Travellers on the island of Kauai, riding north from Lihue and then westward along the coast, are finally rewarded with a breathtaking view of Hanalei Valley. Standing at the edge of the table land, east of the Wai’oli River, they see spread out before them the valley, sheltered on three sides by mountain walls, high and rugged inland and sloping down towards the shoreline to form the outstretched arms of a spacious bay. Cascades spill over the cliffs to feed a wide, clear stream that wanders through productive fields on its way to the sea. They are viewing Princeville Plantation.¹

This description of Hanalei Valley, written in 1867, makes it sound idyllic, and so it was, and still is, visually. The beautiful valley, however, was also the scene of unrelenting toil, bitter frustration and meager rewards, known at one time as “unfortunate Princeville.”²

Some of the diverse problems encountered by the plantation owners in successfully operating Princeville Plantation, or any other sugar plantation in Hawaii during the last quarter of the 19th Century, can be gleaned from the Princeville Plantation Papers, a collection of letters written between 1876 and 1882. While the letters cover only a relatively short period in the total history of Princeville Plantation and touch on a single facet of its productivity, sugar, the correspondence is unusually comprehensive. It provides us with a factual record of how a handful of men struggled to overcome seemingly insurmountable difficulties on the island of Kauai, and it gives us new insights into some of the obstacles encountered by planters throughout the Hawaiian Islands during the latter part of the 19th century.

¹ Rhoda E. A. Hackler is a researcher specializing in Hawaiian and Pacific history. She is currently working on a history of the Territory of Hawaii.
In 1860 Kamehameha IV and Queen Emma made a gala visit to Hanalei Valley, bringing with them their two-year old son, the heir to the Hawaiian Kingdom. In commemoration of this happy visit their host, Robert Crichton Wyllie, named his plantation in honor of the Prince who was already the darling of the people of Hawaii and their hope for the future of the Kingdom.

Wyllie had served for fifteen years as the Minister of Foreign Affairs to the Hawaiian Kingdom, a post he held until his death in 1865, and as a government official he had to reside for most of the year at the capital, Honolulu. In 1853, however, he bought a coffee plantation on Kauai where he could occasionally get away from the court and diplomatic problems and tackle agricultural ones. On Kauai he soon discovered that the valley which he found personally salubrious was not so hospitable to the coffee trees he was trying to grow. For ten years he doggedly fought against a blight which gradually withered the trees. Finally facing reality, he pulled out the dead trees and planted a new crop, sugar.3

Before the cane fields had a chance to prove that they would adapt better to Hanalei Valley than had coffee, Wyllie died. He left his property to a nephew who settled on Princeville Plantation, but apparently not happily, for the following year he committed suicide there.4 The plantation was then put up for public auction and Elisha Allen acquired almost 10,000 acres for $40,051.50.5

Elisha Hunt Allen was a lawyer from Massachusetts who came out to Hawaii in 1850 as the United States Consul, stationed at Honolulu. In that capacity he was a representative of the U.S. Government when an early and futile effort was made, in 1852, to negotiate a treaty of economic reciprocity between the governments of King Kamehameha III and President Millard Fillmore. From the beginning of his career in Hawaii, Allen understood the potentially high value of Hawaiian sugar if it could be produced economically and brought into the United States market duty free.

After three and a half years as a consular officer, Allen retired from the U.S. Government service and entered that of Kamehameha III. For the next twenty-five years he made his home in the Islands and served the Hawaiian Kingdom, first as Minister of Finance and then as Chief Justice of the Supreme Court, Chancellor, and as Envoy Extra-
ordinary and Minister Plenipotentiary of the Hawaiian Kingdom in Washington, D.C.

During those years he was active in the continuing negotiations for a reciprocity treaty, a task which was finally successful in 1875 when an accord, giving Hawaiian sugar preferential entry into the United States, was signed between the governments of King Kalakaua and President U.S. Grant. Allen then became a representative of the Hawaiian government in Washington, D.C., working with the State Department and the U.S. Congress on the details of the ratification and implementation of this treaty.

THE PLANTATION

When Allen acquired Princeville he had had some experience with sugar plantations, for in 1862 he had bought Onomea Plantation on the Island of Hawaii in partnership with Stafford L. Austin, who actually managed it. The difficulties Allen and Austin encountered there during the next few years should have warned Allen against further such ventures, for the records of Onomea Plantation in the 1860s are written mostly in red ink. Money was always in short supply, yet mortgages and wages had to be paid; rains washed out fields and cane rotted; equipment had to be procured and paid for, and once installed broke down frequently; and transportation of the cane to the mill was laborious and uncertain. But in spite of what might seem like awesome difficulties, Allen remained so optimistic about the economic potential of sugar that when he had a chance, in 1867, to buy another sugar plantation, he snapped up Princeville.

During the next decades, most of the problems common to Hawaiian sugar plantations in the 1870s and 1880s took place at Princeville. First and foremost there were the elements. Some years rains washed the cane away, in others water stood in the fields until the cane rotted, and in some seasons there were severe droughts.

If the cane managed to grow and ripen, there was the question of how to dispose of the sugar at the best price. Should it be sent to the West Coast to the sugar traders, or was it more profitable to sell the harvest direct to the refiners? This question was eventually answered decisively by Claus Spreckels, President of the California Sugar Refinery, who by 1880 had a practical monopoly of Hawaiian-grown sugar.

Another headache for the sugar growers was that the plantations were chronically in debt to their factors, the Hawaii-based business agents who operated from Honolulu. For example, on June 30, 1879, Princeville Plantation owed its agents, C. Brewer and Company, $50,000. After the
crop of 480 tons of sugar was sold that year the plantation still owed $30,000 and there was no more money available until the next crop came in five months later. In the meantime interest accumulated at 9%, compounded quarterly, and the running expenses of the plantation continued. By the time the next crop was harvested the $30,000 debt had risen to over $65,000. In addition to cash credited to the Plantation’s account for wages and other outlays, C. Brewer and Co. charged a 2 1/2% commission on all transactions they handled as agent for the plantation, such as ordering, financing and arranging for the transportation to Kauai of machinery and for moving the sugar from Hanalei to Honolulu. Andrew Welch, the plantation’s San Francisco agent, charged 5% for his services in selling the crop in California. The indebtedness of the plantation mounted astronomically between harvests, and year after year this sort of deficit financing continued.

