

Economic Burden: Spark to the American Revolution?

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Economic Burden: Spark to the American Revolution?

UNFORTUNATELY, what follows does not answer the title question—although I conclude that the preponderance of current evidence answers yes, that economic burden did spark the Revolution. Rather, what follows elaborates the ingredients required for a definitive answer and, as a by-product, illuminates why the historical treatment of the origins of the American Revolution remains a muddle.¹

The first American explanation of the Revolution is commonly labeled the Whig explanation, but might be better labeled the Declaration of Independence explanation. It presents the Revolution as the inevitable response of colonists united in love of liberty to a King and parliament bent on tyranny. More recent is the imperial explanation, which recasts George III and Parliament united in poverty rather than tyranny and with their understanding of the thirteen colonies beclouded from long inattention forced by wars and other calls of Empire. During a hundred plus years of inattention the colonists developed institutions and a concept of their place in the British Empire that naturally resisted redirection from London after 1763. Therefore, much mutual understanding was required to reintegrate the colonists into the Empire, but the divergent pasts which made such understanding necessary precluded its occurrence. In contrast, the progressive interpretation presents the colonists' Revolutionary ideals as but means to secure place and wealth to particular colonists, rather than as ends uniting all. In this view, when, after the defeat of the French, mercantilism increasingly blockaded merchants' profits, a salvo of ideals was the merchants' first (because it was their

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Stephen DeCanio, Lawrence Harper, Joel Mokyr, and participants in the Colonial History Seminar at the Newberry Library gave assistance and encouragement. My thanks.

¹ For agreement that understanding the Revolution is a muddle, and a survey of the many current understandings, see Jack P. Greene, ed., *The Reinterpretation of the American Revolution, 1763-1789* (New York, 1968), and his "The Plunge of the Lemmings: A Consideration of Recent Writings on British Politics and the American Revolution," *South Atlantic Quarterly*, 67 (Winter 1968), 141-75. J. C. Wahlke, ed., *The Causes of the American Revolution*, rev. ed. (Boston, 1962) more completely surveys older interpretations. L. H. Gipson, *The British Empire before the American Revolution*, vol. 13 (New York, 1967), part III, surveys past interpreters.

cheapest) response. But some of that salvo cleared the way for mass participation in colonial rule. Thus the Revolution came to concern redistribution within the colonies, as well as between the colonies and Britain. Subsequent interpretations repeat or synthesize these explanations. For example, Bailyn and Palmer splice the Whig and imperial explanations to argue: that the rebels sought the Whig ends of life, liberty, and pursuit of happiness; that the rebels' desire for those ends stemmed from their participation in the Empire-wide enlightenment; that those ideals sparked revolt because of the colonists' homogeneity and distance from London.² In contrast, Egnal and Ernst discover more economic burdens on the colonies and a closer correlation between British levies and colonial resistance than the original progressive historians posited.³

In sum, the Revolution yet supports many explanations. At this point, the obvious question is still whether one can discriminate among these explanations objectively? That is, can there be progress in understanding such an epochal political event?

I

The first step toward an answer is to set out what is required for an explanation of the motivation, type, and timing of participation in *political activity*.⁴ Political activity is emphasized, for if the Revolution were no more than costless government-choosing (akin to tooth-paste choosing) from a shelf filled with alternatives, there would be no problem of identifying the best explanation—it would follow from private utility maximization constrained by prices and individuals' endowments. In that case, an explanation would be the isolation of those changes in tastes, prices, and endowments which prompted the colonists to demand a change in government and stopped Britain from supplying that change.

Figure 1 pictures such a demand-and-supply explanation. The amount of British rule is measured on the horizontal axis OG. The marginal cost CC and marginal benefit BB to the colonists of British rule are measured along OA, and the marginal cost XX and marginal benefit YY to Britain of colonial rule are measured along OE. The

² Bernard Bailyn, *The Ideological Origins of the American Revolution* (Cambridge, 1967); Robert Palmer, *The Age of the Democratic Revolution: The Challenge* (Princeton, 1959).

³ M. Egnal and J. A. Ernst, "An Economic Interpretation of the American Revolution," *William and Mary Quarterly*, 3d. ser., 29 (Jan. 1972), 3-32.

⁴ This is done more fully in my "Understanding Political Events in the New Economic History," *JOURNAL OF ECONOMIC HISTORY*, 37 (June 1977), 307-19.

