

‘There is no need for anyone to go to America’: commercial correspondence and nineteenth-century globalisation

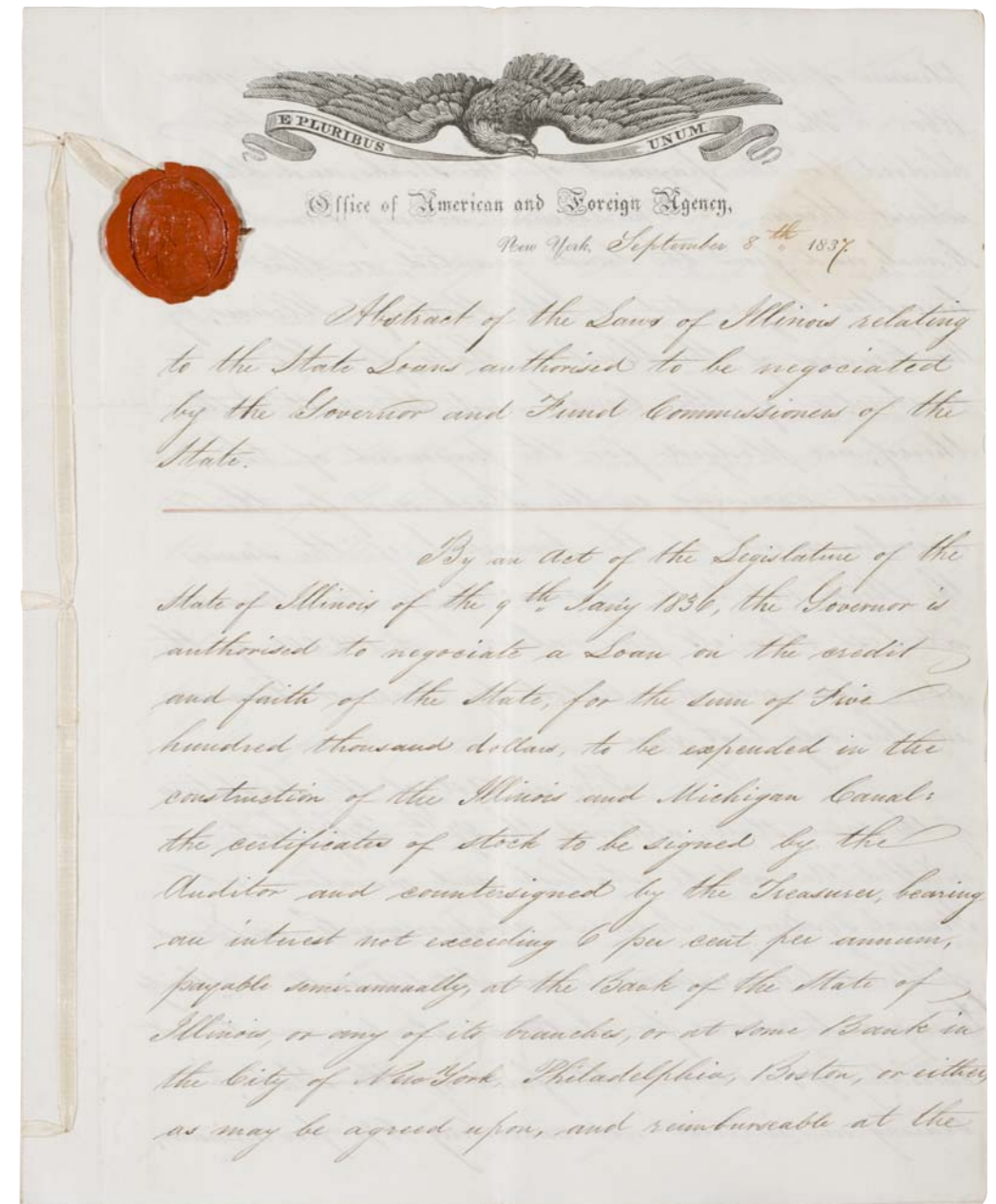
The survival of a clutch of papers examined by the author during research into the 1837 financial crisis in the USA throws unexpected light on an important stage in the career of a significant and previously unknown figure in the development of American commercial policy.

