

## “A very promising appearance”

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## **“A Very Promising Appearance”: Credit, Honor, and Deception in the Emerging Market for American Debt, 1784-1792**

In August 1784, as his debts mounted and his creditors began to close in, Daniel Parker did what no upstanding gentleman would ever do. “He took to his Heels, got on board Ship and fled to Europe, leaving his unfortunate Copartners & friends to bewail their losses and to pay the Creditors, with what he had not been able further to deprive them of.”<sup>1</sup> Parker, a native of Watertown, Massachusetts, had been an integral member of one of the new nation's most prominent commercial networks. Working with the New Yorker William Duer and the erstwhile French consul John Holker, along with an army of lesser subcontractors, he had supplied rations and equipment to American forces fighting the War for Independence.<sup>2</sup> In the year before he fled, Parker had been engaged with Duer, Holker, and Robert Morris in a magnificent new venture, the country's first attempt at independent trade with the orient. Parker was in charge of outfitting the ship, the *Empress of China*, including the purchase of enormous quantities of ginseng in Virginia. But before the *Empress* set sail, Parker made his escape. Not only did he leave behind his unpaid debts, but according to his former partners, he even took the specie from on board the ship, “and seduce[d] the Supercargo to conceal the fact until his return!!” According to his irate partners in a deposition some years later, Parker “carried off a sum nearly three hundred thousand Dollars, when he fled from Justice in 1784.”<sup>3</sup>

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1 [Anon], “General Observations respecting Daniel Parkers conduct: his Books, Negociations, &c &c for Daniel Parker and Co.,” [1791?], p.3, John Holker Papers, Library of Congress, microfilm reel 17.

2 “Contract with William Duer and Daniel Parker,” in E. James Ferguson, ed., *The Papers of Robert Morris*, volume 7 (Pittsburgh, Pa.: University of Pittsburgh Press, 1988), pp.130-131. For Parker's wartime activity see Sheryllynne Haggerty, “*Merely for Money?*”: *Business Culture in the British Atlantic, 1750-1815* (Liverpool: Liverpool University Press, 2012), p.211; and on merchant networks during the war, see Tom Cutterham, “The Revolutionary Transformation of American Merchant Networks: Carter and Wadsworth and their World, 1775-1800,” *Enterprise and Society* 18.1 (March 2017), 1-31.

3 “General Observations,” p.2; this sum was the total, including unpaid debts, specie and all.

These charges of fraud and embezzlement dogged Parker for at least a decade. Yet he always maintained his innocence. Shortly after his arrival in Europe, he acknowledged “the Calumnies & aspersions that envy, disappointment & despair will falsely inculcate” against him. There was, he said, no substance to the claims. “I can with all solemnity & truth declare that however unfortunate and Distress'd I may be, that the rectitude of my Intentions has allways been supported by the fullest testimony of my feelings & Conscience.”<sup>4</sup> In defending himself, Parker asserted his commitment to a notion of commercial honor: a set of ideals and expectations that was supposed to govern merchants' conduct, over and above the pursuit of self-interest. “I declare to you upon my Honour and before God,” Parker told an associate, “that I did not bring with me or in any manner secure to myself any Property of any kind whatsoever.”<sup>5</sup> Regardless of his true behavior, presenting himself as a man of honor was vital to Parker's identity as a merchant and financier. Honor ostensibly set limits on self-interested action; but, seen in a broader light, interest and honor worked together to secure merchants' collective advantage. Linked by the capacious rhetoric of *credit*, honor and interest helped to organize merchants' activity, forming them into a distinct economic class.

Merchants in Europe and North America had long understood that interest was central to explaining commercial behavior. “Interest will not lie,” as the seventeenth-century adage had it.<sup>6</sup> Assuming every individual would pursue his or her own material self-interest was the most

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4 Parker to Craigie, London, 1 January 1785, Andrew Craigie Papers, American Antiquarian Society.

5 Parker to Samuel Shaw, 4 January 1786, Andrew Craigie Papers. He then immediately added a list of exceptions: “One hundred and twenty pounds that I brought with me for my expences a Bill for One thousand pounds that I reserved as a Security to Major Peirce for some monies that I had recd from him and which monies were applied to the payment of D. Parker & Co's Debts and about Four hundred pounds value in final settlement notes that lay in the hands of a friend.”

6 J.A.W. Gunn, “Interest Will Not Lie: A Seventeenth-Century Political Maxim,” *Journal of the History of Ideas* 29.4 (1968), 551-564. See also Albert Hirschman, *The Passions and the Interests: Arguments for Capitalism Before Its Triumph* (Princeton: Princeton University Press, 1977); and for the new United States more

reliable way to predict their actions, and predictability was vital to profitable business. However, this basic insight was complicated by the many different layers of interest at play within an increasingly complex commercial society. For example, cheating a partner may result in a short-term advantage but ruin future opportunities for trade. How then was interest best defined or understood? Merchants needed alternative concepts to make sense of this problem. They saw themselves as bound not merely by self-interest, but by a shared ethical system that underpinned their relationships. At the turn of the nineteenth century, the Spaniard Simón Codes wrote, “Good faith, which is the mother of trust and credit, is needed for everything; and much more for trade, because without it all men are in a continuous hostility unable to rely on anyone but themselves.”<sup>7</sup> For commerce to function, merchants had to trust each other. They articulated this relationship “in terms of a language of honor,” and through that language they established expectations about behavior.<sup>8</sup> This ethical system gave merchants the confidence to risk their wealth and reputations in trade.

The concept of credit united those of interest and honor. “More than anything,” Craig Muldrew has written of early modern England, “credit was a public means of social communication and circulating judgment about the value of other members of communities.”<sup>9</sup> Credit communicated both moral *and* economic value. Thus, it expressed the information necessary to form commercial relationships. A gentleman with credit was someone whose capacity for business was publicly acknowledged. Dealing with him would be worth the risk.

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specifically, see Cathy Matson and Peter Onuf, *A Union of Interests: Political and Economic Thought in Revolutionary America* (Lawrence, Ka.: University Press of Kansas, 1990).

7 Quoted in Xabier Lamikiz, *Trade and Trust in the Eighteenth-Century Atlantic World: Spanish Merchants and their Overseas Networks* (Woodbridge: Boydell Press, 2010), p.10.

8 John Smail, “Credit, Risk, and Honor in Eighteenth-Century Commerce,” *Journal of British Studies* 44.3 (July 2005), 439-456, quotation at 442.

9 Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (Basingstoke: Macmillan, 1998), p.2.

This system meant that merchants could sell goods “on credit” with the expectation that they would be paid, at a mutually agreed or customary time and rate of interest. Credit suffused economic life at every level from the rural store to international trade, including the *public* credit that enabled states to borrow and spend. It was a measure of the likelihood with which an economic actor would fulfil his or her side of any bargain—not just the *ability* to pay, but the compunction to do so. Those thought to be unreliable in payment would lose credit even if they were rich. But because credit was vital for any commercial undertaking, those who could attain it were more likely to succeed, and those who had it tried hard to hold onto it.<sup>10</sup>

Credit, with its embedded code of mercantile honor, was supposed to prevent someone like Daniel Parker from existing, or at least from prospering. Historians of economic institutions see the system of credit and honor as a powerful mechanism for establishing efficient markets, reducing transaction costs such as those involved with chasing up delinquent debtors.<sup>11</sup>

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10 In addition to works cited above, see Laurence Fontaine, “Antonio and Shylock: credit and trust in France, c. 1680-1780,” *Economic History Review* 54.1 (February 2001), 39-57; Albane Forestier, “Risk, kinship and personal relationships in late eighteenth-century West Indian trade: the commercial network of Tobin & Pinney,” *Business History* 52.6 (October 2010), 912-931; Peter Mathias, “Risk, credit and kinship in early modern enterprise,” in John J. McCusker and Kenneth Morgan, eds., *The Early Modern Atlantic Economy* (Cambridge: Cambridge University Press, 2000), pp.15-35; Rowena Olegario, *Engine of Enterprise: Credit in America* (Cambridge, Ma.: Harvard University Press, 2016); Daniel Vickers, “Errors expected: the culture of credit in rural New England, 1750-1800,” *Economic History Review* 63.4 (2010), 1032-1057. On the importance of trust more generally, see Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (New York: Free Press, 1995); Diego Gambetta, ed., *Trust: Making and Breaking Cooperative Relations* (Oxford: Basil Blackwell, 1988).