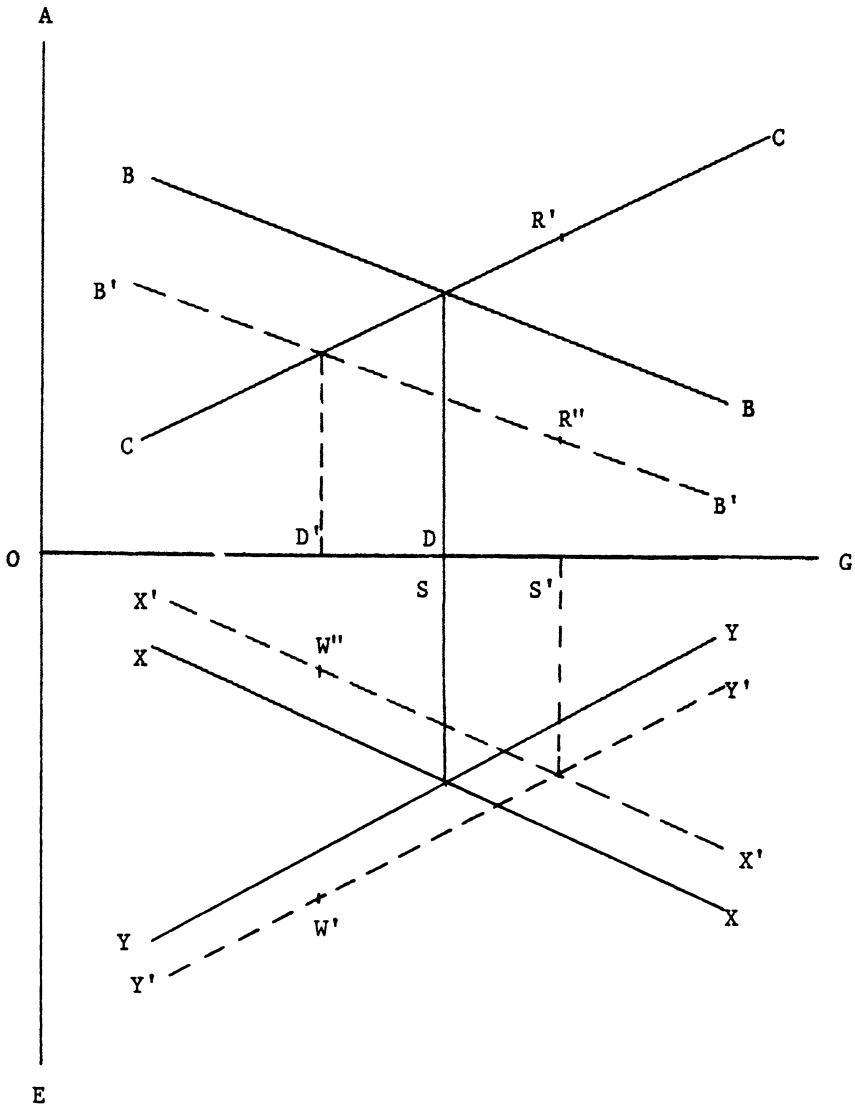


FIGURE 1

THE THEORETICAL FOUNDATION OF CURRENT EXPLANATIONS OF THE AMERICAN REVOLUTION

equality between the amount of British rule demanded (OD in the upper half of the graph) and the amount supplied (OS in the lower half of the graph) in, say, 1750 explains the lack of tension then. The situation in 1775 (represented by the dashed schedules) differed greatly: then the colonists demanded OD' of British rule, while

Britain sought to supply OS'. The marginal burden R'R'' on the colonists of the supply OS' indexes the colonists' incentive to resist in 1775, while the marginal loss W'W'' to Britain from respecting colonial wishes indexes Britain's incentive to persist. Different shapes of and shifts in the respective British and colonial schedules, then, ground the different explanations of the Revolution: the old Whig explanation argues that changed British tastes for despotism (captured in the outward shift of YY) shifted the supply of British rule OS' far beyond the colonists' constant demand OD; the new Whig explanation argues that changed American taste for freedom and perception of British corruption (captured in the inward shift of BB) opened the gap between American demand for British rule OD' and British supply OS; the imperial explanation argues that shifts in British schedules alone opened the gap; while the progressive explanation stresses shifts in American schedules.⁵

But the demand-and-supply model inadequately encompasses political activity. It is static and incomplete: a shift in cost or benefit schedules which yields a gap between demand and supply is presumed to induce actions to eliminate the gap, but what actions (petitions? revolution?), by whom, and at what pace are not implied. Such analytical gaps—of little consequence in analyses of goods market activity—are the essence of political activity, for political outcomes are neither independent of achievement paths nor necessarily efficient. Hence individuals' participation in reachivement of political equilibrium can be neither ignored nor inferred. The reasons stem from the fundamental differences between the goods and political markets in coercion possibilities and information costs.

In the goods market, consumption is private and voluntary and payment is proportional to benefit. Hence, no one needs or cares to worry about another's consumption. Government, in contrast, supplies public goods—laws, wars, and the like—goods necessarily consumed by all citizens and paid for in no necessary proportion to benefit. That government coerces consumption and payment need not differentiate political activity from goods market activity. *If* a disenchanting citizen could emigrate to other polities at no cost and *if* there were an infinity of polities, so that every bundle of government

⁵ For a recent and explicit application of the demand-and-supply model of political activity to the Revolution, see Gerald Gunderson, "Economic Frictions within the British Empire," a paper presented to the Duke University Bicentennial Conference "Evolution and Revolution: Development in the United States and Canada," October 1976, or his text, *A New Economic History of America* (New York, 1976); to the world, see David Friedman, "A Theory of the Size and Shape of Nations," *Journal of Political Economy*, 85 (Feb. 1977), 59-78.

consumption and every means of financing every bundle were available, then private shopping decisions (emigration) would control the political market as they control the goods market.⁶ Emigration is, however, costly—more costly as one's income derives more from location-specific capital (such as local business contacts or knowledge of language and trade practices)—and alternative governments are few. Hence, disaffected citizens often seek to change their government's provision of benefit and burden, rather than to emigrate: they protest that the general burden exceeds the general benefit or that their burden inequitably exceeds their benefit. But beneficiaries like protest, for enjoyment of public consumption not being exclusive, they benefit further if they can shift their burden. All strive to redefine their private goods as public goods. Thus, a government gets much conflicting guidance about what public goods are needed and how they should be financed, but little guidance about whom to heed. At the same time, citizens seek power to check or to implement government policies, in part to gain further benefit and in part to block others from reducing existing benefit. But power to check or implement government policies requires assistance by others—to raise the cost of coercing one's own behavior, to spread the burden of coercing others, and to people the government with agents of like persuasion. Typically, such assistance is acquired over time. Through campaigns, others are alerted to the benefit of a common cause, sometimes with current or promised pecuniary benefit, but also with rhetorical appeals—such as to “the Rights of Man.” The price (in cash and rhetoric) of influence fluctuates with the interests of others, and is always uncertain. In consequence, the beginnings of many political campaigns are ill-timed; the end result of even an effective campaign may differ markedly from the aim of its initiators; and participation in a campaign fluctuates with changing private perceptions of payoff and cost, perceptions largely based upon predictions of others' behavior.

Because of these aspects of the political market, the historian cannot infer directly how many consumers of a political outcome desire that outcome; to shift the burden, fewer will admit to wanting an outcome than do want it, and all must consume it as long as it is provided. Nor can the historian measure changes in the desirability of political consumption by listening to changes in the volume and content of political rhetoric. As the hopeful entrepreneurs or paid agents of

⁶ As demonstrated by Charles Tiebout, “A Pure Theory of Local Expenditures,” *Journal of Political Economy*, 64 (Oct. 1956), 418-24. Of course, in such a case there would be no violence associated with a change of government.

factions, politicians adjust their rhetoric on the basis of anticipation and numerous dynamic considerations; they do not merely gauge current fact. Furthermore, a sudden change in the desirability of a political outcome need not produce a new outcome, for the government can long enforce consumption of the status quo. Likewise, a new political outcome need not imply a change in underlying wants; it can reflect but a new faction come to power, rather than a new distribution of desires. Political history, in sum, is no simple tale of demand and supply; at all times there is a distribution of unsatisfied demands and a queue of promising suppliers.

