

# The Accounting Historians Notebook

---

Volume 38  
Number 1 April 2015

Article 4

---

2015

## 1859 MAUA'S GAS COMPANY FINANCIAL REPORT: A CORNERSTONE OF BRAZILIAN PRIVATE ACCOUNTING

Natan Szuster

Fortunee Szuster

Rodrigo de Oliveira Leite

Follow this and additional works at: [https://egrove.olemiss.edu/aah\\_notebook](https://egrove.olemiss.edu/aah_notebook)

 Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

### Recommended Citation

Szuster, Natan; Szuster, Fortunee; and Leite, Rodrigo de Oliveira (2015) "1859 MAUA'S GAS COMPANY FINANCIAL REPORT: A CORNERSTONE OF BRAZILIAN PRIVATE ACCOUNTING," *The Accounting Historians Notebook*: Vol. 38 : No. 1 , Article 4.  
Available at: [https://egrove.olemiss.edu/aah\\_notebook/vol38/iss1/4](https://egrove.olemiss.edu/aah_notebook/vol38/iss1/4)

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in The Accounting Historians Notebook by an authorized editor of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

# THE 1859 MAUA'S GAS COMPANY FINANCIAL REPORT: A CORNERSTONE OF BRAZILIAN PRIVATE ACCOUNTING

**Natan Szuster** (Federal University of Rio de Janeiro, Brazil)  
**Fortunee Szuster** (Rio de Janeiro State University, Brazil) and  
**Rodrigo de Oliveira Leite** (Getulio Vargas Foundation, Brazil)

During the first semester of 2014, Profs. Natan and Fortunee Szuster directed, at the Rio de Janeiro State University (UERJ), a research group at the Accounting Science BSc Program. The subjects varied, but one student (Rodrigo de Oliveira Leite) chose the subject of the Accounting History in Brazil between 1808 and 1860. During the research, the 1859 Financial Report of Viscount of Maua's Gas Company surfaced as a great finding in the subject of Brazilian Accounting History.

## Background

The Viscount of Maua is regarded as the first industrialist in Brazil [Caldeira, 1995]. He developed banks, industries, train lines and other investments in the Brazilian infrastructure. By 1867 the total assets of Maua's holding company totaled over 115 billion Reis, while the total spending of the Brazilian Empire for the fiscal year of 1867 was only 97 billion Reis. In his peak he was regarded as "King of Brazil", while Pedro II was the official "Emperor of Brazil".

In 1850 the Commercial Code was established in Brazil, with the aid of the Viscount of Maua [Caldeira,

1995]. The Viscount also influenced the creation of the Law No. 1083 and the Decree No. 2679, both issued in 1860 regulating the financial reports and accounting of Open Companies [Filho and Iudicibus, 2002].

Those regulations made the publication of the financial reports in the press a mandatory requirement and made "approved models" of reports for the companies to use as a guide.

## The Report

Until that time companies published their financial reports only to fulfill the requirements of the Commercial Code of 1850. The newspapers were filled with tables of numbers, although no explanation about them was addressed.

The Evening Herald (Correio da Tarde) of February 16<sup>th</sup> 1860 published the "Gas Company Financial Report of 1859". Unlike other financial reports, the Viscount of Maua wrote a letter to the *stockholders*, in which he disclosed details about the company operations:

*(Continued on page 14)*

(Continued from page 13)

- Number of public lampposts: from 1,487 (1855) to 4,649 (1860)
- Residences with piped gas: from 950 (1855) to 4,828 (1860)
- In 1860 the company started selling coal to residences
- A new gas pipe in Rio de Janeiro was in the final phase of development

Maua perceived that he could use the Financial Report of his company as a “propaganda piece”. He also advertised that the company profits for the second semester of 1859 increased by 4% when compared with the first semester with a total 236 million Reis (236 “contos”). The profits for 1859 were in the order of over 400 million Reis (400 “contos”), a very large sum for the time.

The vision that he was trying to “sell” the Gas Company stocks with this Financial Report publication is supported by the fact that he addressed price growth of the dividends: 12,000 Reis per stock in the

first semester of 1855 to 21,000 Reis per stock in the second semester of 1859, a growth of 75% in five years, making the Gas Company a very appealing investment.

### Conclusion

The Viscount of Maua, in 1860, made the first use of a Financial Report as a “propaganda piece” to attract investors. It is very common in the present time to publish financial statements with the intent of gaining new investors, but in 1860 it was a revolutionary idea that Maua implemented in Brazil.

### References

Caldeira, J. “*Maua: the Empire Businessman*”. Companhia das Letras, São Paulo. 1995 (Portuguese)

Correio da Tarde (Feb. 16<sup>th</sup> 1860). “*Gas Company Financial Report of 1859*”. (Portuguese)

Filho, A.A.R. and Iudicibus, S. “*The first law addressing Open Companies in Brazil*”. Revista Contabilidade e Finanças, USP, São Paulo, No. 29, pages 7-25. 2002 (Portuguese)

---

(Continued from page 4)

tives and a member of the editorial advisory and review board of the IMA Educational Case Journal. He is very proud of his book, *Management Accounting at the Hudson's Bay Company: From Quill Pen to Digitization*, that was just published by Emerald in their Studies in the Development of Accounting Thought.

Gary and his wife Cherilyn have three adult children, and so far one grandson and one granddaughter.

