Rubber and the World Economy

The enormous industrial expansion of the last 200 years has had equally large effects on those who live by growing crops, tending animals, or extracting "natural resources" from the earth and sea. In hundreds of cases, new industrial processes created unprecedented demand for goods, allowing vast fortunes to be made from previously humble products. Whether it was cultivators, landlords, merchants, industrialists, or others who would reap those profits was another matter, sometimes leading to fierce social conflict. The scramble to meet new demand often changed local work arrangements, created large migrations to places where the goods could be produced, and in some cases led to violence as older residents of resource frontiers were displaced, colonial powers struggled over borders, and smaller-scale claimants fought each other.

Meanwhile, these booms often moved people into uncharted territory, literally and figuratively. In some cases, local ecosystems were badly damaged by vastly more intensive and less varied kinds of production. In others, new kinds of production shifted demand from one kind of labor to another (male versus female, seasonal versus year-round, skilled versus unskilled, and so on), leading to major changes in family life, class relations, and other fundamental aspects of life. Often, export booms created a steady flow of easily taxed products—and/or a need to police quality in order to maintain market share—greatly strengthening states vis-a-vis local societies.

And very often, these booms disappeared as suddenly as they began. Temporary shortages might suddenly give way to glut as old bottlenecks were resolved. For instance, millions of Egyptians, Indians, and Brazilians who began growing cotton for British mills when the U.S. Civil War cut those mills off from their main suppliers were then left stranded when U.S. production resumed. In other cases, the same technological innovation that created new uses for a product later created a substitute for it. For example, a worldwide boom in peanut oil, used to lubricate machinery during the 1910s and 1920s, crashed when cheaper petroleum-based lubricants became available. (One side effect was the spread of peanut butter, which created a new demand for huge stockpiles of now-unneeded peanuts.) In others, demand for a product remained strong, but first entrants into the market soon found themselves undercut by new areas that could produce the product more cheaply.

From among many possible case studies, we have chosen rubber. A tropical plant with virtually no economic uses in 1840, it became very important by 1900, and vastly more important a bit later, as ever more numerous cars, trucks, airplanes, tanks, and so on needed tires. Most varieties of natural rubber will only grow in the tropics, yet the major industrial powers were almost all in temperate zones. Therefore, issues related to rubber were particularly global from the very beginning.

Sir Roger Casement, Consul General's Report to Sir Edward Grey (1911)

Until about 1900, when rubber plantations became well-established in British Malaya, almost all production came from tapping wild trees, mostly in the Amazon basin. This was exhausting work, in tropical heat and humidity, and required knowing the forest well; it thus relied heavily on local gatherers, who had little incentive to maximize their output. Many rubber-gathering companies responded by setting production quotas for natives and threatening extreme violence if they did not comply. The most infamous cases, in the Congo domains of King Leopold II of Belgium, became a global scandal (see Edmund D. Morel, The Black Man's Burden, in Chapter 17). The death toll from Leopold's abuses ran into the millions, though not all of that is attributable to rubber gathering. But as the following excerpt shows, conditions in the Amazon were sometimes little better.

A Peruvian politician and entrepreneur, Julio Cesar Araña, began exporting large amounts of rubber from the Putumayo region of Colombia and Peru. He claimed ownership of an area almost the size of
Maryland that was home to roughly 50,000 Native Americans. He took the company public on the London Stock Exchange in 1907. Arana employed heavily armed middlemen—some Peruvian “white” people, some “black” men from Barbados (British colonial subjects), and assorted others—who were in charge of forcing the workers to provide rubber. These middlemen received various privileges, but were also forced to go into debt to the company; these debts could only be met by driving their subordinates relentlessly.

In 1909 a traveling American railroad worker, Walter Hardenburg, published articles about the abuses he had seen in Putumayo. The British government demanded an investigation; the resulting team including Roger Casement (1864–1916), an Irish-born British consul officer who had helped uncover Leopold’s abuses in the Congo. (Casement later became an Irish nationalist, and was executed in 1916 for collaborating with the Germans.)