For these reasons, studies of the Revolution's origin cannot stop with a shift in the demand for or supply of British colonial rule. But that the causes of political outcomes cannot be inferred directly from the outcomes themselves does not replace simple determinism with chance in the explanation of political events. Rather, it argues that *ex ante* perceptions and complex strategies prompt political activity and suggests an approach to political history which bounds the temporal evolution of outcomes dependent upon perceptions and strategies. In practice, it suggests that other tools be substituted for demand and supply in explanations of political outcomes. The tools wanted are sentiment, loyalty, and acquiescence.

Sentiment indicates outcomes that the populace wants (perhaps differentiated by intensity of desire) *before* an outcome is decided; so that the distribution of sentiments is the conclusion of a public opinion poll. At a moment, the distribution changes with interests and understanding, the latter perhaps accomplished by a political campaign. To gain or keep political power, potential and current governors try to mold sentiments. A direct way is by voter education (for example, *Common Sense* and the Declaration of Independence). But education is costly and of uncertain yield, so the colonial revolutionaries also tried other tacks. Another way to vary sentiments is to effect an outcome. Typically, *ex post* sentiment for an effected outcome, which I call loyalty, exceeds *ex ante* sentiment for the outcome. Thus, wrapping an outcome in the flag is stock practice for politicians seeking unreasoning support, and George III so entreated his American subjects to support the duly deliberated rulings of Parliament. Perhaps because their flags were too numerous or too new, the rebels made few appeals to loyalty. Rather, they emphasized the cost of remaining under British rule, enslavement, and impoverishment. Little matter the merit of rebel claims. Their importance is their implicit recognition that for an outcome to be sustained, *ex post*

sentiment for the outcome must exceed that minimum level needed for acquiescence. *Ex post* sentiment needed to achieve acquiescence will be higher as the perceived benefit of acceptance is lower, the cost of rejection is lower, and the choice is perceived as unfairly made. Thus, rebels emphasized the high cost of accepting British measures, ranging from the immediate threat of being run out of town or business by the Sons of Liberty to the future loss of prosperity from British trade regulations and taxes. They also stressed the unfairness and corruption of Parliament.⁷

In sum, three tools are needed to unmask political activity: sentiment, or how many people want a certain outcome *ex ante*; loyalty, or how many people want a certain outcome *ex post*; and acquiescence, or what level of *ex post* sentiment is needed to sustain an outcome. The distribution of *ex ante* sentiment is important, for it affects acquiescence: acquiescence will be higher as *ex ante* sentiments are more polarized and more intense. The rate of change of *ex ante* sentiment likely influences loyalty: rapidly rising sentiment increases the loyalty shift when an outcome is proclaimed. The most important points to remember in connection with the Revolution are that loyalty for independence could well have been small, but acquiescence could have exceeded loyalty for every other outcome; alternatively, loyalty might have exceeded acquiescence for independence and for remaining in the Empire. In the first case, the Revolution was truly inevitable, and the historian's task is to explain how it became so. In the second case, anything was possible, and it is the historian's task to find how one of many possible outcomes was achieved. It is clear that no simple rules of aggregation and no presumption of independence between outcome and means of achievement can be defended in the political sphere. Hence, no demand-and-supply curves (Figure 1) can illustrate an explanation of political activity. Rather, political events require a dynamic explanation, a graph like Figure 2, annotated with the determinants of sentiment, loyalty, and acquiescence.

⁷ For the content of rebel protest, see Bailyn, *The Ideological Origins of the American Revolution*; Carl L. Becker, *The History of Political Parties in the Province of New York, 1760-1776* (Madison, 1960); Bernhard Knollenberg, *Origin of the American Revolution: 1759-1766*, rev. ed. (New York, 1965), and *Growth of the American Revolution: 1766-1775* (New York, 1975); and Edmund S. Morgan and Helen M. Morgan, *The Stamp Act Crisis*, rev. ed. (New York, 1963). It is usefully surveyed in Gordon S. Wood, "Rhetoric and Reality in the American Revolution," *William and Mary Quarterly*, 3d. ser., 23 (Jan. 1966), 3-32. British rhetoric between 1763 and 1767 is reported in P. D. G. Thomas, *British Politics and the Stamp Act Crisis* (Oxford, 1975); later British rhetoric is summarized in Lawrence H. Gipson, *The British Empire*, vol. 9, and Palmer, *Democratic Revolution*, and is analyzed in Greene, "The Plunge of the Lemmings."