To operate a plantation successfully it was necessary to have adequate capital, ample land, controlled irrigation, inexpensive labor, and good management. The owners of Princeville knew what was needed but they also realized that they were under-capitalized, their land was wet and hilly, their ditches were only half finished, good laborers would not stay in the damp valley, and managers with any practical experience on sugar plantations were almost nonexistent.

THE PAPERS

That the Princeville Plantation Papers exist at all is a fortunate happenstance for historians of today. If Elisha H. Allen, the majority stockholder in Princeville Plantation Company, had been living in Hawaii between 1876 and 1882 there would not have been any need for these letters. But he was in Washington, D.C., and he demanded that his son keep him up-to-date on the affairs of the plantation.

The following letters were written to inform Elisha Allen and to solicit his guidance and instructions on the future of the company. They came from Andrew Welch in San Francisco, the plantation’s California agent who headed his own mercantile firm, Welch & Co.; from Colonel William Fessenden Allen in Honolulu, Elisha Allen’s eldest son and personal agent in Hawaii who was Collector General of Customs for the Hawaiian Kingdom; and from Charles Koelling, sugar boiler and later manager of Princeville Plantation.

FIRE

The first of the Princeville Plantation Papers describes the sort of disaster which haunted all plantations, fire. William Allen, who had been
struggling for nine years to make the plantation pay, was evidently discouraged at this latest setback.

Honolulu
January 19, 1876

On Sunday night January 9th, the boiling house and one trash house at Princeville were consumed by fire, together with all the machinery except the mill, boilers, & engine; all the driers and all the connections were lost. The Insurance is for $10,000 on both buildings and machinery. Ross came up and we had a meeting of the directors at once. The only thing to do was to go on and build a new boiling house, buy new driers and get to work as soon as possible in order to save the crop of cane now ripe. After careful estimates and building a building no larger than is absolutely necessary to cover the machinery, buying new driers and getting everything ready we find the cost will be almost $20,000. Fortunately the vacuum pan has arrived and the train of kettles was saved.

* * * *

A good many people think the fire was the act of some person to spite Ross who had had trouble with all his white employees, but I do not. I think it occurred through the carelessness of the native watchman, who must have carelessly left a light in the lamp room or thrown down a match there carelessly as the fire took in that part of the building. The watchman was asleep in the center of the building and was very nearly burned. Ross seems to think that the loss of the cane now ripe which cannot be cut until the new works are ready will be not over fifty tons, and he thinks he will have four hundred tons, but I am afraid he over estimates the crop. This is a very hard blow but I suppose we must bear it as well as we can.10

Within a month of the fire William Allen wrote much more cheerfully. The fire had not been as devastating as at first supposed and everything at Princeville was moving along.

Honolulu
February 4, 1876

The new buildings are being rapidly put up and by April 1st we hope to be in working order. The insurance, $9,500, has been paid, which is a great help. There is hope of saving three clarifiers. If so we will have to get out the precipitator, and then with the vacuum pan and one pair of the Weston driers we shall have better sugar making machinery than ever was on the Plantation before. The great loss will be, I am afraid, to the ratoon crop for next year, but you cannot tell until the cane is cut how much injury it may have received by standing so long after it was ripe. We must hope for the best, which is for the smallest possible loss.11

There is a gap in the Plantation Papers at this point. When the reciprocity treaty was finally signed by President Ulysses S. Grant on September 11, 1876, Allen’s work was done in Washington. He returned to Hawaii to receive the congratulations of Hawaiian sugar planters, California refiners and businessmen in both countries. A subscription was taken up and a $1,000 silver service presented to Allen as a token of the appreciation of the community for his efforts on behalf of the economy of the Kingdom.12
Elisha Allen was seventy-three years old when he reached Honolulu in 1876. He might have resumed his duties as Chief Justice of the Supreme Court of the Kingdom and lived on in comfort in Hawaii, but his family did not thrive in the Islands as he did. His wife, never robust, was worn down by the subtropical climate, and her doctors had told her that she must live in a cooler place. Also, the two adored children of his second marriage were in school in the United States, and he hated to be parted from them. Allen discussed the situation with the King who kindly offered him a permanent appointment as Hawaiian Minister to Washington. On February 2, 1877, Elisha Allen left Hawaii for the last time and the Princeville Plantation Papers were resumed.

**MACHINERY**

Neither Andrew Welch nor Elisha Allen, who together owned 7/8ths of the stock in the plantation, expected to reside in Hawaii, so it was arranged that the overall direction of the plantation was to be entrusted to William Allen. He was named President of the Princeville Plantation Company. The names of the other directors of the company do not appear in the correspondence but, in addition to the two Allens and Welch, they seem to have included a representative of C. Brewer and Company, the factoring firm which took care of the Hawaiian end of the plantation business, several Honolulu businessmen, and the managers on the plantation who held the remaining 1/8th interest in the company.

When the first manager, Captain John Ross, who was never popular with his partners or his employees, sold out and moved to a neighboring plantation in September of 1876, August W. Conradt was promoted to the post of manager, and another German, Charles Koelling, was brought in to assist him with the mill and the boilers. Koelling came to Princeville with a number of innovative ideas on how sugar should be produced and with demands for new machinery which would make the refining process more efficient. But machinery cost money and Andrew Welch, as he explained in a letter to Elisha Allen, was always reluctant to spend the plantation’s funds.

San Francisco
March 31, 1877

I am both surprised and annoyed to learn that the Directors of Princeville propose expending $10,000 in additional machinery.

I had been led to understand that the present machinery was capable of taking off fully five hundred tons and that this quantity was not likely to be increased for a year or two. Therefore, I am at a loss to know why additional machinery is required. If machinery and not cane produced sugar I could understand it. The first thing to do is to grow the cane and then get the required machinery.
William Allen was well aware of Welch’s belief that the other directors were spendthrifts and of his frequent complaints to Elisha Allen about the lack of frugality on the plantation, so he patiently explained to his father the urgent necessity for each major expenditure.