From his office at forty-nine Wall Street at the southern tip of the island of Manhattan, Aaron H. Palmer, Esq. sold confidence that the world was not too big for justice. Palmer tailored his message to a growing number of New Yorkers and other Americans who, in the first half of the nineteenth century, ventured into trade of an unprecedented scale across vast distances. This trade relied upon a universal faith in the accuracy of millions of scraps of paper, including letters, bills of exchange, newspapers, ledgers, bank notes, and stock certificates. On these recycled cotton rags, individuals inked promises of goods, services, and payment that passed from hand to hand from one continent to the next. As Americans actively expanded their trade across the world’s oceans, these promises travelled far from familiar networks of personal trust. Eager for the profits of this increasingly foreign trade, many feared that promises were too easily broken.

As the director of the ‘American and Foreign Agency for Claims’ and a lawyer with local, national, and international contacts, Palmer assured potential clients that promises could be enforced no matter how distant. He pursued the cases of ‘American Claimants, Creditors, Assignees, Heirs, Devisees, Legatees, &c., having Claims, Debts, Dues, Demands, Inheritances, &c., payable or recoverable in any part of Europe’.¹ In newspapers, he advertised that he had ‘established ... a regular correspondence with eminent Bankers, &c. in the principal ports and capitals of Foreign Governments’.² Reaching beyond the New York market, he was prepared to ‘attend to the prompt collection and recovery of [claims] in this country’ by mobilising his ‘efficient and responsible Law Agents and correspondents in the principal cities and towns of the United States and British America’.³ To win clients, he touted his experience with global commerce; he had, at the urging of famed politician DeWitt Clinton, visited Europe in 1826–7 ‘as agent of the “American Atlantic and Pacific Canal Company.”’ This ultimately failed plan for a canal across the Central American isthmus taught Palmer that connections, in the form of dug waterways or correspondence, could shrink the globe.⁴

As much as Palmer dropped names to conjure a reputation that his connections could recover money anywhere, his own policies betrayed the legerdemain of his enterprise. After two years in business, he requested that ‘applications addressed to this Agency ... be accompanied with an adequate remittance to defray the preliminary charges’.⁵ In other words, although Palmer sold confidence in capitalism, he did not trust his clients to pay him for his services. But if he could not recover his own fees, perhaps his whole operation was a specious claim. Could correspondence create global economic accountability or at least global familiarity? In a particularly early nineteenth-century moment when American business spanned the globe but intercontinental news moved only at the speed of wind, correspondence was effusive and essential. Preserved in financial records of centuries-old transactions, this paper trail provides historians with a chance to glimpse how the movement of information contributed to the