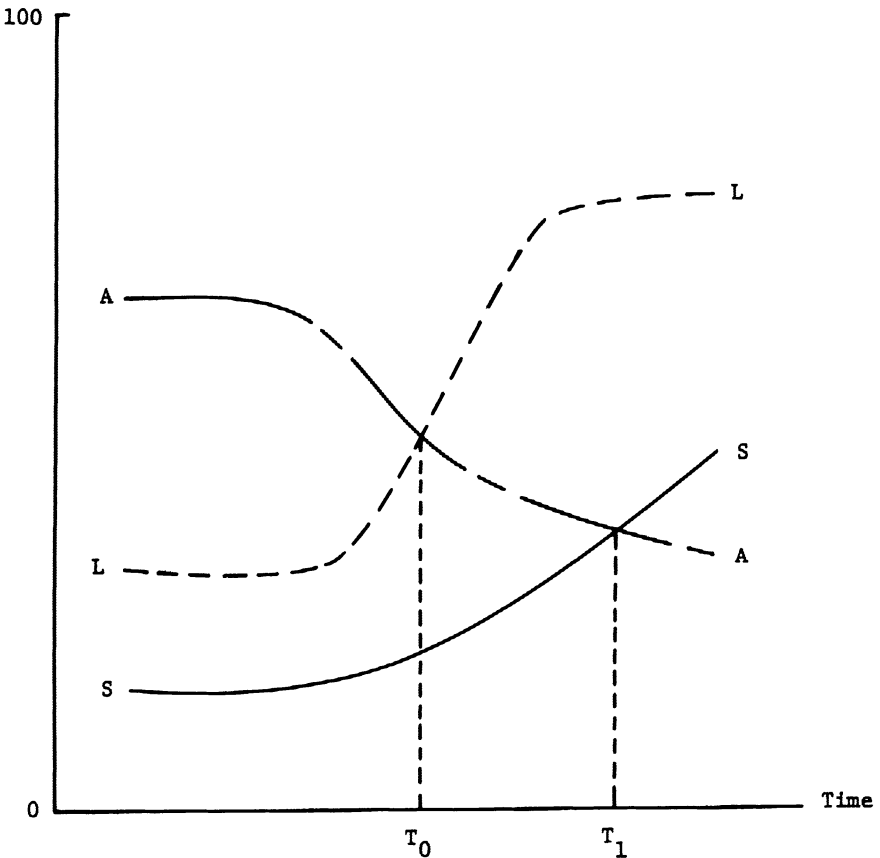


FIGURE 2

THE EVOLUTION OF SENTIMENT SS, LOYALTY LL, AND
ACQUIESCENCE AA FOR SOME POLITICAL OUTCOME

II

Put into this realistic framework, an economic explanation of the Revolution is more persuasive than a constitutional one, but it is not yet compelling. Once, the great test of the importance of economics was the burden of the Navigation Acts. Hacker found that the Acts were costly and thus explained the revolt.⁸ Dickerson argued correctly that there were few complaints against the Acts by colonists prior to 1763, but he argued incorrectly that the Acts imposed no

⁸ Louis M. Hacker, "Economic and Social Origins of the American Revolution," in Wahlke, *The Causes of the American Revolution*.

burden. He therefore accepted the constitutional argument for the origins of the Revolution.⁹ That the Navigation Acts imposed little burden is not disputed: the net burden probably was less than one percent of income.¹⁰ After one learns that the burden did not break the colonies, the prorated burden is of little significance in the search for the spark of revolution.¹¹ But the primary colonial incidence of the burden was borne by the southern producers of the enumerated staples and, to a much lesser extent, the colonial shippers who carried 35 percent of those staples to the designated entrepôts.¹² By excluding the redistribution of producers' surplus to colonial consumers of the enumerated southern staples—an improper exclusion, for the producers' primary interest was their personal income—one underestimates the burden on the southern staples as one third the value of enumerated southern exports and estimates a reduction in colonial shipping profits in that trade (if proportional to shipping) of 16 percent.¹³ Distributed back to the few who raised the enumerated staples and the fewer specialized colonial shippers who transported them, the Acts weighed heavily on certain colonists. Like calculations could be done for importers of burdened wares, as well. These burdens could be capitalized into the much larger perceived or direct present value of the repeal of the Navigation Acts. The point is that a few disproportionately bore the large first incidence of the cost of the

⁹ Oliver M. Dickerson, *The Navigation Acts and the American Revolution* (New York, 1963).

¹⁰ See my "On Navigating the Navigation Acts with Peter D. McClelland: Comment," *American Economic Review*, 60 (Dec. 1970), 949-55; and Robert Thomas, "A Quantitative Approach to the Study of the Effects of British Imperial Policy upon Colonial Welfare: Some Preliminary Findings," *JOURNAL OF ECONOMIC HISTORY*, 25 (Dec. 1965), 637. Also see Lawrence A. Harper, "The Effect of the Navigation Acts on the Thirteen Colonies," in R. B. Morris, ed., *The Era of the American Revolution* (New York, 1939), and "Mercantilism and the American Revolution," *Canadian History Review*, 3 (Mar. 1942), 1-15; Adam Smith, *The Wealth of Nations* (New York, 1937); and Gary M. Walton, "The Burdens of the Navigation Acts: A Reply," *Economic History Review*, 2d ser., 26 (Nov. 1973), p. 87, n. 2.

¹¹ As argued by David J. Loschky, "Studies of the Navigation Acts: New Economic Non-History?" *Economic History Review*, 2d ser., 26 (Nov. 1973), 689-91 and Roger L. Ransom, "British Policy and Colonial Growth: Some Implications of the Burden from the Navigation Acts," *JOURNAL OF ECONOMIC HISTORY*, 28 (Sept. 1968), 427-35.

¹² Shipping figure from James F. Shepherd and Gary M. Walton, *Shipping, Maritime Trade, and the Economic Development of Colonial North America* (Cambridge, England, 1972), p. 122.

¹³ The estimated burden as a share of enumerated southern exports is the average of the burden from my "Navigation Acts," pp. 953-54, Table 1, when the elasticity of supply is one and the elasticity of demand is one, multiplied by 1.14 to reflect the colonists' loss on enumerated exports consumed elsewhere within the Empire. The percentage decrease in demand for colonial shipping is assumed equal to the percentage decrease in output, which is equal to the percentage increase in price upon repeal of the Navigation Acts when the elasticity of supply is one. I earlier estimated that increase as $(1.25)^{d+s}-1$ where d is the absolute elasticity of demand and s is the elasticity of supply (p. 953, equation 14 and n. 10).

Navigation Acts and therefore likely were sensitive to slight changes in British administrative practices.

How much spark the disproportionate primary burden on the staples' producers and shippers gave to the Revolution is, however, unclear. The planters' burden was calculated and publicized in 1765, and the common history of the Revolution portrays revolutionary sentiment beginning in the northern ports and southern staple producing areas, which is certainly consistent with a troubling burden.¹⁴ But spokesmen for the colonists frequently admitted Britain's right to regulate trade within the Empire, although authors of the post-1763 changes in the acts to regulate and tax the American colonists sought British support for their measures with argument that the colonists wished to throw off the Navigation Acts.¹⁵ Since such a jettison might convulse the commerce of Britain, fear of such would increase the level of sentiment needed in Britain for acquiescence in American proposals for redress. Moreover, the basic acts governing American commerce dated from 1651, and similar British regulations dated from at least the fourteenth century.¹⁶ The Navigation Acts were acquiesced in by the original colonists and were integral parts of the British constitution, two factors that would increase British sentiment needed for acquiescence in redress if the Acts were perceived to be challenged. Such a challenge would raise the specter of opportunism. Because the Acts were so closely identified with Britain, loyalty for rejection of American supplications would be high, as well. Thus, it made good political sense for George III's ministers to picture the colonists as wanting to throw off the Navigation Acts. Likewise, it made good political sense for Franklin and other colonial spokesmen vehemently to deny any such desire. As contemporaries realized, therefore, the pronouncements of neither side can be equated with truth. In the end, the political import of the burden of the Navigation Acts remains ambiguous.¹⁷

III

The pace and timing of protest better separates economic from constitutional motives. After 1763, Britain increased the primary

¹⁴ Morgan and Morgan, *Stamp Act Crisis*, pp. 99-119.

