

# Why Did the Colonists Fight When They Were Safe, Prosperous, and Free?

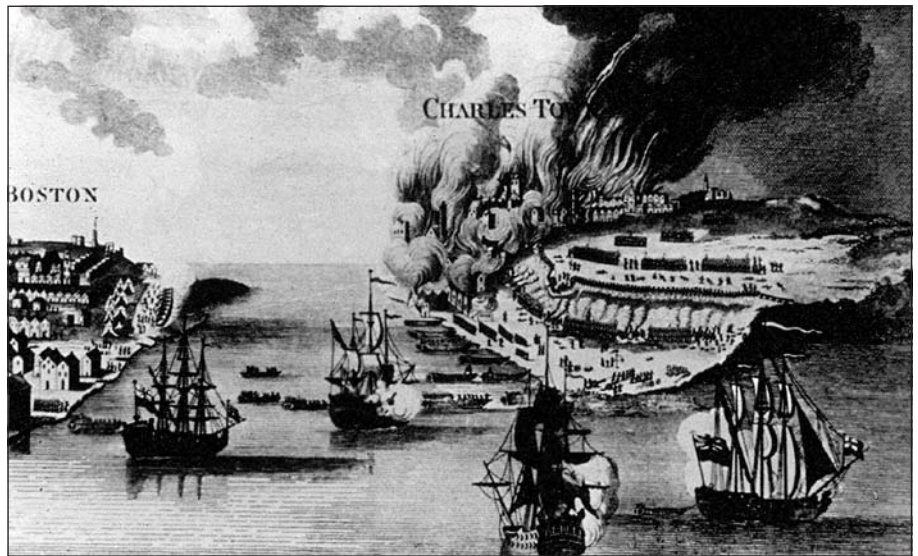
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**Teaching U.S. history can be daunting.** I remember wondering at the end of some high school class periods whether my history students had understood or even attended to a word I had said. I felt at times that I might as well have been telling them fairy tales.

But despite my doubts about my own effectiveness, I never doubted the importance of U.S. history as a school subject. An American really is not well educated unless he or she has developed some sense of the country's past. Knowledge of the past really can help to develop a sense of national identity among our country's diverse citizens. It seems appropriate, therefore, that U.S. history—taught, typically, over six semesters at grades five, eight and eleven—holds a prominent place in the K-12 curriculum.

For all its prominence, however, young people tend to regard U.S. history as remote and uninteresting, and many of them learn little from the courses they are required to take. But you have heard all this before. The history of complaint is long.

What to do? Turn our students loose so that they can learn history on their own, when it suits their fancy? Staff our classrooms with clones of Mr. Kotter? Wait for legislators to drive the student-teacher ratio down to one-to-one? Myself, I can't waive mandatory attendance laws, or impart a knack for stand-up comedy, or hold out for utopia, and so I have taken



British troops attacked Charles Town, South Carolina, in 1780, aiming to gain control of the colonies as they moved north. Instead, they were forced to evacuate Charles Town (now Charleston) in 1782.

an interest in a different possibility. It has to do with using economics in the teaching of U.S. history. Not economics as a long list of concepts embalmed in huge textbooks written for use in Econ 101 and 102. Instead, I suggest, history teachers can do much to improve their instruction by drawing upon a particular approach to inquiry as practiced by economists.

Call it the “economic way of thinking.” It involves formulating “mysteries” and reasoning about them by means of a small set of powerful principles from economics.

## Applying the Economic Way of Thinking to History

Here is an example of how the economic

way of thinking might be used to help students gain fresh insights into a commonly taught topic in U.S. history—the American Revolution. At first glance the Revolution seems to have been inevitable. A series of British initiatives—the Sugar Act in 1764, the Stamp Act in 1765, the Tea Act in 1773—touched off confrontations with England. With neither side willing to back down, the conflict predictably grew into a full-scale war.

But an inquisitive student of history, perhaps one accustomed to using economic analysis, might wonder at the colonists' decision to rebel. It was not inevitable that the new American republic would survive to become a nation. At the war's onset, nobody knew how things would turn out. The war occurred in the colonists' "present," and in pursuing the war, the colonists took enormous personal, economic, and political risks. They could easily have been defeated and lost their independence several times before their victory in 1783.