Honolulu
April 9, 1877

I suppose you knew that it was fully understood with the new men, after they had seen the Plantation and the mill and machinery, that for the next crop they were to have some new machinery. You say the present crop has been taken off quickly with the old machinery. True, but it is not as good sugar or taken off as cheaply as will be made with the machinery we contemplate adding. Welch knew about it as he was written to about the price of a vacuum pan and sent us plans and prices and the pan has been ordered through him. The new managers are economical Germans thoroughly understanding their business and fully realizing their interest in the Plantation, and you may be assured they will go to no expense that is not really necessary.

The Directors have been guided in this entirely by Mr. Koelling who is the sugar boiler and machinist and who is fully competent to say whether anything new is needed or not. I am sorry you have so little confidence in the Directors, as to think they would go to a large and unnecessary expense at a time when the plantation is in debt.\textsuperscript{17}

Welch, to whom William Allen also reported on the subject, remained unconvinced. He wrote Elisha Allen that unless he himself was completely confident that a new vacuum pan was needed he would not order one for Princeville and he questioned the expertise of their new manager. He had shown Koelling’s detailed order for the machinery to the manufacturers in San Francisco and was told that the plantation manager was obviously very old-fashioned and extravagant. From this Welch concluded that it was not always wise to give way to managers, even when they were part owners, and that such men needed to be constantly instructed in economy.\textsuperscript{18}

Welch eventually gave in, persuaded by William Allen and P. C. Jones of C. Brewer and Company that there was a real necessity for new machinery and that the plantation must honor its commitments to Koelling and Conradt on this score, but he made his point abundantly clear by purchasing a vacuum pan which was less expensive than the one the manager had ordered.\textsuperscript{19}

FLOODS

While Welch was still muttering about the new vacuum pan and the rising costs of running the plantation, nature dealt Princeville another severe blow. Charles Koelling reported on it to William Allen.
We are sorry to have to pen the misfortune which befell our Plantation. On the 15–16 inst. Hanalei Valley was visited by one of the greatest floods on record. It had been raining more or less every day for a fortnight, and so we did not think of any harm by the looks of the clouds which gathered heavy on top of the mountains and as a good brise was blowing thought it would soon be over. About nine in the morning the wind died away and but gentle rain was falling so we kept on working as usually. But about 11 o’clock lightning commenced accompanied with heavy Thunder claps and we at once commenced securing things around the mill. One scow was in the field only but two at the mill loaded with cane which we tried to grind up before the water to rise but could not do it. 20 minutes after the water commenced rising the cane carrier was half under water and in less than half an hour the water was fifteen feet above low water mark. All the furnaces filled with water as high as to cover the fourth row of tubs in the Boilers. We had to work with all our millhands to get our sugar high and dry in which we succeeded before the water could do any damage. At the same time the scows out in the field came down the River and we tried to make them fast, but as the water came with fearful power four of them parted the rope [at the bar] and the current took them out into the sea, but luckily the men of our schooner and another one were on the watch and secured them to one of the vessels. Meantime the other scows were laying high upon the land and made fast, but everywhere one would look things were topling over, barrels and shooks and the coopers boys were swimming about. Firewood and lumber and other utensils were on the move, but everyone of our Kanakas tried to do his best and so we secured almost everything except a lot of sugar about 200 kegs in the store house below got wet and we may lose half of that. By the time of having secured everything the weather had reached a fearful point. Lightning and thunder claps would shake the very ground one stud upon, and with the roar of the water it presented a fearful spectacle. All was now one sheet of water from the mill to the mountains nothing but water. Our cattle had gone up the mountain but our horses studied in one cluster only the head stiking out of the water. At about 3 o’clock the water stopped rising but lightning and Thunderclaps kept at it at the rate of 3 a minute. So night came on. At eight in the Evening the water fell about 12 in. and we felt a little better. In the morning the water had fallen considerable and we went to work to secure our scows and clean up, but all to no purpose. In the afternoon the water rose again within 12 in. of the former marks and so filled up everything again. Our greatest loss is in the field. The plant cane up in the Valley, a very promising field, below the flood is all torn and rent by the water and some places the soil washed away 12 in. deep and others it carries the cane completely. Twenty to thirty of the biggest trees in the Valley been carried right in the center of the field. To estimate the loss at present is impossible as we do not know to what extent it will effect the cane. We hope the Ratoons will make up for it as they have had a good manuring through the flood. All our bridges in the field are gone, likewise the bridges of the Government. Most all our ferns are swept away and it will take us at least a fortnight to clean up a little. We will have to let the rest of the old cane wait until the fields are trimed up again. The rains have ceased and the weather is fair again.

When William Allen passed this account along to his father and to Andrew Welch he added that the managers did not seem to be discouraged by the flood, repairs were going forward and all the native laborers had worked with a will to save what they could, which he felt indicated a good feeling among the workers.
In June Koelling made the voyage from Kauai to Honolulu. He reported so optimistically on Princeville that in his next letter William Allen downgraded the “terrible flood” to a mere “freshet.” He pointed out that the cane had not been actually uprooted, as had been feared at first, but only needed to be straightened. It had been a good lesson on the dangers of floods, however, and as soon as the harvest was completed Koelling set to work on the half-finished irrigation system which was designed to control the supply of water to all the fields.

**MANAGEMENT**

In August of 1877 Andrew Welch sailed for the Islands to look into the affairs of the plantation personally. He spent five days at Princeville and although he was impressed with the beauty of the Valley, he was disappointed to find that the actual amount of land available for planting was not the 6,000 acres he had been led to believe but a mere 1,850 acres, and only half of that could be cultivated without irrigation.

On his return to San Francisco he wrote Elisha Allen a very full and informative account of every aspect of the Kauai plantation. This letter is reproduced here at considerable length because while Welch addressed himself specifically to conditions at Princeville, many of his comments on the complexities inherent in the organization and management of the Kauai plantation can be applied equally to the operation of many other Hawaiian sugar plantations of the era on which we have little detailed information.