¹⁵ Dickerson, *Navigation Acts*, ch. 4 and pp. 296-97.

¹⁶ Harper, *Navigation Laws*, pp. 19-49.

¹⁷ For a fascinating illustration, see Benjamin Franklin's "Marginalia in a Pamphlet of Josiah Tucker, 'A Letter from a Merchant in London to his Nephew in North America,'" in W. B. Willcox, ed., *The Papers of Benjamin Franklin*, vol. 17 (1770), pp. 348-80. I am indebted to Alan Martina for bringing this example to my attention.

burden on traders and staples producers. In 1764 the effective duties on non-Empire molasses and some other imports were raised (by putting customs agents on an incentive plan, liberalizing the use of search warrants, and transferring trials to courts of admiralty). Sugar Act duties alone averaged £32,479 per year, fines £8,708, and the later Townshend duties added £5,340, more than 71 percent of which was collected at the ports of Boston, New York, Philadelphia and Charleston.¹⁸ The actual burden was much greater, for a ship now needed forms (cockets) attesting and bonds guaranteeing the origin of each piece of its cargo. These duties were compounded (briefly) by the Stamp Act requirement that every cocket, agreement, bond, and so forth required in trade, as well as newspaper, legal paper, land title, and what not, carry the proper tax stamps.¹⁹

Colonists did not want to assume these burdens. To escape them, they implored Parliament to recant with arguments both economic (that such taxes and duties would retard commerce) and constitutional (that the enactment and manner of enforcement of these acts were illegal). Parliament, as is well known, was impressed by the economic argument: it repealed the Stamp Act, but expressly rejected the constitutional claims. Soon thereafter it imposed the Townshend duties.

Subsequent American protest emphasized constitutional claims. Thomas and Gipson suggest that the colonists' misperceptions of British politics encouraged unproductive constitutional appeals for redress; they argue that Parliament was united in a belief in its right to tax and in its desire for revenues from the colonies. They contend, however, that factions' complicated maneuverings for place in Parliament produced a confusing rhetoric designed to embarrass momentarily various opponents, and that the rhetoric understandably was misinterpreted by the colonists as evidence of sympathy for the colonists' claim of constitutional exemption from regulation for revenue.²⁰ On this side of the Atlantic, other historians conclude that America's contending factions were as willing as members of Parlia-

¹⁸ Dickerson, *Navigation Acts*, pp. 201-3.

¹⁹ Dickerson, *ibid.*, p. 192, believes that the Stamp Act burden was expected to fall most heavily on ocean shipping. The consignment of stamps among the colonies, however, suggests that all commerce, not just ocean shipping, was expected to bear the burden. This conclusion is based upon a comparison of the distribution of stamped paper given in Dickerson with the distributions of population, maritime trade, and ocean trade given in Stuart Bruchey, ed., *The Colonial Merchant: Sources and Readings* (New York, 1966), pp. 12, 16-20.

²⁰ See Gipson, *The British Empire*, vol. 9, and P. Thomas, *British Politics*, for example. For contemporary support, see Robert L. Schuyler, *Josiah Tucker: A Selection from His Economic and Political Writings* (New York, 1931), *passim*.

ment to disguise their ends and beguile their foes with rhetoric.²¹ On both sides of the Atlantic, it seems that rhetoric was employed to move popular sentiment, loyalty, and acquiescence, rather than to state ultimate and unanimously held ends. Yet, the opportuneness of pronouncements does not imply that the statements made were insincere then, or that the statements did not reflect the later sentiment of the masses, and perhaps even the sentiment of the leaders. Thus, that the British offered after Saratoga “to yield everything that the Americans had officially asked before 1775,” and that the rebels rejected that offer can reflect the temporal evolution of sentiments, rather than the economic evolution of acquiescence.²² But the fact that reactions on both sides of the Atlantic moved with trade suggests that constitutional arguments had economic motivations throughout.

“That which aroused apprehension in the colonies and created unrest was, in the beginning at least, the effect of the laws on the cost of living”²³ This, of course, is the base observation of the progressive interpretation of the Revolution. Andrews and Becker document that northern merchants agreed to non-importation when local business conditions made such an end to competition most desirous; merchants abandoned non-importation when their own inventories were well depleted, and efforts to coordinate the start or end of non-importation agreements among the merchants of different ports with appeals to loyalty and such intangibles as “the Rights of Man” floundered.²⁴ Within the Continental Congress, Henderson concludes that conflicting sectional economic interests were the main barrier to the Congress’s agreement to exert economic pressure on Britain.²⁵

Looking before 1763, Knollenberg attempts to found Virginia’s earlier displeasures at the British Privy Council’s disallowance in 1759 of the Twopenny Act—an act which valued tobacco in settlement of debt contracts at two cents per pound, or half a cent above tobacco’s normal price, but two and a half cents below its market price in that short crop year—upon the Virginians’ displeasure at having the powers of their legislature limited. As he relates, however, those who

²¹ See Charles M. Andrews, *The Colonial Background of the American Revolution* (New Haven, 1961); Becker, *Political Parties in the Province of New York*; and H. J. Henderson, *Party Politics in the Continental Congress* (New York, 1974).

²² Quote from Palmer, *Democratic Revolution*, pp. 207-8.

²³ Andrews, *Background of the American Revolution*, p. 135.

²⁴ See Charles M. Andrews, “The Boston Merchants and the Non-Importation Movement,” *Transactions of the Colonial Society of Massachusetts*, 19 (1916-17), 159-259.