It is by no means obvious, moreover, why the Revolutionary War was fought at all. At least until 1775, radical separatists in the colonies had failed to gain majority support among their countrymen for the revolutionary cause. This isn't much of a surprise. As the colonists looked toward the last quarter of the eighteenth century, they might have given serious thought to at least three powerful reasons *not* to fight: they were safe, prosperous, and free. Let's examine each of these points.

First, except in remote areas, the colonists lived and worked in relative safety by about 1763, thanks to protection provided by England's Royal Navy and ground troops. This was no small matter. Throughout the earlier colonial era, imperial rivals and Native Americans often posed serious threats to the colonists' lives and property. The British spent heavily to protect the colonies from French forces and their Indian allies during the French and Indian War (1755-1763). And the Royal Navy protected American shipping along the North American coast, in the Caribbean, and in the Mediterranean, where Barbary pirates conducted raids, stole cargoes,

and sold captive sailors into slavery. All this protection was provided at a relatively low cost to the colonists; in taxes per capita, they paid little—only 20 to 25 percent of taxes paid by the average English resident.

Second, on the eve of the Revolution, the colonists had become relatively prosperous. By today's standards, colonial life was rough indeed. But by the standards of their own time, the colonists enjoyed a high quality of life and material well-being. Production had grown at high rates throughout the colonial period. The colonists lived longer and better than most of their contemporaries in other places. Their incomes on average were apparently as high as, or higher than, average incomes for people living in England. Referring to data from 1774, economic historians Gary M. Walton and Hugh Rockhoff write, "Even today, relatively few countries generate average income levels that approach the earnings of free Americans on the eve of the Revolution."<sup>1</sup>

Third, in large measure, the colonists lived as free citizens. In the words of Samuel Eliot Morison,

British subjects in America, excepting of course the Negroes, were then [ca. 1763] the freest people in the world....They argued and then they fought, not to *obtain* freedom but to *confirm* the freedom they already had or claimed. They were... more advanced in the practice of self-government than the mother country. There was slight pressure from ancient custom, and few relics of feudalism....[After] the Zenger libel case...in 1735, almost complete freedom of speech, press, and assembly was enjoyed. Trades and professions were open to the talented....The hand of government rested lightly on Americans.<sup>2</sup>

In part, this climate of freedom reflected simple practicalities. The colonies were a long way from the British

Isles. Transportation and communications were slow. It took a long time for anybody in London to learn of anything that looked like wrongdoing in a colonial legislature or seaport, and a long time, again, to respond with efforts to intervene. English authorities, accordingly, had been inclined to leave the colonists more or less alone, or to back away when the colonists resisted an unpopular policy. When authorities did seek to intervene, the colonists often succeeded in using an array of tactics including deception and bribery to carry on with their affairs as they saw fit. Moreover, the British system of colonial administration was loose-jointed, favoring local control. Colonial legislatures, acting with a measure of democratic legitimacy, made most policy decisions in the colonies. In these bodies, members of the upper legislative houses were appointed by the Crown (as were colonial governors), but members of the lower legislative houses were elected.

### The Mystery

These three considerations raise a serious question. Economists assume that people strive to act in their own best interest. But how could this generalization apply in the case of the American colonists? As they approached 1776, the colonists were well off in nearly every way. They were protected by the English armed forces. They were prosperous. They enjoyed a measure of political freedom envied by others throughout the Western world. Under these favorable circumstances, why would the colonists—English citizens themselves—fight a revolution against Great Britain, one of the world's most powerful nations and, in many respects, the wellspring of their freedom and prosperity?

### The Guide to Economic Reasoning

Having posed the mystery, how might we go about solving it? We could simply sift through various accounts of the Revolutionary period, looking for observations that seem to be relevant. Searching about in that way might turn up important bits and pieces of infor-

mation as well as interesting opinions. But an unguided, open-ended search would amount to a weak search, lacking focus and direction. To gain the advantages that come with focus and direction, scholars investigate problems from particular points of view, based on the assumptions and research techniques of their disciplines. Historians try to describe and explain events by establishing accurate, well elaborated chronologies; geographers emphasize the importance of place. My approach is derived from economics. It involves applying one or more of six economic principles that we refer to as the Guide to Economic Reasoning. Let's see how the Guide to Economic Reasoning might cast new light on our mystery: Why did the American colonists choose to fight the Revolutionary War?

