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ARTICLE

The Peruvian Amazon Company: An Accounting Perspective

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This article presents an analysis of the operations of the Peruvian Amazon Company through an accounting lens. It is suggested that a focus on asset categories augments our knowledge of the company's exploitation of the land and Indigenous peoples of Amazonia. In particular, the study explores the PAC's questionable ownership of estates in the Putumayo, what its approach to valuing those estates implied about enslavement, how its treatment of "expenses of conquest" and the inclusion of armaments on the balance sheet indicated the forced subjugation of labor, and how the classification of rubber collectors and their Barbadian overseers as debtors further suggests the practice of debt peonage. Although the findings affirm the utilization of accounting as a facilitator of subjugation, it is shown that in the hands of humanitarians such as Roger Casement, accounting could also be deployed in the pursuit of emancipation.

Keywords: accounting, extractive industries, Latin America, slavery

Introduction

The Peruvian Amazon Company (PAC)—the British rubber company that committed atrocities against Indigenous peoples during the early years of the twentieth century—has attracted the attention of scholars from a range of disciplines. Most recently, Margarita Serje's article in *Enterprise & Society* examined the organization of the company's operations to facilitate the genocidal exploitation of the Indian population in the Putumayo.[1] Particular attention was given to the credit and debt relations that were core to the functioning of the entity and its violent use of debt peonage. This article augments these insights by exploring the accounting practices that instated and expressed such debt and credit relationships. Amounts owed by debtors and owed to creditors are, of course, inscribed in books of account, and these are used to generate financial statements such as balance sheets that document the assets, liabilities,

1. Serje, "Peruvian Amazon Co."

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and capital of the entity. It is contended that an analysis of such accounting traces can be deployed to advance our understanding of the operations of the PAC.

Our focus on accounting is consistent with the recognition that not only do financial statements provide a "firm framework" for exploring the history of an entity,[2] but the scrutiny of accounting records also offers a lens through which historians may "enter into the life of an organization."[3] Accounting evidence produced for internal and external audiences reveals not only trends in corporate performance, but also the strategic priorities, governance arrangements, and labor and managerial control practices of firms. For example, account books have been utilized by historians to reassess relationships between entities and the Indigenous peoples on whom they depend for the sourcing and extraction of raw materials in their supply chains.[4]

A potentially important source of accounting information, and one that is especially significant for this study, is the company balance sheet. Armed with a contextual knowledge of its limitations,[5] these financial statements can be fruitfully utilized to comprehend the structure of the entity's assets and its conceptual treatment and classification of the same. When examined in combination with the language of accounting (that is, the discourses attending the search for accounting solutions, the operation of calculative processes, and the outputs generated from accounting information systems), such statements can also evidence organizational mentalities and the rationales for questionable corporate practices.[6]

Our analysis of the accounting practices of the PAC is informed by interpretive and critical approaches to accounting history research. These emphasize that accounting is to be understood as more than "a neutral device that merely documents and reports 'the facts' of economic activity."[7] Accounting is no longer perceived as a purely technical endeavor that is isolated from the organizational and social context in which it is practiced. Accounting information is now comprehended as socially constructed, as value laden, and the production of accounts is recognized as a highly political process.[8] As a calculative technology, accounting is a means of acting upon individuals, of giving visibility, and of constructing identities. Accounting is a mechanism through which power is exercised and interests are articulated and reproduced.[9] Of particular importance to the current investigation is the rich accounting history literature demonstrating the utilization of the craft in the exploitation, dispossession, and governance of Indigenous peoples, especially in colonial contexts.[10] Conversely, historical analyses also demonstrate how accounting information may be mobilized for the purposes of resistance and emancipation.[11] Although it can serve the powerful, the possibility of constructing alternative accountings has the potential to serve the weak.

A range of sources were utilized to render visible the activities of the PAC through its accounting. The dissolved companies' file of the PAC deposited in the National Archives,

2. Mathias, "Business History and Accounting History," 271.
3. Fear, *Organizing Control*, 35–37.
4. Carlos and Lewis, *Commerce by a Frozen Sea*, 55.
5. Marriner, "Company Financial Statements."
6. Miller, "Accounting as Social and Institutional Practice."
7. Ibid., 1.
8. Hopwood, "Tale of the Committee."
9. Ibid.
10. McDonald-Kerr and Boyce, "Colonialism and Indigenous Peoples."
11. Gallhofer and Haslam, "Emancipation."

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London, was especially important. Therein, accounting information could be found in annual reports, a prospectus, and agreements between the partners and the company. Newspapers contained reports of insolvency proceedings and annual meetings. The latter included discussion of financial statements, company performance, and prospects. The report of the House of Commons Select Committee on the Putumayo, 1913, and the accompanying minutes of evidence given by company directors and officers and other witnesses, provided compelling testimony on accounting at the PAC and the discourses attending its functioning. Unfortunately, attempts to locate other company records that were accessed by the select committee proved fruitless. The comprehensive reports of Sir Roger Casement on the atrocities committed in the Putumayo represent a key source for historians of the PAC. Casement's published *Amazon Journal*, in combination with his papers in the National Library of Ireland, contained financial statements and narratives about the PAC's accounting processes, as well as Casement's own calculative insights into the company's operations and its treatment of Indigenous and imported labor. Contemporary accounting texts were also consulted to assess whether the company's accounting treatments were consistent with acceptable practices of the day.

This article focuses on various features of the PAC's accounting practices. These provide further insights into the manner of the company's exploitation of the natural resources in the Peruvian Amazon and its Indigenous peoples. We examine the following accounting issues: first, the company's questionable recognition of "estates" in the Peruvian Amazon as fixed assets, even though it possessed no titles to land; second, how its approach to measuring the value of those assets was based on the presence of exploitable labor and implied ownership of Indigenous peoples as human resources; third, how the treatment of "expenses of conquest" as an asset and the appearance of "armaments" on the company balance sheet implied the violent enlistment and control of Indigenous labor; and fourth, how the classification of Indigenous peoples and Barbadian indentured laborers as "debtors" further evidences the operation of debt slavery.

In the latter sections, we revisit the intervention of Sir Roger Casement. It is shown that Casement's production of alternative accounts rendered visible the abuses he observed and secured redress for its victims. It is thereby demonstrated that, although accounting was a device that facilitated capitalist conquest and the operation of slavery, in the hands of humanitarians such as Casement,[12] it could be deployed as a tool for speaking truth to power and for highlighting and remedying injustice. In the conclusion, we reflect on how an accounting-focused analysis extends our knowledge not only of the PAC and practices in the Amazonian rubber industry, but also of the role of calculative techniques in the exploitation of Indigenous peoples. We begin, however, by reprising the formation of the PAC and how revelations about its violent methods led to investigations that also provided insights into its accounting practices.

12. Casement's knowledge of accounting appears to have been gained as a shipping clerk in Liverpool and subsequently his employment on the Sanford Expedition of 1886 to foster trade in the Upper Congo, and as manager of a mission station. See Inglis, *Roger Casement*, 24–31, 186. He also kept meticulous records of his own income and expenditure. Ibid., 66–67.

