited food and clothing allowances. If they refused to work to the plantation owner's satisfaction, they would be jailed until they changed their attitude. Most of the Chinese did not enjoy plantation

life and left the plantations as soon as their contracts were completed, returning to China with their savings. This capital would be sufficient to set them up very well in China. Others stayed on in the islands and moved into the cities where many went into business. In short order a Chinatown was forming in Honolulu, and in 1886 of all business licenses issued in Honolulu, 60% went to Chinese individuals. By the late 1800's the Chinese made up approximately one-fourth of the population of Honolulu. Some of these businesses did very well and the resources were available to stimulate other Chinese to go into business. Between 1852 and 1876 many thousands of Chinese were imported. By the time of annexation, a total of over 45,000 Chinese had relocated to the islands.

By the mid 1860's the Chinese outnumbered haoles in Hawai'i. This was a source of worry to some of the Westerners who were generally very biased against the Chinese. Another problem with the contract labor system was that it too closely resembled slavery for the likes of some. As slavery was just being abolished in the States it was a topic of heated debates. The issue quickly became moot because of the Chinese Exclusion Act of 1882. Americans placed pressure on Hawaiians to honor this act if they wanted to retain duty free status on their sugar. The Kingdom passed its own exclusion act in 1886 in succumbing to this pressure. The cries of "yellow peril" created a kind of hysteria that was much more pronounced on the mainland than in Hawai'i, which was rapidly developing a multi-cultural character of its own. When the first individual of Chinese ancestry was elected to the Territorial legislature in 1927, this multiculturalism was institutionalized. Hiram Fong, whose father was a Chinese field laborer, put himself through Harvard Law School. He was a court attorney who entered politics and was elected to the U.S. Senate after statehood, showing the degree of acceptance of individuals of various ethnic groups in the Islands.

The first Japanese arrived in the islands in 1868 but it was almost 20 years later before widespread migration to Hawai'i from Japan took place. In 1886 the government of Japan, which was experiencing severe overcrowding, was instituting policies to encourage emigration to Hawai'i. The Eta, the lowest class of Japanese, were the focus of these policies. Few Japanese women moved to Hawai'i and the men had the goal of saving up \$3,000 from their contracts and then returning to Japan. Eventually over 180,000 Japanese came to Hawai'i under the contract labor system. These workers were highly valued by the plantation owners because they were obedient, caused few problems, and were considered hard workers.

As the attitudes of the Japanese plantation workers started to change and they began to see the economic potential in remaining in Hawai`i rather than returning to Japan, many sent back to Japan for “mail order” brides. Though marriage to individuals not of Japanese ancestry was culturally discouraged, many began marrying individuals of different ethnicity which led to the rich cultural mix that composes Hawai`i at present. The second and third generations of AJAs (Americans of Japanese ancestry) were more integrated with Hawaiian society than their parents. Many entered business or set up small truck farms for growing fresh produce on completion of their contracts. Japanese language newspapers such as the Hawaii Hochi were started and attracted many loyal readers.

In the late 1880's another effort was made to bring larger numbers of Hawaiians into the sugar industry. Upon her death Princess Bernice Pauahi Bishop's will created the Bishop Estate. She was an heir to the Kamehameha dynasty and left thousands of acres of land, one-ninth of the land in Hawai`i, to her estate. The land was to be used to generate funds that would benefit Native Hawaiians. To carry out this mandate the Kamehameha Schools were founded in 1887. The emphasis of the training provided by the school was to be vocational agriculture. The Board of Trustees of the estate was composed of haoles, most well connected with the Big Five. It is an interesting side note that the first principal of the school, William Oleson, was one of the leaders of the revolution of 1893. Complaints of alumni, which still make headlines today, in the early years of the school were that they were being short changed by the narrow focus. As more and more graduates went on to college the vocational emphasis was abandoned. All in all, the vocational programs at the Kamehameha Schools did not greatly increase the number of Hawaiians going into plantation work.

The last nationality of laborers to be brought over in large numbers from Asia to work the sugar fields were workers from the Philippines. By 1932 over 100,000 Filipinos had been brought in to work in the plantations. The planters sought to keep the Asian immigrants from the various countries separate, encouraged disputes between these groups, and made efforts to keep them from unifying, which would have given the laborers more power. Some groups such as the Filipinos were even divided among themselves. Conflicts existed between Tagalog and Ilocano. One of the toughest challenges facing early labor organizers in the Islands was getting the various ethnic groups to work together to reach their common goals. In a subsequent chapter the rise of organized labor in the 20<sup>th</sup> century will be explored.

Immigrants from various European nations were also tried as a labor source. Most of these individuals demanded higher wages and more say in their working conditions, which made them unacceptable to the planters. The only Europeans to come over in considerable numbers were from Portugal. The Portuguese were willing to work for lower wages than other Europeans. Since they were considered closer to the planter's own ethnic background than the Asians, the Portuguese were often put in the role of overseers or luna as they were called. Even working in the fields, the Portuguese were always paid higher salaries than Asians doing the same labor.

All of the individuals making up the Hawaiian labor force arrived in the islands speaking their own language or dialects. In order to be able to communicate, the universal language of pidgin, with phrases from many languages, evolved. The native Hawaiians pickup up pidgin along with their native language and it is still widely spoken on all of the islands by "locals".