11 Institutional economics and the notion of transaction costs are defined in John R. Commons, “Institutional Economics,” *American Economic Review*, 21 (1931), 648-657. These ideas were developed in the work of Douglass North, e.g. North, *Structure and Change in Economic History* (New York: Norton, 1981), and adopted by economic history’s mainstream. North’s approach strongly influences more recent work such as Robert E. Wright, *The First Wall Street: Chestnut Street, Philadelphia, and the Birth of American Finance* (Chicago: University of Chicago Press, 2005); and Douglas Irwin and Richard Sylla, eds., *Founding Choices: American Economic Policy in the 1790s* (Chicago: University of Chicago Press, 2011). A significant variation, which highlights the interaction of social and economic institutions, often through the notion of “embeddedness,” begins with Karl Polanyi, *The Great Transformation: Political and Economic Origins of Our Time* (New York: Beacon, 2001 [1944]); see Avner Greif’s now-classic study addressing “the historical institutional developments that enabled exchange relations to expand,” Greif, “Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders’ Coalition,” *American Economic Review* 83.3 (June 1993), 525-548, quotation at

Supported by enlightened political regimes, especially as more widely-held social values came increasingly to reflect those of merchants during the eighteenth and nineteenth centuries, the culture of credit helped nurture a capitalist economy. Reining in the reckless pursuit of short-term self-interest, mercantile honor was imagined as a kind of self-policing that allowed the economic system to function more productively and profitably. The moral philosopher Adam Smith, who inferred the voice of public censure inside the head of every individual, in this view complemented the political economist Adam Smith, who saw collective benefits emerging from self-interested individual action.<sup>12</sup> In the hands of economic historians, such emerging notions of collectively embodied virtue help explain the unprecedented economic growth that began towards the end of the eighteenth century.<sup>13</sup> But figures like Daniel Parker challenge any narrative of capitalist development and growth that centers on the strength of collective self-regulation. His pattern of behavior, and his ambivalent attitude toward the system of commercial

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525. On embeddedness, see Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91.3 (Nov. 1985), 481-510; and Michele Cangiani, "Karl Polanyi's Institutional Theory: Market Society and Its "Disembedded" Economy," *Journal of Economic Issues* 45.1 (March 2011), 177-197. The Polanyian tradition has inspired a great deal of nuanced historical work, including on eighteenth-century Atlantic commerce, which complicates or challenges the standard neoclassical narrative: see e.g. Ellen Hartigan-O'Connor, *The Ties That Buy: Women and Commerce in Revolutionary America* (Philadelphia: University of Pennsylvania Press, 2009); Sherrylynn Haggerty, *"Merely for Money?": Business Culture in the British Atlantic, 1750-1815* (Liverpool: Liverpool University Press, 2012); and Serena Zabin, *Dangerous Economies: Status and Commerce in Imperial New York* (Philadelphia: University of Pennsylvania Press, 2009).

12 Ian Klaus, *Forging Capitalism: Rogues, Swindlers, Frauds, and the Rise of Modern Finance* (New Haven: Yale University Press, 2014), pp. 9-10. Much recent work on Smith has undermined his image as a proponent of rational, self-interested *homo economicus*; see Avner Offer, "Self-interest, Sympathy, and the Invisible Hand: From Adam Smith to Market Liberalism," *Economic Thought* 1.2 (2012), 1-14; Pratap Bhanu Mehta, "Self-interest and other interests," in Knud Haakonsen, ed., *The Cambridge Companion to Adam Smith* (Cambridge: Cambridge University Press, 2006), chapter 9; Donald Winch, "Adam Smith: Scottish Moral Philosopher as Political Economist," *Historical Journal* 35.1 (1992), 91-113. For Smith's influence in the United States, see Samuel Fleischacker, "Adam Smith's Reception Among the American Founders, 1776-1790," *William and Mary Quarterly* 59.4 (Oct. 2002), 897-924.

13 See especially the trilogy by Deirdre McCloskey: *The Bourgeois Virtues: Ethics for an Age of Commerce* (Chicago: University of Chicago Press, 2006); *Bourgeois Dignity: Why Economics Can't Explain the Modern World* (Chicago: University of Chicago Press, 2009); *Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World* (Chicago: University of Chicago Press, 2016).

honor, suggest that there is more to be understood about how merchants made their money.

By skipping town and leaving unpaid debts behind, not to mention the alleged theft of the specie on board the *Empress of China*, Parker left the code of honor in tatters—at least if his accusers are to be believed. Even as they attempted to bring him to justice through the legal mechanisms of the new United States, Parker's former partners left no doubt about their moral condemnation of his actions. He was, they said, a seducer, a deceiver, and a swindler. His conduct reflected “shame... a want of Credit,” and bad character.<sup>14</sup> Yet for at least eight years after his escape to Europe, Parker continued to operate as a merchant and financier. Indeed, by his own account, he gained a measure of success and respectability he had never achieved in America. In London and Amsterdam, Parker became a substantial participant in an emerging international financial market. He was acquainted with and recommended by John Adams, the ambassador to the Netherlands, who commented wryly that “though I love him very well, [Parker] is too ingenious for me.”<sup>15</sup> Somehow, Parker was able to manipulate the mechanisms of commercial honor to his own advantage. He evaded not only the debt he was supposed to owe, but also—more importantly—the ruin of his credit.

Historians of later centuries have elucidated the cultures of deception that accompanied the increasing sophistication of commerce and finance as capital “took command” in and beyond the United States.<sup>16</sup> Parker's methods of self-preservation, and his strategies of credit-based

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14 “General Observations,” p.7.

15 John Adams to Thomas Jefferson, 12 February 1788, *Founders Online*, National Archive; for the letter of recommendation, see John Adams to Rodolphe-Ferdinand Grand, 18 October 1787, *Founders Online*.

16 In addition to Klaus, *Forging Capitalism*, see Edward Balleisen, *Fraud: An American History from Barnum to Madoff* (Princeton: Princeton University Press, 2017); James Cook, *The Arts of Deception: Playing with Fraud in the Age of Barnum* (Cambridge, Ma.: Harvard University Press, 2001); Karen Haltunnen, *Confidence Men and Painted Women: A Study of Middle-Class Culture in America, 1830-1870* (New Haven: Yale University Press, 1982); Stephen Mihm, *A Nation of Counterfeiters: Capitalists, Con Men, and the Making of the United States* (Cambridge, Ma.: Harvard University Press, 2007). For a rare pre-revolutionary example, see Steven Bullock, “A

manipulation, suggest an eighteenth-century antecedent which is too often obscured when we accept at face value the coin of contemporary commercial rhetoric. “Credit,” the Philadelphia merchant Pelatiah Webster wrote in 1786, “is the confidence which mankind place in the virtue and good character of its object... In a commercial sense, credit is the confidence which people place in a man's integrity and punctuality in fulfilling his contracts and performing his engagements.”<sup>17</sup> In this definition, a merchant's credit accurately gauged his virtue and integrity; his success in business would be a reflection of his personal good character. It was an idealized picture, offered by merchants like Webster to what they hoped was a credulous public. Such impressions of economic life were meant to promote trust in the self-regulating capacities of merchants themselves, and to disarm the anti-mercantile, egalitarian critiques becoming common in the 1780s.<sup>18</sup> What Parker's story demonstrates is that, while “virtue” and “integrity” remained the ideal qualities of merchants, they were not what made the eighteenth-century economy work. Real networks of credit, and real flows of capital, depended less on honor than they did on deception.

As a form of “social communication and circulating judgement,” the system of credit relied on flows of information.<sup>19</sup> Parker and others like him protected their credit by working to

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Mumper Among the Gentle: Tom Bell, Colonial Confidence Man,” *William and Mary Quarterly* 55.2 (April 1998), 231-258. On the rise of capitalism in the United States, see Michael Zakim and Gary Kornblith, eds., *Capital Takes Command: The Social Transformation of Nineteenth-Century America* (Chicago: University of Chicago Press, 2011).

17 Pelatiah Webster, “An Essay on Credit,” 10 February 1786, in Webster, *Political Essays on the Nature and Operation of Money, Public Finances, and Other Subjects* (Philadelphia: Joseph Crukshank, 1791), p.427. For another positive contemporary reference to mercantile “integrity,” this time in late colonial New York, see Simon Middleton, “Private Credit in Eighteenth-Century New York City: The Mayor's Court Papers, 1681-1776,” *Journal of Early American History* 2 (2012), 150-177, esp. 176.

18 On the critique of merchant power in this decade, especially in Pennsylvania where Webster wrote, see Terry Bouton, *Taming Democracy: “The People,” the Founders, and the Troubled Ending to the American Revolution* (New York: Oxford University Press, 2007); Woody Holton, *Unruly Americans and the Making of the Federal Constitution* (New York: Hill and Wang, 2007).

19 Muldrew, *Economy of Obligation*, p.2. The importance of information to the development of commercial



control that information. Through secrecy, selective reporting, and outright lies, Parker manipulated others' knowledge of his wealth, debts, and commercial prospects. Telling different stories to different correspondents, he disrupted the network of circulating judgment so that it worked in his own interest. He also made use of the leverage he gained from his position as a debtor, by which creditors relied on his success. Combining this dependence with asymmetry of information, Parker went far beyond the bounds of honor to secure the cooperation of fellow merchants. In effect, he commanded credit without trust. Holding his partners' investments to ransom, he created ties of mutual interest that trumped moral obligations. At the same time, Parker cultivated and relied upon personal friendships. He manipulated not just information, but emotion. Through the bonds of affect as well as of interest, he sought to protect his reputation and capacity for action. In the process, he drew friends and creditors alike into a web of personal and financial commitment.

Such behavior was the mirror image of mercantile honor. The irony is that, far from loosening connections, it functioned to deepen interdependence among merchants. Its effect was not to weaken commercial capitalism, but to help it grow. Rather than ordinary, well-established fields of commerce, Parker and men like him practiced their arts on margins of the existing economy. Taking risks that other, more cautious and rule-abiding merchants could not, they played a creative role in forging new realms of exchange and profit. For Parker, by far the most important of these was the emerging market for American debt—including both the obligations

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capitalism has been emphasised by scholars since Jurgen Habermas, *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society*, trans. Thomas Burger with Frederick Lawrence (Cambridge: Polity, 1989). See John McCusker, "The Demise of Distance: The Business Press and the Origins of the Information Revolution in the Early Modern Atlantic World," *American Historical Review* 110.2 (2005), 295-321; James Taylor, "Privacy, Publicity, and Reputation: How the Press Regulated the Market in the Nineteenth-Century England," *Business History Review* 87.4 (Winter 2013), 679-701.

contracted by the United States and administered through Congress, and the complex variety of instruments belonging to the individual states. Two hundred years later, United States public debt would be reckoned one of the world's most secure investments. But when Parker entered the scene, it was just as fragile and speculative as the new nation itself.<sup>20</sup> Parker's techniques of deception and manipulation helped him—along with a constellation of partners and rivals—to create a transatlantic market where none had existed. In turn, these efforts lay a foundation upon which the edifice of public credit could rise.