²⁵ Henderson, *Party Politics*.

protested the Twopenny Act and urged its suspension in Britain were direct creditors in tobacco contracts, the Virginia Anglican clergy, and British merchants. The Act's authors and protestors of its suspension were, by and large, representatives of the biggest tobacco debtors, the gentry.²⁶ Finding an important constitutional confrontation between the Virginia legislature and royal authority even earlier, Greene argues that the legislature's displeasure at the royal governor's imposition in 1752 of a small fee for registering land grants stemmed from the governor's usurpation of the legislature's long exercise of fee setting. But Greene notes that opposition to the fee originated with "many powerful land speculators upon whom the fee would weigh most heavily."²⁷ When the Privy Council upheld the fee, but exempted from payment the speculative tracts west of the Alleghenies, Greene confesses that "the Burgesses received the Privy Council decision . . . with almost as much rejoicing as did [Governor] Dinwiddie."²⁸

To this list of occasions of conflict between the colonies and their British overseers should be added the enlargement of Quebec in 1774 (to encompass essentially the Northwest Territory) under more direct royal rule and without a colonial legislature, with fealty restrictions on private land holding, and with mercantilistic regulations that penalized other continental traders and shippers. Viewed crassly, the Quebec Acts united in opposition frontier colonists, now hampered in their westward migrations, port residents, now hampered in trade with previously French Canada and the Northwest Territory, and speculators in the affected lands, including many of the thirteen colonies themselves.²⁹ But the colonial assemblies nevertheless stressed the implications of these acts for freedom and for self-defense, not their implications for profits.³⁰

Even the most adamant constitutionalists agree, however, that economic interest motivated both sides in the disputes between the colonial legislatures and British authorities over the legislatures' rights to issue paper currencies. The legislatures saw in emission of paper money a substitute for taxes especially valuable for controversial or extraordinary expenditures—a value reflected in the correla-

²⁶ *Origin of the Revolution*.

²⁷ Jack P. Greene, *The Quest for Power* (New York, 1963), 153-65; quote on p. 160.

²⁸ *Ibid.*, p. 164.

²⁹ G. O. Virtue, "British Land Policy and the American Revolution: A Belated Lecture in Economic History," *University of Nebraska Studies*, N.S. 11 (1953), 1-58.

³⁰ Greene, *Quest for Power*, 443-44. Knollenberg, *Origin of the Revolution*, ch. 17.

tion of militia payments and emissions—as well as a means of relief from the cost and fluctuating availability of specie and bills of exchange used to finance domestic commerce and trade deficits with Britain. Colonial merchants urged such relief, especially when British troops were repatriated after colonial wars or when British trade regulations were changed so that the influx of specie and bills of exchange was disrupted and diminished. Colonial debtors saw in paper emissions effective release from debts. Their few colonial and many British creditors saw a like vision and prevailed upon Parliament to block paper issues in New England in 1751 and in the other colonies after 1764.³¹

These and like disputes could have been founded on constitutional issues, on who should rule. Likewise the merchants' complaints and responses could have been prompted by concern over the legitimacy of the Board of Trade's commercial regulations. But in these cases—cases singled out by historians as illustrative of constitutional conflict—it appears that the economic content of the contested rulings has a more believable claim to be the prime reason for colonists' opposition. This claim to primacy is buttressed by the briefness of the colonial legislatures' protests at the Privy Council's insistence in 1761 that judges on the colonies' supreme courts serve at the pleasure of the King, rather than at the pleasure of the legislatures. If constitutional issues had been more important than economic concerns, the Privy Council's instruction would have been long and bitterly contested.³²

In sum, conflict over economic issues best explains the length, intensity of, and participation in protest by the colonists: colonial legislators alone and only briefly protested British insistence that colonial judges serve at the pleasure of the King; joined by merchants and farmers, colonial legislators long and strongly protested British restraints on local currency issues, royal land fees, and the closing of

³¹ Greene, *Quest for Power*, ch. 6; and Morgan and Morgan, *Stamp Act Crisis*, pp. 47-48. Also see Egnal and Ernst, "Economic Interpretation of the Revolution"; and J. P. Greene and R. M. Jellison, "The Currency Act of 1764 in Imperial-Colonial Relations, 1764-1776," *William and Mary Quarterly*, 3d. ser., 18 (Oct. 1961), 485-518. Shepherd and Walton, *Shipping, Trade, and Development of North America*, discuss the colonies' balance of payments (ch. 8) and estimate the colonies' accumulated debt and deficit from the British trade (pp. 131-32). Data in Roger W. Weiss, "The Issue of Paper Money in the American Colonies, 1720-1774," *JOURNAL OF ECONOMIC HISTORY*, 30 (Dec. 1970), p. 778 imply that the price inflations associated with colonial emissions were small: Rhode Island, everybody's worst offender, experienced an annual price rise of 6.4 percent between 1740 and 1750.

³² See Becker, *Political Parties in New York*, p. 87; Greene, *Quest for Power*, pp. 330-42; and Knollenberg, *Origin of the Revolution*, ch. 4.

the frontier; joined by urbanites and planters only, they vociferously protested British restraints and taxes on trade. Indeed, the Revolution seems the result of the co-joining of enough of these local economic interests to unite a critical mass of colonists against British rule. For each side, the ultimate economic interest seems to have been sufficiently large to prompt and sustain contention. Palmer computes per capita tax burdens about 1765 for twenty-nine countries and regions, including six of the thirteen colonies. He reports that none paid less than the colonists. Virginians paid five pence or ten cents; citizens of Massachusetts, Pennsylvania, and Maryland paid one shilling or twenty-five cents; while citizens of Great Britain paid twenty-six shillings or \$6.50 per capita to their central government.³³ On average, colonists directly paid in taxes about three percent of what their British brethren paid. As discussed above, the colonists also paid a variety of excise taxes and fees to Britain, and lost perhaps two percent of income in the operation of the Navigation Acts. Adding these together brings the colonists' per capita "tax" to about one-third of the British. Thus, mere equalization of the British burden among the British and the colonists would have more than doubled the colonists' taxes.³⁴

Of course, such simple arithmetic wrongly measures the colonists' prospective tax rise in several ways. In the first place, the majority of the colonists' burden stemmed from trade regulations and was lost in waste or transferred directly to foreign consumers and producers, so that the British treasury did not receive it. In the second, new taxes like old would fall disproportionately first on commerce (the Stamp Act was a model of British taxation), so that the absolute increase and perhaps the percentage increase too would inequitably fall on that quarter of colonists engaged in trade.³⁵ Thus, the colonists' expected tax rise would be greater than first indicated and its incidence concentrated. Furthermore, there was little reason for the colonists to expect that Parliament would stop with equalization of tax rates between Britain and America. Parliament was busy trying to convince itself

³³ Palmer, *Democratic Revolution*, p. 155.