The Peruvian Amazon Company

The PAC emerged during the Amazon rubber boom. Although rubber was widely used in Europe by the start of the nineteenth century, its applications were limited because of the product's sensitivity to changes in temperature.[13] In 1839, it was discovered that rubber could be chemically stabilized (vulcanized) to ensure that its elastic properties were rendered permanent. Thereafter, it became "one of the most vital and valuable of the new natural resources demanded by the expanding industrial centers of Europe and the United States."[14] Rubber was used in factory machinery, on the railways, in military equipment, and in clothing. The popularity of bicycling from the 1890s and automobile driving from the 1900s further fuelled the rubber boom.[15] The best wild latex-bearing trees were found in the Amazon, and for decades this was the principal source of the world's crude rubber.[16] Rubber was collected in the remote forests of Brazil, Colombia, and Peru by Indigenous peoples. Their labor was often obtained through coercive methods.[17]

Following a period of high prices, the *Times* reported at the end of 1909 that the appearance of prospectuses of rubber companies was "almost a daily occurrence in the newspapers."[18] The *Economist* noted that, once a "sleepy little preserve," the rubber market of the London Stock Exchange was now "crowded and very wide-awake."[19] In early 1910, there was a "rubber fever."[20] Capital flowed into raw rubber production to the extent that "hundreds of companies, representing millions of pounds in capital, appeared literally overnight."[21] Shortly thereafter, the fever broke following a dramatic fall in prices. The collapse of the industry has been characterized as "a 'conquest of the tropics' that went wrong."[22] Not only was Amazonian dominance of global production usurped by plantation-based production in South East Asia, the Indigenous peoples who collected rubber often suffered debt bondage and depopulation.[23] In the Putumayo region, for example, where the PAC operated, Roger Casement estimated that the Indian population declined from fifty thousand in 1906 to eight thousand in 1911 as a result of starvation, torture, and murder.[24]

The business that eventually incorporated as the PAC was established well before the "rubber fever."[25] In 1889, Julio César Arana commenced a trading concern that by 1896 had

13. Weinstein, *Amazon Rubber Boom*, 8.
14. Barham and Coomes, *Prosperity's Promise*, 1.
15. Melby, "Account."
16. Dean, *Brazil and the Struggle for Rubber*, 4; Barham and Coomes, "Wild Rubber."
17. Hecht, *Scramble for the Amazon*, 265–277.
18. *Times*, November 12, 1909, 15.
19. *Economist*, September 25, 1909, 593.
20. Melby, "Account."
21. Weinstein, *Amazon Rubber Boom*, 213; also Hardenburg, *Putumayo*, 47–49.
22. Nugent, *Rise and Fall*, 1.
23. Ibid., 13.
24. Casement, *Correspondence*, 157–158.
25. For the history of the extraction of wild rubber in the Amazon, and the practices and organization of the PAC specifically, see Serje, "Peruvian Amazon Co," 478–487.

extended to exploiting rubber in the Putumayo region.[26] In 1903, he entered into partnership as Messrs J. C. Arana & Hermanos.[27] Thereafter, Arana went to London to form a company in order to finance the expansion of his activities in the Peruvian Amazon.[28] The company promoters, Cortez Commercial and Banking Company, instructed Deloitte, Plender, Griffiths & Co., a major accounting firm that serviced a number of clients in the rubber sector.[29] Messrs Deloitte, Plender, Griffiths & Co. were appointed as auditors, and in November 1906 sent a clerk to Manaus and Iquitos to investigate the books and accounts of Messrs J. C. Arana & Hermanos with a view to preparing a prospectus.[30] The clerk returned to London in February 1907 and prepared the accounts of the business for the period December 1, 1900, to June 30, 1906.[31]

On September 26, 1907, the Peruvian Amazon Rubber Company Ltd was incorporated to acquire the rubber estates of Messrs J. C. Arana & Hermanos in Iquitos and Manaus.[32] The capital of the company was £1,000,000 divided into 300,000 7 percent participating cumulative preference shares of £1 and 700,000 ordinary shares of £1. The ordinary shares and 50,000 of the preference shares were credited to the vendors as fully paid.[33] J. C. Arana's services were retained as a company director.[34] The PAC has been identified as an example of a free standing company—that is, one characterized by a small headquarters in London, the retention of control by local founders, assets located predominantly overseas, and the operation of weak managerial controls.[35]

In December 1908, a prospectus was published inviting subscriptions for 130,000 7 percent participating cumulative preference shares of £1.[36] Although Deloitte, Plender, Griffiths & Co affirmed that assets exceeded liabilities by £509,829, and that Messrs J. C. Arana & Hermanos earned average profits of £61,408 per annum in the six years to June 30, 1907, the issue was not a success;[37] 100,677 shares were ultimately allotted, but more than half were taken by underwriting bankers.[38]

Further adversities followed. From September 22, 1909, a series of articles were published in the muckraking periodical *Truth* about atrocities perpetrated by the PAC's employees in "The Devil's Paradise."[39] By October 1909, questions about the allegations were being put to

26. Hardenburg, *Putumayo*, 199–200; Collier, *River that God Forgot*, 13–68; Goodman, *Devil and Mr. Casement*, 20–25; Mitchell, *Amazon Journal*, 69; Taussig, *Shamanism*, 21–23; Serje, "Peruvian Amazon Co," 482–484.

27. *Times*, December 7, 1908, 17.

28. *Report and Special Report*, 618.

29. *Kettle Deloitte & Co, 1845–1956*, 97.

30. Ibid., 123; *Times*, December 7, 1908, 17.

31. *Report and Special Report*, 299.

32. The name of the company was changed from the Peruvian Amazon Rubber Company to the Peruvian Amazon Company in August 1908.

33. Files of Dissolved Companies, Board of Trade: Companies Registration Office, Company No. 95023, Peruvian Amazon Company Ltd, National Archives [hereafter FODC], BT31/18220/95023.

34. Within months of incorporation, the former copartners secured a mortgage for £54,063 on land owned by the new company. See FODC.

35. Miller, "British Investment in Latin America," 29–30.

36. FODC.

37. *Report and Special Report*, 619.

38. FODC.

39. Collier, *River that God Forgot*, 171–178; Inglis, *Roger Casement*, 177–179.

the foreign secretary in the House of Commons.[40] Amidst continuing denials, and the government's determination to investigate the PAC, in June 1910 the company informed the Foreign Office that it had appointed a commission of inquiry into its operations in the Peruvian Amazon. Its remit included examining relations between "the native employees and the Agents of the Company."[41]

Sir Roger Casement, who had previously reported appalling abuses in the system of rubber collecting in the Congo Free State,[42] accompanied the commission at the request of the foreign secretary to investigate the plight of any British subjects involved, specifically a number of Barbadians who were employed by the company to supervise "native" rubber collectors.[43] The commission's report was damning. It stated that conditions in the territory occupied by the PAC were "disgraceful," that the organization of the company in the Putumayo had "abominable" commercial and humanitarian consequences, that the chiefs of rubber-collecting sections were educationally and morally unfit to perform their duties, and that labor was controlled in a manner akin to slave driving. The commission concluded that the allegations printed in *Truth* were "substantially correct."[44] The publication, in 1912, of Casement's own findings on the appalling treatment of "Native Indians" and British colonial subjects in the Putumayo generated widespread revulsion.[45]

In the same year, the Liberal government appointed a select committee to establish whether the atrocities committed in the Putumayo were the responsibility of the British directors of the PAC, and whether any changes in company law were necessary to prevent such abuses in the future. The select committee sat thirty-six times and took evidence from twenty-seven witnesses from November 1912 to April 1913. Their testimony provided detailed insights into the operations and accounting practices of the company. The Select Committee on the Putumayo concluded that, although the British directors of the PAC were not in breach of the Slave Trade Acts, they could not be absolved of culpable negligence given the labor conditions that prevailed in the company.[46] Julio César Arana was deemed responsible for the crimes committed against Indigenous peoples in the Putumayo by company agents.

The findings of the PAC's commission of inquiry that atrocities had been committed helped precipitate the voluntary liquidation of the company in September 1911.[47] The end of its "brief and inglorious existence" was also hastened by weak financial performance.[48] The company prospectus had referred to expected profits of £84,000 in 1908, before any receipts from the Putumayo were taken into account.[49] In reality, during the year ending December 31, 1908, a loss (including revenue from the Putumayo) of £2,223 was

40. *Truth*, October 13, 1909.