When Parker arrived in Europe in the summer of 1784, he had one friend left in America. Dr. Andrew Craigie was a man of many talents—a merchant, lawyer, and physician—and a great capacity for confidence. According to John Holker's lawyer, Craigie had “tender feelings for a Client, whom he has faithfully served since 1778.”<sup>21</sup> Over the eight years that followed Parker's abscondment in 1784, Craigie continued to work for him. He received and filed over sixty letters from Parker, letters which tell Parker's story in his own words. They lay open to inspection the array of practices and schemes by which he kept himself in business. They show how he built a credible reputation in Europe, while at the same time he worked to recover his credit in the United States.<sup>22</sup> Parker, as his letters show, had a knack for rhetoric, for

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20 On the origins of the United States' public debt, and the transatlantic market in American securities, see E. James Ferguson, *Power of the Purse: A History of American Public Finance, 1776-1790* (Chapel Hill, N.C.: University of North Carolina Press, 1961); and Peter J. Van Winter, *American Finance and Dutch Investment, 1780-1805*, trans. James C. Riley, vol. 1 (New York: Arno Press, 1977).

21 “General Observations,” p.6. While their finances were necessarily entangled, there is no evidence that Parker owed large amounts to Craigie. Each man spent money on account of the other, but this also meant that each had regular opportunities to make sure he was reimbursed by the other. Unlike Parker's financial relationship with most of his other partners, his account with Craigie seems to have been kept reasonably balanced.

22 On the role of merchants' letters in the commercial economy, see Pat Hudson, “Correspondence and Commitment: British Traders' Letters in the Long Eighteenth Century,” *Cultural and Social History* 11.4 (2014), 527-553; and Toby Ditz, “Formative Ventures: Eighteenth-Century Commercial Letters and the Articulation of

speculation, and for promises. His schemes could be ingenious and far-sighted. But most of all, Parker relied on his ability to control information, which he did both by creating false impressions, and by limiting the spread of inconvenient truths. Parker was an artist of promising appearances. In the world of eighteenth-century commerce, such an appearance was a first and necessary step towards prosperity.

“I do believe that I shall succeed here,” Parker wrote to Craigie soon after he arrived in Europe. He was in need of money, but he had a business venture in hand.<sup>23</sup> His success depended on self-belief, but also on the confidence of others. Parker's first task therefore was to create, in the minds of potential European business-partners, an impression of solidity and trustworthiness. One step was to use conspicuous consumption to present himself as wealthy. Someone with money was more likely to be able to meet his financial obligations. So, at least according to his creditors years later, Parker established himself in some style. Within “three or six months” of arriving in London, they claimed, “he kept Carriage, a luxurious table, [and] Servants in Livery.” In short, he “lived like a Lord.”<sup>24</sup> Perhaps the specie from the *Empress of China* paid for some of this, but such extravagances did not necessarily indicate that Parker was flush with cash. The luxuries of a mercantile lifestyle could be bought on credit—that is, the purchases would be noted in the vendor's books for payment at a later date. Parker only had to convince the grocer and the carriage-maker that he was good for the money. Then he could build on their credulity to burnish his image in the eyes of fellow merchants. Thus even the smallest credit could be spun into an empire.

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Experience,” in Rebecca Earle, ed., *Epistolary Selves: Letters and Letter-Writers, 1600-1945* (Aldershot: Ashgate, 1999), pp. 59-78.

<sup>23</sup> Parker to Craigie, London, 10 October 1784, Andrew Craigie Papers.

<sup>24</sup> “General Observations,” p. 1.

Parker was not totally bereft of European connections. He had spent years as a prominent merchant, acquainted with the extensive networks of men like Robert Morris.<sup>25</sup> In fact, he may have been planning his transatlantic voyage for some time before his actual departure. In November 1783, he wrote to his brother, “I wish to have you go out to Europe Immediately... I am very anxious to have you go as it will greatly Facilitate my Intended Operations which I will make known to you at that Time.” From the beginning, those intentions were kept secret. “If you can come prepared without letting any person know your Intention I should be Glad,” he told his brother.<sup>26</sup> Whether or not Parker had always intended to go to Europe himself, the groundwork he had laid through his brother probably gave him an entrée into commercial society there once he arrived. By the beginning of November 1784, Parker could write to Craigie, “my Business is going on in Amsterdam with good prospects of Success, at least in part.”<sup>27</sup> Once he had entered into negotiations with local merchants, Parker's air of credibility was enhanced. If he was respectable enough to speak with one gentleman, then why not another? Such network effects could snowball into a general understanding within the community: Daniel Parker was a man of character and credit.

It helped that, in all probability, the secret enterprise in which he was engaged was his negotiation to purchase the estate of De la Lande and Fynje, a Dutch partnership that had failed, leaving a substantial stock of unsold goods in the United States.<sup>28</sup> By seeking to buy out the

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25 On the formation of merchant networks, see Forestier, “Risk, kinship and personal relationships”; Pierre Gervais, “Mercantile Credit and Trading Rings in the Eighteenth Century,” *Annales: Histoire, Sciences Sociales* 67.4 (2012), 693-730; David Hancock, “The Trouble With Networks: Managing the Scots' Early Modern Madeira Trade,” *Business History Review* 79.3 (October 2005), 467-491; Silvia Marzagalli, “Establishing Transatlantic Networks in Time of War: Bordeaux and the United States, 1783-1815,” *Business History Review* 79.4 (Winter 2005), 811-844.

26 Parker to Mr Parker, 18 October 1783, Andrew Craigie Papers.

27 Parker to Craigie, London, 1 November 1784, Andrew Craigie Papers.

28 For the complex case of De la Lande and Fynje, see Van Winter, *American Finance*, pp.27, 182, 217-8.

creditors' concern, Parker appeared to offer them a better chance of recouping their losses than any legal bankruptcy mechanism. Naturally, he bought on credit, backed only by the security of some American domestic debt. But a contracted future payment was still better for the creditors of De la Lande and Fynje than the distant prospect of recovering the firm's assets themselves. As an American, Parker was much more likely to be able to identify them, take possession, and then sell them for a decent return. He would then be able to complete the payment, and take a cut for himself as well. In October 1785, Parker wrote to Craigie, "at length I can say with certainty that I have done & compleated such business here as will relieve me from all difficulties."<sup>29</sup> By the following summer, he was asking for "your opinion on the value of the estate of Guyer de la Lande & Fynje. [B]e so good as to give me the most minute discription of all those effects whether in debts, goods or whatever property it may be in."<sup>30</sup> A drawn-out affair it certainly was, but meanwhile it gave Parker the credibility to pursue other opportunities.<sup>31</sup>

The more Parker established himself among the mercantile circles of London and Amsterdam, the more he was able to restore his reputation and connections in America. In a postwar era when transatlantic commercial links were only being tentatively re-forged, an American with good contacts in Europe could be a valuable asset to a merchant network. A short-lived boom in trade immediately following the Paris peace treaty had led to a credit crisis and the failure of several London firms.<sup>32</sup> The result was that potential British investors were

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29 Parker to Craigie, London, 18 October 1785, Andrew Craigie Papers.

30 Parker to Craigie, Amsterdam, 17 July 1786 (and see also 6 October 1787), Andrew Craigie Papers.

31 See Nicolas and Jacob Van Staphorst to Thomas Jefferson, 19 September 1785: "It is with sincere satisfaction We can assure you Mr. Parker's Conduct throughout has been manly, candid, and explicit, Which joined to the Idea we entertain of his Character And the Informations we have had of his past Situation and Circumstances, tranquilize us about his Intention and Ability to fulfill his Engagement." Julian P. Boyd, ed., *The Papers of Thomas Jefferson*, vol. 8 (Princeton University Press: Princeton, 1953), pp.531-2.

32 P. J. Marshall, *Remaking the British Atlantic: The United States and the British Empire after American Independence* (Oxford: Oxford University Press, 2012), pp.109-114.

wary of entering new business with American partners. Holland, however, was a different matter. It was well-known that the Dutch had money to spend—or rather, to lend—and the United States government had been working for some time to secure loans from there. Parker's arrival heralded the possibility of opening a flow of private Dutch investment in American ventures.<sup>33</sup> Presenting himself as the indispensable link in a chain of Dutch credit, Parker was able to woo American contacts back into arrangements with him. Moreover, his apparent prospects placed him on a new footing from which to negotiate with creditors like Holker and Duer. Instead of disrupting Parker's concerns by legal measures to recover the debts—or worse, using their knowledge to ruin his European reputation—they were more likely to get back their money in the long term if they first helped him succeed.