*San Francisco*
*October 13, 1877*

*Managers. Conradt & Koelling. Both are good practical men. Conradt is looked upon as the manager, attending to the cultivation of the cane etc. He seems to be well liked by the men and appears to be very kind to them. Men who ran away during Ross’s time, have now returned to the plantation and reengaged under Conradt, who is looked upon as a hard working practical cultivator, with an excellent knowledge of stock. Koelling is an Engineer, and sugar boiler; a smart little fellow with a hot temper and the reputation of being one of the best Sugar boilers in the Islands.*

*Mill Building.* Is a poor looking structure, and the foundation seems to be defective. It is smaller than the old building and seems to be inferior.

*Machinery.* Mill, Engine, boilers, centrifugals (4) and vacuum pan are all apparently good. Koelling complains that the Boilers, clarifiers, etc, are inconveniently and badly placed, consequently he is having them rearranged at considerable but apparently necessary expense, and I feel sure he will make a satisfactory and good job.

*New Vacuum Pan.* Koelling who has the reputation of thoroughly understanding vacuum pans, fully explained to me why another pan should be furnished, and his explanations were apparently so reasonable that I, after mature consideration and conferring with Conradt and other planters, decided to let him have one which is now
being made and will, I hope, be ready for shipment in 30 days. It will be a 7 ft. pan, cost here $4,000. Koelling's chief reasons are the crop can be taken off in less time, thereby greatly improving the rattoon crop; a better and more even grade of sugar can be made, more of it and less molasses. He estimates that on the present crop it will more than pay for itself. Under these circumstances I trust you will approve of the purchase.

Cane Fields. Look very well, especially one of 66 acres plant cane, which Conradt says will yield fully 4 tons of sugar to the acre. On the upland where the small ditch is I was extremely sorry to find the cane suffering from the "Bore" which Conradt attributes to the fact of the cane not having been taken off at the proper time last year, owing to the destruction of the Mill. He is, however, hopeful of working the Bores out in time and has already been energetic in taking out as much of the bad cane as possible and burning it on the field.

Crop 1877/78. Conradt makes the following estimate, which may be looked upon as rather under than over the mark, as he seems to be careful to err if possible, on the right side.

<table>
<thead>
<tr>
<th>Cane</th>
<th>Acres</th>
<th>Tons</th>
<th>Sugar</th>
</tr>
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<tr>
<td>1st</td>
<td>66</td>
<td>4</td>
<td>264</td>
</tr>
<tr>
<td>2nd</td>
<td>169</td>
<td>1½</td>
<td>253</td>
</tr>
<tr>
<td></td>
<td>275</td>
<td></td>
<td>597</td>
</tr>
</tbody>
</table>

They will probably commence to crush the cane about the middle of November, and as nearly two thirds of it is from Lahaina cane, a good quality of sugar is expected. The crop of 1878/79 will all be from Lahaina cane, which as you well know has been so successful in the Islands. I am told that owing to the skin of this cane being so thick and hard the Borers seldom succeed in injuring it, consequently in that respect, if nothing else, it is invaluable.

Laborers. There are about 143 on the estate, half Kanakas, balance Chinamen. Conradt says that he considers two Kanakas equal to three Chinamen. Wages range from $8 to $10 a month and food. Some of the Plantations have been paying as high as $12 and food. Conradt refuses to pay over $10.

Livestock. Horses, mules, oxen and sheep are in good condition. At present there are about 700 sheep & lambs on the estate and a similar number has been arranged for from your farm. Conradt is a strong believer in sheep as enrichers of the soil and says that the increase and wool will more than defray the outlay for interest, etc. I quite approve of this addition to the estate and am sure it will prove to be a valuable one. A number of young cows are badly wanted on the estate for bearing purposes & I would recommend that these be procured as soon as possible.

Books. These I examined and was sorry to find them kept in such a primitive way. They are neither one thing nor the other. Consequently a change must be made & I so informed Conradt and Gibson (the clerk) who willingly agreed to open and keep a new set properly and by double entry. I found and examined some old books kept by Kinney. These were kept properly & in a good system, and I instructed Gibson to keep the new ones in precisely the same way, which he promised to do. I have sent him a new set, and hope they will be properly kept. The present system is one of Ross', and not unlike this man, a failure, or worse. I spoke to Col. Allen and Messrs. C. Brewer & Co. on this subject. They were satisfied that I was right, and promised to see that this important matter was properly attended to. I would suggest that the Plantation Books be examined annually by the director as a pure business matter, and nothing else. Those (Conradt & Gibson) connected with the books, I believe to be honest, yet they as well as others are liable to make mistakes.
Irrigation. Without irrigation the uplands are of no value for sugar cane. It is proposed to tap the Kalihiwai river and irrigate about 400 acres of land on the East side of the Hanalei valley, the expense of which is estimated at $12,000. After the necessary surveys have been made, and approved by Mr. Wilcox, operations will be commenced, for which 50 Chinamen will be required. Conradt has had experience in making these ditches and if he and Wilcox can agree on the course and expense, I do not think we shall be much misled, at least I hope not. I approve of this ditch as the only way to utilize the land for sugar cane. The land adjoining Kilauea, formerly Titcomb's, now Adams & Ross', is also useless without irrigation. By tapping the Kilauea river it could be irrigated at small expense. But according to Ross & Titcomb it is doubtful whether the Princeville Estates can get water from this river, as Adams & Ross say they have the right to tap the river on their own land and at a point that would deprive Princeville of the body of water, and this they intend doing at once. I impressed upon Conradt & Koelling the necessity of having this important matter settled immediately, especially as Adams & Ross were about starting their ditch. As there seems to be a dispute about the boundary line and the water rights, it was arranged before I left Princeville to have the Government agents settle both of these matters. I understand that in the event of our being dissatisfied with the decision of these officials we have the right to bring the matter before the Supreme Court.

The old Titcomb ditch running through Princeville Estate has been in use for upwards of 40 years, consequently we cannot disturb it and must allow the present owners of Kilauea to use it. I impressed upon Conradt and Koelling the fact that if we have any right to the water from the Kilauea we want to maintain our right, and they must take all legal measures to do so.

If Princeville has a right to the water from the Kilauea and sufficient can be got to irrigate 700-800 acres of cane land, this part of the estate is valuable, not otherwise. If the water right should be decided in our favor we should either sell this portion of the property, or start a new plantation, for which it would be necessary to erect a new Mill, unless Adams & Ross could and would undertake to grind our cane and we would be willing to rely on their doing it.