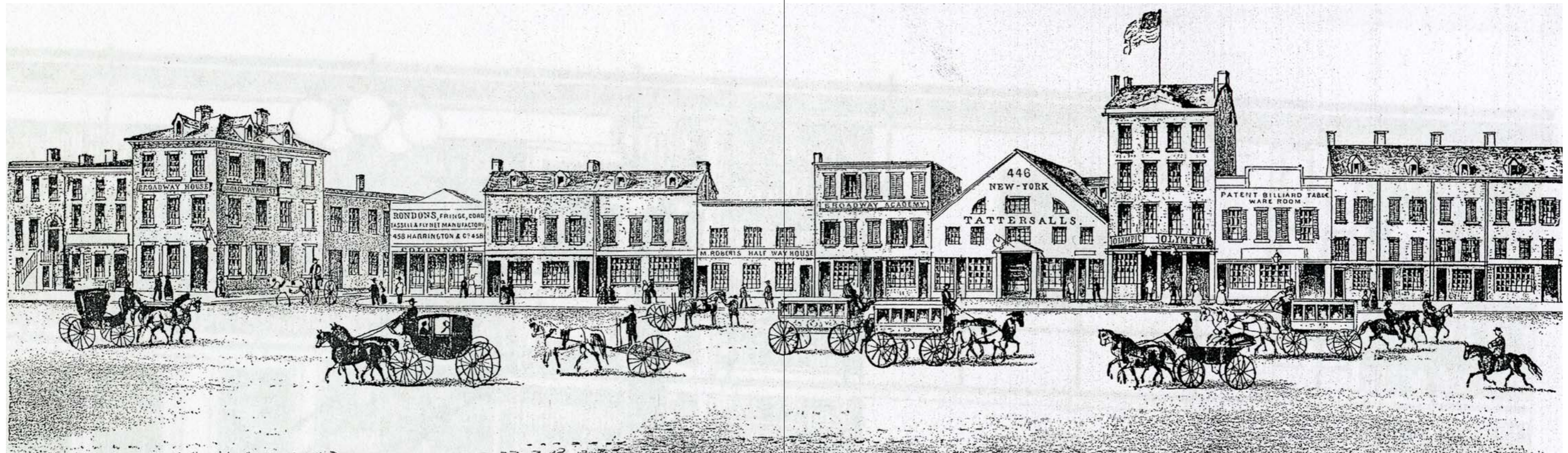
An abstract of the laws of Illinois relating to a state loan for the purpose of constructing the Illinois and Michigan canals, communicated to N M Rothschild & Sons by Palmer’s ‘Office of American & Foreign Agency.’



function and growth of capitalism. Palmer’s letters at The Rothschild Archive offer a window into a shrinking world where paper, as the child’s game asserts, covered our global rock.

As the credit market tightened in February 1837, Palmer addressed a letter to the world’s most ‘eminent bankers’ – Nathan Mayer Rothschild & Sons. Originally pursuing a client’s claim that had been met with the ‘usual procrastination attending such matters in England’, Palmer soon turned this germ of a relationship with the Rothschilds into a valuable correspondence.⁶ In March 1837, the failure of J.L. & S. Josephs, the Rothschilds’ New York correspondents, plunged markets on both sides of the Atlantic Ocean into a financial panic. Hundreds of mercantile firms failed in New York City, proving the sagacity of Palmer’s demand for upfront payment.

With the Josephs’ failure, who could the Rothschilds trust in this period of heightened uncertainty? In the months leading up to the Josephs’ collapse, the Rothschilds had already begun to doubt the trustworthiness of these New Yorkers’ advice about American markets.⁷



They disregarded the Josephs' report that Palmer was 'of a litigious and troublesome turn'.⁸ After the Josephs' failure and before the arrival of August Belmont, who would become the Rothschilds' New York agent, Palmer seized the opportunity to cultivate his correspondence with the London bankers. Palmer withdrew his clients' collections case from the Rothschilds 'to prevent jeopardising the funds of the claimants in the hands of Mr. J.L. & S. Joseph & Co.', but expressing his 'unbounded confidence in the high honor and integrity of your House', Palmer continued to write to Nathan Mayer Rothschild & Sons. He offered the Londoners an account of the previous months: 'I regret to state that upwards of 280 failures have taken place in this city within the last 7 weeks ... stocks of every description have fallen enormously, business is almost suspended, and confidence entirely destroyed'. With so many bankruptcies, insolvencies, and failures, the collections business would soon be booming. Seeing profit in the correspondence of such esteemed international creditors, Palmer offered the Londoners 'a tender of my best services whenever they can be made useful to you in this city'.⁹ The Rothschilds responded with a 'friendly invitation to continue [Palmer's] correspondence', asking Palmer to 'furnish us with full information of all that is passing with you' – proof that even the world's wealthiest bankers desired a smaller world, after all.¹⁰