Parker sent Craigie and other American contacts a steady stream of vague hints about his widening European network, and his prospects for success. As early as January 1785 he was concocting schemes in London “with a Nobleman... of an enterprizing disposition, & very much pleased with the plan.”<sup>34</sup> In May, he told Craigie that “a Merchant of eminence” was assisting in the business of a loan in Amsterdam.<sup>35</sup> And to a Mr. Grant that August, he wrote that business wore “a very promising appearance... tomorrow I shall leave this City for Amsterdam expecting to conclude an agreement that promises great advantage.”<sup>36</sup> Rumors of Parker's dishonorable conduct did make their way across the Atlantic, but not before he had positioned himself to refute them. “[N]otwithstanding the malicious representations that my enemies in America have made both here & in London,” he told Craigie from Amsterdam, “yet I have formed the best

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33 Ferguson, *Power of the Purse*, p.260.

34 Parker to Craigie, London, 1 January 1785, Andrew Craigie Papers.

35 Parker to Craigie, London, 1 May 1785, Andrew Craigie Papers.

36 Parker to Mr Grant, London, 20 August 1785, Andrew Craigie Papers.

Connections in both places, there [sic] confidence is grounded in their own knowledge of me, & all representation are to no effect.”<sup>37</sup> Parker was well aware that his most effective protection from the consequences of his former actions was the promise of future success through new connections. This was impossible in the United States, under the noses of Holker and Duer. But in Holland, Parker could reinvent himself. “I enjoy much more confidence & respect in this Country than I ever did in America. [T]his,” he promised, “I shall not abuse.”<sup>38</sup>

While it benefited Parker to present himself as trusted and successful, he also had to balance that impression against the need to defer his creditors' demands. If they believed he had money available, they would take the opportunity to get hold of it. But if he could make people believe success was just around the corner, he might be able to extend his credit indefinitely. As he put it when one creditor, a Mr. Jonathan Peirce, demanded payment:

Near two years arduous application has effected the purchase of an estate in America which belonged to Messrs de La Lande & Fynje in Amsterdam whereby a very considerable property will eventually come into my hands. [I]n the purchase of this estate I have invested all the property of yours after deducting the proportion of my necessary expences... & altho' it will be some time before we receive the property into possession, yet I am perswaded it will be a very profitable negotiation.<sup>39</sup>

Or as he told Craigie in July 1786, “be assured my good friend that I shall have property enough in a short time; & the connections I have in Europe are in all respects of the best kind, my future prospects are very pleasing.”<sup>40</sup> Future prospects, not present assets, were the stuff of Parker's commercial empire. The challenge was to manipulate flows of both credit and information so as to maintain the impression of imminent triumph.

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37 Parker to Craigie, Amsterdam, 9 February 1786, Andrew Craigie Papers.

38 Ibid.

39 Parker to Craigie, London, 20 November 1790 (quoting another letter), Andrew Craigie Papers.

40 Parker to Craigie, Amsterdam, July 1786, Andrew Craigie Papers.

In the spring of 1787, matters nearly came to a head between Parker and his leading creditor, John Holker. According to a warning Craigie sent in April, Holker was contriving to have Parker arrested and imprisoned for his debts in London. In his reply, Parker admitted he was “much distressed” by the prospect. “Should Holker arrest me here I shall risque losing the greatest part of the advantages that I shall otherwise certainly derive from the completion of my business, it being now only eventual.” As usual, success was just around the corner. Yet arrest would undermine everything. “Such a measure would tend to, & certainly in some degree defeat the end which otherwise would effect.” Parker urged Craigie to intervene with Holker. “I have no doubt but you will do all in your power to prevent such a distressing circumstances. [I]t will be the most direct way to defeat the interest of H & all others concerned.”<sup>41</sup> Locked up in debtors' prison, Parker would have no chance of making back the money he owed Holker. Rather than justice or honor, Parker urged his fellow merchant to consult his “interest,” and those of the other parties. Everyone would benefit, he argued, if he only had more time and freedom to make money unmolested.

Appealing to self-interest was not, however, Parker's only strategy for avoiding the depredations of his creditors. As he told Craigie in the same letter, “the present situation of all property here is beyond the reach of arrest.”<sup>42</sup> Whatever assets he possessed, he made sure they could not be identified and seized. They were either secretly lodged with third parties, or, more likely, already pledged as security in other ventures. Parker became adept at protecting property from seizure or “attachment” by his creditors. Thus for example, when he sought to transfer assets to America for use in a negotiated settlement with some of his creditors, he told Craigie

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41 Parker to Craigie, London, 2 May 1787, Andrew Craigie Papers.

42 Ibid.



that “my present hopes are of prevailg on some person here to send you an invoice of goods with directions to dispose of them for demands against DP & DP&Co at a fixed price.” In other words, he would find a third party to send goods which could then be sold on to provide funds. Craigie could then use those funds to settle the demands against Parker and the defunct partnership, Daniel Parker and Company. “[B]y this mode,” he wrote, “you can offer to purchase the demands without having the property liable to arrest.”<sup>43</sup> The aim was to have Craigie buy up the debts at a knock-down price, on the assumption that from the perspective of the creditors a bird in the hand was worth two in the bush.

In a way, it was the smallest creditors from whom Parker had most to fear. On the 31<sup>st</sup> of March 1788 he was arrested at the behest of several tradesmen, including a baker and a tallow chandler, each with unpaid bills of two or three pounds, and several other gentlemen. The whole amount of the debt, according to Parker, was “between £70 & 80 which is more than I can ask from any Body.”<sup>44</sup> From prison, he wrote to a number of friends and associates, including Craigie. “Let me beg you to do all in yr power to relive me from this wretched place,” he pleaded. “I have been here since yesterday Morning & have not yet had a Morsel of victuals, & my Family are almost in the same situation, & I have no possible means of relieving myself or them.”<sup>45</sup> Yet even if no one friend could provide for his release alone, these small-scale creditors calculated that Parker could raise such a sum. Ironically, he could have even asked his large-scale creditors for help, because as we have seen, it was in their interest for Parker to be free. So it turned out. By the end of April he was in Paris making deals and boasting of his new

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43 Parker to Craigie, London, 24 July 1787, Andrew Craigie Papers.

44 Parker to Anon. (a), 1 April 1788, Andrew Craigie Papers.

45 Parker to Anon. (b), 1 April 1788, Andrew Craigie Papers. Parker’s wife is frequently mentioned during his correspondence with Craigie, but only by the name of Mrs Parker. It is unfortunately not possible to determine from the papers whether Parker’s London family extended further than this, or whether it included children.

connections, reputation intact.<sup>46</sup> After all, plenty of gentlemen failed to pay their butchers, bakers, and candlestick-makers.<sup>47</sup>

Parker was nothing if not a survivor. But he did not make his way without help. Throughout his career in Europe, he relied on his relationship with Craigie. The New Yorker played many roles besides that of loyal friend: he was Parker's lawyer, commercial agent, investment partner, and a vital conduit of information. Because Craigie was so deeply involved with much of Parker's business, their correspondence helps reveal the pains that Parker took to keep control of information. Wherever possible, Parker was vague about his circumstances, contacts, and business plans. Often, when Craigie might have been expecting details, Parker pleaded lack of time. In his first letter from Europe, he wrote:

The moment I can give you more satisfactory information, I shall write. [S]ince I've been here, I have had much writting to do & I've not that opp[ortunit]y of sending you a long letter that I expected. [B]ut soon you shall have one, in which I'll tell you, my dear Friend, all that I have experienced.<sup>48</sup>

No such letter ever reached New York. On later occasions, he would end his letters like this: "I write this in great haste, by the next conveyance I shall be more particular."<sup>49</sup> The promised particulars would never come to light unless it turned out to be necessary for Craigie to know

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<sup>46</sup> Parker to Craigie, Paris, 30 April 1788, Andrew Craigie Papers.

<sup>47</sup> On London debtors' prisons, see Joanna Innes, "The King's Bench prison in the later eighteenth century: law, authority, and order in a London debtors' prison," in John Brewer and John Styles, eds., *An Ungovernable People: The English and their Law in the Seventeenth and Eighteenth Centuries* (London: Hutchinson, 1980), pp.250-298; Margot Finn, *The Character of Credit: Personal Debt and English Culture, 1740-1914* (Cambridge: Cambridge University Press, 2003), pp.109-151. For the early United States, see Bruce Mann, *Republic of Debtors: Bankruptcy in the Age of American Independence* (Cambridge, Ma.: Harvard University Press, 2002).

<sup>48</sup> Parker to Craigie, London, 10 October 1784, Andrew Craigie Papers.

<sup>49</sup> Parker to Craigie, London, 5 September 1786, Andrew Craigie Papers; see also 16 October 1787; 28 December 1787; 26 September 1788; 7 January 1789; 9 December 1789; 3 November 1790; etc. Of course, it was common for merchants to write in haste, but in eight years of regular correspondence with Craigie there was never a moment when Parker kept his word to follow up with a more thorough explanation.

them. When Parker later told a third party that Craigie's "perfect knowledge of ~~my~~ the Situation of my old Concerns renders him the most proper person" to act as his agent, we may assume that perfection included only what Parker considered relevant.<sup>50</sup>

Frequently, however, Parker would tell Craigie things that he wished to be kept a secret. "Keep the contents to yourself," asked Parker's long letter of the 3<sup>rd</sup> of January 1787.<sup>51</sup> "In a short time," read the next one, "I expect to inform you of the Settlement of a Plan that promises great advantage... but of this nothing must be said at present."<sup>52</sup> When asking about the possibility of being appointed United States consul to London, he added, "you'll not suffer any one to know that I've even mentioned this subject."<sup>53</sup> Reporting the news of a partnership with Paris bankers Le Couteulx and Company, Parker wrote, "this you will keep perfectly to yourself, let no person know that I am even acquainted with them." In the same letter, he revealed that Duncan Ingraham, a business partner, was soon to quit America for Europe: "his last Letters advise me of this his intention, but as he request me to be secret on the subjects, I beg you not to let any person whatever know that I have mentioned it."<sup>54</sup> As Toby Ditz has put it, "relationships based on trust often turned on the keeping of secrets," and yet, of course, "a view of trust centering on secrets... contained its own contradictions."<sup>55</sup> You had to trust that others kept your secrets; but what secrets might they be keeping from you?