Flood. I was pleased to find only a few trifling traces of the recent flood, and from all I could learn believe it did more good than harm, owing to the washing of new soil on the land, thereby greatly improving it.

Fire. There seems to be no precaution against fire!! I would suggest the purchase of a second hand fire engine, or that water be conducted in pipes to the mill from the present irrigating ditch on the uplands. The adoption of either of these suggestions would not cost much. There is not even anything on the Estate to give a fire alarm. Consequently I have purchased and shipped a large steel bell, cost $36. A brass one of the same size would have cost $175. The steel one will fully answer the purpose for which it is required.

Turning Lathe. Koelling complains that owing to the want of a Turning Lathe the Mill is often put to great expense on account of any piece of machinery requiring turning have to be sent to Honolulu, causing delay in addition to the expense. After conferring with Col. Allen, Messrs. Brewer and Conradt we concluded to purchase the required machine. I succeeded in getting a first class second hand one here, with everything complete for $595. Mr. Young of the Honolulu Foundry was here at the time of the purchase; he examined the machine and pronounced it in excellent order, a very good make and in all respects suitable for a plantation. It had been only three months in use and cost originally about $700. With a Blacksmith's shop and a Turning Lathe nearly all the machinery can now be repaired etc. on the Plantation. I feel confident that this is a necessary and good investment, and one that will soon pay for itself.
Dividend. I am extremely sorry to say that there can be no dividend until 1879. On the 1st Oct. 1876 we started with a debt of no less that $46,083.40 including the mortgage for $25,000. New boiler, trash house, etc. etc. must have cost between $8,000 and $10,000. Advances to labourers about $7,000. The flood also entailed a loss of say $2,500 at least. As near as I can estimate the plantation is now about even with Messrs. Brewer, i.e., it does not owe them anything, the account is about secure. If from the coming crop we can pay off the mortgage for $25,000; cost of new vacuum pan & irrigating ditch, current expenses etc. etc., it will be fully as much as we can do. Hence the reason I say there can be no dividend until 1879. We now begin to realize the immense loss we sustained by the fire, which from all I can learn, must be attributed to the work of an incendiary, exasperated by bad treatment from the manager of the Plantation.

Sugar 1877. This year we have received from Princeville 528 322/2000 tons & 128 bbls molasses for which we netted in this market $81,895.88, as per account sales rendered, equal to fully 7 3/4 cent per lb. There was a large proportion of second & third sugars, otherwise the net average price would have been fully 8 cent. Owing to the breaking of the Mill & the loss of sugar by the flood the product is 30 to 40 tons less than it would have been.

In conclusion I beg to say that the anxiety, risk, and outlay in carrying on a sugar plantation is immense, yet with the reciprocity treaty, good management, fair prices, and ordinary "luck" Princeville ought to pay.23

Welch’s optimism was not justified. Eight months later William Allen had to report that when they finished taking off the crop at Princeville it amounted to only 521 tons, not the 597 Conradt had anticipated. They had fallen short because the ratoons had only yielded one ton per acre instead of one and a half. There was enough money to pay off the $25,000 mortgage held by Bishop & Company, but at the beginning of the next grinding season the plantation would owe C. Brewer & Co. $30,000.24

At its annual meeting in Honolulu a few months later, in October of 1878, the directors of Princeville Plantation Company had to face two major problems. The first was not unfamiliar to them: the plantation was $37,028.10 in debt, and, although it had grossed $73,603.30 during the past year, $78,387.98 had been spent. William Allen assured his father that he had reviewed these facts and figures very carefully and he simply could not see any place where the expenses could be reduced if they were to maintain a going plantation.25

The other problem was that the manager, August Conradt, had died suddenly of a heart attack.26 Andrew Welch was particularly upset at this news. He had become acquainted with Conradt during his visit to Princeville the year before and considered the manager to have been an excellent man and a good cultivator who also knew about stock and took great care of the animals. He was kind to the laborers, and they looked up to him as a father rather than a manager, which was important in retaining good workers in the fields and at the mill. Charles Koelling
was the obvious choice to take over as manager, but Welch expressed his doubts as to the man's capacity. He admitted that Koelling was a competent engineer and sugar boiler but thought he lacked the knowledge and tact to be an overall manager.²⁷

Koelling, who received his appointment from the directors in spite of Welch's questions, seems to have been aware that there was some uncertainty about his ability, for in his first report as plantation manager he tried to reassure Elisha Allen.

Hanalei, Kauai
January 9, 1879

The death of the late Mr. Conradt will be in some measure a loss to the plantation but I shall exert myself to the utmost to make it felt as little as possible and make Princeville a success anyhow, that is to make it pay a handsome dividend. The last 3 months experience I had in managing as well the boiling house as the fields is enough to assure you that I can manage the whole to the best advantage. I had of course to engage a sugar boiler to take my place in the mill.

The reason as to not paying any dividend this year is because the net profits of the crop are taken to pay for the improvements of the Estate in order to bring Princeville up to what it ought to have been long ago. First the increase of cane planted and the addition of agricultural implements as well as Buildings and machinery in the mill to work a large crop successfully; second the construction of the new water lead, all of which had to be completed before taking off the crop of 1880.

The grinding of this season commenced Dec. 16th last year and will probably last until June this year. I expect to manufacture 600 tons of sugar. To produce this amount we have to take off 90 acres of Plantcane estimated 4 tons to the acre, 45 acres Plantcane estimated at 2½ tons to the acre, 35 acres 1st ratoons 3 tons p.a. The upland cane we had to use for planting 300 acres of cane for 1880. The remaining portion I estimate to yield probably 30 to 40 tons. No 2d ratoons this year or hereafter as the valley soil is much too wet to preserve the stool of the cane; we have to depend entirely on Plant Cane. The ratoons mentioned above are on virgin soil, the only piece in the valley. We employ at present about 200 laborers on the Estate, average wages $17.50 p. head; 70 Kanakers and 130 Chinese.

With the old water lead we can irrigate about 20 acres; the new one in course of construction will probably be completed by June next. Estimated cost is $12,000. It will irrigate 150 to 200 acres.