41. Roger Casement Papers, National Library of Ireland, Department of Manuscripts [hereafter Roger Casement Papers], MS 13,087/3; *Report and Special Report*, 607.

42. Hochschild, *King Leopold's Ghost*, 195–208.

43. Reid, *Lives*, 97–99; Goodman, *Devil and Mr. Casement*, 75–78.

44. *Report and Special Report*, 608–610.

45. Inglis, *Roger Casement*, 208–211; Collier, *River that God Forgot*, 236; Goodman, *Devil and Mr. Casement*, 165–167.

46. *Report and Special Report*, xv–xvi.

47. FODC.

48. *Leeds Mercury*, September 14, 1911.

49. FODC.

reported. Profits of £35,366 in 1909 were also considered disappointing.[50] Insufficient cash was generated from rubber receipts to meet immediate obligations.[51] In August 1911, the secretary and manager reported that poor financial management also ensured that the company was now "practically penniless."[52]

Julio César Arana, who was considered by the creditors to be best placed to salvage something from the wreckage, was appointed as liquidator.[53] A petition for a compulsory winding-up was later presented by a number of shareholders who objected to Arana's fitness to act in that capacity.[54] Not only did Arana claim to be a significant creditor, he was deeply implicated in the barbaric treatment of Indigenous labor.[55] The petitioners argued that Arana had overseen a business that represented "an organized system of slave raiding, slave owning, and forced and wholesale torture, starvation, murder, and unspeakable cruelties."[56] Further, "during the last 12 years at least 30,000 Indians, men, women, and children, had been done to death as a direct consequence of the operations of Senor Arana."[57] He had carried on a business "opposed to all law and morality" and was not fit to continue as liquidator. The judge agreed, stating that Arana was "the last person in the world to whom the winding-up of the company should be entrusted."[58]

The petition for a compulsory winding-up of the PAC was agreed to in March 1913. Realizing assets in Amazonia, thousands of miles from the company offices in London, proved difficult. In 1914, the official receiver reported that he had collected only £2,000–£3,000 to meet the £48,000 claims of the UK creditors.[59] In addition, Arana contended that creditors' claims in South America amounted to £224,000.[60] Consequently, the preference shareholders received no returns on their £100,000 investment. The official receiver observed that the control of the company by the English directors had been "entirely ineffective."[61] The episode also revealed "the undesirability of investing money in estates far removed from civilization."[62] The liquidation was completed in 1919, and the company was finally dissolved in 1927.[63]

In the following sections we discuss what an analysis of the PAC's accounting practices and its financial statements reveal about its operations, especially as they relate to the treatment of Indigenous peoples. A focus on the assets of land, development expenditure, armaments, and debtors, is particularly illuminating.

50. Ibid. These numbers sit uneasily with Serje's conclusion that the PAC was "a very profitable venture." See Serje, "Peruvian Amazon Co.," 497.
51. Collier, *River that God Forgot*, 231–232.
52. Roger Casement Papers, MS 13073/24i/3.
53. *Times*, January 31, 1913, 4; February 5, 1913, 10.
54. FODC.
55. *Times*, October 30, 1912, 3.
56. Ibid., March 19, 1913, 3.
57. Ibid.
58. Ibid., March 20, 1913, 2.
59. Ibid., April 1, 1914, 24.
60. *Twenty-Third General Annual Report*, 8.
61. Ibid.
62. *Times*, April 1, 1914, 24.
63. FODC.

Land Ownership

By far the most important assets of the PAC were fixed. Their presence in the annual accounts suggested that the company invested in infrastructure as well as merchandise.[64] Balance sheets on December 31, 1908 and 1909, show "rubber and agricultural estates, tramway river craft, buildings and town properties" of £676,263 in 1908 and £668,461 in 1909. Although such "omnibus" headings were conventional in the disclosure of fixed assets,[65] further detail was provided in handwritten notes on the company's balance sheets. These reveal that "estates" were the PAC's principal properties and investments (see Table 1). Indeed, the balance sheets indicate that rubber and agricultural estates comprised one half of the company's total assets.

Contemporary auditing texts advised accounting practitioners to confirm that property appearing on the balance sheet was actually owned by the company. Such asset verification was achieved by examining the title deeds for freehold land and leases for leasehold land.[66] It was recognized that, on some occasions, achieving this confirmation could be difficult, for example, when the deeds were retained overseas.[67] Verifying the PAC's ownership of the land it exploited in the Putumayo region was one such case.

It was apparent from the formation of the PAC that establishing its title to estates in the Putumayo was problematic. Low standards of proof were set. The agreement for the purchase of the business of J. C. Arana & Hermanos by the PAC in 1907 established that the vendors would provide the company with "sufficient evidence of their title" in accordance with the law of the country where the property was situated. Further, "with regard to the rubber estates which are situate in the zone between the Putumayo and Caqueta Rivers the Company *shall be satisfied with such evidence of title or ownership as the Vendors are able to adduce*" (emphasis added).[68] Until such evidence was forthcoming, the board suggested that property in the Putumayo remain in the name of Messrs J.C. Arana & Hermanos as trustees for the company.[69]

When the prospectus was published in December 1908, the company referred to its ownership of two freehold properties: an estate of Pevas, comprising several hundred square miles

Table 1. Extract from the Balance Sheets of the PAC, 1908–1909

Noncurrent Assets	1908 (£)	1909 (£)
Rubber and agricultural estates	592,828	589,210
Town properties and buildings	42,676	43,768
Steamers and other craft	34,259	28,983
Shares in tramway company	6,500	6,500
Total	**676,263**	**668,461**

64. This is contrary to Serje's assertion, "Peruvian Amazon Co," 478, 497.
65. Edwards, *History*, 249.
66. Cutforth, *Audits*, 15–16; Dicksee, *Auditing* [1907], 203.
67. Dawson, *Accountant's Compendium*, 341, Dicksee, *Auditing* [1924], 201.
68. FODC.
69. *Report and Special Report*, 301.

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of territory producing high quality rubber; and an estate of Nanai, close to Iquitos, comprising ten square miles of cultivated property.[70] Although the prospectus made inflated claims about the productive capacity of these estates,[71] ownership could be verified by documents registered in Peru and was confirmed by certificates of registration held by the company. The prospectus also referred to the PAC having a half interest in eight other properties from which rubber was sourced, comprising 1,620 square miles in total. An indication of uncertainty over title to land in the Putumayo was indicated by the fact that the issue of preference shares was to be secured on the company's properties where ownership had been verified.[72]

So far as the Putumayo was concerned, the prospectus referred not to ownership but to "rights." These extended over twelve thousand square miles, where Messrs J.C. Arana & Hermanos had established forty-five centers for rubber collection and where there was "a population of about 40,000 Indians."[73] An earlier draft of the prospectus had stated that the rights of the company in the Putumayo constituted its principal asset.[74] The published prospectus referred to an unresolved boundary dispute between the governments of Peru, Colombia, and Ecuador as the reason why the PAC's:

> rights in the Putumayo territory, *although the property of the Company*, have been entirely excluded from the calculation of assets and profits…. Messrs. Arana and Alarco, two of the Directors, and partners of the vendor firm, state that over £500,000 has been expended in the Putumayo District alone, and that practically the whole of this sum has been derived from profits earned in the said district (emphasis added).[75]

The presumption that such settler rights equated to ownership was suggested in company pronouncements. Although the issue of preference shares would be secured on properties where title was verified, it was fully expected that profits and dividends on those shares would be generated from the company's estates in the Putumayo. Likewise, at the annual meeting on December 16, 1910, the PAC's chairman referred to the company's ongoing "development of *their* rubber estates in the Putumayo" over which the board had control.[76] At the same annual meeting, a shareholder sought assurances about the title deeds for these estates and asked whether the auditors had seen them. The PAC's chairman conceded that the company held only squatter's rights.[77]

The absence of proof of ownership of "its estates" in the Putumayo, where the principal activities of the company were located, was affirmed by several of the witnesses who appeared before the Select Committee on the Putumayo in 1913.[78] Witnesses who had been members of the company's commission of inquiry in 1910 testified that, although evidence of

70. FODC.
71. Hardenburg, *Putumayo*, 211; *Report and Special Report*, 91.
72. FODC.
73. Ibid.
74. *Report and Special Report*, 321.
75. FODC.
76. *Times*, December 17, 1910.
77. Collier, *River that God Forgot*, 228–229; *Report and Special Report*, 83, 294.
78. *Report and Special Report*, 146, 299.