Sensitive information was better conveyed face to face than in writing. Several times, Parker sent an emissary to consult with Craigie. "By the Packet a Person will be sent who will

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50 Parker to George Joy, London, 16 October 1787, Andrew Craigie Papers.

51 Parker to Craigie, London, 3 January 1787, Andrew Craigie Papers.

52 Parker to Craigie, London, 25 January 1787, Andrew Craigie Papers.

53 Parker to Craigie, London, 4 July 1787, Andrew Craigie Papers.

54 Parker to Craigie, Paris, 28 December 1787, Andrew Craigie Papers.

55 Toby Ditz, "Secret Selves, Credible Personas: The Problematics of Trust and Public Display in the Writings of Eighteenth-Century Philadelphia Merchants," in Robert St. George, ed., *Possible Pasts: Becoming Colonial in Early America* (Ithaca, N.Y.: Cornell University Press, 2000), pp.219-242, quotations at pp.222 & 228.

confer with you,” he wrote in 1785, “by him I shall write to Maj[or] Peirce. [B]e silent for the present. [A]ll will be right by & by.”<sup>56</sup> A few months later he wrote on another matter, “the person who will be charged with this business will have orders to converse with you & I pray you to keep all secret untill he arrives.”<sup>57</sup> Parker also instructed Craigie when to let his guard down with acquaintances: “Be open & full with Ingraham, he has a sincere regard for you, & my affairs has made it necessary to be free & open with him, which I have been.”<sup>58</sup> Parker worked hard to keep knowledge of his affairs within a strictly limited circle. He preferred that his associates knew only what they *needed* to. Thus, he informed Craigie of a friend shortly arriving in New York: “I wish you to be intimate with him, he is a very worthy man. [But] he knows nothing of my business with Mr. R or in fact but very little of that which I have transacted in Holland.”<sup>59</sup> Part of Parker's skill as a negotiator and a businessman was his ability to maintain different masks for different people, and to play only the part he deemed appropriate to each.

One anecdote will illustrate the kind of informational control that was integral to Parker's business. On the 17<sup>th</sup> of June, 1788, Parker contracted to purchase “One Million Dollars” of American debt for a pair of Parisian bankers, Tourton and Ravel. But the deal required assets to pass through the hands of several other merchants, including a Mr. Jarvis. Parker found himself “oblig'd” to make a further deal with Jarvis, to prevent him “offering the Funds in Amsterdam on Terms that might injure my Views,” and “to keep all his Operations under my directions.”<sup>60</sup> Jarvis sailed for New York on the 20<sup>th</sup>, with a letter in his hands for Craigie. In it, Parker wrote that “I wish the most cordial & good Understanding may subsist

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56 Parker to Craigie, London, 9 October 1785, Andrew Craigie Papers.

57 Parker to Craigie, London, 4 January 1786, Andrew Craigie Papers.

58 Parker to Craigie, London, 4 March 1787, Andrew Craigie Papers.

59 Parker to Craigie, London, 6 June 1787, Andrew Craigie Papers.

60 Parker to Craigie, London, 22 June 1788, Andrew Craigie Papers.

between you & Mr. Jarvis & that you will give him all the aid in your Power.”<sup>61</sup> This was disingenuous, however. On the 22<sup>nd</sup>, Parker sent another letter with the real story:

I have not the least Commition with him of any kind or sort except what is mention'd in this Letter, neither do I ever intend to have, & I pray you to be very guarded in not giving him any Information respecting my Business, he will pretend to be in my confidence & to possess a Knowledge of all my Affairs, but it is not a fact, *I have purposely misled him in many things* & he knows only such facts of my Business as he learnt in Amsterdam & the Contract with him made Necessary.<sup>62</sup>

Needless to say, deception of this sort had no place in the merchants' code of honor.

It also caused trouble for Craigie in New York. “It has been a source of much difficulty to have Rogers & Jarvis engaged in the Business,” he wrote to Parker, “but I shall get through with em [sic] in the best manner I am able.”<sup>63</sup> By January 1789, with the business still ongoing, Craigie reiterated, “you can have no Idea of the Trouble I have had & am still to have with him.” Yet in all probability, the good doctor predicted, Jarvis would fail in his contracts, leaving Parker in the clear. “[Keep this to yourself,” he added, “& all I now write.”<sup>64</sup> In February, having heard nothing from Parker since November, Craigie added a new twist to events. Jarvis' father-in-law had embarked for London on personal business, and Craigie had provided a fulsome letter of recommendation. But under separate cover, he informed Parker of his suspicion that the gentleman's true purpose was “to gain some accommodation with you.” Craigie reported that he had stuck to Parker's orders. “Jarvis supposes that I have every reason to believe that you & he are on the most friendly & confidential footing with each other. I have never given Room for him

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61 Parker to Craigie, London, 20 June 1788, Andrew Craigie Papers.

62 Parker to Craigie, London, 22 June 1788, Andrew Craigie Papers; emphasis added.

63 Craigie to Parker, New York, 2 Oct 1788, Andrew Craigie Papers.

64 Craigie to Parker, New York, 11 Jan 1789, Andrew Craigie Papers.

to suspect the contrary.”<sup>65</sup> Between them, they kept up an act that left their rival one step behind, and even effectively obscured their own close collaboration.

Craigie's important role in maneuvers like this meant that Parker had to place enormous trust in him. No other man knew more than Craigie about Parker's business in both Europe and America, and that knowledge alone posed a potential threat. In addition, Craigie's trust and friendship helped to prop up Parker's reputation in New York and the United States. Parker frequently called on Craigie, as his commercial agent, to make purchases, send documents or notarized copies, and carry out negotiations. As a lawyer, Craigie was burdened with the Sisyphean task of tracking down and dealing with the claims of Parker's American creditors, including John Holker. “I wish you to draw from him some specific proposal,” Parker wrote in January 1787, “& tho' I should sacrifice much yet I would soon settle the whole affair.”<sup>66</sup> Yet these negotiations dragged on well into the next decade. Sometime in 1791, Craigie sat down with Holker's lawyer, who treated him scornfully: “After fifteen Years study, industry and exertion, [Craigie] seem[ed] to have learned how to cavil with, and abuse his clients adversary, but in no one instance to justify his Client.”<sup>67</sup> That March, Parker wrote from London, “I am extremely sorry to hear of the trouble you have with Holker.”<sup>68</sup> The amount of trouble Craigie went through on Parker's behalf was a testament to their friendship, and, more pertinently, to Parker's careful efforts to manage and maintain it.

Parker used two basic strategies to maintain his relationship with Craigie. One depended on the friendship's instrumental value, and the other on its intrinsic or affective value.

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65 Craigie to Parker, New York, 14 February 1789, Andrew Craigie Papers.

66 Parker to Craigie, London, 3 January 1787, Andrew Craigie Papers.

67 “General Observations,” pp.7-8.

68 Parker to Craigie, London, 2 May 1791, Andrew Craigie Papers.

The first strategy is summarized in a letter Parker wrote from Amsterdam in February, 1786: “If I can be of any use to you here, pray command me, & believe that I am in all situations your sincere friend, Dan Parker.”<sup>69</sup> Most relationships between merchants rested on similar promises of reciprocity. It was expected that a service rendered by one to the other would be repaid in time by a service in the other direction. In effect, such friendships established an implicit credit and debit account, which both parties could expect to balance in the long term. Since they usually involved two merchants in different locations, and with different contacts, these reciprocal arrangements gave each access to resources that they could not otherwise reach.<sup>70</sup> Reciprocity might also take the form of direct payment. “Write me what compensation you desire, whether an annual Salary, or a fixed Sum,” Parker once told Craigie: “your services have merited from me a most generous reward, & they shall have one.”<sup>71</sup> Crucially, such relationships involved an investment by the creditor which then depended on the debtor's success. “When the business is done,” and—implicitly—*only then*, “I shall be enabled to make you a satisfactory compensation.”<sup>72</sup>

As well as the reciprocal relationship between the two of them, Parker also invited Craigie to invest in business opportunities alongside him. In March 1787, for example, Parker promised he would “open to you [Craigie] a Concern in a plan that has been communicated to Mr. J & in which you will have a concern. [I]t promises great advantage & which I most sincerely wish you may reap a share of.”<sup>73</sup> A month later, he followed up on the business,

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69 Parker to Craigie, Amsterdam, 9 February 1786, Andrew Craigie Papers.

70 For one eighteenth century example, see Pierre Gervais, “Facing and Surviving War: Merchant Strategies, Market Management and Transnational Merchant Rings,” in Andrea Monddi, et al., eds., *Merchants in Times of Crises (16<sup>th</sup> to mid-19<sup>th</sup> Century)* (Wiesbaden: Franz Steiner Verlag, 2015), pp.79-95.