The young cane for 1880 is very promising; we have 200 acres in the valley and 100 acres on the upland. Estimated crop for 1880 is 1,000 tons; calculated expenses $64,000.

The Estate in general is looking very well. Cattle are increasing and the breeding stock is doing well. We have about 900 head breeding stock and 400 head working stock, 150 steers ready to be broken in. All are in good condition. The sheep-raising for manuring the upland has proved a failure on account of wet weather. The sheep are dying off fast and I shall try to sell the rest by first opportunity.²⁸

No matter how confident Koelling was of the success of Princeville under his management that year the plantation seemed determined to live up to the name William Allen gave it—Unfortunate Princeville.²⁹
Honolulu
August 4, 1879

I am sorry to be obliged to say that Princeville has disappointed us again. They have finished grinding and the crop is but 480 tons, some 120 less than they promised, the causes are over estimate of one field estimated at 90 acres, only 73 actually. Also the accident of breaking the shaft, which lost us three weeks in the midst of taking off the crop. The cane was so ripe that the rain, of which there was a good deal, broke down the cane and considerable rotted before it could be got to the mill. All combined gave us another instance of Princeville’s bad fortune. The 73 acres in the valley just across the river from the house yielded 44 tons to the acres, as good a yield as the valley ever gave.

We have sent for Mr. Koelling to meet the Directors, and we went over everything very carefully, and gave him a severe lecture on the great necessity of economy. Princeville is an expensive plantation to carry on, and requires a great many men. The Directors were unable to point out any way whereby any great saving in expense could be made. We were of opinion that when we could find a better man than Koelling to take charge of the outside business we had better do so, but the good person for this position we cannot find as yet. None of us know the right man.

The low price of sugar this year will make the net value of the crop but $50,000, and the Plantation will commence taking off the next crop with a debt to the Agents of say $35,000, besides what she owes you, $15,500. Welch is quite disgusted, but exactly what is to be done I do not see. The great expense is the labor and we cannot get on with less men.

SALES

Meanwhile, Andrew Welch was also worried about the best and most lucrative method of disposing of Princeville’s sugar. For years the individual plantations had sent their sugar to Honolulu and then to California, with the aid of their Honolulu factors. There the 12 lb. kegs or 1 lb. bags were turned over to agents who would warehouse and eventually sell the sugar. This plan worked well while Hawaiian production was low and California demand for sugar was high, and it was a system with which Welch, himself a California agent for sugar plantations, was familiar. But after the reciprocity treaty was signed the picture changed. In a few years sugar production expanded tremendously and new sales methods had to be devised.

As a matter of fact, an innovative sales system was already being tried out by Claus Spreckels of San Francisco. He offered to buy Hawaiian sugar from the producers at a fixed price. There were obvious advantages to his proposal. The price of Hawaiian sugar was no longer subject to the vagaries of sales in San Francisco; the producer knew, as soon as soon as the crop was shipped, what he would receive, and the expense of the middleman in California was eliminated.

Spreckels and his agents had been moving towards a monopoly of Hawaiian sugar for several years. In 1878 Princeville was the only plantation which held back part of its produce for the retail trade,
presumably because this part of their operation had always been handled by Andrew Welch. The result was low prices for Princeville sugar and such slow sales in California that the following year Welch agreed that the wisest course was to go along with the Honolulu factors and sell directly to the refiners, which meant as William Allen advised his father, selling to Spreckels and Company.  

Honolulu  
September 29, 1879  

John Spreckels returns this trip having bought all the crop of '80. We were completely in his hands. He would have all or none, and as Spreckels controlled all the refineries, we could not send our sugar to an open market with but one purchaser and that him, so we have sold. Everything looks favorable for a large crop next year, say 40,000 tons, so you see Spreckels' purchase was no small one, at least $4,000,000.  

LAND  

In November William Allen went over to Princeville to see how everything was progressing there. He found that grinding was underway and that 30 tons of sugar were ready for the market.  

Honolulu  
December 22, 1879  

They commenced cutting cane on the Johnson field and it is yielding four tons to the acre and the juice only stands 7% density. With the present high prices, this crop will put the plantation out of debt.  

We have leased forty two acres of land, part of the Titcomb lot to some Chinamen for ten years for fifteen dollars per acre, per annum. You may remember that a native leased from the Crown Commissioners the school land in the valley adjoining the Titcomb lot and some land on the hill, the Crown land of Hanalei. . . . We sent a surveyor down and had our line of the Titcomb property run, and showed the natives what was our property and what was the Crown’s. The Chinamen had in the meantime spent a lot of money putting up buildings and preparing rice patches, and as this was land we did not wish to put in cane we thought best to lease it.  

After negotiating that initial lease to Chinese rice farmers, William Allen became intrigued with the advantages of such arrangements. He was convinced that Hanalei Valley was too wet for growing sugar cane, and, when he had an offer from the Chinese firm of Chulan and Company to rent all of the valley land for a period of five years at $15 an acre, he thought it wise to consider the offer seriously.  

Honolulu  
January 31, 1880  

If we can lease 700 acres the rental will be $10,500 per annum, almost 9% on our capital stock. If we do this I think we can reduce our expenses a good deal. Now we
have a force of 190 men, and if we give up cultivating the valley, we can reduce to 150 and produce the same amount of sugar. Of course, if we do this we must do some more ditching, and get more water so we can irrigate say 500 acres of land. Now we can irrigate about 200 acres.34

William Allen finally agreed with Chulan and Company that they could lease 300 acres at $20 per acre, per year. He would have let them have the whole valley, as they wished, but Koelling urged him to proceed with caution. The manager did not want to release any more land in the valley until he had proved that the upland fields, once irrigated, were as fertile as they hoped. When that experiment was a definite success, additional acreage in the lowlands could be turned over to the Chinese in a year or two. This was a wise precaution for the upland fields were not as fertile as those in the valley and it was soon evident that Princeville needed some valley lands to prosper.35