The atrocities revealed in Casement’s 1911 report caused embarrassment, but had few lasting consequences. Arana liquidated his company in the 1920s (by which time he could no longer compete with Southeast Asian rubber anyway), and the firm’s British directors were not punished. Armando Noriega and a few other particularly abusive middlemen were arrested, but escaped from jail without trial.

The man Dyall, who had completed nearly six years’ service when I met him at Chorrera on the 24th of September, appeared to be in debt to the company to the sum of 440 soles (say, £44) for goods nominally purchased from its stores. Some of this indebtedness was for indispensable articles of food or clothing, that the working-man could not do without. These are all sold at prices representing often, I am convinced, 1,000 per cent over their cost prices or prime value. Much of the men’s indebtedness to the company was also due to the fact that they were married—that is to say, that every so-called civilized employee receives from the agent of the company, on arrival, an Indian woman to be his temporary wife. Sometimes the women are asked; sometimes, I should say from what I observed, their wishes would not be consulted—they certainly would not be consulted in the case of a white man who desired a certain Indian woman. With the Barbados men it was, no doubt, a more or less voluntary contract on each side—that is to say, the agent of the company would ask one of the numerous Indian women kept in stock at each station whether she wished to live with the new arrival. This man Dyall told me, in the presence of the chief agent of the Peruvian Amazon Company at La Chorrera, that he had had nine different Indian women given to him as “wives” at different times and at the various stations at which he had served. When an employee so “married” leaves the station at which he is working to be transferred to some other district, he is sometimes allowed to take his Indian wife with him, but often not. It would depend entirely upon the goodwill or caprice of the agent in charge of that station. As a rule, if a man had a child by his Indian partner he would be allowed to take her and the child to his next post, but even this has been more than once refused. * * * These wives had to be fed and clothed, and if there were children, then all had to be provided for. To this source much of the prevailing indebtedness of the Barbados men was due. Another fruitful cause of debt was the unrestricted gambling that was openly carried on up to the period at which I visited the district. The employees at all the stations passed their time, when not hunting the Indians, either lying in their hammocks or in gambling. As there is no money in circulation, gambling debts can only be paid by writing an IOU, which 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.

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Before my visit ended more than one Peruvian agent admitted to me that he had continually flogged Indians, and accused more than one of his fellow-agents by name of far greater crimes. In many cases the Indian rubber-worker—who knew roughly what quantity of rubber was expected of him—when he brought his load to 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. An individual

who had often taken part in these floggings and who charged himself with two murders of Indians has thus left on record the manner of flogging the Indians at stations where he served. I quote this testimony, as this man's evidence, which was in my possession when I visited the region, was amply confirmed by one of the British subjects I examined, who had himself been charged in that evidence with flogging an Indian girl whom the man in question had then shot, when her back after that flogging had putrefied, so that it became "full of maggots." He states in his evidence—and the assertion was frequently borne out by others I met and questioned—

"The Indian is so humble that as soon as he sees that the needle of the scale does not mark the 10 kilos he himself stretches out his hands and throws himself on the ground to receive the punishment. Then the chief or a subordinate advances, bends down, takes the Indian by the hair, strikes him, raises his head, drops it face downwards on the ground, and after the face is beaten and kicked and covered with blood the Indian is scourged."

This picture is true; detailed descriptions of floggings of this kind were again and again made to me by men who had been employed in the work. Indians were flogged, not only for shortage in rubber, but still more grievously if they dared to run away from their houses, and, by flight to a distant region, to escape altogether from the tasks laid upon them. Such flight as this was counted a capital offence, and the fugitives, if captured, were as often tortured and put to death as brutally flogged. Expeditions were fitted out and carefully planned to track down and recover the fugitives, however far the flight might have been. The undisputed territory of the neighbouring Republic of Colombia, lying to the north of the River Japura (or Caquetá), was again and again violated in these pursuits, and the individuals captured were not always only Indians.