"occupation" was produced, they had not seen title deeds.[79] In the absence of evidence of legal title, much was again made by the directors and officers of the company of its "rights" in the Putumayo based on the occupation of territory, as demonstrated by the presence of warehouses, sheds, roads, five hundred employees, and steam launches in the district.[80]

The company secretary and manager referred to rights over "land in exploitation."[81] The company chairman explained that, although the PAC had no title, its rights were founded on the custom in the Amazon of men settling on a tract of land and subsequently being left undisturbed to exploit it.[82] J. C. Arana claimed to have achieved such possession—his operations in the Putumayo were undisturbed for many years. The London directors were thus satisfied that Arana's possession of land "was as good as any title to be had to property in those regions."[83] They were also comforted by the fact that Arana had assured them that freehold titles would be obtained in due course.[84]

Indeed, it was possible to apply to the Peruvian Congress, which had the power to grant full title to land, on submission of a survey. However, the company had not pursued this.[85] The fees involved in commissioning a survey of its considerable territories were considered prohibitive.[86] In the absence of legal title, it was suggested that the company controlled and exploited the resources of the Putumayo by bribing the Peruvian military and government administrators.[87] Through these mechanisms, the land practically became "their private property."[88] It was noted that the PAC owed Rey de Castro, a lawyer and Peruvian consul in Manaus, £4,200.[89] The company had made payments to de Castro over several years. He was formally engaged by Arana to "claim the titles to the Putumayo property" as a senior official in the Peruvian government.[90] It was suggested that these payments were bribes rather than fees. The influence of Arana, who was not only well-connected to the Peruvian authorities but also perceived as a "symbol of Peruvian sovereignty,"[91] was also considered key to maintaining the PAC's contestable rights in the Putumayo. In fact, in its boundary dispute with Colombia and Bolivia, Arana's possession of lands in the Putumayo was reputedly mobilized in support of Peru's claims.[92]

We might conclude this section by referring to Walter Hardenburg, the American engineer who first brought the atrocities perpetrated in the Putumayo to the attention of the public in

79. Ibid., 83, 145.
80. Ibid., 306, 355.
81. Ibid., 407.
82. Ibid., 195.
83. Ibid., 216. It is interesting to note that, although the principal concern at the beginning of the twentieth century was the absence of evidence on the PACs ownership of land in the Putumayo, in making decisions about when to recognize assets, modern-day accounting practice emphasizes the economic resources *controlled* by an entity as opposed to legal ownership. See *Conceptual Framework*, chap. 4.
84. *Report and Special Report*, 216.
85. Ibid., 83.
86. Ibid., 195.
87. Ibid., 89.
88. Ibid., 172.
89. Ibid., 89.
90. Ibid., 218, 471.
91. Ibid., 195; also Hecht, *Scramble for the Amazon*, 187.
92. Thomson, *Putumayo Red Book*, 64–65.

Britain through articles in *Truth.* Hardenburg asserted that the PAC did not have "*legal* rights or *legal* titles in regard to their gruesome 'possessions' in the Putumayo" (emphasis in original):

> Perhaps one of the most remarkable circumstances affecting the rubber company is the ease with which it was possible to float, in London, a property of which, to a large extent, possession was imaginary and without proper title. It is but another instance of the astute methods of company promoters and the gullibility of the British shareholder.[93]

Land Valuation

In addition to the need to gain assurance that assets appearing on the balance sheet were actually owned by the company, contemporary accounting texts prescribed that land should be stated at cost of acquisition.[94] Auditors were encouraged to "exercise considerable caution" concerning the value of land appearing on the balance sheet.[95] This advice was particularly appropriate in the case of the PAC, as the cost of acquiring the company's estates in the Putumayo was not easily determined.

The PAC's land "rights" in the Putumayo were specifically excluded from the calculation of the company's assets in the prospectus issued in 1908. Not only were there issues relating to ownership, it was also "extremely difficult to value the Putumayo."[96] The company secretary and manager was to concede that "there was no figure of exact cost. It could not be really arrived at."[97] A director confirmed to the select committee that no valuation of the Putumayo estates was made.[98] However, it was noted that Messrs Arana and Alarco, directors of the PAC and partners in the vendor firm, claimed that £500,000 had been expended in the Putumayo. A year earlier it was stated that the Arana brothers had spent £300,000 in developing that region.[99] What these sums comprised, and whether they represented development expenditure that could legitimately be capitalized as the cost of the asset, was not at all clear.[100] Neither was this matter investigated by the company's chairman, directors, or auditors.[101]

One director of the PAC, H. M. Read, when asked to explain the absence of enquiries into asset values for the Putumayo when the company was formed in 1907, responded, "How can anyone give the capital value of land like that out there; it is difficult enough to do it in England."[102] However, Read did indicate that some attempts at estimation had been made.

93. Hardenburg, *Putumayo*, 47.
94. Dicksee, *Advanced Accounting*, 5; Dicksee, *Auditing* [1907], 201; Hatfield, *Modern Accounting*, 86–88.
95. Payne, "Principles."
96. *Report and Special Report*, 618–619.
97. Ibid., 407.
98. Ibid., 324–325.
99. Thomson, *Putumayo Red Book*, 66.
100. *Report and Special Report*, 383.
101. Ibid., 321–322, 415.
102. Ibid., 320.

A balance sheet produced on October 31, 1908, stated that the company assets were assumed to be the cost of acquiring the business of J. C. Arana & Hermanos: £780,000. Properties other than the Putumayo had an estimated combined value of £380,000. According to Read, the difference, which was £400,000, represented the best estimate of the value of the Putumayo estates, and this figure suggested a value of "about a shilling an acre."[103] Read's valuation had not been documented by the PAC—he conceded that it simply emerged as a balancing figure "in my mind."[104]

Whereas Read produced a rough estimation of value per acre, that is, on the basis of land, other PAC accounting practices suggested that valuation was primarily understood to be a function of the presence of exploitable labor. It was claimed that the company's "rights" to land were based on occupation, as demonstrated by the erection of buildings, developing transport infrastructure, and the presence of employees and thirty thousand peons.[105] Questions were thereby raised about whether the company had effectively invested in slave labor rather than land. This was indicated by an early draft of the prospectus, which suggested that the value of the territory primarily lay not in the land but in the abundance of submissive and controllable Indigenous labor, comprising "30 tribes of Indians."[106]