### **1. People choose.**

This principle may seem to state the obvious, but it emphasizes two meanings that are not so obvious. First, economists claim that people manage their lives by making choices, even though they sometimes prefer to believe that they do not. Think how often you hear people say that, in one situation or another, they had "no choice" but to act as they did. In this respect, young people and adults are much alike. Both are prone to deny that they are making choices when that is exactly what they are doing. Both are prone to explain certain actions of theirs as a matter of necessity—perhaps one imposed by others. Second, economists claim that, in making choices, people act rationally. They act rationally in that they seek to obtain the best possible combination of costs and benefits available to them under the circumstances. The circumstances may include the relative importance of the decision in question, what the person making the decision knows, what it will cost to learn more, and how much time there is in which to decide.

What does all of this have to do with the American Revolution? Using economic reasoning, we hypothesize that American colonists approached the Revolution by

making choices. They were not acting out of necessity or blindly, without regard for consequences. They decided that fighting the Revolution offered the best combination of benefits and costs they could attain. To learn more, therefore, we should inquire further into the choices the colonists faced.

### **2. People's choices involve costs.**

Decisions come with costs. Always. The costs are obvious enough in the case of decisions to buy goods or services. But not all costs are dollar costs. Think of someone who decides to go jogging after school. This decision might seem to involve all benefits and no costs, especially for one who enjoys exercise and values fitness. But it takes time to go jogging, and that time could be used in other ways. The cost of jogging after school thus might be dinner not prepared, homework not done, or a favorite television show missed.

While there are many kinds of cost, economists stress the importance of opportunity cost. In any decision, the opportunity cost is the person's second-best choice. It is not *every* alternative not selected. After all, the list of alternatives in a given case is endless. The after-school exerciser could have done all sorts of things instead of jogging. Of all the possibilities, the opportunity cost is the second-best alternative, the alternative or set of alternatives someone would have chosen next.

Questions of cost loom large in decisions to fight wars. This certainly was true in the case of the American Revolution. As colonial subjects, the colonists enjoyed several benefits. By choosing to fight, they risked losing these benefits. First, they risked losing a guaranteed market for certain goods they produced. For example, England's restrictive trade policies embodied in the Navigation Acts provided that ships built in New England would be sold directly to buyers in Britain. Colonial ship builders thus enjoyed favored status against international competition. Other colonists also benefited by selling their products in the protected market provided by

consumers in England. Second, England provided the colonists with direct subsidies for certain products. Bounties, for example, were paid to colonial producers of indigo and also paid for several forest products including tar, pitch, turpentine, and lumber. And third, as mentioned earlier, the colonists received valuable military protection from British naval and land forces, paid for largely by taxpayers in Britain.

In thinking about costs, therefore, colonists on the eve of war might well have seen a big opportunity cost in losing British customers, losing income, and losing protection provided under the umbrella of the British Empire. Yet, at some point, the colonists decided that the benefits of fighting would outweigh the costs.

### **3. People respond to incentives in predictable ways.**

Incentives are rewards that prompt people to make decisions and take action. One powerful incentive is money. It is a powerful incentive because it can be exchanged for other things. But not all incentives are monetary. Another sort of incentive has to do with the satisfaction that comes from doing the right thing. Many people perform acts of virtue that involve no monetary rewards. They donate blood and vital organs, pick up trash in a park or along the highway, and show up to vote on Election Day. Some people, including police officers and fire fighters, risk their lives daily for reasons that go beyond the salaries they earn.

How did incentives bear on the case of fighting the American Revolution? Before 1763, the colonists had often objected to tax and trade policies imposed by British authorities, but they also had succeeded in resisting such policies in various ways. After 1763, however, Britain imposed many new taxes and regulations and set about enforcing them more strictly. The new policies and enforcement procedures threatened to raise prices and reduce income among the colonists; they also marked a change in the climate of freedom to which the colonists had become accustomed. Almost every colonist thus

felt a grievance: “debtors objected to the Currency Act; shippers and merchants to the Sugar Act; pioneers to the Quebec Act; politicians, printers, and gamblers to the Stamp Act; retailers and smugglers to the Tea Act.”<sup>3</sup> The losses that the new acts implied—in material well-being and autonomy—created an incentive for the colonists to fight. Successful revolution would enable them to secure rights and benefits to which they felt entitled.