WATER

The next lease that William Allen negotiated was not to Chinese farmers but to a neighbor, Edward P. Adams of Kilauea Plantation, and this time it was a question of the water supply which was so vital to the cultivation of cane in the uplands. Andrew Welch had explained the problem in his letter of October 13, 1877 to Elisha Allen, quoted previously. Water could not be brought from the Hanalei River to those fields, so a new ditch had to be built to tap the resources of several small streams between the Hanalei and Kalihiwai Rivers. In order to do this Adams had to be appeased. William Allen gave him 1,500 acres he wanted, on a ten-year lease at $1,000 a year, and received in return the water rights Princeville needed.36

William Allen was delighted with the leases for they brought in almost $8,000 a year for land which he judged could not be conveniently utilized by the plantation.37 Welch, however, was not so pleased. He was looking ahead and feared that Colonel Allen would tie up so much of the plantation land in long-term leases that it would be impossible to sell the property should the owners wish to do so. Instead of renting land he was in favor of cultivating it.38

Two years later, when a Mr. Davidson offered to buy about 4,000 acres of Princeville land between Kilauea and Kalihiwai, Welch felt vindicated in his earlier apprehensions about losing control of plantation land. Welch wanted to sell, assuming they could get a good price, but with 1,000 of the 4,000 acres tied up in a ten-year lease to Adams, he
doubted that Davidson would wish to buy. He reminded Elisha Allen that he had always said the Adams lease was foolish and that it had been signed over his protests.\textsuperscript{39}

Nothing ever came of this particular real estate venture, but it is interesting to note that in 1882 the land in question at Kalihiwai was appraised by George Wilcox of Lihue and determined to have a fair market price of $30,000 for the 4,000 acres.\textsuperscript{40}

**DIVIDENDS**

In January of 1881 William Allen was much more cheerful about the future of Princeville Plantation. Koelling’s estimate of 1,000 tons of sugar was still too optimistic but he expected 850 tons. He reported to his father that Koelling had managed the work on the plantation well during the past years, was a good, economical administrator, and got along well with the workers. He felt Koelling fully deserved his recent raise to $3,000 a year. As for the stocks, they were probably worth $2,000 a share, but William admitted that he had not been able to test that theory by an actual sale.\textsuperscript{41}

As one reads through these letters, it seems incredible that the estimates of crops should be consistently so far from reality. In 1881, the crop estimated by Koelling as 1,000 tons and by William Allen as 850 tons, actually amounted to 589 tons. This time William explained the small crop was due to the soil in the upland fields being so poor that it yielded only 2 tons per acre. Welch immediately had the soil analyzed and learned that it needed lime and fertilizer. Bone meal was then added in a new effort to increase productivity.\textsuperscript{42}

In January of 1882, William Allen could report that production was up. Koelling had prevailed in one respect and been correct: they continued to plant in the valley, where they got 4 tons of sugar to the acre, while the upland fields slowly improved to \(2\frac{1}{2}\) tons an acre. The following year they planned to plant 130 acres in the valley and 160 in the uplands, and with an additional 60 acres of ratoon cane they expected to produce at least 900 tons for 1883.\textsuperscript{43}

Finally, in April of 1882, Princeville Plantation Company declared its first dividend. Each of the 120 shares of stock paid $300, the first half in April and the balance in June. William Allen was jubilant. As always, he foresaw an even larger crop in 1883, but he also predicted an even more generous dividend.
Honolulu
April 10, 1882

The Plantation account stands, April first, after paying $18,000 in dividends, $5,380 to credit and a little more than half the crop ground. Now my dear Father do not you get so elated over this first dividend that you may be guilty of any rash act. Remember you are the Dean of the Diplomatic Corps, and you must do nothing to reflect upon the Corps.\textsuperscript{44}

Even Andrew Welch was pleased. On receiving a profit at last, he wrote William that he could listen to such good news every day.\textsuperscript{45} The second half of the initial dividend was duly paid in June of 1882.\textsuperscript{46} Even though the yield was still far short of the repeated estimates of 1,000 tons, the future of Princeville Plantation seemed brighter than ever before, as William reported to his father:

Honolulu
July 2, 1882

When the returns of the sugar now shipped are received the Princeville Plantation Company will have some $12,000 to their credit and say about sixty tons sugar still to make, to finish this crop.

The Plantation, like almost every other plantation in the Kingdom is short handed, and we have been obliged to stop the mill several times, and take the mill hands to assist in planting and cultivating. As we cannot obtain Chinese labor, which we prefer, we shall have some Portuguese from the next lot, to arrive in about two months.

This will be the last dividend the Plantation will pay until next April, when I hope we may make a larger dividend than any we have made this year. Elisha [Elisha H. Allen Jr., the second son] thinks we should not pay so much out in dividends but hold a contingent fund to use in case of accidents or any new expenditures, but Jones [P. C. Jones of C. Brewer & Company] and I thought better to disburse this year’s earnings in dividends, as we receive quite enough, with the proceeds of sugar not yet sent forward, to nearly carry the plantation between crops, and we expect to commence grinding early in November when funds come in rapidly.\textsuperscript{47}

This is the last letter regarding Princeville among the papers of Elisha H. Allen, deposited at the Library of Congress or in the possession of the Allen family. On January 1, 1883, Elisha H. Allen died of a heart attack at the New Year’s Day reception at the White House given by President Chester Arthur for the Washington Diplomatic Corps.\textsuperscript{48}

The Princeville Plantation Papers cover only a short period of time, 1876 to 1882, yet they were an important six years for the Hawaiian sugar industry. Plantations expanded, production increased, irrigation was improved, technological innovations were introduced and management techniques were devised and refined. The Hawaiian-United States reciprocity treaty assured Hawaiian sugar a favorable market in the United States and Claus Spreckels solved the planters’ transportation
and sales problems. In six years Hawaii's floundering sugar plantations began to make a profit. A glimpse of how difficult it was to turn a natural paradise into a flourishing plantation is afforded us in the Princeville Plantation Papers.