Evidence presented to the select committee in 1912–1913 also suggested that the PAC perceived that the value of its Putumayo estates was founded on the presence of exploitable labor. The generation of revenue from rubber in the remote Amazon forests depended upon this resource. Hence "labour was the biggest asset the company had."[107] J. C. Arana "considered the Indians part of the company's tacit capital."[108] The PAC's directors and accounting functionaries performed calculations that emphasized this source of value. For example, accounts produced at the company office in La Chorrera analyzed expenditure at the various rubber-collecting sections on a "per Indian" basis and values of £10–£20 were generated.[109] A "statement of properties" included items such as "Section Ultimo Retiro 500 Indian workers, value 56,859 soles."[110] It was suggested at the select committee that valuing estates on the basis of the number of workers as opposed to acreage, as well as referring to "Indians" as property, were akin to the practices of chattel slave owners in the antebellum American South.[111]

The company secretary and manager of the PAC saw no difficulty in this basis of valuation. He assumed that, for practical purposes, "the asset of the company was their position as squatters and the power to control the Indians to work for them."[112] Thus, asset values "per Indian" reflected the key factor in generating revenue. Exploiting the asset of land depended on the availability of labor. Hence, it was appropriate that the value of the different sections in

103. Ibid., 321.
104. Ibid.
105. Ibid., 306.
106. Ibid., 187.
107. Ibid., 81.
108. Serje, "Peruvian Amazon Co," 487.
109. *Report and Special Report*, 308.
110. Ibid.
111. Ibid.
112. Ibid., 145.

the Putumayo was based not on land area but on the number of "Indians" present. He explained his reasoning thus:

> If you have a few Indians working on a large piece of ground you will not get as much income out of that piece of ground, and consequently it will not possess the same capital value as a much smaller piece of ground where you have a number of Indians or any other people working. You get more income if you have more labour, and consequently it appeared to me to be an extremely reasonable and perfectly natural way of dividing up this value.[113]

The question remained, however, if the permanent assets of the company comprised land and the "natives" who worked it,[114] what did the nature of the expenditure incurred to encourage their labor reveal about the PAC's exploitation of Indigenous people?

Development Expenditure, *Gastos de Conquistacion* and Armaments

Questions were raised by critical observers about the nature of the £300,000–£500,000 of capital expenditure incurred by J. C. Arana & Hermanos in securing "rights" and preparing areas of the Putumayo for rubber production. Although there was reference to the cost of buildings (the prospectus referred to the establishment of forty-five rubber collection centers in the district), evidence surfaced that a significant proportion of this "development expenditure" was devoted to "civilizing" or "conquering" the Indigenous people who inhabited the territory.[115]

The audit clerk and chartered accountant Henry Gielgud, who later became the PAC's secretary and manager,[116] was disptached to the Putumayo by Deloitte, Plender, Griffiths & Co in 1909 to investigate the financial condition and books of the company. One of his tasks was to examine whether certain expenses should be treated as capital and attributed to the balance sheet, or as expenses to be written off against profits. For contemporaries, this was an area of accounting flexibility where informed judgment was to be applied.[117] At La Chorrera, Gielgud scrutinized manuscript balance sheets relating to five rubber-collecting sections. The balance sheets contained an unlikely item: *Gastos de Conquistacion.* These "expenses of conquest" amounted to £22,040 as at July 1, 1907, and £83,461 as at December 31, 1908.[118]

Gielgud made a note explaining that this item represented "further expenditure of a capital nature incurred in reducing the Indians in the sections named to subjection."[119] When presenting the results of his accounting investigations to the board of the PAC on his return to London, Gielgud produced financial statements that hid "expenses of conquest" by including

113. Ibid., 408

114. Ibid., 407.

115. Thomson, *Putumayo Red Book*, 66; *Report and Special Report*, 17; Serje, "Peruvian Amazon Co," 485, 490.

116. Walker, "Blindfold Witness?"

117. Pixley, *Accountant's Dictionary*, 99.

118. *Report and Special Report*, xii–xiii.

119. Ibid.

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it in the fixed asset category of "rubber and agricultural estates, including development, expenditure, and buildings." Despite such veiling, the term *Gastos de Conquista* continued to feature in accounts produced at La Chorrera, and these were transmitted to the company offices in London in 1910.[120]

When Gielgud appeared before the Select Committee on the Putumayo, he suggested that in South America *Gastos de Conquistacion* was "the regular term for recruiting labour, for getting people to work for you."[121] It did not refer to conquest as understood in the English language. Rather, it was akin to converting Indigenous peoples to Christianity, to winning their affections.[122] He denied that it referred to the cost of forcing Indians to work under the threat of armed violence. Likewise, J. C. Arana argued that conquest referred to attracting Indians, a process of converting uncivilized people to a relationship of exchange. The costs of such activity included fitting out expeditions and distributing goods. According to Arana, *Gastos de Conquistacion* represented the balance due from Indians of advances made to them.[123] Consistent with the assumption that the control of Indigenous labor was elemental to the generation of the company's future revenue, Gielgud confirmed that members of the board of the PAC agreed that such costs of conquest represented development expenditure and could therefore be treated as an asset.[124] *Gastos de Conquistacion* was thus understood as a "perfectly natural expense," one that related to "extending the trading capacities of the Company."[125]

The select committee, having heard other evidence affirming that "conquest" had the same meaning in Amazonia as it did in the UK,[126] and that the company had attempted to overcome by force anything that stood in the way of it "being the masters of the Putumayo," was highly critical.[127] It affirmed that *Gastos de Conquistacion* represented the cost of the manhunts and slave raids, which "were regarded as preliminary expenses" of starting a section for collecting rubber.[128] The select committee was also satisfied that "conquest" meant the "economic subjection and industrial subjugation of the Indians by force."[129] It concluded that:

> a British trading company had no right to spend the money of its shareholders on the conquest of the Indians; the Company had taken no power to do so under its Memorandum and Articles of Association, and any money so spent was spent *ultra vires*. Apart from any financial question the Committee cannot but express their regret and surprise that any British directors should have thought fit to entertain such ideas.[130]

120. Ibid.
121. Ibid., 378.
122. Ibid., 378, 385.
123. Ibid., 474.
124. Ibid., 379, 387.
125. Ibid., 381.
126. Ibid., 447–448.
127. Ibid., 448.
128. Ibid., xi.
129. Ibid., xii.
130. Ibid.

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Although the unpublished, internal financial statements from La Chorrera revealed the company's pursuit of the economic and military conquest of Indigenous people, an item appearing in the assets section of the PAC's published balance sheets appeared to confirm that Indians were being taken by force into peonage. The suspicious balance sheet item was "office furniture, armaments, and moveable plant." This asset stood at £4,784 in 1908 and £4,576 in 1909.[131] It was the inclusion of "armaments" that excited interest. Although it represented a small proportion of the PAC's total assets, armaments was not an item that conventionally featured in the financial statements of a British registered company. Inventories kept at the London office of the PAC indicated that the armaments concerned were mainly Winchester rifles and ammunition that cost £1,700—a large stock of which were kept in company stores in the Putumayo.[132]

When probed about the reasons why the PAC possessed so many guns, company officers and directors asserted that it was usual for employees to carry a rifle for protection against attacks from wild animals in the Amazon forests.[133] Guns might also be used to shoot birds and pigs for food.[134] The company also retained a stock of guns for resale. Further, arms were necessary given the possibility of "frontier troubles" in this politically disputed territory.[135] The Select Committee on the Putumayo was not convinced by these explanations. It concluded that "neither the risk of frontier fighting, nor the alleged danger from the Indians, nor the occasional presence of jaguar in the Putumayo, justified this large stock of rifles. They were really kept for the conquest and subjection of the Indians."[136]

Debtors – Indians

Consistent with the operation of debt peonage and its normalization in the commercial operations of the PAC,[137] the amounts owed by Indigenous people were treated by the company as another category of asset: debtors. The debts of the Indians were included in the assets of J. C. Arana & Hermanos that were acquired by the PAC in 1907.[138] The Select Committee on the Putumayo concluded that these debts were perceived as "a transferable and saleable asset, and with the debts was transferable also the right to work the Indians.… Any tampering with Indians thus regarded as debtors to an employer was a grave offence on the Putumayo."[139] When the PAC went into liquidation, it was reported that the company's assets were comprised "largely of debts alleged to be due from the Indians which Senor Arana was to collect."[140]

131. FODC.
132. *Report and Special Report*, 129.
133. Ibid., 102, 129, 188.
134. Ibid., 469.
135. Ibid., 309.
136. Ibid., xv.
137. Serje, "Peruvian Amazon Co."
138. *Report and Special Report*, 425.
139. Ibid., xi.
140. *Times*, March 19, 1913.