Palmer's information about New York was important but not central to the Rothschilds' larger business. The United States, a developing nation barely a half-century old, was far from the centre of the world in the 1830s. American business was not a top priority for the Rothschilds in the first half of the nineteenth century. Due to the whims of American party politics, Nathan Mayer Rothschild & Sons won the US federal government's foreign accounts from Baring Brothers in the early 1830s. Nevertheless, the connection between Washington, DC and the Rothschilds was hardly celebrated either in the US or Great Britain. President Andrew Jackson viscerally hated banks. The Rothschilds were not exactly fond of the American government, which had difficulty paying its debts after the panic in 1837. Both the French and

A vista of the east side of Broadway, between Grand and Howard Streets, 1840. 'The city, in 1837, and for several years afterward, was in a state of chaos, owing to the extent of the building operations. New structures of brick or stone were replacing the old wooden architecture, or rising from the ruins caused by the fire of 1835'. New York, described in James Grant Wilson, ed., *The Memorial History of New-York: from its first settlement to the year 1892* (New York: New-York History Company, 1893), p.367.

English branches of the Rothschild family had invested money in failed businesses, banks, and municipal bond issues in the United States, but they had not viewed the United States as a primary investment interest. Rather, both the London and Paris houses desired a Cuban correspondent. They sent August Belmont to the New World to make the most of the Havana sugar trade. He stopped in New York to process Rothschild claims in the aftermath of the Josephs' failure and stayed, despite the Rothschilds' stern admonishments. James de Rothschild argued that 'we are not so desperate for new business and would rather sort the old business matters out so that there is no need for anyone to go to America'. Palmer could certainly serve this purpose so that Belmont could continue on to his tropical destination. Belmont, however, had other plans. When the agent refused to leave New York, James de Rothschild labelled him a 'scoundrel' and 'an ass [who] needs to be kept on a short leash'.¹¹ Palmer's letters tethered the Rothschilds to American news and thus provided a context for Belmont's dealings. Trusting neither Belmont nor Palmer, the Rothschilds could increase accountability by multiplying their correspondents. Belmont sent detailed accounts of particular deals. Palmer's letters supplied financial news about loans, bonds, and stocks for sale, some of which he peddled himself. The trans-Atlantic flow of paper from these correspondents validated James' argument; no Rothschild needed to go to America.

Had a Rothschild arrived in the United States after the panic ceased, he would have found a country no longer focused on the causes of individual failure but rather obsessed with blaming political parties. Palmer's letters transmitted this partisanship across the Atlantic. Whether or not the Rothschilds knew that they were reading a perspective colored by party agenda, Palmer called their attention to his optimism about national institutions and international commercial growth – fundamental principles of the Whig or, as Palmer called it, '[the] conservative party'.¹² Palmer argued that the adoption of a plan for a national bank would be of 'paramount importance to the general welfare of our country'.¹³ In sending a copy of the 'President's Message' to

an emergency session of Congress, he described this Democratic plan that avoided a central bank as ‘an official exposition of the crude, incongruous, and perverted view of the dominant party’. These accounts must have been particularly troubling to the Rothschilds who had won the Federal Government’s accounts from the ‘dominant party,’¹⁴ the Democrats. Palmer’s commentary pointed to their difficult position of being the bankers of leaders who oppose banks.

As a Whig, Palmer’s idea of the business of America transcended national boundaries. The Rothschilds’ desire to send Belmont to Cuba evidenced their own determination to trade globally without the limits of political divisions. Palmer’s letters alerted his correspondents to violence along America’s borders that might impinge on transnational trade. He reported on the ‘insurrectionary movements in Lower Canada’, ‘the pending difficulties with Mexico’, ‘the constitutional objection to the annexation of Texas’, and ‘the reported capture by pirates of the packet ship *Susquehanna*’ off the coast of Delaware.¹⁵ Even his discussions of local and national financial reports were coloured with an international shade. In trying to convince the Rothschilds to invest in Indiana state bonds, he included a printed copy of a ‘Foreign Circular’ addressed to ‘the Bankers &c of Europe’.¹⁶ To convince these same Europeans to allow his agency to represent their interests, Palmer travelled to Europe in 1838 and 1839, touring ‘through France, Belgium, Holland, Germany, Italy and Switzerland, under the immediate auspices of the Messrs. N. M. Rothschild & Sons, London, provided with their letters of credit and introduction to the different branches of their house’.¹⁷