71 Parker to Craigie, London, 24 July 1787, Andrew Craigie Papers.

72 Parker to Craigie, Paris, 29 October 1788, Andrew Craigie Papers.

73 Parker to Craigie, London, 4 March 1787, Andrew Craigie Papers.

informing Craigie: “I have a strong belief that your /8<sup>th</sup> part will afford a very handsome advantage, which I assure you will be a most pleasing part of the business to me, it will be some months before it can take effect but its present appearance is most flattering indeed.”<sup>74</sup> Parker wrote as though by making Craigie party to his scheme he was doing the New Yorker a favor. This was part of the recompense he offered for the trouble Craigie took in his affairs. On the other hand, he appeared to pay no heed to whether Craigie himself wished to risk his credit in such ventures. Given the length of Atlantic crossings, there was never time for consultation before entering into a deal. In these cases, Craigie simply had to put his trust in Parker. Over time, their interests became ever more entangled.

It would be wrong to assume, however, that Parker and Craigie's friendship was based entirely on mutual interest. The letters make clear that it had an emotional element as well.<sup>75</sup> Parker regularly expressed his obligation to Craigie, sometimes in effusive terms. “Your friendship & correspondence has ever been dear & valuable to me,” he wrote in 1786.<sup>76</sup> Or later, with a hint of reciprocity: “be assured my dear friend, that I feel the most grateful sense of your goodness, & which the future acts of my life shall ever witness.”<sup>77</sup> The two men even shared a fantasy about retirement: “I hope it is your fixed intention to settle for life at Cambridge. [I]t is in that neighbourhood I intend to fix myself, & your society is among the greatest inducements.”<sup>78</sup> These expressions were intended to have an emotional effect on Craigie, and to emphasize the

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74 Parker to Craigie, London, 1 April 1787, Andrew Craigie Papers.

75 Although questions of friendship and its valences often arise in studies of early modern commerce, a recent survey of the historiography on friendship in early America noted that “the personal and professional friendships among merchants and businessmen” have not been sufficiently addressed: Janet Moore Lindman, “Histories of Friendship in Early America: An Introduction,” *Journal of Social History* 50.4 (June 2017), 603-608. As Daniel Vickers points out, drawing on Naomi Lamoreaux’s work, even merchants “had to combine monetary and non-monetary strategies to achieve the competent livings they desired”; Vickers, “Errors Expected,” 1055.

76 Parker to Craigie, London, 20 March 1786, Andrew Craigie Papers.

77 Parker to Craigie, London, 5 September 1786, Andrew Craigie Papers.

78 Parker to Craigie, London, 2 April 1792, Andrew Craigie Papers.



*non-instrumental* value of their friendship alongside its practical, commercial benefits. Taken in the most cynical light, this was important because Parker would rely on Craigie even—or indeed, especially—if his business affairs turned sour. But even while such sentiments served a purpose, that does not make them intrinsically insincere. “I shall ever feel a most lively sense of your friendship & truly faithful services,” Parker wrote. “When I see you, which god grant may be in the coming spring I will show you what I feel.”<sup>79</sup>

Affective friendship could nevertheless be difficult to accommodate alongside Parker and Craigie's complex commercial relationship. When Parker promised, and even insisted upon, financial recompense for Craigie's services, what did that say about their mutually supportive emotional bond? Sometimes it appeared to Craigie that Parker did not have his true interests at heart. “It has given me the most poignant grief,” Parker once wrote, “to find by your Letter that it was possible for you to suppose that I did not take so deep an interest in your success as the most sincere & affectionate friendship should inspire.” He went on:

In this you have wronged me, for in truth I can declare that I never felt more sincere, more solid & fervent satisfaction & happiness than by hearing of your success. [M]y own interest could not have given me more pleasure had it been promoted to double the extent. I pray you to banish every idea that is so unworthy of the faithfull friendship I possess for you, & not expect from me the cold ceremonious forms of Compliment.<sup>80</sup>

Parker's hurt reaction cast shame on Craigie for doubting the real nature of their relationship. His rhetoric of “faithfull friendship” served to emphasize the notion that economic “interest” was only one element in a hierarchy of values and commitments, not the determining factor. Whatever his real motives and feelings, Parker's ideological assumptions did not allow him to openly privilege self-interest over friendship or honor. Sincerely or strategically, he sought to

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<sup>79</sup> Parker to Craigie, London, 4 July 1787, Andrew Craigie Papers.

<sup>80</sup> Parker to Craigie, London, 2 April 1792, Andrew Craigie Papers.

present himself as many eighteenth-century gentlemen did—as a man of sentiment.<sup>81</sup>

Parker's business, and the strategies by which he pursued it, were highly risky. One way or another, failure was often just around the corner. Because merchants were linked to each other in complex and interlocking chains of debt, a setback for one could quickly have repercussions among others. Delays in payment or rejected bills of exchange did not just damage a merchant's credit and reputation: they had the potential to derail investments and plunge his affairs into chaos. Depending on timing, one merchant's temporary cash-flow problem could be another's ruin. The language of honor glossed over these pitfalls. By appealing to moral integrity and adherence to ethical norms, merchants gave each other the impression that they could act independently, guided by their virtuous character rather than by the dynamics of financial networks. Merchants with the greatest credit were, by definition, able to draw on the largest resources, and were therefore most resistant to shocks in the market. But credit was highly susceptible to the misinformation strategies pursued by men like Parker. It was easy enough to give the impression of having a strong line of credit by making careful and ostentatious use of a weak one. Whereas access to more diverse resources—that is, loans from many different creditors—would offer the most protection from the ripple effects of a failure, merchants' recourse was often limited to a few allies.

Parker's correspondence with Craigie gives an account of one typical failure and its

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81 On the genteel culture of sentiment and sensibility, see Sarah Knott, *Sensibility and the American Revolution* (Chapel Hill, N.C.: University of North Carolina Press, 2009); G. J. Barker-Benfield, *The Cult of Sensibility: Sex and Society in Eighteenth-Century Britain* (Chicago: University of Chicago Press, 1992). For the related culture of politeness, and associated practices of consumption, which must have influenced Parker's strategic use of store credit in London and Amsterdam, see Timothy H. Breen, *The Marketplace of Revolution: How Consumer Politics Shaped American Independence* (New York: Oxford University Press, 2004); Steven Bullock, *Tea Sets and Tyranny: The Politics of Politeness in Early America* (Philadelphia: University of Pennsylvania Press, 2016); Richard Bushman, *The Refinement of America: Persons, Houses, Cities* (New York: Alfred A. Knopf, 1992).

repercussions. It involved Samuel Rogers, a Massachusetts-born financier who left America for London in 1778 and belonged to the Loyalist community there. Since the beginning of 1787, Parker had used Rogers' establishment in Portland Place as a source of drafts on London by which Craigie was directed to pay for the purchase of United States securities.<sup>82</sup> In the winter of late 1790, out of the blue, Parker wrote informing Craigie, "Mr Rogers has failed, & I shall be greatly involved indeed." The strategy by which Parker responded to this threat mirrored the one he used against the threat of seizure by his creditors. "I pray you for heavens sake," he told Craigie, "to retain all the property you have of his & let Dexter, John Coffin Jones & Haskell attach it, they have bills running on him, & I hope they have property in their hands but I do not know whether they have or not."<sup>83</sup> In other words, the money that had been drawn on Rogers' London house remained unpaid unless members of Parker's network could position themselves as creditors to Rogers, attaching the property he had in New York. If he folded without having paid the drafts, he would leave Parker liable. Hence the need to grab up Rogers' property before his other creditors could get to it.

"I am so distressed & alarmed that I can say no more," wrote Parker in the same letter. "I am determined to keep my person safe till I know the event."<sup>84</sup> Having seen the inside of a prison some two-and-a-half years earlier, Parker was anxious to avoid the fate again. As we have seen, he was adept at convincing creditors to forbear such extreme measures. But in the case of failures such as Rogers', creditors were at their most distrustful and unforgiving. In the scramble to secure any recompense for their losses, and to keep their own cash-flow viable, the creditors to a failed merchant could rarely afford to give leeway or to hesitate. Here again, access to

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82 See Parker to Craigie, 25 January 1787, Andrew Craigie Papers.

83 Parker to Craigie, 4 December 1790, Andrew Craigie Papers.

84 Ibid.

information was crucial. The sooner one knew of a failure, and the better acquainted one was with the failed merchant's affairs, the greater head start one had in securing his remaining property. Parker's connection in New York, through the deeply trusted Craigie, meant that he had the advantage over Rogers' London creditors, even regardless of the justice and amount of their claims. In the long term, legal disputes over the estates of failed merchants—such as that of De la Lande and Fynje—could drag out interminably. What mattered to men like Parker in the moment of a failure was to secure property and cash-flow in the immediate term.