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If the Indians were treated as debtors, then accounting records of what they owed must have been maintained. Such accounting records were kept at the PAC's many collecting sections in Amazonia. Here, the quality of the bookkeeping ranged from "disgraceful" and "backward" to "not bad."[141] These records were not subject to any form of internal audit and were not sent to the company offices in London. The testimony provided by Herbert S. Parr to the PAC's own commission in 1910 and to the select committee in 1913, provides insights into local accounting processes.[142] Parr had been appointed as a bookkeeper and storekeeper at La Chorrera in 1909 and was subsequently head of the station at Ultimo Retiro. He confirmed that accounts relating to exchanges with individual Indians were kept at the local sections, and that accounts of the total articles advanced to Indians were maintained at district stations.[143]

So far as the former accounts were concerned, Parr explained that a "special book" was kept in which a separate account was maintained for each Indian.[144] The items advanced to the individual, which were low-cost and of poor quality (and described by Roger Casement as "trash"),[145] were entered in the account.[146] When rubber was periodically brought in, it was weighed by the manager of the section and entered on the other side of the individual's account.[147] There was no check on the accuracy of the weight of rubber determined by the manager nor of the amount entered in the book. If the weight of rubber did not equal the value of the articles advanced, the Indian remained in debt and in peonage.

Although for accounting purposes, the company assigned monetary values to what was owed by Indians (and did likewise in the individual accounts of Barbadians who were also kept in debt bondage), entries in the Indigenous peoples' accounts were expressed as quantities of goods advanced and rubber collected.[148] Thus, monetary measurement, one of the fundamental concepts of accounting, was not applied. In its place there was a "standard" or "scale" prescribing the rate of exchange of articles for kilos of rubber.[149] As Casement observed, this scale varied across the Putumayo and appeared to be subjectively, if not arbitrarily, determined by each section chief.[150] Such variation was demonstrated by data collected by Casement, as shown in Table 2.

This system of credit was founded on merchandise rather than cash.[151] Indeed, Parr confirmed that there were no cash transactions with the Indians, who also had no comprehension of accounting records such as invoices.[152] Although he considered that the Indigenous people understood the amount of rubber they needed to deliver for a particular article,

141. *Report and Special Report*, 79, 106, 126.

142. Ibid., 336–337; Mitchell, *Amazon Journal*, 329.

143. *Report and Special Report*, 338.

144. Casement also referred to section chiefs keeping "often unreliable" lists of workers in his section. See Casement, *Correspondence*, 49.

145. Mitchell, *Amazon Journal*, 329, 444.

146. Contrary to Serje's assertion, this accounting practice suggests that creating indebtedness focused on individuals as well as whole tribes. See Serje, "Peruvian Amazon Co," 490.

147. *Report and Special Report*, 341.

148. Ibid., 348.

149. Ibid., 341.

150. Casement, *Correspondence*, 50; Mitchell, *Amazon Journal*, 330.

151. Serje, "Peruvian Amazon Co."

152. *Report and Special Report*, 337.

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Table 2. Exchange of Articles for Rubber

Article	Quantity of Rubber Required (kg)	
	Matanzas Station	Atenas Station
Trade gun	75	35–45
Flask of powder, shot, and caps	20	15
Cotton hammock	55	25–35
Cotton trousers/shirt	20	15
Leather belt	5	–
Cotton blanket	20	25
Felt hat	15	–
Machete	–	12–15

Source: Casement, *Correspondence*, 50. See also Roger Casement Papers, MS 13,087/26iii-iv/2; *Report and Special Report*, 609.

their numeracy was limited.[153] The PAC's commission of inquiry in 1910 reported that Indians had no comprehension of weights and did not count above twenty.[154] As one section chief explained, "The Indians never ask the price…. We tell the Indians to bring a certain amount of rubber; no specific weight named, as they would not understand it."[155] Parr also considered that the Indians were "rather docile."[156] Consequently, there were never any disputes with them about the amount of rubber they were deemed to have delivered or what was recorded in their individual accounts.[157]

Evidently, in combination with violent coercion, the accounting regimen deployed to monitor the debtor status of Indigenous peoples was fundamental to maintaining conditions of slavery. As Casement observed, when a rubber collector's identity was inscribed in the account book at the local section, he was effectively captured in the system of debt peonage: "Once in the 'conquistadores' books they had lost all liberty, and were reduced to unending demands for more rubber."[158] The language of accounting for debts at the PAC affirmed Indigenous peoples as inferior, subservient, and docile. The accounting records in which their identities were inscribed were maintained in a context of substantial asymmetries of knowledge and power. The "special books" containing the accounts of Indians were kept by section chiefs whose scope for manipulating the numbers was unbounded. The chiefs controlled the rate of exchange for advances, the weighing of rubber, the entries made in the accounts, and the calculation of the balance of debt.[159]

This calculative regime was used to ensure that Indigenous people remained in debt and, as Casement observed, effectively got nothing for their rubber.[160] Worse, integral to the operation of the regime was the prospect of physical violence: "In many cases the Indian rubber worker—who knew roughly what quantity of rubber was expected of him—when he brought his load to

153. Ibid., 341.
154. Ibid., 609.
155. Casement, *Correspondence*, 50.
156. *Report and Special Report*, 344.
157. Ibid., 343.
158. Casement, *Correspondence*, 27.
159. Ibid., 50.
160. Mitchell, *Amazon Journal*, 444.

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be weighed, seeing that the needle of the balance did not touch the required spot, would throw himself face downwards on the ground, and in that posture await the inevitable blows."[161]

Debtors – Barbadians

Another group of workers who found themselves in debt to the PAC were the Barbadians who were engaged as slave raiders and overseers of the Indians. About two hundred Barbadians had been recruited in 1904 to assist in Messrs J. C. Arana & Hermanos's territorial expansion in the Putumayo.[162] The Barbadians were recruited as indentured laborers on two-year contracts and were therefore unable to leave until debts to the company had been repaid.[163] They performed the duties of "armed vigilantes" and were sent on punitive expeditions to collect Indigenous people.[164] Once "conquered," the Barbadians applied punishments to those Indians who brought in insufficient rubber.[165] A number committed atrocities on the orders of their section chiefs.[166]

The presence of Barbadians, who were British subjects and English speakers, was the "entry point" for the Foreign Office's investigation of the allegations leveled against the PAC and for Casement's remit to accompany the commission of inquiry to the Peruvian Amazon in 1910.[167] Casement encountered around twenty Barbadians during his visit to the Putumayo.[168] Their testimony was the principal source of evidence about the atrocities committed against the Indigenous peoples.[169]Although they were perpetrators of violence, the Barbadians were also perceived as victims of the PAC's brutal regime.[170] Some had objected to the coercive tasks they were ordered to perform and also to their own ill treatment. A significant number returned to Barbados in 1905 with the assistance of the British consul in Iquitos.[171] Others were unable to depart because they were entrapped. One observer reported that the Barbadians were "practically slaves as they are in debt to the Company and have to work out their debt in service."[172] Thanks to the evidence collected and reported by Casement, we have detailed insights into the accounting practices that facilitated the maintenance of the indebtedness of the Barbadians.