³⁴ The colonists' burden was .35 of the British citizens', and the colonies' population was a quarter of Britain's, so an equal per capita tax to generate the same revenue would be at $[(.35 \times .25) + (1 \times 1)] \div (1.25) = .87$ the existing British tax, which is $(.87/.35) = 2.5$ the existing colonial burden. Gunderson, in *A New Economic History* and "Economic Fluctuations," likewise stresses prospective taxes.

³⁵ Population of the five leading port cities plus half the population of Virginia, divided by the total population of the 13 colonies, is equal to .263. Data from Bruchey, *Colonial Merchant*, pp. 11-12.

and the British public that the costly Seven Years' War, and in particular the taking of Canada in reparations, had been mainly for the benefit of the Americans, who had contributed little to that war. Viewing equity and expediency through a member of Parliament's eyes, colonists in commerce could expect much more than an equalization of tax rates would result from their acquiescence in taxation—with or without representation.

If the cost of colonists' acquiescence in British taxation was large, the benefit was small. Before 1763, Britain guarded the colonies from other empires and from Indians—benefits of disputed value. In any event, after 1763 the American colonies were not threatened by other nations and were not well protected from Indian depredations by the redcoats.³⁶ A high estimate of the colonists' per capita benefit from British protection after 1763, then, is Thomas's of four and a half shillings, a benefit considerably less than the 14 shillings or more rise in taxes implied by equalization of British and colonial tax rates.³⁷ The present value of that difference, perhaps as much as half a year's income, was each colonist's average pecuniary incentive not to acquiesce in British taxation. Because of Britain's larger population, a quarter of that was a Britisher's average pecuniary incentive to acquiesce in taxation of the colonists.

I conclude that post-1763 British proposals for the colonies promised more economic burden—most directly on colonists in trade. Such burden raised the sentiment needed *ex post* for colonists' continued acquiescence in British rule, as is evidenced by the correlation of protest with burden. This suggests that the American Revolution stemmed from economic causes. But a most important question remains—if the Revolution was for profit, why was so much of the protest wrapped in constitutional rhetoric?³⁸

³⁶ Knollenberg, *Origin of the Revolution*, pp. 89-90.

³⁷ R. Thomas, "Effects of Imperial Policy," pp. 634-36, estimates the value to the colonists of British protection on land at £145,000, or the cost of the successful rebels' standing army after the Revolution. Thomas estimates the value of British protection of colonial sea commerce at £206,000, for a total annual benefit from British protection of £351,000, or three and a half shillings per colonist. Using Thomas's alternative higher estimate of colonial benefit from all British services (maintenance of diplomats, payment of tribute and policing of Barbary pirates, and the like) of £487,000 raises the benefit per colonist to four and a half shillings. The equalized per capita tax of $(.87 \times 26)$ shillings less the existing colonial burden of $(.35 \times 26)$ shillings is equal to 13.52 shillings.

³⁸ Obviously, I reject the argument that the "rights of men" included as a major subset a right to economic freedom, so that economic and constitutional motivations to the revolt are inherently indistinguishable. Colonists distinguished: recall the slightness of protest over the appointment of colonial supreme court justices, for example.

IV

This question is best answered in two steps. First, it must be noted that even if the colonists had been unanimous from the beginning (say 1763) in rejection of additional British taxes, there was more than one way to escape taxation. The way of war could be considered analogous to a probabilistic form of head tax: your money or (with some probability) your life. Furthermore, expected war damage has a high variance. People being risk averse, war will prompt exploration of other means to achieve an end.

Constitutional rhetoric was another means to escape taxation. It took many forms. One form consisted of argument that this or that component of British authority lacked the power to regulate some particular aspect of colonial life, because that power was reserved to another. Thus royal colonies sought to deflect Parliamentary regulation with argument that only the King legitimately could regulate them, while charter colonies sought to deter royal authority with arguments that charters could be modified only by Parliament. Another form of constitutional rhetoric was denial of all British authority, with appeals to the rights of Englishmen and then to the rights of men. Both forms were cheap and plausibly might have paid off. Parliament and King had wrestled over which should rule at home and abroad through and after the Glorious Revolution right down to George III's ascension. Rule by King-in-Parliament became a fact with George III, but it understandably took some time for colonists to recognize the ending of this traditional rivalry between King and Parliament and thus to understand that, after 1760, the jealousy of one component of British authority could not be used to frustrate the claims of another. Furthermore, this new-found unity between King and Parliament was secured in large part by corruption and spoils which attracted the disfavor of those outside Parliament and the displeasure of those out of favor in Parliament, so sufficient controversial rhetoric persisted in and out of Parliament to promise some payoff from constitutional rhetoric to the colonists.³⁹

Constitutional rhetoric was cheap to issue and promised some payoff. When the colonists could divide British voters along economic

³⁹ See Andrews, *Background of the Revolution*, pp. 21-25; Bailyn, *Ideological Origins of the Revolution*; Gipson, *The British Empire*, 9, 1-15; Greene, "The Plunge of the Lemmings"; Knollenberg, *Origin of the Revolution*, pp. 38-48; and Palmer, *Democratic Revolution*, pp. 161-81.

interests (as was the case with the Stamp Act), they issued constitutional rhetoric along with economic argument. When they could not find divergent economic interests in Britain (as over the Tea Act), they issued constitutional rhetoric alone.

But constitutional rhetoric was aimed at more than the reduction of British sentiment and loyalty for British colonial policy. In 1763 the colonists were far from united against Britain or for themselves. The statement that “[t]he only bond that held these British colonists together was their legal subordination to the authority of the British crown . . .” [Andrews 1961, 26] is too strong, but the absence of inter-colony cooperation evidenced by the failure of Franklin’s Albany Plan, the recurrent land squabbles among colonies, and the lack of coordination in the various non-importation agreements all suggest that it is not much too strong.⁴⁰ Little more unity was evidenced within each colony.⁴¹ Everywhere, the incidence and magnitude of protest reflected the magnitude of particular and local economic burdens.