When control of information was so vital, and when credit was determined by the publicity of one's relationships, Daniel Parker was far from the only one to try to manage what was known about his commercial affairs. Parker went to great lengths to craft an image of affluence and stability, honor and credit. He exaggerated his expectations of success, and kept his failures and setbacks quiet. Perhaps he should not have been so surprised that Samuel Rogers did the same. “Very unaccountably,” Parker told Craigie, “Mr Rogers never mentioned to me his fears or even intentions of stopp[ing] payment.” Parker may have believed that he alone could manipulate the threads of information and emotion that tied together his commercial network, but Rogers' failure helped to show him he was wrong.<sup>85</sup> “Intimate as we were & on the most friendly & confidential terms, he never let me know any thing of the matter until two days after he had actually & purposely stopped payment when Mr Wadeson informed me of it.” Far from seeing Rogers' downfall coming, Parker had not even been the first to know. No wonder his letter to Craigie was full of panic. “The instant you receive this secure every thing you can,” he wrote,

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85 Ibid. Blaming another's “unaccountable” behaviour was standard practice for merchants caught in such situations. As Toby Ditz has written, merchants “unmanned” by failure worked to defend their masculinity and honor by “unmasking and exposing the villain” who was truly responsible; Ditz, “Shipwrecked; or, Masculinity Imperiled: Mercantile Representations of Failure and the Gendered Self in Eighteenth-Century Philadelphia,” *Journal of American History* 81.1 (June, 1994), 51-80, quotation at p.72.

“& don't suffer any thing of mine to be attached by any person, pray secure every thing you can for Mrs Parker.”<sup>86</sup> With news spreading, Parker had to act fast to preserve his tightly-stretched position.

As the details of Rogers' finances gradually came to light in the weeks after he first stopped payment, the extent of Parker's exposure came into question. Once Rogers' creditors had organized themselves and gained access to his books, their next task was to extract maximum value from Rogers' estate, including the unpaid debts owed to him. “By the mode in which he has made out his accounts against me it appears there is a very great balance due him,” Parker reported to Craigie, “& which it is necessary for me to explain to you in order to prevent the bad impression such report might make unconnected with the circumstances.” More important even than confounding the creditors, Parker needed to forestall any rumors that he would be brought down in Rogers' wake. The problem was simply one of accounting. Together Parker and Rogers had been purchasing American “funds,” using bills of exchange drawn on Rogers and secured against the funds themselves. “He has charged to me the half of his acceptances paid, or not paid, & has given me credit for only such of the Funds as are sold,” Parker explained. “He estimates the funds now on hand to be worth £28,000 Sterlg Cash one half of which must come to my credit, & then the account will be near a balance whereas it now appears very large indeed.”<sup>87</sup> However accurate, this was at least a story plausible enough in Craigie's hands to protect Parker's credit in America.

Rogers' failure was a serious threat to Parker's operation. It did not just deprive him of a useful partner in London, and interfere with his ongoing trading in American government debt.

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<sup>86</sup> Parker to Craigie, 4 December 1790, Andrew Craigie Papers.

<sup>87</sup> Parker to Craigie, 14 December 1790, Andrew Craigie Papers.

Like all such failures, it also threatened to expose the workings of the network within which Rogers and Parker operated. The accounting maneuver the pair had undertaken—by which Rogers gave the impression of having a full share in the funds he bought, when in reality (according to Parker) he owned only half—show the lengths to which merchants needed to go to project the image of reliability that determined their credit. Such schemes depended on opacity and sleight of hand. The risk of exposure terrified Parker. “The distress & difficulty that I experience is more than I described to you,” he told Craigie. He feared Rogers' creditors would seek out his property in New York. “I pray you to make every arrangement in your power to frustrate & render void any attachments they may make.”<sup>88</sup> But of course, such difficulties only made it more important to pursue new ventures, and to preserve an air of imminent success. A month later, he reported that “some Gentlemen here propose to purchase all the funds I have in Holland.” If the deal went through as expected, “I shall find instant relief from every demand here.”<sup>89</sup> In the world of financial speculation, a prediction of success could trump forebodings of disaster, at least for a time.

Parker's affairs did not work out as he had hoped. The truth was that the weight of his debts in Europe was beginning to bear down on him, much in the same way that it had done in the United States before his desperate transatlantic flight in 1784. It is not from Parker's own letters, but from one of his associates, that we learn the extent of his “distress & difficulty” in the wake of Rogers' collapse. William Short, the American chargé d'affairs in France, had been engaged in investments with Parker since 1789, apparently with a great deal of confidence. But at the end of March 1791, he wrote to his patron Thomas Jefferson that “Parker has become

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<sup>88</sup> Parker to Craigie, 2 January 1790 [1791], Andrew Craigie Papers.

<sup>89</sup> Parker to Craigie, 1 February 1791, Andrew Craigie Papers.

bankrupt instead of being a Croesus. I fear I shall suffer by him.”<sup>90</sup> A month later he expanded on the situation. “I had no anxiety about it,” Short wrote, “until all of a sudden I learned the embarrassment into which his affairs had gone. I know not yet how it will be settled.”<sup>91</sup> Short was as surprised to hear of Parker's failure as Parker had been about Rogers'. In a world where it paid to *appear* to be as rich as Croesus, few people could get a true sense of a partner's situation. That meant few people could truly know their own position, either. In such circumstances, carefully spun webs of credit could unravel quickly.

Parker did not inform Craigie of his bankruptcy. Ironically, Short himself kept up his trust in Parker's good intentions—and appears to have pinned the blame on Craigie. “If [Parker] can prevent my losing I have no doubt he will do it,” Short wrote. “His agents in America it is said are the principal cause of his failure.” Clearly, networks could function to mitigate responsibility as well as risk. Meanwhile, Parker continued to evade the pursuit of Rogers' creditors, hoping that the sale of funds would settle the account enough to satisfy them. “I am determined not to pay him or his assigns any money before I have full security for all my claims on him,” he told Craigie in December. He also hinted that he planned to return to America for the first time since his departure in 1784. As he had often done before, Parker declared that he was “determined to bring every concern I have to a close as soon as possible... I do not mean to leave Europe with a single demand against me of any kind.”<sup>92</sup> The desire for a fresh start and a clean slate was a commonplace in Parker's letters. It was the spur that had sent him across the ocean in the first place. But it was a trick that could only be pulled off once.

By 1810, Parker was still living in London. “You recollect our calculating acute

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90 William Short to Thomas Jefferson, 30 March 1791, *Founders Online*, National Archive.

91 Short to Jefferson, 2 May 1791, *Founders Online*, National Archive.

92 Parker to Craigie, 7 December 1791, Andrew Craigie Papers.

countryman Dr Parker without doubt,” William Short wrote to Jefferson that year. Apparently, while Parker was no longer directly engaged in any substantial commercial activity, his experience and expertise were still sought-after by Americans. In spite of what had happened almost twenty years before, Short still had “confidence in Parker & his penetrating head in such cases.”<sup>93</sup> As Parker’s relationship with Craigie broke down in the two years following Rogers’ failure, our archival window onto his affairs goes dark. But one factor that likely had an impact on his fortunes was the reorganization of American public finances, effected by Alexander Hamilton in the early 1790s. By providing a single, accessible and trustworthy channel for private investment in American funds, and by taking individual state debts onto the federal books, the program rendered much of Parker’s business obsolete.<sup>94</sup> Of course, there were plenty of alternative angles for his kind of entrepreneurship. The financial industry of the early republic was not exactly known for its stability, propriety, or harmonious regulation. Parker’s own expertise, however, was in just the kind of funds that were now folded into the new Bank of the United States. If the dream of Cambridge had eluded him, we may imagine nonetheless that he carved out a comfortable retirement in London.

“I read with pleasure in yr Letter that you had not suffered by the failure in N York,” Parker wrote to Craigie in the summer of 1792. “I was much alarmed with fears for your safety when I heard of the extent & nature of that calamity.”<sup>95</sup> He was referring to the spectacular failure of his erstwhile friend, partner, and creditor, William Duer, who that year had almost brought down the New York financial community by his efforts to corner the market in federal

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93 Short to Jefferson, 1 November 1810, *Founders Online*, National Archive.

94 For one account of state-led financial restructuring in the 1790s, see Irwin & Sylla, eds., *Founding Choices*.

95 Parker to Craigie, 30 July 1792, Andrew Craigie Papers.



bonds.<sup>96</sup> It was apparently one of the last letters Daniel Parker wrote to Andrew Craigie. First with Rogers' collapse, and now with Duer's, the old network of financiers and entrepreneurs within which their partnership had operated was rapidly falling apart at the seams. As it did so, Parker himself seemed to grow more conscious of the way his world had always worked. The shock of the betrayal he had felt when Rogers failed, which mirrored the shock William Short felt when he realized Parker was no Croesus, gave way by the time of Duer's ruin to a truer understanding. Parker's way of doing business was not special, it was normal.

Because Duer's improprieties ended in such dramatic and public disaster, his now well-known story has an ambivalent role in standard narratives of commerce during the first decades of the new American republic. Yes, his behavior mocked contemporary rhetorics of disinterested public service and of mercantile honor alike.<sup>97</sup> But he was ultimately punished for it. His strategies of insider trading and manipulation of the instruments of credit can appear to be the hallmarks of a uniquely hubristic self-interest—his failure a vindication of the basic justice of the system. If commercial networks were meant to be self-regulating, men like Duer became examples *pour encourager les autres*. The same could be said for later figures, like the early nineteenth-century speculator Andrew Dexter, whose schemes ended in extraordinary collapse—and prompted morally loaded analysis. Nothing so notable occurred to Daniel Parker. Yet as Jane

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96 For Duer's career, see Cathy Matson, "Public Vices, Private Benefit: William Duer and His Circle, 1776-1792," in William Pencak and Conrad Edick Wright, eds., *New York and the Rise of American Capitalism: Economic Development and the Social and Political History of an American State, 1780-1870* (New York Historical Society: New York, 1989); Robert F. Jones, *"The King of the Alley": William Duer: Politician, Entrepreneur, and Speculator, 1768-1799* (American Philosophical Society: Philadelphia, 1992). See also Robert A. East, *Business Enterprise in the American Revolutionary Era* (Columbia University Press: New York, 1938). One account of Duer's failure, from an institutional economics perspective, is Richard Sylla, Robert E. Wright, and David J. Cowen, "The U.S. Panic of 1792: Financial Crisis Management and the Lender of Last Resort," *Business History Review* 83.1 (Spring 2009), 61-86.