NOTES
1 Letter, Mary H. Allen to her mother, Mrs. Frederick Hobbs, 14–18 June and 6 July 1867, private collection of Mrs. Francis J. Hallowell, granddaughter of Elisha H. Allen, part-owner of Princeville Plantation from 1867 to 1882.
4 PCA, 17 February 1866, p. 2.
5 Of this amount Allen actually only paid $3,051.50 in cash. He got a first mortgage of $25,000 from James Robinson, secured with a quarter interest in the plantation. This was repaid by September 29, 1875. A second mortgage was taken by Henry Zupplien in the amount of $12,000 at 10% per annum, which was repaid on April 5, 1872. PCA, 21 September 1867, p. 3; HBC, Book 24, pp. 325–328, 328–330, 330–333.
6 Letter, W. F. Allen to E. H. Allen, 7 July 1879, EHAP.
7 Letters, W. F. Allen to E. H. Allen, 17 March 1879; Andrew Welch to E. H. Allen, 30 July 1879; and W. F. Allen to E. H. Allen, 7 July 1879, EHAP.
8 Elisha H. Allen held 75 shares of company stock, representing 5/8ths of the total value of the plantation. Andrew Welch had purchased 30 shares in 1872 for a 1/8 interest in the property and the manager of the plantation owned 15 shares or the remaining 1/8th interest. HBC, Book 36, pp. 138–140 and Book 44, pp. 100–107.
10 Letter, W. F. Allen to E. H. Allen, 19 January 1876, EHAP.
11 Letter, W. F. Allen to E. H. Allen, 4 February 1876, EHAP.
12 Letter, Samuel G. Wilder to E. H. Allen, Jr., 24 January 1877, EHAP.
13 Letter, Henry A. P. Carter to E. H. Allen, 1 February 1877, EHAP.
14 Letter, W. F. Allen to E. H. Allen, 22 October 1879, EHAP.
15 Damon, Koamalu, Vol. I, p. 356; letter, Andrew Welch to E. H. Allen, 6 and 28 September 1876, EHAP.
16 Letter, Welch to E. H. Allen, 31 March 1877, EHAP.
17 Letter, W. F. Allen to E. H. Allen, 9 April 1877, EHAP.
18 Letter, Welch to E. H. Allen, 19 April 1877, EHAP.
19 Letter, Welch to E. H. Allen, 2 May 1877, with a copy of a letter from Hinckley & Company, 24 April 1877 about their vacuum pan, EHAP.
20 Letter, Charles Koelling to W. F. Allen, 19 May 1877, EHAP.
Letter, W. F. Allen to E. H. Allen, 23 May 1877, EHAP.
Letter, W. F. Allen to E. H. Allen, 20 June 1877, EHAP.
Letter, Welch to E. H. Allen, 13 October 1877, EHAP.
Letter, W. F. Allen to E. H. Allen, 11 June 1878, EHAP.
Letter, W. F. Allen to E. H. Allen, 28 October 1878, EHAP.
PCA, 5 October 1878, p. 3; letter, W. F. Allen to E. H. Allen, 28 October 1878, EHAP.
Letters, W. F. Allen to E. H. Allen, 28 October 1878 and Andrew Welch to E. H. Allen, 17 May 1879, EHAP.
Letter, Charles Koelling to E. H. Allen, 9 January 1879, EHAP.
Letter, W. F. Allen to E. H. Allen, 4 March 1879, EHAP.
Letter, W. F. Allen to E. H. Allen, 4 August 1879, EHAP.
Letter, Welch to E. H. Allen, 30 July 1879, EHAP.
Letter, W. F. Allen to E. H. Allen, 29 September 1879, EHAP; John D. Spreckels, son of Claus Spreckels, was head of J. D. Spreckels & Brothers, a San Francisco sugar agency and commission firm. He bought Hawaiian sugars for his father's refinery in California. Jacob Adler, Claus Spreckels, The Sugar King in Hawaii (Honolulu: Univ. of Hawaii Press, 1966) p. 93.
Letter, W. F. Allen to E. H. Allen, 22 December 1879, EHAP.
Letter, W. F. Allen to E. H. Allen, 31 January 1880, EHAP.
Letters, W. F. Allen to E. H. Allen, 16 February, 15 March, and 10 April 1880, 8 November 1881 and 16 January 1882, EHAP.
Letter, W. F. Allen to E. H. Allen, 26 February 1880, EHAP.
Letter, W. F. Allen to E. H. Allen, 2 August 1880, EHAP.
Letter, Welch to E. H. Allen, 4 April 1880, EHAP.
Letter, Welch to E. H. Allen, 17 April 1882, EHAP.
Charles Koelling thought the figure too low; it was worth at least $35,000 or $40,000 in his humble opinion. Letter, W. F. Allen to E. H. Allen, 3 June 1882, EHAP.
Letter, W. F. Allen to E. H. Allen, 17 January 1881, EHAP.
Letter, W. F. Allen to E. H. Allen, 8 November 1881, EHAP.
Letter, W. F. Allen to E. H. Allen, 16 January 1882, EHAP.
Letter, W. F. Allen to E. H. Allen, 10 April 1882, EHAP. Elisha H. Allen became Dean of the Diplomatic Corps in the fall of 1881. Allen had been appointed Envoy Extraordinary and Minister Plenipotentiary from the Hawaiian government to the United States in 1870. Although he had frequently been absent from Washington in the intervening years, he had apparently never taken official leave of the United States government, and his powers as envoy had never been revoked. When Elisha Allen returned permanently to Washington in 1874, he held the rank of Minister Resident, which was inferior to that of Envoy Extraordinary and Minister Plenipotentiary. Secretary of State Hamilton Fish and Allen conferred and decided that the best solution was for Allen simply to call on the President to advise him of his return to the United States, not to go through the process of presenting the new credentials. As a result, in 1881, Elisha Allen found himself to be the foreign representative who had served the longest term of office in the American capital, 1870 to 1882, and therefore the Dean of the Diplomatic Corps in Washington. Diary, Vol. 4, pp. 411-413, 18 November 1874, Hamilton Fish Papers, Library of Congress.
Letter, W. F. Allen to E. H. Allen, 13 May 1882, EHAP.
Letter, W. F. Allen to E. H. Allen, 22 June 1882, EHAP.

Letter, W. F. Allen to E. H. Allen, 2 July 1882, EHAP.

*New York Times*, 2 January 1883, 5:1–2. Princeville Plantation was sold in the 1930s to A. S. Wilcox for $250,000, according to the records of the Allen family; notation on letter, W. F. Allen to E. H. Allen, 4 August 1879, EHAP.