Another incentive emerged as a result of the defeat of the French in the French and Indian War. The French defeat changed the feelings of the colonists regarding their own security. They had regarded the French as dangerous rivals for land in the colonial West. The defeat of the French eased fears of rivalry; Americans who sought to settle in outlying areas would no longer face French interference or competition. Many colonists were therefore eager to move west. But English authorities soon introduced new measures of their own to control the frontier and contain the colonial population largely within the seaboard area. These measures included the Royal Proclamation of 1763 and the Quebec Act of 1774, which restricted colonial settlement throughout a large area ranging from what is now Georgia to the north shore of Lake Superior. This cordoning off of cheap, unsettled western land struck many colonists as an act of theft. The prospect of regaining land for settlement created another incentive to fight.

There were other incentives as well. Traditionally, spending and tax decisions had been made by the lower houses in colonial legislatures. In most colonial legislatures, members of the lower house were elected, as they were in England’s House of Commons. But as the Crown and Parliament increasingly exercised direct control over taxation and other policies after 1773, the colonists increasingly resented being treated as “colonials”—or second-class citizens. In 1774 the Continental Congress published a list of grievances, emphasizing ways in which colonial self-governance had been eroded. The idea that the British

could impose taxes and other legislation on the colonists without their consent created another strong incentive to fight. A successful revolution would enable citizens of the new republic to restore self-government.

#### **4. People create economic systems that influence individual decisions.**

Economic behavior occurs in a climate of rules—formal and informal. The “rules of the game” act as incentives and influence the choices people make in particular cases. Tax laws, for example, influence behavior. If a city government places a heavy tax on the width of buildings, tall, narrow buildings soon begin popping up. If a state government places a large tax on savings accounts, people soon begin keeping less money in those accounts.

How might the rules of the game have influenced the behavior of the colonists? British policy for the American colonies was based on mercantilist theory. *Mercantilism* refers to the idea that colonies have an obligation to assist the mother country in gaining wealth. For American colonists in the 1760s, this meant providing Britain with many raw materials it desired—iron and naval stores including tar, pitch, and tall timbers for ship masts. The colonies were also expected to generate income by selling colonial products through Britain to other nations. And mercantilism meant that American colonists were to buy goods produced in Britain.

The Navigation Acts (1651, 1660, and 1663) were enacted to enforce mercantilist policy by protecting British and colonial trade from competition. They required that trade with the colonies be conducted only in vessels built, owned, and commanded by British or American colonists. All imports from Europe were to be shipped through British ports. And certain commodities (“enumerated goods”) from the colonies could be exported only to Britain. The enumerated goods included tobacco, sugar, cotton, indigo, and, eventually, rice, molasses, and naval stores.

Most economic historians argue that the colonists felt little incentive to break away from England until 1763. Until then, the number of enumerated products had grown slowly over time. The colonists would have bought most of their manufactured goods from Britain even without the Navigation Acts. And the colonists were generally able to ignore mercantilist laws regarding manufacturing. But after 1763, the rules of the game changed as the Crown and Parliament imposed new rules and became more serious about enforcing them. Britain had, after all, paid for protecting the colonists during the French and Indian War, at a high cost to British taxpayers. In return, Britain sought ways to extract more revenue from the colonies.

Tighter enforcement of the Navigation Acts changed the incentives as the colonists saw them. New restrictions imposed by the Navigation Acts meant that the colonists would pay higher prices for imports from outside the Empire. The colonists also could anticipate paying higher prices for goods that could only be purchased (legally) from Britain. American exporters could anticipate paying higher prices to ship their products.

Then the British changed the rules again. The Townshend Acts (1767) placed new taxes on English manufactured goods entering America, including tea, glass, paper, and pigments for paint. The colonists reacted angrily with boycotts and, eventually, the Boston Tea Party, and Britain backed away from the Townshend taxes in 1770, except for the tax on tea. The tax on tea was particularly offensive to the colonists. It represented, in their eyes, Britain’s power to tax the colonies even though the colonies were not represented in Parliament. Moreover, the tea tax allowed the East India Company to ship tea directly to the colonies, cutting American merchants out of the trade. It looked like a bad precedent. Whose trade would be eliminated next?