97 Matson, "Public Vices, Private Benefit." Rhetorics of interest are more generally explored in Gordon Wood, "Interests and Disinterestedness in the Making of the Constitution," in Richard Beeman et al., eds., *Beyond Confederation: Origins of the Constitution and American National Identity* (Chapel Hill: University of North Carolina Press, 1989), 69-112; and in Matson and Onuf, *Union of Interests*.

Kamensky has remarked, the “different fates” of Dexter and his rival, Nathaniel Appleton, were “as much the result of chance as of character.” The “con man” and the businessman were “remarkably similar creatures.”<sup>98</sup> Parker's letters, which document both his own activities and those of his various associates, make the same point. The unusual thing about Parker's behavior is how much we know about it, because of his letters to Craigie. Within the milieu of post-independence financiers, there was nothing exceptional about his relationships to credit, honor, and deception. His story is a way into systemic processes, practices, and patterns.

As no less an observer than Adam Smith had once remarked, merchants like Parker and Duer constituted a class of economic actors whose interests were distinct from those of the people at large. The consequence, Smith claimed, was that they frequently deceived and even oppressed the public who were ultimately their customers.<sup>99</sup> More immediate—and more interested—bystanders noticed the same process at work in the machinations and eventual failure of William Duer. “Widows, orphans, merchants mechanicks &c are all concerned in the notes,” wrote the lawyer Robert Troup to his friend Alexander Hamilton in the wake of the catastrophe. He predicted “Duer’s total bankruptcy will affect the public interest by bringing the funding system into odium.”<sup>100</sup> By deceiving others about the true state of his accounts, by spinning credit out of promises and by manipulating people’s confidence in him, Duer had impoverished the poor men and women caught up in the long tail of his speculative failure. It was important to paint his behavior as exceptional in order to maintain public confidence in the larger system of

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98 Jane Kamensky, *The Exchange Artist: A Tale of High-Flying Speculation and America's First Banking Collapse* (New York: Penguin, 2008), p.12. As it happened, in 1810 Daniel Parker's nephew, Daniel Pinckney Parker, went into business with Appleton in Boston; see John Ward Dean, *Memorial Biographies of the New England Historic Genealogical Society* (Cambridge: John Wilson & Son, 1845), vol. 1, p.260.

99 Adam Smith, *An Inquiry into the Origins and Causes of the Wealth of Nations* (Philadelphia, 1796), pp.329-330.

100 Robert Troup to Alexander Hamilton, 19 March 1792, *Founders Online*, National Archive.

public and private finance. That was one reason to promote the notion of a mercantile code of honor. It served to bolster public confidence, by isolating cases like Duer's from the general operations of commerce. It evoked a moral judgement upon individuals, and not a system.

Daniel Parker's actions never manifested their effects in such dramatic fashion. Yet the chains of debt and credit which he generated, using all the methods evidenced in his letters to Craigie, devolved upon a public made up of investors, tradesmen, labourers, and their dependents. A failure, or even a delay, at any point along the chain could have substantial impact somewhere else. It could make all the difference in the life of someone Parker never knew, and would not notice in the busy streets of Amsterdam or London. At the same time, Parker's methods—common to the businessmen, financiers, and entrepreneurs of the eighteenth century—had their victims not only among the general public, but within the mercantile class as well. Much of his deceptive behavior, his information management and careful contractual manoeuvring, was directed towards rival merchants, men like Holker, Peirce, and Jarvis. As Pierre Gervais has argued, eighteenth-century commerce was organised around exclusive “trading rings,” which aimed to capture and dominate circuits of exchange.<sup>101</sup> Information management was a crucial aspect of this process, necessary to keep out potential rivals. It was matched by the construction of internal bonds of credit and affection, such as those between Parker and Craigie. Maintaining such effective and exclusive networks was Parker's main task as a businessman. He addressed it, for the most part, with great skill.

That merchants routinely deceived both the public and one another clearly did not

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101 Gervais, “Mercantile Credit and Trading Rings in the Eighteenth Century;” Gervais, “Early Modern Merchant Strategies and the Historicization of Market Processes,” *Economic Sociology* 15.3 (July 2013), 19-29; and Gervais, “Market Manipulation, the 1780s Way: What a Letter to a Flour Dealer Tells Us About the Early Modern Political Economy,” *Common-Place* 16.2 (Winter 2016), <http://common-place.org/book/market-manipulation-the-1780s-way-what-a-letter-to-a-flour-dealer-tells-us-about-the-early-modern-political-economy/>

prevent the eighteenth-century economy from functioning. It is more accurate to say that such deception was part of the way it functioned. Failures like Duer's, in spite of the harm caused to widows, orphans, and mechanics, did not imply that the federal bonds underlying his speculation were a bad investment. The same could be said for the riskier financial instruments that Parker traded in the 1780s. Indeed, those who did invest in most of these state and Continental bonds did very nicely on the deal. Having acquired their assets often at pennies on the dollar, even with the commission Parker took, they were the beneficiaries of a Hamiltonian financial policy which prioritised face value payment to the public creditors. There was a predictable dynamic at work here, for the more public debt became concentrated in the hands of important institutional investors on both sides of the Atlantic, the more crucial it was—from the perspective of the public credit and reputation of the United States—to make sure they were happy. By helping open up the European market in American debt, Parker had a hand in shaping the financial policy of the new nation.<sup>102</sup> Debts that might have seemed like bad investments in the hands of poor veterans and farmers grew in value and reliability as they accumulated in those of transatlantic capitalists.<sup>103</sup>

If Hamilton's financial reforms helped solidify, as he intended, a transatlantic creditor class with shared interests in the success of the new United States, the same kind of process lay behind Parker's own particular enterprise. What was once marginal became established, institutional, as flows of capital became reliable and regular. Once a client had invested in one of

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102 On this topic we await Terry Bouton, *Foreign Founders: How European Financiers Helped Write the Constitution* (forthcoming).

103 Ferguson, *Power of the Purse*; Van Winter, *American Public Finance*. For the plan, promotion, and accomplishments of Hamilton's reforms to the United States' public finances, including a reduction in the overall burden of taxation, see Max Edling, *A Revolution in Favor of Government: Origins in the U.S. Constitution and the American State* (New York: Oxford University Press, 2003); and Edling, "'So Immense a Power in the Affairs of War': Alexander Hamilton and the Restoration of Public Credit," *William and Mary Quarterly* 64.2 (April 2007), 287-326.

Parker's schemes, his interests—and therefore his personal credit and reputation, too—were tied to the scheme's success. He could then be persuaded to extend more and more credit, in turn bringing new investors into the arrangement as well. By such means, a small amount of trust and credit could be spun into an empire of speculation. Parker, as a debtor, was not simply at the mercy of his creditors. He also wielded power over them. So long as he could put up a convincingly “promising appearance,” Parker could extend his lines of credit and thus increase the reliance of his creditors on his success. With sufficiently powerful clients, such as the Van Staphorsts or Tourton and Ravel, Parker could act to reshape the transatlantic market in American public debt. In such circumstances, it is clear why secrecy, deception, and the other tools of information management were crucial to maintaining exclusivity within the trading ring. Parker was not the only person acting in this market. He, of course, had rivals. But they all used the same strategies, and all depended on the same dynamics of credit and speculation.

It is no coincidence that Parker's high-point as a financier took place at a moment of transition and confusion in the public finances of the United States. Things would have been different had he been trying to operate in an established market. By the same token, the weakness of Parker's own position—which led him to cross the Atlantic in the first place—was a necessary spur to his mercantile creativity. After all, if he had been a truly credit-worthy gentleman with a secure and stable income, he would not likely have chosen to take such great risks, or to seek out such fragile opportunities. Deceptive or fraudulent behavior was most effective on the boundaries of existing commerce, where systems of legal and social regulation were not yet established. More than that, Parker's example demonstrates how such practices *made possible* the continuous expansion of commerce and credit. Men like Parker fostered new, emerging

markets in the interstitial spaces where more honest, creditable merchants feared to tread. They were, in that sense, on the leading edge of global capital's expansion. During the nineteenth century, mercantile trading rings began to transform into newer institutions of exclusion and control.<sup>104</sup> But at their margins, strategies like Parker's still shaped the behavior of entrepreneurs. In the processes of capitalist growth, deception continued to matter just as much as honor.

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<sup>104</sup> Personal networks and formal institutions are not straightforwardly distinct. The processes of transformation from one to the other, and the more general institutionalisation of capitalism in the nineteenth century, are beyond the scope of this article. But for a particularly salient exploration of these themes, see Naomi Lamoreaux, *Insider Lending: Banks, Personal Connections, and Economic Development in Industrial New England* (New York: Cambridge University Press, 1994).