Palmer’s goal for this journey was not merely to explore the well-trodden Grand Tour of Europe but to collect information about a much wider world for American trade. During and after his trip, ‘Mr. Palmer succeeded in acquiring much information respecting Asiatic affairs, and the productions, trade, commerce, &c., of many Eastern nations’. He then sent this information to the Chairman of the Committee on Foreign Affairs in the House of Representatives. Throughout the 1840s, he sent excerpts to periodicals and newspapers, spreading commercial information about the ‘Comoro Islands, Abyssinia, Persia, Burmah, Cochin China, the Indian Archipelago, and Japan’. By connecting his own name with Asian commercial expansion, he built a reputation for expertise. In his well circulated ‘memoirs’, Palmer described the governments, import and export markets, populations, and commercial contacts in nations as diverse as ‘Corea’ and Afghanistan. For example, in describing trade with ‘the Somaulie tribes’ of ‘Abyssinia’, he suggested contacting a ‘native trader’ named Allee Shurmalkee who had been ‘styled by foreign traders [as] “the Arab Rothschild.”’¹⁸ By sending flyers, stock prices, and other information to Shurmalkee and other ‘native’ peoples, Palmer expanded his connections across the Pacific Ocean. And, at the same time, his publications brought the image of the Asian world he had constructed second hand from correspondence into American homes, libraries, and imaginations.

More than merely finding individuals who could extend his correspondent network, Palmer literally exchanged seeds of American commerce. He fulfilled an order for the ‘Royal Economic Society of the Philippine Islands’ by sending ‘a considerable quantity of the best American cotton seed’ to Manila.¹⁹ He sent agricultural tracts to the ‘Russian Imperial Economical Society of St. Petersburg’.²⁰ Believing before the gold rush that ‘San Francisco is destined to be the great commercial emporium of this country on the Pacific’, he advocated a ‘policy of encouraging Chinese emigration’ to California.²¹

Palmer was more than a typically cosmopolitan American Whig; he was a foreign commerce evangelist. Envisioning the potential growth for American markets, Palmer recommended to several presidents, secretaries of state, and military commanders that ‘a special mission be sent by the government of the United States to make treaties, and open and extend our commercial intercourse with those countries’.²² Ultimately, these entreaties would convince the US Government to send Commodore Perry to open trade with isolationist Japan in 1854. Perry, like all previous envoys to Asia, brought with him Palmer’s ‘documents on the Independent



Detail from *New York* by J.W. Hill, engraved by C. Mottram and published by F. & G.W. Smith, New York, from the collection of N M Rothschild & Sons.

Oriental Nations, including a copy of his Plan for Opening Japan’.²³ After Perry’s success, Palmer used all his skills as a collections attorney to obtain payment for his work from Congress. Marshalling his case, Palmer submitted a letter from one high ranking official who declared that ‘he is entitled to more credit, for getting up the Japan Expedition, than any other man I heard of. He has thrown more light on it, and given more information on the subject ... than any one else’.²⁴ Information, after all, was his special stock in trade.

Despite his success in building communications networks around the globe, Palmer continued to believe in a more literal form of communication. More than thirty years after his failed attempt to raise money for the ‘American Atlantic and Pacific Canal Company’, Palmer continued to advocate that ‘an artificial communication may be opened between the two oceans’.²⁵ He was not, however, an altruistic visionary. The international collections lawyer understood the benefits of commercial expansionism. Foreign trade provided him with personal profits. He advocated ever expanding horizons for American trade because his services endowed anonymous global transactions with personal trust. Thus, the more foreign and perplexing the world, the more the world needed Palmer and his ‘regular correspondence with eminent Bankers, &c. in the principal ports and capitals of Foreign Governments’.²⁶