In hindsight, it seems unlikely that these changes in tax and trade policies, unpopular though they were, would suffice to make the case for rebellion. After

all, agriculture, not trade, was the most important sector of the colonial economy. Why would a far-flung rural populace support a war stirred up by grievances among colonial merchants? Here another change in the rules of the game becomes relevant—a change in policy regarding western land. In 1774, Britain passed the Quebec Act (mentioned above). This legislation greatly enlarged the size of Quebec, thus reducing western land areas available for settlement by Americans; it also destroyed the western land claims of Massachusetts, Connecticut, and Virginia.

Americans valued land ownership. For many, including many young adults of fighting age, land ownership represented an opportunity for economic success in the future. After the French and Indian War, however, many Americans felt that their prospects for success tied to land ownership were threatened. As Britain took steps to prevent colonists from settling in lands to the west, the colonists feared that these lands would be sold instead to wealthy British subjects. They also feared that new controls on the fur trade would interfere with exploration and settlement.

Taken together, these changes in the rules of the game created new incentives, shaping the decisions of individuals who eventually came to support the Revolutionary War.

### **5. People gain when they trade voluntarily.**

*Voluntarily* here refers to lack of coercion. “Your money or your life!” does not describe an instance of voluntary trade. *Gain* refers to money gains, of course, but also to other benefits. Examples of voluntary trade are everywhere. Purchasing a movie ticket, filling a car with gas, buying a stock—all involve voluntary trade in which people exchange something they value less for something they value more. That’s why the store clerk often thanks the customer and the customer often thanks the clerk at the end of a transaction.

The colonial economy was largely agricultural, and most voluntary exchanges took place in the domestic

economy. Still, trade was a key factor in the colonial economy from the beginning. The colonial population was relatively small. A much larger market existed in Britain and in Europe. To be successful, the colonists needed to find products that could be marketed successfully in Europe. Agricultural products were high on the list, especially tobacco. Other top exports included flour, rice, fish, wheat, and indigo. The colonies imported manufactured products—including linens, textiles, furniture, and agricultural tools—mostly from Britain.

What does voluntary trade have to do with the American Revolution? Colonial producers and shippers saw Britain’s tightening of mercantile policy as an obstacle to free trade, which it was. While British middle-men distributed tobacco and rice, for example, the colonists could buy manufactured goods only through Britain. Such restrictions increased the cost of doing business and reduced the standard of living on both sides of the Atlantic, enhancing the sense of grievance and the drive for self-governance among the colonists.

### **6. People’s choices have consequences that lie in the future.**

Despite messages from advertisers and self-help gurus urging us to “live for today,” many people work hard at living for tomorrow. At least they give thought to tomorrow as they strive to make decisions that will benefit them in the future. For example, people tend to care for the cars they own better than they care for cars they rent (in the history of the world, one economist has quipped, nobody ever washed a rented car). Why? Car owners have a long-term interest in caring for their cars, since maintenance bills and resale values are affected by the quality of care they provide. Similarly, many homeowners care for their homes more lovingly than they cared for the apartments they once rented, again because they have a long-term interest in their homes’ quality and market value.

From 1763 to 1775, the American colonists had to make decisions about

which path would leave them better off in the future. Should they stay or should they go? As we have seen, the colonists had become accustomed to a relatively high standard of living. But changes in British policies put the future in doubt. Under British rule, the colonists faced what seemed to be diminishing prospects for continued growth in prosperity. Their present and future standard of living seemed threatened. Before 1763, they had been, for the most part, self-governing and free to pursue their own economic interests. After 1763, changing rules of the game threatened this freedom in matters of trade, taxation, and land ownership.

### **The Mystery Revisited**

As British subjects accustomed to lives of safety, prosperity, and freedom under colonial rule, the New England colonists might seem to have acted irrationally in committing themselves to a highly risky revolution. They chose revolution nonetheless, seeking to secure prosperity and self-governance in their own time and for the future. The prospect of securing those benefits eventually outweighed everything else. 🌐

#### **Notes**

1. Gary M. Walton and Hugh Rockoff. *History of the American Economy*, ninth edition (Mason, Ohio: South-Western/Thomson Learning, 2002), 112.
2. Samuel Eliot Morison, *The Oxford History of the American People* (New York: Oxford University Press, 1965), 172.
3. Walton and Rockoff, 133.

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