The first rebels quickly realized the need for colonial unity. They authored newspaper columns, broadsides, pamphlets, and books to convince other colonists that they were, in fact, fellow colonists, to turn colonists’ sentiments against Britain, and to reduce the colonists’ acquiescence in British rule. They stressed: “1st, The natural right of the continent to independence; 2nd, Her [economic] interest in being independent; 3rd, The necessity—and 4th, The moral advantages arising therefrom.”⁴² At the same time, they allied and compromised with men of divergent interests in local and specific protests, but managed to keep the engines of particular protest for later general protest. In short, they schemed like determined revolutionaries.

On the one hand, disunited and specifically aggrieved colonists sufficiently united over the years from 1763 to 1776 to start and sustain the Revolution. On the other hand, a torrent of Revolutionary rhetoric directed at the colonists mounted along with British efforts to tax and rule. The aim of the colonial rhetoric to unify protest is clear enough, but what did it accomplish? Andrews argues that it accomplished little: the ideological campaign was “of interest chiefly to

⁴⁰ Andrews, *Background of the Revolution*, p. 26; Gipson, *The British Empire*, 9: 305-416; and Henderson, *Party Politics*, pp. 1-61, stress the colonists’ disunity.

⁴¹ Andrews, “Boston Merchants”; Becker, *Political Parties in New York*; Greene, *Quest for Power*; Morgan and Morgan, *Stamp Act Crisis*.

⁴² Paine’s summation of *Common Sense* in the *Crisis*, reprinted in Richard Hofstadter, (1958), p. 53.

intellectual circles. Newspapers and pamphlets had no widespread publicity"⁴³ Egnal and Ernst [1972], along with Greene and Jellison [1961], agree; they argue that costly new British regulations came so fast that, finally, there were enough colonists responding to their private burdens at the same time to initiate revolt.⁴⁴ Henderson attributes some impact to the constitutional rhetoric; he argues that radical rhetoric accelerated the achievement of unity.⁴⁵ The course of the Revolution—its fluctuating and local appeal among small farmers, their propensity to trade with both sides and fight with neither, as well as the apparent (if slight) correlation of loyalism with immovable wealth—suggests that private economic interest explains the mass of colonists' behavior through the 1780s.⁴⁶ The Articles of Confederation and the Constitution affirm that economic interest propelled the rebels.⁴⁷

But if the constitutional rhetoric of the Revolution little swayed sentiments or loyalty on either side of the Atlantic, it did identify an important subset of colonists—colonists willing to coordinate and police protests and later to plan battles. By building and then occupying the organs of an alternative colonial government, the first rebels disproportionately bore the costs of a public good, government, and thereby lowered the cost of revolt to the mass of colonists. Thus, the

⁴³ Andrews, *Background of the Revolution*, p. 136. Gipson, *The British Empire*, vol. 9, and Thomas, *British Politics*, argue that the colonial rhetoric was seen as self-serving in Britain, and not as indicating forceful colonial opposition. Certainly, this is how Josiah Tucker interpreted colonial rhetoric; see Schuyler, *Josiah Tucker*, passim.

⁴⁴ Egnal and Ernst, "Economic Interpretations of the Revolution"; Greene and Jellison, "Currency Act of 1764."

⁴⁵ Henderson, *Party Politics*, pp. 1-61.

⁴⁶ Wallace Brown, *The King's Friends* (Providence, 1965), pp. 249-83, argues that loyalism and immovable wealth were correlated from evidence that claimants for indemnities in England were disproportionately former large property holders or city merchants or royal officers in the colonial governments. Needless to say, a record (1) of what people claimed they lost *ex post* (2) taken only from survivors (3) who went to England is likely to be biased, although such a correlation makes a lot of economic sense if the loyalists expected Britain to prevail or compensate. Examining a farm county near New York City, R. M. Keesey, "Loyalism in Bergen County, New Jersey," *William and Mary Quarterly*, 3d. ser., 18 (Oct. 1961), 558-78, finds that no economic criteria distinguished loyalists from rebels; but her county (Bergen, New Jersey) was so homogeneously peopled that it is not much of a test. What she does show is that farmers preferred to sell to the highest-price buyer, regardless of his or their politics—even Brown's emigres fit that mold. See Paul H. Smith, "The American Loyalists: Notes on Their Organization and Numerical Strength," *William and Mary Quarterly*, 3d. ser., 25 (Apr. 1968), 259-77, for a geographical distribution of loyalists; and Egnal and Ernst, "Economic Interpretation of the Revolution," for a discussion relating rural support for the Revolution to economic interests.

⁴⁷ See Barrow, "The American Revolution as a Colonial War for Independence," *William and Mary Quarterly*, 3d ser., 25 (July 1968), 452-64, for a like stress of unity between the Articles of Confederation and the Constitution, but the argument that this unity stemmed from the homogeneity of reflected ideological aims.

constitutional rhetoricians facilitated the Revolution by deeds, not words.⁴⁸

v

In the model of Section I, I presented three determinants of political activity—sentiment, loyalty, and acquiescence—and argued that the requirement for a political outcome, such as war, to be sustained is that loyalty (the sentiment for the outcome after it is proclaimed) exceed acquiescence (the minimum sentiment needed for acceptance of that outcome). From the pattern of colonial protest, I concluded that specific economic interests motivated the masses of both sides to and through the Revolution. Thus I argued that the direct contribution of the radical rhetoricians to the making of the Revolution was in their effect on colonial acquiescence: by establishing and staffing a nascent government alternative to that of Britain, they reduced the costs to other colonists of opposing British rule. The radical rhetoric, however, may have expressed the motives of the revolutionary cadre, and that cadre may have been crucial to spark or sustain the Revolution.⁴⁹ Hence, we cannot yet close the covers on the rights of man and conclude that conflicting economic interests sufficed to start the American Revolution.

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⁴⁸ Cf. Becker, *Political Parties in New York*, 106-9; and Henderson, *Party Politics*.

⁴⁹ Smith, *Wealth of Nations*, pp. 586-87, and Kenneth A. Lockridge, "Social Change and the Meaning of the American Revolution," *Journal of Social History*, 6 (Summer, 1973), pp. 403-39.