The crimes alleged against Armando Normand, dating from the end of the year 1904 up to the month of October, 1910, when I found him in charge of this station of Matanzas or Andokes, seem wellnigh incredible. They included innumerable murders and tortures of defenseless Indians—pouring kerosene oil on men and women and then setting fire to them, burning men at the stake, dashing the brains out of children, and again and again cutting off the arms and legs of Indians and leaving them to speedy death in this agony. These charges were not made to me alone by Barbados men who had served under Normand, but by some of his fellow-racionales. A Peruvian engineer in the company's service vouched for me to the dashing out of the brains of children, and the chief representative of the company, Señor Tizon, told me he believed Normand had committed "innumerable murders" of the Indians.

Westerman Leavine, whom Normand sought to bribe to withhold testimony from me, finally declared that he had again and again been an eyewitness of these deeds—that he had seen Indians burned alive more than once, and often their limbs eaten by the dogs kept by Normand at Matanzas. It was alleged, and I am convinced with truth, that during the period of close on six years Normand had controlled the Andokes Indians he had directly killed "many hundreds" of those Indians—men, women, and children. The indirect deaths due to starvation, floggings, exposure, and hardship of various kinds in collecting rubber or transferring it from Andokes down to Chorrera must have accounted for a still larger number. Señor Tizon told me that "hundreds" of Indians perished in the compulsory carriage of the rubber from the more distant sections down to La Chorrera. No food is given by the company to these unfortunate people on these forced marches, which, on an average, take place three times a year. I witnessed one such march, on a small scale, when I accompanied a caravan of some two hundred Andokes and Boras Indians (men, women, and children) that left Matanzas station on the 19th of October to carry their rubber that had been collected by them during the four or five preceding months down to a place on the banks of the Igaraparani. * * * The path to be followed was one of the worst imaginable—a fatiguing route for a good walker quite unburdened.

For two days—that is to say, from Matanzas to Entre Ríos—I marched along with this caravan of very unhappy individuals, men with huge loads of rubber weighing, I believe, sometimes up to 70 kilos each, accompanied by their wives, also loaded with rubber, and their sons and daughters, down to quite tiny things that could do no more than carry a little cassava-bread (prepared by the mothers before leaving their forest home), to serve as food for parents
and children on this trying march. Armed muchachos, with Winchesters, were scattered through the long column, and at the rear one of the racionalos of Matanzas, a man named Adan Negrete, beat up the stragglers. Behind all, following a day later, came Señor Normand himself, with more armed racionalos, to see that none fell out or slipped home, having shed their burdens of rubber on the way. On the second day I reached Entre Rios in the early afternoon, the bulk of the Indians having that morning started at 5.15. At 5.15 that evening they arrived with Negrete and the armed muchachos at Entre Rios, where I had determined to stay for some days. Instead of allowing these half-starved and weary people, after twelve hours' march, staggering under crushing loads, to rest in this comparatively comfortable station of the company, where a large rest-house and even food were available, Negrete drove them on into the forest beyond, where they were ordered to spend the night under guard of the muchachos. This was done in order that a member of the company's commission (Mr. Walter Fox), who was at Entre Rios at the time along with myself, should not have an opportunity of seeing too closely the condition of these people.

Questions
1. How was violence used to keep the people who actually gathered the rubber under control? How does Casement say that they responded to their treatment?
2. What seems to have motivated the middlemen who served as enforcers in this scheme?
3. What role did race and gender play in this system of exploitation? Explain.

Rubber Prices (1900–1940)

The graph shown here records average spot prices of rubber on the London exchange from 1900 to 1940. Because these are London prices, not the prices paid at the farm, they include certain relatively constant costs for things like shipping and insurance; consequently they actually understate the fluctuations experienced by the producers. This is true for other, technical, reasons as well—at the very bottom in 1932, rubber actually cost about 1/200th of what it cost at its 1910 peak. Prices rose again during World War II and the Korean War but never to the levels of the early twentieth century.

Average Annual Spot Prices (Buyers') of Rubber in London, 1900–1940