Palmer, like his clients, dreamed of global connections, but in reality, he rarely left the darkness of his law offices in lower New York. His paper, stained with his own predictions and descriptions, travelled much further. While his letters bridged international divides, his printed words shaped American perceptions of distant places and peoples. An armchair prophet of global commerce, he would eventually become America’s leading expert on trade in Asia and the leading proponent of Commodore Perry’s mission to Japan. Even this claim on historical memory, however, was not accompanied by physical voyages across the seven seas but memorialised in the tight print of government documents. After a century and a half, all we have left of Aaron H. Palmer is paper. Perhaps this paper trail is the greatest testament, for better or for worse, of the success of Palmer’s business model; Americans needed to believe that their promises would retain their value despite the unfamiliarity of their destination. The United States’ entry into global trade relied upon ideas like confidence and accountability as much as upon more familiar economic factors. Before the telegraph, let alone the internet, paper made capitalism possible. Palmer’s story is only one of many wonderful discoveries I made pouring over forgotten scraps of paper, especially ‘regular correspondence’, while seated in my own comfortable chair at The Rothschild Archive.

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Palmer's signature on a document from 27 October 1837.

NOTES

- 1 'Circular', New York, 7 December 1829. The author is currently working on a fuller picture of Palmer, although material on his life remains elusive.
- 2 New York *Working Man's Advocate*, 8 January 1831.
- 3 New York *Albion*, 8 January 1831.
- 4 New York *Albion*, 8 January 1831.
- 5 New York *Working Man's Advocate*, 8 January 1831.
- 6 The Rothschild Archive London (RAL), Aaron H. Palmer to N M Rothschild & Sons, 22 February 1837, Office of American and Foreign Agency, x1/38/199.
- 7 RAL, N M Rothschild & Sons to J.L. & S. Josephs, letters dated 1836–1837, American Letter Book, 11/10/1.
- 8 RAL, J.L. & S. Joseph & Co. to N M Rothschild & Sons, 28 February 1837, J.L. & S. Joseph & Co., x1/38/15.
- 9 RAL, Aaron H. Palmer to N M Rothschild & Sons, 8 May 1837, Office of American and Foreign Agency, x1/38/199.
- 10 RAL, Aaron H. Palmer to N M Rothschild & Sons, 9 August 1837, Office of American and Foreign Agency, x1/38/199; N M Rothschild & Sons, 30 June 1837, American Letter Book, 11/10/1.
- 11 RAL, James de Rothschild to his nephews, 16 July 1837, x1/109j/1/37. Ironically, Palmer had been literally depicted as an ass by an embittered portrait artist early in the century. For more on this, see: Charles Edwards, *Pleasantries about Courts and Lawyers of the State of New York* (New York: Richardson, 1867), 52–4.
- 12 RAL, Aaron H. Palmer to N M Rothschild & Sons, 16 November 1837, Office of American and Foreign Agency, x1/38/199.
- 13 *Ibid.*, 9 August 1837.
- 14 *Ibid.*, 8 Sept. 1837.
- 15 *Ibid.*, 8 December 1837, 16 December 1837, 27 October 1837.
- 16 *Ibid.*, 9 August 1837.
- 17 'Openings for the Extension of American Commerce', *Hunt's Merchant Magazine* (August 1846), p.137–8.
- 18 *Ibid.*, p.138.
- 19 *Ibid.*, p.145.
- 20 'American Agriculture – Russia', *American Farmer*, November 1847.
- 21 'Domestic Intelligence: Commerce of Asia, the East, &c.', *Boston Recorder*, 13 October, 1848.
- 22 'Openings for the Extension of American Commerce', p.137–8.
- 23 Aaron H. Palmer, *Documents and Facts Illustrating the Origin of the Mission to Japan ...* (Washington, D.C.: Henry Polkinhorn, 1857), p.21.
- 24 Palmer, *Documents and Facts*, p.5.
- 25 'Domestic Intelligence: Commerce of Asia, the East, &c.', *Boston Recorder*, 13 October 1848.
- 26 New York *Working Man's Advocate*, 8 January 1831.