Casement described how the Barbadians were kept in debt through accounting manipulation:

> A man in debt anywhere in the Amazon rubber districts is not allowed to leave until the debt is paid, and as the creditor makes out the account and keeps the books, the debtor frequently

161. Casement, *Correspondence*, 35.
162. Goodman, *Devil and Mr. Casement*, 23.
163. *Report and Special Report*, xv.
164. Ibid., xv.
165. Hardenburg, *Putumayo*, 208.
166. Ibid., 39–40.
167. Goodman, *Devil and Mr. Casement*, 64.
168. Casement, *Correspondence*, 16.
169. Goodman, *Devil and Mr. Casement*, 85–91.
170. Ibid., 36.
171. *Report and Special Report*, xxi.
172. See Goodman, *Devil and Mr. Casement*, 52; also Serje, "Peruvian Amazon Co," 488–489.

> does not know how much he owes, and, even if he had the means, might not always be able to satisfy the claim. Accounts are falsified, and men are kept in what becomes a perpetual state of bondage, partly through their own thriftlessness (which is encouraged) and partly by deliberate dishonesty.[173]

He observed instances in which Barbadians owed four to nine month's wages with "no prospect of ever getting straight."[174]

Casement identified two devices in particular that kept the Barbadians in debt. First, given that wages were insufficient to sustain themselves and their "temporary" Indian wives and progeny, Barbadians became dependent on food, medicine, clothing, and other items supplied by the company store.[175] This was despite the fact that their contracts stated that food and medicine would be provided free by the company.[176] In the absence of cash transactions, the cost of goods received from the store was recorded in their accounts and set against the £5 per month received as wages. The goods were charged at grossly inflated prices, at "1,000 per cent, over their cost prices or prime value,"[177] thus increasing the company profits and the Barbadians' debts. Casement observed that all the pay received by the Barbadians was effectively "taken back by the company."[178]

Casement examined the accounts of individual Barbadians and the invoices for goods they had obtained from the company stores at La Chorrera.[179] These confirmed the "grossest overcharges" and showed that significantly higher prices were charged to Barbadians compared to chiefs of sections and other company employees.[180] Further, some items appearing in the Barbadians' accounts had not been received.[181] The amounts credited to their accounts for wages were also translated to the local currency in a manner that robbed them of income.[182]

A second device for keeping Barbadians in peonage related to accounting for gambling debts. Casement observed that when they were not "hunting the Indians" the Barbadians spent much of their time gambling. The debts arising therefrom were charged to their accounts with the company, thus worsening their financial position. Casement explained how gambling debts were satisfied by writing an IOU that "the winner passes on to the chief agency at La Chorrera, where it is carried to the debit of the loser in the company's books."[183] He speculated that this "evil" practice was so prevalent that recording the gambling debts of company employees likely comprised the principal occupation of the chief accountant.[184] As Casement noted, the recognition of the personal debts of employees in the accounts of a British company

173. Casement, *Correspondence*, 18.
174. Ibid., 19.
175. Ibid., 16.
176. Ibid., 19.
177. Ibid., 16.
178. Mitchell, *Amazon Journal*, 353.
179. Casement, *Correspondence*, 22–23, 88–92.
180. Mitchell, *Amazon Journal*, 351–353.
181. Ibid., 367–368.
182. Ibid., 328.
183. Casement, *Correspondence*, 17.
184. Ibid., 17.

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was unacceptable.[185] It sat uneasily with the accounting concept that only transactions relating to the business itself should be recorded in the entity's books.

Casement made purchases of goods at the company store in La Chorrera and compared the prices he was charged with those entered in the Barbadians' accounts.[186] He performed comprehensive analyses of the cost of items to the company and selling prices to Barbadians.[187] For example, he discovered that butter was sold to Barbadians at five times the price he was charged and rice was sold to them at 200 percent above the cost to the section. When he received a bill of £36 for the goods he had himself purchased at La Chorrera, Casement calculated that Barbadians would have been charged £100 for the same items. Given the false accounting and extortion to which they were subjected, it was no wonder that "after five or six years almost of work, they have not a single penny."[188]

Casement did not only investigate these abuses, he used the accounting information he had amassed to seek redress for the Barbadians. On being confronted with his analysis of gross overcharging, the section chief at La Chorrera struck 25 percent off the value of purchases from the company store in the Barbadians' accounts since the PACs formation in 1907.[189] Medicine charges were also removed from their accounts. When, thereafter, the section chief produced adjusted accounts, Casement discussed their accuracy and completeness with each Barbadian.[190] He pursued their further claims relating to missing payments for work performed and charges for goods not received.[191] Casement also drew up his own statements of the amounts gained by each man as a result of this exercise.[192] He calculated that the total gain to the nineteen Barbadians concerned was around £900.[193] Although he considered that 70 percent rather than 25 percent should "come off" the Barbadians accounts,[194] he was of the view that this was a reasonable outcome. Indeed, as a result of his intervention, "men who had been in debt now found themselves with a balance in their favour, and with few exceptions they determined to take advantage of this change in their circumstances to leave the Putumayo."[195]

Conclusions

It has been argued that an accounting-focused analysis provides additional insights into the credit and debt practices of the PAC and the nature of its operations. Such a focus reveals that the company's principal assets, its "estates" in the Putumayo, where so many atrocities were

185. Ibid., 17, 19.
186. Mitchell, *Amazon Journal*, 328–329.
187. Ibid., 358–359.
188. Ibid., 444.
189. Ibid., 351–354; Casement, *Correspondence*, 19. The manner in which 25 percent of income was summarily and "calmly wiped off" the books by a minor agent without permission also raised questions for Casement about the governance practices of the PAC. See Mitchell, *Amazon Journal*, 352.
190. Mitchell, *Amazon Journal*, 380–383.
191. Ibid., 385.
192. Ibid., 378–379, 388–390.
193. Ibid., 416.
194. Ibid., 384.
195. Casement, *Correspondence*, 19, 23.

perpetrated, were not legally owned but comprised squatter's rights over "land in exploitation." Those rights were contestable, acquired through the use of force, and allegedly maintained through bribery and political influence.[196] The valuation of the company's estates in the Putumayo was also revealing. The PAC's valuation assumptions emphasized the presence of exploitable Indigenous people on the land. Measuring the value of its estates on this basis implied the ownership of Indigenous people, and was likened to chattel slavery.

Accounting evidence also suggests that the company capitalized the cost of "conquering" Indigenous peoples on its balance sheet. Such development expenditure was treated as an asset, given that reducing "natives" to subjection was considered necessary to securing a future revenue stream from the rubber they collected. The company's inclusion of "armaments" in its tangible assets further suggested the coercive and violent nature of its control over Indigenous peoples. Including the debts of Indians on the balance sheet of the company also indicated an unconventional means of remunerating labor. The local accounting books used to record the debts of individual Indian rubber collectors evidenced the ruthless exploitation and powerlessness of those captured in the PAC's system of debt slavery. The accounts of the Barbadians also demonstrated the manner in which the company kept indentured labor in a state of peonage through extortionate and fraudulent methods. Fundamentally, accounting for assets by the PAC reflected and normalized contemporary assumptions about the racial inferiority of Amazonian Indians.

Although it is evident that accounting was a calculative technique that facilitated and sustained the exploitation of Indigenous peoples in the Putumayo, the case of the PAC also reveals its capacity as a tool of emancipation. Critical accounting historians recognize that, although accounting may be deployed in the facilitation of repression, "it also has emancipatory dimensions."[197] Accounting publicity, in particular, can be mobilized to achieve emancipation by rendering the actions of the powerful transparent and their morality questionable.[198] For example, in the same period as the Putumayo scandal, while capitalists engaged accounting in the pursuit of profit maximization and exploitation, labor activists and Socialists also deployed accounting information in their campaigns for redistribution and social justice.[199] As Sonja Gallhofer and Jim Haslam recognize, "Repressive forces may be influential; but never absolutely control accounting's functioning."[200]

196. See Miller, "British Investment in Latin America," 38–39.

197. Gallhofer and Haslam, "Emancipation," 579.

198. Indeed, the Select Committee on the Putumayo recognized publicity as a powerful weapon in the detection and prosecution of the mistreatment of Indigenous labor, particularly when a company's principal operations were geographically distant. See *Report and Special Report*, xxiii. The committee suggested placing an obligation on directors to produce returns of labor conditions in their operations in such countries. Ibid., xxiv.

199. Gallhofer and Haslam, *Accounting and Emancipation*, 66–155.

200. Ibid., 594. Students of modern-day social and environmental reporting also recognize the capacity of shadow, alternative, or counter accounts to problematize organizational activities and claims, give voice to oppressed groups, generate visibilities that disrupt power relations, and encourage social action. See Apostol, "Project for Romania?"; Dey, "Developing Silent Shadow Accounts"; Dey, Russell, and Thomson, "Exploring the Potential"; Thomson, Dey, and Russell, "Activism, Arenas and Accounts." Such analyses also reveal the potential of accounting as a tool of resistance, for "talking back" to power, and for contestation. See Gallhofer, Haslam, Monk, and Roberts, "Emancipatory Potential"; Spence, "Social Accounting's Emancipatory Potential."

In this article we have seen how Roger Casement, a humanitarian and knowledgeable observer, utilized publicly available data and accessed internal accounting records to produce narrative and quantitative modes of representation that rendered exploitation and atrocity visible.[201] Casement's reputation, founded on his previous investigations of the horrors attending rubber collection in the Congo, gave authority to the alternative accounts that he produced. Casement deployed his knowledge of accounting and business to produce statements and perform calculations that revealed the injustices suffered by Indigenous peoples and the Barbadians.

In particular, Casement's analysis of income generated from rubber, and the nature and location of the expenditure associated with its production, indicated an "elaborate swindling of everyone—Indians and shareholders" and the enrichment of a "handful of thieves and murderers" in the Putumayo.[202] He analyzed the annual quantity of rubber produced by the Indigenous people in the Putumayo and calculated that four thousand tons of rubber were yielded at the cost of thirty thousand Indian lives.[203] He compiled statements of the appalling rate of exchange of goods advanced for rubber produced and revealed their arbitrary determination. He took inventories of company stores to demonstrate that articles advanced were of "no use or value to the Indians."[204] He produced statements comparing the cost of items to the company with prices charged to Barbadians to reveal the mechanisms through which debt peonage was operated. He used this data to reveal to company officials the manner in which Barbadians had been subject to extortion. His evidence secured adjustments to their accounts that rendered a number of Barbadians free from debt and thus emancipated them from peonage.

In December 1910, at the end of his visit to the Putumayo with the PAC's commission of inquiry, Roger Casement reflected that his work in the Amazon was now over.[205] Through his construction of narrative and financial accounts he had shone light on the atrocities perpetrated by the PAC. It was his earnest hope that, by thus rendering visible the plight of the Indigenous people, "the neck of that particular evil" would be broken and a brighter future secured for them.[206]

In conclusion, we may reflect on the wider implications of our examination of the PAC through its accounting. The case enhances our understanding of the activities of a British registered company operating in Amazonia and the brutal practices of the rubber barons who controlled it. Accounting traces such as balance sheets and financial reports in prospectuses, together with the discourses surrounding their production and use, demonstrate the interconnectedness of London financiers and accounting firms with exploitative Latin American entrepreneurs at a time when the City was "the hub of international commerce and finance for South America" and a participant in the attempt to nurture an informal British empire there.[207] The PAC represents another historical instance of the presence of questionable accounting and business practices in environments where profit-making opportunities were

201. See Laine and Vinnari, "Transformative Potential."
202. Mitchell, *Amazon Journal*, 443–445.
203. Casement, *Correspondence*, 158.
204. Ibid., 48–49.
205. Mitchell, *Amazon Journal*, 487.
206. Ibid.
207. Miller, "British Investment in Latin America," 31.

identified in remote, poorly developed regions subject to territorial disputes.[208] In these distant, clouded, and unstable arenas, dubious claims to property ownership could be made, and the violent abuse of Indigenous people pursued.

Also in this context, and during an era of comparatively insubstantial accounting regulation, we have seen how it was possible for a free standing company to manipulate financial information and records to veil the true nature and activities of the business. Other studies suggest that such concealment devices were especially evident when illegal slavery was taking place.[209] The discovery of masking practices represents a compelling reason why, as stated at the outset, accounting is no longer perceived as a neutral device for the transmission of financial information. At the PAC, behind the assumption of the objective authority of the audited balance sheets lay maneuverings that hid the coercive nature of the treatment of Indigenous peoples. The valuation of land appears to have been subjectively determined on the basis of the presence of exploitable labor. "Expenses of conquest" were concealed through accounting categorization, aggregation, and translations from Spanish to English. The Select Committee on the Putumayo was often frustrated by the company's protestations that relevant accounting records were missing or had not been kept in the Amazon, that calculations relating to labor were not made, that papers could not be found in the London office, and by denials that incriminating annotations to accounting statements were devoid of sinister meaning.

Further, this article augments the literature on the role of accounting in the operation of slavery. Most accounting history studies on this subject focus on how calculative practices facilitated the functioning of the slave trade, contributed to its institutionalization, and served to monetize and dehumanize those bound by chattel slavery.[210] By contrast, the current investigation has concerned the role of accounting in systems of debt bondage. Accounting records are key to comprehending the control of labor through establishing, managing, and manipulating debt. Such traces represent essential sources for historians engaged in vibrant debates about whether debt peonage in diverse spatial and temporal settings was coercive (as in the extreme case of the PAC) or consensual.[211] These debates remain "central to understanding Latin American transitions to capitalism."[212] In colonial British North America, the study of accounting records suggests that Native American nations gathered furs for trading with the Hudson Bay Company under a system of exchange characterized by voluntarism rather than "obligatory collection mediated by violent coercion."[213] Such contrasts invite further accounting-centered investigations.

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208. See, for example, Head, *Privateers of the Americas*, 93–99; Clavel, "What's in a Fraud."

209. See, for example, de Lalouvière, "Business Archive."

210. For a summary of the literature, see Annisette, "Race and Ethnicity," 533–537; Rosenthal, *Accounting for Slavery.*

211. See, for example, Alston, Mattiace, and Nonnenmacher, "Coercion, Culture, and Contracts"; Bauer, "Rural Workers in Spanish America"; Dore, "Debt Peonage in Grenada, Nicaragua"; Knight, "Mexican Peonage"; Loveman, "Critique"; McCreery, "Debt Servitude in Rural Guatemala"; Melillo, "First Green Revolution"; Serje, "Peruvian Amazon Co."; Washbrook, "'Una Esclavitud Simulada.'"

212. Dore, "Debt Peonage in Grenada, Nicaragua," 525.

213. Hecht, *Scramble for the Amazon*, 185; Carlos and Lewis, *Commerce by a Frozen Sea*, 167–168.

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